



*Picture taken by Maddy Jones*

# **CENTRAL HIGHLANDS COUNCIL ANNUAL REPORT 2018 / 2019**





## Contact Information

### Administration & Works & Services

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## **The following statistics are provided from the 2016 Census Data**

### **Population**

Male 1,141                  Female 998                  Total 2141

The median age of people in the Central Highlands was 50 years. Children 0-14 years made up 16.2% of the population and people aged 65 years and over made up 23.6% of the population.

Aboriginal and/or Torres Strait Islander people made up 5.3% of the population.

### **Employment**

897 people, aged 15 years and over, reported being in the labour force in the week before Census night. Of these 53.6% were employed full time, 30.9% were employed part-time and 8.0% were unemployed.

Of the employed people in Central Highlands, 19.9% worked in Sheep and Beef Cattle Farming, 3.5% worked in accommodation and 3.9% in local government administration.

The most common occupations included managers 23.7%, Labourers 21.4%, Technicians and Trade Workers 15.1%, Community and Personal Service Workers 9.4% and Machinery Operators and Drivers 9.2%.

### **Education**

In the Central Highlands, 24.5% of people were attending an educational institution. Of these, 31.9% were in primary school, 15.4% in secondary school and 9.9% in a tertiary or technical institution.

Of people aged 15 years and over in Central Highlands, 9.1% reported having completed Year 12 as their highest level of educational attainment, 16.1% had completed a Certificate III or IV and 5.9% had completed an Advanced Diploma or Diploma.

### **Families**

Of the families in the Central Highlands 31.1% were couple families with children, 54.6% were couple families without children and 12.4% were one parent families.

In the Central Highlands, of all households, 60.6% were family households, 35.1% were single person households and 4.3% were group households

34.7% of households had a weekly household income of less than \$650 and 3% of households had a weekly income of more than \$3,000.

The median weekly income for people aged 15 years and over was \$467.

### **Dwellings**

36.3 % (891) of private dwellings were occupied and 63.7% (1,561) of private dwellings were unoccupied on census night. Of the occupied private dwellings, 4.0% had 1 bedroom, 23.4% had two bedrooms and 49.4% had 3 bedrooms. The average household size was 2.1 people.



## Introduction

*The Local Government Act 1993* requires every Council in Tasmania to produce an Annual Report. This gives an opportunity for the Council to inform the community of achievements and challenges in the last year, and review areas to be improved upon.

This includes the annual corporate planning and reporting cycle of the Central Highlands Council each year. This report covers the period of the 2018/2019 financial year.

The Council is required under *Section 72 of the Local Government Act 1993* to prepare a report that contains:

- a summary of the annual plan for the preceding financial year;
- a statement of its goals and objectives in relation to public health for the preceding year;
- a statement of the Council's activities and its performance in respect of goals and objectives set for the proceeding financial year;
- the financial statements for the proceeding financial year;
- a statement of the activities and performance of the Council in relation to any activity taken pursuant to Section 21 as compared with its objectives for the preceding financial year;
- a statement of the total allowances and expenses paid to the Mayor, Deputy Mayor and Councillors;
- a statement detailing the attendance of each Councillor at meetings of the Council and any Council Committee during the preceding financial year
- a statement in accordance with Subsection 4 relating to the total remuneration paid to employees of Council who hold positions designated by the Council as being senior position;
- a copy of the audit opinion for the proceeding financial year;
- a statement specifying details of any land donated by the Council under Section 177, including the name of the recipient, the reasons of the donation, and the value of the land;
- any other prescribed matter.

This report contains a series of chapters, each devoted to a function of Council, and an explanation of how these functions interact within the Central Highlands Council structure.

The report also contains audited standard, financial, and performance statements. This shows how monies raised via rates, charges, fees and grants received have been expended.

Each year the Council, prepares an Annual Budget within the context of the actions identified in the Strategic Plan 2015 – 2024. The Strategic Plan and Budget are used to inform the decisions and actions of Council for the coming year.

Central Highlands Council values the input of the community. Members of the community are invited to make submissions on the Annual Report for discussion at Council's Annual General Meeting, which will be held at 8.45am on Tuesday 3<sup>rd</sup> December 2019. Any person wishing to make a submission should do so by close of business Tuesday 26<sup>th</sup> November 2019.

## **Corporate Vision**

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**

Provide leadership to ensure that local government and other services are provided to satisfy the social, economic and environmental needs of the present day community, whilst endeavouring to ensure the best possible outcomes for future generations.

## **Strategic Plan**

Council's Strategic Plan 2015-2024 is available free of charge by contacting either the Bothwell or Hamilton Office or on Council's website at [www.centralhighlands.tas.gov.au](http://www.centralhighlands.tas.gov.au)

## Mayor's Report

Welcome to the Mayors Report for the Central Highlands Council financial year 2018/2019 which I provide with pleasure.

Even though this Report is a statutory requirement of Council, I provide this Report as a continuation of my commitment to true transparency of Central Highlands Council commitments, behaviour and actions over the previous 12 months being the 2018/2019 financial year. As the tier of government closest to the people, we do the things that you see every day, including development and maintenance of our parks, safety of our roads, rubbish and recycling collection, and dog registrations to name a few. We also provide for the things that you don't see including the planning and compliance with State and Commonwealth rules and regulations including waste water systems and more.

I admit to being biased of my love for the Central Highlands, having been born in the snow in Bothwell to Joyce (Honner) and Bert Mundy, and having lived in the area my whole life; our Central Highlands provides us with an abundance of beautiful and stunning landscapes, flora and fauna, as well as a rich history and evidence of Aboriginal occupation dating back at least 40,000 years ago. Our Central Highlands area contains the highest-altitude of Tasmania, as well as Australia's second largest freshwater lake, yingana/Great Lake. We can also boast that we have Australia's deepest freshwater lake, our Lake St Clair.

Our Council has approximately 798,241 hectares of land, including national parks and world recognised wilderness heritage areas. We have some of the best fly and trout fishing across the world and an ever increasing interest in our tourism opportunities, including Council being approached regarding future tourism opportunities yet to be defined. Tourism is certainly an ongoing and developing area across our Central Highlands, and I am always looking for opportunities for existing and new developments to provide employment of local people as well as the use of locally grown foods on menus and other catering opportunities. Across our whole Central Highlands Community we are world renowned for our bushwalking opportunities as well as our ever strong agricultural and horticultural industries.

I strongly believe that Council employees and our elected Councillors should continue on a path of both professional and personal development. I have ensured a number of opportunities have been presented to elected Councillors, and have noted that these opportunities can assist in a more informed and understanding Council including the attendance at workshops and training focusing on Understanding Financial Statements and Reports, the Role and Responsibilities of Elected Councillors as well as dealing with Council correspondence, knowing and understanding vehicle accident and crash statistics with the Department of State Growth, and Understanding the Role and Expected Actions of TasWater. I deemed that a number of workshops were compulsory for Councillors, and thus their attendance and engagement was crucial in development of skills and also enabling a thorough understanding of Council including how our elected arm and employee/administrative arm are expected to work together, with myself as the conduit working closely with our General Manager.

As Mayor, many representations were made at numerous committees. Some of these were one off meetings and some of these were continuing committees which would meet on a regular basis. A number of representations, I believe, further our position, lifestyle, employment and social aspects across our Highlands area. As well, myself and other councillors have been representatives on many committees including the Bothwell Football Club and Community Centre, the Independent Living Unit Committee, Bothwell Swimming Pool Committee, Plant Committee, Australia Day Committee, Cemetery Committee and Highlands Tasmania Tourism Committee. I have been pleased, and thankful to those Councillors who put in their time and their effort.

There has also been additional opportunities for myself in attending the elected members Local Government Association Tasmania (LGAT) conferences, Southern Tasmanian Councils Authority (STCA) and the Mayors Roundtable regular meetings. I personally find the Mayors Roundtable meetings valuable in that I am able to hear, and share, some issues that overlap all local government, as well as some specific to only one or two or three Councils. At times, these meetings have provided valuable opportunities for our Central Highlands Council to learn from other local government bodies, as well as offering support when, where and if possible. One example of my relationship with other Mayors at our Roundtable meetings has been to talk, and listen,

regarding issues and possible solutions to providing primary health care services to local communities.

### **Bothwell Medical Centre**

Through many tough months I have continued to search for a general practitioner to be responsible in delivering primary healthcare services at the Bothwell Medical Centre, often with the support of Councils General Manager. Meetings, discussions and Council backed proposals have been completed with numerous non-government organisations and individuals, as well as our State and Commonwealth governments. GP Practice Managers and Physicians have also been approached, as have specialist GP employment services. Following meetings and many discussions with the State Health Minister, the Hon. Sarah Courtney MP, I requested an urgent meeting with the Premier, the Hon. Will Hodgman MP. I was highly concerned that whilst discussions and 'direction' was useful, Council were yet to solve the overarching issue of having a GP on-the-ground at Bothwell. I met with Premier Hodgman at Parliament House where we discussed the Bothwell Medical Centre as a priority, and for me to also provide an overarching update on what's happening in our beautiful Central Highlands; this included last year's fire season and the seemingly 'early' fire season this October.

I provided a proposal, including a budget, requesting urgent State Government support to assist Council in securing an on-going GP service to our community. Justification added to the proposal included the large geographical area that the Bothwell Medical Centre covers, and the high concern of a potential increase of reliance to not only Ambulance services to the area, but also the probable additional pressure on the Royal Hobart Hospital; the RHH is already under tremendous strain, and I do not wish our Central Highlands Community to be an additional drain on an already overloaded system. As this Report goes to print I am awaiting a response from the State, and in particular the Premier, of the urgent assistance I have requested. Whilst awaiting this response I continue the search for a GP. I make no apology, and continue to stand strong in my belief that our Central Highlands people should not be placed at a disadvantage based purely on the fact of our geographical location.

### **Lake Malbena, Wild Drake - Tribunal Process**

Regarding The Wild Drake P/L DA Halls Island Lake Malbena Appeal against Central Highlands Council's decision to reject the Development Application, the Tribunal has handed down its

decision. The Tribunal has upheld the appeal lodged by Wild Drake, with the support of the State government, and have directed that a permit for the proposal be granted. Obviously, Council are very disappointed with the outcome.

In reaching their decision, the Tribunal ruled that the Central Highlands Council was correct to make a decision, as we did, under the *Land Use and Approvals Act 1993*. However, the Tribunal also stated that it was not necessary for the planning authority (the Central Highlands Council) to undertake an 'assessment of compliance' using the *Tasmanian Wilderness World Heritage Area Management Plan 2016*, as an important and guiding document. In effect the State Government Department of Primary Industries, Parks, Water and Environment (DPIPWE) and their Parks and Wildlife Service Unit – Reserve Activity Assessment process - was, in the Tribunal's opinion, the only assessment required to support the Wild Drake application to Council.

The Tribunal ruled that having reached Step 7 in the Reserve Activity Assessment process – the proposal complied with the planning scheme. The Tribunal stated it was not necessary to undertake further consideration of other issues (that Council had raised as the Planning Authority when deciding to not grant a permit for the application from Wild Drake). Some of the issues Council considered included the impact on amenity and natural values, any potential impact on possible Aboriginal Heritage, the 'permanency' of a Standing Camp and the geographical distance (nearness to the proposed area) of the eagle nests. These were some, but not all factors that Council, acting as the Planning Authority took into consideration when deciding to not grant the permit for the proposal.

The Tribunal also stated that the helicopter use was ancillary to the visitor accommodation, and that the helicopter provided necessary support to the primary purpose of the proposal, which is the visitor accommodation. This meant it was not a prohibited activity under the Planning Scheme and therefore the permit for the proposal was granted by the Tribunal. Council were then directed by the Tribunal to put forward any 'conditions' to the (now) granted permit, and that the proponent, Wild Drake, would then have an opportunity to be heard on these conditions. The Tribunal would then make a decision regarding those conditions and if Council's conditions are accepted these would form part of the permit

granted. This process has not been completed at the time of print.

### **Fire Seasons Bush Fires**

#### **Great Pine Tier**

In January 2019 the Central Highlands towns and communities of Miena, Liawenee, Reynolds Neck, Brandum, Breona, Cramps Bay, Tods Corner, Arthurs Lake, Bronte, Waddamama, Lake Echo, Shannon, Synots Sugarloaf, Bashan Plains, Hermitage and surrounds were threatened by serious bushfires over several weeks. Reports during that period suggest that the fire proved problematic for the Tasmania Fire Service, Parks & Wildlife Services and Sustainable Timbers Tasmania to contain, including the difficult terrain across our Central Plateau causing access issues to a number of locations; an important factor that increased the burn period, and delayed extinguishing the fire.

The Tasmania Fire Service utilised 5 fixed wing aircraft and 8 helicopters for water bombing, with approximately 40 people evacuated from Miena on the afternoon of 21 January. The evacuation was necessary as the fire broke containment lines and crossed the River Ouse. Bothwell Town Hall was established as a formal evacuation centre by Council employees that very morning, and a number of community members from the Great Lake and surrounds met at the Miena Community Hall. During that period emergency service personnel had a strong presence in the Great Pine Tier area and the Highland Lakes Road was closed to all traffic.

With much sadness, and although in a clearing, away from vegetation and considered 'defendable' by authorities, the popular destination of the Skittle Ball Plains Homestead property was overwhelmed by showering embers and the popular destination was left in ruins. Conditions at Miena peaked on Friday, January 25, which authorities had tipped to be the "worst" day of the fire season. The combination of hot weather, low humidity, wind and fire already in the landscape led to firefighters setting out a stark choice for Tasmanians thinking of staying to fight the flames.

By January 26 Miena was still under a community alert, however it was no longer under immediate threat from fire. The Great Pine Tier Fire, although still burning fiercely, had moved on and other communities were now watching its progress. The Great Pine Tier fire burnt almost 40,000 hectares with significant fire activity in the Waddamama area including Bronte, the eastern

edge of Lake Echo, Shannon, Synots Sugarloaf, Bashan Plains, Hermitage and surrounds. The next day a protection plan for the Walls of Jerusalem National Park was activated and remote area teams moved into the area.

Snow fell for the first time in 2019 on 12 February and luckily fell on areas that were threatened by fierce bushfires on the Central Plateau. At that time 34 active fires across Tasmania were still burning. By 20 February the Great Pine Tier fire had burnt 55,328 hectares. We were very fortunate no lives were lost, especially as there was high concern that the fire would travel down the valley and across the plains to Bothwell or Oatlands.

The Great Pine Tier fire caused significant interruption to our communities' tourist season as the fire approached its peak on Friday, January 25, the Australia Day long weekend; the fire continued through to the Easter holiday period, and our community, our businesses and our families were doing it tough.

The support and coordination provided by State Government departments including Tasmania Police, Tasmania Fire Service, State Emergency Services, Parks & Wildlife Services, Sustainable Timbers Tasmania, working alongside our Council employees, volunteers, local farmers, businesses and residents in protecting our community in circumstances of the emergency like the Great Pine Tier Fire was enormous. Everyone played their part, and it was this dedication to community, and support for community that allowed us to face the fires, with no loss of life. On behalf of the Central Highlands Council I thank you all.

#### **Tods Corner**

Still on the subject of fires, in October this year a registered burn resulted in causing a serious vegetation fire at Tods Corner Road burning toward Poatina Road, Flintstone, Barren Tier and Miena.

The Alert Level reached Watch & Act and luckily, was then downgraded to Advice.

This fire burned down the gully towards Poatina Road heading towards Arthur's Lake and Flintstone. High winds were of great concern, and assisted the fire to spread quickly.

Heavy machinery was deployed to cut through the thick dense scrub to allow the ground crew to access the Fire. The *ozothamnus hookkari* commonly known as kerosene bush was a contributing factor to the intensity of the fire.



The fires were earlier this year which I understand has our community under extra stress, as many of us were and are still recovering from the previous fires. For this fire we had three helicopters, some light aircraft, a large number of crews and we had the evacuation centre open at Miena. During this time, and like others, I am in constant contact with the Inspector of Police, liaising with the TFS, SES and Council employees with the assistance of Councils General Manager. As with all other fires, I also remain in contact with ABC radio, usually more than once a day, as well as Tasmanian free-to-air news television channels.

### **Black Snake Lake Crescent - Interlaken - Lake Crescent**

In October and November we had a vegetation fire that was burning in very high temperatures with strong winds making it very difficult for the fires to access and control. Again, the Bothwell Recreation Ground was used for the helicopters and Tasmanian Fire Service as a landing area and as a meeting point. People were advised to avoid using Dennistoun Road and not to go camping in the area for the time being.

Throughout the fire season, I was always in close liaison with the Tasmanian Fire Service Chief Controller, Tasmania Police and our Council employees. Other contacts were utilised and spoken with as necessary. I provided updates for community by ABC radio, and will continue this in the future. The use of television news reports are also considered useful, plus our Central Highlands Council Website.

### **Infrastructure and Capital Works**

The past year has seen the negotiation of a number of agreements including funding opportunities which assist in the development and maintenance of our infrastructure, road networks and always keeping in mind identifying additional tourism opportunities. This includes the vital action of supporting our existing tourism businesses and opportunities, and in times includes opportunities to increase delivering existing tourism. These agreements and funding opportunities around the area requires a permanent and ongoing commitment and dedication from myself, and with the generalised support of council as a whole.

I'm proud that I've been able to deliver infrastructure including the re-stabilisation section of road from the Lyell Highway going into Bronte Park Village. I have also secured financial assistance from the state government to urgently address the needed realignment of the Bothwell

pub with no beer corner, as well as identifying and correcting the deterioration of the road on the Den Hill. The Department of State Growth has concentrated on filling in the existing cracks and reworking the top layer of the Den Hill pavement in order to provide a smooth surface as a temporary measure. This has included geotechnical engineer's conveyancing the road to finalise what will be the permanent works. Our roads and bridges including the Dunrobin Bridge is crucial infrastructure so that council can keep these roads safe for all users and I continue to identify further areas across the whole of the Central Highlands that may need strengthening and or redevelopment, or maintenance. As always, I appreciate hearing from our Central Highlands community in regards to infrastructure issues which need to be put forward to receive Council's attention.

