



CENTRAL HIGHLANDS COUNCIL ANNUAL REPORT 2020 / 2021





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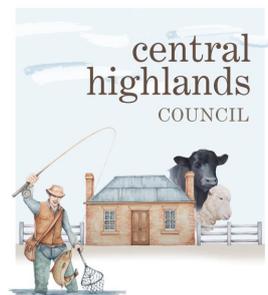
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The following statistics are provided from the 2016 Census Data

Population

Male 1,141 Female 998 Total 2141

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

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

Employment

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

Of the employed people in Central Highlands, 19.9% worked in sheep and beef cattle farming, 3.5% worked in accommodation and 3.9% in local government administration.

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

Education

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

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

Families

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

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

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

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

Dwellings

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

Introduction

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

This includes the annual corporate planning and reporting cycle of the Central Highlands Council each year. This report covers the period of the 2020/2021 financial year.

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

- a summary of the annual plan for the preceding financial year;
- a statement of its goals and objectives in relation to public health for the preceding year;
- a statement of the Council's activities and its performance in respect of goals and objectives set for the preceding financial year;
- a statement of the number of code of conduct complaints that were received and the number that were upheld either wholly or in part during the preceding financial year;
- the total costs met by the council during the preceding financial year in respect to all code of conduct complaints dealt with under Division 3A of part 3 during the preceding financial year;
- the financial statements for the preceding financial year;
- a statement of the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the council during the preceding financial year together with a statement of revenue associated with that activity;
- a statement of the activities and performance of the Council in relation to any activity taken pursuant to Section 21 as compared with its objectives for the preceding financial year;
- a statement of the total allowances and expenses paid to the Mayor, Deputy Mayor and Councillors;
- a statement detailing the attendance of each Councillor at meetings of the Council and any Council Committee during the preceding financial year
- a statement in accordance with Subsection 4 relating to the total remuneration paid to employees of Council who are key management personnel;
- a copy of the audit opinion for the preceding financial year;
- a statement specifying details of any land donated by the Council under Section 177, including the name of the recipient, the reasons for the donation, and the value of the land;
- any other prescribed matter.

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

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

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

Central Highlands Council values the input of the community. Members of the community are invited to make submissions on the Annual Report for discussion at Council's Annual General Meeting, which will be held at 8.45am on Tuesday 7 December 2021. Any person wishing to make a submission should do so by close of business Tuesday 30 November 2021.

Corporate Vision

To provide residents and visitors opportunities to participate in and enjoy a vibrant local economy, rewarding community life, cultural heritage and a natural environment that is world class.

Corporate Mission

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

Strategic Plan

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

Mayor's Report



Welcome to the Mayor's Report for the Central Highlands Council financial year 2020/2021.

Even though this report is a statutory requirement of Council, I provide this report as a continuation of my commitment to true transparency of the Central Highlands Council commitments, behaviour and actions over the previous 12 months.

I am pleased that, as a Council, we have provided well managed and responsible budgets over the years. Due to the CoVid-19 pandemic, Council did not increase rates or fees and charges during 2020/21, however for Council to continue to provide essential services to our community there must be a rate increase for the 2021/22 financial year.

I welcome new residents who have chosen to join us in the beautiful Central Highlands. Our Council has approximately 798,241 hectares of land, including national parks and world recognised wilderness heritage areas. We have some of the best fly and trout fishing across the world and ever-increasing interest in our tourism opportunities, including Council being approached regarding future tourism opportunities yet to be defined.

Tourism is certainly an ongoing and developing area across our Central Highlands, and I am always looking for opportunities for existing and new developments to provide employment of local people as well as the use of locally grown food on menus and other catering opportunities. We proudly promote the distilleries who also support local employment.

We are well renowned for our bushwalking opportunities as well as our ever strong agricultural and horticultural industries.

Coronavirus (COVID-19)

The Coronavirus or also known as COVID-19 has been the most stressful and challenging period of our Council, the wider community, and all countries across the globe.

There have been many changes for the council and the wider community to adapt to during this current crisis focusing on an effort to 'Stop the Spread' of COVID-19 in Tasmania.

We as a Council must abide by the stringent health guidelines and State Government advice provided continuously to enforce changes as they arise.

The Central Highlands Council's Emergency Management Officers keep me updated on emergency management changes and Councillors and Council employees continue to participate in temperature checks, hand sanitiser, social distancing, and the check in TAS app. I commend Councillors and employees who continue working together to minimise any possible spread of the coronavirus.

We must all continue to do the right thing to reduce the risk of any outbreaks in our State. Let's all keep up the good work.

Professional and Personal Development Opportunities

I strongly believe that Council employees and our elected Councillors should continue on a path of both professional and personal development. I have ensured a number of opportunities that have been presented to elected Councillors and have noted that these opportunities can assist in a more informed and understanding of Council. Attendance at workshops and training focused on understanding financial statements and reports, the role and responsibilities of elected Councillors and included the governance and operational processes and functions of Council.

I deemed that a number of workshops were compulsory for Councillors, and thus the attendance and engagement was crucial in development of skills and enabling a thorough understanding of Council reiterating how we, the elected arm and employee/administrative arm, are expected to work together, with myself as a conduit working closely with our General Manager.

Councillors and I are representatives on many committees including:

- The Bothwell Football Club and Community Centre Committee
- Independent Living Units Committee
- Bothwell Swimming Pool Committee
- Australia Day Committee
- Audit Panel
- Plant Committee
- Bothwell Cemetery Committee
- Central Highlands Visitor Centre Management Committee
- Central Highlands Tourism Committee

I thank those Councillors who put in their time and their effort.

There have been additional opportunities for me in attending the elected members Local Government Association of Tasmania (LGAT) meetings and conferences, Southern Tasmanian Councils Authority (STCA) and Mayors Round-table regular meetings. I personally find the Mayors Round-table meetings valuable and that I am able to hear, and share, some issues that overlap local government, as well as some specific to only one, two or three Councils.

