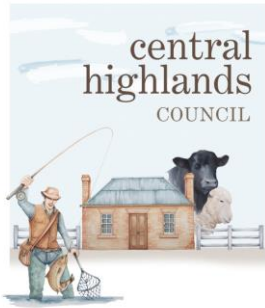


# Central Highlands Council



## **ANNUAL REPORT 2014 - 2015**



## **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 meet the social, economic and environmental needs of the present day community, whilst trying to ensure the best possible outcomes for future generations.

## **STRATEGIC PLAN**

Council's Strategic Plan 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)

**CENTRAL HIGHLANDS COUNCIL MAYOR & COUNCILLORS (TERM ENDS OCTOBER 2018)**

Deirdre E Flint OAM	Mayor
Andrew J Downie	Deputy Mayor
Richard G Bowden OAM	
Loueen M Triffitt	
Anthony W Bailey	
James R Allwright	
Erika M McRae	Elected October 2014
Evan J Evans	Elected October 2014
Robert L Cassidy	Elected October 2014
Tim H Jacka	Term ended October 2014
Ian V McMichael	Term ended October 2014
David McMillan	Term ended October 2014

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

	Contact Numbers	Meeting Attendance (including Annual Meeting & Special meetings)			
		Full	Part	Absent	Possible
Deirdre E Flint OAM	0418 319 832	12		1	13
Andrew J Downie	6260 4170	13			13
Richard G Bowden OAM	6259 5542	9		4	13
Loueen M Triffitt	6286 3275	11		2	13
Anthony W Bailey	6286 3284	13			13
James R Allwright	6288 1392	13			13
Erika M McRae	0439 392 245	9			9
Evan J Evans	6288 1183	8		1	9
Robert L Cassidy	0458 737 747	8		1	9
Tim H Jacka	6288 1554	4			4
Ian V McMichael	6287 1207	4			4
David McMillan	6289 3317	4			4

**COUNCILLOR ATTENDANCE AT COMMITTEE MEETINGS & WORKSHOPS**

	Meeting Attendance at Council Committee Meetings				Meeting Attendance at Council Workshops			
	Full	Part	Absent	Possible	Full	Part	Absent	Possible
Deirdre E Flint OAM	22		5	27	4			4
Andrew J Downie	8			8	4			4
Richard G Bowden OAM	7		3	10	3		1	4
Loueen M Triffitt	4		2	6	3		1	4
Anthony W Bailey	8			8	4			4
James R Allwright	7			7	3		1	4
Erika M McRae	4		1	5	3		1	4
Evan J Evans	4			4	2		2	4
Robert L Cassidy	8		1	9	4			4
Tim H Jacka	6			6				0
Ian V McMichael	5		1	6				0
David McMillan	3		1	4				0

## MAYOR'S REPORT



It gives me great pleasure to present my twelfth Annual Report which covers the period July 2014 to June 2015.

The Central Highlands of Tasmania is one of the most beautiful and unique areas in the world. It covers a total area of 8,010 square kilometres (11.6% of the state) and makes a significant and increasing contribution to the economic wealth of Tasmania. Our region supports a large and diverse agricultural industry as well as a significant livestock industry. This includes meat and dairy production and contains in excess of 15% of the state's sheep and lamb population. Our horticulture industry produces grapes, stone fruit and berries and together with the forest industry, power production, trout fishing, tourism and recreation, makes our area a diverse rural location.

The Council is in good shape financially. The money invested in upgrading our gravel roads has paid dividends, benefitting residents. Our gravel road network, covering 638 kilometres needs constant monitoring.

The provision of first class roads and bridges remains a Council priority. Maintenance works in 2014/2015 totalled \$981,123. Major capital roadworks included reconstruction and resealing works on Ellendale Road, Hollow Tree Road, Arthurs Lake and parts of Hamilton and Bothwell Roads & the re-alignment of Pelham Tier. \$18,497 was spent on replacing the bridge at Boomer Road Hamilton. Roads to Recovery funding of \$397,466 was received this financial year.

A Grant of \$100,000 from the State Government and a Grant of \$88,670 under the Tourism Demand Driver Infrastructure Funding were received for the Derwent Bridge Amenities.

There are many issues facing both Council and residents alike, including but not limited to the increasing cost of living and reduced tourist numbers.

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

Council continues their campaign to complete the sealing of the Highland Lakes Road as this is an important transport route for residents, tourists and it is also a vital freight corridor. The State Government has allocated a further \$4M towards this project. This will cover approximately 9 kilometres of this road, leaving a balance of 9 kilometres of the 107 kilometres road unsealed.

Developments within the Municipality continue to increase. 67 applications were received as well as 52 building permit applications and 47 plumbing permits. The value of building applications decreased from \$7,747,293 in 2013/2014 to \$4,233,541 in 2014/2015.

The Southern Highlands Irrigation Scheme is in the process of calling for commitments to water sales. Hopefully, this scheme will commence in 2015/2016 bringing much needed jobs to the area and increased financial investment. This major project will drought-proof the central part of the Highlands.

Council's site at the AGFEST 2015 was again a great success. My thanks to Deputy Mayor Andrew Downie for his assistance and hard work in achieving this great result.

The fire season is fast approaching and I remind all residents to be vigilant and to control the undergrowth on their properties.

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

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

I acknowledge Councillors contributions, particularly those who represent Council on Special Committees. These Committees are time consuming and Councillors' input is invaluable.

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

**Deirdre E Flint OAM**  
**Mayor**

## COUNCIL COMMITTEE REPRESENTATION

### ***Bothwell Swimming Pool Committee***

Clr E M McRae (Chair)

Clr R G Bowden

### ***Bothwell Cemetery Committee***

Clr L M Triffitt (Chair)

Mayor D E Flint OAM Proxy

Clr R L Cassidy

### ***Plant Committee***

Mayor Deirdre Flint OAM (Chair)

Clr R G Bowden

Clr A W Bailey

### ***Independent Living Units Committee***

Mayor D E Flint OAM (Chair)

Clr E M McRae

Clr L M Triffitt

### ***Audit Panel***

Deputy Mayor A J Downie

Clr E J Evans

### ***Code of Conduct Panel (3 Councillors excluding Mayor)***

Deputy Mayor A J Downie

Clr R G Bowden

Clr J R Allwright

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

Deputy Mayor A J Downie (Chair)

Clr E M McRae

Clr A W Bailey

### ***Planning Committee***

Deputy Mayor A J Downie (Chair)

Clr J R Allwright

Clr R G Bowden

Clr R L Cassidy

### ***Highlands Tasmania Tourism Committee***

Mayor D E Flint OAM (Chair)

Clr R L Cassidy

Clr A W Bailey

***Australia Day Committee***

Deputy Mayor A J Downie (Chair)

Clr A W Bailey

Clr L M Triffitt

**OTHER COMMITTEE REPRESENTATION**

***Bothwell Spin-In Committee***

Mayor D E Flint OAM

***Australasian Golf Museum***

Mayor D E Flint

Clr E M McRae

***Southern Waste Strategy Authority***

Deputy Mayor A J Downie

Mayor D E Flint (Proxy)

***Derwent Catchment NRM Committee***

Clr J R Allwright

***Local Government Association of Tasmanian General Management Committee***

Mayor Deirdre Flint OAM

***Premiers Local Government Council***

Mayor Deirdre Flint OAM

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

Clr Anthony Bailey

Clr J R Allwright (Proxy)

***Great Lake Community Centre Committee***

Mayor D E Flint OAM

***Central Highlands Health Service Project – Community Consultation Committee***

Mayor Deirdre Flint OAM

Clr E M McRae




***Ellendale Hall Committee***

Mayor D E Flint OAM

***Rural Alive and Well***

Clr E M McRae

## LEGEND 2013 - 2014 ANNUAL PLAN APPRAISAL






☒ Achieved   
  In Progress   
  Ongoing   
  Not achieved

### ROADS AND BRIDGES PROGRAM

#### Strategy

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

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

Activity	Comment	Status
Continue to lobby the State Government to seal the balance of the Highlands Lake Road	Council have representation on the Highland Roads Consultative Group. Council continually lobby the State Government to complete the sealing of the Highlands Lakes Road. The State Government has allocated \$4 million towards the next stage of sealing 9kms.	
Ensure that all Council roads are inspected on a regular basis	Regular inspections of Council roads are carried out.	
Ensure that all Council bridges are inspected on a regular basis.	Council bridges are inspected by TasSpan every three months.	
Manage Council's Asset Register for Roads and Bridges	Revaluations of Council's Road, Bridges, Footpaths, Kerbs & Gutters assets were completed and values recorded as at 30 June 2015.	
Prepare a five year rolling capital works program for construction / reconstruction of Council roads and bridges	Bridge program developed and Roads program ongoing.	



Ensure that maintenance of roads and bridges are carried out within budget limits.	Council's road maintenance budget was \$968,509	
	Maintenance works completed totalled \$892,843	☑
	Council completed \$27,813 maintenance works on bridges out of an allocated budget of \$12,614.	☑
	\$7,757 was spent on footpath, kerbs & gutter maintenance with an additional \$41,166 spent on drainage works.	☑

### Roads (Capital)

Complete the capital works budget for roads and bridges	Major capital roadwork during 2014/2015 included construction of Pelham Tier re-alignment, reconstruction and resealing works on Ellendale Road, Hollow Tree Road, Arthurs Lake Road and parts of Hamilton and Bothwell township roads.	☑
	Roads to Recovery Funding of \$397,466 was received this financial year.	

### Bridges (Capital)

\$18,497 was spent on replacing the bridge at Boomer Road	☑
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## CONTRACTING EXTERNAL WORKS AND SERVICES






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

Activity	Comment	Status
Supply plant, labour and materials for external works	Private works are carried out by Council for ratepayers, businesses and government departments.	☑
	Council have a contract with Stornoway to undertake base works on State Roads. The contract ended 30 June 2015.	

## COMMUNITY AND RECREATIONAL FACILITIES

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

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

Activity	Comment	Status
Carry out maintenance to all halls	<p>Expenditure totalled \$42,876 which included works at Bothwell Hall of \$14,520 and \$4,357 at the Ouse Hall.</p> <p>\$50,643 was spent on Ellendale Hall Upgrade &amp; erecting of a new fence.</p>	
Undertake maintenance and upkeep of all Council parks and gardens	Maintenance and upkeep totalled \$67,597. An arborist is engaged when necessary to report on the health and maintenance required on trees in Council parks and on road verges.	
Cleaning and maintenance of Council's public conveniences	Regular cleaning and maintenance was carried out at a cost of \$74,783.	
Maintain Council cemetery	<p>Council's Bothwell Cemetery was well maintained during 2014/2015 at a cost of \$22,738. Council's Cemetery Committee comprising of Council and community representation meet on an as needed basis.</p> <p>The Committee is proactive in monitoring and maintaining the local cemetery.</p> <p>Council has completed work on the layout and plotting of the extension to the Bothwell Cemetery with roadworks and plantings undertaken.</p>	          

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Maintenance of town verges and nature strips, recreation grounds and other community amenities

Regular mowing is undertaken and maintenance completed as required. Council budgeted \$140,000 for town mowing with actual costs being \$109,401. \$58,409 was spent on maintaining Council recreational grounds.



\$26,879 was spent on a new Irrigation System for Gretna Recreation Ground.

\$16,791 was spent on the power upgrade at the Bothwell Recreation Ground for Highlands Bushfest.

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#### OTHER COUNCIL PROPERTIES AND MISCELLANEOUS WORKS


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

*Maintain efficient depot and workshop facilities.*

Activity	Comment	Status
Maintain the camping grounds in a clean and tidy state and undertake repairs as needed.	<p>The Bothwell Camping Ground is kept in a clean and tidy state and is being well utilised. Campers often camp on the grassed area along the Clyde River at Hamilton and utilise the laundry and shower facilities. Council has implemented a payment system that is not reliant on office hours.</p> <p>The Bethune Park camping area is well used by campers and fishermen during the summer months.</p> <p>Grey water disposal sites are located at both the Bothwell and Hamilton sites to empty porta-potties and mobile toilet waste into the waste treatment system.</p>	
Maintenance of library facility and housing assets	Routine maintenance undertaken	

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Provide waste collections and associated services of town rubbish collections, bulky waste collections and tip cover.	<p>Council held two bulky waste collections throughout the municipality. This is designed to allow residents to place items out for collection that are too bulky or unsuitable for the door to door service. Bulky Waste is collected from satellite waste transfer stations by Council and transferred to the regional refuse sites at Hamilton.</p> <p>To ensure the best use of the Hamilton Refuse Disposal Site, cover is stockpiled and used when necessary.</p>	          
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Provision of Housing Services	<p>Council has four units at Ouse under lease from the Department of Health and Community Services. Three of these units are fully occupied as Independent Living Units, while the fourth is rented by Tasmanian Health Organisation (South) as a Respite Unit.</p> <p>Council also has six Independent Living Units at Bothwell with five currently occupied.</p> <p>Council has 3 Units at Ouse, which are leased to residents under the Affordable Housing Criteria.</p>	
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## WORKS AND SERVICES MANAGEMENT

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

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

*Ensure that workplace health and safety (WHS) policies and procedures are fully implemented.*

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



## PLANT AND EQUIPMENT

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

Activity	Comment	Status
Maintain plant and ensure its optimised use	Maintenance and operating costs amounted to \$476,213 with plant hire received of \$594,508.	
	Plant purchases for the year totalled \$174,805:	
	\$41,559 Mitsubishi Outlander	
	\$22,300 Toro GM7200 Mower	
	\$30,500 Toro Groundmaster out-front mower	
	\$40,223 Toyota Hilux	
	\$40,223 Toyota Hilux	

## EMERGENCY SERVICES

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

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

## DEVELOPMENT CONTROL

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





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

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

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

*Over 2014/2015 Council progressed the completion of a new Interim Planning Scheme as part of the former State Government's Regional Planning Initiatives. Council has also been briefed on the current State Governments proposed Statewide Planning Scheme which is currently being drafted.*

*All the Southern Region Planning Schemes have been submitted as a unit to the Tasmanian Planning Commission.*

Activity	Comment	Status
Provision of statutory requirements for development of land within the Central Highlands	Council employs a Consultant Planning Officer who works with Council one day a week.	
	19 "Permitted" and 33 "Discretionary" and 1 "No Permit Required" development applications have been processed for assessment.	
	There has been 14 subdivision applications (including Boundary Adjustments) received during the year equating to 19 new lots being created.	
Continue with developing a GIS system	This system continues to be a valuable tool for the Development and Environmental Services team in the delivery and assessment of client services. Council works closely with Insight GIS to ensure data is accurate and updated regularly.	