A number of capital works have been completed in the 2018/2019 year. These include the footpaths, curbs and guttering in Arthur Street, sealing of driveway & carpark at Bothwell & Hamilton Central Highlands Council office sites, progressing to stage two sealing of the Lower Marshes Road; resealing the Ellendale roads, resealing Hollow Tree Road as well as road stabilisation on Hollow Tree road; resheeting various gravel roads; the development and maintenance of the Bothwell Football Club and Community Centre, including a wonderful safely fenced off area at children's play areas at our playgrounds and parks.

The new public toilets at the Ouse Park, upgrading the Arthur's Lake toilets; building new public amenities at Bronte Park, footpath upgrade at Ellendale, replacing and repairing the Hamilton Hall roof and ceiling; updating the Bothwell Pool kiosk; providing the product and installation of heat pumps for the Market Place School House; painting both the Back Office Hamilton and the Bothwell Golf Museum; providing a replacement vehicle to our local SES; replacing the Bothwell based, Hamilton based and Gretna based lawn mowers, which were badly needed; purchasing two sets of rollers for two of Councils Graders; buying a Quick Spray Unit, which should assist in caring for our native plants whilst targeting a number of weeds within our Central Highlands area; and also the purchase of a slasher, again to keep grass low near our roads, increasing road safety as well as specifically identifying growth areas of noxious weeds that need to be dealt with.

### **Council Support of Small Business**

The Central Highlands has also had a number of businesses opening across the area, which is fantastic, and further increases employment

opportunities as well as providing a boost to our economy.

I have been pleased that Council continue to support the Ouse based Food Connect Cafe, a mobile cafe which provides an opportunity for community members and friends to get along and have a drink and a chat. This is an ideal opportunity to decrease any isolation felt by our community members, and is also an area to make new friends. I encourage our wider community to support this fantastic initiative, allowing people to socialise as well as providing opportunities for people to chat socially and perhaps even make new friends. Another social aspect of support that Council have been proud to support is the Ouse Community Garden Project.

Council's future includes further research into our existing small businesses in our area, and identifying any areas of support and/or other assistance that Council can either provide directly or through acting as a conduit if more appropriate.

### **Community Events**

Thousands of people from across the state flocked to Bothwell for the fifth-annual Highlands Bushfest in November 2018. Historically, the Central Highlands Council organised the inaugural festival in 2014 following Council identifying a need to draw people to the area, whilst also showing off our amazing wares, produce and the tourism opportunities across our area. Thus the idea of the our wonderful Bushfest; an iconic event that covers the areas mentioned above and which seems to grow every year in regards to our locals getting more involved and the variety of the show growing. I'm also pleased to see attendance figures growing with the number of people coming through our gates, during the two day festival. Despite competing with other events on the same weekend, the Highlands Bushfest still manages to see approximately 4000 people through the gates over the two day event. Our festival has "something for everyone", including sheep dog demonstrations and speed shearing competitions to historic machinery displays and Tasmanian reptiles. The Highlands Bushfest is similar to northern Tasmania's Agfest event; however our Bushfest has a higher concentration of hosting stallholders, and having a specific focus on recreational activities popular in the region, focussing on our world-class fishing, camping and four-wheel-driving.

The festival is organised by our staff at Central Highlands Council and the event is all about the community, with entry restricted to a gold coin donation to allow everyone the opportunity to experience the "highlands hospitality". We look forward to this year's event in November.

The Hamilton Show has been running for years, with a focus on all things agricultural. The show has been an important opportunity of drawing locals and visitors to the area, and showcasing the area.

This is an opportune time for me to thank all volunteers across our Central Highlands who give so much of their time for the many different activities throughout the year. Without our volunteers many of our festivals, community events and other events simply wouldn't be possible. So I say Thank You all, for your time and efforts in helping across various roles throughout the year.

The power lines over the Gretna War Memorial have been moved, as well as the redevelopment of more secure and safe stepping stones up to the Memorial. This Memorial holds a Dawn Service every ANZAC Day, and community members are always warmly welcomed to the service, followed by a hot breakfast at the Gretna Green Hotel.

Council have committed to managing the Central Highlands Community Bus; we plan to continue with the management and maintenance of the community bus, and we also continue to garage the bus at the Council depot.

### **Cattle Hill Windfarm at Lake Echo**

The Cattle Hill Windfarm Project on the eastern shore of Lake Echo has provided opportunities for local employment, and has created a huge economic benefit to the Central Highlands community. There has been a lot of travel in delivering the huge sized wind farms components. This major project is near completion.

### **Black Spots/Loss of Transmission**

I continue, on a regular basis, to engage with both the Commonwealth and State governments speaking directly with the aim of encouraging the targeted financial assistance to our Council to consider addressing the known issues of various known black spots. The channelling of these funds is crucial across our Central Highlands area, of course for the safety of our residents, but also for the safety of the many tourists we find on our roads. This year, as well as identifying black spots across our roads I have also concentrated on black spots across our telecommunications;

this includes those black spots where our resident's quality of life is not at the standard of others due to a lack of access of telecommunications, as well as the increased probability of reduction of safety. Specifically, residents and visitors in the Cramps Bay Area around the Great Lake benefitted from the installation of a new Telstra mobile base station that delivers Telstra 3G and 4G mobile data services to the region. This was a long time coming but shows that dedication and commitment, plus raising the issues constantly can produce a positive outcome.

### **Council and Community or Organisational Relations**

I continue working hard with various members of our Tasmanian Police force, including discussions specifically relating to a police presence across the whole Central Highlands. We do have a number of officers in single member stations, and I continue to liaise with Tasmania Police on these Officers and their stations to be well known by our public, as well as looking at opportunities and behaviours needed to reduce current criminal behaviours across our area. Recently, I invited Inspector Philippa Burk to our Ordinary Meeting of Council in October. Inspector Burk provided Council with a comprehensive update on issues relevant to our area. In the future I plan to invite, and hopefully have, Tasmanian police presence at our Council meetings every three to four months. This will allow our Council the opportunity to be aware of any increase, or decrease, in the crime rate across our area, as well as identify any commonalities between the crime rate and other issues such as time of year, geographical location or any other variable identified by the Police. My invite to attend our Council meeting will also, as I strongly believe, assist in developing and maintaining a continuous knowledge of Police interactions and behaviours, including any planned actions. This invitation will also assist the Central Highlands Council in developing and nurturing a positive and mutually interactive relationship with our law enforcement officers.

### **Health**

This year, I have again successfully negotiated a Memorandum of Understanding (MoU) with the Health Action Team Central Highlands (HATCH). This MoU concentrates as an agreement of various parties, as signatories to the MoU, to work together with the shared goal of improving the health and wellbeing of central highlands residents. The MoU also establishes the sharing (pooling together) of resources available to signatories aiming for a more integral and holistic outcome for individuals needing care. The

mechanism for monitoring this MoU will be by quarterly meetings of senior representatives from each of the signatories, and reporting will take place in our open sessions of our ordinary council meetings, held monthly.

### **Street Library - Hamilton**

In our township of Hamilton, resident Mrs Elaine Herlihy, applied for, and was successful, in gaining a community grant to establish the Hamilton Community Street Library. The aim of the project is to provide a repository of books easily and conveniently available to residents (and visitors) of the Hamilton region at no personal monetary cost i.e. leave a book take a book. In true country spirit and partnership, the community street library 'box' was constructed by the Hamilton Men's Shed. The Men's Shed has made a wonderful housing for the books, with the actual housing built to reflect the heritage of the many convict built stone and timber buildings in the township. The library is located near the Hamilton Inn Hotel, and is quite popular. It would be wonderful to see such a project like this to gain further momentum and to exist in our townships across our area.

### **Education**

I was honoured when approached by the University of Tasmania to accept the role as an education ambassador. I see this as an important opportunity where I can further commit to encourage, assist and support everyone, especially our youth, in seeking out opportunities in furthering their education, their knowledge base and their skills. There has also been a concerted and very deliberate effort to encourage and support our young ladies across the science, technology, engineering and mathematics subjects. Through stem, STEM students can develop key skills including problem-solving. Developing their creativity and learning critical analysis in an applied approach. Having a background including teaching I believe strongly that education and knowledge is power.

I have been very pleased and excited to see some of our students across the Central Highlands attend our monthly Ordinary Council meetings. The future will hold more opportunities for our primary and secondary school students to attend meetings and gain an understanding of local government, including opportunities for their involvement in their local community and government as they grow. I feel passionate about our students having opportunities shown to them; to allow our students to explore all possibilities for their future careers. During these opportunities I am extremely proud that I can inform our

students that I was born in the snow at Bothwell, and grew up in the Central Highlands my whole life. I also take the opportunity whenever possible to still attend and participate in our Schools Assembly's, although the workload as Mayor doesn't allow for this as often as I would like.

I remain honoured to be the Mayor of our stunning Central Highlands, and I continue to work hard to achieve positive results in not only maintaining our way of life across our area, but importantly to identify opportunities that can assist in enhancing our way of life, to provide access to services and crucially to instil a sense of confidence and pride of our area, not just for our elected Councillors, but for our Council employees and our wider Central Highlands community also. I'm always looking for, and listening to, ideas to better our community and implement things that will benefit our people.

Crucially, I remain very mindful of the need to keep our rates as low as possible. This also includes being conscious of efficiency, accountability and, of course, value for money; this includes providing transparency across our Councils budget, and continuing to be accountable to Central Highlands community members. The Year That Was, the 2018/2019 financial year held much happiness in seeing my fellow central highlands members receive services needed, to access social opportunities given and the continuation of 'a caring community culture'. I look forward to the next financial year, with both excitement and anticipation as we embark on another year of providing on-the-ground services as well as other services and opportunities, aiming to keep our community culture being a culture of true community, and our community spirits high.

For the year that we have completed, Thank You to my fellow elected Councillors and our administrative arm, the employees of the Central Highlands Council. As Mayor, I appreciate the support and respect given to the position of Mayor and I look forward to the year ahead and working to continue to provide further opportunities and support across our Central Highlands. The working relationship between myself as Mayor and our General Manager remains strong and will, no doubt, be an asset of Council in the year ahead.

As Mayor, I continue to provide opportunities for discussion and difference of opinions around the table of elected members.

I appreciate your time, your effort, your commitment and your support and contribution in building a strong effective Council and in the delivery of services.

Loueen (Lou) Triffitt  
MAYOR





## Current Councillors as at 30 June 2019



Loueen Triffitt  
**Mayor**  
6286 3275



Jim Allwright  
**Councillor**  
6288 1392



Anthony Archer  
**Councillor**  
0427 215 558



Tony Bailey  
**Councillor**  
0418 863 284



Scott Bowden  
**Councillor**  
0419 595 542



Anita Campbell  
**Councillor**  
0427 538 744



Robert Cassidy  
**Councillor**  
0458 737 747



Julie Honner  
**Councillor**  
0417 168 339



Jim Poore  
**Councillor**  
0412 733 617

## Councillor Attendance at Ordinary Council Meetings, Special Council Meetings & Annual General Meeting

	Meeting Attendance (including Annual Meeting & Special meetings)			
	Full	Part	Absent	Possible
Mayor Loueen Triffitt	13			<b>13</b>
Deputy Mayor James Allwright	12		1	<b>13</b>
Clr Anthony Archer <b>from Nov 2018</b>	6	1	2	<b>9</b>
Clr Anthony Bailey	11	2		<b>13</b>
Clr Scott Bowden <b>from Nov 2018</b>	9			<b>9</b>
Clr Anita Campbell <b>from Nov 2018</b>	9			<b>9</b>
Clr Robert Cassidy	11	1	1	<b>13</b>
Clr Julie Honner	13			<b>13</b>
Clr Jim Poore	12	1		<b>13</b>
Lana Benson <b>until Oct 2018</b>	3	1		<b>4</b>
Richard Bowden <b>until Oct 2018</b>	4			<b>4</b>
Erika McRae <b>until Sept 2018</b>			3	<b>3</b>

## Councillor Attendance at Committee Meetings & Workshops

	Meeting Attendance at Council Committee & Audit Panel Meetings				Meeting Attendance at Council Workshops			
	Full	Part	Absent	Possible	Full	Part	Absent	Possible
Mayor Loueen M Triffitt	8		1	<b>9</b>	4	1		<b>5</b>
Deputy Mayor James Allwright	7		1	<b>8</b>	4		1	<b>5</b>
Clr Anthony Archer <b>from Nov 2018</b>	1			<b>1</b>	3		2	<b>3</b>
Clr Anthony W Bailey	5		2	<b>7</b>	3		2	<b>5</b>
Clr Scott Bowden <b>from Nov 2018</b>					3			<b>3</b>
Clr Anita Campbell <b>from Nov 2018</b>	2			<b>2</b>	3			<b>3</b>
Clr Robert Cassidy	4		2	<b>6</b>	4		1	<b>5</b>
Clr Julie Honner	3		2	<b>5</b>	3		2	<b>5</b>
Clr Jim Poore	12			<b>12</b>	4		1	<b>5</b>
Lana Benson <b>until Oct 2018</b>	1		2	<b>3</b>	1		1	<b>2</b>
Richard Bowden <b>until Oct 2018</b>	1			<b>1</b>	1		1	<b>2</b>
Erika McRae <b>until Sept 2018</b>							1	<b>1</b>

## **Current Council Committee Representation 2018 / 2019**

### **Bothwell Swimming Pool Committee**

Mayor L M Triffitt (Chair)  
Clr J Poore  
Clr A Campbell

### **Bothwell Cemetery Committee**

Mayor L M Triffitt (Chair)  
Clr A Campbell  
Clr R Cassidy  
Clr A Archer (proxy)

### **Plant Committee**

Mayor L M Triffitt (Chair)  
Clr A Bailey  
Clr S Bowden  
Clr A Archer (proxy)

### **Independent Living Units Committee**

Mayor L M Triffitt (Chair)  
Clr A Bailey  
Clr Cassidy (proxy)

### **Audit Panel**

Clr J R Allwright  
Clr J Poore  
Clr A Campbell (proxy)

### **Strategic Planning Sub-Committee**

Clr A Bailey  
Clr A Archer  
Clr A Campbell

### **Planning Committee**

Clr J R Allwright (Chair)  
Mayor L Triffitt  
Clr J Poore  
Clr R L Cassidy  
Clr A Bailey (proxy)

### **Highlands Tasmania Tourism Committee**

Mayor L M Triffitt (Chair)  
Deputy Mayor J Allwright  
Clr R L Cassidy (proxy)

### **Australia Day Committee**

Clr A W Bailey (Chair)  
Clr A Campbell  
Mayor L M Triffitt

### **Waste Committee**

Clr J R Allwright (Chair)  
Clr J Poore  
Clr S Bowden  
Clr J Honner (proxy)

### **Bothwell Football Club & Community Centre Committee**

Clr J Honner (Chair)  
Clr A Bailey  
Clr A Campbell (proxy)

### **Central Highlands Visitor Centre Management Committee**

Clr J Poore (Chair)  
Clr J Honner  
Clr R Cassidy (proxy)

## **External Committee Representation**

### **Bothwell Spin-In Committee**

Mayor L Triffitt  
Clr J Honner (proxy)

### **Australasian Golf Museum**

Mayor L Triffitt  
Clr R Cassidy  
Clr A Archer (Proxy)

### **Waste Strategy South**

Deputy Mayor J Allwright  
Clr S Bowden (Proxy)

### **The Derwent Catchment Project**

Clr A Bailey

### **Great Lake Community Centre Committee**

Mayor L M Triffitt  
Clr J Honner (Proxy)

### **TasWater Owners Representative**

Deputy Mayor J Allwright  
Clr A Archer (deputy rep)

### **Clyde Water Trust (Liaison)**

Clr J Poore

### **Health Action Team Central Highlands (HATCH)**

Mayor L M Triffitt  
Clr A Bailey  
Clr J Honner (Proxy)

### **The Central Highlands Men's Shed Steering Committee**

Clr A W Bailey  
Deputy Mayor J Allwright (Proxy)



## Overview & Highlights

- Gretna War Memorial was upgraded
- Design works & survey work for stormwater upgrade at Bothwell
- Prep & sealing works started on the next stage of the Pelham Road upgrade
- New kerb & guttering was installed in Arthur Street, Hamilton
- Tasmania Fire Service requested Council's assistance with the Central Plateau Bushfires in January 2019. 3 graders , 2 water carts and staff were deployed to assist
- Hunterston Bridge was replaced after it was destroyed in the Central Plateau Bushfires
- \$20,000 was received from the Deirdre Flint Estate with \$10,000 allocated to both the Queen's Park & Hamilton Memorial Park at her request
- Council continued its advocacy role by lobbying for:
  - Better mobile reception in the Central Highlands
  - Contacting the Minister for repairs to the Highlands Lake Rd on Den Hill
  - Lobbying political parties for the realignment of the 'Pub with No Beer' corner
  - Meeting with the Minister regarding the reseal of Bronte Road from the Lyell Highway to Bronte Village
  - Supporting our local communities in lobbying to keep our Anglican Churches

## Key Focus Areas

## Goal 1 - Community Building: *Build Capacity to enhance community spirit and sense of well being*

### Strategies

- Continue to upgrade existing public open spaces and sporting facilities and encourage community use
- Advocate for improved health, education, transport and other government and non-government services within the Central Highlands
- Continue to strengthen partnerships with all tiers of government
- Support and encourage social and community events within the Central Highlands
- Provide support to community organisations and groups
- Foster and develop an inclusive and engaged community with a strong sense of ownership of its area
- Foster and support youth activities in the Central Highlands