My continuing relationship with other Mayors at our roundtable meetings has been to talk and listen regarding issues and possible solutions to providing and retaining services to local communities.

Council, when conducting business as the Planning Authority need to remain unbiased and are guided by the Central Highlands Interim Planning Scheme and the Land Use Planning and Approvals Act 1993.

New Planning Scheme

As part of the State Government's goal to create a single planning scheme covering all of Tasmania, the Government is working with each Council to create the local parts particular to each council. This is essentially what the Local Provisions Schedule is.

Almost all of the written parts of the scheme have already been determined by the State and not open to change as part of this exhibition process. The map overlays have also been established as has much of the zone mapping, most of which must be the same as it currently is. However, the zoning of rural areas has been reworked and was very much open for comment as part of the public notification process. Council considers this as a particularly important issue and in fact the proposed zoning of many rural areas, as it appears in the Draft Local Provision Schedule maps, is not in accordance with Council's wishes.

Public Consultation was open for the new planning scheme and members of the community with an interest in the future planning scheme provisions that apply to rural land were therefore encouraged to take an interest in the Draft Local Provisions Schedule, and if so inclined, to lodge a submission.

There are a number of other areas of dispute between Council and the Commission including how the issues of around Lake Meadowbank are dealt with, and how some of the Clyde Water Trust assets are zoned, along with other issues.

Council held a series of information sessions for members of the public to call-in and speak directly to Council Officers.

Written submissions closed on Friday, 22 October 2021.

Bushfire Season

We have been fortunate that the recent fire season was not threatening like the past fire season. As Central Highlands Council and community await this coming bushfire season, we acknowledge the previous support provided by State Government departments including Tasmania Police, State Emergency Services, Parks & Wildlife Services, Sustainable Timber Tasmania, our Council employees, volunteers, local farmers, businesses, and residents in protecting our community in emergency circumstances.

Infrastructure

Our roads and bridges are crucial infrastructure and so that Council can keep the road safe for all users, Council continues to identify further areas across the whole of the Central Highlands that may need strengthening and/or redevelopment, or maintenance. As always, I appreciate hearing from our Central Highlands community in regard to infrastructure issues which need to be put forward to receive council's attention.

A number of capital works have been completed in 2020/2021 some of which include:

Road Construction

- Pelham Stage 6 1.7km
- Pelham Stage 5 1.45km
- Pelham stage 4 1.1km - \$500,000
- Ellendale Stabilization 2.4km - \$350,000
- Flintstone Drive Stabilization Works - \$80,000
- Hot mix gravel area across at William Street Bothwell - \$15,000
- Drainage and road winding Pelham Road - \$20,000

Road Re-Sealing

- Dennistoun Road \$140,000
- Franklin Street \$15,000
- Mary Street \$10,000
- James Street \$15,000
- Mark Tree Road \$110,000

Bridge Replacement

- Black Snake Lane \$160,000

Parks and Gardens

- Gretna Play Equipment - \$45,000
- Tennis Court Hamilton Upgrade - \$25,000
- War Memorial Fentonbury - \$20,000

Kerb

- Replace 82 metres half culvert pipes Alexander Street Bothwell - \$25,000

Other Capital Works

- Replacement of three work utes with Toyota Hilux
- Signage review and upgrade of Ellendale Road
- Installation of safety barrier in two locations on Ellendale Road
- Signage upgrade and installation of Hollow Tree Road
- Safety barrier installed Hollow Tree Road
- Stormwater Water Bothwell - \$600,000

Medical Practices

General Practice Bothwell

The Bothwell Doctors Medical Centre, managed by Dr Mary Lumsden, continues to be a thriving centre with doctors available for our Central Highlands community.

Dr Mary has a kind and caring personality, and our community are very fond of her. Thank you to our doctors and their staff for their effort.

Central Highlands General Practice Ouse

Following the formal announcement regarding the mandatory vaccination requirements for all health workers, the Central Highlands General Practice at Ouse in its current situation will not be allowed to continue.

Therefore, this practice will no longer be operated by the current doctors and staff from 31st October 2021.

The two main issues here are:

- Mandate by the Government (mandatory vaccinations)
- Personal choice of receiving the Vaccination. (freedom of choice)

This has left our community in a devastating position.

There are currently 1200 active patients who attend the practice. Dr Swart currently holds the pharmacy licence and dispensary. There are 1200 patients without anywhere to go to a GP or to a pharmacy to fill a script.

Patients travel to the practice from across the whole of the Central Highlands region, as far afield as Bronte Park and Derwent Bridge. I have been speaking to and listening to numerous worried and anxious members of our community. The media has been in constant contact, and I have voiced my community's concerns on tv and radio. I immediately contacted Minister for Health, Deputy Premier Jeremy Rockliff and we have been in constant contact by meetings, emails and texts etc. Also, many Government Ministers have contacted me.

Central Highlands Council's General Manager and I have had many telephone meetings with relevant organisations in the search for a provider to take over the Ouse practice. On Thursday 23rd September myself, Clr Anita Campbell, General Manager, and Dr Swart met with an interested party to provide information and discuss the possibility of the practice being taken over by new GP providers.

Following the meeting I gave the interested party a tour of Ouse, visiting the available residence for locums and encouraging them to come and enjoy life in this beautiful part of Tasmania.

Council supports the Central Highlands General Practice by providing a residence, a vehicle and \$20,000 per annum. Understanding how anxious my community are, I can assure you that I will and with Council's support, continue to search for continuing GP Services in Ouse.

I continue to stand strong in my belief that our Central Highlands people should not be placed at a disadvantage based purely on the fact of our geographical location. Dedication and determination are paramount in achieving a successful outcome.

Whilst writing this report I can share the very latest good news:

Moreton Group Medical Services have been negotiating with the Central Highlands General Practice, Central Highlands Council and the Tasmanian Government since the announcement of the closure of the practice. These negotiations have been entered into with open and frank conversations about what each party can bring to health care in our region.