## DEVELOPMENT STATISTICS

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Total No Applications</b>	113	88	98	79	74	67
<b>No. Permitted</b>	57	44	40	30	30	19
<b>No. Discretionary</b>	55	44	58	33	29	33
<b>Subdivision Applications</b>	15	16	15	16	15	14
<b>No. Lots</b>	25	61	107	51	66	19
<b>Planning Scheme Amendments</b>	1	0	0	0	0	0
<b>No Permit Required</b>	N/A	N/A	N/A	N/A	N/A	1


## NATURAL RESOURCE MONITORING AND ENVIRONMENTAL MONITORING


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


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

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

*Ensure the provision of best practice environmental management.*

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




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

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

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

Activity	Comment	Status
Provision of environmental health service	Council registers all food premises and offers food handler training sessions for the community and charity organisations based on the Foodsafe Accreditation Guidelines.	
	Places of Assembly are generally inspected annually to ensure compliance with the Public Health Act and the Guidelines for Health and Safety in Public Places.	
	Council also register private water supply systems pursuant to the Public Health Act 1997. During 2014/2015 applications for thirteen private water supplies were received and processed.	



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Continue immunisation programs for adults and children

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



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

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## ENVIRONMENTAL AND PUBLIC HEALTH REPORT

Council performed its functions under the Public Health Act 1997 and the Food Act 2003 as detailed below.

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

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

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


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

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

## BUILDING AND PLUMBING CONTROL

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

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


Activity	Comment	Status
Provision of plumbing and building control service	<p>52 building permit applications and 47 plumbing permit applications have been lodged with Council.</p> <p>Council employs a Building and Plumbing Inspector to undertake routine inspections and assessment of applications. Council continues to employ a Building Surveyor (part time) to issue Certificates of Likely Compliance and to oversee enforcement issues under the Building Act 2000. 25 Certificates of Likely Compliance were issued by Council's Building Surveyor with 27 being undertaken by private Building Surveyors.</p> <p>Each application was assessed to determine compliance with the Building Code of Australia and the Tasmanian Plumbing Code. Appropriate site inspections were conducted as applicable for each permit.</p> <p>20 Special Plumbing Permit applications were lodged with Council. Each application was processed following on-site assessment for compliance with the Plumbing Regulations and Tasmanian Plumbing Code.</p>	





## BUILDING STATISTICS

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
<b>No. Buildings</b>	105	75	79	65	67	52
<b>No. Plumbing</b>	92	70	68	55	57	47
<b>No. Special Connections</b>	42	25	27	16	20	20
<b>Value of Building Applications</b>	\$14,655,282	\$7,452,462	\$5,044,022	\$3,975,758	\$7,747,293	\$4,233,541



## SOLID WASTE MANAGEMENT

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

Activity	Comment	Status
Provision of a door to door garbage and kerbside recycling service	Council provided a relatively comprehensive kerbside collection service for waste & recycling to the residents of Bothwell, Ellendale, Fentonbury, Gretna, Hamilton, Ouse, Osterley, Wayatinah and Westerway. Thorpe Waste currently holds the contract. All waste is taken to the Hamilton Refuse Disposal Site and the recyclables taken to Hobart for processing.	

Maintain and operate Council's waste transfer stations	<p>ToxFree Australia currently holds the tender for the servicing of Council's remote Waste Transfer Stations and roadside standalone bins, with waste from the "Lyell Highway Sites" being compacted and disposed of at the Hamilton Refuse Disposal Site. Waste from the Waste Transfer Stations near Great Lake continues to be compacted and disposed of at the Launceston City Council Refuse Disposal Site.</p> <p>Council currently operates manned Waste Transfer Stations at Miena, Bothwell and Bronte Park.</p> <p>Roadside stand alone bins have been placed at Reynolds Neck, Brandum Bay, Jiliet 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>	
Control and maintenance of refuse disposal sites	<p>Council operates one controlled refuse disposal site at Hamilton.</p> <p>Operating hours are reviewed regularly to ensure that they are appropriate for the community.</p> <p>The DrumMUSTER collection facility is available at the Hamilton Regional Disposal Site.</p>	
Collect static recycling and clean sites	<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>	
<p>Council is a member of the Southern Waste Strategy Authority, along with other Southern Councils. During the year the Authority continued implementation of the Waste Strategy jointly developed by the member Councils. Cllr Andrew Downie is Council's representative on this Authority.</p>		

## SWIMMING POOL





Activity	Comment	Status
Maintain and operate the Swimming Pool	The Bothwell Swimming Pool opens between the months of December and March each year. The Bothwell District High School continues to use the pool during the month of December for school activities such as learn to swim.	
	Council provides funds each year for pool attendants to attend the relevant pool lifesaving courses to obtain the certificates required to operate the pool.	

## ATTENDANCE STATISTICS

Season Passes	2011-12	2012-13	2013-14	2014-15
Family	2	1	1	2
Junior	1	1	2	4
Daily Attendance				
Junior	353	635	722	427
Adult	120	56	301	127
Season Users	144	31	80	125

## ANIMAL CONTROL

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

Activity	Comment	Status
All dogs in the area are to be identified and registered	Council has 1 authorised staff member to undertake duties in relation to dog control.	
Advertise and promote registration, control and care of dogs and Council's Dog Management Plan	<p>Council provides information to ratepayers and residents (by pamphlet) on dog management, responsibilities of dog ownership, control of barking dogs, etc.</p> <p>Council engaged the services of a Contract Animal Control Officer to undertake door knocking in some areas of the municipality following a number of attacks of stock. This process resulting in a number of Caution Notices being issued for unregistered dogs.</p> <p>In accordance with the Dog Control Act 2000 a review of the Dog Management Plan is to be reviewed at least every five years. The Plan was last reviewed and adopted by Council in December, 2010. The Plan will be reviewed during 2015.</p> <p>Complaints received by Council are attended to by Council's Dog Control Officer or staff. Complaints are to be in an Official Complaint Form with \$10 fee which is refunded if the complaint is proven valid.</p>	          

## DOG CONTROL STATISTICS

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Dogs Registered</b>	925	951	1089	1052	1029	1022
<b>Kennel Licenses</b>	0	0	0	27	28	30
<b>Infringement Notices</b>	4	6	2	0	7	6
<b>Impounded Dogs</b>	27	37	20	11	13	12
<b>Declared Dangerous Dogs</b>	0	1	0	0	0	0

## GOVERNANCE AND CORPORATE MANAGEMENT

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

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


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

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

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

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

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

Activity	Comment	Status
Implementation of Policies and decisions of Council	Council policies and decisions are implemented by staff.  New policies are implemented as required.	
Maintain Council's strategic and annual plans	Council's Strategic Plan was adopted by Council in 2015 and annual plans are prepared in accordance with the Local Government Act.	<input checked="" type="checkbox"/>
Long Term Financial Plan	A Long Term Financial Plan for the 10 year period 2012/2013 to 2022/2023 has been approved. This is a rolling plan for the management of Council's finances and is not intended to be static. It will be reviewed as part of the annual planning process and updated to reflect changing circumstances.	<input checked="" type="checkbox"/>

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The Plan has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of Council's Financial Plan is financial sustainability in the medium to long term, while linking to Council's objectives as specified in its Strategic Management Plan. The Financial Plan is a guideline for future action and encourages Council to take into consideration the future impact that decisions made today may have on Council's long term sustainability.

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Long Term Asset  
Management Plan

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

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

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## ECONOMIC AND COMMUNITY DEVELOPMENT

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

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

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

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



## Highlights for the Year

- The inaugural Highlands Bushfest was held on the 15<sup>th</sup> and 16<sup>th</sup> November, 2014 at the Bothwell Recreation Ground with the theme of showcasing the recreational activities in the Highlands – fishing, camping, hunting and four wheel driving.

Although the Huon Show, Scottsdale Show, Beerfest, Christmas Parade and Point to Pinnacle were held the same weekend, over 3,000 people attended Bushfest.

MC's Andrew Hart and Nick Duigan from Hook, Line and Sinker were a huge success.




Tarraleah's Wildside Cooking Demonstrations and Tastings drew the people to their site with samplings of seared wallaby fillet, wattleseed encrusted lamb backstrap, tea smoked duck, salmon kebabs and smoked trout gnocchi over the weekend.

PCYC were popular with the children providing activities and Tas Reptilia provided much excitement for both young and old. Bernard McGlashan together with his daughter Taylor provided sheepdog demonstrations and Willow Creek miniature goats drew good crowds. Santa paid a visit on both days much to the delight of the children.

There was a wide variety of stallholders among the 60 sites, with everything from food and beverages, caravans, four wheel drive and camping products, motor bikes, quad bikes and fishing and craft products. Displays were held by Trout Guides and Lodges Inc., Parks & Wildlife Service, Inland Fisheries, Australian Deer Association, Westerway Bushwatch and Sporting Shooters Association of Australia Tasmania Branch.

Council would like to thank all of our volunteers, from those assisting at our site to those who were part of organising the event. A special thank you must go to the Bothwell Lions Club for providing security, manning the gate and assisting with parking. A special thank you must also go to Council's staff for the many hours of work they put in both before, during and after Bushfest.

- Council was the winner of the Keep Australia Beautiful Tidy Towns Award in the 2001-5000 population category for the second year in succession.
- We again had a very successful site at AGFEST, showcasing what the Central Highlands has to offer.
- A Highlands Tasmania Touring Map was developed for display in all our Information Bays and is being rolled out progressively.
- A new tourism brochure was developed and has been widely distributed.
- Tear-off touring maps have been distributed widely throughout the state.
- Our new website is up and running and we are now on Facebook.
- Over one hundred people attended a street party at Hamilton to celebrate Australia Day.
- Anzac Day Services were held at Gretna, Hamilton & Bothwell and were well attended.

Activity	Comment	Status
<b>Develop key targeted tourism strategies for the Central Highlands</b>	<p>Implement tourism development strategies outlined in the Economic Development Plan. Development of the Highlands Tasmania Tourism Committee. Development of a Regional Visitor Guide. Development and implementation of a Visitation Marketing Plan for the Central Highlands. Work with Tourism Tasmania and key agencies (including Zone Groups) to promote the Municipality.</p> <p>Council contributed \$43,641 towards the hosting of the Inaugural Highlands Bushfest, \$4,000 to the Bothwell Spin-In, \$2,000 to the 2014 Bothwell Speed Shear Event, \$1500 towards Ellendale Buskers Bash, \$1450 towards Ratho 2015 Pro-Am, \$1000 to the Ouse &amp; Highlands Craft Fair, \$1,000 to the Derwent Valley Art Competition, \$500 to the Hamilton Show and \$500 towards</p>	
<b>Develop and implement initiatives to attract people to live, work and invest in the Council area.</b>	<p>Implementation of Council's Economic Development Plan strategies. Facilitate the development and distribution of promotional material to attract investment, residents and employment to the municipal area. Continue to strengthen partnerships with key stakeholders at local, state and federal levels.</p>	
<b>Ensuring that the needs and services of all ages, groups and communities, particularly youth and our ageing population are met.</b>	<p>Implementation of the Municipal Sport and Recreation Plan. Advocate for improved health, education and other Government services within the scope of Council's role and in conjunction with community. Development of a Senior's Program for the Central Highlands.</p> <p>Council contributed \$43,000.00 funding towards the provision of medical services in the municipal area to ensure that local GP services are available for residents.</p>	

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

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



These included:

- \$1,000 to the Bothwell Exercise Group
- \$200 Bothwell Licensed Anglers
- \$500 Gretna Volunteer Fire Brigade
- \$500 to Trout Guides and Lodges Tasmania
- \$500 to Wayatinah Country Music Festival
- \$5,000 contribution towards Bothwell Football Clubrooms
- \$350 to a Seniors Program - Hamilton
- \$100 towards Tasmanian Trail for markers
- \$150 contribution towards Ellendale Senior Citizens Bus trip

Council also provides Bursaries to Schools for further education of a Central Highlands resident student. Council also makes donations to Westerway, Bothwell, Ouse and Glenora Schools to assist with school programs. A total of \$5,050 was donated for the year.

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

Council makes an annual contribution of \$5,000 towards the Bothwell Family Day Care Centre which is managed by Brighton Family Day Care.

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




Council provided \$10,800 to Centralinc to assist with the production of the Highlands Digest. This publication provides a valuable avenue for disseminating information about the Central Highlands.



Council has commenced the distribution of a quarterly Council newsletter to all residents within the municipality.

Council advertises in the three daily newspapers as and when necessary.

