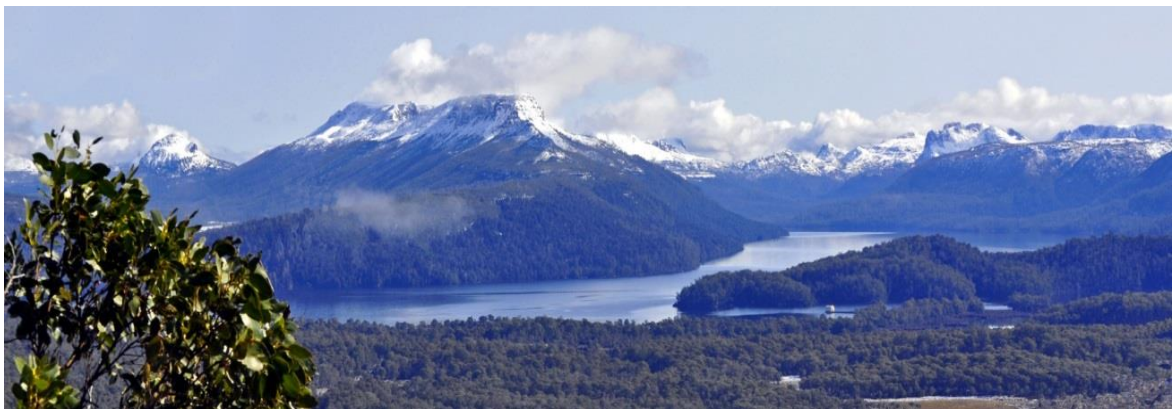


Annual Report 2012/2013



CORPORATE VISION

Our vision is for the Central Highlands to provide residents and visitors opportunities to participate in and enjoy a vibrant local economy, rewarding community life, cultural heritage and a natural environment that is world class.

CORPORATE MISSION

Our mission is to provide the leadership, management and action needed to ensure local government and other services are provided to meet the social, economic and environmental needs of the present day community, whilst trying to ensure the best possible outcomes for future generations.

STRATEGIC PLAN

Council's Strategic Plan is available free of charge by contacting either the Bothwell or Hamilton Office or on Council's website at www.centralhighlands.tas.gov.au

CENTRAL HIGHLANDS COUNCIL

2012-2013

Mayor and Councillors (Term Ends October 2014)

Deirdre E Flint OAM	Mayor
Andrew J Downie	Deputy Mayor
Richard G Bowden OAM	
Ian V McMichael	
Loueen M Triffitt	
Anthony W Bailey	
Tim H Jacka	
Geoffrey L Herbert	
James R Allwright	

COUNCILLOR ATTENDANCE AT ORDINARY COUNCIL MEETINGS, SPECIAL COUNCIL MEETINGS AND THE ANNUAL GENERAL MEETING

	Contact Numbers	Meeting Attendance (including Annual Meeting & Special meetings)			
		Full	Part	Absent	Possible
Deirdre E Flint OAM	0418 319 832	13		1	14
Andrew J Downie	6260 4170	14			14
Richard G Bowden OAM	6259 5542	13		1	14
Ian V McMichael	6287 1207	9		5	14
Loueen M Triffitt	6286 3275	12		2	14
Anthony W Bailey	6286 3284	14			14
Tim H Jacka	6288 1554	14			14
Geoffrey L Herbert	6259 5599	13		1	14
James R Allwright	6288 1392	12		2	14

COUNCILLOR ATTENDANCE AT COMMITTEE MEETINGS & WORKSHOPS

	Meeting Attendance at Council Committee Meetings				Meeting Attendance at Council Workshops			
	Full	Part	Absent	Possible	Full	Part	Absent	Possible
Deirdre E Flint OAM	20		4	24	6		1	7
Andrew J Downie	18		2	20	7			7
Richard G Bowden OAM	18		1	19	7			7
Ian V McMichael	22		3	25	4		3	7
Loueen M Triffitt	5		4	9	7			7
Anthony W Bailey	5		1	6	5		2	7
Tim H Jacka	10		4	14	6		1	7
Geoffrey L Herbert	14			14	6		1	7
James R Allwright	11		1	12	3		4	7

MAYORS REPORT



It gives me great pleasure to present my tenth Annual Report which covers the period from July 2012 to June 2013.

There are many issues facing both Council and residents alike including the increasing cost of living, uncertainty in the forestry industry, reduced tourist numbers, and the down turn in the economy.

Council has been pro-active in finding savings through bulk purchasing with other Southern Councils – these include stationery, plant and vehicle purchase and aerial photography.

Council successfully lobbied the State Government to complete the sealing of the Highland Lakes Road between Miena and Haulage Hill. Council is continuing to lobby the State Government to seal the final 18kms of this important transport corridor.

This year saw devastation and heartbreak with the bushfires at Ellendale, Gretna and other areas including the Steppes. The way in which the community rallied in support of each other was a joy to behold. Tasmanians certainly supported these communities in any way they could.

I would like to thank Blaze-Aid for replacing and repairing fencing, and the Rotary Club for the fencing material and farm gates supplied to Blaze-Aid. The Lions Club also assisted with the supply of seed for crops, fodder and trees to help deter erosion.

The State Government provided both financial and in-kind assistance as well as proceeds from the Red Cross Funding for the upgrade of the transmitter tower at Belchers Lookout. This upgrade will enable local communities to access emergency updates from the ABC. We also received funds to upgrade toilets in the Ellendale Hall and for the provision of a public notice board at Westerway to keep the communities abreast of emergencies including the areas deemed as safe for evacuation and shelter purposes.

I would like to also acknowledge the community support groups of St. Vincent de Paul, RAW, Salvation Army and Red Cross.

The Council staff served the residents of the Central Highlands with dedication and distinction and I cannot thank them enough.

Thank you once again on behalf of the Central Highlands Council.

I would like to place on record my sincere gratitude to the Deputy Mayor Andrew Downie for his continued support and his dedication to the special Committees of Council he chairs.

I wish to acknowledge the Councillors contributions, particularly those who represent Council on Special Committees – these Committees are time consuming and Councillors input is invaluable.



I acknowledge the contribution and dedication from Council's General Manager Mrs Lyn Eyles who is charged with implementing Council's budget and policies. I would also like to thank Departmental Managers and their staff for your commitment to the Central Highlands Municipality.

Deirdre E Flint OAM
Mayor

COUNCIL COMMITTEE REPRESENTATION

Bothwell Swimming Pool Committee

Clr R G Bowden
Clr G L Herbert (Chair)

Bothwell Cemetery Committee

Mayor D E Flint OAM
Clr R G Bowden
Clr L M Triffitt (Chair)

Plant Committee

Mayor Deirdre Flint OAM (Chair)
Clr R G Bowden
Clr A W Bailey

Independent Living Units Committee

Mayor D E Flint OAM (Chair)
Clr I V McMichael
Clr L M Triffitt

Audit Committee

Mayor D E Flint OAM
Deputy Mayor A J Downie
Clr I V McMichael (Chair)

Code of Conduct Committee

Deputy Mayor A J Downie (Chair)
Clr R G Bowden
Clr J R Allwright

ANZAC Day Sub-Committee – Hamilton/Gretna

Mayor D E Flint OAM
Clr L M Triffitt
Clr A W Bailey

ANZAC Day Sub-Committee – Bothwell

Mayor D E Flint OAM
Clr G L Herbert
Clr L M Triffitt

Strategic Planning Sub-Committee

Deputy Mayor A J Downie
Clr I V McMichael
Clr T H Jacka (proxy)

Bothwell Recreation Ground Committee

Clr R G Bowden
Clr G L Herbert

Waste Committee

Deputy Mayor A J Downie
Clr R G Bowden
Clr J R Allwright

Planning Committee

Deputy Mayor A J Downie (Chair)
Clr G L Herbert
Clr I V McMichael
Clr T H Jacka

Highlands Tasmania Tourism Committee

Mayor D E Flint OAM (Chair)
Clr T H Jacka
Clr G L Herbert

Australia Day Committee

Deputy Mayor A J Downie
Clr A W Bailey
Clr T H Jacka

Tourism Committee

Clr G L Herbert (Chair)
Clr T H Jacka
Mayor D E Flint OAM

OTHER COMMITTEE REPRESENTATION

Roads Consultative Group

Mayor D E Flint OAM

Bothwell Spin-In Committee

Mayor D E Flint OAM

Australasian Golf Museum

Mayor D E Flint
Clr G L Herbert

Southern Waste Strategy Authority

Deputy Mayor A J Downie
Mayor D E Flint (Proxy)

Derwent Catchment NRM Committee

Clr J R Allwright

Bothwell Tourism Committee

Mayor D E Flint OAM
Clr G L Herbert
Clr L M Triffitt

Transend – Waddamana to Risdon Vale

Mayor D E Flint OAM

Local Government Association of Tasmanian General Management Committee

Mayor Deirdre Flint OAM

Premiers Local Government Council

Mayor Deirdre Flint OAM



Central Highlands Health Service Project – Community Consultation Committee
Mayor D E Flint OAM

The Men's Shed Steering Committee
Clr Anthony Bailey
Clr J R Allwright (Proxy)

Great Lake Community Centre Committee
Mayor D E Flint OAM
Clr G L Herbert (Proxy)

Central Highlands Health Service Project – Community Consultation Committee
Mayor Deirdre Flint OAM

Rivers Run Tourism Association
Clr Tim H Jacka

Ellendale Hall Committee
Mayor D E Flint OAM

LEGEND-2012/2013 ANNUAL PLAN APPRAISAL

☑ Achieved ⌚ In Progress ✎ Ongoing ⊗ Not achieved

ROADS AND BRIDGES PROGRAM

Strategy

Provide, maintain and as required, construct gravel roads and sealed roads, bridges, culverts and appropriate furniture that forms the Central Highlands road network which enables residents, property owners and visitors safe access to conduct their business activities.

Efficiently and effectively implement Council's maintenance and construction roadwork programs.

Activity	Comment	Status
Continue to lobby the State Government to seal the balance of the Highlands Lake Road	Council have representation on the Highland Roads Consultative Group. Council continually lobby the State Government to complete the sealing of the Highlands Lakes Road.	⌚
Ensure that all Council roads are inspected on a regular basis	Regular inspections of Council roads are carried out.	✎
Ensure that all Council bridges are inspected on a regular basis.	Council bridges are inspected by TasSpan every six months.	✎
Manage Council's Asset Register for Roads and Bridges	Revaluations of Council's Road, Bridges, Footpaths, Kerbs & Gutters assets were completed and values recorded as at 30 June 2012.	⌚
Prepare a five year rolling capital works program for construction / reconstruction of Council roads and bridges	Bridge program developed and Roads program ongoing.	✎

Ensure that maintenance of roads and bridges are carried out within budget limits.	Council's road maintenance budget was \$1,091,856. Maintenance works completed totalled \$894,303.	✓
	Council completed \$24,700 maintenance works on bridges out of an allocated budget of \$46,995.	✓
	\$4,612 was spent on footpath, kerbs & gutter maintenance with an additional \$48,357 spent on drainage works.	✓

Roads (Capital)

Complete the capital works budget for roads and bridges	Major capital roadwork during 2012/2013 included reconstruction and resealing works on Ellendale Road, Hollow Tree Road, Arthurs Lake and parts of Hamilton and Bothwell township roads.	✓
	Roads to Recovery Funding of \$578,360 was received this financial year.	

