

Kingborough Council

ANNUAL REPORT



2015 | 2016



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MAYOR'S MESSAGE

I am pleased to present the 2015/16 Annual Report for Kingborough Council.

As a Council we pride ourselves on supporting a strong quality of life for our community and provide many unique council services, which play a vital role in many residents' lives. We are proud to report that Kingborough continues to perform to high standards when it comes to community service delivery and strengthening business partnerships.

Over the past year we farewelled Nic Street and Bernadette Black, who went to seek new careers and welcomed Cr Sue Bastone and the return of Cr Paul Chatterton.

Council has delivered a variety of frequent learning and activity programs for all ages as well as much-needed services including our successful Volunteer Program, Manor Gardens Respite Club and Family Day Care. Our Love Living Locally event grows every year and our Youth Services activities are increasingly popular, including the Barista and Responsible Serving of Alcohol training. Young people have also been cooking up three-course meals for Kingborough's senior members as part of the intergenerational lunch program, which has been an invaluable experience for them in learning new skills and seeing how they can make positive contributions in the community.

We have presented \$60,000 to community groups across Kingborough through our Community Grants Program this year. This Program supports local community groups so they are able to provide a range of quality and innovative activities in Kingborough. It is designed to assist not-for-profit organisations that benefit and improve the quality of life and opportunities for our residents.

Council's commitment to being a leader in climate change adaptation has led to the publication of the Kingston Beach Integrated Natural Hazard and Climate Change Project and the investigation into the proposed establishment of a Climate Change Innovation Lab in Kingborough. The Lab would help us gain access to real-world solutions for the climate change issues facing Kingborough and would attract world-leading professionals and researchers in the field to test innovative and emerging responses to climate change for specific challenges. This work led to an invitation by the National Climate Change Adaptation Research Facility for Council to present our achievements on behalf of Local Government. Since then we have been approached by other councils in Australia and Pacific nations, who wish to learn from our modelling work.

The threat of bushfire is a concern for our municipality and Council approved the appointment of a Bushfire Management Officer to develop a bushfire management program for Council land, including a bushfire risk management strategy, related policies and management plans. We encourage all residents to prepare, plan and manage bushfire risks. The Tasmania Fire Service website is a great resource for information on how to Prepare, Act and Survive.

Road infrastructure and footpath renewal works have seen improvements and upgrades throughout the municipality throughout the year, including the completion of the rehabilitation of the Barretta Waste Management Facility. The Barretta levy enabled a range of works to be completed

to make the site a safer environment as well as improving access for increasing traffic and larger vehicles.

The development project on the former Kingston High School site has progressed this year, starting with the renaming of the site to Kingston Park by members of our community. The winner for the architectural competition for our new community hub was announced in June and designs are well underway by March Studio. Their design will provide a striking community centre that will provide an effective re-use of the old gym building, and will be a facility that is flexible for future changing demands in the heart of Kingston. Construction will begin next year, along with the main roads and community health care centre.

The new developments at Spring Farm and Whitewater are meeting a strong demand for people wanting to live in Kingborough and both projects are expected to begin construction in 2017. These developments will enable connections between Spring Farm Road through to Kingston View Drive as well as extending walking and cycle links through to central Kingston.

Council amalgamations and resource sharing continue to be hot topics and Council is working together with other councils to investigate all of our options, in order to identify the best possible outcomes for our ratepayers. We must consider taking steps to improve the efficiency and effectiveness of Local Government, making sure the best interests of our communities are at the centre of any potential changes. Council signed a Memorandum of Understanding in November 2015, for studies to examine options for voluntary amalgamation and strategic shared services for Greater Hobart Councils, including Hobart, Glenorchy and Clarence City councils.

My fellow councillors and I will continue to aim for a high performing council over the coming year, to achieve our vision of being a thriving, vibrant and connected community, which delivers best quality services to our community.



Cr Steve Wass
MAYOR



GENERAL MANAGER'S REPORT

Council's 2015/16 Annual Report provides a summary of Council's operations and performance over the past 12 months.

Once again it has been a pleasure to work with a committed Council, a dedicated staff and an encouraging community to work for the betterment of Kingborough.

The following list highlights a sample of the extraordinary diversity of issues addressed by Council during the past year:

- Local Government Reform
- Cat management on Bruny Island
- Precinct Naming competition for the former Kingston High School site
- Design competition for the Community Hub at Kingston Park
- Redevelopment of Kingston Park
- Review of the Huon Trail Marketing Program
- Introduction of the Kingborough Interim Planning Scheme 2015
- Established a 1967 Bushfire Commemoration Working Group
- Councillors Gifts and Benefits Policy
- Tasmanian Planning Scheme and draft State Planning Provisions
- Council Code of Conduct
- Recreational Vehicle/Camping Strategy

- Kingston Beach Integrated Risk and Adaptation Case Study
- Blackmans Bay Skate Park
- Derwent Estuary Program
- Long Term Financial Plan
- Asset Management Plan

The annual report shows our community how we have performed in meeting our challenges over the past twelve months.

None of this is possible without support from many people and I would like to acknowledge our wonderful volunteers, councillors and all Kingborough staff

In closing I encourage you to read through the pages of this annual report and celebrate the successes and challenges with us.



Gary Arnold
GENERAL MANAGER



1. ELECTED MEMBERS

1.1 YOUR COUNCILLORS

FOR THE PERIOD 1 JULY 2015 TO 31 JULY 2016



Mayor Steve Wass

M: 0412 634 647

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Councillor Paul Chatterton

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(from 15 March 2016)



Deputy Mayor Paula Wriedt

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Councillor Flora Fox

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Councillor Richard Atkinson

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Councillor David Grace

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Councillor Sue Bastone

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E: cr.suebastone@kingborough.tas.gov.au

From 21 January 2016)



Councillor Michael Percey

M: 0419 892 511

E: cr.mikepercey@kingborough.tas.gov.au



Councillor Bernadette Black

(to 11 January 2016)



Councillor Nic Street

(to 1 March 2016)



Councillor Dr Graham Bury

T: 0417 308 687

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Councillor Dean Winter

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1.2 COUNCIL AND COMMITTEES

During the 2015/16 year the Council was made up of 10 elected Councillors.

Ordinary Council Meetings during 2015 were usually held on the fourth Monday of each month commencing at 5.30pm. For the period 1 July 2015 to 18 January 2016, Council had four Committees:

- Planning Authority and Development Committee
- Infrastructure and Recreational Services Committee
- Governance and Finance Committee
- Community, Arts and Environment Committee

The Planning Authority and Infrastructure and Recreational Services Committees met monthly with the Governance and Finance Committee and Community, Arts and Environment Committee meeting bi-monthly.

The Committees discussed various aspects of Council business and, where necessary, made recommendations for consideration by Council.

The Planning Authority and Development Committee considered development applications and had full delegation to determine matters that came before it.

The Infrastructure and Recreational Services Committee had delegated authority to accept tenders up to the amount provided in the estimates for specific projects, without reference to Council.

In December 2015 Council resolved to trial a new schedule for Council Meetings from February until December 2016. During this time full Council Meetings are held twice each month. All Committee meetings ceased for the duration of the trial period, which provided more opportunities for workshops to be held. Workshops allow for a more detailed discussion between Councillors and staff on specific matters and projects.

Council meetings are open to the public (except where an item is considered to be of a confidential nature in accordance with the *Local Government (Meeting Procedures) Regulations 2015*). Meeting schedules are advertised on Council's website and at the Council Offices.



THE FOLLOWING TABLE DETAILS THE MEMBERSHIP OF THE VARIOUS COMMITTEES DURING 2015/16:

COMMITTEE	COUNCILLORS	
Planning Authority & Development Committee (to 18 January 2016) Chairperson: Cr Dr Bury Deputy Chairperson: Cr Fox	Cr Atkinson Cr Dr Bury Cr Grace Cr Street Cr Winter	Cr Black to 11 January 2016 Cr Fox Cr Percey Mayor Cr Wass Deputy Mayor Cr Wriedt
Community, Arts & Environment Committee (to 18 January 2016) Chairperson: Deputy Mayor Cr Wriedt Deputy Chairperson: Cr Winter	Cr Atkinson Cr Grace Cr Winter	Cr Black to 11 January 2016 Mayor Cr Wass Deputy Mayor Cr Wriedt
Governance & Finance Committee (to 18 January 2016) Chairperson: Cr Street Deputy Chairperson: Deputy Mayor Cr Wriedt	Cr Dr Bury Cr Grace Cr Street	Cr Fox Cr Percey Deputy Mayor Cr Wriedt
Infrastructure & Recreational Services Committee (to 18 January 2016) Chairperson: Cr Black Deputy Chairperson: Cr Atkinson	Cr Atkinson Cr Dr Bury Mayor Cr Wass	Cr Black to 11 January 2016 Cr Fox Cr Winter



THE ISSUES FOR WHICH EACH COMMITTEE, UP TO 18 JANUARY 2016, WAS RESPONSIBLE FOR:

PLANNING AUTHORITY AND DEVELOPMENT COMMITTEE (ALL 10 COUNCILLORS)

Statutory Planning Authority responsibilities	Planning Scheme Amendments
Development Applications	Legal matters related to Statutory Planning
Subdivision Approvals	Planning Appeals
Settlement, Local Area and Master Planning	Kingborough Planning Scheme Review

INFRASTRUCTURE AND RECREATIONAL SERVICES COMMITTEE (6 COUNCILLORS)

Asset Management Program (forward planning and maintenance)	Sporting Grounds and Facilities
Capital Works	Recreation Reserves (including playgrounds, parks and gardens)
Roads, Footpaths and Cycleways (including access mobility)	Public Buildings (including public halls, toilets)
Streetscape Design (including lighting, signs, furniture, vegetation)	Tracks and Trails Development
Stormwater Management	Marine Structures (including jetties, boat ramps)
Traffic Management	Property Management
Transport Planning	Recreation and Open Space Planning
Waste Management	Kingborough Sports Centre

GOVERNANCE AND FINANCE COMMITTEE (6 COUNCILLORS)

Strategic and Operational Plans	Financial Strategy and Management
Corporate Communication	- Revenue and Rating
Human Resources	- Grants
Partnerships	- Loan Borrowing
Risk Management and Insurances	- Compliance
Information Technology	- Related Policies
Budget Management	- Financial Reporting
Economic Development	Tourism, Marketing and Visitor Services

COMMUNITY DEVELOPMENT AND ARTS COMMITTEE (6 COUNCILLORS)

Natural Resources Management	Community Development
Climate Change	Community Information
Vegetation management (weeds, tree clearing, conservation)	Family Day Care
Water Quality	Manor Gardens
Pollution Control and Nuisances	Youth
Public Health	Education and Learning
Building Control	Arts and Cultural
Compliance and Enforcement	Community Events
Fire Hazards and Fire Management	Positive Ageing
Coastal Management	Community Safety and Policing
Animal Control	Abel Tasman Art and Design Prize
	Australia Day Awards

1.3 APPOINTED COUNCIL REPRESENTATION ON SUB-COMMITTEES, ADVISORY COMMITTEES AND EXTERNAL ORGANISATIONS

COMMITTEE NAME	TYPE OF COMMITTEE	APPOINTEE
Abel Tasman Art Prize Committee	Community	Cr Fox
Code of Conduct	Council	Mayor Cr Wass Deputy Mayor Cr Wriedt Cr Chatterton
Kingborough Municipal Emergency Planning	Statutory	Mayor Cr Wass
Kingborough Access Advisory Committee	Section 24 Special Committee	Deputy Mayor Cr Wriedt
Bruny Island Advisory Committee	Section 24 Special Committee	Cr Percey
Tas Water	Regional	Mayor Cr Wass
Channel Heritage Museum	Community	Cr Fox
Kingborough Bicycle Users Group	Section 24 Special Committee	Cr Atkinson
Kingborough Community Enterprise Centre	Community	Cr Black to 11 January 2016 Cr Bastone from 9 February 2016
Kingborough Community and Police Liaison Group	Community	Cr Winter
Local Government Association of Tasmania	Statewide	Mayor Cr Wass Deputy Mayor Cr Wriedt (Proxy)
Cycling South	Regional	Cr Atkinson
Southern Waste Strategy Authority	Regional	Mayor Cr Wass Cr Street (Proxy) to 1 March 2016 Cr Fox (Proxy) from 1 March 2016
Southern Tasmanian Councils Authority	Regional	Mayor Cr Wass, General Manager
Kingborough Road Safety Committee	Section 24 Special Committee	Cr Winter to 30 March 2016 Cr Chatterton from 30 March 2016
Huon Valley/Kingborough Tourism Steering Committee	Community	Cr Percey
Copping Refuse Disposal Site Joint Authority	Regional	Mayor Cr Wass Cr Street (Proxy) to 1 March 2016 Cr Bastone (Proxy) from 1 March 2016
1967 Bushfires Commemorative Working Group	Council	Cr Grace

1.4 COUNCILLOR ATTENDANCE AT MEETINGS

The following tables details Councillor attendance at Council meetings, S.23 Committees and Workshops during the year.

Councillor Attendance at Meetings from 1 July 2015 - 30 June 2016

The following table details Councillor attendances at Council meetings, S.23 Committees and Workshops during the year.

	Council	Special Meetings	Planning Authority & Develop't	Community, Arts & Environment		Governance & Finance		Infrastructure & Recreational Services		Audit Panel		Workshops	Leave of Absence Approved during the period
No. of Meetings Held	17	2	7	1		4		4		5		28	
	Member	Member	Member	Member	Non Member	Member	Non Member	Member	Non Member	Member	Non Member		
Mayor Cr Wass	17	2	7	1			3	4			3	26	
Deputy Mayor Cr Wriedt	15	2	7	1		3						22	3/9/15 - 12/9/15; 29/12/15 - 8/1/16; 14/6/16 - 17/6/16
Cr Atkinson	16	2	6	1			1	4		2		27	13/7/15 - 17/7/15; 14/10/15 - 16/10/15; 24/12/15 - 3/1/16; 11/5/2016 - 18/5/2016 ; Joined Audit Panel April 16
Cr Bastone	10	1										17	22/5/2016 - 28/5/2016
Cr Black	5	1	5					3				4	19/8/15 - 7/9/15; 5/10/15 - 13/10/15; Resigned with effect from 11/1/2016
Cr Dr Bury	15	2	7			4		3				23	14/7/15 - 1/8/15; 30/3/16 - 2/4/16
Cr Chatterton	8	1										11	
Cr Fox	16	2	6		1	4		4			1	23	3/11/15 - 20/11/15; 15/5/16 - 3/6/16
Cr Grace	15	2	7	1		4			2			23	
Cr Percy	15	2	5			3			1	4		21	1/9/15 - 21/10/15; 22/3/16 - 1/4/16
Cr Street	9	1	7			4			1	3		10	Resigned with effect from 1/3/2016
Cr Winter	17	2	7	1				4				22	25/2/16 - 29/2/16

Note: Special Meetings also includes the Annual General Meeting

1.5 REMUNERATION OF COUNCILLORS

Section 72(cb) of the *Local Government Act 1993* requires that a statement of the total allowances and expenses paid to the Mayor, Deputy Mayor and Councillors is to be included in the Annual Report.

During the year, Council paid a total of \$376,418 in allowances and expenses to Councillors. Councillors were provided at their choice, a home personal computer and a telephone/fax/printer, for which all costs were funded by Council. A fully maintained motor vehicle is also provided to the Mayor for use on Council related business.

Council has resolved that the following information relating to the payment of allowances and reimbursement of expenses of office is included on the Governance and Finance Committee agendas and also provided in the Annual Report:

- (1) Allowances paid during the financial year.
- (2) Reimbursements paid under the 'Payment of Councillors Expenses and Provision of Facilities' Policy broken down into:
 - (i) mileage claims;
 - (ii) telephone and internet costs;
 - (iii) conference and meeting expenses paid/claimed;
 - (iv) child care; and
 - (v) other reimbursements claimed.
- (3) Code of Conduct costs incurred attributed to individual Councillors when complaints which have been lodged are substantiated and upheld.

The following table provides the required information:

Councillor Allowance and Expense Table for period 1 July 2015 to 30 June 2016

SUMMARY

Councillor	Mayoral Allowance \$	Deputy Mayoral Allowance \$	Councillor Allowance \$	Councillor Expenses							Total \$
				Mileage Claimed \$	Mayor's Vehicle Mileage \$	Bruny Ferry \$	Internet & Telephone \$	Child Care \$	Conference & Meeting Attendance \$	Code of Conduct \$	
Mayor Cr Wass	68,256	-	27,303	-	3,595	78	773	-	2,319	-	\$ 102,323
Deputy Mayor Cr Wriedt	-	18,971	27,303	-	-	-	438	-	-	-	\$ 46,712
Cr Atkinson	-	-	27,303	-	77	16	-	-	800	-	\$ 28,196
Cr Bastone	-	-	9,176	-	-	-	-	-	-	-	\$ 9,176
Cr Black	-	-	14,354	-	-	-	640	-	-	-	\$ 14,994
Cr Dr Bury	-	-	27,303	-	-	45	1,595	-	-	-	\$ 28,943
Cr P Chatterton	-	-	8,029	-	72	-	171	-	1,077	-	\$ 9,348
Cr Fox	-	-	27,303	1,515	77	16	1,423	-	1,413	-	\$ 31,747
Cr Grace	-	-	27,303	3,062	-	204	1,895	-	727	-	\$ 33,192
Cr Percy	-	-	23,827	-	153	32	738	-	1,505	-	\$ 26,255
Cr Street	-	-	18,128	-	-	-	-	-	-	-	\$ 18,128
Cr Winter	-	-	27,303	-	-	-	-	-	100	-	\$ 27,403
TOTAL	\$ 68,256	\$ 18,971	\$ 264,637	\$ 4,577	\$ 3,973	\$ 391	\$ 7,671	\$ -	\$ 7,941	\$ -	\$ 376,418

Notes:

Bruny Ferry = cost of fares at \$15 (including GST) per trip prior to December and \$16 per trip from December 1st 2015.

Cr Black only received part of her allowance for January due to her resignation.

Council Minute C390/14-12 determined that Councillor Allowances and Expenses paid under the "Payment of Councillors Expenses and Provision of Facilities" Policy be reported.

Bruny Ferry costs are also included as required in Minute GF101/6-12

2. KEY CORPORATE FUNCTIONS AND ACHIEVEMENTS

2.1 CORPORATE

Council aims to provide professional corporate support services across the organisation through strong financial management and human resources practices, as well as responsive and flexible information systems.

SERVICE DELIVERY REVIEWS

Council commenced an internal program of service delivery reviews in December 2015. These reviews aim to ensure that Council's available resources within specific program areas are efficiently applied in order to meet community needs. This is a rolling program – as one review is completed another commences. It aims to provide a more structured approach to continuous improvement within Council. During this year, reviews have been conducted into the procurement of legal services, statutory planning services, the procurement and disposal of plant and fleet vehicles, asset management, information technology and compliance and regulatory enforcement programs. Most of these reviews were substantially completed by the end of the year and have progressed to an implementation phase. This program has only begun relatively recently but has proven to be very useful in identifying how to improve current practices and procedures. Ultimately, this program should ensure that the Kingborough community is getting 'value for money' from Council through optimum service levels and efficient processes.

TOURISM

For almost 15 years, Council has partnered with the Huon Valley Council in marketing the region south of Hobart under the Huon Trail brand. During this year, the two councils and the local tourism industry have initiated an entirely new approach whereby Destination Southern Tasmania has been contracted to deliver this region's marketing program and to replace the Huon Trail brand. This will facilitate an improved promotion of specific destinations, such as the Channel and Bruny Island within Kingborough. Bruny Island in particular was a very popular tourism destination over the summer and autumn period. Tourism numbers have been growing by about 20% each year recently and infrastructure has struggled to cope. Council has been actively involved in working with a number of State government agencies and, in conjunction with the local Bruny Island community, has participated in various strategic reviews that will identify how to best respond to this rapidly growing tourism popularity. Council and government are working with the community and business by providing built infrastructure improvements that will meet visitor needs and better protect important Bruny Island values.



2.1.1 ORGANISATIONAL DEVELOPMENT

The Organisational Development Department is responsible for the development of Council's corporate communications and employee development programs. This area develops and implements strategies, policies and procedures through the provision of human resources and industrial relations services.

KEY ACHIEVEMENTS

STAFFING

Council employed a staff of 191.6 effective full-time equivalent employees as at 30 June 2016, including Kingborough Waste Services (KWS). Recruitment of staff was undertaken in accordance with Council's recruitment policies. During the year, 23 new staff members were recruited, including permanent, temporary, casual and fixed-term employees. Seventeen employees terminated their employment during the year.

TRAINING AND DEVELOPMENT

Council is committed to supporting staff in furthering their careers and learning opportunities. The focus of the training program was on operational requirements and work health and safety. In 2015/16, 11 staff completed vocational qualifications at the Certificate IV and Certificate III level. Staff studied for vocational and degree level qualifications in a wide range of fields including engineering, civil construction, local government regulatory services, training and assessment, business administration, management, public safety and horticulture.

INDUSTRIAL RELATIONS

Council's employment conditions for Award based employees are negotiated through an enterprise agreement process. The agreement for council employees is the Kingborough Council Enterprise Agreement No. 8 of 2015 which was approved by the Fair Work Commission in September 2015. The Kingborough Waste Services Enterprise Agreement No. 1 of 2013 covers Award based employees engaged by Kingborough Waste Services Pty Ltd.

WORK HEALTH AND SAFETY

Council is committed to providing a safe and healthy work environment for its employees. Incidents and work health and safety performance statistics were reviewed regularly by Council's Executive Management Team and the KWS Board. There were 28 new workers compensation claims lodged during the year.

The lost time injury frequency rate (LTIFR) was 27.66. LTIFR is the frequency of injuries involving one or more lost workdays per million hours worked.

CORPORATE COMMUNICATIONS

Council continues to develop its online and social media presence. A new Twitter account for Council was created this year (@KingboroughTas) along with new profiles on other channels including Instagram (@KingboroughTas) and Flickr (KingboroughTas). Council also manages three Facebook pages: Kingborough Council, Kingborough Family Day Care and the Kingborough Sports Centre. Updates on various aspects of Council works and events are accompanied by a hashtag, to make it easier for users to find messages with a specific theme or content, for example: #KCworks accompanies all messages relating to infrastructure works in the municipality.

A new-look council update features regularly in the Kingborough Chronicle, in addition to the Kingborough Snapshot. Council has also created the opportunity for community members to subscribe to a monthly e-newsletter.