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<b>Provide opportunities for people to come together and develop networks and connections</b>	<p>Council supports and encourages activities and events for the Central Highlands region including Australia Day and ANZAC Day.</p> <p>Highlands Tasmania Tourism Committee consisting of both community and council members successfully organized a site at AGFEST to showcase what the Central Highlands has to offer.</p> <p>A total of \$12,774 was expended on these 3 events.</p>	
<b>Conduct community consultation on major issues in a manner that ensures an indicative cross section of the community has input</b>	<p>Community consultations have taken place for issues that affect the community including the new Dog Control Management Act and through surveys when needed.</p>	
<b>Conduct an open and available access policy to ensure members of the community can discuss items of interest or make representation to Councillors and where appropriate, senior staff.</b>	<p>The community has access to all Senior Council Managers. Public question time is allocated at all Council meetings. Arrangements can be made with Council for delegations to attend and make representations at Council meetings.</p>	

The following donations and contributions were made during the year:

#### DONATIONS AND CONTRIBUTIONS

Bothwell Licenced Anglers	\$200	PCYC Child Safety Handbook	\$280
Bothwell Exercise Group	\$1,000	Tasmanian Trail Markers	\$100
Gretna Volunteer Fire Brigade	\$500	Aimee Butler – Irish Dancing Championships	\$300
Royal Flying Doctor Service	\$1,000	RAW (Rural Alive and Well)	\$10,000
Trout Guides & Lodges Tasmania	\$500	Ouse Online Centre	\$1000
Bothwell Football Club – Contribution towards Clubrooms	\$5000	Webcams in the Highlands	\$2,727
Ratho 2015 Pro-Am Golf Championship	\$1450	Ellendale Buskers Bash	\$1500
Bothwell Speed Shear	\$2000	Bothwell Spin-In	\$4000
Ouse & Highlands Craft Fair	\$1000	Wayatinah Country Music Festival	\$500
Ellendale Senior Citizens bus trip	\$150	Centralinc – Highlands Digest Contribution	\$10,800

- Bothwell Medical Centre - \$2000 contribution towards electricity costs, payment of phone rental & 50% of calls \$3281.15.
- Great Lake Community Centre contribution towards electricity costs of \$600.

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

Centralinc Senior Lunches	Hamilton District Agricultural Show Committee
Bothwell Lions Club	Anglican Parish of Hamilton
Bothwell Historical Society	Bothwell Tourism Committee
Wayatinah Sports & Social Club	Bothwell International Spin-In Committee
Gretna Cricket Club	Bothwell Rabbits Football Club
Great Lake Community Centre	Ellendale Hall Committee
Bothwell Exercise Group	Ash Cottage
Ouse Online Access Centre	Australasian Golf Museum
Ouse & Highlands Craft Fair	Bothwell CWA
Upper Derwent Valley Natural Resource Management Committee	

#### Remissions & small debt write offs

04-0017-03967	\$457.56	01-0810-03967	\$24.47
01-0805-02805	\$354.44	01-0806-03944	\$31.17
01-0852-03314	\$19.36	01-0821-02264	\$19.13
01-0805-02688	\$26.12	03-0224-03884	\$12.60
01-0810-03938	\$326.31	03-0232-04032	\$31.80
01-0805-03937	\$467.18	03-0212-03813	\$18.10

01-0860-02921	\$11.47	03-0214-00718	\$16.00
02-0105-00732	\$55.99	03-0205-00244	\$16.20
03-0218-03699	\$144.61	01-0838-02982	\$67.50
03-0237-01719	\$69.17	03-0209-00427	\$17.20
02-0100-03808	\$12.90	03-0240-01850	\$36.91
04-0013-01111	\$11.40	04-0013-04096	\$36.00
01-0846-04072	\$11.90	01-0852-03411	\$12.10
03-0234-01571	\$17.90	01-0846-04073	\$13.86
03-0243-01260	\$11.80	03-0234-01570	\$13.50
01-0805-03987	\$0.04	03-0221-01037	\$0.30
02-0102-01134	\$0.45	01-0808-03090	\$0.10
03-0209-00456	\$1.60	03-0205-00283	\$0.65
03-0213-00681	\$1.09	03-0212-00638	\$0.80
03-0221-01000	\$0.04	03-0221-00982	\$0.20
03-0235-01628	\$0.01	03-0226-01293	\$0.72
04-0001-03896	\$1.63	03-0243-01220	\$1.33
05-0700-03511	\$0.60	04-0009-00702	\$0.91

Remissions given on Building, Plumbing & Development applications 2014/2015:

*PA & SPA 2014/62 : SEPTIC TANK, HOLDING TANK, BOTTOMLESS SAND FILTER*

Plumbing and Special Plumbing Application Fees of \$650.00 for the installation of a septic tank, holding tank, bottomless sand filter and fit-out of the Ellendale Hall was remitted.

*DA 2014/45 : ENTERTAINMENT FACILITY (VISITOR CENTRE) IN VILLAGE ZONE & HERITAGE*

*CONSERVATION AREA & HERITAGE SITE(S) : 4 & 6-8 MARKET PLACE, BOTHWELL : REMISSION OF FEES*

Planning and Advertising Fees of \$605.00 for DA 2014/45 was remitted.

*BA & PA 2015/1 : COMMUNITY FACILITY (CLUB ROOMS) : 26 HOLLOW TREE ROAD, BOTHWELL :*

*REMISSION OF FEES*

Building and Plumbing Fees of \$1,150.00 for BA & PA 2015/1 was remitted.

*DERWENT BRIDGE PUBLIC SHELTER AND TOILET BLOCK*

Development Application Fees of \$555.00 for DA 2015/9 was remitted.

*REMISSION OF BUILDING APPLICATION FEES*

Building Fees of \$1410.00 and plumbing fees of \$300.00 were remitted by Council on the Visitor Centre link, Market Place Bothwell.

*REMISSION OF FEES: BA 2015/25 : PUBLIC AMENITIES AT DERWENT BRIDGE*

Building Permit fees of \$600 associated with BA 2015/25 for the Public Amenities at Derwent Bridge were remitted.

## CORPORATE AND FINANCIAL SERVICES

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

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




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

*Initiate appropriate action to ensure the recovery of outstanding rates and debts due to Council.*



*Manage cash flows so that Council is able to meet its financial obligations.*

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

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

Activity	Comment	Status
Recovery of Rate Debts	Council continue to monitor rate debtors. Rate debtors as at 30 June 2015 amounted to \$121,762 compared to \$206,607 for the previous financial year.	
Creditors Control	Council endeavour to ensure that all creditors are paid in a timely manner.	
Estimates, Annual Plan and Annual Report.	These were all completed and adopted.	<input checked="" type="checkbox"/>
Sundry financial services	Monthly reports and quarterly reports are submitted to Council.	

## COMPUTER DEVELOPMENT AND EQUIPMENT

Activity	Comment	Status
Ensure that computer and office equipment is maintained and replaced when necessary	Computer hardware and software is replaced when necessary.	
	Council's Records Management Software package enables correspondence to be accessed and viewed electronically by staff. Council have updated its Records Management Software and will complete the update of its Financial Software in 2015/16.	

## HUMAN RESOURCES

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

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

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

TOTAL REMUNERATION BRACKET	NO OF SENIOR EMPLOYEES
\$80,000 - \$100,000	3
\$140,000 - \$160,000	1

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

Total Allowances and expenses paid to the Mayor, Deputy Mayor and Councillors were \$133,885.

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



Council's investment in TasWater is \$7,741,780.

Council has signed a loan agreement with TasWater for Council to provide \$500,000 towards the upgrade of the Gretna Water Scheme. The loan is interest free and payable by four equal instalments over 20 years.

#### **PUBLIC INTEREST DISCLOSURES STATEMENT**

Under Part 9 of the Public Interest Disclosures Act, Council has established a written procedure in accordance with the Act. No disclosures were raised or determined during 2014/2015.

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

<b>Description</b>	<b>Period of Contract</b>	<b>Value excluding GST</b>	<b>Successful Contractor</b>	<b>Business Address Of Successful Contractor</b>
Ellendale & Hollow Tree Road Rehabilitation – Design & Construct	09/2014 to 02/2015	\$604,693	Andrew Walter Constructions	PO Box 5 Claremont 7011
Arthurs Lake Road Rehabilitation of Seal Contract	11/2014 to 01/2015	\$325,138	Gradco Pty Ltd	79-81 St Leonards Rd St Leonards 7250

#### **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 has applied the public tender process in all situations where it is required in accordance with Section 333A (1) of the Local Government Act 1993. Council advises that no report is required for the 2014/2015 year.

#### **VOLUNTARY AMALGAMATIONS**

In February 2015, the Minister for Planning and Local Government, the Hon Peter Gutwein MP, met with the Mayors, Deputy Mayors and General Managers of Tasmanian Councils at regional meetings in Hobart, Ulverstone and Launceston to discuss how the Tasmanian Government can work with local government to build a strong and resilient local government sector and improve the service delivery outcomes for Tasmanian communities. These outcomes are to be achieved through voluntary council amalgamations and strategic resource sharing. The Minister stated at the meetings that the some principles must be met before any amalgamations will be considered. The principles are that amalgamations must:

1. be in the interest of ratepayers;
2. improve the level of services for communities;
3. preserve and maintain local representation; and

4. ensure that the financial status of the entities is strengthened.

Council is a member of the Common Services Joint Venture Group comprising eight Councils whose aim is to share resources, with the first formal meeting held in April 2015.

### FINANCIAL PERFORMANCE INDICATORS

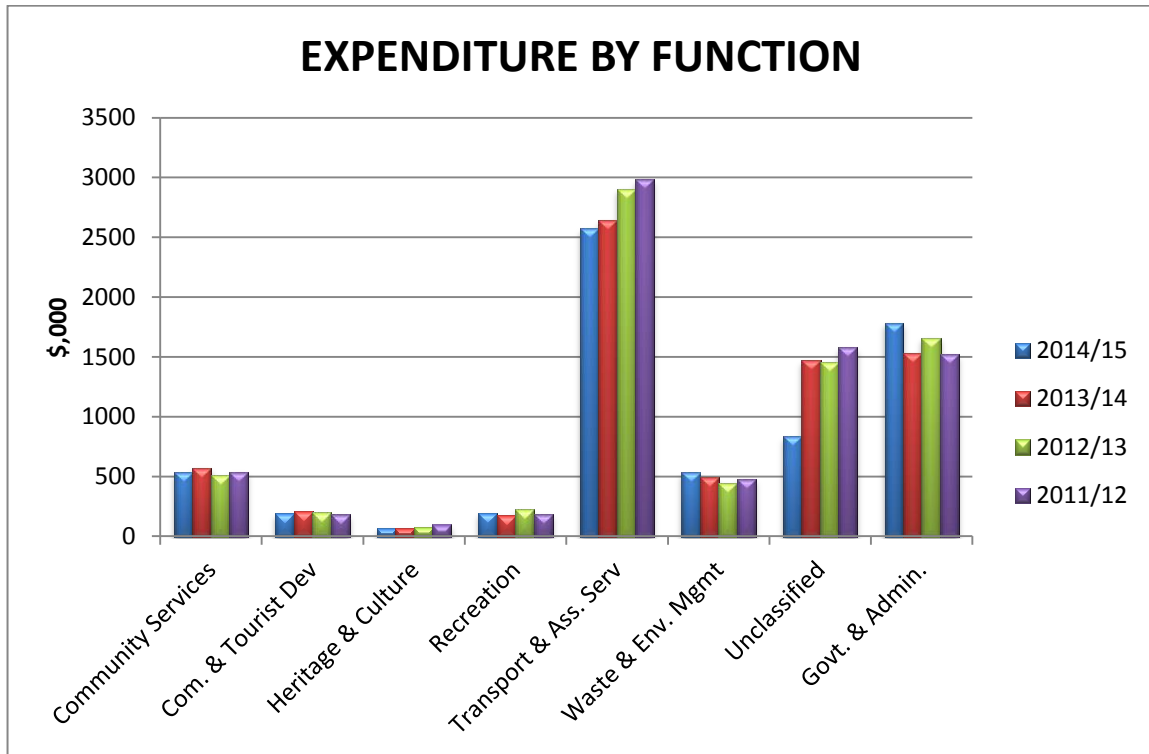
Comparative Financial Performance Indicators are provided for the current and previous nine years.

