



**GLAMORGAN SPRING BAY  
COUNCIL**

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# **Glamorgan Spring Bay Council Annual Report 2015/2016 – Part B**

## **Annual Financial Report Local Government Model**

**For the Year Ended 30 June 2016**

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# FINANCIAL STATEMENTS 2015-2016



## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

28<sup>th</sup> September 2016

### Certification of the Financial Report

The financial report presents fairly the financial position of the Glamorgan Spring Bay Council as at 30 June 2016, the results of its operations for the year then ended and the cash flows of the Council, in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards (including interpretations) and other authoritative pronouncements issued by the Australian Accounting Standards Board.

A handwritten signature in black ink, appearing to read 'D. Metcalf', written over a horizontal line.

David Metcalf  
General Manager

## FINANCIAL STATEMENTS 2015-2016

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

#### Budget Variations

##### Revenue

###### 1. Rates and charges

Rates and charges generated 2.1% more income than originally budgeted. A review of the rating system provided extra income in the areas of garbage collection, waste and caravan licenses and revaluation of spate tenancies also increased general rates. Overall rates income was \$139,000 above budget.

###### 2. User fees

User fees were \$162,000 or 15.1% below budget expectations. Visitor Centre income was \$80,000 below budget entirely due to ferry sale bookings not being available this financial year. Other major variances occurred in marina and wharf revenue \$47,000 below budget mainly due to lower wharf fees (no scallop season) and marina opening timing and \$30,000 loss in waste where steel was sold. This now costs money for Council to dispose of rather than being paid.

###### 3. Grants

Grants were \$382,000 or 22.4% above budget due to extra Roads to Recovery funding received that was announced during the financial year.

###### 4. Contributions

Contributions were 19.9% below budget or \$26,000. This was solely related to the number of subdivisions being below budget.

###### 5. Interest

Interest was \$26,000 below budget of 34.4%. This was due entirely to the low interest rates on offer and the scarcity of available cash.

###### 6. Other Income

Other income was \$126,000 above budget or 8%. This was mainly due to Reimbursements being \$58,000, Medical Income \$20,000, Donations \$15,000 and Pensioner Remissions \$10,000 all being above budget.

###### 7. Net Gain or Loss on Assets

Below budget by a large figure as property sales of approximately \$2 million were included in the budget. The \$95,000 loss consists of Property Sale profits of \$101,000, Motor Vehicles Sale profits of \$32,000 and Infrastructure losses of \$228,000.

##### Expenses

###### 1. Material and services

Material and services were \$314,000 or 5.6% over budget. Main contributors over budget are \$109,000 contractors, \$22,000 advertising, \$17,000 legal fees, valuation fees \$38,000, Reimbursements \$40,000 (refer income).

###### 2. Impairment of receivables

Write off of long outstanding debtor of \$67,000 over budget.

###### 3. Loan Interest

Loan interest \$104,000 or 51% below budget. The loan on Solis was budgeted but not drawn down.

###### 4. Other expenses

Other expenses were \$40,000 over budget or 23.1%. This relates to Councillor expenses being \$8,000 over budget and the audit costs relating to internal audit not budgeted at \$27,000.

\*\*\*\*It should be noted that flooding in late January cost \$380,000 in direct costs and caused Council to focus on emergency repairs for the period Feb to May 2016, which has also added to the costs as Council would have normally been completing capital works.

**Glamorgan Spring Bay Council**  
**Financial Report**  
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**Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 June 2016**

	Note	Budget 2016 \$'000	Actual 2016 \$'000	Actual 2015 \$'000
<b>Income from continuing operations</b>				
<b>Recurrent Income</b>				
Rates and charges	5	6,753	6,892	6,542
Statutory fees and fines	6	387	397	368
User fees	7	1,061	910	834
Grants	8	1,183	1,156	2,491
Contributions - cash	9	65	68	54
Interest	10	75	49	81
Other income	11	1,594	1,715	1,498
Investment revenue from water corporation	13, 20	621	621	621
		<b>11,739</b>	<b>11,809</b>	<b>12,489</b>
<b>Capital income</b>				
Capital grants received specifically for new or upgraded assets	8	523	933	360
Contributions - non-monetary assets	9	-	-	347
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	12	1,993	(95)	(134)
Initial recognition at fair value of Property, Infrastructure, Plant & Equipment		-	-	10,169
		<b>2,516</b>	<b>838</b>	<b>10,741</b>
<b>Total income from continuing operations</b>		<b>14,255</b>	<b>12,647</b>	<b>23,231</b>
<b>Expenses from continuing operations</b>				
Employee benefits	14	(4,059)	(3,869)	(3,911)
Materials and services	15	(5,616)	(6,012)	(5,686)
Impairment of debts	16	(2)	(67)	(2)
Depreciation and amortisation	17	(1,954)	(2,014)	(1,991)
Finance costs	18	(200)	(96)	(99)
Other expenses	19	(174)	(214)	(189)
<b>Total expenses from continuing operations</b>		<b>(12,005)</b>	<b>(12,273)</b>	<b>(11,879)</b>
<b>Result from continuing operations</b>		<b>2,250</b>	<b>374</b>	<b>11,351</b>
<b>Result from discontinued operations</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net result for the year</b>		<b>2,250</b>	<b>374</b>	<b>11,351</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to surplus or deficit</b>				
Fair value adjustments for financial assets at fair value		-	-	-
Net asset revaluation increment(decrement) reversals	30	-	-	34
		-	-	<b>34</b>
<b>Items that may be reclassified subsequently to surplus or deficit</b>				
Financial assets available for sale reserve		-	-	-
— Fair Value adjustment on Available for Sale Assets	30, 46	-	531	239
		-	<b>531</b>	<b>239</b>
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>531</b>	<b>273</b>
<b>Total Comprehensive result</b>		<b>2,250</b>	<b>905</b>	<b>11,624</b>

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position  
As at 30 June 2016

	Note	2016 \$'000	2015 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	21	1,509	2,183
Trade and other receivables	22	289	258
Inventories	23	38	34
Other assets	24	84	132
<b>Total current assets</b>		<b>1,920</b>	<b>2,607</b>
<b>Non-current assets</b>			
Trade and other receivables	22	31	35
Investment in water corporation	26	31,337	30,806
Property, infrastructure, plant and equipment	25	90,053	89,005
<b>Total non-current assets</b>		<b>121,421</b>	<b>119,846</b>
<b>Total assets</b>		<b>123,341</b>	<b>122,454</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	26	1,312	1,655
Trust funds and deposits	27	55	36
Deferred Income	27	8	30
Provisions	28	596	596
Interest-bearing loans and borrowings	29	210	1,149
<b>Total current liabilities</b>		<b>2,180</b>	<b>3,466</b>
<b>Non-current liabilities</b>			
Provisions	28	229	250
Interest-bearing loans and borrowings	29	2,985	1,695
<b>Total non-current liabilities</b>		<b>3,214</b>	<b>1,945</b>
<b>Total liabilities</b>		<b>5,394</b>	<b>5,411</b>
<b>Net Assets</b>		<b>117,947</b>	<b>117,042</b>
<b>Equity</b>			
Accumulated surplus		74,576	74,202
Reserves	30	43,371	42,840
<b>Total Equity</b>		<b>117,947</b>	<b>117,042</b>

The above statement should be read in conjunction with the accompanying notes.

**Statement of Changes in Equity  
For the Year Ended 30 June 2016**

	Note	Total 2016 \$'000	Accumulated Surplus 2016 \$'000	Asset Revaluation Reserve 2016 \$'000	Fair Value Reserve 2016 \$'000	Other Reserves 2016 \$'000
<b>2016</b>						
Balance at beginning of the financial year		117,042	74,202	48,575	(6,743)	1,008
Surplus / (deficit) for the year		374	374	-	-	-
Other Comprehensive Income:						
— Fair Value adjustment on Available for Sale Assets	20	531	-	-	531	-
<b>Balance at end of the financial year</b>		<b>117,947</b>	<b>74,576</b>	<b>48,575</b>	<b>(6,212)</b>	<b>1,008</b>

  

	Note	Total 2015 \$'000	Accumulated Surplus 2015 \$'000	Asset Revaluation Reserve 2015 \$'000	Fair Value Reserve 2015 \$'000	Other Reserves 2015 \$'000
<b>2015</b>						
Balance at beginning of the financial year		105,418	62,861	48,541	(6,982)	998
Surplus / (deficit) for the year		11,351	11,351	-	-	-
Other Comprehensive Income:						
— Fair Value adjustment on Available for Sale Assets	20	239	-	-	239	-
Net asset revaluation increment(decrement) reversals	30.46	34	-	34	-	-
Transfer between reserves		-	(10)	-	-	10
<b>Balance at end of the financial year</b>		<b>117,042</b>	<b>74,202</b>	<b>48,575</b>	<b>(6,743)</b>	<b>1,008</b>

The above statement should be read with the accompanying notes.

**Statement of Cash Flows  
For the Year Ended 30 June 2016**

	Note	2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates		6,892	6,787
Statutory fees and fines		400	372
User charges and other fines (inclusive of GST)		883	906
Grants (inclusive of GST)		1,153	2,564
Developer contributions (inclusive of GST)		68	43
Interest		60	88
Investment revenue from water corporation		621	621
Other receipts (inclusive of GST)		1,813	1,456
Net GST refund/payment		228	668
Payments to suppliers (inclusive of GST)		(6,385)	(6,321)
Payments to employees (including redundancies)		(3,284)	(2,986)
Finance costs		(99)	(100)
Other payments		(1,074)	(597)
<b>Net cash provided by (used in) operating activities</b>	<b>34</b>	<b>1,276</b>	<b>3,501</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(3,554)	(4,428)
Proceeds from sale of property, infrastructure, plant and equipment		316	15
Capital grants (inclusive of GST)		933	364
<b>Net cash provided by (used in) investing activities</b>		<b>(2,305)</b>	<b>(4,049)</b>
<b>Cash flows from financing activities</b>			
Proceeds from interest bearing loans and borrowings		500	1,000
Repayment of interest bearing loans and borrowings		(145)	(137)
<b>Net cash provided by (used in) financing activities</b>		<b>355</b>	<b>863</b>
Net increase (decrease) in cash and cash equivalents		(674)	315
Cash and cash equivalents at the beginning of the financial year		2,183	1,868
<b>Cash and cash equivalents at the end of the financial year</b>	<b>32</b>	<b>1,509</b>	<b>2,183</b>
Financing arrangements	<b>33</b>		
Restrictions on cash assets	<b>21</b>		
Non-cash financing and investing activities	<b>34</b>		

The above statement should be read in conjunction with the accompanying notes.



**Note 1 Reporting Entity**

- (a) The Glamorgan Spring Bay Council was established on 7th July 1860 and is a body corporate with perpetual succession and a common seal.  
Council's main office is located at 9 Melbourne Street, Triabunna
- (b) The purpose of the Council is to:
- provide for health, safety and welfare of the community;
  - to represent and promote the interests of the community;
  - provide for the peace, order and good government in the municipality.

**Note 2 Basis of Accounting**

These financial statements are a general purpose financial report that consists of a Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the Local Government Act 1993 (LGA1993) (as amended). Council has determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities.

This financial report has been prepared on the accrual and going concern basis.

All amounts are presented in Australian dollars and unless stated, have been rounded to the nearest thousand dollars.

This financial report has been prepared under the historical cost convention, except where specifically stated in Notes 20,25,28,29 and 47.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, and material subsidiaries or joint ventures, have been included in this financial report. All transactions between these entities and Council have been eliminated in full. Details of entities not included in this financial report based on their materiality are detailed in Note 42.