Bridges (Capital)

\$179,489 was spent on replacing the bridge at Jordan River Lower Marshes.	✓
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CONTRACTING EXTERNAL WORKS AND SERVICES







Improve the efficiency and competitiveness of Council's workforce and actively seek to undertake private works and services whilst maintaining accurate costs of activities to ensure that Council continue to make a profit.

Activity	Comment	Status
Supply plant, labour and materials for external works	Private works are carried out by Council for ratepayers, businesses and government departments.	✓

COMMUNITY AND RECREATIONAL FACILITIES

Continue to maintain and improve a range and standard of Council halls, parks, gardens, public toilets and community and recreational facilities that meet community needs, enable an active community life and reflects a positive image for the district.

Develop programs to enable all community properties owned by Council to have disability access.





Activity	Comment	Status
Carry out maintenance to all halls	Expenditure totalled \$51,524 which included works at Bothwell Hall of \$15,275, and \$14,941 at the Ouse Hall.	
Undertake maintenance and upkeep of all Council parks and gardens	Maintenance and upkeep totalled \$72,607. An arborist is engaged when necessary to report on the health and maintenance required on trees in Council parks and on road verges.	
Cleaning and maintenance of Council's public conveniences	Regular cleaning and maintenance was carried out at a cost of \$75,827.	
Maintain Council cemetery	Council's Bothwell Cemetery was well maintained during 2012/2013 at a cost of \$22,080. Council's Cemetery Committee comprising of Council and community representation meet on a regular basis.	
	The Committee is proactive in monitoring and maintaining the local cemetery.	
	Council has commenced work on the layout and plotting of the extension to the Bothwell Cemetery with roadworks and some plantings being undertaken.	
Maintenance of town verges and nature strips, recreation grounds and other community amenities	Regular mowing is undertaken and maintenance completed as required. Council budgeted \$121,734 for town mowing with actual costs being \$112,923. \$81,733 was spent on maintaining Council recreational grounds.	

OTHER COUNCIL PROPERTIES AND MISCELLANEOUS WORKS

Maintain the Library, Camping Grounds, Medical Centre and Council houses to the standard specified by Council.

Maintain efficient depot and workshop facilities.

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Activity	Comment	Status
Maintain the camping grounds in a clean and tidy state and undertake repairs as needed.	<p>The Bothwell Camping Ground is kept in a clean and tidy state and is being well utilised. Campers often camp on the grassed area along the Clyde River at Hamilton and utilise the laundry and shower facilities. Council implemented a payment system that is not reliant on office hours.</p> <p>The Bethune Park camping area is well used by campers and fishermen during the summer months.</p> <p>Grey water disposal sites are located at both the Bothwell and Hamilton sites to empty porta-potties and mobile toilet waste into the waste treatment system.</p>	
Maintenance of library facility and housing assets	Routine maintenance undertaken	
Provide waste collections and associated services of town rubbish collections, bulky waste collections and tip cover.	<p>Council held two bulky waste collections throughout the municipality. This is designed to allow residents to place items out for collection that are too bulky or unsuitable for the door to door service. Bulky Waste is collected from satellite waste transfer stations by Council and transferred to the regional refuse sites at Hamilton.</p> <p>To ensure the best use of the Hamilton Refuse Disposal Site, cover is stockpiled and used when necessary.</p>	 

Provision of Housing Services

The new Independent Living Units at Ouse have been well received by the community. The four units are currently occupied. Council operate the units under a lease from the Department of Health & Community Services.



The existing Housing Department units at Ouse were transferred to Council together with funds to convert and upgrade the five single units. The units are available under the Affordable Housing criteria.


Council also has six Independent Living Units at Bothwell which are fully occupied.

WORKS AND SERVICES MANAGEMENT

Continue to develop trained, appropriately resourced and self-managed work teams.

Ensure that work activities are accurately costed to enable control of costs, quality and time frames for work completion.

Ensure that occupational health and safety (OHS) policies and procedures are fully implemented.

Activity	Comment	Status
Provision of training, clothing, minor plant, protective equipment.	Council have a diversified workforce who are multi-skilled. Training is provided to ensure staff are kept up to date with changing work practices and regulations.	



PLANT AND EQUIPMENT

Maintain all Council's plant and equipment in a serviceable, safe and optimum operating condition and ensure it is effectively utilised and replaced in a timely, cost effective and efficient manner.

Activity	Comment	Status
Maintain plant and ensure its optimised use	Maintenance and operating costs amounted to \$517,471 with plant hire received of \$698,758.	
	Plant purchases for the year totalled \$368,883:	
	\$26,000 Cem Compact Mulcher	
	\$34,780 Ford Ranger 4x4 Supercab	
	\$33,017 Toro Groundmaster Mower	
	\$22,335 Ford Ranger 4x2 Std Cab	
	\$23,026 Ford Ranger 4x2 (Bothwell)	
	\$1,765 Wacker Packer Vibrating Plate	
	\$1,791 5.5hp Honda Tiller	
	\$1,677 Welder	
	\$5,795 John Deere Ride-on Mower	
	\$28,560 Nissan X-Trail	
	\$95,807 Hino Tipper (Tipper)	
	\$94,331 Bomag Landfill Compactor	

EMERGENCY SERVICES

Maintain appropriate plans and practices, in conjunction with the relevant State authorities and voluntary groups, to protect the Central Highlands District and its residents from natural or other community risks and to assist in emergency services.

Activity	Comment	Status
State Emergency Service	<p>Council's SES Co-ordinator is Graham Rogers, Manager Development and Environmental Services. Jason Branch, Council's Manager Works and Services is the Deputy Co-ordinator.</p> <p>Council's Municipal Emergency Plan was adopted in January, 2012.</p>	
Fire Protection	Council staff and plant are available, if required, during the fire season to assist local volunteer fire-fighters and landowners.	

DEVELOPMENT CONTROL

Process development and subdivision applications efficiently and professionally within the appropriate statutory time limits.

Provide a comprehensive range of advice to Council on existing and proposed development in the Central Highlands.





Administer Council's planning scheme for the Central Highlands and ensure it provides consistent and clear direction and policies for development, protection of the environment and provision of infrastructure assets.

Continue to inform the community on relevant aspects of Council's development and environmental services.

Over 2012-13 Council has continued working on the draft Central Highlands Planning Scheme in regular consultation with the other Southern Councils. Several Council workshops have been held to work through the draft and Council has held informal public consultation.

Council has been working in conjunction with Hydro and the Department of Economic Development, Tourism and the Arts to develop a Specific Area Plan for Lake Meadowbank, with public consultation to be undertaken during 2013/2014. The project proposes a Specific Area Plan for the Meadowbank Lake area for inclusion within the Central Highlands Draft Interim Planning Scheme.

All the Southern Region Planning Schemes should be submitted as a unit to the Tasmanian Planning Commission in 2013.

Activity	Comment	Status
Provision of statutory requirements for development of land within the Central Highlands	Council employs a Consultant Planning Officer who works with Council one day a week.	
	30 "Permitted" and 33 "Discretionary" development applications have been processed for assessment.	
	There has been 16 subdivision applications (including Boundary Adjustments) received during the year equating to 51 new lots being created.	
Continue with developing a GIS system	This system continues to be a valuable tool for the Development and Environmental Services team in the delivery and assessment of client services.	

DEVELOPMENT STATISTICS

	2008-09	2009-10	2010-11	2011-12	2012-13
Total No Applications	158	113	88	98	79
No. Permitted	88	57	44	40	30
No. Discretionary	56	55	44	58	33
Subdivision Applications	14	15	16	15	16
No. Lots	43	25	61	107	51
Planning Scheme Amendments	2	1	0	0	0


NATURAL RESOURCE MONITORING AND ENVIRONMENTAL MONITORING


Monitor recreational waters to ensure compliance with environmental standards. Water and Sewerage monitoring is now conducted by Southern Water.


Liaise closely with Government agencies and stakeholder groups, such as farmers, shack owners and land care groups, with responsibilities and interest in catchment management to ensure consistent and effective policies and actions.

Actively pursue resources to assist in environmental and natural resource management planning through programs such as the Natural Heritage Trust and Landcare or by contracting with Government agencies to provide specialist local services.

Ensure the provision of best practice environmental management.

Activity	Comment	Status
Monitor recreational waters to ensure safe swimming areas	Sampling of Council's recreational waters has been undertaken to monitor compliance with the quality standards contained in the guidelines. Statutory reporting to the Department of Human and Health Services is completed annually. Also private water supplies are tested to ensure they comply with the qualities guidelines.	




Natural Resource Management	Council continues to fund Natural Resource Management and the implementation of the Derwent Catchment NRM Plan (as applicable), and is working with the local NRM Co-ordinator to implement its Weed Management Strategy. Council contributed \$30,000 towards this position as well as providing in kind support.	
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Monitor and sample groundwater at Hamilton Landfill and Bothwell old Landfill	The Hamilton and Bothwell landfill sites have been analysed to determine compliance with the Environmental Management and Pollution Control Act. Results are reported to the Department of Primary Industries, Water and Environment on a monthly basis.	
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ENVIRONMENTAL AND PUBLIC HEALTH

Strive for ongoing and measurable improvements to community health through responsive, educative, monitored, participative and enforcement programs.

Implement inspection and immunisation services and education programs for the health of the community and provide advice to the community on environmental and public health issues.

Activity	Comment	Status
Provision of environmental health service	Council registers all food premises and offers food handler training sessions for the community and charity organisations based on the Foodsafe Accreditation Guidelines.	
	Places of Assembly are generally inspected annually to ensure compliance with the Public Health Act and the Guidelines for Health and Safety in Public Places.	
	Council also register private water supply systems pursuant to the Public Health Act 1997. During 2012/2013 thirteen private water supplies were requested.	

Continue immunisation programs for adults and children

Council's Environmental Health Officer, in conjunction with the Medical Officer of Health conducts annual school immunisation programs in accordance with the requirements of the Public Health Act 1997.



Council adopts a co-operative approach with the local doctor.

ENVIRONMENTAL AND PUBLIC HEALTH REPORT

Council performed its functions under the Public Health Act 1997 and the Food Act 2003 as detailed below. Council employs a part-time Consultant Environmental Health Officer (EHO).

Council strives for ongoing and measurable improvements to community health through responsive, educative, monitored, participative and enforcement programs. Council has implemented inspection and immunisation services and education programs for the health of the community and to provide advice to the community on environmental and public health issues.

These objectives and strategies form part of Council's Strategic Plan, and this was developed in consultation with the Central Highlands community. Thus, the programs implemented by Council can be seen to be meeting at least part of the needs of members of the community.


The various public health strategies that have been undertaken by Council are detailed.

- 46 Food Business Registrations have been issued following inspection accordance with the Food Act 2003. These premises are assessed in accordance with Food Standards Code.
- 21 Places of Assembly require licensing in accordance with the Public Health Act and the Guidelines for Health and Safety in Public Places. On completion of Certificate of Occupancies premises are licensed.
- Several Special Events Licences have been issued during the year.
- A DrumMUSTER collection facility continues to operate at the Hamilton Regional Disposal and Recycling Site to provide an ongoing service with two employees trained as DrumMUSTER inspectors.
- School immunisation was carried out in accordance with the National Health and Medical Research Council Immunisation Schedule, and was conducted by Council's Medical Officer of Health at the two schools in the municipality (Bothwell and Ouse).
- "Free" infant immunisation continues to be offered by appointment at the Ouse Surgery and Bothwell Medical Centre as per the national immunisation schedule.
- Environmental Nuisances are followed up by inspections & the issue of abatement notices or infringement notices.
- The Consultant Environment Health Officer has overseen Contaminated Site Assessments at the Bothwell and Hamilton Works Depots where underground fuel tanks have been removed.

