# FINANCIAL REPORT


Photo Credit: Kelly Slater

# Understanding the Financial Report

### Introduction

Each year, individual councils are required to present a set of audited Financial Statements.

The Financial Statements are a public document that is included in council's Annual Report and presented at the Annual General Meeting of council.

### What you will find in the Statements

The Financial Statements and notes to the report set out the financial performance, financial position and cash flows of Kentish Council for the financial year ended 30 June 2016.

The format of the Financial Statements complies with both the accounting and reporting requirements of Australian Accounting Standards and the *Local Government Act 1993.*

### About the Primary Financial Statements

**Statement of Comprehensive Income**

A summary of Council's financial performance for the year, listing all income and expenditure.

Other comprehensive income records items such as the share of profits of associates and the investment in the water corporation.

**Statement of Financial Position**

A snapshot of council's financial position, including the Assets and Liabilities as at 30 June 2016.

**Statement of Changes in Equity**

The overall change for the year (in dollars) of council's 'net wealth'.

**Statement of Cash Flows**

Indicates where council's cash came from and where it was expended.

### About the Notes to the Financial Report

The Notes to the Financial Statement provide greater detail and additional information on the Primary Financial Statements.

### Statement of Certification

The Statement of Certification must be signed by the General Manager to confirm the financial report presents fairly the financial position of Kentish Council as at 30 June 2016.

### About the Auditors Report

Council's Financial Report is required to be audited in accordance with Australian Auditing Standards.

The Auditor provides an independent auditors report which gives an opinion on whether council's Financial Report presents fairly its financial position and performance.

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Tasmanian Audit Office

**Independent Auditor's Report**

**To the Councillors of Kentish Council**

**Financial Report for the Year Ended 30 June 2016**

**Report on the Financial Report**

I have audited the accompanying financial report of Kentish Council (Council), which comprises the statement of financial position as at 30 June 2016 and the 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.

**Auditor's Opinion**

In my opinion Council's financial report:

(a) presents fairly, in all material respects, its 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.

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 statement of comprehensive income, the asset renewal funding ratio disclosed in note 41, nor the Significant Business Activities disclosed in note 43 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**

Lee

S M Lee
**Group Leader – Financial Audit**
**Delegate of the Auditor-General**

Launceston
29 September 2016

# Certification of the Financial Report

The financial report presents fairly the financial position of the Kentish 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 Australian Accounting Interpretations, and other mandatory professional reporting requirements.

*Gerald Monson*
General Manager
B.Bus (Public Adm);
FLGMA

Date : 29 September 2016

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# Statement of Comprehensive Income

## For the Year Ended 30 June 2016

| | Note | Actual 2016 $'000 | Budget 2016 $'000 | Actual 2015 $'000 |
|---|---|---|---|---|
| **Income** | | | | |
| Rates and charges | 5 | 4,974 | 4,912 | 4,814 |
| Statutory fees and fines | 6 | 231 | 205 | 232 |
| User fees | 7 | 205 | 83 | 197 |
| Grants other than for new or upgraded assets | 8 | 2,376 | 3,300 | 4,332 |
| Reimbursements and contributions | 11 | 749 | 244 | 766 |
| Distributions - water corporation | 19 | 123 | 125 | 141 |
| Other income | | 508 | 531 | 442 |
| Interest | 9 | 198 | 150 | 215 |
| Share of net profits/(losses) of associates | 12/18 | 261 | - | 60 |
| Capital grants received specifically for new or upgraded assets | 8 | 93 | 96 | 40 |
| Capital contributions received specifically for new or upgraded assets | | - | - | 64 |
| Initial recognition – land under roads | 24 | - | - | 4,399 |
| **Total income** | | 9,718 | 9,646 | 15,702 |
| **Expenses** | | | | |
| Employee costs | 13 | 2,681 | 2,588 | 2,485 |
| Materials and services | 14 | 3,592 | 3,029 | 3,954 |
| Depreciation and amortisation | 15 | 2,700 | 2,770 | 2,674 |
| Finance costs | 16 | 97 | 97 | 102 |
| Other expenses | 17 | 475 | 388 | 453 |
| Net loss on disposal of property, infrastructure and plant | 10 | 1,009 | - | 166 |
| **Total expenses** | | 10,554 | 8,872 | 9,834 |
| **Net Result** | | (836) | 774 | 5,868 |
| **Other comprehensive income** | | | | |
| **Items that will not be reclassified to surplus or deficit** | | | | |
| Net asset revaluation increment / (decrement) | 24 | (34) | - | 6,087 |
| Share of other comprehensive income of associates accounted for by the equity method | 18 | 61 | - | 29 |
| | | 27 | - | 6,116 |
| **Items that may be reclassified subsequently to surplus or deficit** | | | | |
| Water corporation - fair value adjustment | | | | |
| - Investment revaluation reserve increment | 19 | 113 | - | 53 |
| | | 113 | - | 53 |
| **Total other comprehensive income** | | 140 | - | 6,169 |
| **Comprehensive result** | | (696) | 774 | 12,037 |

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

# Statement of Financial Position

## For the Year Ended 30 June 2016

| | Note | 2016 $'000 | 2015 $'000 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 20 | 7,565 | 7,092 |
| Trade and other receivables | 21 | 475 | 293 |
| Inventories | 22 | 9 | 6 |
| Other assets | 23 | 527 | 699 |
| **Total current assets** | | 8,576 | 8,090 |
| | | | |
| **Non-current assets** | | | |
| Investment in water corporation | 19 | 6,770 | 6,657 |
| Investments in associates | 18 | 925 | 603 |
| Property, infrastructure, plant and equipment | 24 | 112,705 | 114,064 |
| **Total non-current assets** | | 120,400 | 121,324 |
| **Total assets** | | 128,976 | 129,414 |
| | | | |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 25 | 1,164 | 801 |
| Trust funds and deposits | 26 | 158 | 155 |
| Provisions | 27 | 380 | 429 |
| Interest-bearing loans and borrowings | 28 | 91 | 85 |
| **Total current liabilities** | | 1,793 | 1,470 |
| | | | |
| **Non-current liabilities** | | | |
| Provisions | 27 | 121 | 95 |
| Interest-bearing loans and borrowings | 28 | 1,315 | 1,406 |
| | | | |
| **Total non-current liabilities** | | 1,436 | 1,501 |
| **Total liabilities** | | 3,229 | 2,971 |
| | | | |
| **Net Assets** | | 125,747 | 126,443 |
| | | | |
| **Equity** | | | |
| Accumulated surplus | | 34,120 | 34,956 |
| Reserves | 29 | 91,627 | 91,487 |
| | | | |
| **Total Equity** | | 125,747 | 126,443 |

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

# Statement of Changes in Equity

For the Year Ended 30 June 2016

| 2016 | Note | Total 2016 $'000 | Accumulated Surplus 2016 $'000 | Asset Revaluation Reserve 2016 $'000 | Investment Revaluation Reserve 2015 $'000 |
|---|---|---|---|---|---|
| Balance at beginning of financial year | | 126,443 | 34,956 | 91,002 | 485 |
| Comprehensive result | | (696) | (836) | (27) | 113 |
| Balance at end of financial year | | 125,747 | 34,120 | 91,029 | 598 |

| 2015 | | Total 2015 $'000 | Accumulated Surplus 2015 $'000 | Asset Revaluation Reserve 2015 $'000 | Investment Revaluation Reserve 2014 $'000 |
|---|---|---|---|---|---|
| Balance at beginning of financial year | | 114,406 | 29,088 | 84,886 | 432 |
| Comprehensive result | | 12,037 | 5,868 | 6,116 | 53 |
| Balance at end of financial year | | 126,443 | 34,956 | 91,002 | 485 |

The above statement of changes in equity should be read with the accompanying notes.