Indicator	2015 %	2014 %	2013 %	2012 %	2011 %	2010 %	2009 %	2008 %	2007 %	2006 %
Rate Revenue Analysis Rate Income : Total Revenue	48	48	46	45	48	45	46	43	40	33
Working Capital Ratio Current Assets: Current	6.40	6.51	7.68	7.39	10.51	9.46	8.32	6.86	7.22	8.14
Debt Ratio Total Liabilities: Total Assets	1.32	.70	.81	.86	.61	.64	.67	.70	.84	.99

### EXPENDITURE

#### EXPENDITURE BY FUNCTION

	2014/15 '000	2013/14 '000	2012/13 '000	2011/12 '000
Community Services	532	572	507	537
Com. & Tourist Dev	190	207	199	182
Heritage & Culture	70	70	79	98
Recreation	196	176	224	189
Transport & Ass. Serv	2573	2643	2,905	2,985
Waste & Env. Mgmt	532	492	446	480
Unclassified	836	1472	1,458	1,579
Govt. & Admin.	1785	1535	1,658	1,522



#### RESERVES

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$,000
Reserve	2007	2008	2009	2010	2011	2012	2013	2014	2015
Plant Replacement	449	428	483	453	453	453	453	453	453
Roads									
Bridges	405	405	355	377	377	377	377	377	377
Sundry	305	183	591	619	721	164	165	121	297
Long Service Leave	225	231	231	231	231	231	288	298	335
Independent Living Units	95								
Regional Refuse Site	80	80	80	80	80	80	80	80	80
Quarry Reserve		80	80	80	80	80	80	80	80
Shacksites Program	1,270	78	162	158	158	158	0	0	0
Roads to Recovery	359	354	203	5	79		0	0	0
Bothwell Pool	6	6	6				0	0	0
Financial Assistance Grants						948	1056	0	0
Healthy Communities Grant						193	213	0	0
<b>Total</b>	<b>3,194</b>	<b>1,845</b>	<b>2191</b>	<b>2003</b>	<b>2,179</b>	<b>2,684</b>	<b>2,712</b>	<b>1,409</b>	<b>1542</b>

## NON- CURRENT ASSETS

<b>NON-CURRENT ASSET</b>	<b>30 JUNE 2014 ASSET VALUE \$'000</b>	<b>30 JUNE 2015 ASSET VALUE \$'000</b>	<b>INCREASE/ (DECREASE) \$'000</b>
Land	3,021	3395	374
Buildings	4,402	4492	90
Plant, Machinery & Equipment	2,164	1,920	(244)
Motor Vehicles	61	57	(4)
Office Equipment	124	120	(4)
Computer Equipment	58	67	9
Infrastructure	531	650	119
Roads	105,498	59,545	(45,953)
Drainage Systems	883	1017	134
Bridges	8,227	8048	(179)
Footpaths, Kerbs & Gutters	1,334	1023	(311)
Works in Progress	959	214	(745)
Valuer-General	5	88	83
Investment in Southern Water	7,680	7,742	62
<b>TOTALS</b>	<b>134,947</b>	<b>88,378</b>	<b>(46,569)</b>

Roads, Bridges, Footpaths, Kerb and Gutters were re-valued in the 2014-2015 financial year



## Independent Auditor's Report

To the Councillors of Central Highlands Council

Financial Report for the Year Ended 30 June 2015

### Report on the Financial Report

I have audited the accompanying financial report of Central Highlands Council (Council), which comprises the statement of financial position as at 30 June 2015 and the statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

### Auditor's Opinion

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2015 and financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

### *The Responsibility of the General Manager for the Financial Report*

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

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of

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

*Strive | Lead | Excel | To Make a Difference*

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

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

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

#### Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

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

Tasmanian Audit Office



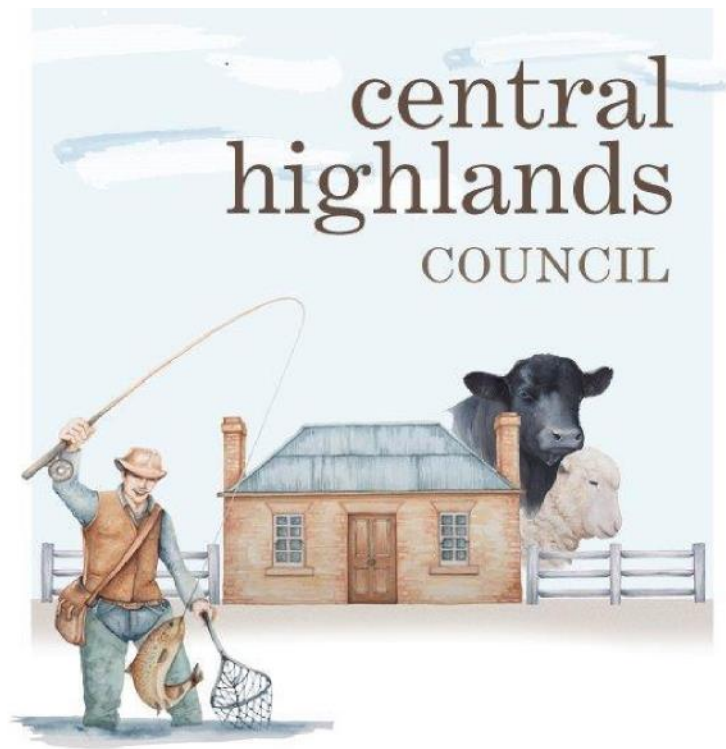
H M Blake  
Auditor-General

Hobart  
21 September 2015

...2 of 2

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

*Strive | Lead | Excel | To Make a Difference*



**Central Highlands Council**

**ANNUAL FINANCIAL REPORT**

***For the Year Ended 30 June 2015***

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## Statement of Profit and Loss and Other Comprehensive Income For the Year Ended 30 June 2015

	Note	Budget 2015 \$	Actual 2015 \$	Actual 2014 \$
<b>Income</b>				
<b>Recurrent Income</b>				
Rates and charges	3	3,143,001	3,145,850	3,048,757
Statutory fees and fines	4	35,000	29,812	36,853
User fees	5	189,556	208,470	221,714
Grants	6	2,190,597	3,398,405	1,308,241
Contributions - cash	7	42,000	47,301	50,045
Interest	8	150,000	190,215	262,121
Other income	9	377,752	454,859	233,092
Investment revenue from water corporation	11, 17	101,561	163,822	101,806
		<b>6,229,467</b>	<b>7,638,734</b>	<b>5,262,629</b>
<b>Capital income</b>				
Capital grants received specifically for new or upgraded assets	6	480,000	577,269	458,026
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	10	80,000	(121,038)	51,415
		<b>560,000</b>	<b>456,231</b>	<b>509,441</b>
<b>Total income</b>		<b>6,789,467</b>	<b>8,094,965</b>	<b>5,772,070</b>
<b>Expenses</b>				
Employee benefits	12	(1,673,098)	(1,839,666)	(1,809,425)
Materials and services	13	(1,897,846)	(1,648,105)	(1,482,786)
Depreciation and amortisation	14	(2,092,000)	(2,113,633)	(2,766,254)
Finance costs	15	(17,500)	(13,878)	(17,335)
Other expenses	16	(1,273,700)	(1,099,129)	(1,092,268)
<b>Total expenses</b>		<b>(6,954,144)</b>	<b>(6,714,411)</b>	<b>(7,168,069)</b>
<b>Surplus / (deficit)</b>		<b>(164,677)</b>	<b>1,380,554</b>	<b>(1,395,999)</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to surplus or deficit</b>				
Net asset revaluation increment	29	-	(46,510,914)	775,170
		-	<b>(46,510,914)</b>	<b>775,170</b>
<b>Items that may be reclassified subsequently to surplus or deficit</b>				
Financial assets available for sale reserve				
Fair Value adjustment on Available for Sale Assets	29	-	61,660	(1,549,480)
		-	<b>61,660</b>	<b>(1,549,480)</b>
<b>Total Other Comprehensive Income</b>		-	<b>(46,449,254)</b>	<b>(774,310)</b>
<b>Comprehensive result</b>		<b>(164,677)</b>	<b>(45,068,700)</b>	<b>(2,170,309)</b>

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

## Statement of Financial Position As at 30 June 2015

	Note	2015 \$	2014 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	18	4,191,686	3,643,972
Trade and other receivables	19	188,119	281,634
Financial assets	20	3,000,000	1,718,808
Inventories	21	13,233	14,180
Other assets	22	83,503	41,330
<b>Total current assets</b>		<b>7,476,541</b>	<b>5,699,924</b>
<b>Non-current assets</b>			
Investment in water corporation	17	7,741,780	7,680,120
Property, infrastructure, plant and equipment	23	80,548,312	127,261,460
Intangible assets	24	88,000	5,500
<b>Total non-current assets</b>		<b>88,378,092</b>	<b>134,947,080</b>
<b>Total assets</b>		<b>95,854,633</b>	<b>140,647,004</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	25	394,056	254,595
Trust funds and deposits	26	101,533	38,338
Provisions	27	672,483	582,406
<b>Total current liabilities</b>		<b>1,168,072</b>	<b>875,339</b>
<b>Non-current liabilities</b>			
Provisions	27	93,256	109,660
<b>Total non-current liabilities</b>		<b>93,256</b>	<b>109,660</b>
<b>Total liabilities</b>		<b>1,261,328</b>	<b>984,999</b>
<b>Net Assets</b>		<b>94,593,305</b>	<b>139,662,005</b>
<b>Equity</b>			
Accumulated surplus		27,164,308	25,916,132
Reserves	29	67,428,997	113,745,873
<b>Total Equity</b>		<b>94,593,305</b>	<b>139,662,005</b>

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

## Statement of Cash Flows For the Year Ended 30 June 2015

	2015 Inflows/ (Outflows)	2014 Inflows/ (Outflows)
Note	\$	\$
<b>Cash flows from operating activities</b>		
Rates	3,230,695	3,020,683
Statutory fees and fines	31,794	13,802
User charges and other fines	229,317	243,885
Grants	3,398,405	1,308,241
Interest	163,040	271,708
Investment revenue from water corporation	163,822	101,806
Other receipts	565,355	269,982
Net GST refund/payment	248,023	273,235
Payments to suppliers	(2,884,006)	(3,080,993)
Payments to employees (including redundancies)	(1,765,993)	(1,746,142)
Finance costs	(13,878)	(17,335)
<b>Net cash provided by (used in) operating activities</b>	<b>30 3,366,574</b>	<b>658,872</b>
<b>Cash flows from investing activities</b>		
Payments for property, infrastructure, plant and equipment	(2,081,347)	(3,863,301)
Proceeds from sale of property, infrastructure, plant and equipment	70,908	117,332
Payments for intangible assets	(104,500)	-
Payments for other financial assets	(1,281,190)	206,803
<b>Net cash provided by (used in) investing activities</b>	<b>(3,396,129)</b>	<b>(3,539,166)</b>
<b>Cash flows from financing activities</b>		
Capital grants	577,269	458,026
Repayment of leases	-	(13,205)
<b>Net cash provided by (used in) financing activities</b>	<b>577,269</b>	<b>444,821</b>
Net increase (decrease) in cash and cash equivalents	547,714	(2,435,473)
Cash and cash equivalents at the beginning of the financial year	3,643,972	6,079,445
<b>Cash and cash equivalents at the end of the financial year</b>	<b>31 4,191,686</b>	<b>3,643,972</b>
Restrictions on cash assets	18	

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

### Statement of Changes in Equity For the Year Ended 30 June 2015

	Note	Total 2015 \$	Accumulated Surplus 2015 \$	Asset Revaluation Reserve 2015 \$	Fair Value Reserve 2015 \$	Other Reserves 2015 \$
<b>2015</b>						
Balance at beginning of the financial year		139,662,005	25,916,132	113,734,077	(1,478,200)	1,489,996
Surplus / (deficit) for the year		1,380,554	1,380,554	-	-	-
Other Comprehensive Income:						
Fair Value adjustment on Available for Sale Assets	17	61,660	-	-	61,660	-
Net asset revaluation increment(decrement) reversals	29	(46,510,914)	-	(46,510,914)	-	-
Transfers between reserves	29	-	(132,378)	-	-	132,378
<b>Balance at end of the financial year</b>		<b>94,593,305</b>	<b>27,164,308</b>	<b>67,223,163</b>	<b>(1,416,540)</b>	<b>1,622,374</b>
		Total 2014 \$	Accumulated Surplus 2014 \$	Asset Revaluati on Reserve 2014 \$	Fair Value Reserve 2014 \$	Other Reserves 2014 \$
<b>2014</b>						
Balance at beginning of the financial year		141,832,314	26,090,607	112,958,907	71,280	2,711,520
Surplus / (deficit) for the year		(1,395,999)	(1,395,999)	-	-	-
Other Comprehensive Income:						
Fair Value adjustment on Available for Sale Assets	17	(1,549,480)	-	-	(1,549,480)	-
Net asset revaluation increment(decrement) reversals	29	775,170	-	775,170	-	-
Transfers between reserves	29	-	1,221,524	-	-	(1,221,524)
<b>Balance at end of the financial year</b>		<b>139,662,005</b>	<b>25,916,132</b>	<b>113,734,077</b>	<b>(1,478,200)</b>	<b>1,489,996</b>

The above statement should be read with the accompanying notes.

## Introduction

- (a) The Central Highlands Council (the Council) was established in 1993 and is a body corporate with perpetual succession and a common seal.  
Council's main office is located at 6 Tarleton Street, Hamilton, Tasmania.
- (b) The purpose of the Council is to:
- provide for health, safety and welfare of the community;
  - to represent and promote the interests of the community;
  - provide for the peace, order and good government in the municipality.

These financial statements are a general purpose financial report that consists of the Statements of Profit and Loss and Other 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 (AASB), and the *Local Government Act 1993 (LGA1993)* (as amended).

## Note 1 Significant accounting policies

### (a) Basis of accounting

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 1(f), 1(i), 1(k), 1(n), 1(p), 1(q), 1(t), 1(u), 1(v) and 1(w) .

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

### *Judgements and Assumptions*

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

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

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

*Employee entitlements*

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

*Defined benefit superannuation fund obligations*

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 32.

*Fair value of property, plant & equipment*

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in notes 1(f) and 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 1(k) and in note 17.

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

- (i) AASB 20 12-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* [AASB 132] (effective 1 January 2014)

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

The adoption of this standard will not change the reported financial position and performance of Council.

- (ii) AASB 2013-3 *Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets* (effective from 1 January 2014)

This standard amends the disclosure requirements of AASB 136. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The adoption of this standard will not impact Council's accounting policies but may result in changes to information disclosed in the financial statements.

- (iii) AASB 2013-9 *Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments* (Part A - Conceptual Framework effective from 20 December 2013; Part B - Materiality effective from 1 January 2014; Part C - Financial Instruments effective from 1 January 2015)

Part A of this standard updates references to the Framework for the Preparation and Presentation of Financial Statements in other standards as a consequence of the issue of AASB CF 2013-1 in December 2013.

Part B of this standard deletes references to AASB 1031 Materiality in various other standards. Once all references to AASB 1031 have been deleted from all Australian Accounting Standards, AASB 1031 will be withdrawn.

Part C of this standard amends AASB 9 *Financial Instruments* to add Chapter 6 Hedge Accounting and makes consequential amendments to AASB 9 and numerous other standards. Part C also amends the effective date of AASB 9 to annual reporting periods beginning on or after 1 January 2017, instead of 1 January 2015.

The adoption of this standard will not impact Council's accounting policies.

Part C of this standard amends AASB 9 *Financial Instruments* to add Chapter 6 Hedge Accounting and makes consequential amendments to AASB 9 and numerous other standards. Part C also amends the effective date of AASB 9 to annual reporting periods beginning on or after 1 January 2017, instead of 1 January 2015.