BUILDING AND PLUMBING CONTROL

Ensure that all new buildings and structures within the Central Highlands comply with statutory requirements and Council policies and that inspections are made at appropriate stages during construction to ensure compliance with approved plans, codes and standards and to provide advice to the community on building and plumbing issues.

Special Projects – participate in special projects which may require Local Government expertise, experience and statutory control.


Activity	Comment	Status
Provision of plumbing and building control service	<p>65 building permit applications and 55 plumbing permit applications have been lodged with Council.</p> <p>Council employs a Building and Plumbing Inspector to undertake routine inspections and assessment of applications. Council continues to employ a Building Surveyor (part time) to issue Certificates of Likely Compliance and to oversee enforcement issues under the Building Act 2000. 48 Certificates of Likely Compliance were issued by Council's Building Surveyor with only 17 being undertaken by private Building Surveyors.</p> <p>Each application was assessed to determine compliance with the Building Code of Australia and the Tasmanian Plumbing Code. Appropriate site inspections were conducted as applicable for each permit.</p> <p>16 Special Plumbing Permit applications were lodged with Council. Each application was processed following on-site assessment for compliance with the Plumbing Regulations and Tasmanian Plumbing Code.</p>	

BUILDING STATISTICS

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
No. Buildings	130	122	105	75	79	65
No. Plumbing	97	103	92	70	68	55
No. Special Connections	22	42	42	25	27	16
Value of Building Applications	\$4,648,747	\$8,011,645	\$14,655,282	\$7,452,462	\$5,044,022	\$3,975,758

SOLID WASTE MANAGEMENT

Provide solid waste management services and facilities for the entire Central Highlands district that are efficient and effective, reduce waste and comply with statutory, public health and environmental requirements. Ensure that Council promotes the "Reduce, Reuse and Recycle" theme in the community.

Activity	Comment	Status
Provision of a door to door garbage and kerbside recycling service	Council provided a relatively comprehensive kerbside collection service for waste & recycling to the residents of Bothwell, Ellendale, Fentonbury, Gretna, Hamilton, Ouse, Osterley, Wayatinah and Westerway. During 2012-2013 tenders were called for this service with the contract being awarded to Thorp Waste with the current recycling crates to be replaced with wheelie bins. All waste is taken to the Hamilton Refuse Disposal Site and the recyclables taken to Hobart for processing.	

Maintain and operate Council's waste transfer stations

Tox Free Australia trading as Jones Enviro Services currently holds the tender for the servicing of Council's remote Waste Transfer Stations and roadside standalone bins, with waste from the "Lyell Highway Sites" being compacted and disposed of at the Hamilton Refuse Disposal Site. Waste from the Waste Transfer Stations near Great Lake continues to be compacted and disposed of at the Launceston City Council Refuse Disposal Site.

Council currently operates manned Waste Transfer Stations at Miena, Bothwell and Bronte Park.

Roadside stand alone bins have been placed at Reynolds Neck, Brandum Bay, Jillet Road, Doctors Point, Haulage Hill, Interlaken, Cramps Bay, Wilburville, Arthurs Lake and Derwent Bridge. The bins are designed to accept domestic waste only, can be accessed 24/7 and have proved to be very successful in most areas.



Control and maintenance of refuse disposal sites

Council operates one controlled refuse disposal site at Hamilton.



Operating hours are reviewed regularly to ensure that they are appropriate for the community.

The DrumMUSTER collection facility is available at the Hamilton Regional Disposal Site.



Collect static recycling and clean sites

Council engage a contractor, Thorp Recycling, to collect recycling from static sites and ensure that sites are clean. Thorp Recycling improved the way that recyclable material is managed at the sites by installing 25m skip bins for the collection of scrap steel which is then taken to Hobart for processing. This has been very successful.






Council is a member of the Southern Waste Strategy Authority, along with all other Southern Councils. During the year the Authority continued implementation of the Waste Strategy jointly developed by the member Councils. Cllr Andrew Downie is Council's representative on this Authority.



SWIMMING POOL

Ensure that the Bothwell Swimming Pool is maintained and monitored to provide a safe and healthy recreation facility.





Activity	Comment	Status
Maintain and operate the Swimming Pool	The Bothwell Swimming Pool opens between the months of December and March each year. The Bothwell District High School continues to use the pool during the month of December for school activities such as learn to swim.	
	The solar heating system has been replaced to improve heating efficiency.	<input checked="" type="checkbox"/>
	General maintenance, including replacement of pumps has been undertaken.	
	Council provides funds each year for pool attendants to attend the relevant pool lifesaving courses to obtain the certificates required to operate the pool.	

ATTENDANCE STATISTICS

Season Passes	2010-11	2011-12	2012-13
Family	6	2	1
Junior	1	1	1
Daily Attendance			
Junior	591	353	635
Adult	159	120	56
Season Users	332	144	31

ANIMAL CONTROL

Ensure that the control of dogs is performed according to statutory requirements and directions from Council.

Activity	Comment	Status
All dogs in the area are to be identified and registered	Council has 1 authorised staff member to undertake duties in relation to dog control.	
Advertise and promote registration, control and care of dogs and Council's Dog Management Plan	Council provides information to ratepayers and residents (by pamphlet) on dog management, responsibilities of dog ownership, control of barking dogs, etc.	
	In accordance with the Dog Control Act 2000 a review of the Dog Management Plan was reviewed and adopted by Council in December, 2010. The Plan is to be reviewed at least every five years.	
	Complaints received by Council are attended to by Council's Dog Control Officer or staff. Complaints are to be in an Official Complaint Form with \$10 fee which is refunded if the complaint is proven valid.	

DOG CONTROL STATISTICS

	2008-09	2009-10	2010-11	2011-12	2012-13
Dogs Registered	869	925	951	1089	1052
Kennel Licenses	0	0	0	0	27
Infringement Notices	0	4	6	2	0
Impounded Dogs	9	27	37	20	11
Declared Dangerous Dogs	0	0	1	0	0

GOVERNANCE AND CORPORATE MANAGEMENT

Provide advice and information to Council to assist Council fulfil and comply with its statutory functions and legal responsibilities.

Ensure that Council's processes and procedures fulfil the requirements of the Local Government Act 1993 and other relevant Acts and statutory obligations.


Provide timely and efficient support services to enable all Councillors to fulfil their responsibilities.

Implement policies and decisions of Council as documented in the minutes of Council meetings, Council's Strategic and Operational Plans, the Annual Budget and other programs.

Maintain Council's strategic and annual operational plans and planning processes and assist Council in its involvement in and response to major regional and local strategic issues.

Ensure the best use of Council's resources and implement improvements as required.

Monitor services to customers and identify areas where Council can improve to provide the best, most efficient and effective service to the Central Highlands community.

Activity	Comment	Status
Implementation of Policies and decisions of Council	Council policies and decisions are implemented by staff. New policies are implemented as required.	
Maintain Council's strategic and annual plans	Council's Strategic Plan was adopted by Council in 2009 and annual plans are prepared in accordance with the Local Government Act. A revision of the Strategic Plan will be completed during 2014/2015	<input checked="" type="checkbox"/>
Long Term Financial Plan	A Long Term Financial Plan for the 10 year period 2012/2013 to 2022/2023 has been approved. This is a rolling plan for the management of Council's finances and is not intended to be static. It will be reviewed as part of the annual planning process and updated to reflect changing circumstances. The Plan has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of Council's Financial Plan is financial sustainability in the medium to long term, while linking to Council's objectives as specified in its Strategic Management Plan.	<input checked="" type="checkbox"/>

The Financial Plan is a guideline for future action and encourages Council to take into consideration the future impact that decisions made today may have on Council's long term sustainability.

Long Term Asset Management Plan

Infrastructure and Asset Management Plans ☒ have been developed to ensure that Council continues to provide effective and comprehensive management of its infrastructure asset portfolios.

The Long Term Asset Management Plan will be reviewed during the annual budget preparation and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of the budget decision process.

ECONOMIC AND COMMUNITY DEVELOPMENT

To promote and expand business development opportunities to assist in increasing employment. Work closely with the relevant State agencies to facilitate the sustainable development of the Central Highland's significant economic potential including the creation of employment generating opportunities.

Encourage and support an expansion of the tourism industry in line with acknowledged trends and in consultation with local operators.

Work closely with the community to assist in the planning and provision of community services and ensure its needs for these services that meet the needs of all ages groups and communities, particularly youth and our ageing population.

To provide a positive link between the Central Highlands Council and community stakeholders to facilitate social, cultural, recreation, youth and economic development within the community, in conjunction with relevant organisations. Provide opportunities for people to come together and develop networks and connections.

Activity

Comment

Status

Develop key targeted tourism strategies for the Central Highlands

Implement tourism development strategies outlined in the Economic Development Plan. Development of the Highlands Tasmania Tourism Committee. Development of a Regional Visitor Guide. Development and implementation of a Visitation Marketing Plan for the Central Highlands. Work with Tourism Tasmania and key agencies (including Zone Groups) to promote the Municipality.

↻

Council contributed \$2,000.00 towards the 2012 Tasmanian Tiger Trail Festival, \$1,000.00 to the Tour of Tasmania Event Cycling Classic, \$2,000.00 to the 2012 Bothwell Speed Shear Event, \$2,500.00 to the Bothwell Spin-in and \$1,150.00 to the Hamilton Show.

Develop and implement initiatives to attract people to live, work and invest in the Council area.

Implementation of Council's Economic Development Plan strategies. Facilitate the development and distribution of promotional material to attract investment, residents and employment to the municipal area. Continue to strengthen partnerships with key stakeholders at local, state and federal levels.



Ensuring that the needs and services of all ages, groups and communities, particularly youth and our ageing population are met.

Implementation of the Municipal Sport and Recreation Plan. Advocate for improved health, education and other Government services within the scope of Council's role and in conjunction with community. Development of a Senior's Program for the Central Highlands.



The Healthy Communities Initiative's Come Alive "N" Thrive programme is a partnership between Central, Southern Midlands and Northern Midlands Councils aimed at Improving health through activities and education and is funded by the Australian Government. During 2012/2013, funding of \$145,685 was received from the Department of Health and Ageing, with total expenditure amounting to \$175,821.

Activities and events include HeartMoves (exercise sessions to suit all fitness levels), cooking classes, indoor bowls, golf, Heart Foundation walking group, Austcycle (making bike riding safer and fun), Beat It (physical activity and lifestyle program), and food label reading sessions (making better choices when purchasing food through the ability to comprehend food labels), etc.

Council contribute \$40,000.00 funding towards the provision of medical services in the municipal area to ensure that local GP services are available for residents.

Council supports new and appropriate community initiatives by giving assistance to community based groups and organisations where the need is justified

Council offers assistance both financial and in kind to support to community organisations and events through a range of measures including the Community Grant Program.



These included:

- \$1,000.00 for the Wayatinah Golf Clubroom Upgrade
- \$200.00 to the Bothwell Licensed Anglers
- \$500.00 to Bronte Bradys Fishing Club
- \$300.00 to Christmas in July at Miena
- \$773.00 to Trout Guides and Lodges Tasmania
- \$200.00 to Bothwell Golf Club
- \$860.00 for Santa Runs and Christmas lights
- \$1,000.00 to Ouse and Highland Regional Arts and Crafts
- \$1,000.00 Art competition.

Council also provides Bursaries to Schools for further education of a Central Highlands resident student. Council also makes donations to Westerway, Bothwell, Ouse and Glenora Schools to assist with school programs. A total of \$3,800.00 was donated for the year.