# Statement of Cash Flows

## For the Year Ended 30 June 2016

| | Note | 2016 Inflows/ (Outflows) $'000 | 2015 Inflows/ (Outflows) $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Rates | | 4,879 | 5,248 |
| Statutory fees and fines | | 231 | 232 |
| User charges and other fines | | 297 | 294 |
| Grants | | 2,376 | 4,332 |
| Reimbursements | | 743 | 1,060 |
| Distributions from water corporation | | 123 | 141 |
| Interest | | 186 | 241 |
| Other receipts | | 998 | 1,077 |
| Payments to suppliers | | (3,752) | (4,481) |
| Payments to employees | | (2,653) | (2,402) |
| Finance costs | | (98) | (101) |
| Other payments | | (475) | (401) |
| **Net cash provided by operating activities** | 31 | 2,855 | 5,240 |
| **Cash flows from investing activities** | | | |
| Grants received specifically for new or upgraded assets | | 93 | 40 |
| Contributions received specifically for new or upgraded assets | | - | 9 |
| Payments for property, infrastructure, plant and equipment | | (2,407) | (3,360) |
| Loans and advances to community organisations | | (33) | |
| Proceeds from sale of property, infrastructure, plant and equipment | | 45 | 67 |
| **Net cash used in investing activities** | | (2,302) | (3,244) |
| **Cash flows from financing activities** | | | |
| Repayment of interest bearing loans and borrowings | | (84) | (78) |
| Increase (decrease) in bonds and deposits (net) | | 4 | 18 |
| **Net cash used in financing activities** | | (80) | (60) |
| **Net increase (decrease) in cash and cash equivalents** | | 473 | 1,936 |
| Cash and cash equivalents at the beginning of the financial year | | 7,092 | 5,156 |
| **Cash and cash equivalents at the end of the financial year** | 32 | 7,565 | 7,092 |
| Financing arrangements | 33 | | |

The above statement of cash flows should be read with the accompanying notes.

## Note 1 Reporting Entity
The Kentish Council was established in 1907 and is a body corporate with perpetual succession and a common seal. The council's main office is located at 69 High Street, Sheffield, Tasmania.

The purpose of the council is to:
- provide for health, safety and welfare of the community;
- to represent and promote the interests of the community;
- provide for the peace, order and good government in the municipality.

This financial report is a general purpose financial report that consists of the Statements of Comprehensive Income, Financial Position, Changes in Equity, 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).

## Note 2 Basis of accounting
This financial report has been prepared on the accrual and going concern basis.

This financial report has been prepared under the historic cost convention, except where specifically stated in notes 18, 19, and 24.

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, have been included in this financial report. All transactions between these entities and council have been eliminated in full.

## Note 3 Use of Judgements and estimates
In the application of AASB standards management is required to make judgments, 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 judgments. 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 estimates are 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:

*Fair Value of Property Plant & Equipment*
Various assumptions and judgements are utilised in determining the fair value of council's property, plant and equipment. These assumptions are discussed in note 24.

*Defined Benefit Superannuation Fund Obligations*
Actuarial assumptions are utilised in the determination of council's defined benefit superannuation fund obligations. These assumptions are discussed in note 35.

*Employee entitlements*
Various assumptions are utilised in the determination of council's employee entitlement provisions. These assumptions are discussed in note 27.

*Investment in water corporation*
Assumptions utilised in the determination of council's valuation of its investment in TasWater are discussed in note 19.

## Note 4 Functions/Activities of the Council

Revenue, expenditure and assets attributable to each function as categorised below:

| | Grants $'000 | Rates $'000 | Other $'000 | Total Revenue $'000 | Total Expenditure $'000 | Surplus/ (Deficit) $'000 | Assets $'000 |
|---|---|---|---|---|---|---|---|
| **Community & Youth Services** | | | | | | | |
| 2015-2016 | 9 | - | 473 | 482 | (954) | (472) | - |
| 2014-2015 | 73 | - | 457 | 530 | (989) | (459) | - |
| **Corporate** | | | | | | | |
| 2015-2016 | 758 | 4,225 | 391 | 5,374 | (1,124) | 4,250 | 16,446 |
| 2014-2015 | 2,200 | 4,098 | 458 | 6,756 | (1,019) | 5,737 | 15,518 |
| **Governance** | | | | | | | |
| 2015-2016 | - | - | 21 | 21 | (372) | (351) | - |
| 2014-2015 | - | - | - | - | (381) | (381) | - |
| **Regulatory** | | | | | | | |
| 2015-2016 | - | - | 237 | 237 | (375) | (138) | - |
| 2014-2015 | - | - | 235 | 235 | (341) | (106) | - |
| **Waste Management** | | | | | | | |
| 2015-2016 | - | 568 | 375 | 943 | (562) | 381 | 446 |
| 2014-2015 | - | 545 | 124 | 669 | (591) | 78 | 446 |
| **Roads, Streets, Bridges & Assets** | | | | | | | |
| 2015-2016 | 1,703 | - | 749 | 2,452 | (6,544) | (4,092) | 112,084 |
| 2014-2015 | 2,069 | - | 5,179 | 7,248 | (5,937) | 1,311 | 113,450 |
| **Environment & Health** | | | | | | | |
| 2015-2016 | - | - | 26 | 26 | (97) | (71) | - |
| 2014-2015 | - | - | 34 | 34 | (91) | (57) | - |
| **Recreation & Reserves** | | | | | | | |
| 2015-2016 | - | - | 2 | 2 | (345) | (343) | - |
| 2014-2015 | 30 | - | 52 | 82 | (314) | (232) | - |
| **Other not attributable** | | | | | | | |
| 2015-2016 | - | 181 | - | 181 | (181) | - | - |
| 2014-2015 | - | 171 | - | 171 | (171) | - | - |
| **Total** | | | | | | | |
| 2015-2016 | 2,470 | 4,974 | 2,274 | 9,718 | (10,554) | (836) | 128,976 |
| 2014-2015 | 4,372 | 4,814 | 6,539 | 15,725 | (9,834) | 5,891 | 129,414 |

*Reconciliation of Assets from note 4 with Statement of Financial Position at 30 June:*

| | 2016 | 2015 |
|---|---|---|
| | $'000 | $'000 |
| Current assets | 8,576 | 8,090 |
| Non-current assets | 120,400 | 121,324 |
| | 128,976 | 129,414 |

*Community & Youth Services*
Tourism and area promotion, economic development, community activities, community development, SES unit and youth services.

*Corporate*
Administrative staff, financial services, office costs, council chambers, general rates, information technology and contributions to Local Government Association of Tasmania and Cradle Coast Authority.

*Governance*
Elected members and executive support.

*Regulatory Services*
Animal control, By-law control, building control, land use planning.

*Waste Management*
Household garbage collection, waste transfer stations, household recycling and cost of deposit into Dulverton landfill.

*Roads, streets, bridges and assets*
Roads, streets, other paving assets, town sites, works depot and associated costs, bridges, stormwater, streetscape development and asset management.

*Environment & Health*
Environmental health, nuisances, public health, immunisations, places of assembly, food premises and weed management.

*Recreation & Reserves*
Recreation grounds, halls and other amenities.

*Other not attributable*
Fire Service Levy, items not fairly allocated to a particular function.

| | 2016 $'000 | 2015 $'000 |
|---|---|---|

## Note 5 Rates and charges

Council uses Assessed Annual Value (AAV) as the basis of valuation of all properties within the municipal district. The AAV of a property is its notional annual gross rental as determined by the Valuer-General's Office (VGO).

The AAV used to calculate general rates for 2015/16 was $42.1 million (2014/15 $42.1 million). The 2015/16 general rate in the AAV dollar was 6.254 cents (2014/15, 8.214 cents).

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| General rates | 4,039 | 3,930 |
| Garbage charge | 568 | 545 |
| Fire levy | 181 | 171 |
| Prepaid rates | 186 | 168 |
| Total rates and charges | 4,974 | 4,814 |

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

Rates received in advance in 2015/16 total $186,000 and have been included as revenue for 2015/16. The amount of rates received in advance in 2014/15 was $168,000 and was also included as revenue in 2014/15.