### Initiatives

<p><b>Continue support of local organisations and groups</b></p>	<p>Council continue to support local organisations and groups 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.</p> <p><b>Groups to benefit were:</b></p> <ul style="list-style-type: none"> <li>➤ Waive hall hire for the International Highland Spin-In</li> <li>➤ Bothwell Exercise Group – waive hall hire fees Bothwell Hall for exercise classes</li> <li>➤ Australasian Golf Museum – lease of premises no charge</li> <li>➤ Bothwell Historical Society – lease of premises no charge</li> <li>➤ Ouse On-Line Access Centre – lease of premises no charge</li> <li>➤ Central Highland Lakes Community Association – lease of premises no charge</li> <li>➤ The Derwent Catchment Project – use of premises no charge</li> <li>➤ Bothwell Spin-In Committee – assist set up Spin-In</li> <li>➤ Ellendale Hall Committee – use of Ellendale Hall no charge</li> <li>➤ Ouse &amp; Highland Festival Committee – waive hire fees Ouse Hall for Festival</li> <li>➤ Engineering fees – Hamilton Show Marquees - \$560</li> </ul>
<p><b>Continue to provide assistance to</b></p>	<p>Council provided assistance through the Community</p>

<b>community groups and clubs through Council's Community Grants Program</b>	<p>Grants Program to the following:</p> <ul style="list-style-type: none"> <li>➤ Ouse Community Garden - \$500</li> <li>➤ Camp Drafting Tasmania - \$300</li> <li>➤ Hamilton Street Library - \$750</li> <li>➤ Bothwell Spin-In Donation - \$4000</li> <li>➤ Spin-In Grant - \$200</li> <li>➤ Fuel Costs Medical Treatment R Jones - \$200</li> <li>➤ Anglers Alliance - \$2727.27</li> <li>➤ Bothwell District School Leavers Dinner - \$200</li> <li>➤ Bothwell Speed Shear - \$2000</li> <li>➤ Brock Watkins U12 State Football - \$150</li> <li>➤ Central Highlands Tasmanian Wildlife Group - \$500</li> <li>➤ Save Our Sick Grant - \$300</li> <li>➤ Pollie Pedal - \$250</li> </ul>
<b>Provide an annual allocation to schools to assist with their programs for school children</b>	<p>An annual allocation of \$1000 was given to Bothwell District High School, Ouse Primary School, Westerway Primary School &amp; Glenora District High School</p>
<b>Provide annual bursaries for a child at each school continuing further education and Annual citizenship awards</b>	<p>Council provide annual bursaries to Central Highlands Year 10 students at Bothwell District High School, Glenora District High School and New Norfolk High School to further their education whilst also providing annual citizenship awards to students</p>
<b>Provide assistance to continue the home day care facility at Bothwell</b>	<p>Council allocates \$5000 per year towards the Family Day Care Facility at Bothwell</p>
<b>Continue to allocate funds to the provision of medical services to Ouse and Bothwell</b>	<p>Council makes an annual allocation to the Central Highlands General Practice and the Bothwell Medical Centre.</p>
<b>Support programs and activities that promote the health and wellbeing of our community</b>	<p>Council allocate one staff member for a few hours a week to assist with the Meal Delivery Program.</p>
<b>Continue support regional groups of benefit to Central Highland's residents</b>	<p>Council is a member of the following regional groups"</p> <ul style="list-style-type: none"> <li>➤ STCA</li> <li>➤ Destination Southern Tasmania</li> <li>➤ Local Government Shared Services</li> <li>➤ South Central Sub-Region</li> </ul>



Picture: JCB Backhoe at the Hamilton Depot

## Goal 2 Infrastructure and Facilities – *Manage Council’s physical assets in an efficient and effective manner*

### Strategies

- Develop and implement a 10 year asset management plan for all classes of assets
- Continue to work at regional and state levels to improve transport and infrastructure
- Seek external funding to assist with upgrading of existing infrastructure and funding of new infrastructure and facilities
- Ensure that the standard of existing assets and services are maintained in a cost effective manner

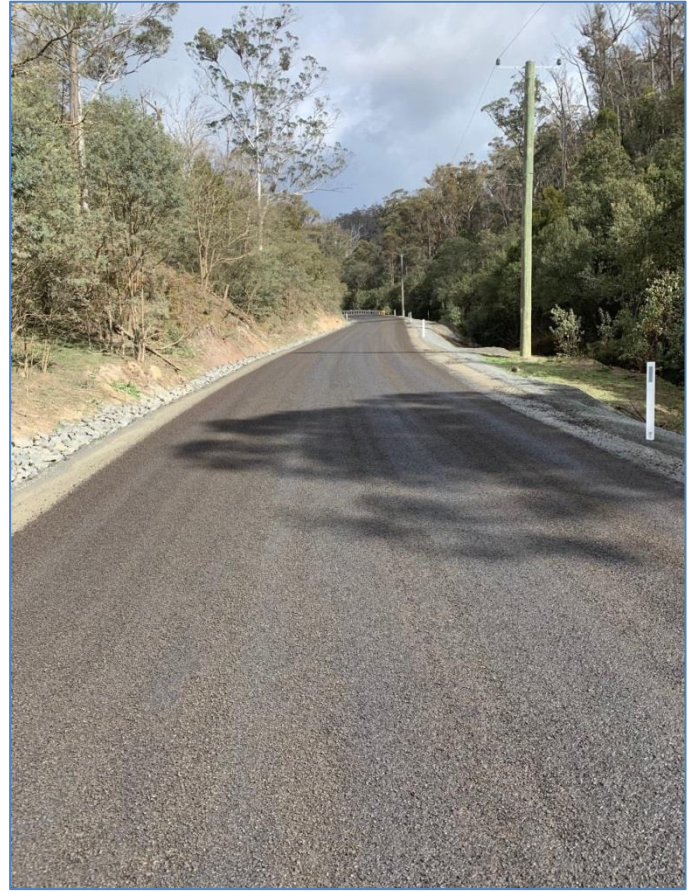
### Initiatives

<b>Allocate funds to ensure that existing services and assets are maintained</b>	Council budgets sufficient funds to ensure that its assets and services are maintained
<b>Expand the 10 year asset management plan to include all classes of assets</b>	Council has a long term asset management plan for roads, bridges and buildings



<b>Underpin Dawsons Bridge and replace bridge on Spur Road off The Avenue, Ellendale</b>	Spur Road off The Avenue Ellendale was completed by Council Staff. Dawsons Bridge works were not undertaken but have been reallocated in the 2019/20 budget. Hunterston Bridge was also replaced after it was destroyed in the January Central Plateau Bushfires.
<b>Replace 2 ride on mowers and purchase ground mower for Gretna Cricket Cub, 2 rollers for graders, new quick spray unit for Bothwell, new slasher and contribute \$10,000 towards the replacement of the SES vehicle in the Central Highlands</b>	All plant and machinery were purchased in the 2018/2019 financial year
<b>Prepare a design to form the basis of work to be undertaken to provide water and power to grassed area at Bothwell Caravan Park, new signage and BBQ</b>	Due to time restraints the upgrade at the Bothwell Caravan Park will be completed in the 2019-2020 financial year
<b>Construct new public conveniences at Ouse Park</b>	New public conveniences at the Ouse Park will be completed in the 2019/2020 financial year
<b>Undertake plumbing upgrade for the Central Highlands Visitor Centre staff kitchen and toilet facilities</b>	Plumbing upgrade was carried out in the Central Highlands Visitor Centre as well as installing new heat pumps.
<b>Reseal 800 metres of Lower Marshes Road</b>	Lower Marshes Road stabilisation and reseal works were completed in November 2018 by Andrew Walter Construction at a cost of \$131,135.08
<b>Reseal sections of Ellendale Road &amp; Hollow tree Road and part of Wihareja Road</b>	Reseal sections were completed on Hollow Tree & Ellendale Roads. Wihareja Road was not completed.
<b>Undertake Stage 1 of the stormwater upgrade at Bothwell</b>	The upgrade of stormwater at Bothwell will commence in the 2019-2020 financial year
<b>Construct and seal 1.2kms of Pelham Road</b>	These works were completed by Batchelor Civil at a cost of \$666,000

<b>Undertake maintenance of kiosk at Bothwell Swimming Pool</b>	These works were completed by Council Staff
<b>Seal carpark at Bothwell Office &amp; Hamilton Office</b>	Concrete slab at the Hamilton Office for a staff carpark was completed by Short Concrete for \$7377.65. The Bothwell Office Carpark and driveway was sealed by Roadways for \$21,313.79
<b>Construct new kerb and gutter, Arthur Street, Hamilton</b>	These works were completed by Batchelor Civil
<b>Construct kitchen facilities in the Bothwell Football Club and Community Centre</b>	The new kitchen facilities have been installed in the Bothwell Football Club and Community Centre
<b>Complete maintenance works of assets and facilities within budget allocations</b>	<p>Maintenance works were carried out as per Council's budget. Council is currently undertaking a revaluation and condition assessment of its road network. Council bridges are inspected annually with a report provided to guide Council on maintenance and capital works required. Council provided:</p> <ul style="list-style-type: none"> <li>➤ Sealing of Hamilton &amp; Bothwell Office carparks</li> <li>➤ Pelham Road upgrades</li> <li>➤ Stage 2 Lower Marshes Road seal</li> <li>➤ Repairs to Hamilton Hall Roof</li> </ul>
<b>Install Memorial Gardens at Anzac Park, Hamilton and Queen's Park. Bothwell</b>	\$20,000 was received from the Deirdre Flint Estate with \$10,000 allocated to both Hamilton Park & Queen's Park for a memorial garden at her request.



*Picture: Road upgrades Pelham Road*

### **Goal 3 Financial Sustainability – *Manage Council’s finances and assets to ensure long term viability and sustainability of Council***

#### **Strategies**

- Manage finance and assets in a transparent way to allow the maximization of resources to provide efficient and consistent delivery of services
- Review annually, Council’s Long Term Financial Management Plan and Council’s Long Term Asset Management Plan
- Where efficiency gains can be identified, resource share services with other local government councils
- Increase the level of grant income
- Encourage development to expand Council’s rate base
- Identify revenue streams that could complement / substitute for existing resources
- Develop and maintain sound risk management processes

## Initiatives

<b>Identify appropriate grant funding to leverage Council funding for projects</b>	<p>Council receives Financial Assistance Grants through the State Grants Commission \$2,464,768 was received during 2018-2019</p> <p>\$198,211 Federal Roads to Recovery Funding received enabled Council to undertake capital upgrades on roads</p>
<b>Continually review and update policies and Council's risk register</b>	<p>Council's risk register and policies are updated by staff as required and reviewed at each Audit Panel Meeting</p>
<b>Continue participation in the Local Government Shared Services and South Central Sub-Region Group and identify other services that can be resource shared</b>	<p>Council is a member of the Local Government Shared Services (LGSS) which meets regularly to discuss resource sharing opportunities. Council currently use this service for the provision of a planner and dog control officer. A joint tender for debt collection resulted in participating councils receiving the benefit of reduced commission fees, a saving for all members who participated in the tendering process.</p> <p>The South Central Sub-Region (SCS) was formalised in early 2016 with the Brighton, Central Highlands, Derwent Valley and Southern Midlands Councils endorsing an intent to work together as much as possible on matters of common interest or where benefits can be achieved by working collaboratively. The SCS meets approximately every two months with the Mayor and General Manager of each Council attending.</p>
<b>Provide financial management reports to Council monthly</b>	<p>Financial reports are prepared by Council's accountant monthly and placed on the Ordinary Council Meeting Agenda each month</p>
<b>Ensure Annual Financial Statements are completed within the statutory timeframe</b>	<p>Council's Annual Financial Statements were completed.</p>
<b>Ensure that staff are provided with continual training in Council's financial software and records management systems</b>	<p>Council staff are provided with training on an as required basis.</p>



## **Goal 4    Natural Environment – *Encourage responsible management of the natural resources and assets in the Central Highlands***

### **Strategies**

- Continue to fund and support the Derwent Catchment Project
- Continue with existing waste minimisation and recycling opportunities
- Promote the reduce, reuse, recycle, recover message
- Continue the program of weed reduction in the Central Highlands
- Ensure the Central Highlands Emergency Management Plan is reviewed regularly to enable preparedness for natural events and emergencies
- Strive to provide a clean and healthy environment
- Support and assist practical programs that address existing environmental problems and improve the environment

### **Initiatives**

<b>Allocate funds to continue our support of the Derwent Catchment Project to implement on ground projects and provide a link between Council and the community on natural resource management issues</b>	Council continues to fund natural resource management through funding to the Derwent Catchment Project of \$40,000 per year. An additional \$20,000 was allocated towards the Ouse River Recovery Project
<b>Work with other stakeholders, land managers and government agencies to ensure strategic weed control</b>	Council works with the Derwent Catchment Project to implement its weed strategy and allocated funds to carry out weed management
<b>Monitor the usage of Council waste transfer stations and refuse site to ensure that the facilities meet the needs of our ratepayers</b>	<p>Council operates one controlled refuse site at Hamilton which has available a DrumMUSTER facility.</p> <p>Manned waste transfer sites are available at Bothwell, Miena and Bronte Park.</p> <p>A Bulky Waste Collection is provided twice per year throughout the municipal area which is designed to allow residents to place items out for collection that are too bulky or unsuitable for the door to door collection.</p> <p>Council provided a relatively comprehensive kerbside collection service for waste &amp; recycling to the residents of Bothwell, Ellendale, Fentonbury, Gretna, Hamilton, Ouse, Osterley, Wayatinah and Westerway. Thorpe Waste currently holds the contract. All waste is taken to the Hamilton Refuse Disposal Site and the</p>

	<p>recyclables taken to Hobart for processing.</p> <p>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.</p> <p>All waste and recycling collected is reported to the DPIPWE annually.</p>
<b>Provide education and encouragement of recycling within the Municipality to expand the life of the Hamilton Refuse Site</b>	<p>Council provides recycling facilities throughout the municipal area and have a fortnightly door to door recycling collection throughout our towns.</p> <p>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.</p>
<b>Facilitate regular meetings of the Central Highlands Emergency Management Committee</b>	<p>One meeting was held which was well attended</p>
<b>Continue as a member of the STCA Waste Committee</b>	<p>Council continues its memberships of this committee</p>



*Picture: Ouse River Recovery Works*

## Goal 5 Economic Development – *Encourage economic viability within the municipality*

### Strategies

- Encourage expansion in the business sector and opening of new market opportunities
- Support the implementation of the Southern Highlands Irrigation Scheme
- Continue with the Highlands Tasmania branding
- Encourage the establishment of alternative industries to support job creation and increase permanent residents
- Promote our area's tourism opportunities, destinations and events
- Support existing businesses to continue to grow and prosper
- Develop partnerships with State Government, industry and regional bodies to promote economic and employment opportunities
- Work with the community to further develop tourism in the area

### Initiatives

<b>Continue as a member of Destination Southern Tasmania</b>	Council is a current member of Destination Southern Tasmania
<b>Continue as a member of STCA and LGAT</b>	Council continues its membership and participation in the STCA and LGAT
<b>Install public toilet at Ouse Park</b>	New public toilets at Ouse Park will be completed in the 2019-2020 financial year
<b>Continue with Highlands Bushfest to showcase the Central Highlands</b>	Bushfest was held in November 2018 and was very successful. Council resolved to hold Bushfest again in November 2019
<b>Continue with providing the tourism brochure through the Brochure Exchange facility, Brooke Street Pier, Spirit of Tasmania and other visitor centres</b>	Council's "Journey to the Centre of the Earth" brochure is placed at the Hobart Airport, Brooke Street Pier and on both Spirit of Tasmania vessels which is maintained by the Tourism Brochure Exchange
<b>Continue the roll out of the Highlands Tasmania Touring Map</b>	The Highlands Tasmania Touring Map is placed in businesses throughout the Central Highlands and state-wide

<b>Engage and strengthen the community by supporting community events and local initiatives that enhance visitation to the Central Highlands</b>	<p>Council provides funding and in-kind support to community groups providing events in the Central Highlands.</p> <p>Support was provided for the Ouse and Highlands Regional Fair, Hamilton Show, International Highlands Spin-In and Highlands Bushfest</p>
<b>Promotion of Central Highlands through production of material and via Council's website and Council's Facebook page</b>	<p>Council's website and Facebook page is updated regularly by staff. Council's brochure and maps are distributed widely throughout the State</p>
<b>Continue support of the Highlands Digest to enable it to provide community information to residents</b>	<p>Council provide an allocation of \$10,800 to Centralinc to assist with the production of the Highlands Digest which provides a valuable avenue for dissemination of information about the Central Highlands</p>
<b>Continue meetings of the Central Highlands Visitor Management Committee to optimise the use of the Centre and the dispersement of information to tourists and visitors to the Central Highalnds</b>	<p>The Central Highlands Visitor Management Committee meet regularly throughout the year.</p> <p>The Centre is manned by a committed group of volunteers. Displays are changed regularly. The Grote Reber display was well received and was opened by Martin George from the QVMAG.</p>



*Pictures: Highlands Bushfest 2018*

**Goal 6 Governance and Leadership – *Provide governance and leadership in an open, transparent, accountable and responsible manner in the best interests of our community as a whole***

**Strategies**

- Ensure Council fulfils its legislative and governance responsibilities and its decision making, supported by sustainable policies and procedures
- Ensure that Council members have the resources and skills development opportunities to effectively fulfil their responsibilities