**Note 3 Use of Judgements and Estimates**

*Judgements and Assumptions*

In the application of Australian Accounting Standards, Council is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Council has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Judgements made by Council that have significant effects on the financial report are disclosed in the relevant notes as follows:

*Employee entitlements*

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in Note 28.

*Defined benefit superannuation fund obligations*

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in Note 35.

*Fair value of property, plant & equipment*

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in Note 25.

*Investment in water corporation*

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in Note 20.

**Note 4 Functions/Activities of the Council**

*Revenue, expenditure and assets attributable to each function as categorised in (c) below:*

	Grants	Other	Total Revenue	Total Expenditure	Surplus/ (Deficit)	Assets
Government and administration						
2015 - 2016	168	2397	2565	2711	-146	5,213
2014 - 2015	641	5936	6577	2501	4076	5,198
Roads, streets and bridges						
2015 - 2016	1287	1323	2610	2620	-10	60,510
2014 - 2015	1590	10223	11813	2082	9731	60,339
Drainage						
2015 - 2016	0	220	220	129	91	2,771
2014 - 2015	0	0	0	117	-117	2,763
Waste management						
2015 - 2016	0	1083	1083	881	202	991
2014 - 2015	0	1099	1099	1046	53	988
Environmental health						
2015 - 2016	107	431	538	449	89	0
2014 - 2015	0	22	22	154	-132	0
Planning services						
2015 - 2016	0	311	311	377	-66	18
2014 - 2015	0	138	138	327	-189	18
Building control						
2015 - 2016	0	168	168	197	-29	0
2014 - 2015	0	172	172	169	3	0
Community amenities						
2015 - 2016	0	246	246	231	15	0
2014 - 2015	0	6	6	377	-371	0
Community services						
2015 - 2016	20	371	391	288	103	403
2014 - 2015	23	8	31	350	-319	402
Recreation facilities						
2015 - 2016	0	453	453	370	83	3,001
2014 - 2015	0	363	363	399	-36	2,993
Economic development						
2015 - 2016	0	65	65	71	-6	38,666
2014 - 2015	0	0	0	23	-23	38,557
Other - not attributable						
2015 - 2016	507	3490	3997	3949	48	11,768
2014 - 2015	597	2412	3010	4334	-1325	11,196
<b>Total</b>						
2015 - 2016	2089	10558	12647	12273	374	123,341
2014 - 2015	2851	20379	23231	11879	11351	122,454

(b) *Reconciliation of Assets from Note 4(a) with the Statement of Financial Position at 30 June:*

	2016	2015
Current assets	1,920	2,607
Non-current assets	121,421	119,846
	<b>123,341</b>	<b>122,454</b>

(c) *Governance and administration*

Operation and maintenance of council chambers, administration offices, and councillors.

*Roads, streets and bridges*

Construction, maintenance and cleaning of road, streets, footpaths, bridges, parking facilities and street lighting.

*Drainage*

Operation and maintenance of open or deep drainage systems in urban areas, including the lining of piping of creeks but excludes drainage associated with road works, flood mitigation and agriculture.

*Waste Management*

Collection, handling, processing and disposal of all waste materials.

*Environmental Health/Environmental Management*

Environmental Health includes disease control, food surveillance, public-use building standards, health education and promotion, water quality, workplace safety and cemeteries.

Environmental management includes strategies and programs for the protection of the environment and regulations of activities affecting the environment.

*Planning Services*

Administration of the town planning scheme, subdivisions and urban and rural renewal programs.

*Building control*

The development and maintenance of building constructions standards.

*Community amenities*

Operation and maintenance of housing for aged persons and persons of limited means, Civic Centre, Council halls (excluding indoor sports complexes).

*Community services*

Administration and operation of dog registration, operation of pounds, control of straying stock, and noxious weeds. Operation of the Child Care Centre, operation and support of the performing arts, museum and the presentation of festivals. Community Development which provides for the implementation of a process by which strategies and plans can be developed so that the Council can fulfil their general responsibility for enhancing the quality of life of the whole community.

*Recreation facilities*

Operation and maintenance of sporting facilities (includes swimming pools, active and passive recreation and recreation centres).

*Economic development*

Maintenance and marketing of tourist facilities, property development and operation of caravan parks.

*Other - not attributable*

Rates and charges and work not attributed elsewhere.

	2016 \$'000	2015 \$'000
<b>Note 5 Rates and charges</b>		
Council uses AAV as the basis of valuation of all properties within the municipality. The AAV of a property is its Assessed Annual value as determined by the valuer general		
The valuation base used to calculate general rates for 2015-2016 was \$73,331,469 (2014-2015 \$68,427,310). The 2015-2016 rate in the AAV dollar was \$0.071551 (2014-2015, \$0.073509).		
Residential	3,786	3,551
Commercial	731	724
Industrial	66	66
Farm/Rural	571	571
Fire Levy	305	292
Garbage charge	1,065	1,010
Special rates and charges (Medical Levy)	284	248
Special rates and charges (Caravan Fees)	85	79
<b>Total rates and charges</b>	<b>6,892</b>	<b>6,542</b>

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2011, and the valuation was first applied in the rating year commencing 1 July 2011.

**Accounting policy**

**Rates and charges income**

Rate income is recognised as revenue when Council obtains control over the assets comprising the receipt.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates. A provision for impairment on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

<b>Note 6 Statutory fees and fines</b>		
Infringements and costs	1	0
Town planning fees	129	101
Land information certificates	81	75
Permits	186	192
<b>Total statutory fees and fines</b>	<b>397</b>	<b>368</b>

**Accounting policy**

**Statutory fee and fine income**

Fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs. A provision for impairment is recognised when collection in full is no longer probable.

<b>Note 7 User fees</b>		
Visitor centre turnover	596	626
Registration fees	12	11
Waste Transfer Station fees	80	89
Marina and wharf fees	184	79
Other fees and charges	39	30
<b>Total user fees</b>	<b>910</b>	<b>834</b>

**Ageing analysis of contractual receivables**

Please refer to note 39(e) for the ageing analysis of contractual receivables.

**Accounting policy**

**User fee income**

Fee income is recognised as revenue when the service has been provided, or the payment is received, whichever first occurs. A provision for impairment is recognised when collection in full is no longer probable.

<b>Note 8 Grants</b>		
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Federally funded grants	1,990	2,788
State funded grants	99	63
<b>Total</b>	<b>2,089</b>	<b>2,851</b>

Notes to the Financial Report  
For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
<b>Grants - Recurrent</b>		
Commonwealth Government Financial Assistance Grants - General Purpose	173	641
Commonwealth Government Financial Assistance Grants - Roads	452	1289
State Grants	-	4
Rural Primary Health Services	398	404
Transport	1	1
Natural Resource Management	107	133
Other-NBN	25	20
<b>Total recurrent grants</b>	<b>1,156</b>	<b>2,491</b>

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2014-15 the Commonwealth made early payment of the two quarterly instalments for the following year. In accordance with AASB1004 *Contributions*, Council recognises these grants as revenue when it receives the funds and obtains control. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2014-15 by \$638,944. This has impacted the Statement of Profit or Loss and Other Comprehensive Income resulting in the Surplus/(deficit) being higher in 2014-15 by \$638,944.

**Capital grants received specifically for new or upgraded assets**

Commonwealth Government - roads to recovery	834	300
State Government Halls	31	13
Other	68	47
<b>Total capital grants</b>	<b>933</b>	<b>360</b>

**Accounting policy**

**Grant income - operating and capital**

Grant income is recognised as revenue when Council obtains control over the assets comprising the receipt. Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant is also disclosed. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date and conditions include a requirement to refund unused contributions. Revenue is then recognised as the various performance obligations under an agreement are fulfilled. Council does not currently have any reciprocal grants.

Unreceived contributions over which Council has control are recognised as receivables.

	2016 \$'000	2015 \$'000
<b>Note 9 Contributions</b>		
<b>(a) Cash</b>		
Roads	25	22
Drainage	(0)	3
Parks, open space and streetscapes	43	29
<b>Total</b>	<b>68</b>	<b>54</b>
<b>(b) Non-monetary assets</b>		
Parks, open space and streetscapes	-	347
<b>Total</b>	<b>-</b>	<b>347</b>
<b>Total contributions</b>	<b>68</b>	<b>401</b>

**Accounting policy**

**Contribution income**

Contributions are recognised as revenue when Council obtains control over the assets comprising the receipt. Revenue is recognised when Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to Council and the amount of the contribution can be measured reliably. Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused contribution is also disclosed. The note also discloses the amount of unused contribution from prior years that was expended on Council's operations during the current year.

Unreceived contributions over which Council has control are recognised as receivables.

Non-monetary contributions (including developer contributions) with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets.

**Note 10 Interest**

Interest on rates	12	21
Interest on cash and cash equivalents	37	60
<b>Total</b>	<b>49</b>	<b>81</b>

**Accounting policy**

**Interest income**

Interest is recognised progressively as it is earned.

**Note 11 Other income**

Other rent	2	1
Other - Miscellaneous	412	408
Change in committee accounts	63	20
Medical Income Received	837	724
Pension Remissions	239	228
Reimbursements	162	117
<b>Total other income</b>	<b>1,715</b>	<b>1,498</b>

**Note 12 Net gain/(loss) on disposal of property, infrastructure, plant and equipment**

Proceeds of sale	316	34
Write down value of assets disposed	(411)	(168)
<b>Total</b>	<b>(95)</b>	<b>(134)</b>

**Accounting policy**

**Gains and losses on asset disposals**

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

**Note 13 Investment revenue from water corporation**

Dividend revenue received	421	421
Tax equivalent received	150	150
Guarantee fee received	50	50
<b>Total investment revenue from water corporation</b>	<b>621</b>	<b>621</b>

	2016	2015
	\$'000	\$'000
<b>Accounting policy</b>		
<b>Investment revenue</b>		
Dividend revenue is recognised when Council's right to receive payment is established.		

	2016 \$'000	2015 \$'000
<b>Note 14 Employee benefits</b>		
Wages and salaries	2,686	3,007
Workers compensation	69	83
Annual leave and long service leave	289	248
Superannuation	504	486
Fringe benefits tax	11	23
Sick Leave	112	70
Payroll Tax	162	169
Other Leave - Compassionate, Maternity etc	9	5
Staff Training	31	25
Public Holiday Cost	120	110
Uniforms & Personal Protection Equipment	20	20
Miscellaneous Costs	6	17
Sub-total	4,020	4,263
Less amounts capitalised	(151)	(352)
<b>Total employee benefits</b>	<b>3,869</b>	<b>3,911</b>

**Accounting policy**

**Employee benefits**

Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

**Note 15 Materials and services**

Contract payments	1,755	1,911
Building maintenance	111	123
Plant and equipment maintenance	130	111
Utilities	304	236
Rural Primary Health Service	399	404
Other	3,313	2,901
<b>Total materials and services</b>	<b>6,012</b>	<b>5,686</b>

**Accounting policy**

**Materials and services expense**

Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

**Note 16 Impairment of receivables**

Other debtors	67	2
<b>Total impairment of receivables</b>	<b>67</b>	<b>2</b>

**Accounting policy**

**Impairment expense**

Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

An impairment expense is recognised when there is objective evidence that amounts owed to Council are not probable of collection and resulting impairment loss has occurred.