Citizenship prizes are donated to the schools for their end of year presentations.

A new community grant program to assist with the maintenance of churches in the Central Highlands Municipality was established. This provides \$500.00 p.a. to church parishes for maintenance works on their church.

Council makes an annual contribution of \$5,000 towards the Bothwell Family Day Care Centre which is managed by Brighton Council as well as a \$5,000.00 donation to the Ouse Day Care Centre.

Ensure relevant Council information is disseminated to the community in a timely manner.

Council provided \$10,800.00 to Centralinc to assist with the production of the Highlands Digest. This publication provides a valuable avenue for disseminating information about the Central Highlands. Council has commenced the distribution of a quarterly Council newsletter to all residents within the municipality. Council advertises in the three daily newspapers as and where necessary.



Provide opportunities for people to come together and develop networks and connections

Council supports and encourages activities and events for the Central Highlands region including Australia Day and ANZAC Day.



Highlands Tasmania Tourism Committee consisting of both community and council members successfully organized a site at AGFEST to showcase what the Central Highlands has to offer.

A total of \$3,987.00 was expended on these 3 events.

Conduct community consultation on major issues in a manner that ensures an indicative cross section of the community has input

Community consultations have taken place for issues that affect the community including the new Dog Control Management Act and through surveys when needed.



Conduct an open and available access policy to ensure members of the community can discuss items of interest or make representation to Councillors and where appropriate, senior staff.

The community has access to all Senior Council Managers. Public question time is allocated at all Council meetings. Arrangements can be made with Council for delegations to attend and make representations at Council meetings.



The following donations and contributions were made during the year:

DONATIONS AND CONTRIBUTIONS

Steppes Hall Committee - Fencing	\$3238	PCYC Child Safety Handbook	\$280
Matilda & Kayla Fundraiser	\$500	Church Grants and Donations	\$4,000
Community Notice Board	\$500	Community Fun Day	\$500
Royal Flying Doctor Service	\$250	Miena Tourist Brochure	\$820
Bothwell Fire Brigade	\$400	Ouse Online Centre	\$500
Blaze Aid Volunteers	\$48	Glenora School Reunion	\$150
Webcams in the Highlands	\$3,000	State Darts Representative Team	\$500

Assistance is also provided to community groups and clubs by way of in-kind support such as provision of plant and labour, photocopying, and free or subsidised use of Council premises, to name a few. Groups to benefit were:

Centralinc Senior Lunches
Hamilton District Agricultural Show Committee
Bothwell Lions Club
Anglican Parish of Hamilton
Upper Derwent Valley Natural Resource Management Committee
Bothwell Historical Society

Bothwell Tourism Committee
 Wayatinah Sports & Social Club
 Bothwell International Spin-In Committee
 Gretna Cricket Club
 Bothwell Rabbits Football Club

CORPORATE AND FINANCIAL SERVICES

Prepare the estimates for the forthcoming year in accordance with the operational needs of Council.




Provide timely information and assist management and Council with budget planning and meeting financial objectives.

Ensure that Council's rating structures are equitable, appropriate and generate sufficient revenues for Council's operations.



*Initiate appropriate action to ensure the recovery of outstanding rates and debts due to Council.
 Manage cash flows so that Council is able to meet its financial obligations.*

Efficiently and effectively administer a range of financial services such as Councillors expenses, valuation, advertising, legal fees, insurance, subscriptions, audit, long service leave, loan management, oncosts and creditors.

Promote the concept of taxation reform between State and Local Government and other options for revenue generation such as grant availability.

Activity	Comment	Status
Recovery of Rate Debts	Council continue to monitor rate debtors. Rate debtors as at 30 June 2013 amounted to \$178,533 compared to \$181,896 for the previous financial year.	
Creditors Control	Council endeavour to ensure that all creditors are paid in a timely manner.	
Estimates, Annual Plan and Annual Report.	These were all completed and adopted.	<input checked="" type="checkbox"/>
Sundry financial services	Monthly reports and quarterly reports are submitted to Council.	

COMPUTER DEVELOPMENT AND EQUIPMENT

Activity	Comment	Status
Ensure that computer and office equipment is maintained and replaced when necessary	Computer hardware and software is replaced when necessary.	
	Council's Records Management Software package enables correspondence to be accessed and viewed electronically by staff.	

HUMAN RESOURCES

To provide management support services for Council and its officers, including training and development.

Activity	Comment	Status
Maintenance of employee records	All employees' records are kept as per industry standards.	<input checked="" type="checkbox"/>

Under Section 72 of the Local Government Act 1993, the following is reported:

TOTAL REMUNERATION BRACKET	NO OF SENIOR EMPLOYEES
\$60,000 - \$80,000	3
\$80,000 - \$100,000	1
\$120,000 - \$140,000	1

- Total remuneration includes salary, employer superannuation contribution, value of use of motor vehicle provided, value of other allowances and benefits paid to an employee.
- Senior Employees are employees that report directly to the General Manager

Total Allowances and expenses paid to the Mayor, Deputy Mayor and Councillors were \$102,144.

Activity	Comment	Status
Water & Sewerage Pricing	As at the 1 st July 2009 all water and sewerage services were be provided by the Tasmanian Water & Sewerage Corporation (Southern Regional) Pty Ltd trading as Southern Water.	<input checked="" type="checkbox"/>

Council's investment in Southern Water is \$9,231,380.

PUBLIC INTEREST DISCLOSURES STATEMENT

Under Part 9 of the Public Interest Disclosures Act, Council has established a written procedure in accordance with the Act. There have been no disclosures either raised or determined during 2012/2013.

Contracts for supply or provision of goods and services valued at or above \$100,000 excluding GST (as per Section 23 (5) of the Local Government (General) Regulations 2005)

Description	Period of Contract	Value excluding GST	Successful Contractor	Business Address Of Successful Contractor
Supply and servicing of waste material from waste transfer stations and domestic roadside bins	1 July 2011 to 30 June 2016	\$118,874 p.a.	Jones Enviro Services	9 Donalds Avenue Prospect 7250
Stabilisation of parts of Ellendale Road	01/01/2013 to 31/04/2013	\$171,586	Andrew Walter Construction	PO Box 5 Claremont 7011
Stabilisation of parts of Hollow Tree Road	01/01/2013 to 31/04/2013	\$321,364	Andrew Walter Construction	PO Box 5 Claremont 7011
Win, Crush & Stockpile Gravel	Accepted extended option to 30/09/2014	Based on various quantities & sites tendered.	Fieldwicks Construction	PO Box 131E East Devonport 7310
Reseal Program	01/10/2011 to 30/06/2013	Based on various sites and various quantities	Downer EDI	44 Glendow Street Invermay 7250
Replace Bridge Lower Marshes	2012/2013	\$179,489	Bridge Pro	19 Faulkner Drive Latrobe 7315
Stage 1 Arthurs Lake Road	02/2013	\$192,390	Broxburn Civil Construction	110-112 Victoria St George Town 7253

NON APPLICATION OF PUBLIC TENDER PROCESS

A Council is to report in its annual report all instances where the public tender process (Regulation 23) has not been applied under sub-regulation 27 (1)(a) or (h).

Council has applied the public tender process in all situations where it is required in accordance with Section 333A of the Local Government Act 1993. Council advises that no report is required for the 2012/2013 year.

PARTNERSHIP AGREEMENT

Central Highland's second Partnership was signed by the Premier David Bartlett and Mayor Deirdre Flint in Hamilton on 11 May, 2010.

FINANCIAL PERFORMANCE INDICATORS

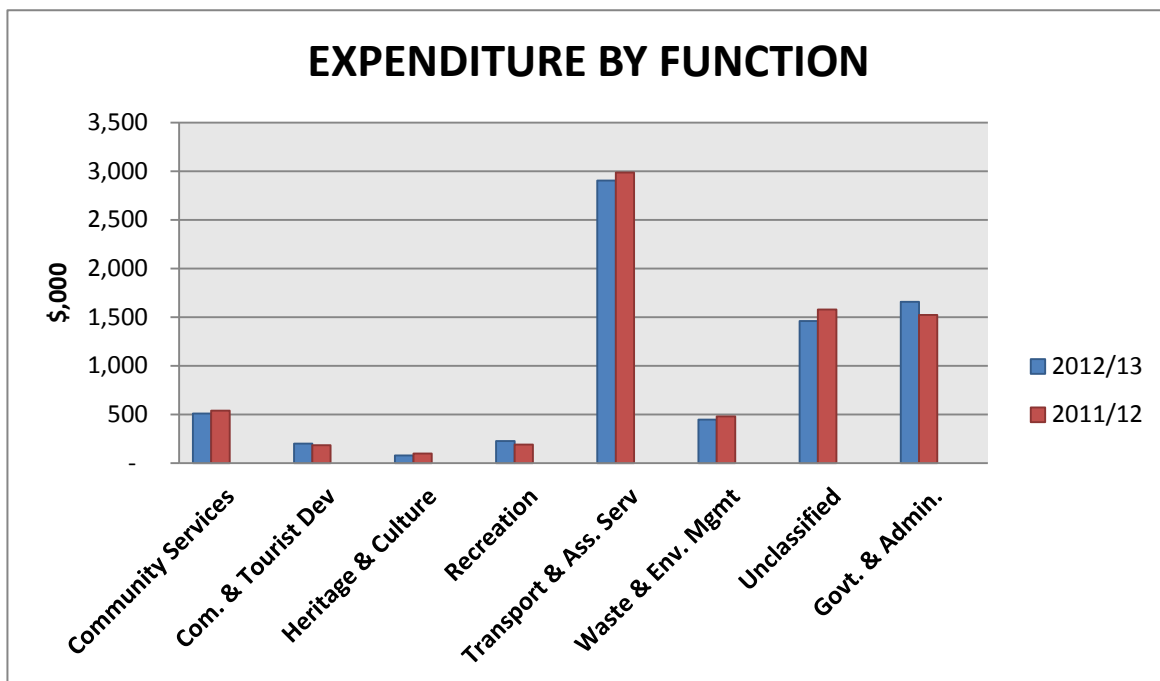
Comparative Financial Performance Indicators are provided for the current and previous nine years.