### Accounting policy

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

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

## Note 6 Statutory fees

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Building fees | 96 | 92 |
| Town planning fees | 59 | 60 |
| Animal control | 56 | 55 |
| Health | 20 | 25 |
| Total statutory fees and fines | 231 | 232 |

### Accounting policy

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

## Note 7 User fees

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Rental | 98 | 83 |
| Other fees and charges | 107 | 114 |
| Total user fees | 205 | 197 |

### Accounting policy

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

## Note 8 Grants

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| **Grants other than for new or upgraded assets** | | |
| Commonwealth Financial Assistance Grant - base grant | 757 | 1,472 |
| Commonwealth Financial Assistance Grant - untied roads grant | 556 | 1,115 |
| Commonwealth Financial Assistance Grant - advance payment | - | 1,277 |
| Commonwealth Government - roads to recovery for asset renewals | 898 | 339 |
| Road safety | 97 | 13 |
| Family and children | 2 | - |
| Community health | - | 50 |
| Other - transport | 66 | 66 |
| Total grants | 2,376 | 4,332 |
| **Capital grants received specifically for new or upgraded assets** | | |
| Road safety | 8 | 8 |
| Commonwealth Government – roads to recovery for new/upgraded assets | 71 | - |
| Tasmanian Community Fund – King George V Park Mosaic Pathway | - | 30 |
| Claude Road Hall Acoustic Panelling | 5 | - |
| Mural Park Entrance | 9 | - |
| State Grant – ANZAC Centenary | - | 2 |
| Total grants received specifically for new or upgraded assets | 93 | 40 |

### Conditions on Grants

Grants recognised as revenue during the year that were obtained on the condition that they be expended in a specific manner that had not occurred at balance date were:

| | 2016 | 2015 |
|---|---|---|
| Mural Park Entrance | 9 | - |
| Community health | - | 30 |
| | 9 | 30 |

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

| | 2016 | 2015 |
|---|---|---|
| State Grant – ANZAC Centenary | - | 2 |
| Community health | 30 | - |
| | 30 | 2 |

The Australian Commonwealth Government provides Financial Assistance Grants (FAG) to Council for general purpose use and the provision of local roads. On 30 June 2015, Council received advance payment of an estimated 50% of its 2015-16 Financial Assistance Grants. In accordance with *AASB 1004 Contributions*, Council recognised these grants as revenue when it received the funds and obtained control. The impact on Council's operating result of the early receipt of these Financial Assistance Grants is summarised below.

| | 2016 | 2015 |
|---|---|---|
| Commonwealth FAGs relating to the financial year | 2,590 | 2,587 |
| Commonwealth FAGs included in operating result for the financial year | 1,313 | 3,864 |
| Increase / (decrease) in operating surplus due to early receipt of FAGs | (1,277) | 1,277 |

### Accounting policy

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.

| | 2016 $'000 | 2015 $'000 |
|---|---|---|

## Note 8 Grants cont

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.

## Note 9 Interest

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Interest | 198 | 215 |
| Total | 198 | 215 |

### Accounting policy
Interest is recognised progressively as it is earned.

## Note 10 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Proceeds of Sale | 45 | 67 |
| Written down value of bridges destroyed by June 2016 floods | (818) | - |
| Written down value of assets disposed | (236) | (233) |
| Total | (1,009) | (166) |

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

## Note 11 Reimbursements and Contributions

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Reimbursements | 310 | 282 |
| Reimbursements – Flood Repairs | 439 | 484 |
| Total reimbursements | 749 | 766 |

### Accounting policy
Reimbursements and Contributions are recognised as revenue when Council obtains control over the assets comprising the receipt.

Revenue is recognised when Council obtains control of the reimbursement/contribution or the right to receive the reimbursement/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 reimbursements/contributions over which Council has control are recognised as receivables.

| | 2016 $'000 | 2015 $'000 |
|---|---|---|

## Note 11 Reimbursements and Contributions cont

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 12 Share of Profit/Loss in Associates

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Dulverton Regional Waste Management Authority | 261 | 60 |
| Total Share of Profit/Loss in Associates | 261 | 60 |

## Note 13 Employees costs

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Wages and salaries | 1,917 | 1,781 |
| Workers compensation | 36 | 30 |
| Movement in provisions – annual leave and long service leave | (23) | 93 |
| Superannuation | 179 | 170 |
| Fringe benefits tax and payroll tax | 100 | 81 |
| Contract employment | 529 | 373 |
| Other employee related costs | 22 | 22 |
| Total employee costs | 2,760 | 2,550 |
| Less capitalised employee costs | (79) | (65) |
| Total employee costs expensed | 2,681 | 2,485 |

### Accounting policy

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.

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

## Note 14 Materials and services

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Contractor payments | 685 | 693 |
| Building and infrastructure maintenance | 727 | 1,108 |
| Plant and equipment maintenance | 225 | 252 |
| Utilities | 175 | 166 |
| Consultancies & Professional costs | 173 | 229 |
| Marketing & Advertising | 61 | 46 |
| Software | 81 | 79 |
| Agency expenses | 512 | 484 |
| Insurance expenses | 139 | 152 |
| Office expenses | 76 | 70 |
| Flood repairs | 735 | 653 |
| Other expenses | 3 | 22 |
| Total materials and services | 3,592 | 3,954 |

### Accounting policy

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.

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.

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| **Note 15 Depreciation and amortisation** | | |
| *Property* | | |
| Buildings | 276 | 244 |
| *Plant and Equipment* | | |
| Plant, machinery and equipment | 174 | 177 |
| Computers, furniture and fittings | 42 | 41 |
| *Infrastructure* | | |
| Roads | 1,738 | 1,740 |
| Bridges | 290 | 298 |
| Drainage | 52 | 52 |
| Other | 128 | 122 |
| Total depreciation and amortisation | 2,700 | 2,674 |

### Accounting policy

Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives 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 residual values and a separate depreciation rate is determined for each component.

Land and road earthworks and formation costs are not depreciated on the basis that they are assessed as not having a limited useful life. The non-depreciation of road earthwork assets shall be reviewed at least at the end of each reporting period, to ensure that the accounting policy applied to particular earthwork assets reflects the most recent assessment of the useful lives of the assets, having regard to factors such as asset usage, physical deterioration and technical and commercial obsolescence.

Depreciation is recognised on a straight-line basis and reviewed each reporting period. The rate of depreciation reflects the consumption of the service potential of the asset.

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

| | Years |
|---|---|
| Land | |
| land improvements | 5 - 100 |
| Buildings | |
| buildings | 20 - 120 |
| Plant and Equipment | |
| plant, machinery and equipment | 2 - 30 |
| fixtures, fittings and furniture | 5 - 20 |
| computers and telecommunications | 3 - 5 |
| Infrastructure | |
| Roads | |
| road surface - unsealed roads | 4 - 10 |
| road pavement - sub-base | 200 |
| road pavement - sealed basecourse | 70 - 110 |
| road surface - sealed roads | 18 - 25 |
| road kerb, channel | 80 |
| footpaths | 80 |
| Bridges | 20 - 80 |
| Stormwater | 80 |
| Other infrastructure | 25 - 50 |

| | 2016 $'000 | 2015 $'000 |
|---|---|---|

## Note 16 Finance Costs

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Interest - borrowings | 97 | 102 |
| **Total** | 97 | 102 |

## Note 17 Other expenses

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Councillors' allowances and expenses | 140 | 143 |
| Subscriptions | 89 | 90 |
| Activity expenses | 57 | 68 |
| Audit fees | 28 | 28 |
| Bad debt expense | 18 | - |
| Impairment loss on rates debtors | 8 | - |
| Donations, sponsorships and grants | 91 | 71 |
| Other | 44 | 53 |
| **Total other expenses** | 475 | 453 |

### Accounting policy

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.

## Note 18 Investment in associates

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Investments in associates accounted for by the equity method are: | | |
| - Dulverton Regional Waste Management Authority | 925 | 603 |
| **Total** | 925 | 603 |

### Dulverton Regional Waste Management Authority

Council is a partner in the Dulverton Regional Waste Management Authority, a joint Authority established under the Local Government Act 1993. The primary activity of the Authority is to operate regional landfill site at Dulverton. Other partners in this Joint Authority are Devonport City, Central Coast and Latrobe Councils.

Council's ownership interest in the Authority at 30 June 2016 was 8.48% (2015: 8.48%). The proportion of voting power held in the Authority is 25%.

### Council's share of equity

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Council's share of accumulated surplus(deficit) at start of year | 603 | 514 |
| Share in reported surplus (deficit) after tax for year | 261 | 60 |
| Share in Asset revaluation | 61 | 29 |
| Council's share of equity at end of year | 925 | 603 |

The Authority's assets, liabilities and revenue for the relevant financial years were:

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Total Assets | 16,364 | 14,061 |
| Total Liabilities | 5,457 | 6,740 |
| Revenue | 9,124 | 7,873 |

### Accounting policy

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 Statement of Comprehensive Income.