The adoption of this standard will not impact Council's accounting policies.

- (iv) Interpretation 21 Levies

This Interpretation provides clarity that a liability to pay government imposed levies, other than income taxes, is deferred until thresholds are exceeded.

The adoption of this standard will not impact Council's accounting policies.

### (c) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

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

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

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

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

When adopted, the standard will affect, in particular, Council's accounting for its available-for-sale financial assets. Currently, Council recognises changes in the fair value of its available-for-sale assets through other comprehensive income. It is expected the new requirement will not change the accounting treatment currently adopted.

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

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

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

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

The amendments to AASB 101 do not require any significant change to current practice, but should facilitate improved reporting, including emphasis on only including material disclosures, clarity on the aggregation and disaggregation of line items, the presentation of subtotals, the ordering of notes and the identification of significant accounting policies.

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

The amendments extend the scope to AASB 124 *Related Party Disclosures* to include not-for-profit public sector entities.

- (v) AASB 15 *Revenue from Contracts with Customers*, and AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15* (effective from 1 January 2018)

Under the new standard, a single model that applies to contracts with customers and two approaches to recognising revenue, at a point in time or over time is proposed. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The new standard will apply to contracts of not-for-profit entities that are exchange contracts. AASB 1004 *Contributions* will continue to apply to non-exchange transactions until the Income from Transactions of Not-for-Profit Entities project is completed.

#### (d) Revenue recognition

Rates, grants and contributions

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

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

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.



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

*Non-monetary contributions*

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

*User fees and Statutory fees and fines*

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

*Sale of property, plant and equipment, infrastructure*

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

*Rent*

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

*Interest*

Interest is recognised progressively as it is earned.

*Dividends*

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

**(e) Expense recognition**

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

*Employee benefits*

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

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

Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. 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, heritage 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
Property	
Land improvements	50 years
Buildings	
buildings	10-100 years
building improvements	10-20 years
Leasehold improvements	
leasehold building improvements	10-20 years
Plant and Equipment	
plant, machinery and equipment	2-15 years
fixtures, fittings and furniture	10-20 years
computers and telecommunications	2.5-10 years
leased plant and equipment	2-15 years
Roads	
road pavements and seals	12-30 years
road substructure	60 years
road formation and earthworks	200 years
road kerb, channel and minor culverts	50-80 years
Bridges	
bridges deck	20-80 years
bridges substructure Other	25-50 years
Infrastructure footpaths and cycleways	
drainage	5-80 years
recreational, leisure and community facilities	100 years
waste management	10-20 years
parks, open space and streetscapes	10-20 years
off street car parks	10-20 years
Intangible assets	
intangible assets	5 years

#### *Repairs and maintenance*

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

#### *Borrowing Costs*

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

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

**(f) Recognition and measurement of assets**

*Acquisition and Recognition*

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

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

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

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

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

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*Revaluation*

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

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

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. Further details regarding the fair value hierarchy are disclosed at Note 35, Financial Instruments.

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

*Land under roads*

Land under roads acquired after 30 June 2008 is brought to account at cost and subsequently revalued on a fair value basis. Council does not recognise land under roads that it controlled prior to that period. To date the value is not material.

**(g) Cash and cash equivalents**

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

**(h) Trade and other receivables**

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

(i) **Financial assets**

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

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

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

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

(k) **Investments in water corporation**

Council's investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2015, Council held a 0.5% (2014: 0.5%) ownership interest in TasWater which is based on schedule 2 of the Corporations Constitution which reflects the council's voting rights. Any unrealised gains and losses are recognised through the Statement of Comprehensive Income to a Financial assets available for sale Reserve each year (refer note 29).

Council has classified this asset as an Available-for-Sale financial asset as defined in *AASB 139 Financial Instruments: Recognition and Measurement* and has followed *AASB 132 Financial Instruments: Presentation* and *AASB 7 Financial Instruments: Disclosures* to value and present the asset in the financial report.

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

(l) **Investments** Investments, other than investments in associates and property, are measured at cost.

(m) **Tender deposits**

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

(n) **Employee benefits**

(i) *Short term obligations*

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

(ii) *Other long term employee benefit obligations*

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

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

(iii) *Sick Leave*

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

*Retirement benefit obligations*

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

*Defined benefit plans*

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

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund, which is a sub fund of the Quadrant Superannuation Scheme. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 32(b) of AASB 119 *Employee Benefits*, Council does not use defined benefit accounting for these contributions.

*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.

(o) *Operating leases*

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

Lease income from operating leases where Council is a lessor is recognised in income on a straight-line basis over the lease term.

(p) **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.

(q) **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.

(r) **Impairment of assets**

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

(s) **Rounding** Unless otherwise stated, amounts in the financial report have been rounded to the nearest dollar.

(t) **Non-current assets held for sale**

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

(u) **Investment property** Council does not hold any investment property.

(v) **Financial guarantees** Council has not issued any financial guarantees.

(w) **Significant Business Activities**

Council is required to report the operating capital and competitive neutrality costs in respect of each significant business activity undertaken by the council. The councils disclosure is reconciled in note 38. Council has determined, based upon materiality that Hamilton and Bothwell camping grounds as defined in note 38 are considered significant business activities. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and loan guarantees in preparing the information disclosed in relation to significant business activities.

(x) **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.

(y) **Budget**

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



Notes to the Financial Report  
For the Year Ended 30 June 2015

**Note 2 Functions/Activities of the Council**

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

	Grants	Other	Total Revenue	Total Expenditure	Surplus/ (Deficit)	Assets
	\$	\$	\$	\$	\$	\$
Government and administration						
2014 - 2015	1,540,619	3,276,916	4,817,535	1,784,777	3,032,758	9,084,840
2013 - 2014	33,549	3,128,181	3,161,730	1,535,267	1,626,463	10,701,206
Roads, streets and bridges						
2014 - 2015	2,354,252	-	2,354,252	2,572,606	(218,354)	69,633,622
2013 - 2014	1,432,473	-	1,432,473	2,643,396	(1,210,923)	115,942,123
Waste management						
2014 - 2015	-	510,277	510,277	532,378	(22,101)	422,314
2013 - 2014	-	480,371	480,371	491,800	(11,429)	449,444
Heritage and Culture						
2014 - 2015	-	1,815	1,815	70,007	(68,192)	1,499,026
2013 - 2014	-	3,099	3,099	70,459	(67,360)	1,474,368
Community services						
2014 - 2015	80,803	128,386	209,189	532,308	(323,119)	1,617,698
2013 - 2014	300,245	142,839	443,084	572,188	(129,104)	1,671,682
Recreation facilities						
2014 - 2015	-	15,290	15,290	196,228	(180,938)	2,213,819
2013 - 2014	-	3,461	3,461	175,955	(172,494)	2,120,675
Commercial and Tourism						
2014 - 2015	-	69,367	69,367	190,408	(121,041)	774,164
2013 - 2014	-	72,955	72,955	206,904	(133,949)	793,225
Other - not attributable						
2014 - 2015	-	117,240	117,240	835,699	(718,459)	10,609,150
2013 - 2014	-	174,897	174,897	1,472,100	(1,297,203)	7,494,281
<b>Total</b>						
<b>2014 - 2015</b>	<b>3,975,674</b>	<b>4,119,291</b>	<b>8,094,965</b>	<b>6,714,411</b>	<b>1,380,554</b>	<b>95,854,633</b>
<b>2013 - 2014</b>	<b>1,766,267</b>	<b>4,005,803</b>	<b>5,772,070</b>	<b>7,168,069</b>	<b>(1,395,999)</b>	<b>140,647,004</b>

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

	2015	2014
	\$	\$
Current assets Non-current assets	7,476,541	5,699,924
	<u>88,378,092</u>	<u>134,947,080</u>
	<b>95,854,633</b>	<b>140,647,004</b>

(c) *Governance and administration* Operation and maintenance of council chambers, administration offices, and councillors.

*Roads, streets and bridges*

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

*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.

Notes to the Financial Report  
For the Year Ended 30 June 2015

2015  
\$

2014  
\$

**Note 3 Rates and charges**

Council uses Assessed Annual Value as the basis of valuation of all properties within the municipality. The Assessed Annual Value within Central Highlands is 4% of its Capital Value.

The valuation base used to calculate general rates for 2014-2015 was \$41.653 million (2013-2014 \$41.636 million). The 2014-2015 rate in the AAV dollar was 2.936180 cents (2013-2014, 2.846843 cents).

General Rate	2,404,750	2,328,367
Fire Levy	187,229	183,735
Garbage charge	510,277	493,785
Revenue in advance	43,594	42,870
<b>Total rates and charges</b>	<b>3,145,850</b>	<b>3,048,757</b>

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

**Note 4 Statutory fees and fines**

Statutory Fees	29,812	36,853
<b>Total statutory fees and fines</b>	<b>29,812</b>	<b>36,853</b>

**Note 5 User fees**

Rental Housing	74,127	84,263
Planning Fees	29,311	31,328
Building Fees	24,434	26,680
Plumbing Fees	1,196	2,066
Tips and Waste Transfer Stations	163	421
Hall Hire	975	1,842
Camp Ground Fees	13,438	16,648
Animal licences	14,607	10,993
Food & Public Assembly Licences	10,820	13,608
Sewer Connection Fees	12,030	10,631
Cemetery Charges	7,851	6,779
Other fees and charges	19,518	16,455
<b>Total user fees</b>	<b>208,470</b>	<b>221,714</b>

**Ageing analysis of contractual receivables**

Please refer to note 35 for the ageing analysis of contractual receivables.

**Note 6**

**Grants**

Grants were received in respect of the following :

**Summary of grants**

Federally funded grants	3,794,871	1,432,473
State funded grants	180,803	175,245
Others	-	158,549
<b>Total</b>	<b>3,975,674</b>	<b>1,766,267</b>

**Grants - Recurrent**

Financial assistance grant	3,397,405	1,134,197
Healthy Communities	-	140,000
Other	1,000	34,044
<b>Total recurrent grants</b>	<b>3,398,405</b>	<b>1,308,241</b>

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2014-15 the Commonwealth made early payment of the two quarterly instalments for the following year. In accordance with AASB1004 *Contributions*, Council recognises these grants as revenue when it receives the funds and obtains control. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2014-15 by \$1,124,584. This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher in 2014-15 by this amount.

Notes to the Financial Report  
For the Year Ended 30 June 2015

	2015 \$	2014 \$
<b>Capital grants received specifically for new or upgraded assets</b>	<b>\$</b>	<b>\$</b>
Commonwealth Government - roads to recovery	397,466	298,276
Derwent Bridge Amenities	179,803	-
Upgrade Belchers Tier AM Radio Repeater	-	90,750
Ellendal Hall Toilets	-	50,000
Other	-	19,000
<b>Total capital grants</b>	<b>577,269</b>	<b>458,026</b>

**Conditions on grants**

Non-reciprocal grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:

Derwent Bridge Amenities	145,403	-
<b>Total</b>	<b>145,403</b>	<b>-</b>

Non-reciprocal grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

Healthy Communities	-	145,685
<b>Total</b>	<b>-</b>	<b>145,685</b>

Net increase (decrease) in non-reciprocal grant revenues for the year:	<b>282</b>	<b>174,043</b>
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**Note 7 Contributions**

**Cash**

Heavy Vehicle Contribution Fees	45,551	47,795
Parks, open space and streetscapes	1,750	2,250
<b>Total contributions</b>	<b>47,301</b>	<b>50,045</b>

**Note 8 Interest**

Interest on financial assets	190,215	262,121
<b>Total</b>	<b>190,215</b>	<b>262,121</b>

**Note 9 Other income**

Private Works	354,898	124,974
Reimbursements	54,836	67,448
Penalties and interest	45,125	40,670
<b>Total other income</b>	<b>454,859</b>	<b>233,092</b>

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

Proceeds of sale	70,908	117,332
Write down value of assets disposed	(191,946)	(65,917)
<b>Total</b>	<b>(121,038)</b>	<b>51,415</b>

**Note 11 Investment revenue from water corporation**

Dividend revenue received	112,813	64,835
Tax equivalent received	38,112	24,940
Guarantee fee received	12,897	12,031
<b>Total investment revenue from water corporation</b>	<b>163,822</b>	<b>101,806</b>

		2015 \$	2014 \$
<b>Note 12</b>	<b>Employee benefits</b>		
	Wages and salaries	1,469,475	1,498,082
	Workers compensation	37,747	3,415
	Annual leave and long service leave	184,288	198,995
	Sick Leave	58,651	65,510
	Superannuation	158,736	157,496
	Fringe benefits tax	10,927	12,820
	<b>Total employee benefits</b>	<b>1,919,824</b>	<b>1,936,317</b>
	Less amounts capitalised	(80,158)	(126,892)
	<b>Total operating employee benefits</b>	<b>1,839,666</b>	<b>1,809,425</b>
<b>Note 13</b>	<b>Materials and services</b>		
	Contract payments	501,659	471,405
	Building maintenance	44,014	49,932
	Plant and equipment maintenance, hire and fuel	300,300	296,558
	Consultants	159,604	139,439
	Materials and services	495,950	430,101
	Other	146,578	95,350
	<b>Total materials and services</b>	<b>1,648,105</b>	<b>1,482,786</b>
<b>Note 14</b>	<b>Depreciation and amortisation</b>		
	<i>Pro perty</i>		
	Buildings	100,580	99,993
	Plant, machinery and equipment	361,032	344,961
	Fixtures, fittings and furniture	9,714	8,069
	Computers and telecommunications	19,262	21,453
	Leased plant and equipment	-	1,346
	<i>Infrastructure</i>		
	Roads	1,279,511	1,969,706
	Bridges	195,837	200,008
	Footpaths and cycleways	54,468	23,693
	Drainage	14,834	11,471
	Infrastructure	56,395	57,554
	<i>Intangible assets</i>		
	Intangible assets	22,000	28,000
	<b>Total depreciation and amortisation</b>	<b>2,113,633</b>	<b>2,766,254</b>
<b>Note 15</b>	<b>Finance costs</b>		
	Bank Fees	13,878	17,335
	<b>Total finance costs</b>	<b>13,878</b>	<b>17,335</b>
<b>Note 16</b>	<b>Other expenses</b>		
	External auditors' remuneration (Tasmanian Audit Office)	20,481	20,930
	Councillors' allowances	112,174	107,631
	Fire Levy	179,107	175,183
	Light and Power	127,365	133,860
	Insurance	129,017	146,899
	Valuation Fees	6,971	17,067
	Communications and Telephones	66,238	62,691
	Community Support and Donations	96,767	91,468
	Land Tax	22,298	22,992
	Subscriptions and membership	37,349	38,379
	Advertising	41,947	43,053
	Legal Fees	63,298	46,681
	Printing and Stationery	34,995	30,441
	Other	161,122	154,993
	<b>Total other expenses</b>	<b>1,099,129</b>	<b>1,092,268</b>