Indicator	2013	2012 %	2011 %	2010 %	2009 %	2008 %	2007 %	2006 %	2005 %	2004 %
Rate Revenue Analysis Rate Income : Total Revenue	% 46	45	48	45	46	43	40	33	25	27
Working Capital Ratio Current Assets: Current Liabilities	7.68	7.39	10.51	9.46	8.32	6.86	7.22	8.14	5.99	5.22
Debt Ratio Total Liabilities: Total Assets	.81	.86	.61	.64	.67	.70	.84	.99	.01	.01

EXPENDITURE

EXPENDITURE BY FUNCTION

	2012/13	2011/12
Community Services	507	537
Com. & Tourist Dev	199	182
Heritage & Culture	79	98
Recreation	224	189
Transport & Ass. Serv	2,905	2,985
Waste & Env. Mgmt	446	480
Unclassified	1,458	1,579
Govt. & Admin.	1,658	1,522



RESERVES

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Reserve	2005	2006	2007	2008	2009	2010	2011	2012	2013
Plant Replacement	100	400	449	428	483	453	453	453	453
Roads									
Water		141							
Sewerage	170	223							
Bridges	750	355	405	405	355	377	377	377	377
Sundry	369	191	305	183	591	619	721	164	165
Long Service Leave	225	225	225	231	231	231	231	231	288
Independent Living Units		187	95						
Regional Refuse Site	80	80	80	80	80	80	80	80	80
Quarry Reserve	50	50		80	80	80	80	80	80
Shacksites Program	2,476	1,560	1,270	78	162	158	158	158	0
Roads to Recovery		359	359	354	203	5	79		0
Bothwell Pool	24	25	6	6	6				0
Financial Assistance Grants								948	1056
Healthy Communities Grant								193	213
Total	4,244	3,796	3,194	1,845	2191	2003	2,179	2,684	2,712

NON- CURRENT ASSETS

NON-CURRENT ASSET	30 JUNE 2012 ASSET VALUE \$'000	30 JUNE 2013 ASSET VALUE \$'000	INCREASE/ (DECREASE) \$'000
Land	3,021	3,021	
Buildings	4,515	4,431	(84)
Plant, Machinery & Equipment	2,095	2,049	(46)
Motor Vehicles	90	82	(8)
Office Equipment	80	87	7
Computer Equipment	47	69	22
Infrastructure	479	469	(10)
Roads	103,243	105,527	2,284
Drainage Systems	745	733	(12)
Bridges	7,464	7,602	138
Footpaths, Kerbs & Gutters	1,229	1,358	129
Works in Progress	0	4	4
Valuer-General	56	28	(28)
Investment in Southern Water	9,231	9,230	1
TOTAL\$	132,295	134,690	2,395

Roads, Bridges and Footpaths were re-valued during the 2011-2012 financial year.



Independent Auditor's Report

To the Councillors of Central Highlands Council

Financial Report for the Year Ended 30 June 2013

I have audited the accompanying financial report of Central Highlands Council (Council), which comprises the statement of financial position as at 30 June 2013 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 2013 and financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

The Responsibility of the General Manager for the Financial Report

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

Auditor's Responsibility

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

...1 of 2

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

Strive | Lead | Excel | To Make a Difference

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers 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.

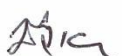
My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in Council's financial report.

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* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Tasmanian Audit Office



H M Blake
Auditor-General

HOBART

15 September 2013

...2 of 2

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

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Central Highlands Council
ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2013

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Contingent liabilities and contingent assets

**Statement of Comprehensive Income
For the Year Ended 30 June 2013**

	Note	Budget 2013 \$	Actual 2013 \$	Actual 2012 \$
Income				
Recurrent Income				
Rates and charges	3	2,960,057	2,974,579	2,803,035
Statutory fees and fines	4	35,256	28,463	37,929
User fees	5	223,465	221,059	219,878
Grants	6	2,554,815	2,309,179	2,650,769
Contributions - cash	7	55,000	62,896	54,753
Interest	8	323,323	309,237	392,467
Other income	9	332,717	302,383	341,307
Investment revenue from water corporation	11	-	-	3,326
		6,484,633	6,207,796	6,503,464
Capital income				
Capital grants received specifically for new or upgraded assets	6	380,000	578,360	527,474
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	10	-	(10,446)	15,688
Total income		6,864,633	6,775,710	7,046,626
Expenses				
Employee benefits	12	(1,738,140)	(1,808,606)	(1,712,787)
Materials and services	13	(1,366,484)	(1,356,365)	(1,475,190)
Depreciation and amortisation	14	(2,700,000)	(2,933,350)	(3,025,499)
Finance costs	15	(17,643)	(15,077)	(17,055)
Other expenses	16	(1,698,419)	(1,362,562)	(1,341,439)
Total expenses		(7,520,686)	(7,475,960)	(7,571,970)
Surplus / (deficit)		(656,053)	(700,250)	(525,344)
Other comprehensive income				
Items that will not be reclassified to surplus or deficit				
Net asset revaluation increment	29	-	2,578,163	18,931,957
		-	2,578,163	18,931,957
Items that may be reclassified subsequently to surplus or deficit				
Financial assets available for sale reserve				
— Fair Value adjustment on Available for Sale Assets	29	-	(1,780)	20,200
		-	(1,780)	20,200
Total Other Comprehensive Income		-	2,576,383	18,952,157
Comprehensive result		(656,053)	1,876,133	18,426,813

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

**Statement of Financial Position
As at 30 June 2013**

	Note	2013 \$	2012 \$
Assets			
Current assets			
Cash and cash equivalents	18	6,079,445	8,481,477
Trade and other receivables	19	235,251	265,474
Financial assets	20	1,925,611	-
Inventories	21	10,474	16,943
Other assets	22	48,156	73,700
Total current assets		8,298,937	8,837,594
Non-current assets			
Investment in water corporation	17	9,229,600	9,231,380
Property, infrastructure, plant and equipment	23	125,432,660	123,052,096
Intangible assets	24	28,000	55,000
Total non-current assets		134,690,260	132,339,476
Total assets		142,989,197	141,177,070
Liabilities			
Current liabilities			
Trade and other payables	25	463,402	486,447
Trust funds and deposits	26	51,493	63,140
Provisions	27	552,662	586,006
Finance leases	28	13,205	8,078
Total current liabilities		1,080,762	1,143,671
Non-current liabilities			
Provisions	27	76,121	65,797
Finance leases	28	-	11,421
Total non-current liabilities		76,121	77,218
Total liabilities		1,156,883	1,220,889
Net Assets		141,832,314	139,956,181
Equity			
Accumulated surplus		26,090,607	26,817,281
Reserves	29	115,741,707	113,138,900
Total Equity		141,832,314	139,956,181

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

Statement of Cash Flows
For the Year Ended 30 June 2013

		2013 Inflows/ (Outflows) \$	2012 Inflows/ (Outflows) \$
Cash flows from operating activities	Note		
Rates		2,967,810	2,933,868
User charges and other fines		311,466	460,371
Grants		2,297,532	2,712,749
Interest		310,088	365,916
Dividends		-	3,326
Other receipts		365,279	292,747
Net GST refund/payment		246,129	368,265
Payments to suppliers		(2,981,891)	(2,835,432)
Payments to employees (including redundancies)		(1,831,626)	(1,611,617)
Finance costs		(15,077)	(994)
Other payments		-	(41,518)
Net cash provided by (used in) operating activities	30	1,659,710	2,647,681
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(2,785,741)	(1,641,819)
Proceeds from sale of property, infrastructure, plant and equipment		67,544	65,909
Payments for other financial assets		(1,925,611)	-
Net cash provided by (used in) investing activities		(4,643,808)	(1,575,910)
Cash flows from financing activities			
Capital grants		578,360	533,768
Repayment of leases		(6,294)	(6,294)
Net cash provided by (used in) financing activities		572,066	527,474
Net increase (decrease) in cash and cash equivalents		(2,402,032)	1,599,245
Cash and cash equivalents at the beginning of the financial year		8,481,477	6,882,232
Cash and cash equivalents at the end of the financial year	31	6,079,445	8,481,477
Restrictions on cash assets	18		

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

Statement of Changes in Equity For the Year Ended 30 June 2013

	Note	Total 2013 \$	Accumulated Surplus 2013 \$	Asset Revaluation Reserve 2013 \$	Fair Value Reserve 2013 \$	Other Reserves 2013 \$
2013						
Balance at beginning of the financial year		139,966,181	26,817,281	110,380,744	73,060	2,685,096
Surplus / (deficit) for the year		(700,250)	(700,250)	-	-	-
Other Comprehensive Income:						
— Fair Value adjustment on Available for Sale Assets	17	(1,780)	-	-	(1,780)	-
Net asset revaluation increment(decrement) reversals	29	2,578,163	-	2,578,163	-	-
Transfers between reserves		-	(26,424)	-	-	26,424
Balance at end of the financial year		141,832,314	26,090,607	112,958,907	71,280	2,711,520

	Note	Total 2012 \$	Accumulated Surplus 2012 \$	Asset Revaluation Reserve 2012 \$	Fair Value Reserve 2012 \$	Other Reserves 2012 \$
2012						
Balance at beginning of the financial year		121,529,370	27,928,784	91,448,787	52,860	2,098,939
Surplus / (deficit) for the year		(525,346)	(525,346)	-	-	-
Other Comprehensive Income:						
— Fair Value adjustment on Available for Sale Assets	17	20,200	-	-	20,200	-
Net asset revaluation increment(decrement) reversals	29	18,931,957	-	18,931,957	-	-
Transfers between reserves		-	(586,157)	-	-	586,157
Balance at end of the financial year		139,956,181	26,817,281	110,380,744	73,060	2,685,096

The above statement should be read with the accompanying notes.

Introduction

- (a) The Central Highlands Council (the Council) was established in 1993 and is a body corporate with perpetual succession and a common seal.
Council's main office is located at 6 Tarleton Street, Hamilton.

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

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). Council has determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities. As a result this financial report does not comply with International Financial Reporting Standards.

Note 1 Significant accounting policies

(a) Basis of accounting

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 1(f), 1(j), 1(l), 1(p), 1(q), 1(r), 1(w), 1(x), 1(y) and 1(z).

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.

Judgements and Assumptions

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

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

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

Employee entitlements

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 1(p).

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 32.

Fair value of property, plant & equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in notes 1(g) and in note 23.

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in Southern Water are discussed in note 1(i) and in note 17.

(b) Change in accounting policies

The Council has not changed any accounting policies during the financial year.

(c) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below

- (i) AASB 9 *Financial Instruments*, associated standards, AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures* (effective from 1 January 2015)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss although there is currently a proposal by the IASB to introduce a Fair value through Other Comprehensive Income category for debt instruments.

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

- (ii) AASB 11 *Joint Arrangements*, introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

The standard will not affect Council as it does not have any joint arrangements.

AASB 12 *Disclosure of Interests in Other Entities*, sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Council does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

- (iii) AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards* arising from AASB 13 (effective 1 January 2013)

AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of Council's assets and liabilities (excluding leases), that are measured and/or disclosed at fair value or another measurement based on fair value.

Council has commenced reviewing its fair value methodologies for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, changes will be necessary. While Council is yet to complete this review, no substantial changes are anticipated, based on the fair value methodologies presently used. Therefore, at this stage, no consequential material impacts are expected for Council's property, plant and equipment as from 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not 'observable' outside Council, the amount of information to be disclosed will be relatively greater.

- (iv) Revised AASB 119 *Employee Benefits*, AASB 2011-10 *Amendments to Australian Accounting Standards* arising from AASB 119 (September 2011) and AASB 2011-11 *Amendments to AASB 119* (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)

This revised standard on accounting for employee benefits includes significant revisions to the recognition, remeasurement, presentation and disclosure of defined benefit liabilities/assets. These changes will not affect Council as it does not have any defined benefit plans. Whilst this standard does include revision to multi-employer plans; such as Council's multi-employer sponsored plan the Quadrant Defined Benefit Fund (Refer Note 32); these are generally disclosure related and not expected to have a financial impact.

The standard also clarifies criteria for accounting for "short-term employee benefits" including treatment of terminations. Employee benefits 'expected to be settled' (as opposed to 'due to be settled' under current standard) within 12 months after year end are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave and other short-term benefits not expected to be used within 12 months of end of reporting period will in future be discounted when calculating the leave liability. Council has assessed the impact of this as minimal.

- (v) AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* [AASB 132 & AASB 7] (effective 1 January 2013)

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

(vi) AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* [AASB 132] (effective 1 January 2014)

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

(vii) AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle* (effective 1 January 2013)

AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once. AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments. ASB 116 - clarifies the classification of servicing equipment. AASB 132 and Interpretation 2 - Clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes. AASB 134- provides clarification about segment reporting.