## Note 19 Investment in water corporation

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Opening balance | 6,657 | 6,604 |
| Fair value adjustment on investment | 113 | 53 |
| Total investment in water corporation | 6,770 | 6,657 |
| | | |
| Distributions from water corporation | | |
| Dividends | 90 | 97 |
| Guarantee fees | 10 | 11 |
| Income tax equivalents | 23 | 33 |
| Total distribution from water corporation | 123 | 141 |

### Accounting policy

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 0.43% (2015: 0.43%) ownership interest in TasWater which is based on Council's equity proportion for voting purposes as set out in schedule 2 of TasWater's constitution. Any unrealised gains and losses are recognised through the Statement of Profit or Loss and Other Comprehensive Income to a financial assets available for sale Reserve each year (refer note 29).

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 20 Cash and cash equivalents

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Cash at bank and on hand | 175 | 1,748 |
| Term deposits and other investments | 7,390 | 5,344 |
| Total cash and cash equivalents | 7,565 | 7,092 |

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:

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Restricted by: | | |
| Unexpended grants - specific | 9 | 30 |
| Trust funds and deposits | 158 | 155 |
| Total Restricted Cash and Cash Equivalents | 167 | 185 |
| | | |
| Total Unrestricted Cash and Cash Equivalents | 7,398 | 6,907 |

### Accounting policy

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 six months or less, net of outstanding bank overdrafts.

## Note 21 Trade and other receivables

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| *Current* | | |
| Rates debtors | 267 | 164 |
| Less provision for impairment – rates debtors | (8) | - |
| Other debtors | 60 | 37 |
| Loans to Community Organisations | 44 | 10 |
| GST | 112 | 82 |
| Total | 475 | 293 |

### Accounting policy
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.

## Note 22 Inventories

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Inventories | 9 | 6 |
| Total Inventories | 9 | 6 |

### Accounting policy
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.

## Note 23 Other assets

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| *Current* | | |
| Prepayments | 27 | 160 |
| Accrued income | 500 | 539 |
| Total | 527 | 699 |

| | 2016 $'000 | 2015 $'000 |
|---|---|---|

## Note 24 Property, infrastructure, plant and equipment

**Property**

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Land | | |
| at fair value as at 30 June 2014 | 4,799 | 4,726 |
| Total land | 4,799 | 4,726 |

Land was revalued during the financial year. The valuation of land is at fair value, based on the latest land values issued by the Tasmanian Valuer General as at 30 June 2014.

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Land Under Roads | | |
| at fair value as at 30 June 2015 | 4,399 | 4,399 |
| Total land under roads | 4,399 | 4,399 |

Land under roads was recognised for the first time in 2015. Land under roads is valued at fair value based on Council valuations at 30 June 2015 using average per square metre property value rates supplied by the Valuer- General.

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Buildings | | |
| at fair value as at 1 July 2015 | 22,683 | 22,336 |
| Less accumulated depreciation | 9,585 | 9,309 |
| Total buildings | 13,098 | 13,027 |
| Total Property | 22,296 | 22,152 |

The majority of buildings owned by Council are special purpose buildings which are valued at fair value, based on management assessment of depreciated replacement cost at 1 July 2014. Non-specialised buildings are at fair value, based on the latest values issued by the Tasmanian Valuer General as at 30 June 2014. The revaluation of Council's buildings was accounted for on a gross basis with current replacement cost and accumulated depreciation to date estimated based upon the proportion of the building's expected useful life that has expired.

**Plant and Equipment**

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Plant, machinery and equipment | | |
| At cost | 2,701 | 2,668 |
| Less accumulated depreciation | 1,518 | 1,395 |
| | 1,183 | 1,273 |
| Computers, furniture & fittings | | |
| At cost | 1,011 | 974 |
| Less accumulated depreciation | 861 | 827 |
| | 150 | 147 |
| Total Plant and Equipment | 1,333 | 1,420 |

| | 2016 $'000 | 2015 $'000 |
|---|---|---|

## Note 24 Property, infrastructure, plant and equipment cont

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| **Infrastructure** | | |
| Roads | | |
| at fair value as at 1 July 2013 | 110,286 | 109,337 |
| Less accumulated depreciation | 36,228 | 34,747 |
| | 74,058 | 74,590 |

Revalued by Council's engineer, effective from 1 July 2013, at depreciated current replacement cost (representing fair value) based upon independent assessment of asset condition by Molony Asset Management. Depreciated current replacement cost was calculated on a straight-line basis.

Some of Council's roads and associated infrastructure assets were damaged in the significant floods on and around 6 June 2016. Total repair costs for these assets are estimated at $2.1 million, with $650,000 of repairs completed during June 2016 and the balance of $1.45 million of repairs to be completed during the 2016/17 financial year. Approximately 75% of the cost of these repairs is expected to be recovered under the National Disaster Relief and Recovery Arrangements.

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Bridges | | |
| at fair value as at 30 June 2014 | 13,297 | 15,857 |
| Less accumulated depreciation | 4,869 | 6,581 |
| | 8,428 | 9,276 |

Revalued by Council management, effective from 30 June 2014, at depreciated current replacement cost (representing fair value) based upon independent assessment of current replacement cost and useful lives by TasSpan Pty Ltd. Depreciated current replacement cost was calculated on a straight-line basis.

As shown at note 10, bridges with a book value of $818,000 were destroyed by significant floods on and around 6 June 2016. These bridges will be replaced during the 2016/17 financial year at an estimated capital costs of $4.75 million. Approximately 75% of this cost is expected to be recovered under the National Disaster Relief and Recovery Arrangements.

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Stormwater | | |
| at fair value as at 30 June 2016 | 4,245 | 4,126 |
| Less accumulated depreciation | 1,721 | 1,621 |
| | 2,524 | 2,505 |

Stormwater assets were revalued by Council's engineer, effective from 30 June 2013, at depreciated current replacement cost (representing fair value). Depreciated current replacement cost was calculated on a straight-line basis. This value has been adjusted to reflect the movement in the Australian Bureau of Statistics Road and Bridge Construction Index from June 2013 to June 2016.

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Infrastructure other | | |
| At cost | 5,027 | 4,958 |
| Less accumulated depreciation | 986 | 858 |
| Total infrastructure other | 4,041 | 4,100 |

Infrastructure other includes streetscape, walking tracks and safety guardrails.

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Total Infrastructure | 89,051 | 90,471 |

## Note 24 Property, infrastructure, plant and equipment cont

| | 2016 $'000 | 2015 $'000 |
| --- | --- | --- |
| **Works in Progress** | | |
| Land at cost | - | 6 |
| Buildings at cost | 5 | 9 |
| Stormwater assets at cost | 10 | 6 |
| Roads and streets at cost | 10 | - |
| | 25 | 21 |
| *TOTAL PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT* | 112,705 | 114,064 |

### Accounting policy

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

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

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

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

| | Threshold $'000 |
| --- | --- |
| Land | 10 |
| land | 10 |
| plant, machinery and equipment | 5 |
| fixtures, fittings and furniture | 5 |
| computers and telecommunications | 5 |
| leased plant and equipment | |
| Roads | 10 |
| road pavements and seals | 10 |
| road substructure | 10 |
| road formation and earthworks | 10 |
| road kerb, channel and minor culverts | 10 |
| road other | |
| Bridges | 10 |
| bridges deck | 10 |
| bridges substructure | 10 |
| bridges other | |
| Other Infrastructure | 10 |
| footpaths and cycleways | 10 |
| drainage | 10 |
| recreational, leisure and community facilities | 10 |
| waste management | 10 |
| parks, open space and streetscapes | 10 |
| off street car parks | 10 |
| other infrastructure | 10 |
| Intangible assets | 5 |

## Note 24 Property, infrastructure, plant and equipment cont

### Revaluation

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

| | |
|---|---|
| Land | fair value |
| Plant and machinery | cost |
| Furniture, fittings and office equipment | cost |
| Stormwater and drainage infrastructure | fair value |
| Roads and streets infrastructure | fair value |
| Bridges | fair value |
| Buildings | fair value |
| Intangibles | cost |
| Land improvements | cost |
| Investment in water corporation | fair value |

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, furniture, fittings and office equipment and land improvements, 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 losses are recognised in the statement of comprehensive income under other expenses. Reversals of impairment losses are recognised in the statement of comprehensive income under other revenue.