- Ensure appropriate management of risk associated with Council's operations and activities
- Provide a supportive culture that promotes the well-being of staff and encourages staff development and continuous learning
- Provide advocacy on behalf of the community and actively engage government and other organisations in the pursuit of community priorities
- Consider Council's strategic direction in relation to resource sharing with neighbouring councils and opportunities for mutual benefit
- Support and encourage community participation and engagement
- Ensure that customers receive quality responses that are prompt, accurate and fair
- Council decision making will be always made in open council except where legislative or legal requirements determine otherwise

## Initiatives

<b>Annually review Council's Long Term Financial Plan and Strategy and Long Term Asset Management Plans</b>	Council plans were received and adopted by Council in March 2018
<b>Continually monitor and review Council's financial situation and report findings to Council in a clear and transparent format on a monthly basis</b>	Council engage a consultant accountant who provides regular updates and reports to Council at monthly Council and Audit Panel Meetings.
<b>Encourage staff to undertake training to further develop their skills</b>	<p>Council encourage staff to undertake any training they may require.</p> <p>The following training was provided in 2018/19:</p> <ul style="list-style-type: none"> <li>➤ Traffic Management Plan refresher – to all outdoor staff</li> <li>➤ Traffic Management Training – 3 new employees</li> <li>➤ Grader assessment – 1 Employee</li> <li>➤ Small plant and front loader training</li> <li>➤ Park facilities training</li> <li>➤ Backhoe training to 5 employees</li> <li>➤ Monthly Toolbox Meetings</li> </ul> <p>Speak up Stay ChatTY visited Central Highlands Employees in February 2019</p>
<b>Support Elected Members to take advantage of seminars, training and workshops that assist them in their position as a Councillor</b>	Councillor training workshop for all current and new elected members was undertaken in November 2018

<b>Review the risk register at each Audit Panel Meeting</b>	Council's risk register is updated regularly and presented at each Audit Panel Meeting
<b>Ensure ongoing compliance with all legislation, regulations and codes of practice which impact upon Council</b>	Council endeavours to ensure that it complies with the requirements of all legislation, regulations and codes of practice applicable to Local Government
<b>Continue lobbying for retention of Anglican Churches within the Central Highlands</b>	Council joined with the community to lobby for the retention of all Anglican Churches in the Central Highlands.
<b>Continue to provide the Central Highlands Newsletter to all ratepayers</b>	The Central Highlands Newsletter is sent out quarterly with each rates instalment



*Picture: Council Employees with Mitch McPherson from Speak Up Stay ChatTY*

## Public Health Report

Council will:

- Conduct immunisation sessions as required and promote the need for immunisation
- Ensure proper provision of on-site effluent disposal in compliance with the current regulatory framework, codes, standards and best environmental practice
- Undertake routine inspection of places of public assembly, food premises, public health risk activities and water carters to ensure compliance with relevant legislation
- Promptly investigate environmental health complaints
- Maintain an effective analysis program for food, recreational waters and general complaints
- Continue to promote safe food handling through the provision of the I'M ALERT free online food safety training program

## Environmental and Public Health Report

Councils within Tasmania have statutory responsibilities for promoting acceptable standards of environmental health within their municipal area through the administration of legislation, provision of environmental health services and community education. Key legislation administered to promote acceptable standards of environmental health at the local level includes the *Public Health Act 1997*, *Food Act 2003*, *Environmental Management and Pollution Control Act 1994*, *Local Government Act 1993* and *Building Act 2016*

Council has performed its functions under the Public Health Act 1997 and Regulations, the Food Act 2003 and Regulations and Standards the Environmental Management and Pollution Control Act 1994 and Regulations, as detailed below.

Council employs a part-time Environmental Health Officer (EHO).

The main functions in **Environmental Health** are:

- Disease control, including immunisation services, public health risk activities and notifiable disease investigations
- Food regulation and surveillance
- Maintenance of appropriate standards for public-use buildings
- Health education and promotion
- Drinking water quality monitoring and remediation
- Surveillance of recreational water bodies including swimming pools and swimming beaches
- Surveillance of public health risk activities and regulated systems.(Council have no public health risk activities or regulated systems)

The principle statutes are the *Public Health Act 1997* and the *Food Act 2003*.

### **Council activities in relation to Environmental Health:**

- 62 Food Business Registrations, 34 low risk, 24 medium risk and 1 high risk. 2 Mobile Food Van. 36 Inspections were carried out. Council still have I'm Alert Food Safety Training free of charge to the community as a Food Safety Initiative All Food premises now have at least one person trained in Food Safety. As of the 30<sup>th</sup> June 2019, 353 people have done the training and the site continues to be used by any new employees to food businesses.
- Participating in the Health Departments Food Surveillance Program.
- Distribution of Posters and Pamphlets relating to Health Education and Promotion.
- Investigation of notifiable diseases
- A DrumMUSTER collection facility continues to operate at the Hamilton Regional Disposal and Recycling Site and the drummuster site at Bothwell is operational and will provide an ongoing service with one employee trained as a DrumMUSTER inspector.
- Waste Management and monitoring including current EPN for Hamilton Landfill.

- Council have an ongoing silage and ag pipe recycling point at the Hamilton Landfill, and this service is free of charge to both residents and Council and has been extended to include Bothwell Waste Transfer Station.
- 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 Bothwell District High School and Bothwell Medical Office.
- Council have also offered free Meningococcal vaccinations and free flu vaccinations for all staff.
- "Free" infant immunisation continues to be offered by appointment at the Ouse Medical Centre and Bothwell Medical Centre as per the national immunisation schedule.
- Recreational Water quality monitoring, lakes and rivers, including Bothwell Public Swimming Pool.
- Annual Reporting done by the 30<sup>th</sup> September each year for Recreational Water monitoring, Private Water Licences, Food Premises and Waste Reporting.

**'Environmental Management'** is an integrated approach to achieve a sustainable future. When applied to activities or developments, it involves:

- The application of the principles of ecology, pollution control and environmental planning; and
- The methodology of monitoring the impact of proposed development.

The main functions in environmental management are:

- Environmental water and air quality monitoring and remediation
- The assessment and issuing of special plumbing permits for on-site wastewater management systems
- Monitoring and response to environmentally relevant activities including level 1 Activities
- Assessment of existing developments and new applications for development
- Response to environmental nuisances.

The principle statutes are the *Environmental Management and Pollution Control Act 1994*, the *Land Use Planning Approvals Act 1993*, the *Building Act 2016* and the *Litter Act 2007*.

#### ***Council activities in relation to Environmental Management:***

- Environmental Nuisances / complaints (17) are followed up by inspections and may require the issue of abatement notices, Environmental Protection Notices and / or infringement notices.
- Issuing of Environmental Protection Notices when required and follow up and monitoring of conditions of Notices.
- 20 Septic tank installation assessments and permits. Monitoring and recording services for 43 Aerated Wastewater Treatment Systems
- Monitoring of Private Sewage Treatment systems.
- Environmental Assessment of potentially harmful activities (e.g. composting, fish farms, sewage treatment plants and private water plants.

## **REPORTING REQUIREMENTS**

### ***Annual***

- Recreational Water Quality Report (Council & DHHS) – by 30 September each year
- Drinking Water Quality Report (Council & DHHS) - by 30 September each year
- Annual Public Health Statement (Council) – Required in accordance with S.71 and S.72 of the *Local Government Act 1993*. To be provided by end of October each year
- Environmental Health Officer Annual Register (DHHS) - by 30 September each year
- Annual Food Safety Report (DHHS) - by 30 September each year.

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

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.



## Development Statistics

	2014-15	2015-16	2016-17	2017-18	2018-19
Total No Applications	67	52	56	60	69
No. Permitted	19	18	11	5	10
No. Discretionary	33	32	39	40	50
Subdivision Applications	14	5	2	2	11
No. Lots	19	20	3	3	32
Planning Scheme Amendments	0	0	0	0	0
No Permit Required	1	2	4	13	20

## Building Statistics

	2014-15	2015-16	2016-17	2017-18	2018-19
Total No. Buildings	52	50	44	53	65
Permit Work	-	-	-	-	23
Notifiable Work	-	-	-	-	36
Low Risk Work	-	-	-	-	6
Total No. Plumbing	47	49	36	36	32
Permit Work	-	-	-	-	21
Notifiable Work	-	-	-	-	6
Low Risk Work	-	-	-	-	5
Value of Building Applications	<b>\$4,233,541</b>	<b>\$6,816,704</b>	<b>\$5,663,750</b>	<b>\$9,066,800</b>	<b>\$62,076,424</b>

## Pool Attendance Statistics

Season Passes	2014-15	2015-16	2016-17	2017-18	2018-19
Family	2	0	2	1	3
Junior	4	3	3	0	0
<b>Daily Attendance</b>					
Junior	427	524	1316	802	935
Adult	127	189	387	187	107
Season Users	125	25	235	31	51

## Dog Control Statistics

	2014-15	2015-16	2016-17	2017-18	2018-19
Dogs Registered	1022	1024	1067	1044	995
Kennel Licenses	30	31	36	33	30
Infringement Notices	6	1	14	16	21
Impounded Dogs	12	9	12	10	8
Declared Dangerous Dogs	0	0	0	0	1

## Remissions and Small Debt Write Offs

Small Debt write off	14.17	01-0823-02333	30.66
01-0864-03844	106.41	01-0864-03897	32.40
03-0237-01649	28.20	01-0805-03921	71.80
01-0864-03473	14.40	05-0710-03583	14.70
03-0233-01521	17.30	01-0860-03855	17.90
03-0209-00454	17.40	03-0221-01057	20.65
03-0221-00964	13.65	03-0237-01711	19.50
04-0011-00774	22.80	01-0805-03924	22.85
03-0218-00053	25.37	03-0212-00399	20.83
03-0239-04046	15.87	03-0239-01824	23.98
01-0890-02492	25.90	01-0860-03915	16.95
03-0207-00371	17.61	10-0400-03595	155.00
01-0810-03938	392.62	04-0017-03967	512.30
01-0805-02805	394.31	01-0805-03937	554.52
01-0838-02982	155.00		
<b>TOTAL 2265.24</b>			

## Remissions given on Building, Plumbing & Development applications 2018 / 2019:

There were no remissions given

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

Total Remuneration Bracket	No Of Senior Employees
\$0 - \$80,000	0
\$101,001 - \$120,000	2
130,001 - \$160,000	2

- Total remuneration includes salary, employer superannuation contribution, value of use of motor vehicle provided, value of other allowances and benefits paid to an employee.

Total Allowances and expenses and reimbursements paid to the Mayor, Deputy Mayor and Councillors were \$125,748

## Donation of Land Statement S177 Local Government Act 1993

Section 177 of the Local Government Act requires Council to report on any land donated by Council during the year. It is reported that no land was donated during the 2018/19 financial year.

## Public Interest Disclosures Statement

Statement required under Section 86 of the Public Interest Disclosures Act 2002.

Council has established a written procedure in accordance with the Act. A copy of the Central Highlands Council Public Interest Disclosure Procedures Manual is available on Council's website [www.centralhighlands.tas.gov.au](http://www.centralhighlands.tas.gov.au)

Number of Disclosures made to Council & determined to be a public interest disclosure	0
Number of disclosures investigated by Council	0
Number of disclosed matters referred by the Ombudsman	0
Number of disclosures referred by Council to the Ombudsman	0
Number of disclosures taken over by the Ombudsman from Council	0
Number of disclosed matters Council declined to investigate	0
Number of disclosed matters that were substantiated	0
Number of recommendations made by the Ombudsman to Council	0

## Code of Conduct Complaint Information

Section 72 of the Local Government Act 1993 requires a council to report in its annual report the number of code of conduct complaints that were upheld by the Code of Conduct Panel during the preceding financial year and the total costs met by the council during the preceding financial year in respect of all code of conduct complaints.

0 complaints were lodged with the Code of Conduct Panel.

## Enterprise Powers Statement

Council has not exercised any powers or undertaken any activities in accordance with Section 21 of the Local Government Act 1993.

## Contracts for supply or provision of goods and services valued at or above \$100,000

Description	Period of Contract	Value inc GST	Successful Contractor	Business Address of Successful Contractor
Kerbside Domestic Garbage & Recycling Collection Service	Two year extension to Contract from 1/7/2018 to 30/6/2020	\$143,571.88	Thorp Waste	24 Glen Lea Road, Brighton 7030
Lower Marshes Road Stabilisation & Seal	21/08/18 to 30/6/19	\$115,766.20	Andrew Walter Constructions	PO Box 5 Claremont TAS 7011
Pelham Road Construction & Seal	04/12/18 To 30/06/19	\$670,862.23	Batchelor Construction Group	KDC 2012 Kingston TAS 7051
Road Sealing Contract	1/3/18 To 1/3/2020	Various	Roadways Surfacing P/L	PO Box 303 Glenorchy TAS 7010

## 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:

Council, due to the destruction of the Shannon River Bridge at Hunterston by fires, accepted a quote to replace the bridge as a matter of urgency due to it being required to enable the property owner to have access.



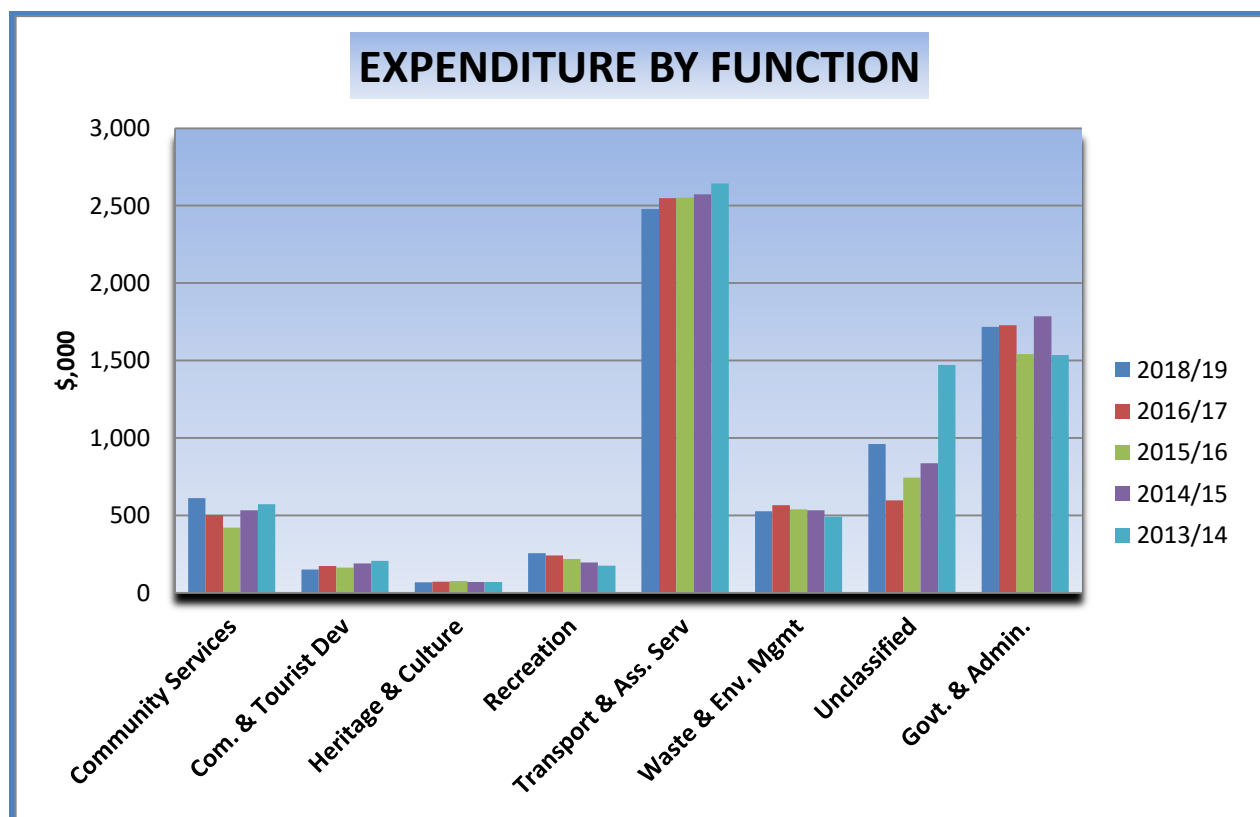
## Financial Performance Indicators

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

Indicator	2019 %	2018 %	2017 %	2016 %	2015 %	2014 %	2013 %
Rate Revenue Analysis Rate Income : <b>Total Revenue</b>	50.1	50.7	50.3	49.8	48	48	46
Working Capital Ratio Current Assets: <b>Current Liabilities</b>	7.46	7.09	8.24	6.94	6.4	6.51	7.68
Debt Ratio Total Liabilities: <b>Total Assets</b>	1.60	1.53	1.28	1.11	1.32	0.7	0.81

## Expenditure by Function

	2018/18 '000	2017/18 '000	2016/17 '000	2015/16 '000	2014/15 '000	2013/14 '000
<b>Community Services</b>	609	612	502	420	532	572
<b>Com. &amp; Tourist Dev</b>	343	151	173	162	190	207
<b>Heritage &amp; Culture</b>	77	67	72	76	70	70
<b>Recreation</b>	253	255	242	219	196	176
<b>Transport &amp; Ass. Serv</b>	2,560	2,478	2,549	2,552	2,573	2,643
<b>Waste &amp; Env. Mgmt</b>	613	527	566	539	532	492
<b>Unclassified</b>	966	960	597	743	836	1,472
<b>Govt. &amp; Admin.</b>	1,713	1,717	1,728	1,542	1,785	1,535



## Reserves

Reserve	\$'000 2013	\$'000 2014	\$'000 2015	\$'000 2016	\$,000 2017	\$,000 2018	\$,000 2019
Plant Replacement	453	453	453	453	453	453	453
Bridges	377	377	377	377	377	377	377
Sundry	165	121	297	196	143	143	242
Long Service Leave	288	298	335	351	371	354	404
Regional Refuse Site	80	80	80	80	80	80	80
Quarry Reserve	80	80	80	80	80	80	80
Grants	1,056	0	0	54	170	44	9
Healthy Communities Grant	213	0	0	0	0	0	0
<b>Total</b>	<b>2,712</b>	<b>1,409</b>	<b>1,622</b>	<b>1,591</b>	<b>1,674</b>	<b>1,531</b>	<b>1,645</b>

## Non - Current Assets

Non-Current Asset	30-Jun-18 ASSET value \$'000	30-Jun-19 ASSET value \$'000	Increase/ (Decrease) \$'000
Land	3,395	3,402	7
Buildings	5,107	5,194	87
Plant, Machinery & Equipment	1,934	1,908	(26)
Motor Vehicles	316	252	(64)
Office Equipment	147	176	29
Computer Equipment	84	70	(14)
Infrastructure	785	793	8
Roads	59,932	59,498	(434)
Drainage Systems	1,037	1,021	(16)
Bridges	7,984	7,816	(168)
Footpaths, Kerbs & Gutters	957	904	(53)
Works in Progress	553	1125	572
Valuer-General	22	22	0
Investment in Southern Water	8,028	9,110	1,082
Land Under Roads	957	957	0
Loan TasWater & Other	0	0	0
<b>TOTALS</b>	<b>91,238</b>	<b>92,248</b>	<b>1,010</b>

## **Independent Auditor's Report**

**To the Councillors of Central Highlands Council**

### **Report on the Audit of the Financial Report**

#### **Opinion**

I have audited the financial report of Central Highlands Council (Council), which comprises the statement of financial position as at 30 June 2019 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2019 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

#### **Basis for Opinion**

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

My audit responsibility does not extend to the budget figures included in the financial report, the asset renewal funding ratio disclosed in note 38, nor the Significant Business Activities disclosed in note 37 to the financial report and accordingly, I express no opinion on them.