Notes to the Financial Report  
For the Year Ended 30 June 2015

		2015 \$	2014 \$
<b>Note 17</b>	<b>Investment in water corporation</b>		
	Opening Balance	7,680,120	9,229,600
	Fair Value adjustments on Available-for-Sale Assets	61,660	(1,549,480)
	<b>Total investment in water corporation</b>	<b>7,741,780</b>	<b>7,680,120</b>
	Council has derived returns from the water corporation as disclosed at note 11.		
<b>Note 18</b>	<b>Cash and cash equivalents</b>		
	Cash on hand	550	450
	Cash at bank	1,414,342	543,493
	At call investments	202,402	100,029
	Term deposits and investments	2,574,392	3,000,000
	<b>Total cash and cash equivalents</b>	<b>4,191,686</b>	<b>3,643,972</b>
	Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
	- Trust funds and deposits (note 26 )	101,533	38,338
	- Leave provisions (note 27)	765,739	692,066
	<b>Restricted funds</b>	<b>867,272</b>	<b>730,404</b>
	<b>Total unrestricted cash and cash equivalents</b>	<b>3,324,414</b>	<b>2,913,568</b>
<b>Note 19</b>	<b>Trade and other receivables</b>		
	Rates debtors	121,762	206,607
	Other debtors	64,391	63,483
	Net GST receivable	1,966	11,544
	<b>Total trade and other receivables</b>	<b>188,119</b>	<b>281,634</b>
<b>Note 20</b>	<b>Financial assets</b>		
	<b>Current</b>		
	Term Deposits	3,000,000	1,718,808
	<b>Total financial assets</b>	<b>3,000,000</b>	<b>1,718,808</b>
<b>Note 21</b>	<b>Inventories</b>		
	Inventories held for consumption	13,233	14,180
	<b>Total inventories</b>	<b>13,233</b>	<b>14,180</b>
<b>Note 22</b>	<b>Other assets</b>		
	Prepayments	17,759	2,761
	Accrued income*	65,744	38,569
	<b>Total</b>	<b>83,503</b>	<b>41,330</b>

\* Accrued income is mainly accrued interest. It does not include Rates in Advance.

**Note 23** *Property, infrastructure, plant and equipment*

	2015 \$	2014 \$
<b>Summary</b>		
at cost	4,960,889	5,681,344
Less accumulated depreciation	2,582,919	2,315,276
	<b>2,377,970</b>	<b>3,366,068</b>
at fair value at 30 June 2015	102,252,154	162,335,949
Less accumulated depreciation	24,081,812	38,440,557
	<b>78,170,342</b>	<b>123,895,392</b>
<b>Total</b>	<b>80,548,312</b>	<b>127,261,460</b>
<b>Property</b>		
<b>Land</b>		
at fair value at 30 June 2015	3,395,000	3,020,735
	<b>3,395,000</b>	<b>3,020,735</b>
<b>Total Land</b>	<b>3,395,000</b>	<b>3,020,735</b>
<b>Buildings</b>		
at fair value at 30 June 2015	4,592,192	4,882,592
Less accumulated depreciation	100,580	480,735
<b>Total Buildings</b>	<b>4,491,612</b>	<b>4,401,857</b>
<b>Total Property</b>	<b>7,886,612</b>	<b>7,422,592</b>

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 market value 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. The revaluation resulted in an increment of \$522,979.

Note 23	Property, infrastructure, plant and equipment (cont.)	2015 \$	2014 \$
	<b>Plant and Equipment</b>		
	<b>Plant, machinery and equipment</b>		
	at cost	4,263,224	4,243,171
	Less accumulated depreciation	2,285,733	2,017,983
		<b>1,977,491</b>	<b>2,225,188</b>
	<b>Fixtures, fittings and furniture</b>		
	at cost	179,374	173,882
	Less accumulated depreciation	59,551	49,837
		<b>119,823</b>	<b>124,045</b>
	<b>Computers and telecommunications</b>		
	at cost	304,346	305,411
	Less accumulated depreciation	237,635	247,456
		<b>66,711</b>	<b>57,955</b>
	<b>Total Plant and Equipment</b>	<b>2,164,025</b>	<b>2,407,188</b>
	<b>Infrastructure</b>		
	<b>Roads</b>		
	at fair value at 30 June 2015	74,602,199	136,074,112
	Less accumulated depreciation	15,056,624	30,575,846
		<b>59,545,575</b>	<b>105,498,266</b>
	<b>Bridges</b>		
	at fair value at 30 June 2015	14,352,077	14,334,521
	Less accumulated depreciation	6,303,619	6,107,782
		<b>8,048,458</b>	<b>8,226,739</b>
	<b>Footpaths and cycleways</b>		
	at fair value at 30 June 2015	2,611,429	1,649,305
	Less accumulated depreciation	1,588,563	314,998
		<b>1,022,866</b>	<b>1,334,307</b>
	<b>Drainage</b>		
	at fair value at 30 June 2015	1,562,354	1,413,607
	Less accumulated depreciation	545,631	530,796
		<b>1,016,723</b>	<b>882,811</b>
	<b>Infrastructure</b>		
	at fair value at 30 June 2015	1,136,903	961,077
	Less accumulated depreciation	486,795	430,400
		<b>650,108</b>	<b>530,677</b>
	<b>Total Infrastructure</b>	<b>70,283,730</b>	<b>116,472,800</b>
	A full valuation of roads and footpaths was undertaken by independent valuers, Moloneys Asset Management Systems, effective October 2014. The values were determined using current replacement costs which resulted in a reduction in fair value. The revaluation resulted in a decrease of \$47,033,895.		
	<b>Works in progress</b>		
	Buildings at cost	84,400	-
	Roads at cost	47,674	811,816
	Computers	35,003	-
	Infrastructure	46,868	147,064
	<b>Total Works in progress</b>	<b>213,945</b>	<b>958,880</b>
	<b>Total property, infrastructure, plant and equipment</b>	<b>80,548,312</b>	<b>127,261,460</b>



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

property, plant and equipment and infrastructure

2015	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 29)	Depreciation and amortisation (note 14)	Impairment written down losses value of recognised in disposals profit or loss (a)	Transfers	Balance at end of financial year
Property	\$	\$	\$	\$	\$	\$	\$
land							
Total land							
buildings	3,020,735	-	374,265	-	-	-	3,395,000
Total buildings	3,020,735	-	374,265	-	-	-	3,395,000
Total property	4,401,857	72,260	148,714	100,580	30,639	-	4,491,612
<b>Plant and Equipment</b>	4,401,857	72,260	148,714	100,580	30,639	-	4,491,612
plant, machinery and equipment	7,422,592	72,260	522,979	100,580	30,639	-	7,886,612
fixtures, fittings and furniture							
computers and telecommunications	2,225,188	183,023	-	361,032	69,688	-	1,977,491
Total plant and equipment	124,045	5,492	-	9,714	-	-	119,823
<b>Infrastructure</b>	57,955	28,794	-	19,262	776	-	66,711
roads	2,407,188	217,309	-	390,008	70,464	-	2,164,025
bridges							
footpaths and cycleways	105,498,266	-	(46,776,922)	1,279,511	90,843	-	59,545,575
drainage	8,226,739	-	-	195,837	-	-	8,048,458
infrastructure	1,334,307	-	(256,973)	54,468	-	-	1,022,866
Total infrastructure	882,811	-	-	14,834	-	-	1,016,723
<b>Works in progress</b>	530,677	-	-	56,395	-	-	650,108
Roads	116,472,800	-	(47,033,895)	1,601,045	90,843	-	70,283,730
buildings							
computers	811,816	1,430,443	-	-	-	(2,194,585)	47,674
infrastructure	-	84,400	-	-	-	-	84,400
drainage	-	35,003	-	-	-	-	35,003
bridges	147,064	75,630	-	-	-	(175,826)	46,868
Total works in progress	-	148,746	-	-	-	(148,746)	-
<b>Total property, plant and equipment, infrastructure</b>	-	17,556	-	-	-	(17,556)	-
	958,880	1,791,778	-	-	-	(2,536,713)	213,945
	127,261,460	2,081,347	(46,510,916)	2,091,633	191,946	-	80,548,312

(a) Impairment losses

Impairment losses are recognised in the Statement of profit and loss and other comprehensive income under other expenses.

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

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

Reconciliation of property, plant and equipment and infrastructure

2014	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 29)	Depreciation and amortisation (note 14)	Written down and derecognised	Impairment losses value of recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Property land</b>								
Total land	3,020,735	-	-	-	-	-	-	3,020,735
buildings	3,020,735	-	-	-	-	-	-	3,020,735
	4,430,785	71,065	-	99,993	-	-	-	4,401,857
Total buildings	4,430,785	71,065	-	99,993	-	-	-	4,401,857
Total property	7,451,520	71,065	-	99,993	-	-	-	7,422,592
<b>Plant and Equipment</b>								
plant, machinery and equipment	2,119,160	506,397	-	344,961	65,917	-	10,509	2,225,188
fixtures, fittings and furniture	86,991	45,123	-	8,069	-	-	-	124,045
computers and telecommunications	68,743	10,665	-	21,453	-	-	-	57,955
leased plant and equipment	11,855	-	-	1,346	-	-	(10,509)	-
Total plant and equipment	2,286,749	562,185	-	375,829	65,917	-	-	2,407,188
<b>Infrastructure</b>								
roads	105,527,190	-	-	1,969,706	-	-	1,940,782	105,498,266
bridges	7,602,143	-	630,956	200,008	-	-	193,648	8,226,739
footpaths and cycleways	1,358,000	-	-	23,693	-	-	-	1,334,307
drainage	733,279	-	144,214	11,471	-	-	16,789	882,811
infrastructure	469,279	118,952	-	57,554	-	-	-	530,677
Total infrastructure	115,689,891	118,952	775,170	2,262,432	-	-	2,151,219	116,472,800
roads	-	2,752,598	-	-	-	-	(1,940,782)	811,816
infrastructure	4,500	142,564	-	-	-	-	-	147,064
drainage	-	16,789	-	-	-	-	(16,789)	-
bridges	-	193,648	-	-	-	-	(193,648)	-
Total works in progress	4,500	3,105,599	-	-	-	-	(2,151,219)	958,880
<b>Total property, plant and equipment, infrastructure</b>	<b>125,432,660</b>	<b>3,857,801</b>	<b>775,170</b>	<b>2,738,254</b>	<b>65,917</b>	<b>-</b>	<b>-</b>	<b>127,261,460</b>

(a) Impairment losses

Impairment losses are recognised in the Statement of profit and loss and other comprehensive income under other expenses.

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

		2015 \$	2014 \$
<b>Note 24</b>	<b>Intangible assets</b>		
	Revaluation cost paid to Valuer General	88,000	5,500
	<b>Total intangible assets</b>	<b>88,000</b>	<b>5,500</b>
	<b>Reconciliation of intangible assets</b>		<b>Total</b>
			<b>\$</b>
	<b>Gross carrying amount</b>		
	Balance at 1 July 2013		112,000
	Additions		5,500
	Expired revaluation		(112,000)
	Balance at 1 July 2014		5,500
	Additions		104,500
	Other		-
	Balance at 1 July 2015		<b>110,000</b>
	<b>Accumulated amortisation and impairment</b>		
	Balance at 1 July 2013		84,000
	Amortisation expense		28,000
	Expired revaluation		(112,000)
	Amortisation expense		22,000
	Other		-
	Balance at 1 July 2015		<b>22,000</b>
	Net book value at 30 June 2014		5,500
	Net book value at 30 June 2015		<b>88,000</b>
<b>Note 25</b>	<b>Trade and other payables</b>		
	Trade payables	323,254	216,516
	Accrued expenses	59,276	38,079
	Other	11,526	-
	<b>Total trade and other payables</b>	<b>394,056</b>	<b>254,595</b>
<b>Note 26</b>	<b>Trust funds and deposits</b>		
	Refundable building deposits	3,500	3,500
	Retention amounts	70,235	18,500
	Other refundable deposits	27,798	16,338
	<b>Total trust funds and deposits</b>	<b>101,533</b>	<b>38,338</b>

Note 27

	Provisions Annual leave	Long service leave	Sick Leave	Other	Total
	\$	\$	\$	\$	\$
<b>2015</b>					
Balance at beginning of the financial year	145,035	298,381	197,624	51,026	692,066
Additional provisions	141,578	56,716	54,575	19,958	272,827
Amounts used	(130,057)	(19,921)	(34,651)	(14,525)	(199,154)
Balance at the end of the financial year	<b>156,556</b>	<b>335,176</b>	<b>217,548</b>	<b>56,459</b>	<b>765,739</b>
<b>2014</b>					
Balance at beginning of the financial year	135,066	263,657	176,559	53,501	628,783
Additional provisions	154,609	60,378	62,430	14,373	291,790
Amounts used	(144,640)	(25,654)	(41,365)	(16,848)	(228,507)
Balance at the end of the financial year	<b>145,035</b>	<b>298,381</b>	<b>197,624</b>	<b>51,026</b>	<b>692,066</b>
<b>(a) Employee benefits</b>				<b>2015</b>	<b>2014</b>
				<b>\$'000</b>	<b>\$'000</b>
<b>(i) Current</b>					
Annual leave				156,556	145,035
Long service leave				248,796	196,806
Sick Leave				217,548	197,624
Other				49,583	42,941
				<b>672,483</b>	<b>582,406</b>
<b>(ii) Non-current</b>					
Long service leave				86,380	101,575
Other				6,876	8,085
				<b>93,256</b>	<b>109,660</b>
Aggregate carrying amount of employee benefits:					
Current				672,483	582,406
Non-current				93,256	109,660
				<b>765,739</b>	<b>692,066</b>
The following assumptions were adopted in measuring the present value of employee benefits:					
Weighted average increase in employee costs				(0.85%)	0.98%
Weighted average discount rates				2.34%	3.02%
Weighted average settlement period				12	12
<b>(i) Current</b>					
All annual leave and the long service leave entitlements representing 10 or more years					
of short term continuous employment service benefits, that fall due within 12 months after the end of the period measured at nominal value				156,556	145,035
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value				248,796	196,806
				<b>405,352</b>	<b>341,841</b>
<b>(ii) Non-current</b>					
Long service leave representing less than 10 years of continuous service measured at present value				86,380	101,575
<b>(iii) Employee Numbers</b>				33	34

Note 28

Finance Leases

Council has no obligations under finance leases for the lease of equipment.