## Note 24 Property, infrastructure, plant and equipment cont

| 2016 | Gross Value | | | | | | Accumulated Depreciation | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening Balance | Transfers | Acquisition of assets | Disposals | Revaluation increments (decrements) (note 29) | Closing Balance | Opening Balance | Depreciation expense (note 15) | Disposals | Revaluation Increments (decrements) | Closing Balance | Written Down Value |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Land | 4,726 | | 178 | - | (105) | 4,799 | - | - | - | - | - | 4,799 |
| Land Under Roads | 4,399 | | - | - | - | 4,399 | - | - | - | - | - | 4,399 |
| Buildings | 22,336 | | 347 | - | - | 22,683 | 9,309 | 276 | - | - | 9,585 | 13,098 |
| *Plant and Equipment* | | | | | | | | | | | | |
| Plant, machinery and equip. | 2,668 | | 100 | (67) | - | 2,701 | 1,395 | 174 | (51) | - | 1,518 | 1,183 |
| Computers, furniture & fittings | 974 | | 58 | (21) | - | 1,011 | 827 | 42 | (8) | - | 861 | 150 |
| Total plant and equipment | 3,642 | | 158 | (88) | - | 3,712 | 2,222 | 216 | (59) | - | 2,379 | 1,333 |
| *Infrastructure* | | | | | | | | | | | | |
| Roads & streets | 109,337 | | 1,414 | (465) | - | 110,286 | 34,747 | 1,738 | (257) | - | 36,228 | 74,058 |
| Bridges | 15,857 | | 261 | (2,821) | - | 13,297 | 6,581 | 290 | (2,002) | - | 4,869 | 8,428 |
| Stormwater | 4,126 | | - | - | 119 | 4,245 | 1,621 | 52 | - | 48 | 1,721 | 2,524 |
| Infrastructure other | 4,958 | | 69 | - | - | 5,027 | 858 | 128 | - | - | 986 | 4,041 |
| Total infrastructure | 134,278 | | 1,744 | (3,286) | 119 | 132,855 | 43,807 | 2,208 | (2,259) | 48 | 43,804 | 89,051 |
| *Works in Progress* | | | | | | | | | | | | |
| Land | 6 | (6) | | - | - | - | - | - | - | - | - | - |
| Buildings | 9 | (9) | 5 | - | - | 5 | - | - | - | - | - | 5 |
| Roads & streets | - | | 10 | - | - | 10 | - | - | - | - | - | 10 |
| Infrastructure other | - | | | - | - | - | - | - | - | - | - | - |
| Stormwater | 6 | | 4 | - | - | 10 | - | - | - | - | - | 10 |
| Total infrastructure | 21 | (15) | 19 | - | - | 25 | - | - | - | - | - | 25 |
| Total property, plant and equipment, infrastructure | 169,402 | (15) | 2,446 | (3,374) | 14 | 168,473 | 55,338 | 2,700 | (2,318) | 48 | 55,768 | 112,705 |

## Note 24 Property, infrastructure, plant and equipment cont

| 2015 | Gross Value | | | | | | Accumulated Depreciation | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening Balance | Transfers | Acquisition of assets | Disposals | Revaluation increments (decrements) (note 29) | Closing Balance | Opening Balance | Depreciation expense (note 15) | Disposals | Revaluation Increments (decrements) (a) | Closing Balance | Written Down Value |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Land | 4,697 | | 29 | - | - | 4,726 | - | - | - | - | - | 4,726 |
| Land Under Roads | - | 4,399 | - | - | - | 4,399 | - | - | - | - | - | 4,399 |
| Buildings | 15,124 | | 114 | - | 7,098 | 22,336 | 8,054 | 244 | - | 1,011 | 9,309 | 13,027 |
| *Plant and Equipment* | | | | | | | | | | | | |
| Plant, machinery and equip. | 2,521 | | 315 | (168) | - | 2,668 | 1,354 | 177 | (136) | - | 1,395 | 1,273 |
| Furniture & fittings | 932 | | 42 | - | - | 974 | 786 | 41 | - | - | 827 | 147 |
| Total plant and equipment | 3,453 | | 357 | (168) | - | 3,642 | 2,140 | 218 | (136) | - | 2,222 | 1,420 |
| *Infrastructure* | | | | | | | | | | | | |
| Roads & streets | 107,337 | | 2,444 | (444) | - | 109,337 | 33,250 | 1,740 | (243) | - | 34,747 | 74,590 |
| Bridges | 15,225 | | 632 | - | - | 15,857 | 6,283 | 298 | - | - | 6,581 | 9,276 |
| Stormwater | 4,120 | | 6 | - | - | 4,126 | 1,569 | 52 | - | - | 1,621 | 2,505 |
| Infrastructure other | 4,809 | | 149 | - | - | 4,958 | 736 | 122 | - | - | 858 | 4,100 |
| Total infrastructure | 131,491 | | 3,231 | (444) | - | 134,278 | 41,838 | 2,212 | (243) | - | 43,807 | 90,471 |
| *Works in Progress* | | | | | | | | | | | | |
| Land | 4 | (4) | 6 | - | - | 6 | - | - | - | - | - | 6 |
| Buildings | 17 | (17) | 9 | - | - | 9 | - | - | - | - | - | 9 |
| Roads & streets | 461 | (461) | - | - | - | 0 | - | - | - | - | - | - |
| Infrastructure other | 12 | (12) | - | - | - | 0 | - | - | - | - | - | - |
| Stormwater | | | 6 | - | - | 6 | - | - | - | - | - | 6 |
| Total infrastructure | 494 | (494) | 21 | - | - | 21 | - | - | - | - | - | 21 |
| Total property, plant and equipment, infrastructure | 155,259 | 3,905 | 3,752 | (612) | 7,098 | 169,402 | 52,032 | 2,674 | (379) | 1,011 | 55,338 | 114,064 |

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| **Note 25 Trade and other payables** | | |
| Trade payables | 1,053 | 756 |
| Accrued expenses | 111 | 45 |
| Total trade and other payables | 1,164 | 801 |
| **Note 26 Trust funds and deposits** | | |
| Trust deposits | 33 | 31 |
| Other | 125 | 124 |
| Total trust funds and deposits | 158 | 155 |
| **Note 27 Provisions** | | |
| (a) Employee benefits | | |
| Current | | |
| Annual leave | 186 | 180 |
| Long service leave | 171 | 223 |
| Oncosts | 23 | 26 |
| | 380 | 429 |
| Non-Current | | |
| Long service leave | 114 | 90 |
| Oncosts | 7 | 5 |
| | 121 | 95 |
| Aggregate carrying amount of employee benefits: | | |
| Current | 357 | 403 |
| Non-current | 114 | 90 |
| | 471 | 493 |

Accounting policy

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.

## Note 27 Provisions

ii) 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.

v) Defined benefit plans

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

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

v) Defined contribution plans

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

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| **Note 28 Interest-bearing loans and borrowings** | | |
| **Current** | | |
| Interest-bearing loans | 91 | 85 |
| | 91 | 85 |
| **Non-current** | | |
| Interest-bearing loans | 1,315 | 1,406 |
| **Total** | 1,406 | 1,491 |

The obligations for Council's borrowings are payable:

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Not later than one year | 91 | 85 |
| Later than one year and not later than five years | 426 | 399 |
| Later than five years | 889 | 1,007 |
| **Total** | 1,406 | 1,491 |

## Note 29 Reserves

| a) Asset revaluation | Balance at beginning of reporting period | Increment (decrement) | Transfers from/(to) accumulated surplus | Balance at end of reporting period |
|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 |
| 2016 | | | | |
| Investment in associates | 225 | 61 | - | 286 |
| Infrastructure, land and buildings | 90,777 | (34) | - | 90,743 |
| Total asset revaluation | 91,002 | 27 | - | 91,029 |
| 2015 | | | | |
| Investment in associates | 196 | 29 | - | 225 |
| Infrastructure, land and buildings | 84,690 | 6,087 | - | 90,777 |
| Total asset revaluation | 84,886 | 6,116 | - | 91,002 |

| b) Investment Revaluation Reserve – water corporation | Balance at beginning of reporting period | Increment (decrement) | Transfer from/(to) accumulated surplus | Balance at end of reporting period |
|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 |
| 2016 | | | | |
| Water corporation | 485 | 113 | - | 598 |
| Total investment revaluation reserves | 485 | 113 | - | 598 |
| 2015 | | | | |
| Water corporation | 432 | 53 | - | 485 |
| Total investment revaluation reserves | 432 | 53 | - | 485 |