The amendments arising from this standard are not expected to change the reported financial position or performance of the Council.

(d) Revenue recognition

Rates, grants and contributions

Rates, grants and contributions (including developer contributions) are recognised as revenues when Council obtains control over the assets comprising these receipts.

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

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

Where grants or 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 grant or contribution is disclosed in note 6. 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.

Non-monetary contributions

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

User fees and Statutory fees and fines

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

Sale of property, plant and equipment, infrastructure

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

Rent

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

Interest

Interest is recognised progressively as it is earned.

Dividends

Dividend revenue is recognised when Council's right to receive payment is established.

(e) Expense recognition

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 benefits

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

Depreciation and amortisation of property, plant and equipment, infrastructure and intangibles

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 and residual values are made on a regular basis with major asset classes reassessed annually. Residual values for unsealed roads are 20% for formation and 35% for surface, residual values for sealed roads are 40% for formation, pavement and surface. 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.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Land is not depreciated.

Straight line depreciation is charged based on the residual useful life as determined each year.

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For the Year Ended 30 June 2013

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

	Period
Property	
Land improvements	50 years
Buildings	
buildings	10-100 years
building improvements	10-20 years
Leasehold improvements	
leasehold building improvements	10-20 years
Plant and Equipment	
plant, machinery and equipment	2-15 years
and equipment	
fixtures, fittings and furniture	10-20 years
and furniture	
computers and telecommunications	2.5-10 years
leased plant and equipment	2-15 years
Roads	
road pavements and seals	12-30 years
road substructure	60 years
road formation and earthworks	100 years
road kerb, channel and minor culverts	50-80 years
Bridges	
bridges deck	20-80 years
bridges substructure	25-50 years
Infrastructure	
footpaths and cycleways	5-80 years
drainage	100 years
recreational, leisure and community facilities	10-20 years
waste management	10-20 years
parks, open space and streetscapes	10-20 years
off street car parks	10-20 years
Intangible assets	
intangible assets	5 years

Repairs and maintenance

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.

Finance costs

Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised. No borrowing costs were capitalised during the period, (\$0).

Finance costs include interest on bank overdrafts, interest on borrowings, unwinding of discounts, and finance lease charges.

(f) Recognition and measurement of assets

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

The asset capitalisation threshold adopted by Council is \$1,000 for fixtures and fittings, computers, plant and equipment and \$5,000 for all other classes. Assets valued at less than the specify threshold amount are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

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 note 23. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

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

(g) Recognition and measurement of assets

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, staff vehicles, furniture and fittings and computers, are measured at their fair value. Fair value is represented by the deprival value of the asset approximated by its written down replacement cost. 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.

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.

Land under roads

Council does not recognise land under roads.

(h) Cash and cash equivalents

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

(i) Trade and other receivables

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

(j) Financial assets

Term deposits are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(k) Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential.

Other inventories are measured at the lower of cost and net realisable value.

(l) Investments in water corporation

Council's investment in Southern Water 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 based on Final Treasurer's Allocation Order in 2011. Council has an ownership interest of 1% in the corporation. Any unrealised gains and losses on holdings at balance date are recognised through the Statement of Comprehensive Income to a Financial assets available for sale Reserve each year. (refer note 29)

From 1 July 2013, Council's ownership interest in Southern Water will change to an ownership interest in Tas Water. Refer to note 36

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.

Council has derived returns from the corporation as disclosed at note 11.

(m) Investments

Investments, other than investments in associates and property, are measured at cost.

(n) Accounting for investments in associates

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

(o) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 26).

(p) Employee benefits

Wages and salaries

Liabilities for wages and salaries and rostered days off are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll costs.

Annual leave

Annual leave entitlements are accrued on a pro-rata basis in respect of services provided by employees up to balance date. Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated

Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Sick Leave

Liability for sick leave has been created under a collective bargaining agreement and is recognised in the financial statements. Entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date. Sick leave is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

Classification of employee benefits

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This includes all annual leave and unconditional long service leave entitlements.

(q) Interest bearing liabilities

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

(r) Leases

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to Council where it is likely that Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 1 to 2 year period.

Operating leases

Lease payments for operating leases are required by the Australian accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

(s) 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.

(t) 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 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.

(u) 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 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.

(v) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest dollar.

(w) Non-current assets held for sale

A non-current asset held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

(x) Investment property

Council does not hold any investment property.

(y) Financial guarantees

Council has not issued any financial guarantees.

(z) Significant Business Activities

Council is required to report the operating capital and competitive neutrality costs in respect of each significant business activity undertaken by the council. The council's disclosure is reconciled in note 36. Council has determined, based upon materiality that Hamilton camping grounds as defined in note 36 are considered significant business activities. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and loan guarantees in preparing the information disclosed in relation to significant business activities.

(aa) 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.

(ab) Budget

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

Note 2 Functions/Activities of the Council

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

	Grants	Other	Total Revenue	Total Expenditure	Surplus/ (Deficit)	Assets
	\$	\$	\$	\$	\$	\$
Government and administration						
2012 - 2013	653,550	2,920,014	3,573,564	1,657,811	1,915,753	10,703,307
2011 - 2012	961,656	2,843,533	3,805,189	1,521,537	2,283,652	9,557,677
Roads, streets and bridges						
2012 - 2013	2,086,404	-	2,086,404	2,904,560	(818,156)	115,220,612
2011 - 2012	1,386,538	-	1,386,538	2,984,705	(1,598,167)	115,173,599
Waste management						
2012 - 2013	-	479,436	479,436	446,261	33,175	481,434
2011 - 2012	-	463,321	463,321	480,225	(16,904)	510,988
Heritage and Culture						
2012 - 2013	-	1,738	1,738	79,227	(77,489)	1,443,594
2011 - 2012	-	4,267	4,267	98,457	(94,190)	1,610,724
Community services						
2012 - 2013	147,585	112,148	259,733	507,098	(247,365)	1,261,924
2011 - 2012	302,575	119,591	422,166	537,142	(114,976)	1,267,879
Recreation facilities						
2012 - 2013	-	11,542	11,542	224,075	(212,533)	2,181,062
2011 - 2012	-	6,647	6,647	188,840	(182,193)	2,608,964
Commercial and Tourism						
2012 - 2013	-	106,815	106,815	198,677	(91,862)	1,120,639
2011 - 2012	-	98,937	98,937	181,866	(82,929)	1,051,043
Other - not attributable						
2012 - 2013	-	256,478	256,478	1,458,251	(1,201,773)	10,576,625
2011 - 2012	527,474	332,087	859,561	1,579,198	(719,637)	9,396,196
Total						
2012 - 2013	2,887,539	3,888,171	6,775,710	7,475,960	(700,250)	142,989,197
2011 - 2012	3,178,243	3,868,383	7,046,626	7,571,970	(525,344)	141,177,070

(b) *Reconciliation of Assets from note 2 with the Statement of Financial Position at 30 June:*

	2013	2012
	\$	\$
Current assets	8,298,937	8,837,594
Non-current assets	134,690,260	132,339,476
	142,989,197	141,177,070

(c) *Governance and administration*

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

Roads, streets and bridges

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

Waste Management

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

Heritage and Culture

Provision and maintenance of public halls and civic centres, provision of library services and development of facilities relative to heritage and cultural requirements of the Municipality.

Community services

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

Recreation facilities

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

Commercial and Tourism

Development and promotion of tourism and economic services within the Municipality. Provision of community facilities and the development and administration of town planning schemes, processing of subdivisions, development and building applications, and inspection of building structures.

Other - not attributable

Rates and charges and work not attributed elsewhere.

	2013	2012
	\$	\$
Note 3 Rates and charges		
Council uses Assessed Annual Value as the basis of valuation of all properties within the municipality. The Assessed Annual Value within Central Highlands is 4% of its Capital Value.		
The valuation base used to calculate general rates for 2012-2013 was \$40.239 million (2011-2012 \$28.514 million). The 2012-2013 rate in the AAV dollar was 2.868 cents (2011-2012, 4.237 cents).		
General Rate	2,268,365	2,121,287
Fire Levy	176,371	173,059
Garbage charge	478,848	464,310
Revenue in advance	50,995	44,380
Total rates and charges	2,974,579	2,803,036
The date of the latest general revaluation of land for rating purposes within the municipality was 2008, and the valuation was applied in the rating year commencing 1 July 2009.		
Note 4 Statutory fees and fines		
Statutory Fees	28,463	37,929
Total statutory fees and fines	28,463	37,929
Note 5 User fees		
Rental Housing	88,290	75,135
Planning Fees	53,594	48,036
Building Fees	24,242	38,764
Plumbing Fees	1,817	1,940
Tips and Waste Transfer Stations	328	(1,885)
Hall Hire	1,501	1,413
Other fees and charges	51,287	56,475
Total user fees	221,059	219,878
Ageing analysis of contractual receivables		
Please refer to note 35 for the ageing analysis of contractual receivables.		
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Federally funded grants	2,700,118	2,873,668
State funded grants	26,900	-
Others	160,521	304,575
Total	2,887,539	3,178,243
Grants - Operating		
Financial assistance grant	2,121,758	2,346,194
Healthy Communities	160,521	280,357
Other	26,900	24,218
Total operating grants	2,309,179	2,650,769
The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. Since 2009-10 the Commonwealth has been making early payment of the first quarterly instalment for the following year. In 2012 the Government announced in the Commonwealth Budget following the downturn in the economy that, "to assist local councils with planning for the recovery and to ensure local government has maximum certainty to begin planning their 2012-13 works programs", it would bring forward for payment to all councils in June 2012, the first two instalments of the 2012-13 grant pool. In the 2013-14 Budget the Commonwealth announced it would continue this approach and include the first two instalments of the 2013-14 grant pool. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. The effects of the early receipt of instalments each year has resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2012-13 by \$1,055,901 and 2011-12 by \$948,408. This has impacted the Statement of Comprehensive Income resulting in the Net surplus/(deficit) from continuing operations being higher in both years by these amounts. With fewer instalments due to be received in 2013-14, the reverse effect may occur, however future payments remain at the Commonwealth's discretion.		
Capital grants received specifically for new or upgraded assets	\$	\$
Commonwealth Government - roads to recovery	578,360	527,474
Total capital grants	578,360	527,474
Conditions on grants		

	2013	2012
	\$	\$
Non-reciprocal grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Healthy Communities	145,685	192,787
Total	145,685	192,787
Non-reciprocal grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Healthy Communities	174,043	-
Total	174,043	-
Net increase (decrease) in non-reciprocal grant revenues for the year:	(126,941)	100
Note 7 Contributions		
(a) Cash		
Heavy Vehicle Contribution Fees	54,753	54,753
Parks, open space and streetscapes	8,143	-
Total	62,896	54,753
Total contributions	62,896	54,753
Note 8 Interest		
Interest on financial assets	309,237	392,467
Total	309,237	392,467
Note 9 Other income		
Private Works	184,287	225,225
Reimbursements	80,866	70,180
Penalties and interest	37,230	36,211
Other	-	9,691
Total other income	302,383	341,307
Note 10 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	67,545	65,909
Write down value of assets disposed	(77,991)	(50,221)
Total	(10,446)	15,688
Note 11 Investment revenue from water corporation		
Dividend revenue received	-	3,326
Total investment revenue from water corporation	-	3,326
Note 12 Employee benefits		
Wages and salaries	1,508,272	1,432,445
Workers compensation	3,767	9,778
Annual leave and long service leave	190,212	164,470
Sick Leave	50,163	65,066
Superannuation	150,950	146,976
Fringe benefits tax	14,171	9,137
	1,917,535	1,827,872
Less amounts capitalised	(108,929)	(115,085)
Total employee benefits	1,808,606	1,712,787
Note 13 Materials and services		
Contract payments	348,729	385,513
Building maintenance	72,749	37,225
Plant and equipment maintenance	50,643	68,930
Consultants	119,760	51,695
Plant Hire	551,687	552,798
Other	212,797	379,028
Total materials and services	1,356,365	1,475,189