Morton Group Medical Services are completing their due diligence to ensure that they will be in the best position to support provision of primary healthcare from the township of Ouse.

We hope that these negotiations are completed by the end of October.

Regardless, should these negotiations be ongoing after this date, Moreton Group Medical Services have agreed to ensure primary health care continuity and will provide general practice services from 1st November 2021 from the township of Ouse.

This is wonderful news for our Central Highlands community and beyond to have continuing GP services.

Upcoming Community Events

Unfortunately, due to COVID-19, it was necessary for the cancellation of two of Central Highlands major events. The Hamilton Show, an annual event which has been running for years, had to be cancelled as well as Central Highlands annual Bushfest weekend that is always held in Bothwell.

The organisation of Bushfest 2021 in November is underway noting that we will have to comply with all Covid requirements for this event. Council's Community Relations Officer provided Council with an update on the progress for this event.

Council thanked our officer for the ongoing dedication and effort in organising this event. This is an opportune time for me to thank all volunteers across the Central Highlands who give so much of their time for the many different activities throughout the year. Without our volunteers many of our festivals, community events and other events simply wouldn't be possible.

So I say thank you all, for your time and effort in helping across various roles throughout the year.

For the past year that we have completed, thank you to my fellow elected Councillors and our administrative arm, the employees of the Central Highlands Council.

As Mayor, I continue to appreciate the support and respect given to the position of Mayor and I look forward to the year ahead and working to continue to provide further opportunities and support across our Central Highlands.

The working relationship between myself as Mayor and our General Manager remains strong and will, no doubt, continue to be an asset of Council in the year ahead.

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

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

Loueen (Lou) Triffitt
Mayor Central Highlands Council

Current Councillors as at 30 June 2021



Loueen Triffitt
Mayor
0409 269 702



Jim Allwright
Councillor
0448 297 689



Anthony Archer
Councillor
0427 215 558



Tony Bailey
Councillor
0418 863 284



Scott Bowden
Councillor
0419 595 542



Anita Campbell
Councillor
0427 538 744



Robert Cassidy
Councillor
0458 737 747



Julie Honner
Councillor
0417 168 339



Jim Poore
Councillor
0412 733 617

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

	Meeting Attendance (including Annual Meeting & Special meetings)			
	Full	Part	Absent	Possible
Mayor Loueen Triffitt	13			13
Deputy Mayor James Allwright	12	1		13
Clr Anthony Archer	9	3		13
Clr Anthony Bailey	13			13
Clr Scott Bowden	12	1		13
Clr Anita Campbell	12	1		13
Clr Robert Cassidy	10	1	1	13
Clr Julie Honner	13			13
Clr Jim Poore	11	1	1	13

Councillor attendance is recorded as part where the Councillor was recorded as arriving or leaving the meeting for a period in excess of 15 minutes, but does not include leaving the meeting following a declaration of pecuniary interest or conflict of interest.

Councillor Attendance at Committee Meetings & Workshops

	Meeting Attendance at Council Committee & Audit Panel Meetings as members				Meeting Attendance at Council Workshops			
	Full	Part	Absent	Possible	Full	Part	Absent	Possible
Mayor Loueen M Triffitt	6		1	7	6		1	7
Deputy Mayor James Allwright	8			8	7			7
Clr Anthony Archer	1			1	4		3	7
Clr Anthony W Bailey	3		1	4	6		1	7
Clr Scott Bowden	2			2	5	1	1	7
Clr Anita Campbell	7			7	7			7
Clr Robert Cassidy	4		1	5	7			7
Clr Julie Honner	4			4	7			7
Clr Jim Poore	7		2	9	6		1	7

Current Council Committee Representation as at 30 June 2021

Bothwell Swimming Pool Committee

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

Plant Committee

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

Audit Panel

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

Planning Committee

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

Australia Day Committee

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

Bothwell Football Club & Community Centre Committee

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

Central Highlands Visitor Centre Management Committee

Clr J Honner (Chair)
Clr R Cassidy
Mayor L Triffitt (proxy)

Bothwell Cemetery Committee

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

Independent Living Units Committee

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

Strategic Planning Sub-Committee

Clr A Bailey
Clr A Campbell
Clr A Campbell

Highlands Tasmania Tourism Committee

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

Waste Committee

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

External Committee Representation

Bothwell Spin-In Committee

Mayor L Triffitt
Clr J Honner (proxy)

Australasian Golf Museum

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

Southern Tasmanian Waste Group

Deputy Mayor J Allwright
Clr S Bowden (Proxy)

The Derwent Catchment Project

Clr A Bailey

Great Lake Community Centre Committee

Mayor L M Triffitt
Clr J Honner (Proxy)

TasWater Owners Representative

Deputy Mayor J Allwright
Clr A Archer (deputy rep)

Clyde Water Trust (Liaison)

Clr J Poore

Health Action Team Central Highlands (HATCH)

Clr A Campbell
Clr A Bailey (Proxy)

The Central Highlands Men's Shed Steering Committee

Clr A W Bailey
Deputy Mayor J Allwright (Proxy)

Overview & Highlights

Anzac Day Services

Anzac Day Services were conducted by Council this year with the following services held:

Dawn Service at Gretna
11.00am Service at Bothwell
11.00am Service at Hamilton

Following the restoration of the Fentonbury War Memorial, local community members gathered for a service at the site.



South Central Sub-Group Grant – Workforce Development Project

The Tasmanian Community Fund has granted \$395,000 to the South Central Sub-Region (SCS), made up of the Brighton, Central Highlands, Derwent Valley and Southern Midlands Councils, for its Workforce Development Project.

The project essentially is the engagement of a Workforce Development Coordinator for three years to directly connect employers and job seekers whilst ensuring they acquire the necessary training and education.

The Coordinator has engaged with potential employers and employees, and also other organisations such as schools, Skills Tasmania, TasCOSS, the local PCYCs, local government, TasTAFE, the TCBITB and numerous educational and training initiatives such as 26TEN.