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Total Reserves | 91,627 | 91,487 |

## Note 30 Adjustments directly to equity

| | 2016 | 2015 |
|---|---|---|
| Movement in fair value valuation – water corporation | 113 | 53 |
| Revaluation of assets | 27 | 6,116 |
| | 140 | 6,169 |

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

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Surplus/Deficit | (836) | 5,868 |
| Depreciation/amortisation | 2,700 | 2,674 |
| Loss on disposal of property, plant and equipment, infrastructure | 1,009 | 166 |
| Share of Associates Profit/Loss | (261) | (60) |
| Capital grants | (93) | (40) |
| Capital contributions | - | (64) |
| Initial recognition – land under roads | - | (4,399) |
| | 3,355 | (1,723) |
| Change in assets and liabilities: | | |
| Decrease (Increase) in trade and other receivables | (148) | 703 |
| Decrease (Increase) in other assets | 129 | (78) |
| Increase (Decrease) in trade and other payables | 341 | 383 |
| Increase (Decrease) in other liabilities | - | 4 |
| Increase (Decrease) in employee provisions | 14 | 83 |
| | 336 | 1,095 |
| Net cash provided by/(used in) operating activities | 2,855 | 5,240 |

## Note 32 Reconciliation of cash and cash equivalents

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Cash and cash equivalents (see note 20) | 7,565 | 7,092 |

## Note 33 Financing arrangements

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Bank overdraft | 25 | 25 |
| Unused facilities | 25 | 25 |

Council has a corporate credit card with a $50,000 limit. The balance is paid in full on a monthly basis.

## Note 34 Superannuation

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund). The Fund was a sub fund of the Quadrant Superannuation Scheme (the Scheme) up to 30 November 2015. At this date the Quadrant Superannuation Scheme merged (via a Successor Fund Transfer) into the Tasplan Super and the Quadrant Defined Benefits Fund became a sub fund of Tasplan Super (Tasplan) from that date. The Quadrant Defined Benefits Fund has been classified as a multi- employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions and accordingly no asset or liability is recognised in these accounts in respect of the scheme.

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.

The actuarial review concluded that, 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.

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

During the reporting period the amount of contributions paid to defined benefits schemes was $3,000 (2014-15, $5,000), and the amount paid to accumulation schemes was $176,000 (2014-15, $165,000).

During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is $3,000, and the amount to be paid to accumulation schemes is $175,000.

As at 30 June 2015 the Fund had 164 members and the total employer contributions and member contributions for the year ending 30 June 2015 were $2,083,883 and $325,833 respectively.

Council adopted reduced disclosure in relation to the Fund based on an assessment that the impact of non-disclosure is insignificant to users of the accounts. The assessment was based on the number of Council employees that are member of the Fund (one) and Council's contributions to the Fund (as noted above) in comparison to both the Fund's total members and contributions and Council's total employee numbers and superannuation contributions. In addition, the Fund is currently in surplus. If the Fund's position changes, the need for increased disclosure will be considered.

## Note 35 Commitments

The Council had no material commitments at 30 June 2016. Commitments as at 30 June 2015 are summarised below.

| 2015 | Not later than 1 year | Later than 1 year and not later than 2 years | Later than 2 years and not later than 5 years | Later than 5 years | Total |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| *Operating* | | | | | |
| Garbage and recycling | 339 | - | - | - | 339 |
| *Capital* | | | | | |
| Buildings | 100 | - | - | - | 100 |
| Total Commitments | 439 | - | - | - | 439 |

## Note 36 Contingent liabilities and contingent assets

### Contingent liabilities
The Council presently has no material contingent liabilities.

### Guarantees for loans to other entities
The Council presently does not have any guarantees for loans to otherentities.

## Note 37 Financial Instruments

(a) Accounting Policy, terms and conditions

| Recognised financial instruments | Note | Accounting Policy | Terms and Conditions |
|---|---|---|---|
| Financial | | | |
| Cash and cash equivalents | 20 | Cash on hand and at bank and money market call account are valued at face value. | On call deposits returned an average floating interest rate of 2.7% (2.8% in 2014/15). The weighted average interest rate at balance date was 2.7%. |
| | | Interest is recognised as it accrues. | As at 30 June 2016 funds invested at fixed interest rates returned on average 3.00% (2.83% in 2014/15). |
| | | Investment and bills are valued at cost. | Not applicable. |
| | | Investments are held to maximise interest returns of surplus cash. | |
| | | Interest revenues are recognised as they accrue. | |
| | | Managed funds are measured at market value. | |
| Trade and other receivables | | | |
| Other debtors | 21 | 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. | General debtors are unsecured. |
| | | Collectability of overdue accounts is assessed on an ongoing basis. | |
| Financial liabilities | | | |
| Trade and other payables | 25 | 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 | 28 | 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 the general rates of the Council.<br>The weighted average interest rate on borrowings is 6.64% (6.64% in 2014/15). |
| | | Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases. | As at balance date, the Council had no finance leases. |
| Bank overdraft | 33 | Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues. | The overdraft is subject to annual review.<br>It is secured by a mortgage over Council's general rates and is repayable on demand. |

## Note 37 Financial Instruments cont

(b) Interest Rate Risk

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

| 2016 | Fixed interest maturing in: | | | | | |
|---|---|---|---|---|---|---|
| | Variable interest rate | 1 year or less | Over 1 to 5 years | More than 5 years | Non-interest bearing | Total |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| *Financial assets* | | | | | | |
| Cash and cash equivalents | 4,908 | 2,657 | - | - | - | 7,565 |
| Trade and other receivables | - | 259 | - | - | 216 | 475 |
| Other assets | - | - | - | - | 500 | 500 |
| Investment in water corporation | - | - | - | - | 6,770 | 6,770 |
| *Total financial assets* | 4,908 | 2,916 | - | - | 7,486 | 15,310 |
| | | | | | | |
| *Financial liabilities* | | | | | | |
| Trade and other payables | - | - | - | - | 1,164 | 1,164 |
| Trust funds and deposits | - | - | - | - | 158 | 158 |
| Interest-bearing loans and borrowings | - | 91 | 426 | 889 | - | 1,406 |
| *Total financial liabilities* | - | 91 | 426 | 889 | 1,322 | 2,728 |
| Net financial assets (liabilities) | 4,908 | 2,825 | (426) | (889) | 6,164 | 12,582 |

| 2015 | Fixed interest maturing in: | | | | | |
|---|---|---|---|---|---|---|
| | Variable interest rate | 1 year or less | Over 1 to 5 years | More than 5 years | Non-interest bearing | Total |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| *Financial assets* | | | | | | |
| Cash and cash equivalents | 5,990 | 1,101 | - | - | - | 7,091 |
| Trade and other receivables | - | 164 | - | - | 129 | 293 |
| Other assets | - | - | - | - | 539 | 539 |
| Investment in water corporation | - | - | - | - | 6,657 | 6,657 |
| *Total financial assets* | 5,990 | 1,265 | - | - | 7,325 | 14,580 |
| | | | | | | |
| *Financial liabilities* | | | | | | |
| Trade and other payables | - | - | - | - | 801 | 801 |
| Trust funds and deposits | - | - | - | - | 155 | 155 |
| Interest-bearing loans and borrowings | - | 85 | 399 | 1,007 | - | 1,491 |
| *Total financial liabilities* | - | 85 | 399 | 1,007 | 956 | 2,447 |
| Net financial assets (liabilities) | 5,990 | 1,180 | (399) | (1,007) | 6,369 | 12,133 |

## Note 37 Financial Instruments cont

### (c) Net Fair Values

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

| Financial Instruments | Total carrying amount as per Balance Sheet | | Aggregate net fair value | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| | $'000 | $'000 | $'000 | $'000 |
| *Financial assets* | | | | |
| Cash and cash equivalents | 7,565 | 7,091 | 7,565 | 7,091 |
| Trade and other receivables | 475 | 293 | 475 | 293 |
| Other assets | 500 | 539 | 500 | 539 |
| Investment water corporation | 6,770 | 6,657 | 6,770 | 6,657 |
| *Total financial assets* | 15,310 | 14,580 | 15,310 | 14,580 |
| | | | | |
| *Financial liabilities* | | | | |
| Trade and other payables | 1,164 | 801 | 1,164 | 801 |
| Trust funds and deposits | 158 | 155 | 158 | 155 |
| Interest-bearing loans and borrowings | 1,406 | 1,491 | 1,406 | 1,491 |
| Total financial liabilities | 2,728 | 2,447 | 2,728 | 2,447 |

### (d) Credit Risk

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

### (e) Risks and mitigation

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

*Market risk*

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

*Interest rate risk*

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

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

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

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

## Note 37 Financial Instruments cont

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.