2.1.2 FINANCE

The Finance Department is responsible for the provision of financial reporting, ensuring the application of appropriate governance controls and the provision of support services for Council.

Finance is also responsible for the management of Council's financial assets including the investment of surplus funds, placement and operation of all insurance policies, procurement practices across the Council and the operation of the Bruny Island Service Centre which includes an Australia Post branch.

KEY ACHIEVEMENTS

AUDIT PANEL

Council established an Audit Panel in 2013 to ensure good governance and financial management through the frequent review of Council's policies, processes and systems. The Panel, appointed by Council for a maximum term of four years, consists of five members, including three independent members and two Councillors. One of the members is also appointed by Council as Chairperson.

The independent members are Nick Burrows (Chairperson), Robert Hogan and Paul McTaggart. The two Councillors are Cr Michael Percey and Cr Richard Atkinson. Former Councillor Nic Street served on the Audit Panel until March 2016.

The primary objective of the Audit Panel is to support and assist Council in providing a transparent and independent review process for its financial and risk management practices to ensure accountability to the community in the governance, management and allocation of resources.

Underpinning the above, the Audit Panel ensures that there is an adequate and effective system of internal controls throughout Council.

In executing its responsibilities pursuant to its Charter, the Audit Panel, with its independent members, Councillor representatives and with support from Management, work together in a cooperative manner for the benefit of the Council and the Community.

The Audit Panel's main responsibilities include:

- Reviewing Council's Performance through considering:
 - Whether the annual financial statements of the Council accurately represent the state of affairs of the Council;
 - Whether the strategic plan, annual plan, long-term financial management plan, or long-term strategic asset management plan are integrated and supported by sound formulation processes and assumptions;

- The accounting, internal control, anti-fraud, anti-corruption and risk management policies, systems and controls that the Council has in relation to safeguarding its long-term financial position;
 - Whether the Council is complying with the provisions of the Act and any other relevant legislation; and
 - Whether the Council has taken any action in relation to previous recommendations provided by the Audit Panel to the Council and, if it has taken action, what that action was and its effectiveness.
- Reviewing accounting principles, policies and practices adopted in the preparation of financial information.
 - Reviewing management of procedures relating to financial controls including internal audit related plans and reports.
 - Reviewing with external auditors of the scope and results of their audit.
 - Reviewing and approving the external auditor fees.
 - Recommending to Council the approval of risk management policies and processes.

In 2014, Council appointed Wise Lord & Ferguson as Internal Auditors. During 2015/16, the internal audit program consisted of a strategic audit on Financial Sustainability and a compliance audit of rates involving a high level control review followed by a detailed control review.

The external auditors are the Tasmanian Audit Office who conduct an audit of the 2015/16 Financial Statements and provide an Independent Auditors Report and Final Management Letter to the Audit Panel.

LONG TERM FINANCIAL PLAN

During 2015/16, Council updated the Long Term Financial Plan (LTFP) which is an important component of Council's financial management framework and ensures Council can deliver on the strategies contained within the Strategic Plan 2015 – 2025.

The key principles underpinning the LTFP are:

- Maintain a fair and equitable rating structure.
- Maintain current service levels.
- Continuous improvement in Council's financial performance, so as to achieve an operating surplus.
- Progressively increase funding for asset maintenance and renewal.

The LTFP covers a ten year planning horizon from 2015 to 2025 and shows Council returning to an underlying operating surplus by 2020.

LONG TERM FINANCING OF STORMWATER ISSUES

Kingborough's rapid growth means that Council's stormwater infrastructure is no longer able to cope with the demand. A stormwater rate has been introduced that will be used to fund essential upgrades to the existing stormwater system.

This charge will be indexed in line with the increases to the general rate.

Stormwater management is an issue for the whole municipality and goes beyond the connection that removes stormwater from properties connected to a piped system. Ineffective stormwater systems can contribute to flood damage and the degradation of our natural waterways, which affects the whole municipality.

The revenue from the Stormwater Removal Rate will fund Council's flood management activities and provide for the replacement of elements of the stormwater and waterways asset base. As such these services have a public and community wide benefit.

2.1.3 INFORMATION SERVICES

Information Services is responsible for the delivery of information technology, information management and customer service functions.

Key activities of the department include records management, provision and maintenance of Information Technology (IT) hardware and application software, website management, helpdesk support, telecommunications, and providing hosted services to Huon Valley Council.

The Customer Services Unit provides a range of services for both external and internal customers, including the provision of general Council information, lodgment of service requests, pre-assessment of building and planning applications, facilities bookings, cashiering and a range of internal administrative activities.

KEY ACHIEVEMENTS

BUILDING MANAGEMENT

The internal refurbishment of the Civic Centre has been completed, which included changes to the internal layout to optimize the use of available floor space, and improve safety and public access. An auxiliary power diesel generator was installed to make sure the continuity of supply to the Civic Centre during power outages, particularly when it is activated as the Municipal Emergency Operation Centre.

ICT

There were a number of information technology achievements over the year including:

- Migration and upgrade of corporate database and reporting environments to SQL Virtual Servers, to improve performance and reduce operational costs;
- Introduced mobility suites of the core regulatory system to enable staff to access and maintain real time information whilst in the field, which will increase operational efficiency;
- Various security upgrades and expansion of the WiFi network; and
- Ongoing upgrades of corporate applications.

INFORMATION MANAGEMENT

- Undertook the review and developed the specifications for the replacement of Council's core Financial Management, Payroll/Personnel and Asset Management. A Vendor has been engaged and a joint implementation commenced with Huon Valley Council.
- In conjunction with Organisational Development, engaged a contractor and commenced redevelopment of the Kingborough Web site.
- Completed a major upgrade and database conversion of the Electronic Document & Records Management System. The upgrade will provide fully functional remote web based access to the system.

CUSTOMER SERVICE

- As part of the Civic Centre refurbishment, modified the layout and operation of the Customer Service Centre, increasing overall efficiency and improving public accessibility.

2.2 COMMUNITY PLANNING AND DEVELOPMENT

Council aims to deliver a diverse range of services, programs and facilities necessary to maintain and build a healthy and sustainable community.

An additional aim is to provide clear policy and sound practice to effectively manage land use, natural resources, public and environmental health, building activity and the safety, function and convenience of places within Kingborough in accordance with its statutory obligations.

2.2.1 COMMUNITY AND RECREATIONAL SERVICES

The Community and Recreational Services Department provides a comprehensive range of community-related programs, services and facilities for the residents of Kingborough.

Key responsibility areas include the provision of services for children, youth and older people, community events, public consultation, social planning and facilitation of a broad range of arts and cultural related activities. The department also undertakes planning for the development of recreational facilities and programs, liaison with a wide range of groups on local community issues and referral to specialist support services.

KEY ACHIEVEMENTS

ARTS AND CULTURAL DEVELOPMENT

The implementation of the Kingborough Arts and Cultural Strategy continued in 2015/16, with a key achievement being the signing of a Memorandum of Understanding between Council, the Dutch Australia Society and the Calvin Christian School for the delivery of the Abel Tasman Art Prize event. This agreement draws on the strengths and areas of expertise of the respective parties to ensure that the event is able to be provided on a sustainable basis in the foreseeable future. The Arts Hub gallery was fully booked throughout the year, continuing to fill an important niche in Kingborough as a public venue for the display of artwork. The Kingston Beach Hall was increasingly used for art workshops, with activities including printmaking, bookbinding and oil painting. The Wetlands Sculpture Trail received another addition through Council's sponsorship of an acquisitive award from the Art Farm Birches Bay competition. Artist Michael Limb's steel sculpture Cello was the winner of the 2016 award. The biennial Salvaged Art Competition was conducted in September 2015, with an exhibition held in the Kingston Beach Hall. The 2016 Kingborough Art Prize was held in May, with Henrietta Manning achieving the major award for her mixed media entry Chance, Nesting Series.

COMMUNITY DEVELOPMENT

The sixth annual Love Living Locally event was held in March and was once again most successful, with 85 stallholders showcasing local plants, food, arts, crafts, music and information. The event was delivered in partnership with the Lions Club of Kingborough and attracted a crowd of around 4,500 people throughout the day. The Four Seasons in Kingborough program continued to grow in popularity, providing activities to get the community physically and socially active throughout the year. The Kingborough Food Chain Project was delivered during the year via a grant from

the Heart Foundation to improve local access to fresh fruit and vegetables. The flagship of this project was the Kingston Produce Market, established in the forecourt of the Civic Centre and operating on Wednesday afternoons throughout the year. At the conclusion of the project in May 2016, the market was handed over to the Kingborough Local Produce Association to operate on an ongoing basis. The Kids Allowed program continued in 2015/16 with activities and workshops held for young children throughout the year. The highlight of the program was a Kids Treasure Hunt conducted in the Kingston Wetlands that doubled as an educational exercise in raising awareness of marine debris.

RECREATIONAL PLANNING

Implementation of the Kingborough Sport and Recreation Plan continued during the year, with research and planning undertaken on projects identified as having a high priority. The final stage of the Alum Cliffs track from the Shot Tower through to Wandella Avenue, Tarooma was commenced during the year, completing the connection from Tarooma through to Kingston Beach. Feasibility assessments were undertaken for a walking track from the Kingston Wetlands through to Cottage Road, as well as for a trail along the ridgeline from Mt Nelson to Kingston. A project plan was prepared for the development of facilities at Lightwood Park to address the growing needs of the Kingborough Lions United Football Club. Assistance was provided to the Margate Cricket Club for a grant application to replace the training nets at the Margate Oval. An upgrade of the Blackmans Bay skate facility and associated park was planned during the year and funding sought from the Tasmanian Community Fund. Assistance was provided to the Kingston Boxing Club to relocate from the Sandfly Hall to the gymnasium at the Kingston Beach Oval.

YOUTH SERVICES

Weekly workshops were provided at Council's Youth Centre (yspace), with a focus on improving the employment prospects for young people. Activities included first aid, food handling training and cooking master classes. The kitchen was upgraded to commercial standard to allow for greater capacity as a youth training venue. A School Holiday Program was conducted in each of the four holiday periods, with activities including laser skirmish, learn to surf and a skate day at the Bruny Island Skate Park. The Office of Youth Affairs approved a grant to conduct an event for National Youth Week, with a Colour Festival held at Kingston Beach. Council's youth leadership group, Youth Action Kingborough (YAK) met on a regular basis throughout the year, providing advice to staff in relation to program and activity development. A nine week youth outreach program of activities was conducted at the Maranoa Heights Community Centre in partnership with Anglicare Tasmania.

SENIORS

A review of the Kingborough Positive Ageing Plan was undertaken in the second half of 2015, with a series of community consultation events organised to obtain feedback on current issues and future priorities. The Kingborough Volunteer Program continued to operate during the year, providing services such as transport, gardening and social support to assist older people to remain in their own home for longer and is fully funded by Council. The Intergenerational Bistro event was held for the fourth time in October at the Twin Ovals Function Centre. A group of young aspiring chefs cooked a three-course meal for 100 older members of the community. Other initiatives undertaken during the year included the organisation of a Seniors Expo in October and continued support for the Dementia Friendly Snug project.

2.2.2 KINGBOROUGH SPORTS CENTRE PRECINCT

The Kingborough Sports Centre (KSC) provides a range of sporting and recreational activities, catering for up to 5000 users per week.

Major activities include basketball, futsal, netball, volleyball, indoor cricket, squash, table tennis and gymnastics. A fully equipped fitness centre also provides a variety of services, group fitness classes and equipment to meet the needs of clients of all ages. The Centre maintains a close relationship with Kingston High School and various sporting clubs, associations and facilities at the site. The high school has an agreement with Council for shared use of the original multi-court in the centre, as well as the Lightwood Park sports ground.

KEY ACHIEVEMENTS

SPORTS CENTRE

The four multi-courts within the two main stadiums of the Sports Centre accommodated a number of major sporting and community events throughout the year. With funding from the State Government, spectator seating was installed in the new stadium to cater for major events at this venue. The latter has seen a marked increase in usage of this stadium, with 20 State League Netball games hosted in 2016. Centre administration was greatly enhanced during the year with the implementation of a Point of Sale and Information Management system. Another major change introduced during the year was the transfer of responsibility for organising basketball rosters to the newly formed Kingborough-Huon Basketball Association. Refurbishment of the reception area at the centre was completed in February 2016, including the opening of the "Borough Bean Café". New signage and paintwork

was undertaken throughout the facility as part of the rebranding of the centre. Grants were obtained for equipment to assist the implementation of disability programs, including adjustable basketball backboards. New Futsal competitions were introduced, along with themed birthday parties.

FITNESS CENTRE

The Fitness Centre trialled the introduction of a number of new programs during year, including a Strength2Strength program funded with assistance from a State Government grant. Leased electronic cardio equipment was replaced to ensure clients retained access to the latest technology. The Cycology lab continued to provide a range of fitness programs based on the use of spin bikes, with the introduction of "Sufferfest" classes proving popular. A number of Fitness Centre staff undertook training courses during the year, such as Power Bands and Metafit training, to ensure that their skills and knowledge are kept up to date.

TWIN OVALS

The Twin Ovals entered their fifth year of operation, with both the cricket and AFL grounds maintained to a high standard. Management of the Pavilion continued under a lease agreement with the two anchor tenant clubs (Tigers Football Club and the Kingborough District Cricket Club). A new scorers' room was constructed on the top level of the pavilion to cater for the needs of high level cricket played at the venue and a concrete pathway was installed around part of the AFL Oval to improve spectator access to the new grandstands.

2.2.3 MANOR GARDENS CLUB

Manor Gardens is a day respite centre located at Firthside.

The Centre was established in 1996 and operates six days per week from Monday to Saturday. It caters for frail aged residents who are socially isolated and/or suffering from memory loss or associated conditions. Different programs run each day to cater for the various groups of clients. Clients have access to transport to and from Manor Gardens, morning and afternoon tea, healthy home-cooked lunches, outings and a wide variety of in-house activities like gardening, music, poetry, art, bowls and exercise programs.

2.2.4

FAMILY DAY CARE

Family Day Care is a home-based childcare service providing quality care in the homes of registered educators (formerly known as carers) supported by a coordination unit.

Family Day Care provides nurturing care in a secure and enriching home environment for babies and children up to 12 years of age. An external quality assessment of the Kingborough Family Day Care Scheme was undertaken during the year, which identified some areas in which this high quality service could be further improved. There are currently 45 Educators registered with the scheme, providing child care to some 400 families in the Kingborough and outlying areas.

2.2.5

ENVIRONMENTAL HEALTH

The Environmental Health Department covers a wide range of public and environmental health aspects of the natural and built environment that may affect the health and wellbeing of the community.

Key functions and responsibilities include education, monitoring and regulatory management of food safety and surveillance, public health risk activities, immunisation programs, notifiable disease investigation, water quality monitoring, wastewater, noise management and air quality.

KEY ACHIEVEMENTS

FOOD SAFETY AND SURVEILLANCE

There were over 450 permanent, mobile and temporary food businesses licenced in Kingborough during the 2015/16 financial year. Council officers conducted regular routine inspections of these food premises including at public events, fairs and markets. In addition to routine inspections, Council was also actively involved in the Tasmanian Food Safety Surveillance Program; a joint initiative between local Councils and the Department of Health and Human Services. As part of the program Council conducted sampling, food safety surveys and monitoring at food premises, focussing specifically on ready-to-eat foods, sushi manufacture, use of thermometers, manufacture of raw egg products and market stall compliance. The results of surveys and sampling are used to guide food safety policy and procedure and in the development of educational material.

RECREATIONAL WATER QUALITY MONITORING

Council monitors recreational water quality at twenty beach locations from Taroona to Middleton and Bruny Island and also monitors water quality at three public pools. Water quality monitoring at beach locations is conducted between December to March, reflecting seasonal use. Water quality at all beach locations was generally good during 2015/16, with only three samples returning with elevated bacteria levels. These sites were subsequently re-sampled and shown to be within national recreational water quality guideline levels. Kingborough's public pools are monitored year-round and water qualities for these were also shown to be compliant with relevant water quality standards throughout the year.

SCHOOL IMMUNISATION PROGRAM

Council continues to coordinate and implement a range of immunisation programs. The school immunisation program is conducted in March, May and September each year. The 2015/16 programs provided specifically for grade 7 students, offering vaccines for Human Papillomavirus (HPV), chicken pox, diphtheria, pertussis and tetanus. A total of 2,200 vaccines were administered to over 600 students. Council also ran immunisation clinics twice-monthly at the Kingston Community Health Centre with a total of 322 vaccines administered to over 200 infants.

ANTARCTIC EXPERIENCE PROGRAM

Council's Environmental Health and Youth Services coordinated and facilitated the Antarctic Experience program for two Grade 9 Kingborough students. Kingborough boasts the national headquarters of the Australian Antarctic Division and this unique program is a way of creating youth awareness of environmental issues, especially climate change and science; furthering Council's commitment to environmental and youth leadership. The program package included a day with Antarctic researchers, return flights to Melbourne and a 12 hour flight over Antarctica. The presentation question was to select an Antarctic animal and describe where the animal was placed, and its role within the Antarctic food web. Finalists also had to address any current threats to the species and how threats to other species might affect its survival. The students then had to explain how they would present their experience to a variety of audiences. The two successful students for the 2016 program were Ivy Spurr from Kingston High School and Desmond Marcenko from St Aloysius Catholic College.

2.2.6 CLIMATE CHANGE

Council continues to strive to reduce its corporate and community carbon footprint, as well as planning for the inevitable impacts of climate change that will affect Kingborough's population, economy and ecosystems.

KEY ACHIEVEMENTS

COUNCIL ENERGY REDUCTION

Monitoring of energy and fuel usage for Council properties and vehicles is routinely undertaken and reported allowing for targeted programs to strategically upgrade and modify equipment and activities. In this way energy use trends and variations can be monitored for key council operated facilities.

Council operates a hybrid electric vehicle in its fleet and is undertaking cost benefit research into full electric vehicles to assess the suitability of the technology for its requirements.

ALTERNATIVE ENERGY

Over 75 kilowatts of solar panels have been installed on the rooftops of three key Council buildings. The performance of these systems is monitored live on-line. Feasibility studies for further installations are underway.

CLIMATE CHANGE ADAPTATION

Council has re-endorsed its Climate Change Adaptation Policy with the intent of mainstreaming the consideration of climate change impacts into all aspects of its operations and interactions with its community.

Research into the vulnerability of Kingborough's coastline to current and future erosion and damage is ongoing. This work has led to the identification of a number of key places where localised evaluations and/or works will be required. Key locations include Tarooma, Kingston Beach, Margate, Snug, Coningham and several areas of Bruny Island. Kingston Beach has been the subject of a focused study and report entitled Kingston Beach Climate Change and Integrated Natural Hazards Study.

Council is investigating the establishment of a Climate Change Innovation Lab at Kingston Beach to showcase climate change adaptation research and communication.

2.2.7 NATURAL RESOURCE MANAGEMENT

Council's Natural Resource Management (NRM) Unit is part of the Environmental Services Department.

The core work of the unit involves developing and protecting a network of healthy natural areas in the Kingborough municipality. Our bush land and coastal

areas are coming under greater pressure as Kingborough continues to grow. The NRM Unit is involved with a variety of functions that range from strategic vegetation management, managing environmental weeds and supporting environmental volunteers, through to programs aimed at improving urban stormwater discharges.

KEY ACHIEVEMENTS

MANAGING THE NATURAL AREA RESERVE NETWORK

The reserve network is made up of Council managed bushland, wetlands, waterways, habitat corridors and coastal areas that are managed for conservation, protection of biodiversity and for recreation. Council's NRM team have delivered a number of projects this year to restore degraded areas of bushland and address coastal erosion. Council grew over 8,000 native plants and worked with the community to plant them across 20 sites as part of local restoration projects. These plantings reconnect existing areas of bush, provide wildlife corridors and reduce coastal erosion. Revegetation and weed removal projects along local creeks including Coffee Creek, Whitewater Creek, Margate Rivulet and Snug River will improve water quality, create habitat and stabilise creek banks.

A highlight of the revegetation program was the establishment of a habitat planting for the critically endangered Swift parrot at a Council reserve at Tramway Hill, in the hills behind Margate. This planting was initiated as a result of a biodiversity offset for habitat trees that were removed from a section of the Channel Highway near Margate. A Green Army team planted over 2,000 plants, including many blue gums, that in the future will provide a food source for the parrots.

NEW MUNICIPAL WEED STRATEGY

Council has developed a revised Weed Management Strategy and Action Plan to guide weed management within the municipality for the next 10 years. This strategy brings the existing strategies together by prioritising weeds, mapping distributions, and proposing a weed management strategy that covers both the Channel and Bruny Island.

This strategy identifies seven key focus areas to support effective and efficient weed management, and describes management actions to assist in ensuring that issues such as integrated weed management and collaboration with other land managers are the foundation of weed management in Kingborough. The strategy prioritises the selection of sites for weed management based on the occurrence of selection criteria that include highest weed priority, community priority, threatened flora and vegetation priorities.

Kingborough Council has made tremendous progress on tackling weed issues on Council managed land in the last year. This has been achieved through the combined

efforts of volunteer community groups and Council staff, with strategic planning in local reserves and a coordinated and sustained level of on-ground works. In 2015/16 Council staff spent over 700 hours tackling weeds in parks, bushland and coastal areas.

2.2.8 COMPLIANCE

Council's Compliance Unit is tasked with managing and conducting investigations in relation to breaches of legislation, ranging from the *Dog Control Act 2000*, *Traffic Act 1925*, *Local Government Act 1993* and *Council By-Laws*.

The Unit assists other Council Departments in the general preparation of legal compliance activities.

The Compliance Unit takes on a lead role in assisting the municipality to be bushfire safe through the annual fire hazard abatement program.

KEY ACHIEVEMENTS

INVESTIGATIONS

The Compliance Unit has delegations, on behalf of Council, for the management of approximately 15 separate pieces of legislation.

The Compliance Unit takes a community-based approach to compliance activities and investigations. In general, the Unit adopts a compliance framework that allows for community outcomes to be achieved determined by benchmarks established within the investigation of the offence. Working within this framework results in higher levels of voluntary community compliance with legislation and allows the unit to take appropriate action to achieve positive and successful results.

Over the course of 2015/16, the Unit has:

- Issued 622 Infringement notices;
- Lodged nine briefs of evidence;
- Attended to 2967 requests by the public;
- Impounded 132 dogs;
- Obtained registrations of in excess of 6200 dogs;
- Investigated 106 dog attacks;
- Investigated 162 nuisance complaints;
- Conducted 47 proactive fire inspections;
- Removed 76 abandoned vehicles; and
- Extinguished 38 open air fires.