Notes to the Financial Report  
For the Year Ended 30 June 2015

Note 29	Reserves	Balance at beginning of reporting year	Increment	(decrement)	Balance at end of reporting year
	(a) Asset revaluation reserve	\$	\$		\$
<b>2015</b>					
	<b>Property</b>				
	Land	1,620,084	374,266	-	1,994,350
	Buildings	1,563,482	148,715	-	1,712,197
	Fixtures and fittings - heritage	4,530	-	-	4,530
		<b>3,188,096</b>	<b>522,981</b>	<b>-</b>	<b>3,711,077</b>
	<b>Infrastructure</b>				
	Roads	100,726,262	(46,776,922)	-	53,949,340
	Bridges	6,415,535	-	-	6,415,535
	Footpaths and kerbs	2,807,262	(256,973)	-	2,550,289
	Drainage	596,922	-	-	596,922
		<b>110,545,981</b>	<b>(47,033,895)</b>	<b>-</b>	<b>63,512,086</b>
	<b>Total asset revaluation reserve</b>	<b>113,734,077</b>	<b>(46,510,914)</b>	<b>-</b>	<b>67,223,163</b>
<b>2014</b>					
	<b>Property</b>				
	Land	1,620,084	-	-	1,620,084
	Buildings	1,563,482	-	-	1,563,482
	Fixtures and fittings - heritage	4,530	-	-	4,530
		<b>3,188,096</b>	<b>-</b>	<b>-</b>	<b>3,188,096</b>
	<b>Infrastructure</b>				
	Roads	100,726,262	-	-	100,726,262
	Bridges	5,784,579	630,956	-	6,415,535
	Footpaths and kerbs	2,807,262	-	-	2,807,262
	Drainage	452,708	144,214	-	596,922
		<b>109,770,811</b>	<b>775,170</b>	<b>-</b>	<b>110,545,981</b>
	<b>Total asset revaluation reserve</b>	<b>112,958,907</b>	<b>775,170</b>	<b>-</b>	<b>113,734,077</b>

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	\$	\$		\$
<b>2015</b>				
<b>Available-for-sale assets</b>				
Investment in water corporation	(1,478,200)	61,660	-	(1,416,540)
<b>Total fair value reserve</b>	<b>(1,478,200)</b>	<b>61,660</b>	<b>-</b>	<b>(1,416,540)</b>
<b>2014</b>				
<b>Available-for-sale assets</b>				
Investment in water corporation	71,280	(1,549,480)	-	(1,478,200)
<b>Total fair value reserve</b>	<b>71,280</b>	<b>(1,549,480)</b>	<b>-</b>	<b>(1,478,200)</b>

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

Notes to the Financial Report  
For the Year Ended 30 June 2015

Note 29

	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>2015</b>				
Other Reserves	1,489,996	183,948	(51,570)	1,622,374
<b>Total Other reserves</b>	<b>1,489,996</b>	<b>183,948</b>	<b>(51,570)</b>	<b>1,622,374</b>
<b>2014</b>				
Other Reserves	2,711,520	72,013	(1,293,537)	1,489,996
<b>Total Other reserves</b>	<b>2,711,520</b>	<b>72,013</b>	<b>(1,293,537)</b>	<b>1,489,996</b>
			<b>2015</b>	<b>2014</b>
			\$	\$
<b>Total Reserves</b>			<b>67,428,997</b>	<b>113,745,873</b>

Note 30

<b>Reconciliation of cash flows from operating activities to surplus (deficit)</b>		
Surplus/(Deficit)	1,380,554	(1,395,999)
Depreciation/amortisation	2,113,633	2,766,254
(Profit)/loss on disposal of property, plant and equipment, infrastructure	121,038	(51,415)
Capital grants received specifically for new or upgraded assets	(577,269)	(458,026)
Decrease/(increase) in trade and other receivables	93,515	(46,383)
Decrease/(increase) in other assets	(42,173)	6,826
Decrease/(increase) in inventories	947	(3,706)
Increase/(decrease) in trade and other payables	139,461	(208,807)
Increase/(decrease) in provisions	73,673	63,283
Increase/(decrease) in other liabilities	63,195	(13,155)
<b>Net cash provided by/(used in) operating activities</b>	<b>3,366,574</b>	<b>658,872</b>

Note 31

<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents (see note 18)	4,191,686	3,643,972
<b>Total reconciliation of cash and cash equivalents</b>	<b>4,191,686</b>	<b>3,643,972</b>

Note 32 Superannuation

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund), which is a sub fund of the Quadrant Superannuation Scheme (the 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.

For the year ended 30 June 2015 the Council contributed 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

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

The financial assumptions used to calculate the Accrued Benefits for the Fund were: Net Investment Return 7.0% p.a.

Salary Inflation 4.0% pa  
Price Inflation n/a

The actuarial review concluded that:

The value of assets of the Quadrant Defined Benefit Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2014.

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

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

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

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

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

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

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

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

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

In terms of Clause 1.9.2 of the Scheme Trust Deed, there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Clause 1.9.2(b). However in terms of Clause 1.9.2(d), the only contributions that can be sought from the Employer and its employee Members are any arrears of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Clause 1.22.2(a) requiring the Employer to make good any shortfall before the cessation of participation is approved.

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

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

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

The Fund is a defined benefit Fund.

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

During the reporting period the amount of contributions paid to defined benefits schemes was \$33,220 (2013-14, \$33,768), and the amount paid to accumulation schemes was \$128,507 (2013-14, \$121,196).

During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$33,000, and the amount to be paid to accumulation schemes is \$128,000.

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

An analysis of the assets and vested benefits of Funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2014, showed that the Fund had assets of \$66.3 million and members' Vested Benefits were \$57.5 million. These amounts represented 8.4% and 7.5% respectively of the corresponding total amounts for the Scheme.

	2015	2014
Fund	\$	\$
<b>Defined benefits fund</b>		
Employer contributions to Quadrant	33,220	33,768
	<u>33,220</u>	<u>33,768</u>
<b>Accumulation funds</b>		
Employer contributions to super funds	128,507	121,196
	<u>128,507</u>	<u>121,196</u>

	2015	2014
	\$	\$
<b>Note 33 Commitments</b>		
<b>Contractual commitments</b>		
Contractual commitments at end of financial year but not recognised in the financial report are as follows		
Recycling and garbage collection contract (expires 2017)	437,256	683,482
<b>Total</b>	<u>437,256</u>	<u>683,482</u>
<b>Other</b>		
Council has agreed to provide Tas Water an interest free loan of \$500,000 repayable at \$125,000 every five years to enable a treated water supply to be provided to residents of Gretna. The loan is expected to be taken up by TasWater during 2015/16.		

**Note 34 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.

Council operates a landfill at Hamilton. Council will have to carry out site rehabilitation works in the future. At balance date Council is unable to accurately assess the financial implications of such works.



Note	35	<b>Financial Instruments</b>		
		<b>(a) Accounting Policy, terms and conditions</b>		
		<b>Recognised financial instruments</b>	Note	Accounting Policy
				Terms and Conditions
		<b>Financial assets</b>		
		<b>Cash and cash equivalents</b>	18	<p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>On call deposits returned a floating interest rate. The interest rate at balance date was 1.9% (2.5% 2013/2014).</p> <p>Interest is recognised as it accrues.</p> <p>Investments and bills are valued at cost</p> <p>Investments are held to maximise interest returns of surplus cash.</p> <p>Interest revenues are recognised as they accrue.</p> <p>Managed funds are measured at market value</p>
		<b>Trade and other receivables</b>		
		<b>Other debtors</b>	19	<p>Receivables are carried at amortised cost using the effective interest method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.</p> <p>General debtors are unsecured and arrears attract an interest rate of 10%. Credit terms are based on 30 days.</p>
		<b>Financial Liabilities</b>		
		<b>Trade and other payables</b>	25	<p>Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.</p> <p>General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice date.</p> <p>Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.</p> <p>As at balance date, the Council did not have any finance leases.</p>

Notes to the Financial Report  
For the Year Ended 30 June 2015

Note 35 Financial Instruments (cont.)

(b) Interest Rate Risk

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

2015

	Weighted average interest rate	Floating interest rate \$	Fixed interest maturing in: 1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non-interest bearing \$	Total \$
<b>Financial assets</b>							
Cash and cash equivalents	2.65%	1,091,657	3,100,029	-	-	-	4,191,686
Financial assets	2.70%	-	3,000,000	-	-	-	3,000,000
Trade and other receivables		188,119	-	-	-	-	188,119
Investment in water corporation		-	-	-	-	7,741,780	7,741,780
<b>Total financial assets</b>		<b>1,279,776</b>	<b>6,100,029</b>	<b>-</b>	<b>-</b>	<b>7,741,780</b>	<b>15,121,585</b>
<b>Financial liabilities</b>							
Trade and other payables		-	-	-	-	394,056	394,056
Trust funds and deposits		-	-	-	-	101,533	101,533
Financial Leases		-	-	-	-	-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>495,589</b>	<b>495,589</b>
<b>Net financial assets (liabilities)</b>		<b>1,279,776</b>	<b>6,100,029</b>	<b>-</b>	<b>-</b>	<b>7,246,191</b>	<b>14,625,996</b>

2014

	Weighted average interest rate	Floating interest rate \$	Fixed interest maturing in: 1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non-interest bearing \$	Total \$
<b>Financial assets</b>							
Cash and cash equivalents	3.24%	543,943	3,100,029	-	-	-	3,643,972
Other financial assets	3.37%	-	1,718,808	-	-	-	1,718,808
Trade and other receivables		281,634	-	-	-	-	281,634
Investment in water corporation		-	-	-	-	7,680,120	7,680,120
<b>Total financial assets</b>		<b>825,577</b>	<b>4,818,837</b>	<b>-</b>	<b>-</b>	<b>7,680,120</b>	<b>13,324,534</b>
<b>Financial liabilities</b>							
Trade and other payables		-	-	-	-	254,595	254,595
Trust funds and deposits		-	-	-	-	38,338	38,338
Financial Leases		-	-	-	-	-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>292,933</b>	<b>292,933</b>
<b>Net financial assets (liabilities)</b>		<b>825,577</b>	<b>4,818,837</b>	<b>-</b>	<b>-</b>	<b>7,387,187</b>	<b>13,031,601</b>

## Notes to the Financial Report For the Year Ended 30 June 2015

### Note 35 Financial Instruments (cont.)

#### (c) Fair Value

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	4,191,686	3,643,972	4,191,686	3,643,972
Financial assets	3,000,000	1,718,808	3,000,000	1,718,808
Trade and other receivables	188,119	281,634	188,119	281,634
Investment in water corporation	7,741,780	7,680,120	7,741,780	7,680,120
<b>Total financial assets</b>	<b>15,121,585</b>	<b>13,324,534</b>	<b>15,121,585</b>	<b>13,324,534</b>
<b>Financial liabilities</b>				
Trade and other payables	394,056	254,595	394,056	254,595
Trust funds and deposits	101,533	38,338	101,533	38,338
<b>Total financial liabilities</b>	<b>495,589</b>	<b>292,933</b>	<b>495,589</b>	<b>292,933</b>

#### (d) Credit Risk

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

(e) **Risks and mitigation** The risks associated with our main financial instruments and our policies for minimising these

risks are detailed below

#### Market risk

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

#### Interest rate risk

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

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1993*. We - 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.

## Notes to the Financial Report For the Year Ended 30 June 2015

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

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when 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 (BBBB credit rating)	Other (min BBB credit rating)	Total
<b>2015</b>				
Cash and cash equivalents	4,191,686	-	-	4,191,686
Investments and other financial assets	3,000,000	-	-	3,000,000
<b>Total contractual financial assets</b>	<b>7,191,686</b>	<b>-</b>	<b>-</b>	<b>7,191,686</b>
<b>2014</b>				
Cash and cash equivalents	3,643,972	-	-	3,643,972
Investments and other financial assets	1,718,808	-	-	1,718,808
<b>Total contractual financial assets</b>	<b>5,362,780</b>	<b>-</b>	<b>-</b>	<b>5,362,780</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:

	2015 \$	2014 \$
Current (not yet due)	2,621	11,955
Past due by up to 30 days	36,264	30,796
Past due between 31 and 180 days	102,295	122,763
Past due between 181 and 365 days	14,486	-
Past due by more than 1 year	32,453	116,120
<b>Total Trade &amp; Other Receivables</b>	<b>188,119</b>	<b>281,634</b>

## Notes to the Financial Report For the Year Ended 30 June 2015

### Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements: - we will not have sufficient funds to settle a transaction on the date;

- we will be forced to sell financial assets at a value which is less than what they are worth; or - we may be unable to settle or recover a financial assets at all.