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

### **Responsibilities 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 the *Local Government Act 1993* and for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the General Manager is responsible for assessing Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council is to be dissolved by an Act of Parliament or the Councillors intend to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager.
- Conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based

on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the General Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Leigh Franklin

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

**Tasmanian Audit Office**

26 September 2019  
Hobart



**Central Highlands Council**  
**ANNUAL FINANCIAL REPORT**  
*For the Year Ended 30 June 2019*

**Central Highlands Council  
Financial Report  
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**Statement of Comprehensive Income  
For the Year Ended 30 June 2019**

	Note	Budget 2019 \$	Actual 2019 \$	Actual 2018 \$
<b>Income</b>				
<b>Recurrent Income</b>				
Rates and charges	5	3,606,569	3,629,488	3,473,374
Statutory fees and fines	6	35,000	48,734	42,413
User fees	7	203,500	325,430	261,837
Grants	8	2,311,155	2,464,768	2,339,529
Contributions - cash	9	26,034	70,534	26,034
Interest	10	150,000	215,000	186,803
Other income	11	196,583	399,045	373,376
Investment revenue from water corporation	13	102,000	95,032	153,484
		<u>6,630,841</u>	<u>7,248,031</u>	<u>6,856,850</u>
<b>Capital Income</b>				
Capital grants received specifically for new or upgraded assets	8	209,198	211,847	611,721
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	12	7,350	(154,330)	(9,158)
		<u>216,548</u>	<u>57,517</u>	<u>602,563</u>
<b>Total income</b>		<u>6,847,389</u>	<u>7,305,548</u>	<u>7,459,413</u>
<b>Expenses</b>				
Employee benefits	14	(1,788,651)	(1,984,659)	(1,825,969)
Materials and services	15	(1,380,349)	(1,564,720)	(1,570,342)
Depreciation and amortisation	16	(2,094,000)	(2,124,957)	(2,099,464)
Other expenses	17	(1,374,973)	(1,460,552)	(1,271,697)
<b>Total expenses</b>		<u>(6,637,973)</u>	<u>(7,134,888)</u>	<u>(6,767,472)</u>
<b>Surplus / (deficit)</b>		<u>209,416</u>	<u>170,660</u>	<u>691,941</u>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to surplus or deficit</b>				
Fair Value adjustment on equity investment assets	27(b)	-	1,082,279	-
Net asset revaluation increment	27(a)	-	-	35,000
		<u>-</u>	<u>1,082,279</u>	<u>35,000</u>
<b>Items that may be reclassified subsequently to surplus or deficit</b>				
Financial assets available for sale reserve				
Fair Value adjustment on equity investment assets	27(b)	-	-	102,861
		<u>-</u>	<u>-</u>	<u>102,861</u>
<b>Total Other Comprehensive Income</b>		<u>-</u>	<u>1,082,279</u>	<u>137,861</u>
<b>Comprehensive result</b>		<u>209,416</u>	<u>1,252,939</u>	<u>829,802</u>

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



**Statement of Financial Position  
As at 30 June 2019**

	Note	2019	2018
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	19	10,473,798	10,099,069
Trade and other receivables	20	259,626	263,363
Inventories	21	9,982	6,000
Other assets	22	5,789	43,745
<b>Total current assets</b>		<b>10,749,195</b>	<b>10,412,177</b>
<b>Non-current assets</b>			
Investment in water corporation	18	9,110,354	8,028,075
Property, infrastructure, plant and equipment	23	83,117,878	83,188,320
<b>Total non-current assets</b>		<b>92,228,232</b>	<b>91,216,395</b>
<b>Total assets</b>		<b>102,977,427</b>	<b>101,628,572</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	24	483,367	646,318
Trust funds and deposits	25	190,840	124,487
Provisions	26	767,580	696,823
<b>Total current liabilities</b>		<b>1,441,787</b>	<b>1,467,628</b>
<b>Non-current liabilities</b>			
Provisions	26	208,019	86,262
<b>Total non-current liabilities</b>		<b>208,019</b>	<b>86,262</b>
<b>Total liabilities</b>		<b>1,649,806</b>	<b>1,553,890</b>
<b>Net Assets</b>		<b>101,327,621</b>	<b>100,074,682</b>
<b>Equity</b>			
Accumulated surplus		32,077,737	32,021,698
Reserves	27	69,249,884	68,052,984
<b>Total Equity</b>		<b>101,327,621</b>	<b>100,074,682</b>

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

**Statement of Cash Flows  
For the Year Ended 30 June 2019**

	Note	2019 Inflows/ (Outflows) \$	2018 Inflows/ (Outflows) \$
<b>Cash flows from operating activities</b>			
Rates		3,613,275	3,469,597
Statutory fees and fines		53,607	46,654
User charges and other fines		379,918	210,352
Grants		2,464,768	2,339,529
Interest		230,956	178,701
Investment revenue from water corporation	13	95,032	153,484
Other receipts		491,432	364,214
Net GST refund/payment		279,809	224,806
Payments to suppliers		(3,511,426)	(2,729,867)
Payments to employees (including redundancies)		(1,792,145)	(1,890,591)
<b>Net cash provided by (used in) operating activities</b>	<b>28</b>	<b>2,305,227</b>	<b>2,366,879</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(2,148,545)	(2,703,720)
Proceeds from sale of property, infrastructure, plant and equipment		6,200	207,959
Capital grants		211,847	611,721
Repayment of loans and advances from organisations		-	26,136
<b>Net cash provided by (used in) investing activities</b>		<b>(1,930,498)</b>	<b>(1,857,904)</b>
 Net increase (decrease) in cash and cash equivalents		 374,729	 508,975
Cash and cash equivalents at the beginning of the financial year		10,099,069	9,590,094
<b>Cash and cash equivalents at the end of the financial year</b>	<b>29</b>	<b>10,473,798</b>	<b>10,099,069</b>
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The above statement should be read in conjunction with the accompanying notes.

**Statement of Changes in Equity  
For the Year Ended 30 June 2019**

	Note	Accumulated Surplus 2019 \$	Asset Revaluation Reserve 2019 \$	Fair Value Reserve 2019 \$	Other Reserves 2019 \$	Total 2019 \$
<b>2019</b>						
Balance at beginning of the financial year		32,021,698	67,652,595	(1,130,245)	1,530,634	100,074,682
Adjustment due to AASB 9 adoption		-	-	-	-	-
Surplus / (deficit) for the year		170,660	-	-	-	170,660
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	18	-	-	-	-	-
Transfers between reserves		(114,621)	-	-	114,621	-
<b>Balance at end of the financial year</b>		<b>32,077,737</b>	<b>67,652,595</b>	<b>(1,130,245)</b>	<b>1,645,255</b>	<b>100,245,342</b>

		Accumulated Surplus 2018 \$	Asset Revaluation Reserve 2018 \$	Fair Value Reserve 2018 \$	Other Reserves 2018 \$	Total 2018 \$
<b>2018</b>						
Balance at beginning of the financial year		31,186,366	67,617,595	(1,233,106)	1,674,025	99,244,880
Surplus / (deficit) for the year		691,941	-	-	-	691,941
Other Comprehensive Income:						
Fair Value adjustment on Available for Sale Assets	18	-	-	102,861	-	102,861
Net asset revaluation increment(decrement) reversals	27(a)	-	35,000	-	-	35,000
Transfers between reserves		143,391	-	-	(143,391)	-
<b>Balance at end of the financial year</b>		<b>32,021,698</b>	<b>67,652,595</b>	<b>(1,130,245)</b>	<b>1,530,634</b>	<b>100,074,682</b>

The above statement should be read with the accompanying notes.

**Introduction**

**Note 1 Reporting Entity**

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

**Note 2 Basis of accounting**

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 18, 23, 26, and 36(d).

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.

**Note 3 Use of judgements and estimates**

*Judgements and Assumptions*

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

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

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

*Employee benefits*

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 26.

*Defined benefit superannuation fund obligations*

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 30.

*Fair value of property, infrastructure, plant & equipment*

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

*Investment in water corporation*

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



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

(a) 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						
2018 - 2019	987,173	3,291,021	4,278,194	1,713,438	2,564,756	1,596,576
2017 - 2018	913,703	3,336,045	4,249,748	1,717,601	2,532,147	1,595,335
Roads, streets and bridges						
2018 - 2019	1,675,806	26,034	1,701,840	2,560,412	(858,572)	70,197,366
2017 - 2018	1,985,047	26,034	2,011,081	2,478,223	(467,142)	70,609,643
Waste management						
2018 - 2019	-	599,298	599,298	613,272	(13,974)	374,845
2017 - 2018	-	567,630	567,630	526,968	40,662	374,921
Heritage and Culture						
2018 - 2019	-	2,798	2,798	77,040	(74,242)	1,290,936
2017 - 2018	-	1,461	1,461	66,667	(65,206)	1,298,064
Community services						
2018 - 2019	13,636	225,467	239,103	609,493	(370,390)	2,799,984
2017 - 2018	52,500	160,806	213,306	612,053	(398,747)	2,830,252
Recreation facilities						
2018 - 2019	-	54,778	54,778	252,629	(197,851)	2,406,014
2017 - 2018	-	2,819	2,819	255,314	(252,495)	2,246,609
Commercial and Tourism						
2018 - 2019	-	90,067	90,067	343,038	(252,971)	747,414
2017 - 2018	-	63,716	63,716	150,933	(87,217)	765,269
Other - not attributable						
2018 - 2019	-	339,470	339,470	965,566	(626,096)	23,564,292
2017 - 2018	-	349,652	349,652	959,713	(610,061)	21,908,479
<b>Total</b>						
2018 - 2019	2,676,615	4,628,933	7,305,548	7,134,888	170,660	102,977,427
2017 - 2018	2,951,250	4,508,163	7,459,413	6,767,472	691,941	101,628,572

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

	2019	2018
	\$	\$
Current assets	10,749,195	10,412,177
Non-current assets	92,228,232	91,216,395
	<u>102,977,427</u>	<u>101,628,572</u>

(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.

	2019	2018
	\$	\$

**Note 5 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 2018-2019 was \$40,440 million (2017-2018 \$40,160 million). The 2018-2019 rate in the AAV dollar was 3.4520 cents (2017-2018, 3.3451 cents).

General Rate	2,799,330	2,685,824
Fire Levy	217,375	214,641
Garbage charge	599,298	567,630
Revenue in advance	13,485	5,279
<b>Total rates and charges</b>	<b>3,629,488</b>	<b>3,473,374</b>

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

<b>Accounting policy</b>
<b>Rates and charges income</b>
Rate income is recognised as revenue when Council obtains control over the assets comprising the receipt.
Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property of, where earlier, upon receipt of the rates.

**Note 6 Statutory fees and fines**

Statutory Fees	48,734	42,413
<b>Total statutory fees and fines</b>	<b>48,734</b>	<b>42,413</b>

<b>Accounting policy</b>
<b>Statutory fee and fine income</b>
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.

**Note 7 User fees**

Rental Housing	73,687	78,119
Planning Fees	51,299	36,546
Building Fees	25,089	16,816
Tips and Waste Transfer Stations	6,474	6,102
Hall Hire	767	667
Camp Ground Fees	26,888	23,181
Animal Licences	25,179	15,304
Food & Public Assembly Licences	14,525	14,309
Sewer Connection Fees	13,960	9,785
Cemetery Charges	7,083	11,336
Bushfest	34,947	23,955
Other fees and charges	45,532	25,617
<b>Total user fees</b>	<b>325,430</b>	<b>281,837</b>

<b>Accounting policy</b>
<b>User fee income</b>
Fee income is recognised as revenue when the service has been provided, or the payment is received, whichever first occurs.

	2019	2018
	\$	\$
<b>Note 3 Grants</b>		
Grants were received in respect of the following:		
<b>Summary of grants</b>		
Federally funded grants	2,672,979	2,896,750
State funded grants	3,636	52,500
<b>Total</b>	<b>2,676,615</b>	<b>2,949,250</b>
<b>Grants - Recurrent</b>		
Financial assistance grant	2,464,768	2,302,029
Other	-	37,500
<b>Total recurrent grants</b>	<b>2,464,768</b>	<b>2,339,529</b>
The Australian Commonwealth Government provides unfunded Financial Assistance Grants to Council for general purpose use and the provision of local roads. In accordance with AASB1004, Contributions, Council recognised these grants as revenue when it received the funds and obtained control.		
In both years the Commonwealth has made early payment of the first two quarterly instalments for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2018-19 by \$60,054. (2017-18, (\$2,104)). This has impacted the Statement of Comprehensive Income resulting in the Surplus(deficit) being higher by the same amount.		
<b>Capital grants received specifically for new or upgraded assets</b>	<b>\$</b>	<b>\$</b>
Commonwealth Government - roads to recovery	198,211	596,721
Community Infrastructure	-	15,000
Stronger Communities Programme	10,000	-
Other	3,636	-
<b>Total capital grants</b>	<b>211,847</b>	<b>611,721</b>
<b>Conditions on grants</b>		
Non-reciprocal grants which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:		
Unexpended at the close of the previous reporting period	44,000	170,549
Less: expended during the current period from revenues recognised in previous reporting periods		
Roads to recovery	-	(63,637)
Highlands Food Connect Grant	(16,500)	-
Preventative Health projects in the Central Highlands	(3,466)	-
Grant Auspicing for Bothwell CWA	(15,000)	-
Community Infrastructure	-	(106,912)
	(34,966)	(170,549)
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Highlands Food Connect Grant	-	16,500
Preventative Health projects in the Central Highlands	-	12,500
Grant Auspicing for Bothwell CWA	-	15,000
	-	44,000
<b>Unexpended at the close of this reporting period (note 19)</b>	<b>9,035</b>	<b>44,000</b>
Net increase (decrease) in non-reciprocal grant revenues for the year:	(34,966)	(126,549)

#### Accounting policy

##### Grant income - operating and capital

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

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

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

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

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

	2019	2018
	\$	\$
<b>Note 9 Contributions</b>		
<b>Cash</b>		
Heavy Vehicle Contribution Fees	26,034	26,034
<b>Total</b>	<b>26,034</b>	<b>26,034</b>
<b>Non-monetary assets</b>		
Buildings	30,800	-
Plant and equipment	13,900	-
<b>Total</b>	<b>44,500</b>	<b>-</b>
<b>Total contributions</b>	<b>70,534</b>	<b>26,034</b>

**Accounting policy**

**Contribution income**

Contributions are recognised as revenue when Council obtains control over the assets comprising the receipt.

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

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

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

<b>Note 10 Interest</b>		
Interest on financial assets	215,000	186,803
<b>Total</b>	<b>215,000</b>	<b>186,803</b>

**Accounting policy**

**Interest income**

Interest is recognised progressively as it is earned.

<b>Note 11 Other Income</b>		
Private Works	296,505	269,153
Reimbursements	65,985	70,755
Penalties and interest	36,555	33,468
<b>Total other income</b>	<b>399,045</b>	<b>373,376</b>

**Accounting policy**

**Other income**

Private Works jobs, reimbursements and penalties and interest are recognised as revenue when the payment is due or the payment is received, whichever first occurs.

<b>Note 12 Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>		
Proceeds of sale	6,200	207,959
Write down value of assets disposed	(160,530)	(217,117)
<b>Total</b>	<b>(154,330)</b>	<b>(9,158)</b>

**Accounting policy**

**Gains and losses on asset disposals**

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



	2019	2018
	\$	\$
<b>Note 13 Investment revenue from water corporation</b>		
Dividend revenue received	53,492	94,345
Tax equivalent received	34,730	45,161
Guarantee fee received	6,810	13,978
<b>Total investment revenue from water corporation</b>	<b>95,032</b>	<b>153,484</b>

**Accounting policy**

**Investment revenue**

Dividend revenue is recognised when Council's right to receive payment is established and it can be reliably measured.