ANNUAL FIRE HAZARD ABATEMENT PROGRAM

Like most of Tasmania, bushfire is Kingborough's most likely natural disaster threat, with about 90 per cent of properties (10,000 properties) potentially exposed. The Compliance Unit manages the administrative and operational aspects of the municipality's annual

fire hazard abatement program. The program allows for the majority of properties, where a fire risk has been identified, to be abated either voluntarily or by compliance measures, in order to minimise the overall fire hazard within an acceptable time frame.

2.2.9 DEVELOPMENT SERVICES

The Development Services Department of Council has the responsibility for strategic and statutory land use planning, development engineering, building and plumbing.

While the sections work collaboratively, each section controls specific areas and legislation relevant to their particular focus.

2.2.9.1 PLANNING SERVICES

Planning Services is responsible for the assessment of development applications, issuing planning permits and monitoring compliance in accordance with the *Land Use Planning and Approvals Act 1993* and the *Kingborough Planning Scheme 2000*.

This includes consultation, referral and assessment of planning applications, mediation and the formulation, issue and monitoring of permit conditions. Planning staff conduct reviews of the planning scheme and process any amendment applications, as well as represent Council at hearings of the Resource Management and Planning Appeals Tribunal and the Tasmanian Planning Commission.

2.2.9.2 DEVELOPMENT ENGINEERING

Development Engineering staff assess the infrastructure requirements of development applications and monitor the requirements of conditions in approved planning permits, particularly in regard to works associated with sub-division developments and road works.

They provide a link between the regulatory planning area of Council and Infrastructure Services, as well as external referral agencies such as TasWater and the Department of State Growth.

2.2.9.3

BUILDING SERVICES

Building Services administers the Building Permit Authority function of Council, as well as providing external Building Surveying services.

The team is responsible for the implementation of legislation controlling building and construction within the municipality, ensuring compliance with the *Building Act 2000*, *Building Regulations 2000* and the Building Code of Australia.

2.2.9.4

PLUMBING SERVICES

Plumbing Services works closely with Building Services and is responsible for the administration of plumbing permits and all plumbing matters pertaining to development applications.

Plumbing staff provide plumbing advice to other departments within Council as well as the general public. The officers inspect plumbing works during construction and also prepare and maintain house connection details of all plumbing installations.

KEY ACHIEVEMENTS

MEETING STATUTORY REQUIREMENTS

Council continued to implement quality assurance safeguards that ensure statutory planning and building requirements were met and that the Kingborough community was provided with an efficient development approval service. The Pathway process management system ensured that all timeframes and mandatory referrals were observed and assessment protocols followed. Routine audits were carried out by senior staff and all assessments and permits issued were independently vetted and endorsed by senior staff prior to issue. All planning appeals, applications received and permits issued were routinely reported to the Planning Authority Committee and to Council. Staff represented Council at a number of Tribunal and Tasmanian Planning Commission hearings during the year.

KINGBOROUGH PLANNING SCHEME REVIEW

At the beginning of the year, the new Kingborough Interim Planning Scheme 2015 (which had come into force on the 1 July 2015) was publicly exhibited. This planning scheme had been part of a coordinated regional project that ensured that the 12 southern Tasmanian planning schemes were prepared in a consistent and comprehensive manner. Council held a number of public meetings and circulated explanatory material as part of this exhibition. Submissions were received and

these were forwarded on to the Tasmanian Planning Commission, together with a report from Council. The Commission conducted public hearings in February 2016 and subsequently issued directions to Council in regard to any urgent amendments. In March 2016, the State Government also released the draft State Planning Provisions – which are to form the basis of the proposed state-wide ‘Tasmanian Planning Scheme’. These draft provisions were placed on public exhibition for six weeks and drew a great deal of interest. Council compiled a comprehensive report in response and this was forwarded to the Commission. Public hearings at the Commission into the proposed State Planning Provisions had commenced by the end of the year.

REDEVELOPMENT OF KINGSTON PARK (FORMER KINGSTON HIGH SCHOOL SITE)

The proposed redevelopment of this site is based on a Development Plan that was adopted by Council in 2013. The Development Plan provides for a mix of public open space, community facilities and commercial opportunities on the site. The future development of this site will provide Kingborough with many significant economic, social and recreational benefits.

During this year, a temporary car park was provided, consultants were commissioned to design the main road and associated services within the site and a grant application was lodged under the Federal Stronger Regions Fund program, accompanied by independent economic project assessments.

The centrepiece of the site development is to be a Community Hub facility. An architectural design competition was conducted during the year in accordance with the Australian Institute of Architects’ guidelines. An independent Jury assessed the submissions and determined that the competition winner would be the design submitted by March Studio Architects. The other competition that was held was one that sought a new name for the site and project – rather than always referring it as the ‘former Kingston High School site’. This created a great deal of public interest and a final winner was publicly decided as being the name, Kingston Park.

2.3 INFRASTRUCTURE AND SERVICES

Council aims to provide strong management of the community's assets by maintaining, operating and constructing Council's infrastructure assets at a sustainable level that is acceptable and affordable for the community and meets statutory requirements.

2.3.1 ENGINEERING SERVICES

Engineering Services is responsible for a wide range of functions which includes asset management, engineering investigation and pre- project planning, conceptual and detailed design of a wide range of infrastructure projects, contract management, project management, traffic management, urban landscape design, programming and delivery of Council infrastructure works for both maintenance and capital and waste management.

KEY ACHIEVEMENTS

CAPITAL WORKS PROGRAM

There were 157 projects commenced for the 2015/16 financial year, with the majority of these completed on time and to budget. Several projects were carried forward into the 2016/17 financial year to make sure they will be delivered more effectively and efficiently.

MANAGING OUR WASTE

Barretta landfill rehabilitation

The majority of the landfill rehabilitation works at Barretta have been completed with final fill and re-vegetation works, improvements to the landfill gas system, improved drainage, and installation of a green waste pad to assist operations for the Transfer facility. Council continues to monitor the site and control landfill gas, leachate and stormwater from the area and to make improvements as required.

Recycling and Garbage collection

Council provides a weekly garbage and fortnightly recycling collection to approximately 13,000 properties. Two free green waste weekends were offered by Council at the Barretta Waste Transfer facility.

Waste Transfer Stations

Council has two waste transfer stations, one on Bruny Island and the other at Barretta. Both transfer stations are managed by Kingborough Waste Services on behalf of Council. Several improvements were undertaken during 2015/16 including:

- Bruny Island
 - Provision of a new office;
 - Elevation of skip bins to allow easier disposal of materials;
 - Provision of safety railing around bins; and
 - Changes to opening hours to better accommodate users.
- Barretta
 - Provision of a new site office;
 - Extension of storage areas to accommodate more items for the Re-use shop; and
 - Provision of a new green waste pad.

ROADS AND FOOTPATHS

In 2015/16 a wide variety of road related works were completed ranging from renewals, upgrades and new works. The focus has been to renew and maintain the network to make sure a suitable level of service is provided. However, a variety of upgrade and new works were commenced to supplement the existing network.

Examples of the major renewal works commenced in 2015/16 include:

- Re-sheeting gravel roads, with the larger projects being Allens Rivulet Road, Lighthouse Road and Van Morey Road (approximate investment \$700,000);
- Resealing and major patching for the sealed road network, with two of the largest projects being Pelverata Road and Leslie Road (approximate investment \$600,000);
- Footpath renewal, the larger ones being at Jindabyne Road and Wandella Avenue (approximate investment \$350,00); and
- Reconstruction of the Kettering Hall carpark.

Upgrades and/or new works commenced or completed in 2015/16 varied from various traffic management controls, sealing of unsealed roads, foreshore re-development and township signage. Some of the larger projects included:

- Improvements to road and landscaping through the Woodbridge township;
- Foreshore redevelopment at the northern end of Kingston Beach including footpath, shelters, showers, and landscaping;
- Summerleas Road/Leslie Road intersection realignment in Kingston;

- Sealing of a section of Groombridges Road in Kettering; and
- Provision of a footpath in Van Morey Road, Margate.

BRIDGES

Council undertakes twice yearly inspections of its bridge, major culvert and boat ramp network to identify any deficiencies and/or areas for improvements. Bridges and road culverts form an important part of Council's stormwater and transportation network. In 2015/16 the major bridge projects included:

- Hughes Road culvert upgrade;
- Oxleys Creek bridge replacement; and
- Lockleys Road bridge replacement.

STORMWATER

Council completed flood modelling for Kingston Beach and other smaller catchments. The information from these studies will inform a series of Stormwater Master Drainage Schemes for priority catchments. The schemes will assist with the future management of stormwater by identifying deficiencies in the stormwater infrastructure system and recommending priority upgrades. This will be particularly important in the future as Council responds to other contributory factors such as increased development and climate change. Council has continued to consider options for improving the environmental qualities of the stormwater outflows by improving wetlands, more controls on system outfalls and making sure new developments apply environmentally sensitive stormwater systems.

In 2015/16, Council commenced or completed the following major stormwater projects:

- Replacement and upgrade of stormwater in James Avenue, Kingston Beach;
- Lady Penrhyn Drive stormwater upgrade in Blackmans Bay;
- Several improvements to stormwater in the Coningham area, including new stormwater lines and stormwater treatment;
- Several rural road culvert upgrades;
- Wandella Avenue Stormwater upgrade in Tarooma; and
- Stormwater renewal works for Beach Road, Kingston.

2.3.2 WORKS DEPARTMENT

The Works Department is responsible for the construction and maintenance of roads, bridges, reserves, tracks, halls and buildings, sports ovals and stormwater systems.

It is also responsible for the maintenance of Council's vehicles, machinery and equipment. The focus of the Works Department is a schedule of maintenance activities and Capital Works projects.

KEY ACHIEVEMENTS

STAFF DEVELOPMENT AND INITIATIVES

Council has a proactive approach to occupational health and safety and undertakes reviews of our work to make sure timely, efficient and effective services are being provided to the community. A range of corporate and individual staff training programs were implemented during the financial year. Staff embraced the opportunity to improve current skill bases and to learn new technology related to Local Government service delivery. With changing work practices, Council provided the opportunity for employees to undertake new and enhanced skills based training with formal qualifications gained by a number of employees as the result.

WORK HEALTH AND SAFETY

The Works Department continues to implement the Safety Circle, Work Health and Safety (WHS) program. Safety Circle is designed to build a positive WHS culture by empowering each employee and leader to make their workplace healthy and safe. Specialist safety training has continued to be a priority to ensure that Council is meeting its duty of care obligations to all workers. Council's WHS Advisor works with Managers and Supervisors to ensure that all incidents are reported, investigated and preventative actions implemented to minimise the risk of recurrence.

INFRASTRUCTURE INSPECTIONS

Council performs a range of programmed inspections on assets such as sealed and gravel roads and ancillary infrastructure, bridges, footpaths, walkways and tracks, community halls and buildings, playgrounds, sports facilities and public recreation areas. These inspections assist with the prioritisation of repairs such as grading and potholing as well as ensuring public safety.

2.3.3

ROADS AND BRIDGES

Council is responsible for approximately 523 kilometres of road, of which 250 kilometres are sealed and 273 kilometres unsealed.

There are 71 bridges in the road network and approximately 205 kilometres of footpaths. In addition, Council maintains 257.7 kilometres of stormwater drainage systems that includes open drains, culverts, piped stormwater drains and pits. As part of the drainage system, Council has four gross pollutant traps - one at Kingston Wetlands, two at Blackmans Bay Beach, and one at Thornbill Street, Kingston. These collect rubbish washed into stormwater systems, which significantly prevents pollution entering the environment.

The Roads Unit prioritises maintenance, planning and upgrading of existing road networks and bridges. They identify, specify and administer Capital Works projects for the construction of new assets. Projects may be undertaken by external contractors or by Council's own workforce. The Works Department carried out a number of capital works projects in 2015/16 including various footpath and kerb, asphalt reseal, gravel re-sheeting and grading works.

Council also undertakes crushing at Pybus Hill Quarry, Bruny Island every two years to fulfil maintenance requirements on Council roads. The Captain Cook Creek at Adventure Bay is cleaned three to four times a year by Council to alleviate flooding issues. Five employees are based on Bruny Island to maintain the roads and reserves on the Island.

MAINTENANCE OF OUR ROADS, FOOTPATHS AND DRAINAGE

Council continued to provide a high level of service on our extensive network of unsealed roads, using three main types of treatments; grading only for roads requiring general correction, grade and gravel for pothole and/or rutting repair and gravel re-sheeting to replenish surfaces. The type and extent of work is based on need and priority. Council also undertakes general maintenance for the Department of State Growth (DSG) on the Main Road, Bruny Island. In the 2015/16 financial year a large number of Private Works have been carried out for DSG on Bruny Island with a focus on gravel resheeting and tree maintenance and removal. A structured street-sweeping program is undertaken to keep stormwater pits free from debris. The Kingston central business district and major urban areas are swept weekly, with all other areas swept on an as required basis.

Upgrading Works

The Works Department Staff carry out essential upgrading and replacement work along with general maintenance of existing infrastructure. Below are some specific upgrading works that have been achieved in the 2015/16 financial year:

- Replacement of isolated sections of kerb and channel in various locations.
- Replaced sections of footpath due to trip hazards in various locations.
- Upgrade of eight bays of unsafe footpath on Mt Royal Road, Kingston.
- Footpath upgrade at 136 Channel Highway, Taroona.
- Drainage upgrades at a variety of locations including:
 - o Wells Parade, Blackmans Bay
 - o Scotts Road, Kingston
 - o Hinman Drive, Kingston
 - o Snug Falls Road, Snug
 - o Denehey/Hackford Road, Kingston
 - o Dulcia Road, Gordon
 - o Donohue Gardens, Kingston Beach
 - o Summerleas Road, Kingston (open drain)

PARKS, RESERVES AND BUILDINGS

Council manages a substantial portfolio of halls, sporting facilities, reserves and playgrounds and needs to carefully prioritise works to make sure the best outcome is achieved for the community.

In 2015/16, Council undertook a number of projects including:

- Upgrade to Dru Point toilet to allow access for people with a disability.
- New swings installed at Dru Point.
- Acoustic Panels installed at Margate Hall.
- Floorcoverings replaced at the Bruny Island Post Office.
- Tree planting at Whitewater Crescent.
- Playground upgrades at Dennes Point.
- Installation of a fence at Kingston Beach Oval.
- Gordon Reserve Camp upgrade.
- Columbarium built at North West Bay Cemetery.
- Kettering Oval upgrades including seating and plantings.
- Improvements to the Sunny-banks cemetery carpark.
- Alum Cliffs track extension.
- Roofing for the Snug Oval clubrooms.
- Drainage installed at Sherburd Oval.

- Roof anchor points installed on the Kingborough Sports Centre buildings and other improvements, including renovations to the café and indoor seating.

PLANT AND FLEET MANAGEMENT AND REPLACEMENT

Council manages a substantial amount of plant and fleet, including the maintenance and replacement of plant attached to Bruny Island and Kingborough Waste Services. A John Deere 670G Motor Grader was purchased in 2015/16 to replace an existing grader, which will greatly improve the efficiency and productivity for re-sheeting and grading works, along with a multi-purpose tractor for Bruny Island, various light vehicles and smaller plant items.

2.3.4 RECREATION AND RESERVES

Council has an array of recreational facilities, including reserves, parks, playgrounds and sporting facilities. In addition, it supports the operations of Landcare groups operating in bush land reserves throughout Kingborough.

MAINTENANCE OF RECREATIONAL FACILITIES

Over 50 parks and reserves are maintained by Council throughout the Municipal Area. Maintenance activities include mowing, tree trimming, rubbish collection, signage installation and infrastructure repairs. There are 33 playgrounds throughout Kingborough that are maintained and inspected in accordance with specified safety standards. Skate parks at Taroona, Blackmans Bay, Kettering and Alonnah were inspected on a weekly basis and

maintained routinely. Barbecue facilities are located at 14 different venues and are cleaned under contract on a programmed schedule. Drainage and capping works were undertaken at the Kingston Mountain Bike Park, whilst carpark upgrades were undertaken at the Kingston Wetlands, Margate Oval, Mirramar Park Reserve and Christopher Johnson Park.

Council maintains 13 ovals including the Twin Ovals complex and the external facilities within the broader Kingborough Sports Centre Precinct. The Twin Ovals hosted teams for training as part of their preparations for the 2016 ICC World Cup, as well as cricket matches involving Scotland and Tasmanian representative sides. The Scorers' Room at the facility was relocated and upgraded to support higher level cricket matches played at the venue. The AFL Oval continues to be used by the Tigers Football Club as part of its involvement in the Tasmanian Statewide League competition. The club secured State funding to construct two grandstands at the facility, whilst Council contributed funding towards the provision of a concrete pathway around the oval. New training lights and a drainage system were installed at Sherburd Oval during the year.

TRACKS AND TRAILS

There is an extensive network of tracks and trails within Kingborough including coastal trails, urban trails and natural bush land trails. The network provides access for a variety of experiences including walks, mountain bike riding and horse riding. The very popular Tracks and Trails in Kingborough brochure is available for download from the Council website or in hardcopy at the Civic Centre. An extension to the Alum Cliffs walking track from the Shot Tower to Wandella Avenue was undertaken during the year to complete the link between Taroona and Kingston.



2.3.5 HALLS AND BUILDINGS

Council owns and maintains a wide range of public buildings, including 20 public toilets, 12 community halls, three community centres, a youth centre and an art gallery.

All public buildings were inspected during the year in accordance with regulatory requirements specified by the *Building Act 2000*. Maintenance on these buildings was undertaken in accordance with asset management schedules. Non-programmed maintenance was also carried out, usually as a result of vandalism or extreme weather events. All of Council's 20 public toilets were cleaned via contract to a specified standard and schedule. Kitchen upgrades were undertaken at the Kingborough Senior Citizens Club, Bruny Island Community Centre and Kingborough Youth Centre (Yspace). The carpark at the Kettering Hall was sealed and a new all abilities access ramp installed. The toilets at the rear of the Kingston Beach Hall were demolished and planning commenced for conversion of the area into an attractive and functional courtyard.

2.4 KINGBOROUGH WASTE SERVICES

In 2011, Council established Kingborough Waste Services (KWS) as a corporation, in accordance with the Section 21 of the Local Government Act 1993.

KWS is responsible for operating the Barretta Waste Management Facility (including the waste transfer station, weighbridge and Re-Use Shop) and the Bruny Island Waste Transfer Station. In establishing KWS, Council determined that an independent Board would be appointed to manage the company's operations. The Board consists of two independent non-executive directors, the Chair, Mr Peter Shelley and Independent non-executive Director, Ms Joanna Orr and two Council staff (the Deputy General Manager and Executive Manager Engineering Services).

The Board meets bi-monthly and reports to Council on all operational and financial matters. KWS currently employs nine permanent employees and six casual employees, who operate from the Barretta Waste Facility and one permanent employee, who operates the Bruny Island Waste Transfer Station.

OPERATIONS

KWS continues to operate on a model that seeks to maximise internal revenue from resource recovery, through the sale of ferrous and non-ferrous metals and the sale of items via the Re-Use Shop.

The profit and loss statement for the 2015/16 financial year shows an overall loss of \$53,543. This is mainly due to the significant drop in scrap metal prices caused by the oversupply of iron ore throughout world markets. This has been alleviated to some extent by the introduction of a \$50.00 per tonne for scrap metal charge at Barretta mid financial year.

In 2015/16 the Re-Use Shop generated a large amount of the operations revenue with 24,877 transactions recorded for the year, achieving total revenue of \$251,041.

A new three-year tender for the processing and removal of green waste commenced in July 2015, providing increased financial benefits to KWS. The total general waste being received at Barretta is steadily increasing as shown in the following table.

2015 – 16	11,476.00 tonnes
2014 – 15	11,053.00 tonnes
2013 – 14	10,519.00 tonnes
2012 – 13	10,097.00 tonnes

Approximately 22% of the total waste received was diverted either through recycling or for re-use and sale from the Re-Use Shop.

To improve efficiencies and to cope with the increasing volumes, a new compactor trailer has been purchased by Kingborough Council and commenced operations in February 2016.

The tender for the Haulage and Maintenance of the Compactor Trailers to Copping and Supply of a Yard Truck and the tender for the Supply of Transport Bins Barretta and Bruny Island were both advertised and renewed.

The Board has reviewed and approved the KWS Operations Manual, the KWS Procedure for Dealing with Violence and Aggression in the Workplace, the KWS Business Continuity Plan, the KWS Code for Tenders and Contracts, the KWS Purchasing Policy, the KWS Work Health and Safety Management System and the KWS Customer Service Charter.

KWS manages the Bruny Island Transfer Station on behalf of the Kingborough Council. The site is managed by a KWS employee and is open four days per week with the opening hours changing to 8.00am - 3.30pm all four days.

2.5 COPPING REFUSE DISPOSAL SITE

Council has a 20 per cent ownership interest in the Copping Refuse Disposal Site Joint Authority.

The Authority's objectives include the management and operation of the refuse disposal site at Copping, in accordance with the approved development proposal and environmental management plan for the site.

3. GOVERNANCE

Council is required to operate within the legislative framework established for local government in Tasmania. The Council is required to appoint a General Manager for a term not exceeding five years.

The *Local Government Act 1993* outlines the roles of the General Manager. In particular sections 62 and 63 details the functions and powers of the General Manager which, in essence, are to manage and direct the human and financial resources of the Council to achieve optimum use of the public monies and the most effective uses of the organisation's business assets and human resources. The General Manager's role is to make sure the Council is provided with professional advice and support in its strategic and policy making roles.

3.1

CONTRACTS FOR THE SUPPLY OF GOODS AND SERVICES

During the year the public tender process was applied in all instances where the value of the works, services or goods was in excess of \$250,000 (excluding GST), which is the amount prescribed in the *Local Government (General) Regulations 2015*. Contracts awarded with a value above \$100,000 are listed below.