**Note 17 Depreciation and amortisation**

*Property*

<b>Buildings</b>		
Buildings at Valuation	93	35
Buildings at Cost	53	94



	2016 \$'000	2015 \$'000
Building improvements	15	9
Heritage buildings	31	31
<i>Plant and Equipment</i>		
Plant, machinery and equipment	144	168
Fixtures, fittings and furniture	9	8
Computers and telecommunications	72	106
Medical Equipment	5	4
Motor vehicles (not plant)	109	109
Miscellaneous Equipment	84	118
<i>Infrastructure</i>		
Roads	869	849
Bridges	142	129
Footpaths and cycleways	174	170
Drainage	60	59
Parks, open space and streetscapes	85	71
Marine Infrastructure	69	31
<b>Total depreciation and amortisation</b>	<b>2,014</b>	<b>1,991</b>

2016  
\$'000

2015  
\$'000

<b>Accounting policy</b>	
<b>Depreciation and amortisation expense</b>	
Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.	
Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.	
Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and remaining values and a separate depreciation rate is determined for each component.	
Land, heritage, artwork and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life.	
Straight line depreciation is charged based on the residual useful life as determined each year.	
Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:	
	<b>Period</b>
Land Improvements	50 years
Buildings	
buildings	50 years
building improvements	25-50 years
Leasehold improvements	
leasehold building improvements	
Plant and Equipment	
plant, machinery and equipment	2-12 years
fixtures, fittings and furniture	6-10 years
computers and telecommunications	2-5 years
leased plant and equipment	2-5 years
Roads	
road pavements and seals	10-15 years
road substructure	90 years
road formation and earthworks	100 years
road kerb, channel and minor culverts	70 years
road other <insert details>	
Bridges	
bridges deck	15-80 years
bridges substructure	15-80 years
bridges other <insert details>	
Other Infrastructure	
footpaths and cycleways	70 years
drainage	75 years
recreational, leisure and community facilities	15 years
waste management	10 years
parks, open space and streetscapes	15 years
off street car parks	15 years
other infrastructure <insert details>	
Intangible assets	
intangible assets	2-5 years

	2016 \$'000	2015 \$'000
<b>Note 18 Finance costs</b>		
Interest - Borrowings	96	99
<b>Total</b>	<b>96</b>	<b>99</b>

Rate used to capitalise finance costs

<b>Accounting policy</b>
<b>Finance expense</b>
Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.
Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised. No borrowing costs were capitalised during the period, (\$0).
Finance costs are expensed as incurred using the effective interest method. Borrowing costs include interest on bank overdrafts, interest on borrowings, unwinding of discounts, and finance lease charges.

<b>Note 19 Other expenses</b>		
External auditors' remuneration (Tasmanian Audit office)	29	33
Other assurance services	33	-
Councillors' allowances	147	151
Operating lease rentals	5	5
<b>Total other expenses</b>	<b>214</b>	<b>189</b>

<b>Accounting policy</b>
<b>Other expenses</b>
Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

<b>Note 20 Investment in water corporation</b>		
Opening Balance	30,806	30,567
Fair Value adjustments on Available-for-Sale Assets	531	239
<b>Total investment in water corporation</b>	<b>31,337</b>	<b>30,806</b>

Council has derived returns from the water corporation as disclosed at note 13.

<b>Accounting policy</b>
<b>Investment assets</b>
Council's investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2016, Council held a 1.99% (2015: 1.99%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the council's voting rights. Council has an ownership interest of 1.99% in the corporation. Any unrealised gains and losses are recognised through the Statement of Profit or Loss and Other Comprehensive Income to a Financial assets available for sale Reserve each year (refer note 30).
Council has classified this asset as an Available-for-Sale financial asset as defined in AASB 139 Financial Instruments: Recognition and Measurement and has followed AASB 132 Financial Instruments: Presentation and AASB 7 Financial Instruments: Disclosures to value and present the asset in the financial report.

<b>Note 21 Cash and cash equivalents</b>		
Cash on hand	2	2
Cash at bank	443	1,139
Money market call account	11	11
Bank bills	1,053	1,032
<b>Total cash and cash equivalents</b>	<b>1,509</b>	<b>2,183</b>

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

- Trust funds and deposits (Note 27)

	2016 \$'000	2015 \$'000
- Leave provisions (Note 28)	825	846
- Resort and recreation reserve funds (Note 30)	257	257
<b>Restricted funds</b>	<b>1,145</b>	<b>1,168</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>364</b>	<b>1,015</b>

**Accounting policy**

**Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

	2016 \$'000	2015 \$'000
<b>Note 22 Trade and other receivables</b>		
<b>Current</b>		
Rates debtors	10	11
Other debtors	152	208
Net GST receivable	127	39
<b>Total</b>	<b>289</b>	<b>258</b>
<b>Non-current</b>		
Loans and advances to community organisations	31	35
<b>Total</b>	<b>31</b>	<b>35</b>
<b>Total trade and other receivables</b>	<b>320</b>	<b>293</b>

**Accounting policy**

**Trade and other receivables**

Receivables are carried at amortised cost using the effective interest rate method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred.

<b>Note 23 Inventories</b>		
Inventories held for sale	38	34
<b>Total inventories</b>	<b>38</b>	<b>34</b>

**Accounting policy**

**Inventories**

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value.

Where inventories are acquired at no cost, or for nominal consideration, the cost shall be the current replacement cost as at the date of acquisition.

<b>Note 24 Other assets</b>		
<b>Current</b>		
Prepayments	47	76
Accrued income	37	57
Other	-	(1)
<b>Total</b>	<b>84</b>	<b>132</b>

\* Accrued income only includes items that are reciprocal in nature. This does not include Rates in Advance.

**Note 25 Property, infrastructure, plant and equipment**

	2016 \$'000	2015 \$'000
<b>Summary</b>		
at cost	26,277	24,403
Less accumulated depreciation	6,018	5,520
	<b>20,259</b>	<b>18,883</b>
at fair value as at 30 June	102,776	102,305
Less accumulated depreciation	32,982	32,182
	<b>69,794</b>	<b>70,122</b>
<b>Total</b>	<b>90,053</b>	<b>89,005</b>
<b>Property</b>		
<b>Land</b>		
at cost	6,711	6,821
	<b>6,711</b>	<b>6,821</b>
<b>Land public open space</b>		
at cost	639	639
	<b>639</b>	<b>639</b>
<b>Total Land</b>	<b>7,350</b>	<b>7,460</b>
<b>Buildings</b>		
at fair value as at 30 June	4,631	4,677
Less accumulated depreciation	1,022	938
	<b>3,609</b>	<b>3,739</b>
<b>Buildings</b>		
at cost as at 30 June	2,639	2,639
Less accumulated depreciation	265	213
	<b>2,373</b>	<b>2,426</b>
<b>Building improvements</b>		
at cost	1,077	514
Less accumulated depreciation	30	15
	<b>1,047</b>	<b>499</b>
<b>Heritage Buildings</b>		
at cost	1,244	1,244
Less accumulated amortisation	184	160
	<b>1,060</b>	<b>1,085</b>
<b>Heritage buildings</b>		
at fair value as at 30 June	310	310
Less accumulated depreciation	78	72
	<b>232</b>	<b>238</b>
<b>Total Buildings</b>	<b>8,321</b>	<b>7,987</b>
<b>Total Property</b>	<b>15,671</b>	<b>15,447</b>

Note 25 Property, infrastructure, plant and equipment (cont.)

	2016 \$'000	2015 \$'000
<b>Plant and Equipment</b>		
<b>Plant, machinery and equipment</b>		
at cost	2,092	2,020
Less accumulated depreciation	1,556	1,406
	<u>536</u>	<u>614</u>
<b>Fixtures, fittings and furniture</b>		
at cost	1,041	1,015
Less accumulated depreciation	1,004	996
	<u>37</u>	<u>19</u>
<b>Medical Equipment</b>		
at cost	35	27
Less accumulated depreciation	15	10
	<u>20</u>	<u>17</u>
<b>IT Equipment</b>		
at cost	792	732
Less accumulated amortisation	439	367
	<u>353</u>	<u>365</u>
<b>Motor Vehicles (Not Plant)</b>		
at cost	903	946
Less accumulated depreciation	563	631
	<u>340</u>	<u>315</u>
<b>Misc. Equipment</b>		
at cost	1,439	1,393
Less accumulated depreciation	1,181	1,097
	<u>257</u>	<u>296</u>
<b>Total Plant and Equipment</b>	<u>1,543</u>	<u>1,626</u>
<b>Infrastructure</b>		
<b>Roads</b>		
at fair value as at 30 June	63,795	63,611
Less accumulated depreciation	22,611	22,236
	<u>41,184</u>	<u>41,375</u>
<b>Bridges</b>		
at fair value as at 30 June	7,463	7,460
Less accumulated depreciation	2,204	2,091
	<u>5,259</u>	<u>5,369</u>
<b>Footpaths and cycleways</b>		
at fair value as at 30 June	11,098	10,909
Less accumulated depreciation	4,244	4,070
	<u>6,855</u>	<u>6,840</u>
<b>Drainage</b>		
at fair value as at 30 June	5,311	5,168
Less accumulated depreciation	2,824	2,775
	<u>2,487</u>	<u>2,393</u>
<b>Marine Infrastructure</b>		
at cost	3,371	3,330
Less accumulated depreciation	331	262
	<u>3,040</u>	<u>3,068</u>
<b>Parks, Open Space, Streetscapes</b>		
at cost	2,522	2,440
Less accumulated depreciation	450	365
	<u>2,072</u>	<u>2,075</u>
<b>Land Under Roads</b>		
at fair value as at 30 June	10,169	10,169
	<u>10,169</u>	<u>10,169</u>
<b>Total Infrastructure</b>	<u>71,066</u>	<u>71,289</u>

<b>Works in progress</b>		
Buildings at cost	1,297	513
Roads at cost	18	27
Bridges at cost	-	-
Parks, Open Space, Streetscapes at cost	135	81
Marine Infrastructure at cost	322	23
<b>Total Works in progress</b>	<b>1,772</b>	<b>643</b>
<b>Total property, infrastructure, plant and equipment</b>	<b>90,053</b>	<b>89,005</b>



Note 25 Property, plant and equipment, infrastructure (cont.)