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

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

Credit risk arises from Council's financial assets, which comprise cash and cash equivalents, and trade and other receivables. Council's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable 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.

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.

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) | 150 | 99 |
| Past due by up to 30 days | 40 | 13 |
| Past due between 31 and 180 days | 238 | 121 |
| Past due between 181 and 365 days | - | - |
| Past due by more than 1 year | 47 | 60 |
| Total Trade & Other Receivables | 475 | 293 |

## Note 37 Financial Instruments cont

*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 to be invested within various bands of liquid
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The 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 months or less $'000 | 6-12 months $'000 | 1-2 years $'000 | 2-5 years $'000 | >5 years $'000 | Contracted Cash Flow $'000 |
|---|---|---|---|---|---|---|
| Trade and other payables | 1,164 | - | - | - | - | 1,164 |
| Trust funds and deposits | 158 | - | - | - | - | 158 |
| Interest-bearing loans and borrowings | 91 | 91 | 182 | 546 | 1,093 | 2,003 |
| Total financial liabilities | 1,413 | 91 | 182 | 546 | 1,093 | 3,325 |

| 2015 | 6 months or less $'000 | 6-12 months $'000 | 1-2 years $'000 | 2-5 years $'000 | >5 years $'000 | Contracted Cash Flow $'000 |
|---|---|---|---|---|---|---|
| Trade and other payables | 801 | - | - | - | - | 801 |
| Trust funds and deposits | 155 | - | - | - | - | 155 |
| Interest-bearing loans and borrowings | 91 | 91 | 182 | 546 | 1,275 | 2,185 |
| Total financial liabilities | 1,047 | 91 | 182 | 546 | 1,275 | 3,141 |

### (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 2.7%.

As at 30 June 2016, if interest rates had moved, as illustrated in the table below, profit and equity would have been affected as follows:

| | Profit or loss | | Equity | |
|---|---|---|---|---|
| | 2016 $'000 | 2015 $'000 | 2016 $'000 | 2015 $'000 |
| +1% (100 basis points) | 49 | 60 | 49 | 60 |
| -1% (100 basis points) | (49) | (60) | (49) | (60) |

| | 2016 $'000 | 2015 $'000 |
|---|---|---|

## Note 38 Auditors' Remuneration

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Audit fee for audit of financial statements – Tasmanian Audit Office | 25 | 27 |
| Audit fee for all other services – Tasmanian Audit Office | 3 | 1 |
| **Total** | 28 | 28 |

The audit fees above are those recognised on an accruals basis according to the timing of work done and invoices raised which may vary from year to year. The full audit fees relating to the financial statements for 2016 and 2015 irrespective of the timing of the work completed are as follows:

| | 2016 $'000 | 2015 $'000 |
|---|---|---|
| Audit fee for audit of financial statements – Tasmanian Audit Office | 26 | 26 |
| Audit fee for all other services – Tasmanian Audit Office | 3 | 1 |
| **Total** | 29 | 27 |

## Note 39 Events occurring after balance date

There are no subsequent events after 30 June 2016 that have had a material impact on the accounts.

## Note 40 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:

**Councillors**

Councillor Don Thwaites (Mayor November 2007 to current)
Councillor Tim Wilson (Deputy Mayor November 2009 to current)
Councillor Penny Lane (Councillor November 2007 to current)
Councillor Annie Willock (Councillor November 2007 to current)
Councillor Rodney Blenkhorn (Councillor November 2014 to current)
Councillor Linda Cassidy (Councillor November 2014 to current)
Councillor Kate Haberle (Councillor November 2014 to current)
Councillor Terrence Hughes (Councillor November 2014 to current)
Councillor Phillip Richards (Councillor November 2014 to current)

Total Remuneration for the reporting year for Councillors' Emoluments and reimbursements included above amounted to:

| | 2016 | 2015 |
|---|---|---|
| | 140 | 137 |

**General Manager** Gerald Monson - April 2010 to current

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

## Note 41 Management Indicators

The following management indicators have been prepared to comply with section 84(2A) of the Local Government Act 1993 and Local Government (Management Indicators) Order 2014. Commentary on these management indicators and Council's performance against benchmarks is included in Council's Annual Report.

Recurrent Income, one of the inputs to these management indicators, is not calculated in accordance with Australian Accounting Standards. The calculation of recurrent income and its reconciliation to the Statement of Comprehensive Income is as follows:

| | 2016 $'000 | 2015 $'000 | 2014 $'000 | 2013 $'000 |
|---|---|---|---|---|
| Recurrent Income | | | | |
| Total Income from Statement of Comprehensive Income | 9,718 | 15,702 | 8,775 | 9,545 |
| Less: | | | | |
| Grants Specifically for new/upgraded assets | (93) | (40) | (392) | (925) |
| Contributions Specifically for new/upgraded assets | - | (64) | - | - |
| Roads | - | (4,399) | - | - |
| Grants received in advance - current year | - | (1,277) | - | (1,294) |
| Rates received in advance - current year | (186) | (168) | (149) | (149) |
| Add: | | | | |
| Grants received in advance - prior year | 1,277 | - | 1,294 | 1,257 |
| Rates received in advance - prior year | 168 | 149 | 149 | 132 |
| Total Recurrent Income | 10,884 | 9,903 | 9,677 | 8,566 |
| | | | | |
| (a) Underlying surplus or deficit | | | | |
| Recurrent income* | 10,884 | 9,903 | 9,677 | 8,566 |
| less recurrent expenditure | (10,554) | (9,834) | (8,947) | (8,075) |
| *Underlying surplus/deficit* | 330 | 69 | 730 | 491 |
| | | | | |
| (b) Underlying surplus ratio | | | | |
| Underlying surplus or deficit | 330 | 69 | 730 | 491 |
| Recurrent Income | 10,884 | 9,903 | 9,677 | 8,566 |
| *Underlying surplus ratio %* | 3.0% | 0.7% | 7.5% | 5.7% |
| | | | | |
| (c) Net financial assets / (liabilities) | | | | |
| Liquid assets | 8,549 | 7,930 | 6,664 | 6,904 |
| less total liabilities | (3,229) | (2,971) | (2,718) | (2,817) |
| *Net financial assets / (liabilities)* | 5,320 | 4,959 | 3,946 | 4,087 |
| | | | | |
| (d) Net financial assets / (liabilities) ratio | | | | |
| Net financial assets /(liabilities) | 5,320 | 4,959 | 3,946 | 4,087 |
| Recurrent Income | 10,884 | 9,903 | 9,677 | 8,566 |
| *Net financial assets / (liabilities) ratio %* | 48.9% | 50.1% | 40.8% | 47.7% |

## Note 41 Management Indicators

### 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.

| | 2016 $'000 | 2015 $'000 | 2014 $'000 | 2013 $'000 |
|---|---|---|---|---|
| *Transport Infrastructure* | | | | |
| Depreciated replacement cost | 82,486 | 83,866 | 83,029 | 67,693 |
| Current replacement cost | 123,583 | 125,194 | 122,552 | 83,061 |
| Asset consumption ratio % | 66.7% | 67.0% | 67.8% | 81.5% |
| *Buildings* | | | | |
| Depreciated replacement cost | 13,098 | 13,027 | 7,070 | 7,229 |
| Current replacement cost | 22,683 | 22,336 | 15,124 | 14,989 |
| Asset consumption ratio % | 57.7% | 58.3% | 46.7% | 48.2% |
| *Stormwater* | | | | |
| Depreciated replacement cost | 2,524 | 2,505 | 2,551 | 2,563 |
| Current replacement cost | 4,245 | 4,126 | 4,120 | 4,082 |
| Asset consumption ratio % | 59.5% | 60.7% | 61.9% | 62.8% |