DEFINED SCOPE CONTRACT	PERIOD	VALUE OF CONTRACT	CONTRACTOR
Illawarra Rd and Suncoast Drv Stormwater Improvements	07/15 – 11/15	\$646,205.51	Batchelor Construction Group 115 Browns Road, Kingston
Summerleas Rd / Leslie Rd Intersection Improvements	12/15 – 04/16	\$249,935.00	Spectran Contracting Pty Ltd 4-6 Birdwood Avenue, Moonah
Groombridges Rd Sealing	12/15 – 02/16	\$210,835.00	Venarchie Contracting Pty Ltd 11 Calvary Road, Mowbray
Supply of Tri-Axle Compacted Waste Trailer	08/15 – 11/15	\$206,187.81	MaxiTrans Australia Pty Ltd 346 Boundary Road, Derrimutt
Beach Rd Rehabilitation & Construction Margate	02/16 – 05/16	\$205,086.00	Statewide Earthworks Pty Ltd 52 Atkins Road, Granton
Van Morey Rd Footpath Construction	12/15 – 02/16	\$199,464.00	Statewide Earthworks Pty Ltd 52 Atkins Road, Granton
Kettering Oval Carpark Sealing	02/16 – 07/16	\$191,496.00	Statewide Earthworks Pty Ltd 52 Atkins Road, Granton
Central Kingston Traffic, Road and Infrastructure Design	08/15 – 07/16	\$165,190.00	Gandy and Roberts 159 Davey Street, Hobart
1A James Avenue Stormwater Improvements	07/15 – 10/15	\$155,940.00	Bullock Civil Contracting Pty Ltd PO Box 74, Brighton
Wandella Avenue Stormwater and Footpath	01/16 – 07/16	\$152,240.40	Bullock Civil Contracting Pty Ltd PO Box 74, Brighton
Lockleys Road Bridge Replacement	11/15 – 04/16	\$130,600.00	BridgePro Engineering 19 Faulkner Drive, Latrobe
Barretta Waste Management Facility Office Renovation	11/15 – 01/16	\$125,300.00	Hansen Yuncken Pty Ltd 39 Patrick Street, Hobart
Beach Road Stormwater and Footpath Construction	12/15 – 04/16	\$121,601.25	Spectran Contracting Pty Ltd 4-6 Birdwood Avenue, Moonah
Beach Road Intersection Realignment, Kingston Beach	06/16 – 08/16	\$117,116.00	Statewide Earthworks Pty Ltd 52 Atkins Road, Granton
Lady Penrhyn Drive Stormwater Upgrade	01/16 – 04/16	\$105,718.00	Statewide Earthworks Pty Ltd 52 Atkins Road, Granton

TERM CONTRACT	TERM	EXTENSION OPTIONS	VALUE OF CONTRACT	CONTRACTOR
Haulage, Trailer Maintenance and Yard Truck for Barretta Waste Management Facility	06/16 – 05/21	None	\$958,525.00	BE & CF Morey Pty Ltd 136 Arthur Highway, Sorell
Supply and Emptying of Bins - Barretta and Bruny	06/16 – 05/21	None	\$525,875.00	Spectran Environmental Management Pty Ltd 6 Birdwood Avenue, Moonah
Slashing and Spraying - Mainland Kingborough and Bruny Island	10/15 – 09/18	2 Years	\$369,000.00	Statewide Earthworks Pty Ltd 52 Atkins Road, Granton
Disposal of Green Waste from Barretta Waste Management Facility	07/15 – 06/18	2 Years	\$165,000.00	BG & JM Barwick Pty Ltd 129 Lyell Highway, Granton

3.2

FINANCIAL ASSISTANCE AND GRANTS 2015/16

NAME	AMOUNT	DESCRIPTION
Charitable Organisations	\$28,464	2015/16 Rate Remissions
Dept Primary Industries, Parks, Water and Environment	\$25,213	Derwent Estuary Program contribution
Kingborough Community Enterprise Centre	\$25,000	Yearly funding installment
Economic Development	\$23,720	2015/16 Rates remissions
Taroona Bowls Club	\$22,495	Financial assistance with loan repayments
Channel Heritage Centre	\$11,000	2015/16 Grant
Conservation Covenant	\$7,949	2015/16 Rates remissions
Adventure Bay Hall Committee	\$5,000	Community Grant - 2015/16
Blackmans Bay District Cricket Club	\$5,000	Community Grant - 2015/16
Kingston-Channel Catholic Parish	\$4,545	Bell Tower Project - St Mary's Church Snug
Kingborough Tigers Football Club (Inc)	\$4,091	Community Grant - 2015/16
Taroona Football Club	\$4,000	Community Grant - 2015/16
Bruny Island Arts Inc	\$4,000	Community Grant - 2015/16
Fusion Aust Ltd	\$3,955	Community Grant - 2015/16
Rotary Club of Kingston	\$3,200	Community Grant - 2015/16
Volunteer Marine Rescue Kingborough	\$3,045	Community Grant - 2015/16
Riding for Disabled (Kingborough)	\$3,034	Community Grant - 2015/16
Tasmanian Headstone Project	\$2,864	Headstone Project contribution
Show Jumping Tasmania	\$2,700	Community Grant - 2015/16
Kingston Beach Regatta Association	\$2,600	Community Grant - 2015/16
Bruny Island Little Athletics	\$2,600	Community Grant - 2015/16
Kingborough RSL Sub-Branch Inc	\$2,012	Community Grant - 2015/16
D'Entrecasteaux Pony Club	\$2,000	Community Grant - 2015/16
Channel Living Inc	\$2,000	Community Grant - 2015/16
Huntingfield Pony and Riding Club Inc	\$1,500	Community Grant - 2015/16
Taroona Hall Management Committee	\$1,500	Community Grant - 2015/16
Kingborough Community Enterprise Centre	\$1,445	Community Grant - 2015/16
Kingborough Lions United Football Club	\$1,155	Community Grant - 2015/16
Taroona Tennis Club	\$1,050	Community Grant - 2015/16
Kingborough Community Enterprise Centre	\$1,000	Community Grant - 2015/16
Kingston Community Garden & Shed Inc	\$995	Community Grant - 2015/16
Community Organisations	\$704	2015/16 Rate Remissions
South Channel Ratepayers & Residents Association Inc	\$656	Assistance with toilet provision for 2016 fair
Art Farm Birchs Bay Inc.	\$500	Mayor's Award
Coast Guard Kingborough	\$500	Community Grant - 2015/16
Channel Heritage Centre	\$500	Community Grant - 2015/16
Bruny Island Primary Industry Group	\$400	Donation - 2016 Easter Carnival

NAME	AMOUNT	DESCRIPTION
Koori Kids Pty Ltd	\$400	NAIDOC School Initiatives 2016
Lions Club of Kingborough Inc	\$350	Donation - 2016 ANZAC Day Service
Jarrah Day	\$250	Donation - Junior World Orienteering Championships
Damien Axelsen	\$200	Donation - 2015 World Trampoline Championships
Dylan Hay	\$200	Donation - Cricket Tas Tour England 2016
Miss Freya Cox	\$200	Donation - UN Youth Leadership Tour
Miss Lilly Ellis	\$200	Donation - U20 Australian Ultimate Frisbee Team
Mr J Rice	\$200	Donation - U19 IFAF Junior World Championships
Mr S Jackson	\$200	Donation - U19 IFAF Junior World Championships
Samuel Lohrey	\$200	Donation - U19 Australian Men's Hockey
Arthur Tierney	\$100	Donation - U19 Boxing Championship
Blackmans Bay Primary School	\$100	School Citizenship Award
Breanna Triffitt	\$100	Donation - Tasmania Interschools Showjumping
Brody Penney	\$100	Donation - U19 Boxing Championship
Bruny Island District School	\$100	School Citizenship Award
Caleb Nash	\$100	Donation - 2016 Country Cup (Basketball)
Calvin Christian School (Primary)	\$100	School Citizenship Award
Calvin Christian School (Secondary)	\$100	School Citizenship Award
Ebony Webb	\$100	Donation - 2016 National Junior Track & Field
Emily Pettit	\$100	Donation - Riding for the Disabled National Titles
Emily Pettit	\$100	Donation - State Champ for Riding for Disabled
Emma White	\$100	Donation - CANA Netball Championships
George Stevenson	\$100	Donation - U19 Boxing Championship
Illawarra Primary School	\$100	School Citizenship Award
Jack Howarth	\$100	Donation - U19 Boxing Championship
Jessie Tunstall	\$100	Donation - National Championship Costs
Julia Rhodes	\$100	Donation - 2015 Youth Leadership Challenge
Kingston High School	\$100	School Citizenship Award
Kingston Primary School	\$100	School Citizenship Award
Margate Primary School	\$100	School Citizenship Award
Miss Amber Richards	\$100	Donation - UN Youth National Conference
Miss Angel Ashby	\$100	Donation - Australian Gymnastics Championships
Mr Flynn Caro	\$100	Donation - National Trampoline Championships
Mr Oliver Lohrey	\$100	Donation - U15 Australian Men's Hockey
Ms Anika DeKramer	\$100	Donation - Australian Hockey Championships
Ms Anika DeKramer	\$100	Donation - 2016 Australian Track Championships
Ms Caitlyn Wells	\$100	Donation - Australian Irish Dancing Championships
Ms Gabriella Vavoulas	\$100	Donation - National Futsal Championships
Ms Kelsie Wells	\$100	Donation - Australian Irish Dancing Championships
Ms Sarah Jameson	\$100	Donation - Australian Irish Dancing Championships
Ruby Smee	\$100	Donation - 2016 National Junior Track & Field
Snug Primary School	\$100	School Citizenship Award
Southern Christian College	\$100	School Citizenship Award
St Aloysius Catholic College (Blackmans Bay)	\$100	School Citizenship Award
St Aloysius Catholic College (Huntingfield)	\$100	School Citizenship Award
Taroona High School	\$100	School Citizenship Award
Taroona Primary School	\$100	School Citizenship Award
Tom Dobbie	\$100	Donation - Australian U13 State Hockey Championships
Woodbridge School	\$100	School Citizenship Award
Tim Parker	\$100	Donation - Australian Golf Croquet Team
Miss Lola DeKramer	\$100	Donation - 2016 U12 Girls SSA Hockey Championships
Miss Taya Stevenson	\$100	Donation - U16 National Basketball Championships
\$218,991		

3.3 SENIOR STAFF

Section 72 of the *Local Government Act 1993* requires that a statement be provided relating to the total annual remuneration paid to senior members of staff.

The annual remuneration is:

- the total of the salary payable;
- employer superannuation contributions;
- the value of private use of any motor vehicle; and
- any other benefits.

For the purposes of this statement an arbitrary benefit value of \$10,000 has been used for employees who have private use of a Council vehicle. In all instances these vehicles are available for specific or 'pooled' use.

TOTAL REMUNERATION	NUMBER OF EMPLOYEES
\$240,000 - \$260,000	1
\$220,000 - \$240,000	-
\$200,000 - \$220,000	-
\$180,000 - \$200,000	1
\$160,000 - \$180,000	-
\$140,000 - \$160,000	2
\$120,000 - \$140,000	2

3.4 PUBLIC INTEREST DISCLOSURES

The *Public Interest Disclosures Act 2002* provides a mechanism to manage and regulate disclosures made to and against a public body in the public interest. It also protects those who make bona fide disclosures.

In compliance with the Act, Council has developed a policy and procedures to deal with such disclosures which may be obtained from Council's website www.kingborough.tas.gov.au or at the Civic Centre. Pursuant to the requirements of Section 86 of the *Public Interest Disclosures Act 2002*, Council provides the following information relating to actions taken under the Act during the 2015/16 financial year.

Section of PID Act	Disclosure Requirement	Reportable matters in 2015/16
86(b)	Number and types of disclosures made to the public body during the year and the number of those disclosures that the public body determines to be public interest disclosures.	Nil
86(c)	Number of disclosures determined by the public body to be public interest disclosures that it investigated during the year.	Nil
86(d)	Number and types of disclosed matters referred to the public body during the year by the Ombudsman.	Nil
86(e)	Number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate.	Nil
86(f)	Number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year.	Nil
86(g)	Number and types of disclosed matters that the public body has decided not to investigate during the year.	Nil
86(h)	Number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation.	Nil
86(i)	Any recommendations of the Ombudsman under this Act that relate to the public body.	Nil

3.5 PUBLIC HEALTH STATEMENT

Section 72(1)(ab) of the *Local Government Act 1993* requires a statement of the Council's goals and objectives in relation to public health activities to be included in the Annual Report.

Council's public and environmental health functions are undertaken by the Environmental Health Unit; part of the Environmental Services Department. The Unit's organisational structure consists of a Manager Environmental Services, Senior Environmental Health Officer, two Environmental Health Officers, and an Administration Officer. A Medical Officer of Health and two Nurse Immunisers are employed on a casual basis. Functions administered by the Unit in accordance with the provisions of the *Local Government Act 1993*, *Public Health Act 1997*, *Food Act 2003*, *Building Act 2000*, *Environmental Management and Pollution Control Act 1994*, *Burial and Cremation Act 2002* and other identified programs include:

- Food safety
- Notifiable diseases
- Immunisations
- Public health risk activities
- Unhealthy premises
- Water quality including recreational, bathing and private water suppliers
- Public health and environmental nuisances
- Public health education and promotion
- Emergency management
- Climate change
- Onsite wastewater management
- Private burials
- Pollution (air, land and water)

Operational statistics reflecting core environmental health activities undertaken during 2015/16 include:

ACTIVITY	
Registered food businesses	215
Registered mobile food businesses	32
Registered temporary food businesses	218
Notifiable disease notifications/ investigations	13
Vaccines administered at Council immunisation clinics (including School Immunisation Program)	2528
Registered public health risk activities	5
Registered water carters	7
Customer requests (public health/ environmental nuisances)	227
Food handlers attending Council-coordinated workshops	165
Recreational water samples	204
Special Plumbing Permits (on-site wastewater) issued	75



4. FINANCIAL RESULTS FOR THE YEAR – ANALYSIS OF ANNUAL FINANCIAL REPORT

The Annual Financial Report for 30 June 2016 is attached as an Appendix to the Annual Report.

The Financial Report meets the requirements of the Local Government Act 1993 and Australian Accounting Standards, and has been audited by the Tasmanian Audit Office.

When evaluating the financial performance of the Council, it's important to distinguish between recurring income and expenditure versus capital income and expenditure, to get a true picture of the underlying financial performance.

The Statement of Comprehensive Income shows an operating surplus for 2015/16 of \$7.16 million, before other comprehensive income adjustments. If capital and non-recurring income of a net \$9.39 million is eliminated, the underlying financial performance is a deficit of \$2.23 million.

The results for the previous year 2014/15 show a deficit of \$1.29 million based on the underlying financial performance.

Council must continue to develop strategies to ensure depreciation is fully funded and break-even net operating results are consistently achieved in future financial years. In May 2016, Council adopted an updated Long Term Financial Plan (LTFP) and a Long Term Asset Management Plan (LTAMP). The LTFP covers a 10-year planning horizon from 2015/16 to 2024/25, and is an important part of Council's overall financial management framework. The LTFP and LTAMP will be updated annually.

The LTFP aims to improve Council's overall financial sustainability into the future. The key principles underpinning the LTFP are:

- maintaining a fair and equitable rating structure;
- maintaining current service levels;
- continuous improvement in Council's financial performance, so as to achieve operating surpluses;
- progressively increasing funding for asset maintenance and renewal; and
- continuous improvement in Council's financial position.

The LTFP and LTAMP can be downloaded from Council's website www.kingborough.tas.gov.au or obtained from the Civic Centre.

The Statement of Financial Position at 30 June 2016 shows a decrease in total assets from \$608.4 million to \$573.2 million. This decrease was primarily due to a revaluation of the Council's property, infrastructure and plant and equipment assets, which decreased by \$34.4 million.

The Statement of Cash Flows shows a cash decrease of \$3.15 million during 2015/16, reducing cash to \$7.41 million.

The cash from operating activities was \$3.30 million less than the previous year due to grant funds being prepaid in 2014/15. Cash outflows from investment activities was \$2.68 million above 2014/15 and the level of capital grants was \$0.61 million above last year.



APPENDIX I: ANNUAL FINANCIAL REPORT



Independent Auditor's Report

To the Councillors of Kingborough Council

Consolidated Financial Report for the Year Ended 30 June 2016

Report on the Consolidated Financial Report

I have audited the accompanying consolidated financial report (the financial report) of Kingborough Council (Council), which comprises the consolidated statement of financial position as at 30 June 2016 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement on the consolidated entity comprising Council and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, the consolidated entity's financial position as at 30 June 2016 and financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

The Responsibility of the General Manager for the Financial Report

The General Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Section 84 of the *Local Government Act 1993*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

...1 of 2

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the General Manager's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Manager, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My audit responsibility does not extend to the budget figures included in the consolidated statement of comprehensive income and the budget disclosures in note 44, the asset renewal funding ratio disclosed in note 42, nor the Significant Business Activities disclosed in note 41 to the financial report and accordingly, I express no opinion on them.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements.

The *Audit Act 2008* promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Tasmanian Audit Office



Jara K Dean

**Assistant Auditor-General Financial Audit
Delegate of the Auditor-General**

Hobart

12 September 2016

...2 of 2

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference



Kingborough

KINGBOROUGH COUNCIL

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2016

kingborough.tas.gov.au



Certification of the Consolidated Financial Report For the Year Ended 30 June 2016

The consolidated financial report presents fairly the financial position of the Kingborough 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.



Gary Arnold
General Manager

7 September 2016

Kingborough Council

Consolidated Financial Report

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Consolidated Statement of Comprehensive Income For the Year Ended 30 June 2016

	Note	Budget 2016 \$'000	Actual 2016 \$'000	Actual 2015 \$'000
Income				
Recurrent Income				
Rates and fire levies	3	23,912	24,015	22,898
Statutory fees and fines	4	1,401	1,567	1,716
User fees	5	2,143	2,227	2,139
Grants - operating	6(a)	3,711	2,872	5,118
Contributions - cash	7(a)	216	345	512
Interest	8	260	330	370
Other income	9	2,039	1,972	1,831
Investment revenue from Water Corporation	10	1,800	1,848	1,848
		35,482	35,176	36,431
Capital Income				
Capital grants received specifically for new or upgraded assets	6(b)	400	1,304	722
Contributions - non-monetary assets	7(b)	-	4,055	245
Initial recognition of infrastructure assets	7(c)	-	6,348	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	11(a)	-	50	(31)
Carrying amount of assets retired	11(b)	-	(1,995)	(956)
Share of net profits/(losses) of investment in associate	17	-	70	22
Total income		35,882	45,008	36,433
Expenses				
Employee benefits	12	(13,257)	(13,448)	(13,223)
Materials and services	13	(9,633)	(9,458)	(9,409)
Depreciation and amortisation	14	(7,039)	(8,560)	(6,977)
Other expenses	15(a)	(4,476)	(5,021)	(4,841)
Fire levies	15(b)	(1,308)	(1,363)	(1,274)
Total expenses		(35,713)	(37,849)	(35,725)
Surplus / (deficit)	16	169	7,159	708
Other comprehensive income				
Items that will not be reclassified to surplus or deficit				
Fair value adjustment to investment in Water Corporation	18	-	1,558	756
Net asset revaluation increment (decrement)	28	-	(44,009)	24,899
Comprehensive result		169	(35,292)	26,362

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

Consolidated Statement of Financial Position As at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Assets			
Current assets			
Cash and cash equivalents	19	7,407	10,557
Trade and other receivables	20	1,901	1,160
Other assets	21	136	183
Total current assets		9,444	11,900
Non-current assets			
Investment in associates	17	832	762
Investment in Water Corporation	18	93,066	91,508
Property, infrastructure, plant and equipment	22	469,807	504,195
Intangible assets	23	52	34
Total non-current assets		563,758	596,499
Total assets		573,201	608,399
Liabilities			
Current liabilities			
Trade and other payables	24	4,198	4,338
Trust funds and deposits	25	1,809	1,305
Provisions	26	2,111	2,338
Interest-bearing loans and borrowings	27	-	-
Total current liabilities		8,118	7,981
Non-current liabilities			
Provisions	26	611	609
Interest-bearing loans and borrowings	31	-	-
Total non-current liabilities		611	609
Total liabilities		8,729	8,590
Net Assets		564,473	599,809
Equity			
Accumulated surplus		255,876	249,303
Reserves	28	308,597	350,506
Total Equity		564,473	599,809

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

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

		2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and fire levies		23,308	22,894
Statutory fees and fines		1,578	1,727
User fees		2,227	2,139
Grants		2,872	5,118
Other cash inflows, incl. reimbursements		1,972	1,831
Dividend revenue from Tas Water		1,848	1,848
Interest		330	370
Payments to suppliers		(14,444)	(13,371)
Payments to employees		(13,372)	(13,032)
Payments of fire levies		(1,363)	(1,274)
Net cash provided by operating activities	29	<u>4,955</u>	<u>8,250</u>
Cash flows from investing activities			
Proceeds from sale of property, infrastructure, plant and equipment		100	460
Developer contributions		345	512
Payments for property, infrastructure, plant and equipment		(9,885)	(7,732)
Net cash used in investing activities		<u>(9,440)</u>	<u>(6,760)</u>
Cash flows from financing activities			
(Advances) repayments for community organisation loans		31	2
Capital grants		1,304	722
Net cash provided by financing activities		<u>1,335</u>	<u>724</u>
Net increase (decrease) in cash and cash equivalents		(3,150)	2,214
Cash and cash equivalents at the beginning of the financial year		10,557	8,343
Cash and cash equivalents at the end of the financial year	19	<u>7,407</u>	<u>10,557</u>
Financing arrangements	31		
Restrictions on cash assets	19		

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

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

			Asset		
	Note	Total	Accumulated	Revaluation	Fair Value
		2016	Surplus	Reserve	Reserve
2016		\$'000	2016	2016	2016
Balance at beginning of the financial year		599,809	249,303	363,391	(20,223)
Surplus / (deficit) for the year		7,159	7,159	-	-
Other Comprehensive Income:					
Fair value adjustments for financial assets at fair value		-	-	-	-
Net asset revaluation increment(decrement)	28	(44,009)	-	(44,009)	-
Fair value adjustment to investment in TasWater	18	1,558	-	-	1,558
Transfers between reserves and accumulated surplus		-	(586)	-	-
Retained equity in subsidiary		(44)	-	-	-
Balance at the end of the financial year		564,473	255,876	319,382	(18,666)

			Asset		
		Total	Accumulated	Revaluation	Fair Value
		2015	Surplus	Reserve	Reserve
2015		\$'000	2015	2015	2015
Balance at beginning of the financial year		573,468	249,483	338,493	(20,979)
Surplus / (deficit) for the year		708	708	-	-
Other Comprehensive Income:					
Fair value adjustments for financial assets at fair value		-	-	-	-
Net asset revaluation increment(decrement)	28	24,898	-	24,898	-
Fair value adjustment to investment in TasWater	18	756	-	-	756
Transfers between reserves and accumulated surplus		-	(888)	-	-
Retained equity in subsidiary	32	(20)	-	-	-
Balance at the end of the financial year		599,809	249,303	363,391	(20,223)

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

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

Note 1

(a) Reporting Entity

- (i) The Kingborough Council was established in 1908 by an Order of the Governor in Council and is a body corporate with perpetual succession and a common seal. Council's main office is located at 15 Channel Highway, Kingston.
- (ii) The functions of Council in accordance with the *Local Government Act 1993* are to:
 - provide for the health, safety and welfare of the community;
 - to represent and promote the interests of the community;
 - provide for the peace, order and good governance in the municipal area.