Reconciliation of property, plant and equipment and infrastructure

2015	Balance at beginning of financial year	Acquisition of assets	Initial recognition at fair value	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	(note 30)	(note 17)	\$'000	(a)	\$'000	\$'000
<b>Property</b>									
land	6,721	100	-	-	-	-	-	-	6,821
land under roads	639	-	-	-	-	-	-	-	639
land improvements	-	-	-	-	-	-	-	-	0
<b>Total land</b>	<b>7,360</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,460</b>
Buildings Fair Value	3,832	-	-	-	35	-	-	(58)	3,739
Buildings Cost	1,576	-	-	-	94	-	-	944	2,426
Buildings improvements	406	102	-	-	9	-	-	-	499
Heritage Buildings at Cost	1,110	-	-	-	25	-	-	-	1,085
Heritage Buildings Fair Value	244	-	-	-	6	-	-	-	238
<b>Total buildings</b>	<b>7,168</b>	<b>102</b>	<b>-</b>	<b>-</b>	<b>169</b>	<b>-</b>	<b>-</b>	<b>886</b>	<b>7,987</b>
<b>Total property</b>	<b>14,528</b>	<b>202</b>	<b>-</b>	<b>-</b>	<b>169</b>	<b>-</b>	<b>-</b>	<b>886</b>	<b>15,447</b>
<b>Plant and Equipment</b>									
Plant, machinery and equipment	620	162	-	-	168	0	-	-	614
Fixtures, fittings and furniture	29	0	-	-	8	1	-	(1)	19
Computers and telecommunications	433	38	-	-	106	-	-	-	365
Medical Equipment	17	4	-	-	4	-	-	-	17
Motor Vehicles (not plant)	209	246	-	-	109	31	-	-	315
Miscellaneous Equipment	366	48	-	-	118	-	-	-	296
<b>Total plant and equipment</b>	<b>1,674</b>	<b>498</b>	<b>-</b>	<b>-</b>	<b>513</b>	<b>32</b>	<b>-</b>	<b>(1)</b>	<b>1,626</b>
<b>Infrastructure</b>									
Roads (Asset Management System)	41,458	881	-	16	849	162	-	29	41,373
Bridges (Asset Management System)	4,910	431	-	6	129	-	-	151	5,369
Footpaths&Cycleways (Asset Management System)	6,845	161	-	9	170	5	-	-	6,840
Drainage (Asset Management System)	2,438	11	-	3	59	-	-	-	2,393
Land Under Roads (Asset Management System)	(0)	-	10,169	-	-	-	-	-	10,169
Parks, open space and streetscapes	1,498	648	-	-	71	-	-	-	2,075
Marine infrastructure	1,201	1,504	-	-	31	-	-	394	3,068
<b>Total infrastructure</b>	<b>58,352</b>	<b>3,636</b>	<b>10,169</b>	<b>34</b>	<b>1,309</b>	<b>167</b>	<b>-</b>	<b>574</b>	<b>71,289</b>
<b>Works in progress</b>									
Buildings	1,025	374	-	-	-	-	-	(886)	513
Roads	56	-	-	-	-	-	-	(29)	27
Parks, open space, streetscapes at cost	0	81	-	-	-	-	-	-	81
Bridges	151	-	-	-	-	-	-	(151)	-
Marine infrastructure	394	23	-	-	-	-	-	(394)	23
<b>Total works in progress</b>	<b>1,625</b>	<b>478</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,460)</b>	<b>643</b>
<b>Total property, plant and equipment, infrastructure</b>	<b>76,179</b>	<b>4,814</b>	<b>-</b>	<b>34</b>	<b>1,991</b>	<b>199</b>	<b>-</b>	<b>(1)</b>	<b>89,005</b>

Note 25 Property, plant and equipment, infrastructure (cont.)

**Accounting policy**

**Recognition and measurement of assets**

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

Property, infrastructure, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

The following classes of assets have been recognised. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold \$'000
Land	
land	1
land under roads	1
land improvements	5
Buildings	
buildings	1
building improvements	5
leasehold building improvements	5
heritage buildings	1
Plant and Equipment	
plant, machinery and equipment	1
fixtures, fittings and furniture	1
computers and telecommunications	1
leased plant and equipment	1
Roads	
road pavements and seals	5
road substructure	5
road formation and earthworks	5
road kerb, channel and minor culverts	5
Bridges	
bridges deck	5
bridges substructure	5
Other Infrastructure	
footpaths and cycleways	5
drainage	5
recreational, leisure and community facilities	5
waste management	5
parks, open space and streetscapes	5
off street car parks	5
Intangible assets	
intangible assets	1

**Revaluation**

Council has adopted the following valuation bases for its non-current assets:

Land	fair value
Plant and machinery	cost
Furniture, fittings and office equipment	cost
Stormwater and drainage infrastructure	fair value
Roads and streets infrastructure	fair value
Bridges	fair value
Buildings	fair value
Intangibles	cost
Parks, recreation facilities and community amenities	cost
Heritage	cost
Investment in water corporation	fair value

Note 25 Property, plant and equipment, infrastructure (cont.)

**Accounting policy (cont.)**

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value in accordance with AASB 116 Property, Plant & Equipment and AASB 13 Fair Value Measurement. At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset class materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis to ensure valuations represent fair value. The valuation is performed either by experienced Council officers or independent experts.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation surplus for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

**Impairment of assets**

Impairment losses are recognised in the statement of comprehensive income under other expenses.

Reversals of impairment losses are recognised in the statement of comprehensive income under other revenue.

**Land under roads**

Council recognised the value of land under roads it controls at fair value.

Note 25 Property, plant and equipment, infrastructure (cont.)

Reconciliation of property, plant and equipment and infrastructure

2016	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 33)	Depreciation and amortisation (note 17)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>								
Land	6,821	-	-	-	110	-	-	6,711
Land public open space	639	-	-	-	-	-	-	639
<b>Total Land</b>	<b>7,460</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110</b>	<b>-</b>	<b>-</b>	<b>7,350</b>
Buildings fair value	3,739	-	-	93	37	-	-	3,609
Buildings Cost	2,426	-	-	53	-	-	-	2,373
Building improvements	499	247	-	15	-	-	316	1,047
Heritage Buildings at Cost	1,085	-	-	25	-	-	-	1,060
Heritage buildings fair value	238	-	-	6	-	-	-	232
<b>Total Buildings</b>	<b>7,987</b>	<b>247</b>	<b>-</b>	<b>192</b>	<b>37</b>	<b>-</b>	<b>316</b>	<b>8,321</b>
<b>Total Property</b>	<b>15,447</b>	<b>247</b>	<b>-</b>	<b>192</b>	<b>147</b>	<b>-</b>	<b>316</b>	<b>15,671</b>
<b>Plant and Equipment (Cost)</b>								
Plant, machinery and equipment	614	-	-	144	-	-	66	536
Fixtures, fittings and furniture	19	26	-	9	-	-	-	37
Computers and telecommunications	365	60	-	72	-	-	-	353
Medical Equipment	17	8	-	5	-	-	-	20
Motor Vehicles (Not Plant)	315	236	-	109	36	-	(66)	340
Miscellaneous Equipment	296	45	-	84	-	-	-	257
<b>Total plant and equipment</b>	<b>1,626</b>	<b>375</b>	<b>-</b>	<b>423</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>1,543</b>
<b>Infrastructure</b>								
Roads (Asset Management System)	41,373	911	-	869	216	-	-	41,199
Bridges (Asset Management System)	5,369	32	-	142	-	-	-	5,259
Footpaths&Cycleways (Asset Management System)	6,840	174	-	174	-	-	-	6,840
Drainage (Asset Management System)	2,393	166	-	60	12	-	-	2,487
Land Under Roads (Asset Management System)	10,169	-	-	-	-	-	-	10,169
Parks, open space and streetscapes	2,075	82	-	85	-	-	-	2,072
Marine infrastructure	3,068	27	-	69	-	-	14	3,040
<b>Total Infrastructure</b>	<b>71,289</b>	<b>1,393</b>	<b>-</b>	<b>1,399</b>	<b>228</b>	<b>-</b>	<b>14</b>	<b>71,066</b>
<b>Works in progress</b>								
Buildings	513	1,100	-	-	-	-	(316)	1,297
Roads	27	(9)	-	-	-	-	-	18
Parks, open space, streetscapes at cost	81	54	-	-	-	-	-	135
Bridges	-	-	-	-	-	-	-	-
Marine infrastructure	23	313	-	-	-	-	(14)	322
<b>Total works in progress</b>	<b>643</b>	<b>1,458</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(330)</b>	<b>1,771</b>
<b>Total property, plant and equipment, infrastructure</b>	<b>89,005</b>	<b>3,473</b>	<b>-</b>	<b>2,014</b>	<b>411</b>	<b>-</b>	<b>-</b>	<b>90,053</b>

**Note 26 Trade and other payables**

Trade payables	1,159	1,522
Accrued expenses	153	134
<b>Total trade and other payables</b>	<b>1,312</b>	<b>1,655</b>

**Note 27 Trust funds and deposits**

Refundable contract deposits	55	36
Deferred Income	8	30
<b>Total trust funds and deposits</b>	<b>62</b>	<b>65</b>

Bonds held are funds deposited by developers to cover the cost of works that council may have to carry out.

**Accounting policy**

**Tender deposits**

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited.

**Note 28 Provisions**

	Annual leave	Long service leave	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000
<b>2016</b>				
Balance at beginning of the financial year	347	499	-	846
Additional provisions	198	69	-	268
Amounts used	(210)	(79)	-	(289)
Transfer	-	-	-	-
Balance at the end of the financial year	<b>335</b>	<b>490</b>	<b>-</b>	<b>825</b>
<b>2015</b>				
Balance at beginning of the financial year	319	307	37	663
Additional provisions	229	202	-	430
Amounts used	(220)	(28)	-	(248)
Transfer	19	18	(37)	-
Balance at the end of the financial year	<b>347</b>	<b>499</b>	<b>-</b>	<b>846</b>
<b>(a) Employee benefits</b>			<b>2016</b>	<b>2015</b>
			<b>\$'000</b>	<b>\$'000</b>
<b>(i) Current</b>				
Annual leave			335	327
Long service leave			227	235
Other			33	34
			<b>596</b>	<b>596</b>
<b>(ii) Non-current</b>				
Long service leave			216	235
Other			13	15
			<b>229</b>	<b>250</b>
Aggregate carrying amount of employee benefits:				
Current			596	596
Non-current			229	250
			<b>825</b>	<b>846</b>
The following assumptions were adopted in measuring the present value of employee benefits:				
Weighted average increase in employee costs			4.50%	4.75%
Weighted average discount rates			5.23%	4.73%
Weighted average settlement period			12	12
<b>(iii) Employee Numbers</b>			<b>60</b>	<b>77</b>

#### Accounting policy

##### Employee benefits

###### *i) Short term obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

###### *ii) Other long term employee benefit obligations*

The liability for long service leave and annual leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

###### *iii) Sick leave*

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

###### *iv) Defined benefit plans*

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the statement of financial position, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans i.e. as an expense when it becomes payable.

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund, which is a sub fund of the Quadrant Superannuation Scheme. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 30(a) of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

###### *v) Defined contribution plans*

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

	2016 \$'000	2015 \$'000
<b>Note 29 Interest-bearing loans and borrowings</b>		
<b>Current</b>		
Borrowings - secured	210	1,149
	<u>210</u>	<u>1,149</u>
<b>Non-current</b>		
Borrowings - secured	2,985	1,695
	<u>2,985</u>	<u>1,695</u>
<b>Total</b>	<u>3,195</u>	<u>2,845</u>
Borrowings are secured over Council Assets		
The maturity profile for Council's borrowings is:		
Not later than one year	210	1,149
Later than one year and not later than five years	798	607
Later than five years	2,187	1,089
<b>Total</b>	<u>3,195</u>	<u>2,845</u>

**Note 29 Interest-bearing loans and borrowings (cont.)**

**Accounting policy**

**Interest bearing liabilities**

The borrowing capacity of Council is limited by the Local Government Act 1993. Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition these liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the period of the liability using the effective interest method.

**Leases**

*i) Leasehold improvements*

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are not applicable.

**Note 30 Reserves**

	Balance at beginning of reporting year	Increment	(decrement)	Balance at end of reporting year
<b>(a) Asset revaluation reserve</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2016</b>				
<b>Property</b>				
Land	260	-	-	260
Buildings	5,051	-	-	5,051
Heritage buildings	-	-	-	-
	<u>5,311</u>	<u>-</u>	<u>-</u>	<u>5,311</u>
<b>Infrastructure</b>				
Roads	30,388	-	-	30,388
Bridges	3,117	-	-	3,117
Footpaths and cycleways	3,965	-	-	3,965
Drainage	1,449	-	-	1,449
Land Under Roads	-	-	-	-
Other infrastructure Marina/Parks	4,345	-	-	4,345
	<u>43,264</u>	<u>-</u>	<u>-</u>	<u>43,264</u>
<b>Total asset revaluation reserve</b>	<u>48,575</u>	<u>-</u>	<u>-</u>	<u>48,575</u>
<b>2015</b>				
<b>Property</b>				
Land	260	-	-	260
Buildings	5,051	-	-	5,051
Heritage buildings	-	-	-	-
	<u>5,311</u>	<u>-</u>	<u>-</u>	<u>5,311</u>
<b>Infrastructure</b>				
Roads	30,372	16	-	30,388
Bridges	3,111	6	-	3,117
Footpaths and cycleways	3,956	9	-	3,965
marine infrastructure	1,446	3	-	1,449
Land Under Roads	-	-	-	-
Other infrastructure Marina/Parks	4,345	-	-	4,345
	<u>43,230</u>	<u>34</u>	<u>-</u>	<u>43,264</u>
<b>Total asset revaluation reserve</b>	<u>48,541</u>	<u>34</u>	<u>-</u>	<u>48,575</u>

The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of Council's assets.