As at 30 June 2021 the Workforce Co-ordinator has:

- Had 393 Industry and Employer meetings
- Filled 199 roles
- Made 11 referrals to Partner organisation
- Obtained 17 traineeships/apprenticeships for new workers
- Has attended 28 industry, career awareness and/or employer tours
- Has organised 21 training courses
- Has sent out 249 resumes to employers

Australia Day Awards

On 26th January 2021, a morning tea was held at the Ouse Country Club to present our annual citizenship awards.

The Central Highlands Australia Day Citizen of the Year was awarded to Nathan Ransley.

Nathan joined the Ellendale Fire Brigade at the age of 16 and the Ambulance Service as a volunteer in 2013 and is a member of the First Response Team. Nathan received a Life Membership Badge in the Tas Fire Service and a Certificate of Achievement as a volunteer advanced bush fire fighter in October 2013. Nathan is a dedicated volunteer and a great asset for the Central Highlands.

The Central Highlands Young Citizen of the year was awarded to Bailey Mayne.

Bailey is a competent young cricketer having been selected for the Under 15 Tasmanian Premier League Team and represented Tasmania at an Under 13 Level and was a member of the Under 15 Hurricanes Youth Academy Squad for 2020/21. Bailey is an impeccable sportsperson and displays great pride and shows great sportsmanship, which are wonderful attributes to have.

The Australia Day Community Event of the Year was awarded to the Bothwell CWA

The CWA organised the Party in the Park which was held in Bothwell in November 2020. The event was organised as a fun day out for the community with all funds raised being donated to the Cancer Council of Tasmania.

Council also issued Appreciation Awards to the Ouse On-Line Committee for keeping the community up to date with events through the Highland Digest; to Robyn Lewis from the Central Highlands Tasmania Wildlife Group and Jenny Dobson from Bronte Park for their care of orphaned and injured wildlife.

NRM Program – The Derwent Catchment Project

The Central Highlands and Derwent Valley Councils support a shared NRM program across the municipalities, delivered by the Derwent Catchment Project, a local Landcare group.

This year, \$160,000 of combined funding from Central Highlands and Derwent Valley Councils has allowed the Derwent Catchment Project to bring in just over **one million dollars** into the region.

Major programs this year include:

- Continuation of a cross-tenure weed management program which controls priority weed infestations around high value agricultural and natural areas;
- development and delivery of courses and resources to support farmers in best practice dryland grazing through our Pasture Network program funded by NRM South through the Australian Government's National Landcare Program;
- development of a 'Pasture Condition Tool' for pastoralists to assess the health and productivity of their pasture supported by the State Government's Agrigrowth; and
- completion of the Strategic Plan for Sustainable Development in Tourism and Agriculture funded by the Australian Government's Building Better Regions and Central Highlands Council;
- establishment of a working group with stakeholders from the regions agricultural and tourism sectors to identify the greatest biosecurity threats to the region in a changing climate funded by the Tasmanian Climate Change Office (and which was an action of the Strategic Plan for Sustainable Development in Tourism and Agriculture).

Additionally, over the last year progress has been made restoring the region's rivers and protecting threatened species. The Tyenna River Restoration Program continues working with volunteers, the Willow Warriors, and landholders to tackle willows on the Tyenna River. A post-fire recovery program has implemented measures to conserve endangered Miena cider gums after many were affected by fires in 2019.

As part of the NRM role, the Derwent Catchment Project continues to provide revegetation and species selection advice to landholders across the catchment as well as ad hoc support for rate payers with land management queries.

Electric Car Charger at Derwent Bridge

A 50 kW fast car electric charger is now available at the rest area at Derwent Bridge



Electric Fast Car Charger at Derwent Bridge

Key Focus Areas

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

Strategies

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

Initiatives

<p>Continue support of local organisations and groups</p>	<p>Council continue to support local organisations and groups by way of in-kind support such as provision of plant and labour, photocopying, and free or subsidised use of Council premises, to name a few.</p> <p>Groups to benefit were:</p> <ul style="list-style-type: none"> ➤ Bothwell Exercise Group – waive hall hire fees Bothwell Hall for exercise classes ➤ Ouse On-Line Access Centre – lease of premises no charge ➤ Great Lake Community Centre Inc. – lease of premises no charge ➤ The Derwent Catchment Project – use of premises no charge ➤ Ellendale Hall Committee – use of Ellendale Hall no charge ➤ Contribute to electrical repairs Bothwell CWA - \$959.36 ➤ Allocation of \$3,000 to Anglers Alliance for lakes cameras
<p>Continue the support of community groups and clubs through in-kind assistance as well as through Council’s Community Grants Program</p>	<p>Council provided assistance through the Community Grants Program to the following:</p> <ul style="list-style-type: none"> ➤ Ellendale Hall Committee Community Donation for fridge repairs \$1,551.00 ➤ Donation of \$250 towards the Diabetes Tasmania Pollie pedal 2020