(b) Basis of accounting

This financial report is a general purpose financial report that consists of a Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated 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 (AASB) 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.

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 and 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 39.

Consolidation

The financial report has been prepared as a consolidated report to include all the external transactions for Kingborough Waste Services Pty Ltd. Full provision to accommodate AASB 10 Consolidated Financial Statements has not been applied due to immateriality.

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 12 and note 26.

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 33.

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

Note 1

(b) Basis of accounting (con't)

Fair value of property, infrastructure, 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 notes 14 and in note 22.

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 10 and in note 18.

Landfill / Tip Rehabilitation

Assumptions and judgements are utilised in determining the close down and rehabilitation costs that are incurred after operations have ceased. A requirement of the cessation of operations of a landfill facility is to undertake a rehabilitation of the site. The estimated cost of work is in the vicinity of \$0.1M however this is an estimate only and may be subject to change as the works progress. The provision is detailed in note 26.

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

Note 2 Functions/Activities of the Council (excluding Kingborough Waste Services*)

(a) Revenues, expenses and assets have been attributed to the following functions. Details of those functions are set out in Note 2(b).

2016	Governance and Administration \$'000	Transport \$'000	Public Services \$'000	Community Amenities \$'000	Recreation & Culture \$'000	Health \$'000	Welfare \$'000	Other Not Attributed \$'000	Total \$'000
REVENUES									
Rates & Levies	0	0	1,355	2,962	0	0	0	19,699	24,015
Grants & Subsidies	1,032	1,304	0	0	60	12	1,768	0	4,176
Other	709	601	260	906	1,064	120	303	12,452	16,415
Total	1,741	1,905	1,615	3,868	1,124	132	2,071	32,151	44,606
EXPENSES	7,128	4,180	1,906	10,735	6,567	594	2,908	3,430	37,447
Net Result	(5,387)	(2,275)	(291)	(6,867)	(5,443)	(462)	(837)	28,721	7,159
ASSETS	4,899	235,451	92	61,855	19,029	0	60	251,816	573,201
2015	Administration \$'000	Transport \$'000	Public Services \$'000	Community Amenities \$'000	Recreation & Culture \$'000	Health \$'000	Welfare \$'000	Other Not Attributed \$'000	Total \$'000
REVENUES									
Rates & Levies	0	0	1,245	2,835	0	0	0	18,817	22,898
Grants & Subsidies	3,764	0	90	0	109	0	1,878	0	5,840
Other	129	51	337	1,441	1,527	131	254	3,148	7,019
Total	3,893	51	1,672	4,276	1,636	131	2,132	21,965	35,756
EXPENSES	6,990	9,080	1,788	5,525	6,124	524	2,768	2,892	35,690
Net Result	(3,096)	(9,029)	(116)	(1,249)	(4,488)	(393)	(636)	19,073	67
ASSETS	4,543	277,503	94	58,657	80,401	0	5,455	181,745	608,398

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

Note 2 Functions/Activities of Council (*continued*)

(b) The activities of Council are categorised into the following broad functions:

Governance and Administration

Operation and maintenance of the Civic Centre, corporate services, governance, and the servicing of Council and Council Committee meetings.

Transport

Maintenance and cleaning of roads, bridges, nature-strips, footpaths, street lighting, boat ramps and jetties.

Public Services

Fire abatement, animal control and emergency services.

Community Amenities

Collection and disposal of refuse, maintenance of the stormwater drainage system, development planning and control, building services, public cemeteries, and the provision and maintenance of public toilet facilities.

Recreation & Culture

Operation and maintenance of public halls, natural reserves, sporting facilities, horse trails and walking tracks, operations of the Kingborough Sports Centre, and library services.

Health

Environmental and community health activities including food control and immunisation services.

Welfare

Co-ordination of the Family Day Care Scheme, the Manor Gardens Day Respite Centre, youth work and community projects.

Other Not Attributed

General Rate and General Purpose Grants not attributed to specific functions.

* Details of Kingborough Waste Services income and expenditure are included in Note 31.

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

	2016	2015
	\$'000	\$'000

Note 3 Rates and fire levies

Council uses Capital Value (CV) as the basis of valuation of all properties in the municipality.

An assessed capital valuation is an assessment of the property value, at a specific date and in accordance with legislation. The Valuer-General determines the CV under the *Valuation of Land Act 2001*.

General rate	19,699	18,817
Fixed charge - Barretta landfill rehabilitation	1,043	1,036
Garbage charge	1,919	1,800
Total rates	22,660	21,652
Volunteer brigade fire district service levy	733	681
Permanent brigade fire district service levy	356	321
General land fire service levy	266	244
Total fire levies	1,355	1,246
Total rates and fire levies	24,015	22,898

The date of the latest general revaluation of land for rating purposes within the municipality was 1 July 2014, and the valuation was first applied in the rating year commencing 1 July 2015.

Accounting Policy

Rates and charges income

Rates Income is recognised as revenues when Council obtains control over the assets comprising these receipts.

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.

Note 4 Statutory fees and fines

Dog registration fees & fines	213	321
Building & plumbing fees	424	542
Property & rating certificates	381	293
Planning & subdivision fees	371	388
Health fees & licenses	122	120
Recovered legal & collection costs	56	51
Total statutory fees and fines	1,567	1,716

Accounting Policy

Statutory fees and fine income

Fines and fees 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.

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

	2016 \$'000	2015 \$'000
Note 5 User fees		
Revenues from Kingborough Sports Centre	886	821
Waste disposal charges	913	942
Rentals & hiring fees	199	181
Family Day Care	167	152
Other charges	62	43
Total user fees	2,227	2,139

Ageing analysis of contract receivables

Refer to note 36 for the ageing analysis of contract receivable.

Accounting Policy

User fees income

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

Note 6 Grants

Grants were received in respect of the following:

(a) Grants - Recurrent

State Grants Commission	1,032	3,042
Family Day Care Scheme	1,271	1,321
Manor Gardens Day Care Centre	463	476
Hospitality Program	20	-
Natural Disaster Resilience Project	-	90
Sports Centre School Holiday Program	34	41
KSC Equipment Grant	6	68
Barista Program	3	8
Food Chain Program	8	72
Planning for Healthy Communities	5	-
Match Official Area at Twin Ovals	16	-
National Youth Week	2	-
Stronger Communities Grant	12	-
Total recurrent grants	2,872	5,118

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. The Government decided to bring forward for payment to all councils in June 2015, the first two instalments of the 2015-16 grant pool. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. The effects of the early receipt of instalments has resulted in Commonwealth Government Financial Assistance Grants being below the originally budgeted in 2015-16 by \$1.007 million. This has impacted the Statement of Comprehensive Income resulting in the Net surplus/(deficit) from continuing operations being lower by that amount.

(b) Capital grants received specifically for new or upgraded assets

Commonwealth 'Roads to Recovery' Fund	1,140	399
Kingston Beach Foreshore Redevelopment	125	-
Community Support Grant	19	-
Woodbridge Hill Signage Grant	20	-
Sports Centre Indoor Seating	-	250
Snug to Margate Trail	-	60
NDRGP	-	13
Total capital grants	1,304	722
Total Grants	4,176	5,840

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

	2016 \$'000	2015 \$'000
Conditions on Grants		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Family Day Care	27	-
D'Entrecasteaux Channel Environmental Project	-	34
National Emergency Management	-	59
Hospitality Program	17	-
Coastcare	3	3
Penguin Colonies Community Action	5	3
Kingborough Food Chain	-	66
Stronger Communities	12	-
Emergency Management (CAT Trial)	8	-
Planning for Healthy Communities	5	-
Community Based Wildlife	2	-
Youth Enterprise Scheme	-	4
Total	79	169

Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

Manor Gardens	-	(3)
Family Day Care	-	(128)
Natural Disaster Resilience	-	(20)
D'Entrecasteaux Channel Environmental Project	34	35
Triggers for Change	-	14
Coastcare	3	3
Kingborough Urban Arts Project	-	-
Kingston Bypass Wetlands Project	-	18
Penguin Colonies Community Action	-	4
Youth Enterprise Scheme	3	4
National Emergency Management	59	-
Kingborough Food Chain	66	-
	165	(73)

*Note that debit balances may arise as a result of amounts paid prior to the receipt of grant funds.

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.

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

	2016 \$'000	2015 \$'000
Note 7 Contributions and adjustments		
(a) Cash		
Capital works projects	55	173
Payments in lieu of Public Open Space	172	123
Tree Preservation	20	39
Manor Gardens Club	67	52
Family Day Care Service	10	7
Natural resource management	20	116
Bruny SES Unit	2	2
Total	345	512
(b) Non-monetary assets		
Roads & footpaths	2,628	-
Stormwater piping	1,425	76
Land under roads	2	153
Playground equipment	-	16
Total	4,055	245
Total contributions	4,400	757
(c) Non-monetary assets		
Initial recognition of infrastructure assets	6,348	-

The reason for the initial recognition of infrastructure assets is due to the inclusion of retaining wall in the asset register in 2015/16. Previously they were not recorded as a separate asset, however due to the componentisation of assets during the year, they have been identified as an asset.

Accounting policy

Contribution income

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 8 Interest

Interest on financial assets	330	370
Total	330	370

Accounting policy

Interest income

Interest is recognised progressively as it is earned.

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

	2016	2015
	\$'000	\$'000
Note 9 Other income		
Charges for external works	532	425
Refund of motor tax	167	179
Other revenues	238	261
Pensioner Rate Remissions (State Government)	1,035	966
Total other income	1,972	1,831

Accounting policy

Charges for external works

Income from external works is recorded as revenue once the external works have been completed and payment is due or received.

Other income

Income from other revenue sources is recorded as revenue on the receipt of funds.

Operating leases as lessor

Council is a lessor and enters into agreements with a number of lessees. These include commercial and non-commercial agreements.

Where leases are non-commercial agreements, these are generally with not for profit, such as sporting, organisations. In these cases subsidised or peppercorn rents are charged because Council recognises part of its role is community service and community support. In these situations, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.

Where leases are commercial agreements, but properties leased are part of properties predominantly used by Council for its own purposes, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.

Note 10 Investment revenue from water corporation

Dividend revenue	1,253	1,363
Guarantee fee	149	144
Taxation equivalent	446	341
Total investment revenue from water corporation	1,848	1,848

Accounting policy

Investment revenue

Dividends and other investment revenue is recognised when Council's right to receive payment is established.

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

	2016 \$'000	2015 \$'000
Note 11 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
(a) Proceeds of sale:		
Plant & vehicles	363	153
Land	-	307
Furniture & equipment	-	-
Total	363	460
 Written down value of assets disposed		
Plant & vehicles	313	151
Land	-	340
Furniture & equipment	-	-
Total	313	491
 Net Gain (Loss)	50	(31)
 (b) Carrying amount of assets retired		
Land	1,377	-
Road pavements	440	866
Stormwater drainage	171	77
Bridges	-	13
Minor infrastructure	7	-
Total	1,995	956

The write-down in the carrying amount of assets retired for land of \$1.377 million is due to a reconciliation of the asset register during the year which identified some incorrect land titles showing as being owned by Council. These adjustments related to the period up to 2009/10.

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 12 Employee benefits

Wages and salaries	11,804	11,362
Workers compensation	245	302
Annual leave and long service leave	342	593
Superannuation	1,416	1,246
Other	37	38
Total	13,846	13,541
 Less: Capitalised amounts	 (398)	 (318)
Total employee benefits	13,448	13,223

Accounting policy

Employee benefits

Expenses are recognised in the Consolidated Statement of 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.

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

	2016	2015
	\$'000	\$'000
Note 13 Materials and services		
Building maintenance	214	151
Child care payments	1,079	1,130
Consultants	235	167
Contract payments	5,576	5,361
Fuel and oil	220	239
IT consumables	388	343
Plant and vehicles maintenance	807	950
Utilities	939	1,068
Total materials and services	9,458	9,409

Accounting policy

Materials and services expense

Expenses are recognised in the Consolidated Statement of 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 14 Depreciation and amortisation

Roads and Bridges	5,534	4,224
Drainage	870	777
Buildings	765	698
Plant, Machinery and Equipment	738	685
Minor Infrastructure	507	399
Fixtures, Fittings, Furniture, and Computers	36	39
Computers and telecommunications	100	146
Total depreciation and amortisation	8,550	6,968
Intangible assets		
Intangible assets	10	9
Total depreciation and amortisation	8,560	6,977

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

	2016 \$'000	2015 \$'000
Accounting policy		
Depreciation and amortisation expense		
Expenses are recognised in the Statement of 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, 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 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.		
During 2016/17 Council componentised its road assets. This resulted in the road assets being split into the components noted below, with different useful lives. The impact on depreciation of this change was an increase of approximately \$500,000.		
Major depreciation periods used are listed below:		
		Period
Buildings		
buildings		15 - 100 years
Plant and Equipment		
plant, machinery and equipment		8 - 10 years
fixtures, fittings and furniture		8 - 15 years
computers and telecommunications		4 - 5 years
Roads		
road pavements and seals		10 - 30 years
road substructure		50 - 100 years
road formation and earthworks		200 years
road kerb, channel and minor culverts		80 years
Bridges		
timber		30 years
bridges concrete and steel		100 years
Other Infrastructure		
footpaths		80 years
drainage		100 years
recreational, leisure and community facilities		20 - 40 years
parks, open space and streetscapes		20 - 40 years
off street car parks		20 - 30 years
Intangible assets		
intangible assets		5 - 10 years

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

	2016 \$'000	2015 \$'000
Note 15 Other expenses and Levies to State Government		
(a) Other expenses		
Payroll Tax	817	791
Councillors Allowances & Expenses (refer Note 39)	412	568
Land Tax	218	193
Liability and Property Insurance	306	308
Rate Remissions	155	84
Government funded rate remissions	996	969
Legal Fees	115	143
Tourism	65	62
Valuation Fees	128	254
Advertising & Marketing	52	76
Bank Charges	75	70
Subscriptions	107	98
Postage	76	64
Other expenses	1,499	1,163
Total other expenses	5,021	4,841
(b) Levies to State Government		
Tasmanian Fire Service Contribution	1,363	1,274

Accounting policy

Other expenses

Expenses are recognised in the Consolidated Statement of 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.

Note 16 Underlying result

Council's underlying result for the period is calculated by excluding items included in the operating surplus (deficit) which are either capital in nature, non-recurring, or the result of contributions received in advance.

Surplus / (Deficit)	7,159	709
<i>exclude</i>		
Capital grants	(1,304)	(722)
Contributions - non-monetary assets	(4,055)	(245)
Share of associates net assets	(70)	(22)
Initial recognition of infrastructure assets	(6,348)	-
Write-down in the carrying amount of assets retired for land	1,377	-
<i>Grant received in advance</i>		
2015/16 allocation received in 2014/15	1,007	(1,007)
	(2,234)	(1,288)

The following items were reclassified as operating and included in the calculation of the underlying result:

- Carrying amount of assets retired, \$0.618m (\$0.956m in 2014-15)
- Barretta Levy, \$1.043m (\$1.036m in 2014-15).

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

	2016 \$'000	2015 \$'000
Note 17 Investment in associates		
Investments in associates accounted for by the equity method are:		
Copping Refuse Disposal Site Joint Authority	832	762
Total	832	762
<i>Background</i>		
Council has a 20% ownership interest in the Authority, being a landfill refuse disposal facility.		
Summarised financial information of associate:		
Current assets	4,535	2,116
Non-current assets	7,770	7,762
Total assets	12,305	9,878
Current liabilities	(4,218)	(1,546)
Non-current liabilities	(3,958)	(4,551)
Total liabilities	(8,176)	(6,097)
Net Assets	4,129	3,781
Share of associates' net assets	826	756
Total Income	6,395	5,415
Net result	350	42
Share of associates' result after tax	70	8
Additional equity injection	-	70
Share of associates' additional equity	-	14
Total adjustment in Statement of Comprehensive Income	70	22

Accounting policy

Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in Council's share of the net assets of the entities. Council's share of the financial result of the entities is recognised in the Consolidated Statement of Comprehensive Income.

Note 18 Investment in water corporation

Opening Balance	91,508	90,752
Change in fair value of investment	1,558	756
Total investment in water corporation	93,066	91,508

Council's investment in TasWater at 30 June 2016 has increased due to an increase in the value of TasWater assets.

Council has derived returns from the water corporation as disclosed at note 10.

Council does not have significant influence to allow it to use the equity method to account for this interest.

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

	2016 \$'000	2015 \$'000
Accounting policy		
Investment assets		
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 5.91% (2015: 5.91%) 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 6.16% in the corporation. Any unrealised gains and losses are recognised through the Statement of Comprehensive Income to a Financial assets available for sale reserve each year (refer note 28).		
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.		

Note 19 Cash and cash equivalents

Cash on hand	7	6
Cash at bank	3,162	3,356
Money market call account	4,239	7,194
Total cash and cash equivalents	7,407	10,557
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:		
- Reserve funds allocated for specific future purposes (Note 28c)	7,882	7,339
- Trust funds and deposits (Note 25)	1,809	1,305
Restricted Funds	9,691	8,644
Total unrestricted cash and cash equivalents	(2,284)	1,913

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.		

Note 20 Trade and other receivables

Current		
Rates debtors	136	236
Loans and advances to community organisations	444	457
Other debtors	1,142	216
Dividend Receivable	-	-
GST receivable	178	251
Total	1,901	1,160

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.		

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

	2016	2015
	\$'000	\$'000
Note 21 Other assets		
<i>Current</i>		
Inventories	86	178
Sundry	50	5
Total	136	183

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.

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

Note 22 Property, infrastructure, plant and equipment

	2016	2015
	\$'000	\$'000
Summary		
at cost	32,572	31,390
Less accumulated depreciation	11,247	10,629
	<u>21,325</u>	<u>20,761</u>
 at fair value	 689,426	 689,015
Less accumulated depreciation	240,943	205,581
	<u>448,483</u>	<u>483,434</u>
Total	<u>469,807</u>	<u>504,195</u>
 Property		
Land		
at fair value at 30 June	48,095	47,454
	<u>48,095</u>	<u>47,454</u>
 Land under roads		
at fair value at 30 June	57,253	54,529
	<u>57,253</u>	<u>54,529</u>
 Total Land	<u>105,348</u>	<u>101,983</u>
 Buildings		
at fair value	63,622	60,851
Less accumulated depreciation	13,165	11,985
	<u>50,457</u>	<u>48,866</u>
 Total Property	<u>155,805</u>	<u>150,849</u>

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

Note 22 (a) Property, infrastructure, plant and equipment (continued)

	2016 \$'000	2015 \$'000
Plant and Equipment		
Plant, machinery and equipment		
at cost	8,816	8,523
Less accumulated depreciation	4,227	4,374
	4,589	4,149
Fixtures, fittings and furniture		
at cost	1,179	1,132
Less accumulated depreciation	1,080	1,043
	99	89
Computers and telecommunications		
at cost	1,406	1,400
Less accumulated depreciation	1,195	1,095
	211	305
Total Plant and Equipment	4,899	4,543
Infrastructure		
Roads and Bridges *		
at fair value	434,771	445,021
Less accumulated depreciation	203,948	171,093
	230,823	273,928
Drainage		
at fair value	85,685	81,160
Less accumulated depreciation	23,830	22,503
	61,855	58,657
Minor infrastructure		
at fair value	9,373	7,692
Less accumulated depreciation	4,745	4,117
	4,628	3,575
Total Infrastructure	297,305	336,160
Work in Progress		
Other Infrastructure, at cost	6,666	5,596
Roads and Bridges, at cost	3,162	5,699
Stormwater, at cost	1,970	1,348
	11,798	12,643
Total Property, Infrastructure, Plant and Equipment	469,807	504,195

* Bridges have been included in Roads from 2015/16.

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

Note 22 Property, infrastructure, plant and equipment (continued)

2016	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 28)	Depreciation and amortisation (note 14)	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	47,454	203	1,811	-	(1,373)	-	-	48,095
Land under roads	54,529	2	2,726	-	(4)	-	-	57,253
Total land	101,983	205	4,537	-	(1,377)	-	-	105,348
Buildings	48,866	761	1,594	(765)	-	-	-	50,457
Total buildings	48,866	761	1,594	(765)	-	-	-	50,457
Total property	150,849	966	6,131	(765)	(1,377)	-	-	155,805
Plant and Equipment								
Plant, machinery and equipment	4,149	1,491	-	(738)	(313)	-	-	4,589
Fixtures, fittings and furniture	89	46	-	(36)	-	-	-	99
Computers and telecommunications	305	6	-	(100)	-	-	-	211
Total plant and equipment	4,543	1,543	-	(874)	(313)	-	-	4,899
Infrastructure								
Roads & Bridges	273,928	8,987	(52,068)	(5,534)	(440)	-	5,950	230,823
Drainage	58,657	1,425	1,678	(870)	(171)	-	1,135	61,854
Minor infrastructure	3,575	-	250	(507)	(7)	-	1,317	4,628
Total infrastructure	336,160	10,412	(50,140)	(6,911)	(618)	-	8,402	297,305
Works in progress								
Land	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-
Other Infrastructure	5,596	2,387	-	-	-	-	(1,317)	6,666
Roads	5,643	3,413	-	-	-	-	(5,894)	3,162
Drainage	1,349	1,756	-	-	-	-	(1,135)	1,970
Bridges	56	-	-	-	-	-	(56)	-
Total works in progress	12,644	7,556	-	-	-	-	(8,402)	11,798
Total property, infrastructure, plant and equipment	504,196	20,477	(44,009)	(8,550)	(2,308)	-	-	469,807

Componentisation

During 2015/16, Council componentised Roads and Bridges for the first time. The effect of this was that rather than assigning a single value and useful life to all roads and bridges, the individual components (surface, base, subgrade, kerb & channel, footpaths, retaining walls and roundabouts) have all been valued separately. All components have separate lives assigned for depreciation purposes. This work has been undertaken by Council staff and the values assigned have been obtained from an independent valuer and validated against recent similar works by contractors, developers and Council Staff.