	Balance at beginning of reporting year	Increment	(decrement)	Balance at end of reporting year
<b>(b) Fair value reserve</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2016</b>				
<b>Available-for-sale assets</b>				
Investment in Water Corporation	(6,743)	-	531	(6,212)
<b>Total fair value reserve</b>	<u>(6,743)</u>	<u>-</u>	<u>531</u>	<u>(6,212)</u>
<b>2015</b>				
<b>Available-for-sale assets</b>				
Investment in Water Corporation	(6,982)	-	239	(6,743)
<b>Total fair value reserve</b>	<u>(6,982)</u>	<u>-</u>	<u>239</u>	<u>(6,743)</u>

The available-for-sale financial asset reserve was established to capture the fair value movements in Council's Water Corporation investment. Refer to note 30 for the correction error in the prior year.



**Note 30 Reserves (cont)**

	Balance at beginning of reporting year	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting year
	\$'000	\$'000	\$'000	\$'000
<b>(c) Other reserves</b>				
<b>2016</b>				
Reserve Investments - Restricted	257	-	-	257
Reserve Investments - Unrestricted	751	-	-	751
<b>Total Other reserves</b>	<b>1,008</b>	<b>-</b>	<b>-</b>	<b>1,008</b>
<b>2015</b>				
Reserve Investments - Restricted	238	19	-	257
Reserve Investments - Unrestricted	760	-	9	751
<b>Total Other reserves</b>	<b>998</b>	<b>19</b>	<b>9</b>	<b>1,008</b>

The resort and recreation reserve was established to control contributions received from developers that will, upon completion of developments be utilised to develop recreation and other facilities for residents in the respective development areas.

	2016 \$'000	2015 \$'000
<b>Total Reserves</b>	<b>43,371</b>	<b>42,840</b>

**Note 31 Reconciliation of cash flows from operating activities to surplus (deficit)**

Surplus/Deficit	374	11,351
Initial recognition at Fair Value of Property, Infrastructure, Plant & Equipment	-	(10,169)
Contributions - non-monetary assets	-	(347)
Depreciation/amortisation	2,014	1,991
(Profit)/loss on disposal of property, plant and equipment, infrastructure	95	134
Impairment losses	67	2
Fair value adjustments for investment property	-	-
Capital grants received specifically for new or upgraded assets	(933)	(360)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	(26)	93
Decrease/(increase) in other assets	48	(26)
Decrease/(increase) in inventories	4	-
Increase/(decrease) in trade and other payables	(343)	628
Increase/(decrease) in provisions	(20)	183
Increase/(decrease) in other liabilities	(3)	20
(insert other relevant items)	-	-
<b>Net cash provided by/(used in) operating activities</b>	<b>1,277</b>	<b>3,501</b>

**Note 32 Reconciliation of cash and cash equivalents**

Cash and cash equivalents (see note 22)	1,509	2,183
Less bank overdraft	-	-
<b>Total reconciliation of cash and cash equivalents</b>	<b>1,509</b>	<b>2,183</b>

**Note 33 Financing arrangements**

Bank overdraft	50	50
Used facilities	-	-
<b>Unused facilities</b>	<b>50</b>	<b>50</b>

**Note 34 Non-cash financing and investing activities**

	-	-
<b>Total non-cash financing and investing activities</b>	<b>-</b>	<b>-</b>

**Note 35 Superannuation**

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund). The Fund was a sub fund of the Quadrant Superannuation Scheme (the Scheme) up to 30 November 2015. At this date the Quadrant Superannuation Scheme merged (via a Successor Fund Transfer) into the Tasplan Super and the Quadrant Defined Benefits Fund became a sub fund of Tasplan Super (Tasplan) from that date. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 *Employee Benefits*, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2016 Council contributed 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2014. The review disclosed that at that time the net market value of assets available for funding member benefits was \$66,310,000, the value of vested benefits was \$57,475,000, the surplus over vested benefits was \$8,835,000, the value of total accrued benefits was \$58,093,000, and the number of members was 187. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Scheme's financial statements for Council employees.

The financial assumptions used to calculate the Accrued Benefits for the Fund were:

- Net Investment Return 7.0% p.a.
- Salary Inflation 4.0% pa
- Price Inflation n/a

The actuarial review concluded that:

- The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2014.
- The value of assets of the Fund was adequate to meet the value of the liabilities in respect of accrued benefits as at 30 June 2014.
- Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2017

The Actuary recommended that in future the Council contribute 11.0% of salaries in 2014/15 and 9.5% of salaries thereafter.

The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2017 and is expected to be completed late in 2017.

Council also contributes to other accumulation schemes on behalf of a number of employees; however the Council has no ongoing responsibility to make good any deficiencies that may occur in those schemes.

During the year Council made the required superannuation contributions for all eligible employees to an appropriate complying superannuation fund as required by the *Superannuation Guarantee (Administration) Act 1992*.

As required in terms of paragraph 148 of AASB 119 *Employee Benefits*, Council discloses the following details:

- The 2014 actuarial review used the "aggregate" funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is different from the method used at the previous actuarial review in 2011.

Under the aggregate funding method of financing the benefits, the stability of the Councils' contributions over time depends on how closely the Fund's actual experience matches the expected experience. If the actual experience differs from that expected, the Councils' contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members' benefits.

- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.

- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependents in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

The Trust Deed does not contemplate the Fund withdrawing from the Scheme. However it is likely that Clause 1.9.2 would be applied in this case (as detailed above).

- The Fund is a defined benefit Fund.

- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.

- During the reporting period the amount of contributions paid to defined benefits schemes was \$0 (2014-15, \$0), and the amount paid to accumulation schemes was \$488k (2014-15, \$486k).

- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$0, and the amount to be paid to accumulation schemes is \$499k.

- As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2014. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2017.

**Note 35 Superannuation (cont.)**

- An analysis of the assets and vested benefits of Funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2014, showed that the Fund had assets of \$66.3 million and members' Vested Benefits were \$57.5 million. These amounts represented 8.4% and 7.5% respectively of the corresponding total amounts for the Scheme.
- As at 30 June 2015 the fund had 164 members and the total employer contributions and member contributions for the year ending 30 June 2015 were \$2,083,883 and \$325,833 respectively.

	2016 \$'000	2015 \$'000
<b>Fund</b>		
<b>Accumulation funds</b>		
Employer contributions to TASPLAN	261	168
Employer contributions to QUADRANT	77	236
Employer contributions to Other Funds	150	82
	<hr/> 488	<hr/> 486
Employer contributions payable to TASPLAN at reporting date	-	-
Employer contributions payable to QUADRANT at reporting date	-	-
Employer contributions payable to Other Funds at reporting date	-	-
	<hr/> -	<hr/> -

Reference AASB/AAI		2016 \$'000	2015 \$'000
	<b>Note 36 Commitments</b>		
	<b>Contractual commitments</b>		
101	Contractual commitments at end of financial year but not recognised in the financial report are as follows:		
	Garbage collection contract (expires 22 September 2022)	793	770
	Cleaning contractors	-	-
	<b>Total contractual commitments</b>	<b>793</b>	<b>770</b>

	2016 \$'000	2015 \$'000
<b>Note 37 Operating leases</b>		
<b>Operating lease commitments</b>		
Glamorgan Spring Bay Council as lessee		
The only lease Council has is a photocopier operating lease		
At the reporting date, Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	6	6
Later than one year and not later than five years	8	13
Later than five years		
	<b>14</b>	<b>19</b>

*j) Operating leases as lessee*

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

**Note 38 Contingent liabilities and contingent assets**

**Contingent liabilities**

Council operates no landfill sites.

**Guarantees for loans to other entities**

Nil

**Contingent assets**

Developer contributions to be received in respect of estates currently under development total \$0.00 (2014-15, \$0.00).

**Note 39 Financial Instruments**

**(a) Accounting Policy, terms and conditions**

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>	<b>21</b>	<p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Interest is recognised as it accrues.</p> <p>Investments and bills are valued at cost.</p> <p>Investments are held to maximise interest returns of surplus cash.</p> <p>Interest revenues are recognised as they accrue.</p> <p>Managed funds are measured at market value.</p>	<p>On call deposits returned a floating Interest rate of 0.93% (2.00% in 2014-15). The interest rate at balance date was 0.93% (2.00%).</p> <p>Funds returned fixed Interest rate of between 2.60% (2.75%), and 2.70% (3.45% ) net of fees.</p>
<b>Trade and other receivables</b>			
<b>Other debtors</b>	<b>22</b>	<p>Receivables are carried at amortised cost using the effective interest method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.</p>	<p>General debtors are unsecured and arrears attract an interest rate of 0% (0%). Credit terms are based on 30 days.</p>
<b>Available for sale financial assets</b>			
<b>Investment in Water Corporation</b>	<b>20</b>	<p>The investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership Interest against the water corporation's net asset value at balance date.</p>	<p>Investment in TasWater provided return of 1.94% (1.94 %) excluding unrealised gains/losses</p>
<b>Financial Liabilities</b>			
<b>Trade and other payables</b>	<b>26</b>	<p>Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.</p>	<p>General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.</p>
<b>Interest-bearing loans and borrowings</b>	<b>29</b>	<p>Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.</p> <p>Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.</p>	<p>Borrowings are secured by way of mortgages over the general rates of the Council.</p> <p>The weighted average interest rate on borrowings is 4.56% (4.84% in 2014-15).</p> <p>As at balance date, the Council had finance leases with an average lease term of 5 years.</p> <p>The weighted average rate implicit in the lease is 0% (0%).</p>
<b>Bank overdraft</b>	<b>21</b>	<p>Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.</p>	<p>The overdraft is subject to annual review.</p> <p>It is secured by a mortgage over Council's general rates and is repayable on demand.</p> <p>Interest rates on utilised overdraft were 9.12% (9.18%) .</p> <p>The interest rate as at balance date was 9.12% (9.18%).</p>

**Note 39 Financial Instruments (cont.)**

**(b) Interest Rate Risk**

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

**2016**

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial assets</b>							
Cash and cash equivalents	0.93%	378	1,053	-	-	77	1,509
Other financial assets	2.67%	-	-	-	-	-	-
Trade and other receivables	0.00%	-	-	-	-	289	289
Investment in water corporation	-	-	-	-	-	31,337	31,337
<b>Total financial assets</b>		<b>378</b>	<b>1,053</b>	<b>-</b>	<b>-</b>	<b>31,703</b>	<b>33,135</b>
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	-	1,312	1,312
Trust funds and deposits	-	-	-	-	-	62	62
Interest-bearing loans and borrowings	5.14%	-	210	798	2,187	-	3,195
<b>Total financial liabilities</b>		<b>-</b>	<b>210</b>	<b>798</b>	<b>2,187</b>	<b>1,374</b>	<b>4,570</b>
<b>Net financial assets (liabilities)</b>		<b>378</b>	<b>843</b>	<b>(798)</b>	<b>(2,187)</b>	<b>30,329</b>	<b>28,565</b>