	<ul style="list-style-type: none"> ➤ Donation of \$300 to Campdrafting Tas Inc. towards championships ➤ Donation of \$750 to Bothwell Golf Club to cover schoolchildren's gold lessons ➤ Donation of \$180 to Rotary Club Annual Magic Show ➤ Donation of \$500 to the Children's Tumour Foundation Fundraiser by Ouse School ➤ \$500 donation to Reptile Rescue ➤ \$250 donation CWA cancer fundraiser ➤ \$1,204.51 to CWA cover electrical repairs ➤ \$218.18 donation to Immune Deficiencies Foundation Australia ➤ Donation \$374 Ellendale Hall Committee ➤ Donation of \$500 to Central Highlands Community Men's Shed ➤ Donation of \$2,000 to Rural Alive & Well
Continue the annual allocation to schools to assist with their programs for school children	Council makes an annual allocation of \$1,000 to Bothwell District High School, Ouse Primary School, Westerway Primary School & Glenora District High School.
Provide annual bursaries for a child at each school continuing further education and Annual citizenship awards	Council provide annual bursaries to Central Highlands Year 10 students at Bothwell District High School, Glenora District High School and New Norfolk High School to further their education whilst also providing annual citizenship awards to students at Bothwell, Ouse, Glenora and Westerway Schools.
Provide assistance to continue the home day care facility at Bothwell	Council allocates \$5000 per year towards the Family Day Care Facility at Bothwell. This facility closed in June 2021.
Continue to allocate funds to the provision of medical services to Ouse and Bothwell	Council makes an annual allocation to the Central Highlands General Practice and Bothwell Doctors to support the provision of medical services to our community. Council also purchased an ECG Machine for the Central Highlands General Practice.
Support programs and activities that promote the health and wellbeing of our community	<p>Council continues to work with HATCH to deliver programs and activities that promote health.</p> <p>Council has provided a breakfast program one day a week at Bothwell District High School and provides supplies towards the Ouse Primary School breakfast program.</p> <p>Council ran junior golf sessions for students from Bothwell District High School and thank the Bothwell Golf Club for volunteering their time to assist tutoring students.</p> <p>A Playgroup has been established in Bothwell and has been well received.</p>
Continue to support regional groups	Council is a member of the following regional groups:

of benefit to Central Highlands residents	<ul style="list-style-type: none"> ➤ STCA ➤ Destination Southern Tasmania ➤ South Central Sub-Region Group ➤ LGAT
Advocate on behalf of our community on regional, state and national issues	Council continues to advocate for the best outcomes for the Central Highlands.
Continue review of the New Residents Kit to ensure that the information is still relevant and accurate	Staff update the New Residents Kit as required. The New Residents Kit is forwarded to new residents and is available on Council’s website.
Begin implementation of the priorities listed in the Central Highlands Health & Wellbeing Plan	Council has begun implementing the priorities of the Health & Wellbeing Plan. A staff member has been appointed as our Community Relations Officer and is working through the Plan.
Continue to support and participate as a member of the Health Action Team Central Highlands (HATCH)	Council continues to support HATCH and has membership on the Group. Council is a partner with HATCH for funding applications.



Picture: Resurfaced Hamilton Tennis Courts

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

Strategies

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

Initiatives

Allocate funds to ensure that existing services and assets are maintained	Council budgets sufficient funds to ensure that its assets and services are maintained.
Expand the 10 year asset management plan to include all classes of assets	Council has a Long Term Asset Management Plan for roads, bridges and buildings.
Replace the Croakers Alley Bridge at Bothwell	This Bridge was not completed and will be completed during 2021/22.
Replace 3 work vehicles and repair one dog trailer	Three works vehicles were replaced and repairs were undertaken to the dog trailer.



Picture: New Play Equipment Gretna

<p>Prepare a design to form the basis of work to be undertaken to provide water and power to grassed area at Bothwell Caravan Park, new signage and BBQ</p>	<p>A concept plan was prepared and presented to Council which increased the number of powered sites available.</p> <p>Council has not made a decision on whether to implement these changes.</p>
<p>Replace the bridge on Black Snake Lane</p>	<p>BridgePro Engineering won the tender and the Bridge has been replaced at a cost of \$163,130.</p>



Picture: Black Snake Lane Bridge

<p>Undertake the construction of the new public conveniences at Bronte Park</p>	<p>The public conveniences have been completed. A covered BBQ area has been provided together with a carpark.</p>
<p>Reseal: Dennistoun Road Franklin Street Mary Street</p>	<p>All reseal works have been completed.</p>

<p>James Street Marked Tree Road</p> <p>Hot Mix parking area William Street, Bothwell</p> <p>Stabilise sections of Flintstone Drive and Ellendale Road</p> <p>Construct and Seal 1km Pelham Road and undertake widening and drainage where required on the road</p>	<p>The parking area has been hot-mixed.</p> <p>Andrew Walter Construction Pty Ltd has completed stabilisation works on these roads.</p> <p>Andrew Walter Constructions Pty Ltd was the successful tenderer for this section of Pelham Road (Stage 4).</p> <p>Council received additional funding under the Local Roads and Community Infrastructure Program to widen, construct and seal 1.1kms of Pelham Road (Stage 5). This work has been completed.</p> <p>Council also received addition funding under Phase 2 of this Program to widen, construct and seal a further 1.7 kms of Pelham Road. The road has been widened and constructed and will be sealed in early 2021/22 financial year.</p>
<p>Undertake works on the facia and gutters Bothwell Town Hall</p>	<p>These works have been undertaken and are completed.</p>
<p>Undertake Stage 1 of the stormwater upgrade at Bothwell</p>	<p>MMS Tas Civil won the tender to undertake this upgrade. The upgrade has been completed.</p>
<p>Install a sliding door at the Bothwell Town Hall</p>	<p>Installation of the automatic sliding door at the Bothwell Hall has been completed allowing easy disabled access.</p>
<p>Install non slip coating around Bothwell Swimming Pool</p>	<p>This work was completed prior to the opening of the swimming pool in December 2020.</p>
<p>Install a heat pump at the Old Headmasters House Bothwell and also at the Bothwell Football Club and Community Centre</p>	<p>Heat Pumps have been installed.</p>
<p>Replace half culvert pipes, Alexander Street, Bothwell (82 metres)</p>	<p>This work has been completed.</p>
<p>Investigate repairs to Wayatinah Hall</p>	<p>Investigations had been carried out. Council has</p>

roof and squash court	closed the hall until works can be undertaken.
Repair the Ouse Hall floor	Investigations revealed that major works are required for repairing the floor. The Hall is closed until Council undertakes this work.
Replace old play equipment, Gretna Park	Removal of old play equipment and installation of new play equipment from Island Recreation has been completed.
Install liner at the Hamilton Refuse Site	Completed.
Upgrade the kitchen at Council's residence, High Street, Bothwell	Not completed. The kitchen upgrade has been carried forward in to the 2021/22 budget.
Upgrade the tennis court at Hamilton	The playing surface of the tennis court was upgraded and community members are now using the courts.
Install a picnic table at Platypus Walk	This has been deferred to the 2021/22 budget.
Undertake work on the restoration of the Fentonbury War Memorial	The Fentonbury War Memorial has been restored and a parking area provided. An Anzac Day Service was held at the site in April this year.
Undertake mould investigations and works at the Council Offices, Bothwell	The investigation has been undertaken and actions taken to resolve the mould problem.
Repoint the sandstone at the Hamilton History Room	This has been deferred to 2021/22 for completion.
Paint the exterior of the old Hamilton School used by Derwent Catchment Project	This has been deferred to 2021/22 for completion.