The methodology followed is as recommended by the Institute of Public Works Engineering Australia (IPWEA). The components used are as recommended by IPWEA and in line with generally accepted methodology.

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

Note 22 Property, infrastructure, plant and equipment (continued)

2015	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 28)	Depreciation and amortisation (note 14)	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	43,049	1,293	3,308		(340)	-	144	47,454
Land under roads	51,606	153	2,770			-	-	54,529
Total land	94,655	1,446	6,078	-	(340)	-	144	101,983
Buildings	45,968	-	2,316	(698)	-	-	1,279	48,866
Total buildings	45,968	-	2,316	(698)	-	-	1,279	48,866
Total property	140,623	1,446	8,394	(698)	(340)	-	1,423	150,849
Plant and Equipment								
Plant, machinery and equipment	3,827	1,158	-	(685)	(151)	-	-	4,149
Fixtures, fittings and furniture	111	17	-	(39)		-	-	89
Computers and telecommunications	304	147	-	(146)		-	-	305
Total plant and equipment	4,242	1,322	-	(870)	(151)	-	-	4,543
Infrastructure								
Roads	246,950	-	12,332	(3,979)	(866)	-	4,544	258,981
Bridges	14,009	-	696	(245)	(13)	-	500	14,947
Drainage	55,825	76	3,475	(777)	(77)	-	135	58,657
Minor infrastructure	3,537	16	-	(397)	-	-	419	3,575
Total infrastructure	320,321	92	16,503	(5,398)	(956)	-	5,598	336,160
Works in progress								
Land	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-
Other Infrastructure	3,543	2,872	-	-	-	-	(819)	5,596
Roads	9,674	1,373	-	-	-	-	(5,404)	5,643
Drainage	737	778	-	-	-	-	(166)	1,349
Bridges	620	68	-	-	-	-	(632)	56
Total works in progress	14,574	5,091	-	-	-	-	(7,021)	12,644
Total property, infrastructure, plant and equipment	479,760	7,951	24,897	(6,966)	(1,447)	-	-	504,196

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

Note 22 Property, infrastructure, plant and equipment (continued)

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 Property, infrastructure, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council. Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and 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 \$
Land	1
Buildings	5,000
Plant and Equipment	1,000
Roads	5,000
Bridges	5,000
Other Infrastructure (paths, recreation, drainage and community facilities)	5,000
Intangible assets	1,000

Revaluation

Council has adopted the following valuation bases for its non-current assets as noted in note 43.

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 consolidated 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.

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

	2016 \$'000	2015 \$'000
Note 23 Intangible assets		
Software	812	783
Less: Accumulated amortisation	(760)	(750)
Total	52	34
Total intangible assets	52	34

Reconciliation of intangible assets

	Software \$'000
Gross carrying amount	
Balance 1 July 2014	782
Additions	1
Balance 30 June 2015	783
Balance 1 July 2015	783
Additions	29
Balance 30 June 2016	812
Accumulated amortisation	
Balance 1 July 2014	(741)
Amortisation expense	(9)
Balance 30 June 2015	(750)
Balance 1 July 2015	(750)
Amortisation expense	(10)
Balance 30 June 2016	(760)
Net book value 30 June 2015	34
Net book value 30 June 2016	52

Accounting policy

Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful lives for current and comparative periods are as follows:

Software	5 years
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Note 24 Trade and other payables

Trade payables	1,572	2,048
GST payable	20	30
Accrued expenses	2,317	2,000
Other	289	260
Total trade and other payables	4,198	4,338

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

Note 25 Trust funds and deposits

Refundable building deposits and contract retentions	1,809	1,305
Total trust funds and deposits	1,809	1,305

Accounting policy

Tender deposits

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

Note 26 Provisions

	Annual leave	Long service leave	Landfill restoration	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2016					
Balance at beginning of the financial year	898	1,517	479	53	2,947
Additional provisions	937	158	-	176	1,271
Amounts used	(864)	(187)	(301)	(144)	(1,496)
Balance at the end of the financial year	971	1,488	178	85	2,722
2015					
Balance at beginning of the financial year	928	1,324	1,360	25	3,637
Additional provisions	760	467	-	150	1,377
Amounts used	(790)	(274)	(881)	(122)	(2,067)
Balance at the end of the financial year	898	1,517	479	53	2,947

2016
\$'000

2015
\$'000

Employee Provisions

Current

Annual leave	971	898
Long service leave	877	908
Other leave	85	53
	1,933	1,859

Non-current

Long service leave	611	609
	611	609

The following assumptions were adopted in measuring the present value of employee benefits:

Weighted average increase in employee costs	2.80%	2.80%
Weighted average discount rates	1.65%	2.24%
Weighted average settlement period	12	12

Current

All annual leave and the long service leave entitlements representing 10 or more years of continuous service.

- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	1,933	1,859
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	-	-

Non-current

Long service leave representing less than 10 years of continuous service measured at present value.	611	609
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Employee numbers (Full Time Equivalents)	191.6	194.5
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Notes to the Financial Report For the Year Ended 30 June 2016

Note 26 Provisions (cont)

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.

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

Note 26 Provisions (cont)

Other Provisions	2016	2015
Current	\$'000	\$'000
Remediation of Barretta landfill site	178	479
	<u>178</u>	<u>479</u>

Barretta land fill remediation

Close down and rehabilitation costs are a normal consequence of tip site operations, and the majority of that expenditure is incurred after operations have ceased. A requirement of the cessation of operations of a landfill facility is to undertake a rehabilitation of the site. Council has received approval from the Environment Protection Authority for the Barretta Landfill Closure and Rehabilitation Plan and works are underway on the plan which will be comprised of a sealed capping layer, stormwater and leachate management systems and a gas capture system. The Project is nearing completion, and the remaining cost of work is estimated to be less than \$0.1M.

Aggregate carrying amount of provisions:

Current	2,111	2,338
Non-current	611	609
	<u>2,722</u>	<u>2,947</u>

Note 27 Interest-bearing loans and borrowings

Current

Borrowings	-	-
	<u>-</u>	<u>-</u>

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

Note 28 Reserves

	2016 \$'000	2015 \$'000
Asset revaluation reserve	319,382	363,391
Fair value reserve	(18,666)	(20,223)
Other reserves	7,882	7,339
Total	308,599	350,507

	Balance at beginning of reporting year \$'000	Increment / (decrement) \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting year \$'000
(a) Asset revaluation reserve				
2016				
Property				
Land and land under roads	84,832	4,537	-	89,369
Buildings	24,500	1,594	-	26,094
	109,332	6,131	-	115,464
Infrastructure				
Roads	209,205	(52,068)	-	157,137
Bridges	11,705	-	-	11,705
Stormwater drainage	33,448	1,678	-	35,126
Minor infrastructure	(300)	250	-	(50)
	254,059	(50,140)	-	203,919
Total asset revaluation reserve	363,391	(44,009)	-	319,382
2015				
Property				
Land and land under roads	78,754	6,078	-	84,832
Buildings	22,183	2,317	-	24,500
	100,937	8,395	-	109,332
Infrastructure				
Roads	196,873	12,332	-	209,205
Bridges	11,009	696	-	11,705
Stormwater drainage	29,973	3,475	-	33,448
Minor infrastructure	(300)	-	-	(300)
	237,555	16,504	-	254,059
Total asset revaluation reserve	338,492	24,899	-	363,391

	Balance at beginning of reporting year \$'000	Increment / (decrement) \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting year \$'000
(b) Fair Value reserve				
2016				
Change in fair value of investments				
- Water Corporation	(20,223)	1,558	-	(18,666)
Total fair value reserve	(20,223)	1,558	-	(18,666)
2015				
Change in fair value of investments				
- Water Corporation	(20,979)	755	-	(20,223)
Total fair value reserves	(20,979)	755	-	(20,223)

The fair value reserve was introduced to record the change in value of the investment in the water corporation

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

Note 28 Reserves (Continued)

	Balance at beginning of reporting year	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting year
	\$'000	\$'000	\$'000	\$'000
(c) Other reserves				
2016				
Specific purpose reserves	2,234	(432)	265	2,067
Asset replacement reserves	1,287	(688)	-	599
Unexpended capital reserves	3,818	(842)	2,240	5,216
Total other reserves	7,339	(1,962)	2,505	7,882
2015				
Specific purpose reserves	2,163	91	(20)	2,234
Asset replacement reserves	1,521	(234)	-	1,287
Unexpended capital reserves	2,786	1,033	-	3,818
Total other reserves	6,470	889	(20)	7,339

	2016 \$'000	2015 \$'000
Specific Purpose Reserves comprise of amounts set aside for the following purposes:		
Unexpended specific purpose grants	198	507
Acquisition of Public Open Space	1,379	1,215
Administrative	100	100
Emergency Purposes	6	6
Tree Preservation	347	369
Acquisition of Public Car Parking	46	46
Sundry Purposes	11	11
Balances at the end of the year	2,087	2,254

Movement in Specific Purpose Reserves:		
Balances at the beginning of the year	2,254	2,163
Additions:		
Balance of Grants (Unexpended Grants)	73	507
Contributions	192	119
Reductions:		
Grants Expended (Unexpended Grants)	(381)	(279)
Purchase and development of Public Open Space	(8)	-
Transfer to operational funds	(43)	(256)
Balances at the end of the year	2,087	2,254

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

Note 28 Reserves (Continued)	2016 \$'000	2015 \$'000
Asset Replacement Reserves have been established to provide for the orderly replacement of plant, vehicles, furniture and equipment.		
Balances at the beginning of the year	1,287	1,521
Additions:		
Transfers from operational funds	856	1,088
Reductions:		
Purchase of Plant & Vehicles	(1,491)	(1,158)
Capital Works	(6)	(147)
Purchase of Furniture & Equipment	(47)	(17)
Balances at the end of the year	599	1,287
Unexpended Capital Reserves are those amounts that have been allocated to various capital works projects, but at the reporting date have not yet been expended.		
Balances at the beginning of the year	3,618	2,786
Additional funds allocated	10,121	7,696
Capital Projects completed	(8,523)	(6,864)
Balances at the end of the year	5,216	3,618

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

	2016 \$'000	2015 \$'000
Note 29 Reconciliation of cash flows from operating activities to surplus (deficit)		
Surplus/(Deficit)	7,159	709
Non cash items		
Depreciation/amortisation	8,560	6,977
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(50)	31
Contributions - non monetary assets	(4,055)	(245)
Carrying Amount of assets retired	1,995	956
Share of net (profit)/loss of investment in associate	(70)	(22)
Add (less) items classified as investing included in Surplus/(Deficit)		
Capital grants received specifically for new or upgraded assets	(1,304)	(722)
Developer Contributions	(345)	(512)
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	(772)	9
Decrease/(increase) in inventories	47	(164)
Increase/(decrease) in trade and other payables	364	1,924
Increase/(decrease) in provisions	(225)	(690)
Net cash provided by/(used in) operating activities	11,304	8,250
Note 30 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 19)	7,407	10,557
Total reconciliation of cash and cash equivalents	7,407	10,557
Note 31 Financing arrangements		
Business Card - Credit Limit	26	12
Total amount unused at reporting date	16	5

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

Note 32 Kingborough Waste Services Pty Ltd

Kingborough Waste Services Pty Ltd (KWS) is an incorporated entity that has been formed by Kingborough Council to operate the Barretta Waste Transfer Station. KWS has operated and managed the Barretta Waste Transfer Station from 1 July 2011.

The directors of KWS are:

- Mr Peter Shelley (Independent Chairman)
- Ms Joanna Orr (Independent Director)
- Mr Tony Ferrier (Council employee)
- Mr David Reeve (Council employee)

Council has provided a financial guarantee to KWS to discharge any debt that KWS owes, where KWS is unable to pay the debt itself. The KWS Chairman is remunerated \$7,500 per annum, and the independent director, \$5,500 per annum.

	2016	2015
	\$'000	\$'000
Financial Performance		
Revenue		
User Charges	650	561
Recycling Sales	308	304
Council Charges	791	656
Sundry Charges	12	27
Total Revenue	1,761	1,548
Expenditure		
Employee Costs	881	775
Disposal Costs	476	413
Hire & Maintenance	216	219
Other Expenses	241	231
Total Expenses	1,814	1,638
Surplus / (Deficit)	(53)	(90)
 Financial Position		
Assets	265	490
Liabilities	345	516
Net Assets	(80)	(26)

The financial performance includes any internal transfers with Kingborough Council. Council provides corporate support to KWS and Council remains the owner of the infrastructure and equipment at the site. KWS charge Council a fee based on tonnage for garbage collection waste, recycling collection waste, and green waste disposed of at the Barretta Waste Transfer Station. Internal transfers are eliminated on consolidation.

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

Note 33 Superannuation

	2016 \$'000	2015 \$'000
Superannuation contributions paid:		
Accumulated Benefits	1,353	1,188
Defined Benefits	63	58

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:

1. 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.
2. The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2014.
3. 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 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 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.

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

Note 33 Superannuation

In terms of Clause 1.9.2 of the Scheme 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 Clause 1.9.2(b).

However in terms of Clause 1.9.2 (d), the only contributions that can be sought from the Employer and its employee Members are any arrears of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Clause 1.22.2(a) requiring the Employer to make good any shortfall before the cessation of participation is approved.

Clause 1.22.2(b) specifically provides that employers participating in the Fund will not be liable for the obligations of other Employers in other funds within the Scheme.

The application of Fund assets on the Fund or the Scheme being wound-up is set out in Clause 1.21.3. This Clause provides that expenses, pensions in payment and the Superannuation Guarantee benefits of other members should have first call on the available assets. Additional assets will initially be applied proportionately to providing Member's benefits in respect of completed service. If additional assets are available they are applied to increasing members' benefits.

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 next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$56,000 , and the amount to be paid to accumulation schemes is \$1,221,000 .

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. Favourable 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.

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.

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

Note 34 Commitments

The Council has entered into the following commitments which are due and payable in the next twelve months.

	2016 \$'000	2015 \$'000
Capital commitments		
Road construction	394	783
Stormwater drainage	224	126
Recreation and reserves	360	320
Plant and equipment	-	204
Bridges and jetties	60	15
Other infrastructure	268	465
Total	1,306	1,912

Operating lease commitments

Council as lessee has entered into a leasing arrangement for equipment at the Kingborough Sports Centre.

Operating lease commitments at the reporting date
not recognised in liabilities:

Not longer than one year	41	42
Longer than one year and not longer than five years	48	89
Longer than five years	-	-
	89	131

Accounting policy

Leases

ii) 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.

Contractual Commitments

Contractual commitments at end of financial year but not recognised in the financial report are as follows and are due and payable in accordance with the periods stated.

		2016 \$'000 Future Commitment	2015 \$'000 Future Commitment
	Period		
Public toilet and barbecue cleaning	12/13 - 12/16	33	125
Rubbish/litter collection	12/13 - 12/16	36	135
Public hall cleaning	12/13 - 12/16	18	69
Kerbside Recycling - contract extension		0	0
Provision of Hygiene Services	07/14 - 07/17	8	17
Sports Centre Seating	01/15 - 10/15	0	222
Kerbside household waste and recycling collection	09/13 - 09/18	1,763	2,076

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

Note 35 **Contingent liabilities**

Guarantees for Loans to other entities

Council has agreed to act as guarantor for loans currently totalling \$99,000 (2014/15 - \$169,000) repayable over various periods, raised by two sporting clubs operating from Council's properties. In default Council would be responsible for the outstanding debts, but would assume control and ownership of the net assets of those clubs.

With the exception of the above, Council is not aware of any incident or action that may cause a future liability to be created. All existing claims against Council are covered by policies of insurance, and the maximum limits of the liability as set out in those policies, is believed to be adequate to meet all contingencies of those claims without further financial liability on Council.

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

Note 36 Financial Instruments

(a) Accounting Policy, Terms and Conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	19	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues.	On call deposits returned a floating interest rate of 2.60% (2.63% in 2014/2015).
Trade and other receivables			
Other debtors	20	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured. Rate arrears attract an interest rate of 8.46% (10.18% in 2014/2015). Credit terms are based on 30 days.
Financial Liabilities			
Trade and other payables	24	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.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	27	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.	Borrowings are secured by way of mortgages over general rates of Council. Council currently has no borrowings.

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

Note 36 Financial instruments (continued)

(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		
Financial assets							
Cash and cash equivalents	2.60%	7,407	-	-	-		7,407
Trade and other receivables	8.46%	136	-	-	-	1,764	1,901
Investment in Water Corporation			-	-	-	93,066	93,066
Total financial assets		7,543	-	-	-	94,830	102,374
Financial liabilities							
Trade and other payables		-	-	-	-	4,198	4,198
Trust funds and deposits			-	-	-	1,809	1,809
Interest-bearing loans and borrowings		-	-	-	-	-	-
Total financial liabilities		-	-	-	-	6,007	6,007
Net financial assets (liabilities)		7,543	-	-	-	88,823	96,366

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		
Financial assets							
Cash and cash equivalents	2.71%	10,557	-	-	-		10,557
Trade and other receivables	10.02%	236	-	-	-	924	1,160
Investment in Water Corporation			-	-	-	91,508	91,508
Total financial assets		10,793	-	-	-	92,432	103,224
Financial liabilities							
Trade and other payables		-	-	-	-	4,338	4,338
Trust funds and deposits			-	-	-	1,305	1,305
Interest-bearing loans and borrowings		-	-	-	-	-	-
Total financial liabilities		-	-	-	-	5,643	5,643
Net financial assets (liabilities)		10,793	-	-	-	86,789	97,582

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

Note 36 Financial Instruments (continued)

(c) Fair Values

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

	Total carrying amount as per Statement of Financial Position		Aggregate net fair value	
Financial Instruments	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	7,407	10,557	7,407	10,557
Investment in Water Corporation	93,066	91,508	93,066	91,508
Trade and other receivables	1,901	1,160	1,901	1,160
<i>Total financial assets</i>	<u>102,374</u>	<u>103,224</u>	<u>102,374</u>	<u>103,224</u>
<i>Financial liabilities</i>				
Trade and other payables	4,198	4,338	4,198	4,338
Trust funds and deposits	1,809	1,305	1,809	1,305
Interest-bearing loans and borrowings	-	-	-	-
<i>Total financial liabilities</i>	<u>6,007</u>	<u>5,643</u>	<u>6,007</u>	<u>5,643</u>

(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 Council's main financial instruments and the policies for minimising these risks are detailed below.

Market risk

Market risk is the risk that the fair value or future cash flows of Council's 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 Council is 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. Interest rate liability risk arises primarily from long term loans and borrowings at fixed rates, however with no such holdings, there is no exposure to this risk for Council.

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

Note 36 Financial Instruments (continued)

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 liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

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

Interest charged on outstanding rate debtors is regulated by the *Local Government Act 1993* and contains a component of the official 10-year long-term bond rate.

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 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 balances are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

Investments are made in accordance with a Council Policy that provides for a spread of investments in banking institutions and fund managers with an emphasis on security of the principal value. Council's bank is the Commonwealth Bank of Australia.

Receivables comprise of rates receivable, GST receivable and sundry debtors. In relation to amounts owing to Council in respect of unpaid rates, no credit risk is recognised as the *Local Government Act 1993* empowers Council to sell properties to recover such outstanding amounts.

We may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 34.

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

	Financial Institutions (AA credit rating)	Government agencies (BBB credit rating)	Other Appd creditors	Total
2016				
Cash and cash equivalents	7,407	-	-	7,407
Trade and other receivables	-	-	1,901	1,901
Total contractual financial assets	7,407	-	1,901	9,308

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

Note 36 Financial Instruments (continued)

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

	Financial Institutions (AA credit rating)	Government agencies (BBB credit rating)	Other Appd creditors	Total
2015				
Cash and cash equivalents	10,557	-	-	10,557
Trade and other receivables	-	-	1,160	1,160
Total contractual financial assets	10,557	-	1,160	11,717

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 & Other Receivables was:

	2016 \$'000	2015 \$'000
Current (not yet due)	1,702	766
Past due by up to 30 days	30	153
Past due between 31 and 60 days	1	-
Past due between 61 and 90 days	4	-
Past due by more than 90 days	164	241
Total Trade & Other Receivables	1,901	1,160

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 asset 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 be invested various liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue.

Council's objective is to maintain a balance between continuity of funding determined through forecasting of expected cash flows, and income generation through the investment of surplus funds in short-term investments. Income streams from rates, user charges and grants are considered to be highly stable and reliable. Investments are spread between secure financial institutions in marketable financial products that can be converted to cash at short notice.

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

The table below lists the contractual maturities for Financial Liabilities.

These amounts represent undiscounted gross payments including both principal and interest amounts.

2016	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	4,198	-	-	-	-	4,198	4,198
Trust funds and deposits	1,809	-	-	-	-	1,809	1,809
Interest-bearing loans and borrowings	-	-	-	-	-	-	-
Total financial liabilities	6,007	-	-	-	-	6,007	6,007

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

Note 36 Financial Instruments (continued)

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	4,338	-	-	-	-	4,338	4,338
Trust funds and deposits	1,305	-	-	-	-	1,305	1,305
Interest-bearing loans and borrowings	-	-	-	-	-	-	-
Total financial liabilities	5,643	-	-	-	-	5,643	5,643

(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 -1% 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			
		-1 %		+1	
		-100 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2016	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	7,407	(74)	(74)	74	74
Trade and other receivables	1,901	-	-	-	-
Financial liabilities:					
Interest-bearing loans/borrowings	-	-	-	-	-
Trust funds and deposits	1,809	-	-	-	-
Trade and other payables	4,198	-	-	-	-

2015					
Financial assets:					
Cash and cash equivalents	10,557	(106)	(106)	106	106
Trade and other receivables	1,160	-	-	-	-
Financial liabilities:					
Interest-bearing loans/borrowings	-	-	-	-	-
Trust funds and deposits	1,305	-	-	-	-
Trade and other payables	4,338	-	-	-	-

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

Note 37 Auditor's remuneration	2016	2015
	\$'000	\$'000
Audit fee to conduct external audit - Tasmanian Audit Office	40	40
	<u>40</u>	<u>40</u>

Note 38 Events occurring after balance date

There are no events occurring after balance date that impact upon Council's activities and results.