<b>Note 14 Employee benefits</b>		
Wages and salaries	1,621,155	1,541,535
Workers compensation	2,170	24,851
Annual leave and long service leave	210,323	155,275
Sick Leave	58,552	50,154
Superannuation	153,649	154,715
Fringe benefits tax	27,933	12,138
<b>Total employee benefits</b>	<b>2,073,782</b>	<b>1,938,669</b>
Less amounts capitalised	(89,123)	(112,699)
<b>Total operating employee benefits</b>	<b>1,984,659</b>	<b>1,825,969</b>

**Accounting policy**

**Employee benefits**

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

<b>Note 15 Materials and services</b>		
Contract payments	544,801	656,790
Building maintenance	27,650	55,653
Plant and equipment maintenance, hire and fuel	309,991	238,433
Consultants	68,507	112,248
Materials and services	456,483	349,897
Other	137,288	157,631
<b>Total materials and services</b>	<b>1,564,720</b>	<b>1,570,342</b>

**Accounting policy**

**Materials and services expense**

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

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.

	2019 \$	2018 \$
<b>Note 16 Depreciation and amortisation</b>		
<i>Property</i>		
Buildings	115,454	108,206
<i>Plant and Equipment</i>		
Plant, machinery and equipment	308,329	323,097
Fixtures, fittings and furniture	17,236	13,206
Computers and telecommunications	30,608	28,287
<i>Infrastructure</i>		
Roads	1,285,015	1,264,859
Bridges	204,659	204,659
Footpaths and cycleways	52,820	52,996
Drainage	16,003	16,003
Infrastructure	72,833	66,151
<i>Other Assets</i>		
Deferred expenditure	22,000	22,000
<b>Total depreciation and amortisation</b>	<b>2,124,957</b>	<b>2,098,464</b>

#### Accounting policy

##### Depreciation and amortisation expense

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

Buildings, 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. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

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

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

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

	Period
Land Improvements	50 years
Buildings	
Buildings	10-100 years
Building improvements	10-25 years
Leasehold Improvements	
Leasehold building improvements	10-20 years
Plant and Equipment	
Plant, machinery and equipment	2-15 years
Fixtures, fittings and furniture	10-20 years
Computers and telecommunications	2.5-10 years
Leased plant and equipment	2-12 years
Roads	
Road pavements and seals	12-30 years
Road substructure	50 years
Road formation and earthworks	200 years
Road kerb, channel and minor culverts	50-60 years
Bridges	
Bridge deck	20-50 years
Bridge substructure	25-50 years
Other Infrastructure	
Footpaths and cycleways	5-30 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

	2019	2018
	\$	\$
<b>Note 17 Other expenses</b>		
External auditors' remuneration (Tasmanian Audit Office)	27,039	30,203
Councillors' allowances	137,700	131,659
Fire Levy	216,181	214,420
Light and Power	113,965	111,446
Insurance	241,232	167,314
Valuation Fees	12,300	10,895
Communications and Telephones	60,267	68,920
Community Support and Donations	53,867	138,895
Land Tax	22,641	23,391
Subscriptions and membership	32,688	30,743
Advertising	33,418	34,156
Legal Fees	152,879	30,754
Printing and Stationary	18,102	18,311
Bank Fees	18,952	19,632
Payroll Tax	36,438	52,340
Water, Sewerage and Rates	111,010	114,710
Landfill Restoration Provisions	100,000	-
Other	61,863	75,908
<b>Total other expenses</b>	<b>1,460,552</b>	<b>1,271,697</b>

**Accounting policy**

**Other expenses**

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

**Note 18 Investment in water corporation**

Opening Balance	8,028,075	7,925,214
Fair Value adjustments on available-for-sale assets	-	102,851
Fair Value adjustments on equity investment assets	1,082,278	-
<b>Total investment in water corporation</b>	<b>9,110,354</b>	<b>8,028,075</b>

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

**Accounting policy under AASB 9 - applicable from 1 July 2018**

**Equity Investment**

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: Financial Instruments to irrevocably classify this equity investment as designated as fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer note 27b) and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured.

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2019, Council held a 0.48% (2018: 0.50%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the Council's voting rights.

**Accounting policy under AASB 139 - applicable for 2018 comparative**

**Equity Investment**

Council's investment in TasWater is valued at its fair value determined by Council's ownership interest against the water corporation's net asset value at balance date. Any unrealised gains and losses are recognised through the Statement of Comprehensive Income to an Available-for-sale Fair value reserve each year (refer note 27b).

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's investment is not traded in an active market and is only sensitive to fluctuations in the value of TasWater's net assets.

**Note 19 Cash and cash equivalents**

Cash on hand	550	550
Cash at bank	1,141,299	1,548,613
Term deposits and investments	8,331,949	8,549,906
<b>Total cash and cash equivalents</b>	<b>10,473,798</b>	<b>10,099,069</b>

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

- Trust funds and deposits (note 25)	190,840	124,497
- Conditions on grants (note 8)	9,035	44,000
- Leave provisions (note 26)	975,599	783,065
<b>Restricted funds</b>	<b>1,175,474</b>	<b>951,572</b>

<b>Total unrestricted cash and cash equivalents</b>	<b>9,298,324</b>	<b>9,147,497</b>
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**Accounting policy**

**Cash and cash equivalents**

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

	2019	2018
	\$	\$
<b>Note 20</b>		
<b>Trade and other receivables</b>		
<b>Current</b>		
Rates debtors	130,777	114,564
Other debtors	134,878	154,828
Provision for impairment - other debtors	(6,029)	(6,029)
<b>Total trade and other receivables</b>	<b>259,626</b>	<b>263,363</b>
<b>Reconciliation of movement in expected credit loss</b>		
Carrying amount at 30 June 2018 under AASB 139	(6,029)	
Amounts restated through Accumulated Funds	-	
Carrying amount at 1 July under AASB 9	(6,029)	
Amounts written off during the year	-	
Amounts recovered during the year	-	
Increase/(decrease) in provision recognised in profit or loss	-	
Carrying amount at 30 June	(6,029)	
<b>Reconciliation of movement in provision for impairment of receivables</b>		
Carrying amount at 1 July		(6,029)
Amounts written off during the year		-
Amounts recovered during the year		-
Increase / (decrease) in provision recognised in profit or loss		-
Carrying amount at 30 June		(6,029)

#### Accounting policy

##### Trade and other receivables

##### Accounting policy under AASB 9 - applicable from 1 July 2018

Trade receivables that do not contain a significant financing component are measured at amortised cost, which represents their transaction value. Impairment is recognised on an expected credit loss (ECL) basis. When determining whether the credit risk has increased significantly since initial recognition, and when estimating the ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience, an informed credit assessment and forward-looking information. Council has determined that there is insufficient credit risk to warrant any increase in provision in 2018/19.

For rates debtors, Council takes the view that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that assets more than 30 days past due have a significant increase in credit risk and those more than 90 days will likely be in default. Council writes off receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

##### Accounting policy under AASB 139 - applicable for 2018 comparative

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. A provision for impairment on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

<b>Note 21</b>	<b>Inventories</b>		
	Inventories held for consumption	9,982	6,000
	<b>Total Inventories</b>	<b>9,982</b>	<b>6,000</b>

#### Accounting policy

##### Inventories

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

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

<b>Note 22</b>	<b>Other assets</b>		
	<b>Current</b>		
	Accrued income*	5,789	21,745
	Deferred expenditure	-	22,000
	<b>Total</b>	<b>5,789</b>	<b>43,745</b>

\* Accrued income only includes items that are reciprocal in nature.

Note 23

	2019	2018
	\$	\$
<b>Property, infrastructure, plant and equipment</b>		
<b>Summary</b>		
at cost	6,701,707	6,017,719
Less accumulated depreciation	(3,170,822)	(2,983,444)
	<u>3,531,685</u>	<u>3,034,275</u>
at fair value at 30 June	107,497,846	106,537,639
Less accumulated depreciation	(27,911,653)	(26,383,594)
	<u>79,586,193</u>	<u>80,154,045</u>
<b>Total</b>	<u>83,117,878</u>	<u>83,188,320</u>
<b>Property</b>		
<b>Land</b>		
at fair value at 30 June	3,401,816	3,395,000
	<u>3,401,816</u>	<u>3,395,000</u>
<b>Land under roads</b>		
at Council valuation at 30 June	957,396	957,396
	<u>957,396</u>	<u>957,396</u>
<b>Total Land</b>	<u>4,359,212</u>	<u>4,352,396</u>
<b>Buildings</b>		
at fair value at 30 June	5,724,616	5,522,171
Less accumulated depreciation	(530,495)	(415,041)
<b>Total Buildings</b>	<u>5,194,121</u>	<u>5,107,130</u>
<b>Total Property</b>	<u>9,553,333</u>	<u>9,459,526</u>

Valuation of land (excluding land under roads) and buildings was undertaken by the Valuer-General in 2014-15. 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 23	Property, infrastructure, plant and equipment (cont.)	2019 \$	2018 \$
	<b>Plant and Equipment</b>		
	Plant, machinery and equipment		
	at cost	5,003,924	4,851,728
	Less accumulated depreciation	(2,844,278)	(2,601,208)
		<u>2,159,646</u>	<u>2,250,520</u>
	Fixtures, fittings and furniture		
	at cost	259,281	212,362
	Less accumulated depreciation	(82,682)	(65,446)
		<u>176,599</u>	<u>146,916</u>
	Computers and telecommunications		
	at cost	313,195	400,846
	Less accumulated depreciation	(243,062)	(316,790)
		<u>70,133</u>	<u>84,056</u>
	<b>Total Plant and Equipment</b>	<u>2,406,378</u>	<u>2,481,492</u>
	<b>Infrastructure</b>		
	Roads		
	at fair value at 30 June	76,314,943	75,630,314
	Less accumulated depreciation	(16,816,512)	(15,698,496)
		<u>59,498,431</u>	<u>59,931,818</u>
	Bridges		
	at fair value at 30 June	15,240,097	15,254,656
	Less accumulated depreciation	(7,423,870)	(7,270,937)
		<u>7,816,227</u>	<u>7,983,719</u>
	Footpaths, kerbs and gutters		
	at fair value at 30 June	2,706,735	2,706,735
	Less accumulated depreciation	(1,802,629)	(1,749,809)
		<u>904,106</u>	<u>956,926</u>
	Drainage		
	at fair value at 30 June	1,630,154	1,630,154
	Less accumulated depreciation	(608,947)	(592,944)
		<u>1,021,207</u>	<u>1,037,210</u>
	Infrastructure		
	at fair value at 30 June	1,522,089	1,441,213
	Less accumulated depreciation	(729,200)	(656,367)
		<u>792,889</u>	<u>784,846</u>
	<b>Total Infrastructure</b>	<u>70,032,860</u>	<u>70,694,519</u>
	A full valuation of roads and footpaths was undertaken by independent valuers, Moloneys Asset Management Systems, effective October 2014. Bridges were revalued by AusSpan effective January 2018. Drainage and other infrastructure have not been revalued due to the immaterial amount of assets in these classes.		
	<b>Works in progress</b>		
	Buildings at cost	35,418	120,560
	Roads at cost	916,101	342,748
	Infrastructure	7,350	50,003
	Drainage	45,815	18,751
	Footpaths, kerbs and gutters	82,286	-
	Bridges	38,337	20,731
	<b>Total Works in progress</b>	<u>1,125,307</u>	<u>552,793</u>
	<b>Total property, infrastructure, plant and equipment</b>	<u>83,117,878</u>	<u>83,188,320</u>

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

Reconciliation of property, infrastructure, plant and equipment

2019	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 27)	Depreciation and amortisation (note 16)	Written down value of disposals	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$
<b>Property</b>							
land	3,395,000	6,816	-	-	-	-	3,401,816
land under roads	957,396	-	-	-	-	-	957,396
<b>Total land</b>	<b>4,352,396</b>	<b>6,816</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,359,212</b>
buildings	5,107,130	30,600	-	115,454	-	171,845	5,194,121
<b>Total buildings</b>	<b>5,107,130</b>	<b>30,600</b>	<b>-</b>	<b>115,454</b>	<b>-</b>	<b>171,845</b>	<b>5,194,121</b>
<b>Total property</b>	<b>9,459,526</b>	<b>37,416</b>	<b>-</b>	<b>115,454</b>	<b>-</b>	<b>171,845</b>	<b>9,553,333</b>
<b>Plant and Equipment</b>							
plant, machinery and equipment	2,250,520	217,455	-	308,329	-	-	2,159,646
fixtures, fittings and furniture	146,916	46,919	-	17,236	-	-	176,599
computers and telecommunications	84,056	16,685	-	30,608	-	-	70,133
<b>Total plant and equipment</b>	<b>2,481,492</b>	<b>281,059</b>	<b>-</b>	<b>356,173</b>	<b>-</b>	<b>-</b>	<b>2,406,378</b>
<b>Infrastructure</b>							
roads	59,931,818	-	-	1,285,015	160,530	1,012,158	59,498,431
bridges	7,983,719	-	-	204,659	-	37,167	7,816,227
footpaths, kerbs and gutters	956,926	-	-	52,820	-	-	904,106
drainage	1,037,210	-	-	16,003	-	-	1,021,207
infrastructure	784,846	-	-	72,833	-	80,876	792,889
<b>Total infrastructure</b>	<b>70,694,519</b>	<b>-</b>	<b>-</b>	<b>1,631,330</b>	<b>160,530</b>	<b>1,130,201</b>	<b>70,032,860</b>
<b>Works in progress</b>							
roads	342,748	1,585,511	-	-	-	(1,012,158)	916,101
buildings	120,550	86,713	-	-	-	(171,845)	35,418
infrastructure	50,003	38,223	-	-	-	(80,876)	7,350
drainage	18,751	27,064	-	-	-	-	45,815
footpaths, kerbs and gutters	-	82,286	-	-	-	-	82,286
bridges	20,731	54,773	-	-	-	(37,167)	38,337
<b>Total works in progress</b>	<b>552,783</b>	<b>1,874,570</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,302,046)</b>	<b>1,125,307</b>
<b>Total property, infrastructure, plant and equipment</b>	<b>83,188,320</b>	<b>2,193,045</b>	<b>-</b>	<b>2,102,957</b>	<b>160,530</b>	<b>-</b>	<b>83,117,878</b>

(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, infrastructure, plant and equipment (cont.)**

**Reconciliation of property, infrastructure, plant and equipment**

2018	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 27)	Depreciation and amortisation (note 15)	Written down value of disposals	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$
<b>Property</b>							
land	3,395,000	-	-	-	-	-	3,395,000
land under roads	957,396	-	-	-	-	-	957,396
<b>Total land</b>	<b>4,352,396</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,352,396</b>
buildings	4,945,474	-	-	108,206	-	269,862	5,107,130
<b>Total buildings</b>	<b>4,945,474</b>	<b>-</b>	<b>-</b>	<b>108,206</b>	<b>-</b>	<b>269,862</b>	<b>5,107,130</b>
<b>Total property</b>	<b>9,297,870</b>	<b>-</b>	<b>-</b>	<b>108,206</b>	<b>-</b>	<b>269,862</b>	<b>9,459,526</b>
<b>Plant and Equipment</b>							
plant, machinery and equipment	2,059,733	591,912	-	323,097	78,028	-	2,250,520
fixtures, fittings and furniture	140,387	19,735	-	13,206	-	-	146,916
computers and telecommunications	101,633	10,710	-	28,287	-	-	84,056
<b>Total plant and equipment</b>	<b>2,301,753</b>	<b>622,357</b>	<b>-</b>	<b>364,590</b>	<b>78,028</b>	<b>-</b>	<b>2,481,492</b>
<b>Infrastructure</b>							
roads	59,737,055	-	-	1,264,859	139,089	1,598,711	59,931,818
bridges	8,153,378	-	35,000	204,659	-	-	7,983,719
footpaths, kerbs and gutters	1,000,954	-	-	52,996	-	8,968	956,926
drainage	1,023,359	-	-	16,003	-	29,854	1,037,210
infrastructure	673,535	-	-	66,151	-	177,462	784,846
<b>Total infrastructure</b>	<b>70,588,281</b>	<b>-</b>	<b>35,000</b>	<b>1,604,668</b>	<b>139,089</b>	<b>1,814,995</b>	<b>70,694,519</b>
<b>Works in progress</b>							
roads	410,538	1,530,921	-	-	-	(1,598,711)	342,748
buildings	24,309	366,103	-	-	-	(269,862)	120,550
infrastructure	107,406	120,059	-	-	-	(177,462)	50,003
drainage	8,972	39,633	-	-	-	(29,854)	18,751
footpaths, kerbs and gutters	-	8,968	-	-	-	(8,968)	-
bridges	5,052	15,679	-	-	-	-	20,731
<b>Total works in progress</b>	<b>556,277</b>	<b>2,081,363</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,084,857)</b>	<b>552,783</b>
<b>Total property, infrastructure, plant and equipment</b>	<b>82,744,181</b>	<b>2,703,720</b>	<b>35,000</b>	<b>2,077,464</b>	<b>217,117</b>	<b>-</b>	<b>83,188,320</b>

**(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.

<b>Accounting policy</b>	
<b>Recognition and measurement of assets</b>	
Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs.	
Property, infrastructure, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by	
Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during	
The following classes of assets have been recognised. In accordance with Council's policy, the threshold limits detailed below have applied	
when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.	
	<b>Threshold</b>
	<b>\$</b>
<b>Land</b>	
land	5,000
land improvements	5,000
land under roads	5,000
<b>Buildings</b>	
buildings	5,000
building improvements	5,000
heritage buildings	5,000
<b>Plant and Equipment</b>	
plant, machinery and equipment	1,000
fixtures, fittings and furniture	1,000
computers and telecommunications	1,000
leased plant and equipment	1,000
<b>Roads</b>	
road pavements and seals	5,000
road substructure	5,000
road formation and earthworks	5,000
road kerb, channel and minor culverts	5,000
<b>Bridges</b>	
bridges deck	5,000
bridges substructure	5,000
<b>Other Infrastructure</b>	
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
<b>Intangible assets</b>	
intangible assets	1,000
<b>Revaluation</b>	
Council has adopted the following valuation bases for its non-current assets:	
<b>Land</b>	fair value
Land improvements	cost
Plant and machinery	cost
Furniture, fittings and office equipment	cost
Stormwater and drainage infrastructure	fair value
Roads and streets infrastructure	fair value
Bridges	fair value
Buildings	fair value
Intangibles	cost
Parks, recreation facilities and community amenities	cost
Investment in water corporation	fair value