Picture: Road upgrades Stage 4 and Stage 5 on Pelham Road

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

Strategies

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

Initiatives

<p>Identify appropriate grant funding to leverage Council funding for projects</p>	<p>Council received:</p> <ul style="list-style-type: none"> ➤ Financial Assistance Grants from the State Grants Commission ➤ Federal Road to Recovery Grant \$589,128 ➤ Local Roads & Community Infrastructure Grant Phase 1 of \$589,128 ➤ Local Roads & Community Infrastructure Grant Phase 2 of \$448,743 ➤ Safer Rural Roads Program - \$100,000 ➤ Recreational Fishing & Camping Facilities Program - \$72,628 ➤ Event Ready Grant - \$4,750 ➤ Bridges Renewal Grants program - \$92,500 ➤ Regional Tourism Projects Grant - \$5,000
<p>Continually review and update policies and Council's risk register</p>	<p>Council's risk register and policies are updated by staff as required and reviewed at each Audit Panel Meeting.</p>
<p>Continue participation in the Local Government Shared Services and South Central Sub-Region Group and identify other services that can be resource shared</p>	<p>Council is a member of the Local Government Shared Services (LGSS) to access resource sharing opportunities. Council currently use this service for the provision of a planner and dog control officer.</p> <p>The South Central Sub-Region (SCS) was formalised in early 2016 with the Brighton, Central Highlands, Derwent Valley and Southern Midlands Councils endorsing an intent to work together as much as possible on matters of common interest or where benefits can be achieved by working collaboratively. The SCS meets approximately every two months with the Mayor and General Manager of each Council attending.</p> <p>The SCS was successfully in obtaining a grant of \$395,000 from the Tasmanian Community Fund for its Workforce Development Project.</p> <p>From September 2020 to 30 June 2021, 119 positions have been filled, 17 new traineeships/apprenticeships have been obtained and 21 training courses have been held.</p>
<p>Provide financial management reports to Council monthly</p>	<p>Financial reports are prepared by Council's accountant monthly and placed on the Ordinary Council Meeting Agenda each month.</p>
<p>Ensure Annual Financial Statements are completed within the statutory timeframe</p>	<p>Council's Annual Financial Statements were completed and lodged on time.</p>

Ensure that staff are provided with continual training in Council’s financial software and records management systems	<p>Council staff are provided with training on an as required basis.</p> <p>Records training is being provided in 2021/22 due to staff changes over recent months.</p>
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Goal 4 Natural Environment – Encourage responsible management of the natural resources and assets in the Central Highlands

Strategies

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

Initiatives

Allocate funds to continue our support of the Derwent Catchment Project to implement on ground projects and provide a link between Council and the community on natural resource management issues	<p>Council continues to fund natural resource management through funding to the Derwent Catchment Project of \$40,000 per year. Additional funds are provided to support grant applications of benefit to the Central Highlands.</p>
Work with other stakeholders, land managers and government agencies to ensure strategic weed control	<p>Council works with the Derwent Catchment Project to implement its weed strategy and allocated funds to carry out weed management.</p>
Monitor the usage of Council waste transfer stations and refuse site to ensure that the facilities meet the needs of our ratepayers and are maintained at an acceptable standard	<p>Council operates one controlled refuse site at Hamilton which has available a DrumMUSTER facility. A DrumMUSTER compound has now been provided at the Bothwell Waste Transfer Station.</p> <p>Manned waste transfer sites are available at Bothwell, Miena and Bronte Park.</p>

	<p>A Refuse Disposal site is located at Hamilton.</p> <p>A Bulky Waste Collection is provided throughout the municipal area which is designed to allow residents to place items out for collection that are too bulky or unsuitable for the door to door collection.</p> <p>Council provided a relatively comprehensive kerbside collection service for waste & 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.</p> <p>Roadside stand alone bins have been placed at Reynolds Neck, Brandum Bay, Jillet Road, Doctors Point, Haulage Hill, Interlaken, Cramps Bay, Wilburville, Arthurs Lake and Derwent Bridge. The bins are designed to accept domestic waste only, can be accessed 24/7 and have proved to be very successful in most areas.</p> <p>All waste and recycling collected is reported to the DPIPWE annually.</p>
<p>Provide education and encouragement of recycling within the Municipality to expand the life of the Hamilton Refuse Site</p>	<p>Council provides recycling facilities throughout the municipal area and have a fortnightly door to door recycling collection throughout our towns.</p> <p>Council engage a contractor, Thorp Recycling, to collect recycling from static sites and ensure that sites are clean. Thorp Recycling improved the way that recyclable material is managed at the sites by installing 25m skip bins for the collection of scrap steel which is then taken to Hobart for processing. This has been very successful.</p>
<p>Facilitate regular meetings of the Central Highlands Emergency Management Committee and ensure that the Central Highlands Emergency Management Plan is reviewed and remains current</p>	<p>Due to the COVID-19 pandemic restrictions, no meetings were held.</p> <p>A review of the Central Highlands Municipal Emergency Management Plan has been completed with the final document approved and signed by Commissioner Darren Hines on 15th July 2021.</p>
<p>Continue as a member of the Southern Tasmania Waste Group</p>	<p>Council continued its memberships of this committee.</p>

Goal 5 Economic Development – Encourage economic viability within the municipality

Strategies

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

Initiatives

Continue as a member of Destination Southern Tasmania	Council is a current member of Destination Southern Tasmania.
Continue as a member of STCA and LGAT	Council continues its membership and participation in the STCA and LGAT.
Complete the installation of the public toilets at Bronte Park	The public toilets at Bronte Park has been completed. Council has also installed a covered barbecue area and designated parking area.