Note 39 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:

			Period of Appointment
Councillors	S W Wass	Mayor	2015/16
	P Wreidt	Deputy Mayor	2015/16
	R Atkinson	Councillor	2015/16
	S Bastone	Councillor	Feb 16 - Jun 16
	B Black	Councillor	Jun 15 - Jan 16
	Dr G Bury	Councillor	2015/16
	P Chatterton	Councillor	Mar 16 - Jun 16
	F Fox	Councillor	2015/16
	D Grace	Councillor	2015/16
	M Percy	Councillor	2015/16
	N Street	Councillor	Jun 15 - Feb 16
	D Winter	Councillor	2015/16

Total Remuneration for the reporting year for Councillors' Emoluments and reimbursements included above amounted to:	376	363
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Councillor's Expenses are reimbursements for travelling and telephone costs and out-of-pocket expenses. In addition, Councillors are provided at their choice, a home personal computer and a telephone/fax/printer, for which all costs including telecommunications costs are funded by Council.

Other than the amounts shown above and the facilities detailed, no Councillor has received or will become entitled to receive a benefit, except for reimbursement of out-of-pocket expenses.

Council has dealings from time to time with its Councillors in both their private and business capacity. Transactions between Council and its related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

In accordance with section 84(2)(b) of the Local Government Act 1993, Councillors are to disclose any related party interests they have with any body or organisation with which Council has major financial dealings. As at the reporting date no interests have been notified to the General Manager.

	2016	2015
Total Councillor Allowances and Expenses shown in note 15 are expanded below;		
Mayoral Donations	6	2
Election expenses	21	160
Insurance	1	1
Councillor Expenses	14	22
Conferences	7	8
Councillor Allowances	352	363
Functions	11	11
Total Councillor Expenses and Allowances	412	567

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

Note 40 Special committees and other activities

As they are not considered to be of a material nature, the accounts and cash assets of the following Special Committees have not been consolidated into the financial statements of Council.

	Income	Expenditure	Cash
	\$	\$	\$
Adventure Bay Hall	14,649	16,899	1,480
Kettering Hall & Recreation Committee	5,001	7,641	12,177
Lower Longley Hall Committee	576	545	7,587
Lunawanna Hall Committee	836	1,597	558
North Bruny Community Centre Committee	17,383	17,990	4,672
Snug Hall Management Committee	6,749	4,722	11,533
Taroona Hall Management Committee	13,454	10,736	8,194
Woodbridge Hall Management Committee	5,971	8,524	3,732

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

Note 41 Significant Business Activities

The operating capital and competitive neutrality costs of the Council's

	Sports Centre		Manor Gardens		Family Day Care	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Revenue</i>						
User Changes	829	770	67	52	167	152
Grants	40	41	463	476	1,271	1,321
Other revenues	56	51	0	0	10	7
Total Revenue	925	862	530	528	1,448	1,480
<i>Expenditure</i>						
<i>Direct</i>						
Materials, Contracts, Employee Costs	1,196	1,104	536	553	1,374	1,401
Other expenses	23	2	1	1	23	18
<i>Indirect</i>						
Engineering & Administration	0	0	60	60	60	60
Total Expenses	1,219	1,106	597	614	1,457	1,479
<i>Notional cost of free services received</i>						
<i>Capital Costs</i>						
Depreciation and amortisation	366	137	3	0	3	0
Opportunity cost of capital	1,097	1,056	2	0	1	0
Total Capital Costs	1,463	1,193	5	0	4	0
<i>Competitive neutrality adjustments</i>						
Rates and land tax	13	12	3	2	0	0
Loan guarantee fees	0	0	0	0	0	0
	13	12	3	2	0	0
<i>Calculated Surplus/(Deficit)</i>	(660)	(381)	(70)	(86)	(12)	1
Competitive neutrality costs	(1,770)	(1,449)	(75)	(88)	(13)	1

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 the Sports Centre, Family Day Care and Manor Gardens as defined above are considered significant business activities. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and loan guarantees. In preparing the information disclosed in relation to significant business activities, the following assumptions have been applied:

- The opportunity cost is based on applying a 5% earnings on funds invested in the activities.
- Materials, Contracts and employee costs are based on actual expenditure on each activity.
- Loan guarantee fees are not included as Council believes that no material advantage is obtained.
- Tax calculation has not been included as it is considered to be not material.
- Depreciation is based on assets associated with the activity.

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

Note	42	Management indicators	Benchmark	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000
(a) Underlying surplus or deficit							
		Recurrent income* less		35,615	34,358	33,022	32,059
		recurrent expenditure		37,849	35,725	33,889	33,089
		Underlying surplus/deficit	0	(2,234)	(1,367)	(868)	(1,030)

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

Recurrent income for 2016 excludes the temporary levy for the rehabilitation of the Baretta tip site. (Details Note 3).

The main reason for the increase in the underlying deficit is the increase in depreciation expense due to the 2015 revaluation and the componentisation of infrastructure assets.

The Council's long-term financial plan predicts that Council will achieve an underlying surplus by 2020.

(b) Underlying surplus ratio

<u>Underlying surplus or deficit</u>		(2,234)	(1,367)	(868)	(1,030)
Recurrent income*		35,615	34,358	33,022	32,059
Underlying surplus ratio %	0%	-6%	-4%	-3%	-3%

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

The ratio highlights the need to continue progressing towards an operating surplus in line with the long-term financial plan.

(c) Net financial liabilities

Liquid assets less		9,308	11,717	9,513	9,514
total liabilities		8,729	8,590	7,335	7,335
Net financial liabilities	0	579	3,127	2,178	2,179

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.

This indicator indicates that the Council is in a position to cover its total liabilities from its liquid assets.

(d) Net financial liabilities ratio

<u>Net financial liabilities</u>		579	3,127	2,178	2,179
Recurrent income*		35,615	34,358	33,022	32,059
Net financial liabilities ratio %	0% - (50%)	2%	9%	7%	7%

This ratio indicates the net financial obligations of Council compared to its recurrent income.

The net financial liability ratio remains comfortably above the 0% benchmark.

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

42	Management indicators (cont.)	2016	2015	2014	2013
		\$'000	\$'000	\$'000	\$'000

(e) Asset consumption ratio

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.

Road Infrastructure

<u>Depreciated replacement cost</u>	230,823	258,981	256,623	256,623
Current replacement cost	434,771	418,988	406,086	406,086

Asset consumption ratio %	50% - 80%	53%	62%	63%	63%
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Buildings

<u>Depreciated replacement cost</u>	50,457	48,866	45,968	45,968
Current replacement cost	63,622	60,851	56,674	56,674

Asset consumption ratio %	50% - 80%	79%	80%	81%	81%
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Drainage

<u>Depreciated replacement cost</u>	61,855	58,657	56,562	56,562
Current replacement cost	85,685	81,160	77,365	77,365

Asset consumption ratio %	50% - 80%	72%	72%	73%	73%
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This ratio indicates the level of service potential available in Council's existing asset base.

All ratios indicate a high level of service potential is available in the Councils existing asset base.

(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.

Road Infrastructure

<u>Projected capital funding outlays**</u>	3,500
Projected capital expenditure funding***	3,500

Asset renewal funding ratio %	90-100%	100%
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Buildings

<u>Projected capital funding outlays**</u>	366
Projected capital expenditure funding***	366

Asset renewal funding ratio %	90-100%	100%
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Drainage

<u>Projected capital funding outlays**</u>	766
Projected capital expenditure funding***	766

Asset renewal funding ratio %	90-100%	100%
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** 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.

The council was able to fund all their capital expenditure plans in 2015/16.

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

42	Management indicators (cont.)	2016	2015	2014	2013
		\$'000	\$'000	\$'000	\$'000
	(g) Asset sustainability ratio				
	<u>Capex on replacement/renewal of existing assets</u>	<u>6,031</u>	<u>4,442</u>	<u>5,561</u>	<u>5,662</u>
	Annual depreciation expense	8,560	6,977	6,938	6,944
	Asset sustainability ratio %	70%	64%	80%	82%

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

The capital expenditure on the replacement/renewal of existing assets has fluctuated between 64% and 84% over the past four years, depending on asset renewal plans.

	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
By asset class			
Land	-	-	-
Buildings	-	675	675
Infrastructure	4,540	3,363	7,903
Plant & Equipment	1,491	-	1,491
Total	<u>6,031</u>	<u>4,038</u>	<u>10,069</u>

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

Note 43 Fair Value Measurements

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

- Investment in water corporation
- Property, infrastructure plant and equipment
 - Land and land under roads
 - Buildings
 - Roads, including footpaths & cycleways
 - Bridges
 - Drainage
 - Minor infrastructure

(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 2015.

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
Recurring fair value measurements					
Investment in water corporation	18	-	-	93,066	93,066
Land and land under roads	22 (a)	-	-	105,348	105,348
Buildings	22 (a)	-	-	63,622	63,622
Roads (including footpaths & cycleways)	22 (a)	-	-	434,771	434,771
Bridges	22 (a)	-	-	-	-
Drainage	22 (a)	-	-	85,685	85,685
Minor Infrastructure	22 (a)	-	-	9,373	9,373
		-	-	791,864	791,864

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

43 Fair Value Measurements

As at 30 June 2015

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment in water corporation	18	-	-	91,508	91,508
Land and land under roads	22 (a)	-	-	101,983	101,983
Buildings	22 (a)	-	-	60,851	60,851
Roads (including footpaths & cycleways)	22 (a)	-	-	418,988	418,988
Bridges	22 (a)	-	-	26,033	26,033
Drainage	22 (a)	-	-	81,160	81,160
Minor Infrastructure	22 (a)	-	-	7,692	7,692
		-	-	788,215	788,215

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

All assets valued at fair value are being used for their highest and best use. Due to the restrictions on the use of council assets, they are considered to be being used for their highest and best use.

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

Council has adopted AASB 13 *Fair Value Measurement* in relation to its recurring fair value measurement. There have been no changes in valuation techniques over the past year.

Investment in water corporation

Refer to Note 18 for details of valuation techniques used to derive fair values.

Land

During 2014/15 the Valuer-General undertook the revaluation of all properties in Kingborough, with the exception of certain non-rateable properties. The revaluation determined values as at 1st July 2014. For 2015/16 land values were escalated by 5.0% based on advice from the Valuer-General.

The average municipal value of land is derived by multiplying the area of land by the municipal unit site value. The municipal unit site value is calculated by dividing the total land value of properties in the municipality, as determined by the Valuer-General, by the total area of those properties. The most significant input into this valuation approach is price per square metre.

Land under roads

Land under roads is valued at the average municipal rate as described above.

All land is classified as Level 3 in the fair value hierarchy due to the significant unobservable estimates required to provide the value.

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

43 Fair Value Measurements

Buildings

Buildings were independently revalued in July 2008 by Davis Langdon Australia. During 2011/2012 Davis Langdon Australia advised Council that the fair value of buildings at 1 July 2011 are consistent with the values derived in 2008. The market based building industry tender level index provided by Davis Langdon Australia has been used as the basis for revaluing buildings and estimating fair value from 1 July 2011. There has been no change in the index up to 2013/14, however Exsto Management (who acquired Davis Langdon's Tasmanian business in November 2012) have advised that for 2015/16 a 3.26% average increase in building values based on data over the past three years. This increase has been applied to building values. Buildings acquired since the revaluation date have been valued at their acquisition cost.

Council has determined their remaining useful life as the basis for future depreciation.

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). As 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) 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 'modern day equivalent' 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 14.

The calculation of CRC 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)

During 2016/17 Council componentised its road assets into segments based on different useful lives (as detailed in note 14).

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Roads are managed in segments based on the installed or renewed length and are categorised into a road hierarchy based on the type of road and vehicle numbers. Roads are valued based on typical construction type (pavement, seal, kerb etc) for the given width and hierarchical classification of the road. 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.

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

43 Fair Value Measurements

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. 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 actual cost of the works for the first year, and standard replacement rates thereafter. Construction costs were escalated by 2.6% for the 2015/16 year, which represents the average increase over the past three years as advised by Exsto Management.

Bridges

A full valuation of bridges assets was undertaken by independent valuers, AusSpan, effective 30 June 2014. As a result of this valuation, there was no change in existing values. 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. Costs were escalated by 2.6% for 2015/16, which represents the average increase over the past three years as advised by Exsto Management.

Drainage

A valuation of drainage infrastructure was undertaken by Council's Engineer, effective 30 June 2015. 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. Costs were escalated by 2.6% for 2015/16, which represents the average increase over the past three years as advised by Exsto Management.

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.

Minor Infrastructure

Other infrastructure is not deemed to be significant in terms of Council's Statement of Financial Position and is valued on a CRC basis.

(d) Unobservable inputs and sensitivities

Investment in water corporation

Carrying amount (at fair value)	Key unobservable inputs	Expected range of inputs	Description of how the change in inputs will affect fair value
\$93.06 million	Council's percentage holding in the Water Corporation, currently 5.91%	None	Any percentage increase or decrease in the ownership interest of the Water Corporation will have the same direct percentage impact on Council's investment in the Water Corporation.
	Net assets of the Water Corporation	Variable based on the net asset value of the Water Corporation at balance date	Any percentage increase or decrease in the ownership interest of the Water Corporation will have the same direct percentage impact on Council's investment in the Water Corporation.

Refer Note 18 for further details.

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

43 Fair Value Measurements

(e) Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in note 21 (a) (Property, infrastructure, plant and equipment). There have been no transfers between level 1, 2 or 3 measurements during the year.

The following table analyses the movements in the available for sale financial assets.

	2016	2015
	\$'000	\$'000
Reconciliation of Level 3 Fair Value Movements		
Opening balance	91,508	90,752
Change in fair value movement in Water Corporation	1,558	756
Closing balance	<u>93,066</u>	<u>91,508</u>

(f) Valuation processes

Council's current policy for the valuation of property, infrastructure, plant and equipment and investment in water corporation (recurring fair value measurements) is set out in note 18 and 22.

(g) 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 36)

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

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

Note 44 Material Budget Variations

Council's original budget was adopted by the Council in June 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. No budget is estimated for amounts included in Other Comprehensive Income due to the uncertain nature of the outcomes. Material variations of more than 10% are explained below:

Revenues

1 Grants

The variance of \$0.8 million (+12%) relates to the prepayment of \$1.007 million financial assistance grants in 2014/15 relating to the 2015/16 financial year offset by additional grants of \$0.2 million received during the year.

2 Contributions (Cash)

The increase of \$129,000 (+60%) primarily relates to the receipt of funds for public open space.

3 Statutory fees and fines

The increase of \$166,000 (+12%) relates to higher than expected fees on property and rating certificates and planning fees.

4 Contributions non-cash)

Non-cash contributions were \$4.1 million over budget due to the high level of assets contributed to Council during the year. The budget for contributions is set at zero as it is difficult to predict with any certainty.

Expenses

1 Depreciation

Depreciation expense was \$1.2 million (17%) over budget due to the impact of a 5% revaluation on 30 June 2015 and the impacts of componentisation of infrastructure assets.

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

Note 45 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.

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

Note 45 Other significant accounting policies and new accounting standards (cont)

(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.

(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.

The adoption of this standard did not impact Council's financial position.

- (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.

The adoption of this standard has impacted the presentation of disclosures in the notes to the financial statements.

- (iii) 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.

The early adoption of this standard has had a minor impact on the disclosures in the notes to the accounts.

(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. (Note: standards are applicable to reporting periods beginning on or after to effective date referred to 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.

The adoption of this standard will not materially impact Council's financial position.

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

Note 45 Other significant accounting policies and new accounting standards (cont)

- (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.

The adoption of this standard will not impact Council's financial position.

- (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.

The adoption of this standard will not impact Council's financial position.

- (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.

The adoption of this standard will not impact Council's financial position.

- (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.

The adoption of this standard may require additional disclosures, but will not impact Council's financial position.

- (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.

The adoption of this standard will not impact Council's financial position.

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

Note 45 Other significant accounting policies and new accounting standards (cont)

(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.

(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.

The adoption of this standard will have no material impact Council's financial position.

Notes to the Financial Report

For the Year Ended 30 June 2016

Note 45 Other significant accounting policies and new accounting standards (cont)

- (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.

The adoption of this standard will not impact Council's financial position.

- (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.

The adoption of this standard will have no material impact Council's financial position.

- (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).

The adoption of this standard will not impact Council's financial position.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
Community and Recreational Services									
Community Services 2015 - 2020									
1.1.1.1 Provide an annual community grant program	Quarterly	%	100	100	<div></div>	100	100	<div></div>	Rounds 1 and 2 of grants program for 2015/16 completed.
1.1.1.2 Review contemporary statistical information	Quarterly	%	100	100	<div></div>	100	100	<div></div>	
1.1.2.1 Assess the capacity of local communities	Quarterly	%	100	100	<div></div>	100	100	<div></div>	
1.1.2.2. Continue Volunteer Program	Quarterly	%	100	100	<div></div>	100	100	<div></div>	
1.1.3.1 Recognise volunteer contribution	Quarterly	%	100	100	<div></div>	100	100	<div></div>	
1.1.3.2 Conduct annual volunteer celebration	Quarterly	%	100	100	<div></div>	100	100	<div></div>	
1.1.4.2 Celebrate cultural diversity	Quarterly	%	100	100	<div></div>	100	100	<div></div>	
1.2.1.2 Encourage other organisations to support young people	Quarterly	%	100	100	<div></div>	100	100	<div></div>	
1.2.2.1 Review Positive Ageing Strategy	Quarterly	%	100	75	<div></div>	100	75	<div></div>	
1.2.2.2 Operate Manor Gardens day respite centre	Quarterly	%	100	100	<div></div>	100	100	<div></div>	
1.2.3.2 Develop a range of family-focused activities	Quarterly	%	100	100	<div></div>	100	100	<div></div>	Strategy review commenced but not yet complete.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
1.2.3.3 Initiate programs for child friendly city principles	Quarterly	%	100	100	●	100	100	●	
1.2.4.1 Support young people remaining in education system	Quarterly	%	100	100	●	100	100	●	
1.2.4.2 Conduct training at Youth Centre	Quarterly	%	100	100	●	100	100	●	
1.3.2.1 Operate Kingborough Sports Centre	Quarterly	%	100	100	●	100	100	●	
1.3.2.2 Maximise use of recreational and sporting facilities	Quarterly	%	100	100	●	100	100	●	
1.3.2.5 Review sports grounds policies	Quarterly	%	100	75	↑	100	75	↑	Policy document still under review as at 30 June 2016.
1.3.2.6 Provide and support community events	Quarterly	%	100	100	●	100	100	●	
1.3.2.7 Encourage outdoor recreational and awareness activities	Quarterly	%	100	100	●	100	100	●	
1.5.1.1 Maximise usage of Kingborough Performing Arts Centre	Quarterly	%	100	100	●	100	100	●	
1.5.2.2 Identify opportunities to display public art features	Quarterly	%	100	100	●	100	100	●	
1.5.2.3 Support community artistic endeavours	Quarterly	%	100	100	●	100	100	●	
1.5.3.1 Determine capacity to manage community events	Quarterly	%	100	100	●	100	100	●	



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
1.5.3.2 Develop event management guidelines	Quarterly	%	100	100	●	100	100	●	
3.2.3.7 Facilitate improved recycling at community events	Quarterly	%	100	50	↑	100	50	↑	Pursued for Council events but not those run by community groups.
3.3.3.1 Opportunities to further develop walking trails	Quarterly	%	100	100	●	100	100	●	
4.1.3.1 Facilitate farmers market within Kingborough	Quarterly	%	100	100	●	100	100	●	
Development Services									
Development Services 2015 - 2020									
2.1.1.1 Review Kingborough Land Use Strategy	Quarterly	%	100	50	↑	100	50	↑	Significant work has been done of this strategy review. However, it has been delayed due to the need to review the State Planning Provisions and how these will affect future land zoning in Kingborough. These Provisions will be determined by the end of 2016 and the Strategy review will be completed early in 2017.
2.1.2.1 Review Kingborough Settlement Strategy	Quarterly	%	100	50	↑	100	50	↑	As with 2.1.1, the Settlement Strategy (which is part of the Land Use Strategy) is awaiting the completion of the State Planning Provisions and their adoption by the Minister.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
2.1.3.1 Mechanisms that allow for increase in housing density	Quarterly	%	100	100	●	100	100	●	These mechanisms are built into the existing planning scheme - though they will also be reviewed as part of the Land Use Strategy.
2.3.1.1 Provide information to public on Kingborough Planning Scheme	Quarterly	%	100	100	●	100	100	●	This information is provided on Council's website and at the Civic Centre.
2.3.1.2 Prepare new Heritage Codes	Quarterly	%	100	50	↑	100	50	↑	Considerable information has been compiled that will form the basis of a Local Heritage Register, however the Code itself has not yet been finalised by the Commission and will be part of the State Planning Provisions to be approved by the Minister at the end of 2016. The Local Heritage Register will then be finalised in the first half of 2017.
2.3.1.3 Carry out landscape character assessment	Quarterly	%	100	25	↑	100	25	↑	This is waiting for the finalisation of the State Planning Provisions. Only some preliminary work has been done within Council and this will be progressed during 2017.
2.3.1.4 Assess applications to continually improve service levels	Quarterly	%	100	100	●	100	100	●	This normal processing of applications has been carried out in an efficient manner throughout the year with the statutory timeframes being met.
2.3.1.5 Respond to proposals for State-wide Scheme	Quarterly	%	100	100	●	100	100	●	Council provided a comprehensive submission to the Commission on the proposed State Planning Provisions and has subsequently attended all of the public hearings.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
2.3.2.2 Prepare urban design guidelines	Quarterly	%	100	25	↑	100	25	↑	Only some preliminary work has been done in this regard and this has been mainly associated with Kingston Park. Some additional investigations will take place as part of the Land Use Strategy, but ultimately, this action may need to be completed as a separately funded project.
3.4.1.3 Prepare specific area plan Taroonia landslip area	Quarterly	%	100	25	↑	100	25	↑	Only background information for this SAP has been compiled at this stage and the SAP itself will be done early in 2017. Staff resources have been devoted to other priorities.
3.4.2.1 Improve public awareness of potential impacts of Climate Change	Quarterly	%	100	80	↑	100	80	↑	Public information sessions have been held at Kingston Beach and Adventure Bay and reports published on Council's website.
5.1.2.1 Implement communication strategy for new Planning Scheme	Quarterly	%	100	100	●	100	100	●	During the year various public meetings were held as well as separate meetings with groups and individuals. Reports to Council were provided and information made publicly available on the prospective planning scheme changes.
6.3.2.3 Establish compliance system for planning permits	Quarterly	%	100	75	↑	100	75	↑	During the year a planning compliance officer was appointed, who subsequently resigned and another officer was allocated this responsibility on a part-time basis. This has been satisfactory but has not yet resulted in a new compliance system being established.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	On Target	↑	Ongoing	
Description	Freq.	UOM	Result			YTD Result		
			Target	Actual	Status	Target	Actual	
6.3.2.5 Review and update Council information sheets	Quarterly	%	100	100	●	100	100	Information planning so at the time
Environmental Services								
Environmental Services 2015 - 2020								
1.3.1.1 Coordinate and implement immunisation program	Quarterly	%	100	100	●	100	100	Program is
1.3.1.2 Work with stakeholders in regard to public health awareness	Quarterly	%	100	100	●	100	100	Structured
1.3.3.1 Deliver professional animal management services	Quarterly	%	100	100	●	100	100	Structured
1.3.3.2 Undertake food surveillance program	Quarterly	%	100	100	●	100	100	Program b DHHS.
1.6.1.3 Develop and implement Public Health Emergency Sub-plan	Quarterly	%	100	100	●	100	100	Completed
1.6.1.4 Implement annual fire hazard abatement program	Quarterly	%	100	100	●	100	100	Being under policies.
1.6.2.1 Implement climate change strategy based on case studies	Quarterly	%	100	100	●	100	100	Final report
2.1.1.5 Climate change data linkage to asset management planning	Quarterly	%	100	100	●	100	100	Technical