	2013	2012
	\$	\$
Note 14 Depreciation and amortisation		
<i>Property</i>		
Buildings	99,477	98,131
Plant, machinery and equipment	337,676	423,871
Fixtures, fittings and furniture	5,415	5,374
Computers and telecommunications	29,810	29,777
Leased plant and equipment	7,465	2,550
<i>Infrastructure</i>		
Roads	2,132,805	2,167,140
Bridges	211,557	193,382
Footpaths and cycleways	19,728	16,616
Drainage	11,598	11,515
Off street car parks	49,819	49,143
<i>Intangible assets</i>		
Intangible assets	28,000	28,000
Total depreciation and amortisation	2,933,350	3,025,499
Note 15 Finance costs		
Bank Fees	13,293	16,061
Interest - Finance leases	1,784	994
Total finance costs	15,077	17,055
Note 16 Other expenses		
External auditors' remuneration (Tasmanian Audit Office)	29,596	21,441
Councillors' allowances	111,786	102,144
Fire Levy	176,029	172,304
Fuel	221,113	230,299
Light and Power	130,536	122,149
Insurance	163,646	149,355
Valuation Fees	17,022	12,505
Communications and Telephones	52,604	52,484
Payroll Tax	62,430	52,120
Community Support and Donations	77,756	81,541
Land Tax	23,091	20,805
Registration	50,671	76,893
Subscriptions and membership	41,333	32,849
Advertising	34,433	35,677
Legal Fees	26,147	19,422
Printing and Stationery	22,425	18,875
Other	121,944	140,576
Total other expenses	1,362,562	1,341,439

	2013	2012
	\$	\$
Note 17 Investment in water corporation		
Opening Balance	9,231,380	9,211,180
Fair Value adjustments on Available-for-Sale Assets	(1,780)	20,200
Total investment in water corporation	9,229,600	9,231,380
Council has derived returns from the water corporation as disclosed at note 11.		
Council has an ownership interest of 1% in Southern Water based on the Final Treasurer's Allocation Order in 2011. Council does not have significant influence to allow it to use the equity method to account for this interest.		
From 1 July 2013, Council's ownership interest in Southern Water will change to an ownership interest in Tas Water. Refer to note 36		
Note 18 Cash and cash equivalents		
Cash on hand	450	450
Cash at bank	1,452,281	1,885,204
At Call - Tascorp	-	534,200
At Call - Westpac	1,626,714	5,542,176
Term Deposits and Investments	3,000,000	519,447
Total cash and cash equivalents	6,079,445	8,481,477
Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
- Trust funds and deposits (note 26)	51,493	63,140
- Leave provisions (note 27)	628,783	651,803
Restricted funds	680,276	714,943
Total unrestricted cash and cash equivalents	5,399,169	7,766,534
Note 19 Trade and other receivables		
Rates debtors	178,533	181,896
Other debtors	39,177	52,599
Provision for impairment - other debtors	-	(20,191)
Net GST receivable	17,541	51,170
Total trade and other receivables	235,251	265,474
Note 20 Financial assets		
<i>Current</i>		
Term Deposits	1,925,611	-
Total financial assets	1,925,611	-
Note 21 Inventories		
Inventories held for consumption	10,474	16,943
Total inventories	10,474	16,943
Note 22 Other assets		
Prepayments	-	24,693
Accrued income	48,156	49,007
Total	48,156	73,700
* Accrued income only includes items that are reciprocal in nature. This does not include Rates in Advance.		

Note 23 Property, infrastructure, plant and equipment

	2013	2012
	\$	\$
Summary		
at cost	4,554,526	4,304,564
Less accumulated depreciation	2,263,277	1,948,028
	<u>2,291,249</u>	<u>2,356,536</u>
at fair value as at 30 June	159,259,891	153,485,951
Less accumulated depreciation	36,118,480	32,790,390
	<u>123,141,411</u>	<u>120,695,561</u>
Total	<u>125,432,660</u>	<u>123,052,097</u>
Property		
Land		
at fair value as at 30 June	3,020,735	3,020,735
Total Land	<u>3,020,735</u>	<u>3,020,735</u>
Buildings		
at fair value as at 30 June	4,811,527	4,796,458
Less accumulated depreciation	380,742	281,266
Total Buildings	<u>4,430,785</u>	<u>4,515,192</u>
Total Property	<u>7,451,520</u>	<u>7,535,927</u>

Valuation of land (excluding land under roads) and buildings were undertaken by a qualified independent valuer. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions.

Note	2013	2012
	\$	\$
Property, infrastructure, plant and equipment (cont.)		
Plant and Equipment		
Plant, machinery and equipment		
at cost	4,070,917	3,845,143
Less accumulated depreciation	1,951,757	1,679,199
	<u>2,119,160</u>	<u>2,165,944</u>
Fixtures, fittings and furniture		
at cost	128,758	116,645
Less accumulated depreciation	41,767	36,352
	<u>86,991</u>	<u>80,293</u>
Computers and telecommunications		
at cost	328,480	277,371
Less accumulated depreciation	259,737	229,926
	<u>68,743</u>	<u>47,445</u>
Leased plant and equipment - Nissan Dualis		
at cost	21,871	21,871
Less accumulated amortisation	10,016	2,551
	<u>11,855</u>	<u>19,320</u>
Total Plant and Equipment	<u>2,286,749</u>	<u>2,313,002</u>
Infrastructure		
Roads		
at fair value as at 30 June	134,133,330	129,058,656
Less accumulated depreciation	28,606,140	25,815,722
	<u>105,527,190</u>	<u>103,242,934</u>
Bridges		
at fair value as at 30 June	13,639,850	13,150,927
Less accumulated depreciation	6,037,707	5,687,352
	<u>7,602,143</u>	<u>7,463,575</u>
Footpaths and cycleways		
at fair value as at 30 June	1,649,305	1,494,363
Less accumulated depreciation	291,305	264,881
	<u>1,358,000</u>	<u>1,229,482</u>
Drainage		
at fair value as at 30 June	1,163,020	1,163,020
Less accumulated depreciation	429,741	418,143
	<u>733,279</u>	<u>744,877</u>
Infrastructure		
at fair value as at 30 June	842,124	801,792
Less accumulated depreciation	372,845	323,026
	<u>469,279</u>	<u>478,766</u>
Total Infrastructure	<u>115,689,891</u>	<u>113,159,634</u>
Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by AP Valuers and Asset Management on 20 February 2012. The valuations of roads, footpaths and bridges were updated as at 30 June 2013 based on depreciated replacement cost using the Road and Bridge Construction Indices.		
Works in progress		
Buildings at cost	-	11,054
Roads at cost	-	14,144
Footpaths, Kerbs and Gutters	-	(45)
Infrastructure	4,500	14,427
Bridges	-	3,954
Total Works in progress	<u>4,500</u>	<u>43,534</u>
Total property, infrastructure, plant and equipment	<u>125,432,660</u>	<u>123,052,097</u>

Note 23 Property, plant and equipment, infrastructure (cont.)

Reconciliation of property, plant and equipment and infrastructure

2013	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 29)	Depreciation and amortisation (note 14)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
land	3,020,735	-	-	-	-	-	-	3,020,735
Total land	3,020,735	-	-	-	-	-	-	3,020,735
buildings	4,515,192	-	-	99,477	-	-	15,070	4,430,785
Total buildings	4,515,192	-	-	99,477	-	-	15,070	4,430,785
Total property	7,535,927	-	-	99,477	-	-	15,070	7,461,520
Plant and Equipment								
plant, machinery and equipment	2,165,944	368,883	-	337,676	77,991	-	-	2,119,160
fixtures, fittings and furniture	80,293	12,113	-	5,415	-	-	-	86,991
computers and telecommunications	47,445	51,108	-	29,810	-	-	-	68,743
leased plant and equipment	19,320	-	-	7,465	-	-	-	11,855
Total plant and equipment	2,313,002	432,104	-	380,366	77,991	-	-	2,286,749
Infrastructure								
roads	103,242,934	-	2,379,062	2,132,805	-	-	2,037,999	105,527,190
bridges	7,463,575	-	170,636	211,557	-	-	179,489	7,602,143
footpaths and cycleways	1,229,482	-	28,465	19,728	-	-	119,781	1,358,000
drainage	744,877	-	-	11,598	-	-	-	733,279
infrastructure	478,766	-	-	49,819	-	-	40,332	469,279
Total infrastructure	113,159,634	-	2,578,163	2,425,507	-	-	2,377,601	115,669,891
Works in progress								
buildings	11,054	4,016	-	-	-	-	(15,070)	-
roads	14,144	2,023,855	-	-	-	-	(2,037,999)	-
footpaths	(45)	119,826	-	-	-	-	(119,781)	-
infrastructure	14,427	30,405	-	-	-	-	(40,332)	4,500
bridges	3,954	175,535	-	-	-	-	(179,489)	-
Total works in progress	43,534	2,353,637	-	-	-	-	(2,392,671)	4,500
Total property, plant and equipment, infrastructure	123,052,097	2,785,741	2,578,163	2,905,350	77,991	-	-	125,432,660

(a) Impairment losses

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 23 Property, plant and equipment, infrastructure (cont.)

Reconciliation of property, plant and equipment and infrastructure

2012	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 29)	Depreciation and amortisation (note 14)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
land	3,020,735	-	-	-	-	-	-	3,020,735
Total land	3,020,735	-	-	-	-	-	-	3,020,735
buildings	4,555,485	42,839	-	98,131	-	-	5,000	4,515,192
Total buildings	4,555,485	42,839	-	98,131	-	-	5,000	4,515,192
Total property	7,586,220	42,839	-	98,131	-	-	5,000	7,536,927
Plant and Equipment								
plant, machinery and equipment	2,252,913	390,156	-	423,871	50,221	-	(3,033)	2,165,944
fixtures, fittings and furniture	71,802	10,832	-	5,374	-	-	3,033	80,293
computers and telecommunications	59,697	17,525	-	29,777	-	-	-	47,445
leased plant and equipment	-	21,870	-	2,550	-	-	-	19,320
Total plant and equipment	2,384,412	440,383	-	461,572	50,221	-	-	2,313,002
Infrastructure								
roads	88,991,259	826,273	15,592,542	2,167,140	-	-	-	103,242,934
bridges	4,882,565	215,309	2,559,083	193,382	-	-	-	7,463,575
footpaths and cycleways	457,794	181	780,331	16,616	-	-	7,792	1,229,482
drainage	744,865	11,527	-	11,515	-	-	-	744,877
infrastructure	460,696	61,776	-	49,143	-	-	5,437	478,766
Total infrastructure	95,537,179	1,115,066	18,931,956	2,437,796	-	-	13,229	113,159,634
buildings	5,000	11,054	-	-	-	-	(5,000)	11,054
roads	-	14,144	-	-	-	-	-	14,144
footpaths	7,792	(45)	-	-	-	-	(7,792)	(45)
infrastructure	5,437	14,427	-	-	-	-	(5,437)	14,427
bridges	-	3,954	-	-	-	-	-	3,954
Total works in progress	18,229	43,534	-	-	-	-	(18,229)	43,534
Total property, plant and equipment, infrastructure	105,526,040	1,641,822	18,931,956	2,997,499	50,221	-	-	123,052,097

(a) Impairment losses

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.