Picture: Completed Bronte Park Facilities

<p>Continue to support local events that encourage visitation to the Central Highlands</p>	<p>Both the Hamilton Agricultural Show and Highlands Bushfest were cancelled due to Covid 19.</p>
<p>Continue with providing the tourism brochure through the Brochure Exchange facility, Brooke Street Pier, Spirit of Tasmania and other visitor centres</p>	<p>Council’s “Journey to the Centre of the Earth” brochure is placed at the Hobart Airport, Brooke Street Pier and on both Spirit of Tasmania vessels which is maintained by the Tourism Brochure Exchange.</p>
<p>Continue the roll out of the Highlands Tasmania Touring Map</p>	<p>The Highlands Tasmania Touring Map is placed in businesses throughout the Central Highlands and state-wide.</p>
<p>Engage and strengthen the community by supporting community events and local</p>	<p>Council provides funding and in-kind support to community groups providing events in the Central Highlands.</p>

initiatives that enhance visitation to the Central Highlands	Due to Covid 19 many events were cancelled.
Promotion of Central Highlands through production of material and via Council's website and Council's Facebook page	Council's website and Facebook page is updated regularly by staff. Council's brochure and maps are distributed widely throughout the State.
Continue support of the Highland Digest to enable it to provide community information to residents	Council provide an allocation of \$10,800 to Centralinc to assist with the production of the Highland Digest which provides a valuable avenue for dissemination of information about the Central Highlands.
Continue to support the Central Highlands Visitor Management Committee to optimise the use of the Centre and the dispersment of information to tourists and visitors to the Central Highlands and provide funding for the purchase of goods for sale that promote the Central Highlands	<p>The Central Highlands Visitor Management Committee meets regularly throughout the year.</p> <p>The Centre is manned by a committed group of volunteers. Displays are changed regularly.</p> <p>The centre has items for sale that promotes the Central Highlands and sells local goods on consignment.</p>

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

Strategies

- Ensure Council fulfils its legislative and governance responsibilities and its decision making is supported by sustainable policies and procedures
- Ensure that Council members have the resources and skills development opportunities to effectively fulfil their responsibilities
- Ensure appropriate management of risk associated with Council's operations and activities
- Provide a supportive culture that promotes the well-being of staff and encourages staff development and continuous learning
- Provide advocacy on behalf of the community and actively engage government and other organisations in the pursuit of community priorities
- Consider Council's strategic direction in relation to resource sharing with neighbouring councils and opportunities for mutual benefit
- Support and encourage community participation and engagement

- Ensure that customers receive quality responses that are prompt, accurate and fair
- Council decision making will be always made in open council except where legislative or legal requirements determine otherwise

Initiatives

<p>Annually review Council’s Long Term Financial Plan and Strategy and Long Term Asset Management Plans</p>	<p>Council’s Asset Management Plan was adopted by Council in March 2018.</p> <p>Council’s Long Term Financial Management Plan and Strategy was updated in April 2021.</p> <p>Council’s Audit Panel reviewed the Asset Management Plan in 2020.</p>
<p>Continually monitor and review Council’s financial situation and report findings to Council in a clear and transparent format on a monthly basis</p>	<p>Council engage a consultant accountant who provides regular updates and reports to Council at monthly Council meetings and to Audit Panel Meetings.</p>
<p>Encourage staff to undertake training to further develop their skills</p>	<p>Council encourage staff to undertake any training they may require.</p> <p>The following training was provided in 2020/21:</p> <ul style="list-style-type: none"> ➤ First Aid training all staff ➤ Load/Unload Plant Training – two employees ➤ Certificate IV in Leadership and Management – 3 employees ➤ Cert III Civil Operations – 2 employees ➤ In house training COVID-19 SWMS and safety plan – all employees ➤ Monthly Toolbox Meetings
<p>Support Elected Members to take advantage of seminars, training and workshops that assist them in their position as a Councillor and their duty to engage in ongoing professional development</p>	<p>Information regarding seminars, training etc. is disseminated to Councillors.</p> <p>Several workshops held throughout the year provided the opportunity for informed learning e.g. planning, emergency management, cat management, climate change and biosecurity.</p>
<p>Review the risk register at each Audit Panel Meeting</p>	<p>Council’s risk register is updated regularly and presented at each Audit Panel Meeting.</p>
<p>Ensure ongoing compliance with all legislation, regulations and codes of practice which impact upon Council</p>	<p>Council endeavours to ensure that it complies with the requirements of all legislation, regulations and codes of practice applicable to Local Government.</p>

Continue to provide information to our community and ratepayers via newsletters, Mayor's article in the Highland Digest, our website and our facebook page to all ratepayers

Council sends out a newsletter with rates instalment notices as required.

Council's Mayor provides a column monthly for the Highland Digest.

Additional information is posted to Council's facebook page and website.