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	On Target	On Target	On Target	On Target	On Target
Description	Freq.	UOM	Result			YTD Result			Status
			Target	Actual	Status	Target	Actual	Status	
2.3.1.6 Maintain Council's contaminated sites register	Quarterly	%	100	50	🔴	100	50	🔴	Slow progress process.
3.1.1.1 Implement catchment management plans	Quarterly	%	100	100	🟢	100	100	🟢	Ongoing plan
3.1.1.2 Undertake recreational water sampling	Quarterly	%	100	100	🟢	100	100	🟢	Program a
3.1.1.3 Monitor onsite wastewater management systems	Quarterly	%	100	100	🟢	100	100	🟢	Hot spots
3.1.1.4 Monitor key stormwater outfalls	Quarterly	%	100	25	🔴	100	25	🔴	Progress h
3.1.2.2 Increase public awareness of values protected in Council reserves	Quarterly	%	100	100	🟢	100	100	🟢	A signage
3.1.2.3 Review Dog Management Policy declared Sensitive Wildlife Habitat	Quarterly	%	100	90	🔴	100	90	🔴	Mapping a
3.1.3.1 Implement Kingborough Weed Management Strategy	Quarterly	%	100	100	🟢	100	100	🟢	Being und
3.1.3.2 Manage weeds on Council reserves	Quarterly	%	100	100	🟢	100	100	🟢	Being und
3.1.3.3 Participate in state-wide response to invasive species	Quarterly	%	100	100	🟢	100	100	🟢	Being und
3.1.3.4 Facilitate Kingborough Cat Management Program	Quarterly	%	100	100	🟢	100	100	🟢	Being und
3.1.4.1 Supportive community engagement in marine and coastal issues	Quarterly	%	100	100	🟢	100	100	🟢	Beig under workplan.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
3.1.4.2 Investigate opportunities for coastal policy in Kingborough	Quarterly	%	100	75	↑	100	75	↑	Key data is still being resourced.
3.1.4.3 Identify coastal areas that require rehabilitation	Quarterly	%	100	100	●	100	100	●	Focus has been on the areas of Coningham, Snug, Dennes Point and Kingston Beach.
3.1.5.1 Work with State Government to initiate recovery actions	Quarterly	%	100	100	●	100	100	●	Being undertaken in accordance with the NRM workplan.
3.1.6.2 Research coastal vulnerability	Quarterly	%	100	100	●	100	100	●	Specific focus has been on Kingston Beach, Coningham and Adventure Bay.
3.2.1.1 Support Derwent Estuary Program	Quarterly	%	100	100	●	100	100	●	Participation continues to occur at all levels.
3.2.1.2 Support D'Entrecasteaux & Huon Collaboration	Quarterly	%	100	100	●	100	100	●	Participation continues to occur through the Steering Committee.
3.2.1.3 Review Southern Regional NRM Strategy	Quarterly	%	100	100	●	100	100	●	Strategy reviewed and report completed.
3.2.1.4 Liaise with TasWater re Waste Water Treatment Plants	Quarterly	%	100	100	●	100	100	●	Undertaken as opportunities arise.
3.2.2.1 Provide information on regulatory requirements vegetation clearance	Quarterly	%	100	100	●	100	100	●	Being undertaken in accordance with Council policies.
3.2.2.2 Implement Biodiversity Offset Policy	Quarterly	%	100	100	●	100	100	●	Being undertaken in accordance with Council's policy.
3.2.2.3 Preparation information on environmental conservation	Quarterly	%	100	100	●	100	100	●	Being undertaken in accordance with the NRM workplan.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	On Target	↑	Ongoing	
Description	Freq.	UOM	Result			YTD Result		
			Target	Actual	Status	Target	Actual	Status
3.2.2.4 Review practices to minimise potential for environmental impact	Quarterly	%	100	25	↑	100	25	Issue lacking
3.3.1.1 Support local community care groups	Quarterly	%	100	100	●	100	100	Being undr workplan.
3.3.1.2 Coordinate environmental education programs	Quarterly	%	100	100	●	100	100	Being undr workplan.
3.3.1.3 Promote use of native plants	Quarterly	%	100	100	●	100	100	Being undr workplan.
3.3.2.1 Coordinate Antarctic Experience program	Quarterly	%	100	100	●	100	100	The Prograr
3.3.2.2 Interpretive sign and promotional material depicting natural values	Quarterly	%	100	75	↑	100	75	Program is
3.3.2.3 Increase public awareness in the care of local bush land and coastal areas	Quarterly	%	100	100	●	100	100	Programs workplan.
3.4.1.2 Further investigate coastal erosion and sea level rise	Quarterly	%	100	100	●	100	100	Being undr recomm
3.4.2.2 Complete detailed case study at Kingston Beach re climate change	Quarterly	%	100	100	●	100	100	Final repor
4.1.2.3 Support opportunities generation of renewable energy	Quarterly	%	100	100	●	100	100	Investigati Island.
5.1.4.1 Develop program of energy efficiency improvements	Quarterly	%	100	75	↑	100	75	A more foc



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing	
Description	Freq.	UOM	Result			YTD Result			
			Target	Actual	Status	Target	Actual	Status	
5.1.4.2 Show benefits of incorporating strong environmental sustainability	Quarterly	%	100	75	↑	100	75	↑	A more str
5.1.4.3 Delivery projects to participate in 'citizen science'	Quarterly	%	100	75	↑	100	75	↑	A long-term TASMARC
5.2.1.3 Opportunities to progress strategic and legislative reform for coastal management	Quarterly	%	100	25	↑	100	25	↑	Planning s highlight c
6.1.1.4 Review Kingborough Climate Change Adaptation Policy	Quarterly	%	100	100	●	100	100	●	Policy reviv
6.2.2.1 Review internal environmentally sustainable practices	Quarterly	%	100	25	↑	100	25	↑	Very slow an issue.
6.3.2.2 Determine appropriate levels of service	Quarterly	%	100	100	●	100	100	●	Service del
Engineering Services									
Engineering Services 2015 - 2020									
1.1,4.3 Support Access Advisory Committee	Quarterly	%	100	100	●	100	100	●	Continue t Advisory C
1.4.1.2 Identify public open space around main business centres	Quarterly	%	100	100	●	100	100	●	Nothing fu space this



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
1.4.2.2 Upgrade and maintain existing walking trails	Quarterly	%	100	100	●	100	100	●	Inspections and repairs on various tracks associated with the heavy rainfalls have been undertaken. The Shot Tower track extension was completed, a new track at Dru Point was installed and various drainage improvements have been implemented.
1.4.2.3 Identify opportunities for additional children's playgrounds	Quarterly	%	100	100	●	100	100	●	Potential playground improvements have been reviewed as part of submissions to the 2016/17 budget. A high level assessment of playgrounds has been progressing, with a view to their use and inspection cycle, which will feed into a future strategy for this area.
2.1.1.2 Review Long Term Asset Management Plan	Quarterly	%	100	100	●	100	100	●	Asset plan has been updated.
2.1.1.3 Manage asset management data base	Quarterly	%	100	100	●	100	100	●	Continued work on road revaluation and preparation of end of year accounts. Of significance is a large reduction in WIPS.
2.2.1.1 Implement efficient road and drainage maintenance practices	Quarterly	%	100	100	●	100	100	●	This remains as an ongoing task. Efforts have been concentrated during the final quarter on completing projects. For example: roadside mulching to improve sightlines, straightening and repairing guideposts, cleaning table drains. Some routine maintenance was delayed due to severe storm events.
2.2.1.2 Prepare traffic management plans Kingston Beach & Central Kingston	Quarterly	%	100	100	●	100	100	●	Traffic studies have been completed.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
2.2.1.3 Identify sub-standard road junctions	Quarterly	%	100	75	↑	100	75	↑	Some intersection improvements have been carried forward for completion in the next quarter, in particular Thomas Road.
2.2.1.5 Review maintenance arrangements State roads Bruny Island	Quarterly	%	100	75	↑	100	75	↑	Council has provided all necessary information to DSG to allow facilitation of a new contract and we are now waiting for them to provide a formal contract.
2.2.2.1 Prepare stormwater management plans	Quarterly	%	100	100	●	100	100	●	Kingston Beach flood study completed and peer reviewed, Balckmans Bay flood study has commenced.
2.2.3.1 Opportunities for additional bike lanes or bike paths	Quarterly	%	100	100	●	100	100	●	Completed cycleway link in Spring Farm Road near the new roundabout.
2.2.3.2 Opportunities to improve pedestrian and cycling links	Quarterly	%	100	100	●	100	100	●	continue to work closely with KBAC to discuss and nominate projects for future consideration. Detailed design for Snug to Margate shared path let to Pitt and sherry
2.2.4.1 Parking strategy for central Kingston	Quarterly	%	100	100	●	100	100	●	Strategy completed and presented to Councillors.
2.3.2.3 Improve all town entrances	Quarterly	%	100	100	●	100	100	●	Taroona Welcome signage installed.
3.2.3.1 Manage kerbside collection services	Quarterly	%	100	100	●	100	100	●	Continue to work with Council's contractor to improve service.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
3.2.3.2 Review feasibility of green waste collection service	Quarterly	%	100	10	↑	100	10	↑	This will be looked at in detail with the Waste Management Strategy, to be commissioned in 2016/17.
3.2.3.4 Facilitate introduction of waste levy	Quarterly	%	100	0	↑	100	0	↑	no further action on this matter
3.2.3.5 Increase resource recovery	Quarterly	%	100	100	●	100	100	●	KWS continues to look at ways to minimise the waste footprint and have been working on a quick turnover for the Re-Use Shop to allow room for new products. Every effort is made to gather as much material as possible from the walking floor. An arrangement to provide bikes to a third party for re-use has commenced.
3.2.3.6 Encourage Kingborough Waste Services	Quarterly	%	100	100	●	100	100	●	Council is actively represented on the board of KWS
Executive Services									
Executive Services 2015 - 2020									
1.6.1.1 Develop and implement Emergency Management Plan	Quarterly	%	100	100	●	100	100	●	An ongoing task that was conducted throughout the year.
1.6.1.2 Coordinate an Emergency Management Committee	Quarterly	%	100	100	●	100	100	●	A number of meetings of this committee were held during the year.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
1.6.1.5 Implement Kingborough Bushfire Hazard Management Policy	Quarterly	%	100	100	●	100	100	●	Bushfire hazard policies were implemented in regard to on-ground compliance and in relation to specific measures for Council owned and managed properties - with a budget allocation for a staff resource in the following year.
1.6.2.2 Community capacity to respond to natural disasters	Quarterly	%	100	100	●	100	100	●	The community resilience project was undertaken during the year with a number of local workshops conducted that explored the community's capacity to respond to emergencies.
1.6.2.3 Maintain Resilience Kingborough website	Quarterly	%	100	100	●	100	100	●	The community resilience information on the website was maintained during the year.
2.2.5.1 Liaise with Metro Tas for improved bus services	Quarterly	%	100	100	●	100	100	●	Liaison occurred in regard to road design changes and a parking strategy within central Kingston.
4.1.2.1 Support Kingborough Community Enterprise Centre	Quarterly	%	100	100	●	100	100	●	KCEC support was provided through allocated funds, advice and correspondence to support grants.
4.2.1.1 Review Huon Trail Marketing program	Quarterly	%	100	100	●	100	100	●	A comprehensive review of the Huon Trail marketing program was conducted during the year and was completed with the engagement of DST to provide an alternative branding exercise.
4.2.2.3 Liaise with Government to improve ferry terminal infrastructure	Quarterly	%	100	100	●	100	100	●	A number of productive meetings with government agencies and the Minister were held during the year in regard to improving the ferry related infrastructure.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	On Target	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
4.3.2.1 Coordinate construction of essential infrastructure within former High School Site	Quarterly	%	100	100	●	100	100	●	Good progress was made during the year in regard to the proposed redevelopment of this site - particularly in regard to proposed roads and services, community hub, a new name, parking etc.
4.3.2.2 Construction of the Community Hub and public open space areas	Quarterly	%	100	100	●	100	100	●	The architectural competition for the design of the community hub was successfully carried out and concluded during the year.
4.3.2.3 Provide information on redevelopment of former High School site	Quarterly	%	100	100	●	100	100	●	A great deal of public information was provided in regard to the future development of this site - primarily by way of the public interest in coming up with a new name for the site and in regard to the proposed design of the community hub.
4.3.3.1 Ensure opportunities for further development within suburb and town centres	Quarterly	%	100	100	●	100	100	●	Local planning has occurred as part of the planning scheme review and in association with a number of specific development proposals in these commercial centres.
4.3.3.2 Liaise with investors and businesses regarding development opportunities	Quarterly	%	100	100	●	100	100	●	Liaison has occurred on an ongoing basis and whenever approached by prospective developers.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
5.1.3.1 Implement program of local community consultation	Quarterly	%	100	100	●	100	100	●	This local consultation has occurred during the year in regard to such matters as the review of the draft State Planning Provisions, Kingston Beach climate change impacts and future infrastructure improvements, Bruny Island tourism infrastructure, the future development of Kingston Park and in regard to some other local issues.
5.2.1.1 Actively participate in STCA and LGAT	Quarterly	%	100	100	●	100	100	●	Both the Mayor and General Manager have attended the STCA meetings and participated in the business of this authority.
5.2.1.2 Identify 'cost shifting' and communicate publicly	Quarterly	%	100	100	●	100	100	●	This issue is monitored on an ongoing basis and representations made whenever necessary.
5.2.2.1 Explore resource sharing opportunities	Quarterly	%	100	100	●	100	100	●	During the year Council has participated in a joint investigation into resource sharing and amalgamation options with Hobart, Clarence and Glenorchy Councils and has also held a number of discussions with Huon Valley Council in relation to additional resource sharing opportunities.
5.2.2.2 Publicly outline Council's position on amalgamations	Quarterly	%	100	100	●	100	100	●	Council has publicly stated its position in regard to local government reform in association with the investigations with the greater Hobart councils and with the discussions with Huon Valley Council.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
5.2.3.1 Develop priority list of lobbying strategies for Mayor and General Manager to implement	Quarterly	%	100	100	●	100	100	●	The Mayor and General Manager held many meetings during the year with State and Federal politicians and lobbied for Council's position in regard to a number of matters - and specifically in regard to possible grants for Kingston Park.
5.2.3.2 Advocate for improved NBN services within Kingborough	Quarterly	%	100	100	●	100	100	●	A number of staff have met with NBN during the year and have strongly advocated for improved local services.
6.1.1.1 Develop and maintain strategic and operational planning processes	Quarterly	%	100	100	●	100	100	●	The strategic delivery plan and other related operational plans are being maintained together with the production of the Annual Plan and Annual Report.
6.1.3.1 Maintain policies	Quarterly	%	100	100	●	100	100	●	Towards the end of the year a thorough review of all policies and a program implemented to ensure they are all up to date.
6.1.4.3 Investigate relocation of Council Depot	Quarterly	%	100	25	↑	100	25	↑	Following the completion of the consultant's report that investigated possible options, little further progress has been made as a geotechnical report will now need to be done to determine if there is a suitable depot site at Barretta.
6.2.2.2 Review governance and corporate policies	Quarterly	%	100	100	●	100	100	●	This work is carried out on an ongoing basis. During the year a program of service delivery reviews was initiated and a number of these internal reviews were completed.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
6.2.2.3 Support outcomes of 2014 staff engagement survey	Quarterly	%	100	100	●	100	100	●	These recommendations have been implemented, particularly in regard to improved internal communication and review of service delivery.
6.3.1.1 Review legislation implemented by Council	Quarterly	%	100	100	●	100	100	●	This review has been conducted in regard to a number of different Council departments.
6.3.2.4 Review By-laws	Quarterly	%	100	50	↑	100	50	↑	This review of the By-laws commenced but was not completed during the year.
6.3.3.1 Provide training and support to elected members	Quarterly	%	100	100	●	100	100	●	This training is provided on an ongoing basis and as specific opportunities arise (e.g. LGAT conferences and training).
Finance									
Financial Services 2015 - 2020									
6.1.1.2 Develop systems to minimise organisational risk	Quarterly	%	100	100	●	100	100	●	Developed an ongoing report on organisational risk that is considered by the Audit Panel at every meeting.
6.1.3.2 Review procurement practices	Quarterly	%	100	100	●	100	100	●	Updated policy and procedures have been developed and subject to Internal Audit. Benefits have been achieved from implementing improved practices.
6.1.5.1 Review Long Term Financial Plan	Quarterly	%	100	100	●	100	100	●	The Council adopted an updated long term financial plan at the May Council meeting.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
6.1.5.2 Financial accountability is demonstrated	Quarterly	%	100	100	●	100	100	●	The financial management and controls have been subject to both internal and external audits during the year and the financial results will be released to the public shortly.
6.1.5.3 Manage transition to capital value rating system	Quarterly	%	100	100	●	100	100	●	The introduction of the new capital value rating system has been completed.
Information Services									
Information Services 2015 - 2020									
3.4.1.1 Maintain comprehensive GIS database for natural hazards	Quarterly	%	100	80	↑	100	80	↑	Council does maintain a comprehensive GIS dataset and has installed a public facing mapping solution to be launched on completion of testing. The site is expected to be available to the public in late 2016.
5.1.1.2 Upgrade Council's website	Quarterly	%	100	80	↑	100	80	↑	Vendor has been engaged and web site redevelopment is underway. e-Services infrastructure is in place and is being tested.
5.1.1.3 Improve potential for community engagement	Quarterly	%	100	80	↑	100	80	↑	A key requirement of the website redevelopment is the inclusion of a suite of community engagement tools.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
6.1.2.1 Maintain an Information & Communications Technology strategy	Quarterly	%	100	100	●	100	100	●	A number of projects in support of this action are either underway or have been completed. These include: mobile access for field based regulatory staff; e-services suites for facilities booking, service requests; and application lodgement. In addition, the replacement of Financial, Payroll/Personnel and Asset Management systems is underway which will significantly improve data capture and analysis for future planning and management of community assets.
6.1.2.2 Expand online services	Quarterly	%	100	80	↑	100	80	↑	See 6.1.2.1
6.1.2.3 Utilise ICT User Group to develop ICT within Council	Quarterly	%	100	100	●	100	100	●	Council staff participate in number of ICT user communities to ensure continued education and development of corporate systems.
6.2.1.1 Monitor customer service standards	Quarterly	%	100	100	●	100	100	●	This is an ongoing monitoring process with monthly performance reports generated by the Customer Service Coordinator. Significant issues are raised with departmental managers, however, any day to day matters are dealt with as they arise.
6.2.1.2 Ensure website and counter information is current	Quarterly	%	100	100	●	100	100	●	This is an ongoing administrative process, the results of which will be enhanced by the website redevelopment and improved content contribution/update and review structure.



STRATEGIC ACTION PLAN

Status	—	None	✓	Ahead of schedule	●	On Target	↑	Ongoing
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Description	Freq.	UOM	Result			YTD Result			Comment
			Target	Actual	Status	Target	Actual	Status	
6.2.1.3 Develop Customer Service strategy	Quarterly	%	100	10	↑	100	10	↑	Project deferred to 2016/17 financial year due to staff availability in this area
Organisational Development									
Organisational Services 2015 - 2020									
1.1.4.1 Diversity & cultural awareness training	Quarterly	%	100	100	●	100	100	●	Training is included in the induction program for new employees as well as regular code of conduct and HR policy updates for staff.
1.1.4.4 Communication strategies implemented	Quarterly	%	100	100	●	100	100	●	Diversity is considered as part of Council's communication strategies and activities on an ongoing basis.
5.1.1.1 Review Community Policy and Strategy	Quarterly	%	100	100	●	100	100	●	The Communications Strategy was reviewed and approved by Council in February 2016.
5.1.2.2 Generate stories to emphasis Council's values and decisions	Quarterly	%	100	100	●	100	100	●	Council's Media and Communications Unit generates regular press and social media articles and stories on community and council issues. Council has also publishes a monthly Council update in a local newspaper and by direct email to residents.
6.3.1.3 Drive safety and safety strategies within Council	Quarterly	%	100	100	●	100	100	●	Council has a Work Health and Safety Action Plan and associated management plans and strategies. WHS performance is reviewed on a monthly basis by the Executive Management Committee.

APPENDIX III: NATURE OF COMPLAINTS RECEIVED 2015-16

NO.	NATURE OF COMPLAINT	RESPONSIBLE DEPT	RECEIVED
1	Behaviour of waste collection contractor.	Engineering Services	August 2015
2	Lack of response to initial complaint regarding culvert built on resident's land.	Engineering Services	September 2015
3	Lack of response to initial complaint regarding clearing on resident's land.	Environmental Services	October 2015
4	Lack of action and response to parking concerns.	Compliance/General Manager	November 2015
5	Poor signage during Channel Hwy roadworks.	Engineering Services	November 2015
6	Weeds on neighbour's property and lack of response to initial concerns.	Environmental Services	December 2015
7	Behaviour of tip shop staff at KWS.	Kingborough Waste Services	December 2015
8	Unsafe mess left, and actions by, waste collection driver.	Engineering Services	March 2016
9	Development at Kingston Beach.	General Manager	April 2016
10	Kingborough Family Day Care Scheme.	Family Day Care, Community Services	June 2016
11	Lack of response to initial concerns regarding illegal signs.	General Manager	June 2016



Kingborough

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