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

**Accounting policy (cont.)**

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

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

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

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

**Impairment of assets**

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

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

	2019	2018
	\$	\$
<b>Note 24 Trade and other payables</b>		
Trade payables	411,113	578,825
Accrued expenses	67,190	67,493
Other	5,064	-
<b>Total trade and other payables</b>	<b>483,367</b>	<b>646,318</b>
<b>Note 25 Trust funds and deposits</b>		
Refundable building deposits	1,200	1,500
Retention amounts	49,417	34,085
Other refundable deposits	140,223	88,902
<b>Total trust funds and deposits</b>	<b>190,840</b>	<b>124,487</b>

**Accounting policy**

**Tender deposits**

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



Notes to the Financial Report  
For the Year Ended 30 June 2019

Note 26 Provisions

	Annual leave & RDO's	Long service leave	Sick Leave	Landfill Restoration	Other	Total
	\$	\$	\$	\$	\$	\$
2019						
Balance at beginning of the financial year	149,606	354,329	192,140	-	87,010	783,085
Additional provisions	138,630	79,103	32,825	100,000	37,028	387,586
Amounts used	(122,694)	(29,518)	(20,513)	-	(22,347)	(195,072)
Balance at the end of the financial year	165,542	403,914	204,452	100,000	101,691	975,599

2018						
Balance at beginning of the financial year	168,587	371,171	232,600	-	75,449	847,707
Additional provisions	127,872	53,564	35,593	-	47,808	264,837
Amounts used	(146,853)	(70,406)	(75,953)	-	(36,247)	(329,459)
Balance at the end of the financial year	149,606	354,329	192,140	-	87,010	783,085

2019  
\$'000

(i) Current

Annual leave	165,542	149,606
Long service leave	308,440	277,652
Sick Leave	204,452	192,140
Other	89,146	77,425
	<u>767,580</u>	<u>696,823</u>

(ii) Non-current

Long service leave	95,474	76,677
Landfill	100,000	-
Other	12,545	9,585
	<u>208,019</u>	<u>86,262</u>

Aggregate carrying amount of employee benefits and landfill:

Current	767,580	696,823
Non-current	208,019	86,262
	<u>975,599</u>	<u>783,085</u>

(a) Employee benefits

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

Weighted average increase in employee costs	6.97%	2.11%
Weighted average discount rates	1.04%	2.14%
Weighted average settlement period	12	12

(i) Current

All annual leave and the long service leave entitlements representing 10 or more years. Sick leave entitlements accumulated based on years of service.

- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	369,994	341,746
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	308,440	277,652
	<u>678,434</u>	<u>619,398</u>

(ii) Non-current

Long service leave representing less than 10 years of continuous service measured at present value

95,474	76,677
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(iii) Employee Numbers - FTE

27 27

**Accounting policy**

**Employee benefits**

**i) Short term obligations**

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

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

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

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

**iii) Defined benefit plans**

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

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund, which is a sub-fund of the Tasplan 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 34 of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

**iv) Defined contribution plans**

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

**(b) Landfill restoration**

Council is obligated to restore its waste transfer stations to a particular standard. Current projections indicate that the waste transfer station site will cease operation in 2021/22 and restoration work is expected to commence two years after. The forecast life of the sites is based on current estimates of remaining capacity and the forecast rate of infill. The provision for restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council does not expect to receive reimbursement from a third party

Note 27 Reserves

	Balance at beginning of reporting year	Increment	(decrement)	Balance at end of reporting year
(a) Asset revaluation reserve	\$	\$	\$	\$
2019				
Property				
Land	1,994,350	-	-	1,994,350
Buildings	1,712,197	-	-	1,712,197
Fixtures and fittings	4,530	-	-	4,530
	<u>3,711,077</u>	<u>-</u>	<u>-</u>	<u>3,711,077</u>
Infrastructure				
Roads	53,840,334	-	-	53,840,334
Bridges	6,958,522	-	-	6,958,522
Footpaths and cycleways	2,545,740	-	-	2,545,740
Drainage	596,922	-	-	596,922
	<u>63,941,518</u>	<u>-</u>	<u>-</u>	<u>63,941,518</u>
Total asset revaluation reserve	<u>67,652,595</u>	<u>-</u>	<u>-</u>	<u>67,652,595</u>
2018				
Property				
Land	1,994,350	-	-	1,994,350
Buildings	1,712,197	-	-	1,712,197
Fixtures and fittings	4,530	-	-	4,530
	<u>3,711,077</u>	<u>-</u>	<u>-</u>	<u>3,711,077</u>
Infrastructure				
Roads	53,840,334	-	-	53,840,334
Bridges	6,923,522	35,000	-	6,958,522
Footpaths and cycleways	2,545,740	-	-	2,545,740
Drainage	596,922	-	-	596,922
	<u>63,906,518</u>	<u>35,000</u>	<u>-</u>	<u>63,941,518</u>
Total asset revaluation reserve	<u>67,617,595</u>	<u>35,000</u>	<u>-</u>	<u>67,652,595</u>

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

	Balance at beginning of reporting year	Increment	(decrement)	Balance at end of reporting year
(b) Fair value reserve	\$	\$	\$	\$
2019				
Equity investment assets				
Investment in water corporation	(1,130,245)	1,082,279	-	(47,966)
Total fair value reserve	<u>(1,130,245)</u>	<u>1,082,279</u>	<u>-</u>	<u>(47,966)</u>
2018				
Available-for-sale assets				
Investment in water corporation	(1,233,106)	102,861	-	(1,130,245)
Total fair value reserve	<u>(1,233,106)</u>	<u>102,861</u>	<u>-</u>	<u>(1,130,245)</u>

Council has to designate its investment in Taswater as an equity investment at fair value through other comprehensive income. Subsequent changes in fair value are reflected in the reserve and will not be reclassified through the profit or loss when derecognised. Equity investment assets within the Fair value reserve were previously classified as 'Available-for-sale assets'.

**Note 27 Reserves (cont)**

	Balance at beginning of reporting year	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting year
	\$	\$	\$	\$
(c) Other reserves				
<b>2019</b>				
Other Reserves	1,530,634	179,104	(64,483)	1,645,255
<b>Total Other reserves</b>	<b>1,530,634</b>	<b>179,104</b>	<b>(64,483)</b>	<b>1,645,255</b>
<b>2018</b>				
Other Reserves	1,674,025	97,564	(240,955)	1,530,634
<b>Total Other reserves</b>	<b>1,674,025</b>	<b>97,564</b>	<b>(240,955)</b>	<b>1,530,634</b>
			<b>2019</b>	<b>2018</b>
			\$	\$
<b>Total Reserves</b>			<b>69,249,884</b>	<b>68,052,984</b>

**Note 28 Reconciliation of cash flows from operating activities to surplus (deficit)**

Surplus/(Deficit)	170,660	691,941
Depreciation/amortisation	2,124,957	2,099,464
(Profit)/loss on disposal of property, plant and equipment, infrastructure	154,330	9,158
Capital grants received specifically for new or upgraded assets	(211,847)	(611,721)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	3,737	(74,385)
Decrease/(increase) in other assets	(28,544)	(8,102)
Decrease/(increase) in inventories	(3,982)	(2,668)
Increase/(decrease) in trade and other payables	(162,951)	363,010
Increase/(decrease) in provisions	192,514	(64,622)
Increase/(decrease) in other liabilities	66,353	(35,196)
<b>Net cash provided by/(used in) operating activities</b>	<b>2,305,227</b>	<b>2,366,879</b>

**Note 29 Reconciliation of cash and cash equivalents**

Cash and cash equivalents (see note 19)	10,473,798	10,099,069
<b>Total reconciliation of cash and cash equivalents</b>	<b>10,473,798</b>	<b>10,099,069</b>

Note 30 Superannuation

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund), a sub-fund of the Tasplan Superannuation Fund (Tasplan). The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 *Employee Benefits*, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2019 the Council contributed 0% 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.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2017. The review disclosed that at that time the net market value of assets available for funding member benefits was \$58,940,000, the value of vested benefits was \$51,170,000, the surplus over vested benefits was \$7,770,000, the value of total accrued benefits was \$50,606,000, and the number of members was 134. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees.

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

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

The actuarial review concluded that:

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

The Actuary recommended that in future the Council contribute 9.5% of salaries in 2017/18 and 0% from 1 July 2018 to 30 June 2021.

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 2020 and is expected to be completed late in 2020.

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

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

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

- The 2017 actuarial review used the "aggregate" funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is consistent with the method used at the previous actuarial review in 2014.

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

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

Note 30 Superannuation (cont.)

- The application of Fund assets on Tasplan being wound-up is set out in Rule 4.1.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependents in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.4 would be applied in this case (as detailed above).

- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2017. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2020.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2018, showed that the Fund had assets of \$57.48 million and members' Vested Benefits were \$48.39 million. These amounts represented 0.7% and 0.6% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2018 the fund had 119 members and the total employer contributions and member contributions for the year ending 30 June 2018 were \$1,515,272 and \$266,000 respectively.

	2019	2018
Fund	\$	\$
Defined benefits fund		
Employer contributions to Tasplan	-	24,346
	-	24,346
Accumulation funds		
Employer contributions to super funds	153,649	130,369
	153,649	130,369

	2019	2018
	\$	\$
Note 31 Commitments		
Capital expenditure commitments		
Roads	65,093	-
Total	65,093	-
Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial report are as follows:		
Recycling and garbage collection contracts (expires 2022)	660,276	999,645
Total	660,276	999,645

Note 32 Contingent liabilities

Council is presently involved in confidential legal matters, which are being conducted through Council's solicitors.

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.



Note 33 Financial Instruments

(a) 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:

2019

	Weighted average interest rate	Floating interest rate \$	Fixed interest maturing in:			Total \$
			1 year or less \$	Over 1 to 5 years \$	Non- interest bearing \$	
<b>Financial assets</b>						
Cash and cash equivalents	1.65%	1,141,850	9,331,948	-	-	10,473,798
Trade and other receivables		259,626	-	-	-	259,626
Investment in water corporation		-	-	-	9,110,354	9,110,354
<b>Total financial assets</b>		<b>1,401,476</b>	<b>9,331,948</b>	<b>-</b>	<b>9,110,354</b>	<b>19,843,778</b>
<b>Financial liabilities</b>						
Trade and other payables		-	-	-	483,367	483,367
Trust funds and deposits		-	-	-	190,840	190,840
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>674,207</b>	<b>674,207</b>
<b>Net financial assets (liabilities)</b>		<b>1,401,476</b>	<b>9,331,948</b>	<b>-</b>	<b>8,436,147</b>	<b>19,169,571</b>

2018

	Weighted average interest rate	Floating interest rate \$	Fixed interest maturing in:			Total \$
			1 year or less \$	Over 1 to 5 years \$	Non- interest bearing \$	
<b>Financial assets</b>						
Cash and cash equivalents	2.11%	1,549,163	8,549,906	-	-	10,099,069
Trade and other receivables		263,363	-	-	-	263,363
Investment in water corporation		-	-	-	8,028,075	8,028,075
<b>Total financial assets</b>		<b>1,812,526</b>	<b>8,549,906</b>	<b>-</b>	<b>8,028,075</b>	<b>18,390,507</b>
<b>Financial liabilities</b>						
Trade and other payables		-	-	-	646,318	646,318
Trust funds and deposits		-	-	-	124,487	124,487
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>770,805</b>	<b>770,805</b>
<b>Net financial assets (liabilities)</b>		<b>1,812,526</b>	<b>8,549,906</b>	<b>-</b>	<b>7,257,270</b>	<b>17,619,702</b>

Note 33 Financial Instruments (cont.)

(b) Fair Value

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	10,473,798	10,099,069	10,473,798	10,099,069
Trade and other receivables	259,626	263,363	259,626	263,363
Investment in water corporation	9,110,354	8,028,075	9,110,354	8,028,075
<b>Total financial assets</b>	<b>19,843,778</b>	<b>18,390,507</b>	<b>19,843,778</b>	<b>18,390,507</b>
<b>Financial liabilities</b>				
Trade and other payables	483,367	646,318	483,367	646,318
Trust funds and deposits	190,840	124,487	190,840	124,487
<b>Total financial liabilities</b>	<b>674,207</b>	<b>770,805</b>	<b>674,207</b>	<b>770,805</b>

(c) Credit Risk

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

(d) Risks and mitigation

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

**Market risk**

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

**Interest rate risk**

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

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

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

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

#### Credit risk

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

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

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

It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation.

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

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when we provide a guarantee for another party.

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

	Financial Institutions (AAA credit rating)	Government agencies (BBB credit rating)	Other (min BBB credit rating)	Total
<b>2019</b>				
Cash and cash equivalents	10,473,798	-	-	10,473,798
<b>Total contractual financial assets</b>	<b>10,473,798</b>	<b>-</b>	<b>-</b>	<b>10,473,798</b>
<b>2018</b>				
Cash and cash equivalents	10,099,069	-	-	10,099,069
<b>Total contractual financial assets</b>	<b>10,099,069</b>	<b>-</b>	<b>-</b>	<b>10,099,069</b>

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

	2019 \$	2018 \$
Balance at the beginning of the year	6,029	6,029
New Provisions recognised during the year	-	-
<b>Balance at end of year</b>	<b>6,029</b>	<b>6,029</b>

#### Ageing of Trade and Other Receivables

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

	2019 \$	2018 \$
Current (not yet due)	37,905	90,596
Past due by up to 30 days	82,275	32,913
Past due between 31 and 180 days	77,016	81,874
Past due between 181 and 365 days	175	5,661
Past due by more than 1 year	62,255	52,319
<b>Total Trade &amp; Other Receivables</b>	<b>259,626</b>	<b>263,363</b>

#### Liquidity risk

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

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

To help reduce these risks we:

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

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

The table below lists the contractual maturities for Financial Liabilities

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

2019	6 mths or less	6-12 months	1-2 years	Contracted Cash Flow	Carrying Amount
	\$	\$	\$	\$	\$
Trade and other payables	483,367	-	-	-	483,367
Trust funds and deposits	190,840	-	-	-	190,840
Total financial liabilities	674,207	-	-	-	674,207

2018	6 mths or less	6-12 months	1-2 years	Contracted Cash Flow	Carrying Amount
	\$	\$	\$	\$	\$
Trade and other payables	646,318	-	-	-	646,318
Trust funds and deposits	124,487	-	-	-	124,487
Total financial liabilities	770,805	-	-	-	770,805

(e) Sensitivity disclosure analysis

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

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

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

		Interest rate risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2019		\$	\$	\$	\$
Financial assets:					
Cash and cash equivalents	10,473,798	(209,476)	(209,476)	104,738	104,738
Trade and other receivables	259,626	(5,193)	(5,193)	2,596	2,596

		Interest rate risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2018		\$	\$	\$	\$
Financial assets:					
Cash and cash equivalents	9,590,094	(191,802)	(191,802)	95,901	95,901
Trade and other receivables	194,205	(3,884)	(3,884)	1,942	1,942

Note 34 Events occurring after balance date

- (a) No matters have occurred after balance date that warrant disclosure in this report.

**Note 35 Related party transactions**

**(i) Responsible Persons**

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

<b>Councillors</b>	Councillor Loueen Triffitt (Mayor)
	Councillor James Allwright (Deputy Mayor from November 2018)
	Councillor Lana Benson (Deputy Mayor to October 2018)
	Councillor Anthony Bailey
	Councillor Robert Cassidy
	Councillor Jim Poore
	Councillor Julie Honner
	Councillor Richard Bowden (to October 2018)
	Councillor Erica McRae (to September 2018)
	Councillor Anthony Archer (from November 2018)
	Councillor Scott Bowden (from November 2018)
	Councillor Anita Campbell (from November 2018)

<b>General Manager</b>	Lyn Eyles
<b>Senior Managers</b>	Adam Wilson
	Jason Branch
	Graham Rogers

**(ii) Councillor Remuneration**

**2019**

**Short term employee benefits**

	Allowances	Vehicles	Total Compensation AASB 124	Expenses <sup>1</sup>	Total allowances and expenses section 72
	\$	\$	\$	\$	\$
Mayor	32,192	-	32,192	2,178	34,370
Deputy Mayor	18,853	-	18,853	2,762	21,615
Councillors	63,247	-	63,247	6,516	69,763
<b>Total</b>	<b>114,292</b>	<b>-</b>	<b>114,292</b>	<b>11,456</b>	<b>125,748</b>

**2018**

**Short term employee benefits**

	Allowances	Vehicles	Total Compensation AASB 124	Expenses <sup>1</sup>	Total allowances and expenses section 72
	\$	\$	\$	\$	\$
Mayor	31,649	-	31,649	6,201	37,850
Deputy Mayor	18,587	-	18,587	4,310	22,897
Councillors	63,303	-	63,303	4,945	68,248
<b>Total</b>	<b>113,539</b>	<b>-</b>	<b>113,539</b>	<b>15,456</b>	<b>128,995</b>

<sup>1</sup> Section 72(1)(b) of the Local Government Act 1993 requires the disclosure of expenses paid to Councillors.