### f) Asset renewal funding ratio

| | 2016 | 2015 |
|---|---|---|
| *Transport Infrastructure* | | |
| Projected capital funding outlays** | 17,254 | 17,212 |
| Projected capital expenditure funding*** | 11,702 | 10,920 |
| Asset renewal funding ratio | 147.4% | 157.6% |
| *Buildings* | | |
| Projected capital funding outlays** | 208 | 146 |
| Projected capital expenditure funding*** | 17 | 92 |
| Asset renewal funding ratio | 1223.5% | 158.7% |
| *Stormwater* | | |
| Projected capital funding outlays** | 7 | 22 |
| Projected capital expenditure funding*** | 7 | 7 |
| Asset renewal funding ratio | 100.0% | 320.6% |

**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.

## Note 41 Management Indicators

### g) Asset sustainability ratio

| | 2016 $'000 | 2015 $'000 | 2014 $'000 | 2013 $'000 |
|---|---|---|---|---|
| Capex on replacement/renewal of existing assets | 1,580 | 2,627 | 1,980 | 1,762 |
| Annual depreciation expense | 2,700 | 2,674 | 2,659 | 2,194 |
| Asset sustainability ratio % | 58.5% | 98.2% | 74.5% | 80.3% |

| Capital Expenditure Detail (based on cash flows) Asset Group | Capital Renewal Expenditure | Capital new/upgrade expenditure | Total Capital Expenditure |
|---|---|---|---|
| | $'000 | $'000 | $'000 |
| Roads and Bridges | 1,399 | 240 | 1,639 |
| Stormwater Assets | - | - | - |
| Land | - | 178 | 178 |
| Buildings | - | 347 | 347 |
| Land Improvements | 45 | 41 | 86 |
| Office Furniture and Equipment | 50 | 8 | 58 |
| Plant and Equipment | 86 | 13 | 99 |
| **Total** | 1,580 | 827 | 2,407 |

## Note 42 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
- Land under roads
- Buildings
- Roads, including footpaths & cycleways
- Bridges
- Stormwater assets
- Other infrastructure

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

### (a) Fair Value Hierarchy

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

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

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

## Note 42 Fair Value Measurements cont

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 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| | | $'000 | $'000 | $'000 | $'000 |
| Recurring fair value measurements | | | | | |
| Investment in water corporation | 19 | - | - | 6,770 | 6,770 |
| Land | 24 | - | 4,799 | - | 4,799 |
| Land under roads | 24 | - | - | 4,399 | 4,399 |
| Buildings | 24 | - | 463 | 12,635 | 13,098 |
| Roads, including footpaths & cycleways | 24 | - | - | 74,058 | 74,058 |
| Bridges | 24 | - | - | 8,428 | 8,428 |
| Stormwater assets | 24 | - | - | 2,524 | 2,524 |
| | | - | 5,262 | 108,814 | 114,076 |

Non-recurring fair value measurements

| As at 30 June 2015 | Note | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| | | $'000 | $'000 | $'000 | $'000 |
| Recurring fair value measurements | | | | | |
| Investment in water corporation | 19 | - | - | 6,657 | 6,657 |
| Land | 24 | - | 4,726 | - | 4,726 |
| Land under roads | 24 | - | - | 4,399 | 4,399 |
| Buildings | 24 | - | 463 | 12,564 | 13,027 |
| Roads, including footpaths & cycleways | 24 | - | - | 74,590 | 74,590 |
| Bridges | 24 | - | - | 9,276 | 9,276 |
| Stormwater assets | 24 | - | - | 2,505 | 2,505 |
| | | - | 5,189 | 109,991 | 115,180 |
| | | | | | |
| Non-recurring fair value measurements | | - | - | - | |

Note 42 Fair Value Measurements cont

*Transfers between levels of the hierarchy*
Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

## (b) Highest and best use
All assets valued at fair value in this note are being used for their highest and best use.

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

### Investment in water corporation
Refer to Note 19 for details of the valuation technique used to derive fair value.

### Land
Land fair values were based on the latest land values issued by the Tasmanian Valuer General as at 30 June 2014.

### Land under roads
Land under roads is based on Council valuations at 30 June 2015 using average per square metre property value rates supplied by the Valuer-General.

### Buildings
The fair values of Council's special purpose buildings were determined by estimating the depreciated current replacement cost as at 1 July 2014 based on per square meter construction rates published in *Rawlinsons Handbook.* The fair value of non- special purpose buildings were determined by Council management based on the latest capital values issued by the Tasmanian Valuer General as at 1 July 2014.

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

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

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

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in Note 1(e)

The calculation of depreciated replacement cost (DRC) involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation. The table at (d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

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

## Note 42 Fair Value Measurements cont

Roads, including footpaths & cycleways
Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Sealed roads are managed in segments according to changes in key characteristics such as road width or date of sealing. All road segments are then componentised into formation, sub-pavement, pavement and surface. Except for assessment of CRC of formation costs, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes each segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. Council assumes that pavements are constructed to depths of 300mm (150mm sub-base plus 150mm base-course) for sealed roads and 200mm (100mm sub-base and 100mm wearing surface for unsealed roads. 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 Agreement (EA). Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years. Where similar projects have not been recently undertaken, unit costs of neighbouring Councils is considered where appropriate.

Bridges
A full valuation of bridges assets was undertaken by Council Management, effective 30 June 2014 at depreciated current replacement cost based upon independent assessment of current replacement cost and useful lives by TasSpan Pty Ltd. Depreciated current replacement cost was calculated on a straight-line basis. 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.

Stormwater Assets
A full valuation of drainage infrastructure was undertaken by Council's Engineer, effective 30 June 2013. Similar to roads, drainage assets are managed in segments; pits and pipes being the major components. This value has been adjusted to reflect the movement in the Australian Bureau of Statistics Road and Bridge Construction Index from June 2013 to June 2016.

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

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

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

Note 42 Fair Value Measurements cont

### (d) Unobservable inputs and sensitivities

| Asset / liability category* | Carrying amount (at fair value) $'000 | Key unobservable inputs * | Expectedrange of inputs | Description of how changes in inputs will affect the fair value |
|---|---|---|---|---|
| Investment in water corporation | $6,770 | Net Assets per annual financial statements of water corporation | | The higher the net assets the higher the fair value |
| Roads and Streets | $74,058 | Useful life | Refer Note 1e | The higher the useful life the higher the fair value |
| Roads and Streets | $74,058 | Unit price per sq. metre | | The higher the unit price the higher the fair value |
| Bridges | $8,428 | Useful life | Refer Note 1e | The higher the useful life the higher the fair value |
| Bridges | $8,428 | Unit price per sq. metre | | The higher the unit price the higher the fair value |
| Stormwater Assets | $2,524 | Useful life | Refer Note 1e | The higher the useful life the higher the fair value |
| Stormwater Assets | $2,524 | Unit price per lineal metre | | The higher the unit price the higher the fair value |

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

### (e) Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in note 24 (Property, infrastructure, plant and equipment). There have been no transfers between level 1, 2 or 3 measurements during the year.

### (f) Valuation processes

Council's current policy for the valuation of property, infrastructure, plant and equipment, investment in water corporation and investment property (recurring fair value measurements) is set out in note 24.

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

### (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 37)

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 37 equates to the carrying amount as the carrying amount approximates fair value (level 2).

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

## Note 43 Significant Business Activities

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

| | O'Neills Creek Campground | |
|---|---|---|
| | 2015/16 | 2014/15 |
| | $'000 | $'000 |
| Total Revenue | $ 1 | $ 1 |
| Total Expenses | $ 1 | $ 1 |
| Total Capital Costs | $ - | $ - |
| Competitive Neutrality Costs | $ - | $ - |

The Tasmanian Economic Regulator has deemed that the provision of overnight camping services at O'Neills Creek by Council constitutes a Significant Business Activity.

## Note 44 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.

Note 44 Other significant accounting policies and new accounting standards cont

(f) Budget

The estimated revenue and expense amounts in the Statement of Comprehensive Income represent original 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.*

Adoption of this standard has had no material financial impact on Council's 2015/16 financial report.

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.

Adoption of this standard has had no material financial impact on Council's 2015/16 financial report.

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 is that future adoption of these standards will not have a material effect on Council's future financial reports. The standards assessed are;

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

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

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

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

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)

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

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)

viii) AASB 9 *Financial Instruments* and the relevant amending standards (effective from 1 January 2018)

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)

Note 44 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)

xi) AASB 16 *Leases* (effective from 1 January 2019)

xii) *Disclosure Initiative - Amendments to AASB 107* (effective from 1 January 2017)