**2015**

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial assets</b>							
Cash and cash equivalents	2.00%	1,031	1,032	-	-	118	2,183
Trade and other receivables	0.00%	-	-	-	-	258	258
Investment in water corporation	-	-	-	-	-	30,806	30,806
<b>Total financial assets</b>		<b>1,031</b>	<b>1,032</b>	<b>-</b>	<b>-</b>	<b>31,182</b>	<b>33,247</b>
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	-	1,655	1,655
Trust funds and deposits	-	-	-	-	-	65	65
Interest-bearing loans and borrowings	4.84%	-	1,149	607	1,089	-	2,845
<b>Total financial liabilities</b>		<b>-</b>	<b>1,149</b>	<b>607</b>	<b>1,089</b>	<b>1,721</b>	<b>4,565</b>
<b>Net financial assets (liabilities)</b>		<b>1,031</b>	<b>(117)</b>	<b>(607)</b>	<b>(1,089)</b>	<b>29,461</b>	<b>28,682</b>

### Note 39 Financial Instruments (cont.)

#### (c) Fair Value

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

Financial Instruments	Total carrying amount as per		Aggregate net fair value	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	1,509	2,183	1,509	2,183
Trade and other receivables	289	258	289	258
Investment in water corporation	31,337	30,806	31,337	30,806
<b>Total financial assets</b>	<b>33,135</b>	<b>33,247</b>	<b>33,135</b>	<b>33,247</b>
<i>Financial liabilities</i>				
Trade and other payables	1,312	1,655	1,312	1,655
Trust funds and deposits	62	65	62	65
Interest-bearing loans and borrowings	3,195	2,845	3,195	2,845
<b>Total financial liabilities</b>	<b>4,570</b>	<b>4,565</b>	<b>4,570</b>	<b>4,565</b>

#### (d) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Statement of Financial Position.

#### (e) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

##### Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

##### Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Treasury and Finance each year.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1993*. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liq parks, open space, streetscapes at cost
- diversification by credit rating, financial institution and investment product,
- monitoring of r marine infrastructure
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.



#### Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on some financial assets included in our Statement of Financial Position. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our Investment policy.

Credit risk arises from Council's financial assets, which comprise cash and cash equivalents, and trade and other receivables. Council's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable policy note. Council generally trades with recognised, creditworthy third parties, and as such collateral is generally not requested, nor is it Council's policy to securitise its trade and other receivables.

It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation. In addition, receivable balance are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in note 38.

#### Credit quality of contractual financial assets that are neither past due nor impaired

	Financial Institutions (AAA credit rating)	Government agencies (BBB credit rating)	Other (min BBB credit rating)	Total
<b>2016</b>				
Cash and cash equivalents	1,509	-	-	1,509
Trade and other receivables	-	-	289	289
<b>Total contractual financial assets</b>	<b>1,509</b>	<b>-</b>	<b>289</b>	<b>1,798</b>
<b>2015</b>				
Cash and cash equivalents	2,183	-	-	2,183
Trade and other receivables	-	-	258	258
<b>Total contractual financial assets</b>	<b>2,183</b>	<b>-</b>	<b>258</b>	<b>2,441</b>

[This table is best practice disclosure. Entities are advised to follow this to the extent practicable. Where it is impractical to disclose credit ratings, these can be omitted and an entity can simply disclose creditors using categories that fit entity's own creditor profiles]

#### Movement in Provisions for Impairment of Trade and Other Receivables

	2016 \$'000	2015 \$'000
Balance at the beginning of the year	2	-
New Provisions recognised during the year	-	-
Amounts already provided for and written off as uncollectible	67	2
Amounts provided for but recovered during the year	-	-
Balance at end of year	<b>69</b>	<b>2</b>

#### Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade and Other Receivables was:

	2016 \$'000	2015 \$'000
Current (not yet due)	177	129
Past due by up to 30 days	97	35
Past due between 31 and 180 days	1	45
Past due between 181 and 365 days	3	2
Past due by more than 1 year	11	47
<b>Total Trade &amp; Other Receivables</b>	<b>289</b>	<b>258</b>

### Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial assets at all.

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Councils exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of

The table below lists the contractual maturities for Financial Liabilities

These amounts represent the discounted cash flow payments (ie principal only).

	2016 6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
	or less	months	years	years	years	Cash Flow	Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	1,312	-	-	-	-	1,312	1,312
Trust funds and deposits	-	43	9	3	0	55	55
Interest-bearing loans and borrowings	104	106	434	364	2,187	3,195	3,195
Total financial liabilities	1,416	149	443	367	2,187	4,562	4,562

	2015 6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
	or less	months	years	years	years	Cash Flow	Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	1,655	-	-	-	-	1,655	1,655
Trust funds and deposits	-	8	3	25	-	36	36
Interest-bearing loans and borrowings	1074	75	314	293	1,089	2,845	2,845
Total financial liabilities	2,729	83	317	318	1,089	4,536	4,536

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of +1% and -2% in market interest rates (AUD) from year-end rates of 4.4%.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by Council at year-end, if the above movements were to occur.

		Interest rate risk			
		-2 % (Note: Use relevant interest rate risk for your council).		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2016	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>					
Cash and cash equivalents	378	(8)	(8)	4	4
Trade and other receivables	320	(6)	(6)	3	3
<b>Financial liabilities:</b>					
Interest-bearing loans	3,195	64	64	(32)	(32)

		Interest rate risk			
		-2 % (Note: Use relevant interest rate risk for your council).		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2015	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>					
Cash and cash equivalents	1,031	(21)	(21)	10	10
Trade and other receivables	293	(6)	(6)	3	3
<b>Financial liabilities:</b>					
Interest-bearing loans	2,845	57	57	(28)	(28)

**Note 40 Events occurring after balance date**

(a) Nil

**Note 41 Related party transactions**

**(i) Responsible Persons**

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

**Mayor** Michael Kent  
**Deputy Mayor** Cheryl Arnol  
**Councillors** Jennifer Crawford  
Bertrand Cadart  
Greg Raspin (resigned)  
Britt Steiner  
Jenny Woods  
Debbie Wisby  
Richard Parker (replaced Greg Raspin)

Note: All elected representatives terms expire Oct 2017

**General Manager** David Metcalf

	2016 \$'000	2015 \$'000
Total Remuneration for the reporting year for Councillors' Emoluments and reimbursements included below amounted to:	129	138
Total Remuneration for the reporting year for key management personnel included below amounted to:	719	705

**(ii) Councillor Remuneration**

2016	Allowances \$	Vehicles <sup>2</sup> \$	Other Benefits <sup>3</sup> \$	Non-monetary Benefits <sup>4</sup> \$	Reimburse- ments \$	Total \$
Michael Kent	34,624	-	-	-	-	34,624
Cheryl Arnol	21,820	-	-	-	1,866	23,686
Jennifer Crawford	9,892	-	-	-	-	9,892
Bertrand Cadart	9,892	-	-	-	5,095	14,987
Greg Raspin (resigned)	7,399	-	-	-	277	7,676
Britt Steiner	9,892	-	-	-	725	10,617
Jenny Woods	9,892	-	-	-	1,763	11,655
Debbie Wisby	9,892	-	-	-	3,151	13,043
Richard Parker (replaced Greg Raspin)	2,493	-	-	-	169	2,662
<b>Total</b>	<b>115,796</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,045</b>	<b>128,841</b>

2015	Allowances \$	Vehicles <sup>2</sup> \$	Other Benefits <sup>3</sup> \$	Non-monetary Benefits <sup>4</sup> \$	Reimburse- ments \$	Total \$
Bertrand Cadart	19,542	-	-	-	10,737	30,279
Britt Steiner	6,353	-	-	-	618	6,971
Chelsea Lee-Brown	3,276	-	-	-	1,662	4,938
Cheryl Arnol	16,665	-	-	-	1,400	18,065
Craig Johnstone	3,276	-	-	-	-	3,276
Debbie Wisby	6,353	-	-	-	1,970	8,323
Greg Raspin	6,353	-	-	-	862	7,215
Jennifer Crawford	13,577	-	-	-	-	13,577
Jenny Woods	10,467	-	-	-	1,050	11,517
Michael Davis	3,960	-	-	-	-	3,960
Michael Kent	22,231	-	-	-	839	23,070
Michael Fama	3,276	-	-	-	-	3,276
Richard Parker	3,276	-	-	-	62	3,338
<b>Total</b>	<b>118,605</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,199</b>	<b>137,804</b>

<sup>1</sup> Superannuation means the contribution to the superannuation fund of the individual.

<sup>2</sup> Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

<sup>3</sup> Other benefits includes all other forms of allowances (excludes reimbursements such as travel, accommodation or meals) and any other compensation paid and payable.

<sup>4</sup> Other non-monetary benefits (such as housing, subsidised goods or services etc)

(iii) **Key Management Personnel Remuneration**

2016	Salary <sup>1</sup> \$	Short-term Incentive Payments <sup>2</sup> \$	Super- annuation <sup>4</sup> \$	Vehicles <sup>5</sup> \$	Other Benefits <sup>6</sup> \$	Non- monetary Benefits <sup>7</sup> \$	Total \$
David Metcalf - General Manager (Commenced 24/9/2007)	138,806	-	22,209	10,000	-	-	171,015
Other Management Positions(6)	428,971	-	68,635	50,000	-	-	547,606
<b>Total</b>	<b>567,777</b>	<b>-</b>	<b>90,844</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>718,621</b>

2015	Salary <sup>1</sup> \$	Short-term Incentive Payments <sup>2</sup> \$	Super- annuation <sup>4</sup> \$	Vehicles <sup>5</sup> \$	Other Benefits <sup>6</sup> \$	Non- monetary Benefits <sup>7</sup> \$	Total \$
David Metcalf - General Manager (Commenced 24/9/2007)	138,806	-	22,209	10,000	-	-	171,015
Other Management Positions(6)	417,305	-	66,769	50,000	-	-	534,074
<b>Total</b>	<b>556,111</b>	<b>-</b>	<b>88,978</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>705,089</b>

<sup>1</sup> Gross Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice

<sup>2</sup> Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. These payments are capped at 15% of base salary.

<sup>3</sup> Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

<sup>4</sup> Superannuation means the contribution to the superannuation fund of the individual.

<sup>5</sup> Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

<sup>6</sup> Other benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.

<sup>7</sup> Other non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services

\* All amounts are on cash basis.

(iv) **Remuneration Principles**

**Councillors**

Paid as per Local Government Regulations Schedule 4

**Executives**

Remuneration levels for key management personnel are set in accordance with market rates, performance and in line with levels 8 - 11 in the modern award.

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions.

The performance of each senior executive, including the General Manager, is reviewed annually which includes a review of their remuneration package. The terms of employment of each senior executive, including the General Manager, contain a termination clause that requires the senior executive or Council to provide a minimum notice period of up to 12 months prior to termination of the contract. Whilst not automatic, contracts can be extended for the General Manager.

**Short term incentive payments**

Nil

**Termination benefits**

Nil

- (v) In accordance with s84(2)(b) of the *Local Government Act 1993*, no interests have been notified to the General Manager in respect of any body or organisation with which the Council has major financial dealings.

(vi) **Audit Panel Committee Members**

Mike Derbyshire is a Director of Bentleys Tasmania, during the financial year Bentleys Tasmania provided consultancy services to the Council and the Audit Panel.