(iii) Key Management Personnel Remuneration

2019	Remuneration band	Number of employees	Short term employee benefits			Post employment benefits		
			Salary <sup>1</sup>	Vehicles <sup>2</sup>	Other Allowances and Benefits <sup>3</sup>	Superannuation <sup>4</sup>	Non-monetary Benefits <sup>5</sup>	Total
			\$	\$	\$	\$	\$	\$
	\$100 001 - \$120 000	2	165,865	28,610	-	15,136	(3,921)	205,690
	\$130 001 - \$160 000	2	227,298	29,803	5,000	23,853	18,675	304,629
	<b>Total</b>		<b>393,163</b>	<b>58,413</b>	<b>5,000</b>	<b>38,989</b>	<b>14,754</b>	<b>510,319</b>

2018	Remuneration band	Number of employees	Short term employee benefits			Post employment benefits		
			Salary <sup>1</sup>	Vehicles <sup>2</sup>	Other Allowances and Benefits <sup>3</sup>	Superannuation <sup>4</sup>	Non-monetary Benefits <sup>5</sup>	Total
			\$	\$	\$	\$	\$	\$
	\$80 001 - \$100 000	2	223,024	17,944	-	20,162	15,015	276,145
	\$140 001 - \$160 000	1	120,276	3,554	5,000	14,856	7,382	151,068
	<b>Total</b>		<b>343,300</b>	<b>21,498</b>	<b>5,000</b>	<b>35,018</b>	<b>22,397</b>	<b>427,213</b>

1 Gross Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.

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

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

4 Superannuation means the contribution to the superannuation fund of the individual. Superannuation benefits for members of a defined benefit scheme were calculated at 0% of employees' gross income.

5 Other non-monetary benefits include annual and long service leave movements.

(iv) Remuneration Principles

**Councillors**

Councillors are entitled to an allowance based on the number of voters in the Local Government area (LGA) and the revenue of the council. Councillors are also entitled to reimbursement for telephone, travel, child care and other expenses in accordance with the council's policy.

**Executives**

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions. In addition to their salaries, Council also provides non-cash benefits and contributes to post-employment superannuation plans on their behalf.

The performance of each senior executive, including the General Manager, is reviewed annually which includes a review of their remuneration package. The terms of employment of each senior executive, including the General Manager, contain a termination clause that requires the senior executive or Council to provide a minimum notice period of up to 3 months prior to termination of the contract. Whilst not automatic, contracts can be extended.

(v) Transactions with related parties

During the period Council entered into the following transactions with related parties.

Nature of the transaction	Amount of the transactions during the year	Outstanding balances, including commitments at year end	Terms and conditions
Supply of gravel <sup>1</sup>	\$60,777	Council owes \$2,982	30-day terms on invoices

1 Council purchased gravel during the year from a company which has a member of Councils KMP as a director. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms.

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

(vi) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of council live and operate within the municipality. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates on a primary residence
- Dog registration
- Use of Council's swimming pool

Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

**Note 36 Other significant accounting policies and pending accounting standards**

**(a) Taxation**

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

*Goods and services tax (GST)*

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

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

**(b) Impairment of non-financial 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.

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

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

**(d) Financial guarantees**

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

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

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

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

**(f) Budget**

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

**Note 36 Other significant accounting policies and pending accounting standards (cont)**

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

In the current year, Council has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

**(i) AASB 9 Financial Instruments**

This standard replaces the existing standard, AASB 139: Financial Instruments: Recognition and Measurement and revises classification, measurement and disclosure of financial assets and liabilities. It reduces the number of categories for financial assets and simplifies the measurement choices, including the removal of impairment testing of assets measured at fair value. Classification of financial assets is determined by Council's business model for holding the particular asset and its contractual cash flows.

The adoption of AASB 9 has fundamentally changed Council's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach, with a forward-looking expected credit loss (ECL) approach. AASB 9 requires Council to recognise an allowance for ECLs for all financial assets not held at fair value through profit or loss.

Council has applied this standard from 1 July 2018 using a retrospective approach with cumulative catch-up. This does not require Council to restate comparative figures, but does require the presentation of both qualitative and quantitative disclosures for affected items, along with a corresponding adjustment to the opening balance of Accumulated surpluses for transitional effects of re-measurement.

The effect of adopting AASB 9 as at 1 July 2018 was considered insignificant and no adjustment was made.

**(h) Pending Accounting Standards**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

**(i) AASB 15 Revenue from Contracts with Customers**

The standard has been deferred by AASB 2016-7 Deferral of AASB 15 for Not-for-Profit Entities, until the 2019-20 reporting period.

AASB 15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

Council has analysed the new revenue recognition requirements noting that future impacts include:

- Depending on the respective contractual terms, the new requirements of AASB 15 may result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred as a liability to a later reporting period to the extent that Council has received cash, but has not met its associated performance obligations, (a promise to transfer a good or service).
- Grants received to construct non-financial assets controlled by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific.
- Grants that are not enforceable and/or not sufficiently specific, will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants for which there are no sufficiently specific performance obligations, for example the Commonwealth Financial Assistance Grants. These grants will continue being recognised as revenue upfront assuming no change to the current grant arrangements.

For Council there will not be a significant effect in the treatment of all grants with sufficiently specific performance obligations where the conditions have yet to be fulfilled at year end. Council currently presents unexpended grant income received in note 8. Council's assessment is that the majority of the amounts received unexpended for the year, \$44,000, will be expended in 2019/20.

Council will apply the standard from 1 July 2019.

Note 38 Other significant accounting policies and pending accounting standards (cont)

(ii) AASB 1058 Income of Not-for-Profit Entities

This standard has been deferred until the 2019-20 reporting period.

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions. The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received.

AASB 1058 applies when Council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the asset is principally to enable Council to further its objectives. In cases where Council enters into other transactions, Council recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

If the transaction is a transfer of a financial asset to enable Council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), Council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above.

AASB 1058 also encompasses non-contractual statutory income such as rates, taxes and fines. Council currently recognises income when received. Under AASB 1058, income is recognised when the taxable event has occurred. An impact for Council is that prepaid rates received prior to the beginning of a rating period, will now be recognised as a financial liability until the commencement of that rating period. The impact to Council will be that revenue recognised when received from Rates and charges in advance as disclosed in note 2.1, will now be recorded as a liability, with revenue deferred until the commencement of the applicable rating period.

(iii) AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. Council will apply the standard from 1 July 2019. Exemptions allow councils to apply AASB 117 for the 30 June 2019 reporting year.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and increases in lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease. Rent expense will no longer be shown. The profit and loss impact of the leases will be through amortisation and interest charges. Council's does not have any current operating lease expenditure. In the Statement of Cash Flows lease payments will be shown as cash flows from financing activities instead of operating activities.

Lessor accounting under AASB 16 remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

(iv) AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Correction, applicable to annual reporting periods beginning on or after 1 January 2022.

The amendments address an acknowledge inconsistency between the requirements in AASB10, and those in AASB128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to Council's activities, or have no material impact.

**Note 37 Significant Business Activities**

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

	Hamilton and Bothwell Camping Grounds	
	2019	2018
	\$	\$
<b>Revenue</b>		
User Charges	26,498	23,175
<b>Total Revenue</b>	<b>26,498</b>	<b>23,175</b>
<b>Expenditure</b>		
<i>Direct</i>		
Employee Costs	164	181
Materials and Contacts	5,431	1,135
Utilities	3,372	3,742
<i>Indirect</i>		
Engineering & Administration	33	36
<b>Total Expenses</b>	<b>9,000</b>	<b>5,094</b>
<i>Notional cost of free services received</i>		
<i>Capital Costs</i>		
Depreciation	545	545
Opportunity cost of capital	2,632	2,581
<b>Total Capital Costs</b>	<b>3,177</b>	<b>3,126</b>
<i>Competitive neutrality adjustments</i>		
Rates, water and land tax	8,667	3,739
	<b>8,667</b>	<b>3,739</b>
<i>Calculated Surplus/(Deficit)</i>	5,654	11,216
Tax Equivalent rate	30%	30%
Taxation equivalent	1,696	3,365
<b>Competitive neutrality costs</b>	<b>10,363</b>	<b>7,104</b>

**Accounting policy**

**Significant business activities**

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

Note	38	Management Indicators	Benchmark	2019 \$	2018 \$	2017 \$	2016 \$
<b>(a) Underlying surplus or deficit</b>							
		Net result for the year		170,660	691,941	2,750,742	1,322,967
		Less non-operating income					
		Capital grants		211,847	611,721	1,423,755	1,264,258
		FAGs in advance		60,054	(2,104)	1,193,201	(1,124,564)
		Insurance claims		-	-	75,607	-
		Recognition of land under roads		-	-	-	957,396
		Contributions - non monetary assets		44,500	-	-	188,000
		Add non-operational expenses					
		Flood/Fire damage		33,246	-	62,043	-
		Landfill restoration provision		100,000	-	-	-
		Planning appeal		135,788	-	-	-
		Net loss on disposal of assets for abnormal reasons		-	-	-	224,475
		Underlying surplus/deficit	0	123,293	82,324	120,222	262,372
The intent of the underlying result is to show the outcome of a council's normal or usual day to day operations. Good result in the past four years.							
<b>(b) Underlying surplus ratio</b>							
		Underlying surplus or deficit		123,293	82,324	120,222	262,372
		Recurrent income*		7,187,977	6,858,954	6,625,422	6,515,275
		Underlying surplus ratio %	0%	1.7%	1.2%	1.8%	4.0%
This ratio serves as an overall measure of financial operating effectiveness. Good result in the past four years.							
<b>(c) Net financial liabilities</b>							
		Liquid assets less		10,733,424	10,362,432	9,784,299	6,843,416
		total liabilities		1,649,806	1,553,890	1,290,698	1,072,892
		Net financial liabilities	0	9,083,618	8,808,542	8,493,601	5,770,524
This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets means that, if all liabilities fell due at once, additional revenue would be needed to fund the shortfall. Good result in all years.							
<b>(d) Net financial liabilities ratio</b>							
		Net financial liabilities		9,083,618	8,808,542	8,493,601	5,770,524
		Recurrent income*		7,187,977	6,858,954	6,625,422	6,515,275
		Net financial liabilities ratio %	0% - (50%)	126%	128%	128%	89%
This ratio indicates the net financial obligations of Council compared to its recurrent income. Good result in all years.							
<b>(e) Asset renewal funding ratio</b>							
An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.							
<i>Transport Infrastructure</i>							
		Projected capital funding outlays**		1,871,000	1,500,000	1,836,856	1,130,000
		Projected capital expenditure funding***		1,540,000	1,500,000	1,533,000	1,075,000
		Asset renewal funding ratio %	90-100%	121%	100%	120%	105%

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

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

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

Good result in all years.



Note	38	Management indicators (cont.)	2019 \$	2018 \$	2017 \$	2016 \$	0
(f)		<b>Asset consumption ratio</b>					
		An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.					
		<i>Roads</i>					
		<u>Depreciated replacement cost</u>	59,498,431	59,931,818	59,737,055	59,234,956	
		<u>Current replacement cost</u>	76,314,943	75,630,314	75,079,685	74,812,351	
		Asset consumption ratio %	60%	78.0%	79.2%	79.6%	79.2%
		<i>Buildings</i>					
		<u>Depreciated replacement cost</u>	5,194,121	5,107,130	4,945,474	4,989,690	
		<u>Current replacement cost</u>	5,724,616	5,522,171	5,252,310	5,188,979	
		Asset consumption ratio %	60%	90.7%	92.5%	94.2%	96.2%
		<i>Drainage</i>					
		<u>Depreciated replacement cost</u>	1,021,207	1,037,210	1,023,359	1,001,099	
		<u>Current replacement cost</u>	1,630,154	1,630,154	1,600,301	1,562,354	
		Asset consumption ratio %	60%	62.6%	63.6%	63.9%	64.1%
		<i>Bridges</i>					
		<u>Depreciated replacement cost</u>	7,816,227	7,983,719	8,153,378	7,825,969	
		<u>Current replacement cost</u>	15,240,097	15,254,656	15,229,656	14,244,591	
		Asset consumption ratio %	60%	51.3%	52.3%	53.5%	54.9%
		<i>Footpaths and Cycleways</i>					
		<u>Depreciated replacement cost</u>	904,106	956,926	1,000,954	1,057,437	
		<u>Current replacement cost</u>	2,706,735	2,706,735	2,697,767	2,697,767	
		Asset consumption ratio %	60%	33.4%	35.4%	37.1%	39.2%
		<i>Other infrastructure assets</i>					
		<u>Depreciated replacement cost</u>	792,889	784,846	673,535	676,909	
		<u>Current replacement cost</u>	1,522,089	1,441,213	1,263,750	1,206,133	
		Asset consumption ratio %	60%	52.1%	54.5%	53.3%	56.1%
		This ratio measures Council's capacity to fund future asset replacement requirements. The results are below the benchmark of 60%					
(g)		<b>Asset sustainability ratio</b>					
		<u>Capex on replacement/renewal of existing assets</u>	992,581	2,328,571	2,581,980	2,809,325	
		<u>Annual depreciation expense</u>	2,124,957	2,089,464	2,115,960	2,088,489	
		Asset sustainability ratio %	100%	46.7%	110.9%	122.0%	96.2%

This ratio calculates the extent to which Council is maintaining operating capacity through renewal of their existing asset base.  
Below benchmark in 2019 due to major upgrades taking priority to convert gravel roads to sealed. Good result in 2018 and 2017, and near benchmark in 2016.

	Capital renewal expenditure	Capital new/upgrade expenditure	Total Capital Expenditure
By asset class	\$	\$	\$
Buildings	65,950	35,117	101,067
Land	-	6,816	6,816
Plant, machinery and equipment	71,043	132,511	203,554
Fixtures, fittings and furniture	3,500	28,765	32,265
Computers	16,684	-	16,684
Roads	690,985	894,526	1,585,511
Footpaths, kerbs and gutters	82,286	-	82,286
Drainage	-	27,064	27,064
Other infrastructure	7,360	31,165	38,525
Bridges	54,773	-	54,773
<b>Total</b>	<b>992,581</b>	<b>1,155,964</b>	<b>2,148,545</b>

**Note 39 Fair Value Measurements**

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

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

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

**(a) Fair Value Hierarchy**

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

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

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2019.

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

**As at 30 June 2019**

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>					
Investment in water corporation	18	-	-	9,110,354	9,110,354
Land	23	-	3,401,816	-	3,401,816
Buildings	23	-	5,194,121	-	5,194,121
Land under roads	23	-	957,396	-	957,396
Roads, including footpaths & cycleways	23	-	-	60,402,537	60,402,537
Bridges	23	-	-	7,816,227	7,816,227
Drainage	23	-	-	1,021,207	1,021,207
Other Infrastructure	23	-	-	792,889	792,889
		-	9,553,333	79,143,214	88,696,547

**As at 30 June 2018**

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>					
Investment in water corporation	18	-	-	8,028,075	8,028,075
Land	23	-	3,395,000	-	3,395,000
Buildings	23	-	5,107,130	-	5,107,130
Land under roads	23	-	957,396	-	957,396
Roads, including footpaths & cycleways	23	-	-	60,888,744	60,888,744
Bridges	23	-	-	7,983,719	7,983,719
Drainage	23	-	-	1,037,210	1,037,210
Other Infrastructure	23	-	-	784,846	784,846
		-	9,459,526	78,722,594	88,182,120

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

**(b) Highest and best use**

All assets valued at fair value in this note are being used for their highest and best use.

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

**Note 39 Fair Value Measurements (cont.)**

**Investment in water corporation**

Refer to Note 18 for details.

**Land and buildings**

Valuation of land (excluding land under roads) and buildings was undertaken by the Valuer-General in 2014-15. 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.

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

**Land under roads**

Land under roads was recognised for the first time in the 2016 financial statements, consistent with the Report to Parliament by the Auditor-General No. 5 of 2013-2014 Infrastructure Financial Accounting in Local Government. Because of its materiality, land under roads is now reported as a separate category of non-current assets.

**Infrastructure assets**

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

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

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in Note 23.

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

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

**Roads, including footpaths & cycleways**

A full valuation of roads and footpaths was undertaken by independent valuers, McLoneys Asset Management Systems, effective October 2014. The values were determined using current replacement costs which resulted in a reduction in fair value. Previous valuations were based on historical cost plus indexation. A new valuation and assessment will be undertaken in 2019/20.

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

**Note 39 Fair Value Measurements (cont.)**

CRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's Enterprise Bargaining Agreement (EBA). Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years.

**Bridges**

A full valuation of bridge assets was undertaken by independent valuers, AusSpan, effective January 2018. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

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

**Other Infrastructure**

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

**(d) Unobservable inputs and sensitivities**

Asset / liability category*	Carrying amount (at fair value)	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Roads	\$ 59,498,431	Unit replacement cost per sqm	from \$9/sqm (unsealed) up to \$40/sqm (sealed)	The higher the unit cost, the higher the fair value
		Useful life	Refer Note 1e	The longer the useful life, the higher the fair value
Bridges	\$ 7,816,227	Useful life	Refer Note 1e	The longer the useful life, the higher the fair value
Investment in Water Corporation	\$ 9,110,354	Useful life	Refer Note 1e	The longer the useful life, the higher the fair value
Buildings	\$ 5,194,121	Useful life	Refer Note 1e	The longer the useful life, the higher the fair value

**(e) Valuation processes**

Council's current policy for the valuation of property, infrastructure, plant and equipment, investment in water corporation and investment property (recurring fair value measurements) is set out in notes 18 and 23.

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

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

Council does not have assets and liabilities which are not measured at fair value.

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

### Certification of the Financial Report

The financial report presents fairly the financial position of the Central Highlands Council as at 30 June 2019 and the results of its operations and cash flows for the year then ended, in accordance with the Local Government Act 1993 (as amended), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.



Lyn Eyles  
General Manager

Date : 12-August-2019