To help reduce these risks we:

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

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

The table below lists the contractual maturities for Financial Liabilities

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

2015	6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
	or less	months	years	years	years	Cash Flow	Amount
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	394,056	-	-	-	-		394,056
Trust funds and deposits	101,533		-	-	-		101,533
<b>Total financial liabilities</b>	<b>495,589</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>495,589</b>

2014	6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
	or less	months	years	years	years	Cash Flow	Amount
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	254,595	-	-	-	-		254,595
Trust funds and deposits	38,338		-	-	-		38,338
<b>Total financial liabilities</b>	<b>292,933</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>292,933</b>

(f) Sensitivity disclosure analysis

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

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

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

		Interest rate risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2015		\$	\$	\$	\$
<b>Financial assets:</b>					
Cash and cash equivalents	4,191,686	(83,834)	(83,834)	41,917	41,917
Trade and other receivables	188,119	(3,762)	(3,762)	1,881	1,881
<b>Financial liabilities:</b>					

		Interest rate risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2014		\$	\$	\$	\$
<b>Financial assets:</b>					
Cash and cash equivalents	3,643,972	(72,879)	(72,879)	36,440	36,440
Trade and other receivables	281,634	(5,633)	(5,633)	2,816	2,816
<b>Financial liabilities:</b>					

Note 36 Events occurring after balance date

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

**Note 37 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 Deirdre Flint (Mayor) Councillor Andrew Downie (Deputy Mayor) Councillor Richard Bowden Councillor Loueen Triffit Councillor Anthony Bailey Councillor Tim Jacka (to 28 October 2014) Councillor James Allwright Councillor Ian McMichael (to 28 October 2014) Councillor David McMillan (to 28 October 2014) Councillor Robert Cassidy (Elected 28 October 2014) Councillor Erica McRae (Elected 28 October 2014) Councillor Evan Evans (Elected 28 October 2014)
<b>General Manager</b>	Lyn Eyles
<b>Senior Managers</b>	Jason Branch Graham Rogers Christopher Absolom

**(ii) Councillor remuneration  
2015**

	Allowances \$	Vehicles <sup>1</sup> \$	Reimburse- ments <sup>2</sup> \$	Total \$
Councillor Deirdre Flint (Mayor)	29,571	11,415	2,640	43,626
Councillor Andrew Downie (Deputy Mayor)	17,366	4,906	-	22,272
Councillor Richard Bowden	8,449	-	360	8,809
Councillor Loueen Triffit	8,449	2,598	360	11,407
Councillor Anthony Bailey	8,449	1,066	360	9,875
Councillor Tim Jacka to 28 October 2014	2,774	-	120	2,894
Councillor James Allwright	8,449	-	360	8,809
Councillor Ian McMichael to 28 October 2014	2,774	344	120	3,238
Councillor David McMillan to 28 October 2014	2,774	-	120	2,894
Councillor Robert Cassidy (Elected 28 October 2014)	5,675	1,559	240	7,474
Councillor Erica McRae (Elected 28 October 2014)	5,675	757	240	6,672
Councillor Evan Evans (Elected 28 October 2014)	5,675	-	240	5,915
<b>Total</b>	<b>106,080</b>	<b>22,645</b>	<b>5,160</b>	<b>133,885</b>

**2014**

	Allowances \$	Vehicles <sup>1</sup> \$	Reimburse- ments <sup>2</sup> \$	Total \$
Councillor Deirdre Flint (Mayor)	28,850	13,817	2,640	45,307
Councillor Andrew Downie (Deputy Mayor)	16,943	3,205	-	20,148
Councillor Richard Bowden	8,243	-	360	8,603
Councillor Loueen Triffit	8,243	756	360	9,359
Councillor Anthony Bailey	8,243	712	360	9,315
Councillor Tim Jacka	8,243	1,617	360	10,220
Councillor James Allwright	8,243	-	360	8,603
Councillor Ian McMichael	8,243	1,572	360	10,175
Councillor David McMillan (Elected March 2014)	3,707	933	90	4,730
Councillor Geoffrey Herbert (to January 2014)	4,776	-	210	4,986
<b>Total</b>	<b>103,734</b>	<b>22,612</b>	<b>5,100</b>	<b>131,446</b>

<sup>1</sup> Includes mileage allowance for use of private vehicles.

<sup>2</sup> Includes reimbursement for use of private phones.

**Key management personnel remuneration**

	<b>2015</b>	<b>2014</b>
	\$	\$
Total remuneration for the reporting year for senior management positions included above amounted to:	429,996	418,723

***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.

(iv)

**Other related interests**

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.



Notes to the Financial Report  
For the Year Ended 30 June 2015

**Note 38 Significant Business Activities**

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

	Hamilton & Bothwell Camping Grounds	
	2015	2014
<b>Revenue</b>	\$	\$
User Changes	13,438	16,647
<b>Total Revenue</b>	<b>13,438</b>	<b>16,647</b>
<b>Expenditure</b>		
<i>Direct</i>		
Employee Costs	1,523	2,597
Materials and Contacts	996	964
Interest	-	-
Utilities	2,854	4,351
<i>Indirect</i>		
Engineering & Administration	305	519
<b>Total Expenses</b>	<b>5,678</b>	<b>8,431</b>
<i>Notional cost of free services received</i>		
<i>Capital Costs</i>		
Depreciation and amortisation	-	-
Opportunity cost of capital	2,861	2,700
<b>Total Capital Costs</b>	<b>2,861</b>	<b>2,700</b>
<i>Competitive neutrality adjustments</i>		
Rates and land tax	2,274	989
Loan guarantee fees	-	-
	<b>2,274</b>	<b>989</b>
<i>Calculated Surplus/(Deficit)</i>		
Tax Equivalent rate	5,486	7,227
Taxation equivalent	30%	30%
	1,646	2,168
<b>Competitive neutrality costs</b>	<b>3,920</b>	<b>3,157</b>

Note	39	Management indicators	Benchmark	2015 \$	2014 \$	2013 \$	2012 \$
	(a)	<b>Underlying surplus or deficit</b>					
		Recurrent income* less		6,393,112	6,369,945	6,089,449	6,100,000
		recurrent expenditure		<u>6,714,411</u>	<u>7,168,069</u>	<u>7,475,960</u>	<u>7,634,000</u>
		Underlying surplus/deficit	0	(321,299)	(798,124)	(1,386,511)	(1,534,000)
		* Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature.					
		The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2014-15 the Commonwealth made early payment of the two quarterly instalments for the following year. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2014-135 by \$1,124,584.					
	(b)	<b>Underlying surplus ratio</b>					
		<u>Underlying surplus or deficit</u>		<u>(321,299)</u>	<u>(798,124)</u>	<u>(1,386,511)</u>	<u>(1,534,000)</u>
		Recurrent income*		6,393,112	6,369,945	6,089,449	6,100,000
		Underlying surplus ratio %	0%	(5.0%)	(12.5%)	(22.8%)	(25.1%)
		This ratio serves as an overall measure of financial operating effectiveness. Council is progressing towards target.					
	(c)	<b>Net financial liabilities</b>					
		Liquid assets less		7,379,805	5,644,414	8,240,307	8,747,000
		total liabilities		<u>1,261,328</u>	<u>984,999</u>	<u>1,156,883</u>	<u>1,221,000</u>
		Net financial liabilities	0	6,118,477	4,659,415	7,083,424	7,526,000
		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.					
	(d)	<b>Net financial liabilities ratio</b>					
		<u>Net financial liabilities</u>		<u>6,118,477</u>	<u>4,659,415</u>	<u>7,083,424</u>	<u>7,526,000</u>
		Recurrent income*		6,393,112	6,369,945	6,089,449	6,100,000
		Net financial liabilities ratio %	0% - (50%)	96%	73%	116%	123%
		This ratio indicates the net financial obligations of Council compared to its recurrent income. Council is well above target due to cash reserves.					
	(e)	<b>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>					
		<u>Projected capital funding outlays**</u>		<u>800,640</u>	<u>800,640</u>	<u>757,640</u>	N/A
		Projected capital expenditure funding***		800,640	800,640	757,640	N/A
		Asset renewal funding ratio %	90-100%	100%	100%	100%	N/A
		** 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.					

Note	39	Management indicators (cont.)	2015	2014	2013	2012
		\$		\$	\$	\$
	(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>				
		Depreciated replacement cost	59,545,575	105,498,266	105,527,190	103,424,000
		Current replacement cost	74,602,199	136,074,112	134,133,330	129,058,000
		Asset consumption ratio %	40-80% 79.8%	77.5%	78.7%	80.1%
		<i>Buildings</i>				
		Depreciated replacement cost	4,491,612	4,401,857	4,430,785	4,515,191
		Current replacement cost	4,592,192	4,882,592	4,811,527	4,796,457
		Asset consumption ratio %	70-100% 97.8%	90.2%	92.1%	94.1%
		<i>Drainage</i>				
		Depreciated replacement cost	1,016,723	882,811	733,279	744,877
		Current replacement cost	1,562,354	1,413,607	1,163,020	1,163,020
		Asset consumption ratio %	40-80% 65.1%	62.5%	63.0%	64.0%
		<i>Bridges</i>				
		Depreciated replacement cost	8,048,458	8,226,739	7,602,143	7,464,000
		Current replacement cost	14,352,077	14,334,521	13,639,850	13,151,000
		Asset consumption ratio %	40-80% 56.1%	57.4%	55.7%	56.8%
		<i>Footpaths and Cycleways</i>				
		Depreciated replacement cost	1,022,866	1,334,307	1,358,000	1,229,000
		Current replacement cost	2,611,429	1,649,305	1,649,305	1,494,000
		Asset consumption ratio %	40-80% 39.2%	80.9%	82.3%	82.3%
		<i>Other infrastructure assets</i>				
		Depreciated replacement cost	650,108	530,677	469,279	478,000
		Current replacement cost	1,136,903	961,077	842,124	801,000
		Asset consumption ratio %	40-80% 57.2%	55.2%	55.7%	59.7%
		This ratio measures Council's capacity to fund future asset replacement requirements. All are within target.				
	(g)	<b>Asset sustainability ratio</b>				
		Capex on replacement/renewal of existing assets	1,467,260	3,259,683	2,615,000	1,600,000
		Annual depreciation expense	2,113,633	2,705,401	2,933,350	3,026,000
		Asset sustainability ratio %	100% 69.4%	120.5%	89.1%	52.9%
		This ratio calculates the extent to which Council is maintaining operating capacity through renewal of their existing asset base. The ratio will vary from year to year in line with the capital projects budget.				
			Capital renewal expenditure	Capital new/upgrade expenditure	Total Capital Expenditure	
		By asset class	\$	\$	\$	
		Buildings	36,626	120,034	156,660	
		Plant, machinery and equipment	183,023	-	183,023	
		Fixtures, fittings and furniture	66,788	2,500	69,288	
		Roads	1,029,185	401,259	1,430,444	
		Bridges	17,556	-	17,556	
		Drainage	7,654	141,092	148,746	
		Other infrastructure	21,928	53,703	75,631	
		Intangible	104,500	-	104,500	
		<b>Total</b>	<b>1,467,260</b>	<b>718,588</b>	<b>2,185,848</b>	

**Note 40 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 2015. Comparative information has not been provided as allowed by the transitional provisions of AASB 13.

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 2015**

	<b>Note</b>	<b>Level 1 \$</b>	<b>Level 2 \$</b>	<b>Level 3 \$</b>	<b>Total \$</b>
<b>Recurring fair value measurements</b>					
Land	23	-	3,395,000	-	3,395,000
Buildings	23	-	4,491,612	-	4,491,612
Roads, including footpaths & cycleways	23	-	-	60,568,441	60,568,441
Bridges	23	-	-	8,048,458	8,048,458
Drainage	23	-	-	1,016,723	1,016,723
Other Infrastructure	23	-	-	650,108	650,108
		-	<b>7,886,612</b>	<b>70,283,730</b>	<b>78,170,342</b>

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**

Council adopted AASB 13 *Fair Value Measurement* for the first time in 2013-14 and has reviewed each valuation to ensure compliance with the requirements of the standard. There have been no changes in valuation techniques as a result of this review.

Note 40 Fair Value Measurements (cont.)

**Investment in water corporation**

Refer to Notes 17 for details of valuation techniques used to derive fair values.

**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. The revaluation resulted in an increment of \$522,979.

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.

**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 1(e).

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, Moloneys Asset Management Systems, effective October 2014. The values were determined using current replacement costs which resulted in a reduction in fair value. Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. The revaluation resulted in a decrement of \$47,033,895.

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.

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 December 2014. The valuation concluded there was no variation from previously reported values. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

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.

Notes to the Financial Report  
For the Year Ended 30 June 2015

Note 40 Fair Value Measurements (cont.)

(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	\$ 59,545,575	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	\$ 8,048,458	Useful life	Refer Note 1e	The longer the useful life, the higher the fair value
Buildings	\$ 4,491,612	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 note 1 (f), 1(k) and 1(w) respectively.

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

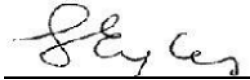
(f) Assets and liabilities not measured at fair value but for which fair value is disclosed

Council 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 2015, the results of its operations for the year then ended and the cash flows of the Council, in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards (including interpretations) and other authoritative pronouncements issued by the Australian Accounting Standards Board.



Lyn Eyles

General Manager

Date : 12-August-2015