	2016 \$'000
Total consultancy services provided by Bentleys Tasmania amounted to:	14

**Note 42**

<b>Special committees and other activities ( Not in at balance date considered not material)</b>				
<b>Committee</b>	<b>Opening Balan</b>	<b>Revenue</b>	<b>Expenditure</b>	<b>Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Bicheno War Memorial	14,717	624	-	15,341.46
Cranbrook Hall	1,218	-	-	1,218.00
Coles Bay Hall	7,218	7,100	8,840	5,478.44
Coles Bay Hall - Invest	8,035	237	-	8,272.00
Orford Hall	7,864	1,542	-	9,405.91
Buckland Hall	2,948	1,353	821	3,479.38
Triabunna Hall	1,252	1,884	1,145	1,990.90
Bicheno & District Health Centre	26,956	41,917	68,874	-
Bicheno & District Health Centre - investment	36,795	539	37,334	-
	107,004	55,196	117,014	45,186.09

**Note 43 Significant Business Activities**

The operating capital and competitive neutrality costs of the Council's significant business activities:

	Information Centres		East Coast Health	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>				
Rates	125	0	393	248
User Charges	596	626	5	724
Grants	-	-	408	404
Other	10	16	882	32
<b>Total Revenue</b>	<b>731</b>	<b>642</b>	<b>1,688</b>	<b>1408</b>
<b>Expenditure</b>				
<b>Direct</b>				
Employee Costs	320	304	454	376
Materials and Contacts	512	527	1,165	1274
Utilities	6	5	40	11
<b>Total Expenses</b>	<b>838</b>	<b>836</b>	<b>1,659</b>	<b>1,661</b>
<b>Notional cost of free services received</b>				
<b>Capital Costs</b>				
Depreciation and amortisation	4	5	81	66
<b>Total Capital Costs</b>	<b>4</b>	<b>5</b>	<b>81</b>	<b>66</b>
<b>Competitive neutrality adjustments</b>				
Rates and land tax	2	2	-	4
	2	2	0	4
<b>Calculated Surplus/(Deficit)</b>	<b>(113)</b>	<b>(201)</b>	<b>(52)</b>	<b>(323)</b>

**Accounting policy**

**Significant business activities**

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council's disclosure is reconciled above. Council has determined, based upon materiality that Visitor Information Centres and East Coast Health as defined above are considered significant business activities. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and loan guarantees.

Note	44	Management indicators	Benchmark	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000
		(a) Underlying surplus or deficit					
		Recurrent income* less		11,809	12,489	11,461	10,498
		recurrent expenditure		12,273	11,879	11,243	11,215
		Underlying surplus/deficit	0	-463	610	218	-717

\* Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature.

Benchmark not achieved.

(b) Underlying surplus ratio

Underlying surplus or deficit		-463	610	218	-717
Recurrent income*		11,809	12,489	11,461	10,498
Underlying surplus ratio %	0%	-4%	5%	2%	-7%

This ratio serves as an overall measure of financial operating effectiveness.

Benchmark not achieved.

(c) Net financial liabilities

Liquid assets less		1,798	2,441	2,214	2,693
total liabilities		5,394	5,411	3,722	3,089
Net financial liabilities	0	-3,596	-2,970	-1,508	-396

This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets means that, if all liabilities fell due at once, additional revenue would be needed to fund the shortfall.

Refer Note 44(d).

(d) Net financial liabilities ratio

Benchmark

Net financial liabilities		-3,596	-2,970	-1,508	335
Recurrent income*		11,809	12,489	11,461	10,498

Net financial liabilities ratio %	0% - (50%)	-30%	-24%	-13%	3%
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This ratio indicates the net financial obligations of Council compared to its recurrent income.

Within Benchmark.



Note	44	Management indicators (cont.)	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000
		<b>(e) Asset consumption ratio</b>				
		An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.				
		<i>Roads</i>				
		<u>Depreciated replacement cost</u>	41,184	41,375	41,460	40,118
		Current replacement cost	63,795	63,611	63,046	60,705
		Asset consumption ratio %	40% - 60%	65%	65%	66%
		<i>Bridges</i>				
		<u>Depreciated replacement cost</u>	5,259	5,369	4,910	4,715
		Current replacement cost	7,463	7,460	7,187	6,881
		Asset consumption ratio %	40% - 60%	70%	72%	68%
		<i>Footpaths&amp;Cycleways</i>				
		<u>Depreciated replacement cost</u>	6,855	6,840	6,845	6,501
		Current replacement cost	11,098	10,909	10,751	10,126
		Asset consumption ratio %	40% - 60%	62%	63%	64%

This ratio indicates the level of service potential available in Council's existing asset base.

N/A equals Not Available.

[Benchmark achieved.](#)

Note 44 Management indicators (cont.)

(f) Asset renewal funding ratio

An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.

*Transport Infrastructure*

<u>Projected capital funding outlays**</u>		2,371	2,333	2,007	2,149
Projected capital expenditure funding***		2,371	2,333	2,007	2,149
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%

*Buildings*

<u>Projected capital funding outlays**</u>		420	415	424	613
Projected capital expenditure funding***		420	415	424	613
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%

*Drainage*

<u>Projected capital funding outlays**</u>		227	225	275	185
Projected capital expenditure funding***		227	225	275	185
Asset renewal funding ratio %	90-100%	100%	100%	100%	100%

\*\* Current value of projected capital funding outlays for an asset identified in Council's long-term financial plan.

\*\*\* Value of projected capital expenditure funding for an asset identified in Council's long-term strategic asset management plan.

This ratio measures Council's capacity to fund future asset replacement requirements.

(g) Asset sustainability ratio

<u>Capex on replacement/renewal of existing assets</u>		3,090	4,038	1,625	1,136
Annual depreciation expense		2,014	1,991	1,952	2,045
Asset sustainability ratio %	100%	153%	203%	83%	56%

This ratio calculates the extent to which Council is maintaining operating capacity through renewal of their existing asset base.

Average ratio is 123.75%, which is above Benchmark.

	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
<b>2016</b>			
By asset class	\$'000	\$'000	\$'000
Land		0	0
Buildings and other Infrastructure	1931	1543	3474
<b>Total</b>	<b>1931</b>	<b>1543</b>	<b>3474</b>
<b>2015</b>			
By asset class	\$'000	\$'000	\$'000
Land		100	100
Buildings etc	2176	2152	4328
<b>Total</b>	<b>2176</b>	<b>2252</b>	<b>4428</b>

**Note 45 Fair Value Measurements**

Council measures and recognises the following assets at fair value on a recurring basis:

- Investment property
- Investment in water corporation
- Property, infrastructure plant and equipment
  - Land
  - Buildings, including footpaths & cycleways
  - Roads
  - Bridges
  - Other infrastructure

Council does not measure any liabilities at fair value on a recurring basis.

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. These comprise stock for Visitor Information Centres as disclosed in note 23. A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading 'Land held for sale'.

**(a) Fair Value Hierarchy**

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2016.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

**As at 30 June 2016**

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investment in water corporation	20	-	-	31,337	31,337
Land	25	-	7,350	-	7,350
Buildings	25	-	9,618	-	9,618
Roads, including footpaths & cycleways	25	-	-	58,226	58,226
Bridges	25	-	-	5,259	5,259
Parks, Open Space & streetscapes	25	-	-	2,208	2,208
Drainage	25	-	-	2,487	2,487
Marine Infrastructure	25	-	-	3,362	3,362
<b>Non-recurring fair value measurements</b>					
Assets held for sale	24	-	-	-	-

**As at 30 June 2015**

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investment in water corporation	20	-	-	30,806	30,806
Land	25	-	7,460	-	7,460
Buildings	25	-	7,987	-	7,987
Roads, including footpaths & cycleways	25	-	-	58,384	58,384
Bridges	25	-	-	5,369	5,369
Parks, Open Space & streetscapes	25	-	-	2,075	2,075
Drainage	25	-	-	2,393	2,393
Marine Infrastructure	25	-	-	3,068	3,068
<b>Non-recurring fair value measurements</b>					
Assets held for sale	24	-	-	-	-

**Note 45 Fair Value Measurements (cont.)**

**Transfers between levels of the hierarchy**

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

**(b) Highest and best use**

AASB 13 requires the fair value of non-financial assets to be calculated based on their "highest and best use". If applicable, provide details of the assets that have a different highest and best use from the current use and why the non-financial asset is being used in a manner that differs from its highest and best use]. Otherwise include a sentence that all assets valued at fair value in this note are being used for their highest and best use.

**(c) Valuation techniques and significant inputs used to derive fair values**

Level 2 Measurements (recurring and non-recurring) - describe the valuation techniques and the inputs used in the fair value measurement, if there has been a change in the technique then this change and the reason for making it should be disclosed.

Level 3 Measurements (recurring and non-recurring) - same as Level 2 above

Level 3 measurements (recurring) - a reconciliation of opening and closing balances is also required, which should include gains and losses recognised in profit and loss, gains/loss recognised in other comprehensive income, purchases and disposals, transfers in and out of Level 3. Refer Note (e) below.

- narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement. Interrelationships between inputs to also be disclosed. Refer Note (d) below.

**Investment property and Investment in water corporation**

Refer to Note 20 for details of valuation techniques used to derive fair values.

**Land**

Land will be revalued during the 2017 financial year in line with the Municipal valuation that is occurring.

**Land held for sale**

Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of the land was determined using the approach described in the preceding paragraph.

**Land under roads**

Council recognised the value of land under roads it controls at fair value as part of Road Infrastructure

Note 45 Fair Value Measurements (cont.)

**Buildings**

Buildings will be revalued during the 2017 financial year in line with the Municipal Valuation that is occurring.

Where Council buildings are of a specialist nature (eg heritage buildings) and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential. The gross current values have been derived from reference to market data for recent projects and costing guides. The average cost of construction used to calculate the gross current value of Council's buildings was \$2,500/sqm for heritage buildings.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, residual value at the time the asset is considered to be no longer available for use.

While the unit rates based on square metres can be supported by market evidence (level 2), the estimates of residual value and useful life that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation the overall valuation has been classified as level 3.

**Infrastructure assets**

All Council infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. The resulting valuation reflects the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output.

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks.

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in Note 25

The calculation of DRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation.

The methods for calculating CRC are described under individual asset categories below.

Roads, including footpaths & cycleways

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Urban roads are managed in segments defined by road intersections and rural roads are managed in 1km segments. All road segments are then componentised into formation, pavement, sub-pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. Council assumes that pavements are constructed to depths of x cms for high traffic areas and y cms for lower traffic locations. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's Enterprise Bargaining Agreement (EBA). Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years.

Bridges

A full valuation of bridges assets was undertaken by independent valuers, Brighton Council and TasSpan, effective 30 June 2016. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

**Note 45 Fair Value Measurements (cont.)**

Drainage

A full valuation of drainage infrastructure was undertaken by Council's Engineer, effective 30 June 2016. Similar to roads, drainage assets are managed in segments; pits and pipes being the major components.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the unit price for the component type. For pipes, the unit price is multiplied by the asset's length. The unit price for pipes is based on the construction material as well as the depth the pipe is laid.

Other Infrastructure

Other infrastructure is not deemed to be significant in terms of Council's Statement of Financial Position.

**(d) Changes in recurring level 3 fair value measurements**

The changes in level 3 assets with recurring fair value measurements are detailed in note 25 (Property, infrastructure, plant and equipment). Heritage buildings, which are classified as level 3 are separately disclosed in note 25. There have been no transfers between level 1, 2 or 3 measurements during the year.

**(e) Valuation processes**

Council's current policy for the valuation of property, infrastructure, plant and equipment, investment in water corporation and investment property (recurring fair value measurements) is set out in Note 25, 20 and 26 respectively.

Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

**(f) Assets and liabilities not measured at fair value but for which fair value is disclosed**

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes. (refer note 39)

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in Note 39 is provided by Tascorp (level 2).

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (Level 2).