	2013	2012
	\$	\$
Note 24 Intangible assets		
Revaluation cost paid to Valuer General	28,000	56,000
Total intangible assets	28,000	56,000
 Reconciliation of intangible assets		Total
		\$
Gross carrying amount		
Balance at 1 July 2011		112,000
Additions from internal developments		-
Balance at 1 July 2012		112,000
Balance at 1 July 2013		112,000
Accumulated amortisation and impairment		
Balance at 1 July 2011		28,000
Amortisation expense		28,000
Balance at 1 July 2012		56,000
Amortisation expense		28,000
Balance at 1 July 2013		84,000
Net book value at 30 June 2012		56,000
Net book value at 30 June 2013		28,000
 Note 25 Trade and other payables		
Trade payables	434,551	464,609
Net GST payable	-	2,181
Accrued expenses	28,851	19,657
Total trade and other payables	463,402	486,447
 Note 26 Trust funds and deposits		
Refundable building deposits	3,500	3,500
Other refundable deposits	47,993	59,640
Total trust funds and deposits	51,493	63,140

Note 27 Provisions

	Annual leave	Long service leave	Sick Leave	Other	Total
	\$	\$	\$	\$	\$
2013					
Balance at beginning of the financial year	139,563	263,114	204,778	44,348	651,803
Additional provisions	144,232	57,771	56,458	36,182	294,643
Amounts used	(148,729)	(57,228)	(84,677)	(27,029)	(317,663)
Balance at the end of the financial year	<u>135,066</u>	<u>263,657</u>	<u>176,559</u>	<u>53,501</u>	<u>628,783</u>
2012					
Balance at beginning of the financial year	114,421	220,907	173,727	41,949	551,004
Additional provisions	114,818	47,784	54,288	4,701	221,591
Amounts used	(89,676)	(5,577)	(23,237)	(2,302)	(120,792)
Balance at the end of the financial year	<u>139,563</u>	<u>263,114</u>	<u>204,778</u>	<u>44,348</u>	<u>651,803</u>
(a) Employee benefits				2013	2012
				\$'000	\$'000
(i) Current					
Annual leave				135,066	139,563
Long service leave				194,013	202,637
Sick Leave				176,559	204,778
Other				47,024	39,028
				<u>552,662</u>	<u>586,006</u>
(ii) Non-current					
Long service leave				69,644	60,477
Other				6,477	5,320
				<u>76,121</u>	<u>65,797</u>
Aggregate carrying amount of employee benefits:					
Current				552,662	586,006
Non-current				76,121	65,797
				<u>628,783</u>	<u>651,803</u>
The following assumptions were adopted in measuring the present value of employee benefits:					
Weighted average increase in employee costs				4.91%	3.70%
Weighted average discount rates				3.15%	1.05%
Weighted average settlement period				12	12
(i) Current					
All annual leave and the long service leave entitlements representing 10 or more years of continuous service					
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value				141,866	139,563
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value				187,213	202,637
				<u>329,079</u>	<u>342,200</u>
(ii) Non-current					
Long service leave representing less than 10 years of continuous service measured at present value				69,644	60,477
(iii) Employee Numbers				36	38

	2013	2012
	\$	\$
Note 28 Finance Leases		
Council had the following obligations under finance leases for the lease of equipment (the sum of which is recognised as a liability after deduction of future lease finance charges included in the obligation):		
Not later than one year	13,205	8,078
Later than one year and not later than five years	-	13,205
Less: Future finance charges	-	1,784
Recognised in the Statement of Financial Position as:	<u>13,205</u>	<u>19,499</u>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	13,205	8,078
Non-current	-	11,421
Total Finance Leases	<u>13,205</u>	<u>19,499</u>

Note 29 Reserves

	Balance at beginning of reporting year	Increment	(decrement)	Balance at end of reporting year
(a) Asset revaluation reserve	\$	\$	\$	\$
2013				
Property				
Land	1,620,084	-	-	1,620,084
Buildings	1,563,482	-	-	1,563,482
Fixtures and fittings	4,530	-	-	4,530
	3,188,096	-	-	3,188,096
Roads	98,347,200	2,379,062	-	100,726,262
Bridges	5,613,943	170,636	-	5,784,579
Footpaths and cycleways	2,778,797	28,465	-	2,807,262
Drainage	452,708	-	-	452,708
	107,192,648	2,578,163	-	109,770,811
Total asset revaluation reserve	110,380,744	2,578,163	-	112,958,907
2012				
Land	1,620,084	-	-	1,620,084
Buildings	1,563,482	-	-	1,563,482
Fixtures and fittings	4,530	-	-	4,530
	3,188,096	-	-	3,188,096
Infrastructure				
Roads	82,754,657	15,592,543	-	98,347,200
Bridges	3,054,860	2,559,083	-	5,613,943
Footpaths and cycleways	1,998,466	780,331	-	2,778,797
Drainage	452,708	-	-	452,708
	88,260,691	18,931,957	-	107,192,648
Total asset revaluation reserve	91,448,787	18,931,957	-	110,380,744

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

	Balance at beginning of reporting year	Increment	(decrement)	Balance at end of reporting year
(b) Fair value reserve	\$	\$	\$	\$
2013				
Available-for-sale assets				
Investment in water company	73,060	(1,780)	-	71,280
Total fair value reserve	73,060	(1,780)	-	71,280
2012				
Available-for-sale assets				
Investment in water company	52,860	20,200	-	73,060
Total fair value reserve	52,860	20,200	-	73,060

The available-for-sale financial asset reserve was established to capture the fair value movements in Council's Water Corporation investment.

Note 29 Reserves

	Balance at beginning of reporting year	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting year
	\$	\$	\$	\$
(c) Other reserves				
2013				
Other Reserves	2,685,096	1,166,692	(1,140,268)	2,711,520
Total Other reserves	2,685,096	1,166,692	(1,140,268)	2,711,520
2012				
Other Reserves	2,098,938	1,141,873	(555,715)	2,685,096
Total Other reserves	2,098,938	1,141,873	(555,715)	2,685,096
			2013	2012
			\$	\$
Total Reserves			115,741,707	113,138,900

Note 30 Reconciliation of cash flows from operating activities to surplus (deficit)

Surplus/Deficit	(700,250)	(525,344)
Depreciation/amortisation	2,933,350	3,025,499
(Profit)/loss on disposal of property, plant and equipment, infrastructure	10,446	(15,688)
Capital grants received specifically for new or upgraded assets	(578,360)	(527,474)
Decrease/(increase) in trade and other receivables	30,223	187,178
Decrease/(increase) in other assets	25,544	28,179
Decrease/(increase) in inventories	6,469	(47)
Increase/(decrease) in trade and other payables	(23,045)	382,390
Increase/(decrease) in provisions	(23,020)	100,799
Increase/(decrease) in other liabilities	(11,647)	(7,812)
Net cash provided by/(used in) operating activities	1,669,710	2,647,680

Note 31 Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 18)	6,079,445	8,481,477
Total reconciliation of cash and cash equivalents	6,079,445	8,481,477

Note 32
Superannuation

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 32(b) of AASB 119 *Employee Benefits*, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2013 the 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, the Council is required to meet its share of the deficiency.

Bendzilla Actuarial Pty Ltd undertook the last actuarial review of the Fund at 30 June 2011. The review disclosed that at that time the net market value of assets available for funding member benefits was \$57,588,247, the value of vested benefits was \$52,794,839, the surplus over vested benefits was \$4,793,408 and the value of total accrued benefits was \$57,330,437. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Scheme's financial statements for Council employees.

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

Net Investment Return	0% p.a. for 2011/12 and 7.0% p.a. thereafter
Salary Inflation	4.0% pa
Price Inflation	n/a

The actuarial review concluded that:

1. The value of assets of the Quadrant Defined Benefit Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2011.
2. The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2011.
3. Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2014.

The Actuary recommended that in future the Council contribute 9.5% of salaries in 2012/13, 10.5% of salaries in 2013/14, and 11% of salaries in 2014/15.

The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2014 and is expected to be completed late in 2014 or early in 2015.

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

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

During the reporting period the amount of contributions paid to defined benefits schemes was \$29,047 (2011-12, \$36,510), and the amount paid to accumulation schemes was \$121,903 (\$110,466).

	2013 \$	2012 \$
Fund		
Defined benefits fund		
Employer contributions to Quadrant	29,047	36,510
	<u>29,047</u>	<u>36,510</u>
Accumulation funds		
Employer contributions to super funds	121,903	110,466
	<u>121,903</u>	<u>110,466</u>

Note 33 Commitments

The Council has entered into the following commitments

	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
	\$	\$	\$	\$	\$
2013					
<i>Operating</i>					
Recycling and garbage collection	246,226	246,226	437,256	-	929,708
Total	246,226	246,226	437,256	-	929,708
2012					
<i>Operating</i>					
Recycling and garbage collection	118,873	118,873	237,746	-	475,492
Total	118,873	118,873	237,746	-	475,492

Note 34 Contingent liabilities and contingent assets

Council does not have any contingent liabilities or contingent assets.

Note 35 Financial Instruments
(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	18	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues. Investments and bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue. Managed funds are measured at market value.	On call deposits returned a floating interest rate. The interest rate at balance date was 3.80% (4.48% 2011/2012).
Trade and other receivables			
Other debtors	19	Receivables are carried at amortised cost using the effective interest method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears attract an interest rate of 10% (10%). Credit terms are based on 30 days.
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. 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.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt. As at balance date, the Council had finance leases with an average lease term of 0.5 years. The weighted average rate implicit in the lease is 10.9% (10.9%).

Note 35 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:

2013

	Weighted average interest rate	Floating interest rate \$	Fixed interest maturing in:			Non-interest bearing \$	Total \$
			1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
Financial assets							
Cash and cash equivalents	3.80%	1,397,306	4,682,139	-	-	-	6,079,445
Financial assets	3.70%	-	1,925,611	-	-	-	1,925,611
Trade and other receivables		235,251	-	-	-	-	235,251
Investment in water corporation		-	-	-	-	9,229,600	9,229,600
Total financial assets		1,632,557	6,607,750	-	-	9,229,600	17,469,907
Financial liabilities							
Trade and other payables		-	-	-	-	463,402	463,402
Trust funds and deposits		-	-	-	-	51,493	51,493
Financial Leases		-	13,205	-	-	-	13,205
Total financial liabilities		-	13,205	-	-	514,895	528,100
Net financial assets (liabilities)		1,632,557	6,594,545	-	-	8,714,705	16,941,807

2012

	Weighted average interest rate	Floating interest rate \$	Fixed interest maturing in:			Non-interest bearing \$	Total \$
			1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
Financial assets							
Cash and cash equivalents	4.48%	8,481,477	-	-	-	-	8,481,477
Trade and other receivables		265,474	-	-	-	-	265,474
Investment in water corporation		-	-	-	-	9,231,380	9,231,380
Total financial assets		8,746,951	-	-	-	9,231,380	17,978,331
Financial liabilities							
Trade and other payables		-	-	-	-	486,447	486,447
Trust funds and deposits		-	-	-	-	63,140	63,140
Financial Leases		-	19,499	-	-	-	19,499
Total financial liabilities		-	19,499	-	-	549,587	569,086
Net financial assets (liabilities)		8,746,951	(19,499)	-	-	8,681,793	17,409,245