**Note 46 Material Budget Variations**

Council's original budget was adopted by the Council on **14th July 2015**. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity, the weather, and by decisions made by the Council. Material variations are explained on the variance listed below.

**Revenues**

**1 Rates and charges**

Rates and charges generated 2.1% more income than originally budgeted. A review of the rating system provided extra income in the areas of garbage collection, waste and caravan licenses and revaluation of spate tenancies also increased general rates. Overall rates income was \$139,000 above budget.

**2 User fees**

User fees were \$162,000 or 15.1% below budget expectations. Visitor Centre income was \$80,000 below budget entirely due to ferry sale bookings not being available this financial year. Other major variances occurred in marina and wharf revenue \$47,000 below budget mainly due to lower wharf fees (No scallop season) and marina opening timing and \$30,000 loss in waste where steel was sold. This now costs money for Council to dispose of rather than being paid.

**3 Grants**

Grants were \$382,000 or 22.4% above budget due to extra Roads to Recovery funding received that was announced during the financial year.

**4 Contributions**

Contributions were 19.9% below budget or \$26,000. This was solely related to the number of subdivisions being below budget.

**5 Interest**

Interest was \$26,000 below budget or 34.4%. This was due entirely to the low interest rates on offer and the scarcity of available cash.

**6 Other Income**

Other income was \$126,000 above budget or 8%. This was mainly due to Reimbursements being \$58,000, Medical Income \$20,000, Donations \$15,000, and Pensioner Remissions \$10,000 all being above budget.

**7 Net Gain or Loss on Assets**

Below budget by a large figure as property sales of approximately \$2 million were included in the budget. The \$95,000 loss consists of Property Sale profits of \$101,000, Motor Vehicle Sale profits of \$32,000 and Infrastructure losses of \$228,000.

**Expenses**

**1 Materials and services**

Materials and services were \$314,000 or 5.6% over budget. Main contributors over budget are \$109,000 contractors, \$22,000 Advertising, \$17,000 legal fees, valuation fees \$38,000, Reimbursements \$40,000 (refer income).

**2 Impairment of Receivables**

Write off of long outstanding debtor of \$67,000 over budget.

**3 Loan Interest**

Loan Interest \$104,000 or 51 % below budget. The loan on Solis was budgeted but not drawn down.

**4 Other Expenses**

Other expenses were \$40,000 over budget or 23.1%. This relates to Councillor expenses being \$8,000 over budget and the audit costs relating to the internal audit not budgeted at \$27,000.

\*\*\*\* It should also be noted that flooding in late January cost \$380,000 in direct costs and caused Council to focus on emergency repairs for the period February to May 2016 which has also added to the cost as Council would have normally been completing capital works.

**Note 47 Other significant accounting policies and new accounting standards**

**(a) Taxation**

Council is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax and the Goods and Services Tax.

*Goods and services tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(b) Impairment of assets**

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset. For non-cash generating assets of Council such as roads, drains, public buildings and the like, value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

**(c) Allocation between current and non-current**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being Council's operational cycle, or if Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

**(d) Financial guarantees**

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

**(e) Contingent assets, contingent liabilities and commitments**

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Statement of Financial Position. Commitments are disclosed at their nominal value inclusive of the GST payable.

**(f) Budget**

The estimated revenue and expense amounts in the Statement of Profit or Loss and Other Comprehensive Income represent revised budget amounts and are not audited.



**Note 47 Other significant accounting policies and new accounting standards (cont)**

**(g) Adoption of new and amended accounting standards**

**(i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality (effective from 1 July 2015)**

The completion of AASB project to remove Australian guidance on materiality from Australian Accounting Standards with the issue of the final amending standard to effect the withdrawal of AASB 1031 *Materiality*. Guidance on materiality is now located in AASB 101 *Presentation of Financial Statements*.

**(ii) AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 (effective from 1 January 2016)**

The amendments do not require any significant change to current practice, but should facilitate improved reporting, including an emphasis on only including material disclosures, clarity on the aggregation and disaggregation of line items, the presentation and subtotals, the ordering of notes and the identification of significant accounting policies.

**(h) Pending Accounting Standards**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

**(i) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations (effective from 1 January 2016)**

Under AASB 2014-3 business combination accounting is required to be applied to acquisitions of interests in a joint operation that meets the definition of a 'business' under AASB 3 *Business Combinations*.

**(ii) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation (effective from 1 January 2016)**

This amendment introduces a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. In addition to this, there is limited opportunity for presumption to be overcome and clarifies that revenue-based depreciation for property, plant and equipment cannot be used.

**(iii) AASB 2014-9 Amendments to Australian Accounting Standards - Equity method in Separate Financial Statements (effective from 1 January 2016)**

Under this amendment, the use of the equity method in separate financial statements in accounting for associates, joint ventures and subsidiaries is allowed.

**(iv) AASB 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle (effective from 1 January 2016)**

Amendments to existing accounting standards, particularly in relation to:

IFRS 5 - guidance on changes in method of disposal;

IFRS 7 - clarifies 'continuing involvement for service contracts and also clarifies offsetting disclosures are not specifically required in interim financial statements, but may be included under general requirements of IAS 34;

IAS 19 - clarifies that discount rates used should be in the same currency as the benefits are to be paid; and

IAS 34 - clarifies that disclosures may be incorporated in the interim financial statements by cross-reference to another part of the interim financial report.

Note 47 Other significant accounting policies and new accounting standards (cont)

- (v) AASB 2015-6 *Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* (effective from 1 July 2016)

The amendment extends the scope of AASB 124 *Related Party Disclosures* to include not-for-profit public sector entities.

Letter sent to Councillors for them to sign declaring any Related Party interests.

- (vi) AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities* (effective from 1 July 2016)

The amendment provides relief to not-for-profit public sector entities from certain disclosures about the fair value measurement of property, plant and equipment held for their current service potential rather than to generate net cash inflows that is categorised within Level 3 of the fair value hierarchy.

- (vii) AASB 1057 *Application of Australian Accounting Standards*, AASB 2015-9 *Amendments to Australian Accounting Standards - Scope and Application Paragraphs* (effective from 1 January 2016)

The AASB has reissued most of its Standards (and Interpretations) that incorporate IFRSs to make editorial changes. The editorial changes will enable the AASB to issue Australian versions of IFRS more efficiently. As part of the reissuance, the AASB has moved the application paragraphs that identify the reporting entities and general purpose financial statements to which the pronouncements apply to a new Standard, AASB 1057 *Application of Australian Accounting Standards*. However, the technical application requirements have not been amended.

- (viii) AASB 9 *Financial Instruments* and the relevant amending standards (effective from 1 January 2018)  
AASB 9 is one of a series of amendments that are expected to replace AASB 139 *Financial Instruments: Recognition and Measurement*. The main impact of the standard is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four categories of financial assets in AASB 139 will be replaced with two measurement categories: fair value and amortised cost.

Amortised cost is to be used for assets with contractual terms giving rise to principal and interest payments.

Fair value is to be used for all other financial assets. Gains or losses on financial assets at fair value are to be recognised in profit and loss unless the asset is part of a hedging relationship or an irrevocable election has been made to present in other comprehensive income changes in the fair value of an equity instrument not held for trading.

When adopted, the standard will affect, in particular, Council's accounting for its available-for-sale financial assets. Currently, Council recognises changes in the fair value of its available-for-sale assets through other comprehensive income. Under AASB 9 fair value gains and losses on available-for-sale assets will have to be recognised directly in profit or loss.

However, investments in equity instruments can be designated as 'fair value through other comprehensive income' assets. This designation is irrevocable. Council is likely to designate its investment in TasWater as 'fair value through other comprehensive income' and therefore the adoption of this standard will not impact the way movements in the fair value are accounted for.

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed.

Note 47 Other significant accounting policies and new accounting standards (cont)

- (ix) AASB 15 *Revenue from Contracts with Customers*, and AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15* (effective from 1 January 2018)
- Under the new standard, a single model that applies to contracts with customers and two approaches to recognising revenue, at a point in time or over time is proposed. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.
- The new standard will apply to contracts of not-for-profit entities that are exchange contracts. AASB 1004 *Contributions* will continue to apply to non-exchange transactions until the Income from Transactions of Not-for-Profit Entities project is completed.
- (x) AASB 2014-10 *Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, AASB 2015-9 *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB10 and AASB 128* (effective 1 January 2018)
- AASB 2014-10 amendments require the full gain or loss to be recognised when the assets transferred meet the definition of a 'business' under AASB 3 *Business Combinations* (whether housed in a subsidiary or not).
- AASB 2015-10: the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Deferring the effective date indefinitely in the Australian jurisdiction may have unintended legal consequences given AASBs are legislative instruments. Accordingly, the AASB has deferred the effective date of the amendments to 1 January 2018.
- (xi) AASB 16 *Leases* (effective from 1 January 2019)
- AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.
- (xii) *Disclosure Initiative - Amendments to AASB 107* (effective from 1 January 2017)
- Amendments to AASB 107 will see the introduction of additional disclosures to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as effects of changes in foreign exchange rates and changes in fair values).

Reference  
AASB/AAI

**Note 48 Correction of Error**

In 2014-15, Council incorrectly recorded their percentage share in the ownership of TasWater as 2.07%, whereas it should have been recorded as 1.99%. As a consequence, the fair value adjustment of the investment in TasWater was overstated by \$1.238m, with the Fair Value reserve also overstated by the same amount.

The following table summaries the impacts on Council's financial statements:

	2015 As previously reported \$ '000	Adjustment \$ '000	2015 As restated \$ '000
<b>Statement of Financial Position As at 30 June 2015</b>			
Investment in Water Corporation	32,044	(1,238)	30,806
<b>Total Assets</b>	<b>123,691</b>	<b>(1,238)</b>	<b>122,453</b>
<b>Net Assets</b>	<b>118,280</b>	<b>(1,238)</b>	<b>117,042</b>
<b>Equity</b>			
Reserves	44,078	(1,238)	42,840
Accumulated Funds	74,202	-	74,202
<b>Total Equity</b>	<b>118,280</b>	<b>(1,238)</b>	<b>117,042</b>
 <b>Statement of Changes in Equity For the year ended 30 June 2015</b>	 2015 reported \$ '000	 Adjustment \$ '000	 2015 As restated \$ '000
Balance at beginning of the financial year	105,417		105,417
Surplus/(deficit) for the year	11,352		11,352
<b>Other Comprehensive income:</b>			
Fair Value adjustment on Available for Sale Assets	1 477	(1,238)	239
Net asset revaluation increment(decrement) reversals	34		34
<b>Balance at end of the financial year</b>	<b>118,280</b>	<b>(1,238)</b>	<b>117,042</b>
 <b>Statement of Comprehensive Income For the year ended 30 June 2015</b>	 2015 reported \$ '000	 Adjustment \$ '000	 2015 As restated \$ '000
Net result for the year	11,351	-	11,351
<b>Items that may be recalsified subsequently to surplus or deficit</b>			
Net asset revaluation increment	34	-	34
<b>Items that may be recalsified subsequently to surplus or deficit</b>			
Fair Value adjustment on Available for sale assets	1 477	(1,238)	239
<b>Comprehensive Result</b>	<b>12,862</b>	<b>(1,238)</b>	<b>11,624</b>

### **Certification of the Financial Report**

The financial report presents fairly the financial position of the Glamorgan Spring Bay Council as at 30 June 2016, the results of its operations for the year then ended and the cash flows of the Council, in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards (including interpretations) and other authoritative pronouncements issued by the Australian Accounting Standards Board..



*David Metcalf*  
**General Manager**

**Date :** 28/09/2016