Public Health

Council will:

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

Environmental and Public Health Report

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

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

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

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

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

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

Council activities in relation to Environmental Health:

- 61 Food Business Registrations, 1 Mobile Food Van. Inspections were limited, Food Safety assessments were sent out to all premises and Food Licences issued on returned assessment. Council has I'm Alert Food Safety Training free of charge to the community as a Food Safety Initiative All Food premises now have at least one person trained in Food Safety. As of the 30th June the site continues to be used by any new employees to food businesses.
- Participating in the Health Departments Food Surveillance Program.
- Distribution as well as using Council's website and Facebook for Posters and Pamphlets relating to Health Education and Promotion.
- Investigation of notifiable diseases
- A DrumMUSTER collection facility continues to operate at the Hamilton Regional Disposal and Recycling Site and the Bothwell site is operational and will provide an ongoing service with one employee trained as a DrumMUSTER inspector.
- Waste Management and monitoring including current EPN for Hamilton Landfill.
- Monitoring of EPN's issued by Council.
- Council has an ongoing silage and ag pipe recycling point at the Hamilton Landfill, and this service is free of charge to both residents and Council and has been extended to include Bothwell Waste Transfer Station.
- School immunisation was carried out in accordance with the National Health and Medical Research Council Immunisation Schedule and was conducted by Council's Medical Officer of Health at the Bothwell District High School and Bothwell Medical Centre.
- Council has a current Covid 19 Safety Plan which is updated when restrictions change.
- All Council public buildings have a QR Code and Covid Safety Plan for these included in the Council Safety Plan.
- Events are managed in our facilities by requiring the event manager to have a Covid Safety plan based on the Workplace Safe Event Safety Assessment.
- "Free" infant immunisation continues to be offered by appointment at the Ouse Medical Centre and Bothwell Medical Centre as per the national immunisation schedule.
- Recreational Water quality monitoring, lakes and rivers, including Bothwell Public Swimming Pool. Once yearly sampling has been approved.
- Annual Reporting done by the 30th September each year for Recreational Water monitoring, Private Water Licences, Food Premises and Waste Reporting.

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

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

The main functions in environmental management are:

- Environmental water and air quality monitoring and remediation
- The assessment and issuing of special plumbing permits for on-site wastewater management systems

- Monitoring and response to environmentally relevant activities including level 1 Activities
- Assessment of existing developments and new applications for development
- Response to environmental nuisances.

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

Council activities in relation to Environmental Management:

- Environmental Nuisances / complaints (15) are followed up by inspections and may require the issue of abatement notices, Environmental Protection Notices and / or infringement notices.
- Issuing of Environmental Protection Notices when required and follow up and monitoring of conditions of Notices.
- Septic tank installation assessments and permits. Monitoring and recording services for 44 Aerated Wastewater Treatment Systems
- Monitoring of Private Sewage Treatment systems.
- Environmental Assessment of potentially harmful activities (e.g. composting, fish farms, sewage treatment plants and private water plants).

REPORTING REQUIREMENTS

Annual

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

Covid 19

Council has abided by all Covid 19 requirements, Council has a Covid 19 Safety Plan which is updated on a regular basis. Signage has been installed where required and all public building have a QR Code.

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

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

Development Statistics

	2016-17	2017-18	2018-19	2019-20	2020-21
Total No Applications	56	60	80	84	114
No. Permitted	11	5	10	12	28
No. Discretionary	39	40	39	33	47
Subdivision Applications	2	2	11	9	5
No. Lots	3	3	32	5	4
Planning Scheme Amendments	0	0	0	0	0
No Permit Required	4	13	20	30	39

Building Statistics

	2016-17	2017-18	2018-19	2019-20	2020-21
Total No. Buildings	44	53	65	61	65
Permit Work	-	-	23	21	21
Notifiable Work	-	-	36	33	29
Low Risk Work	-	-	6	7	15
Total No. Plumblings	36	36	32	34	45
Permit Work	-	-	21	20	23
Notifiable Work	-	-	6	10	15
Low Risk Work	-	-	5	4	7

Pool Attendance Statistics

Season Passes	2016-17	2017-18	2018-19	2019-20	2020/21
Family	2	1	3	0	2
Junior	3	0	0	0	0
Adult				1	0
Daily Attendance					
Junior	1316	802	935	559	694
Adult	387	187	107	90	174

Dog Control Statistics

	2016-17	2017-18	2018-19	2019-20	2020/21
Dogs Registered	1067	1044	995	1005	983
Kennel Licenses	36	33	30	43	29
Infringement Notices	14	16	21	7	8
Impounded Dogs	12	10	8	6	6
Declared Dangerous Dogs	0	0	1	1	1

Remissions and Small Debt Write Offs

Small Debt Write Off	15.07	03-0252-00897	20.93
01-0864-03495	33.10	01-0823-02438	13.87
03-0238-01794	14.50	01-0812-02020	12.69
01-0852-03418	59.60	01-0823-04010	39.23
01-0805-03947	25.12	03-0224-01148	16.79
03-0221-01042	20.70	01-0805-02638	24.11
03-0221-01042	20.52	03-0246-00405	19.53
03-0221-00993	14.00	03-0226-01309	19.64
04-0011-03963	620.47	03-0241-01937	18.65
01-0805-02781	40.20	03-0243-01248	20.52
01-0847-03263	1,000.00	01-0893-04030	15.33
01-0848-04015	14.50	01-0821-03811	25.30
01-0808-03110	19.30	01-0805-02805	364.17
03-0252-00897	20.80	04-0017-03967	541.39
01-0805-03946	1,000.00	03-0252-03999	13.79
10-0400-03595	160.00	03-0201-03706	423.05
03-0218-03961	603.47	02-0103-01320	632.21
01-0838-02982	263.00		
TOTAL \$6,165.55			

Remissions given on Building, Plumbing & Development applications 2020 / 2021:

Nil

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

Total Remuneration Bracket	No Of Senior Employees
\$101,001 - \$120,000	2
\$140,001 - \$170,000	2

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

Total allowances, expenses and reimbursements paid to the Mayor, Deputy Mayor and Councillors were \$132,576.

Donation of Land Statement S177 Local Government Act 1993

Section 177 of the Local Government Act requires Council to report on any land donated by Council during the year. It is reported that no land was donated during the 2020/21 financial year.

Public Interest Disclosures Statement

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

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

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

Code of Conduct Complaint Information

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

No complaints were lodged with the Code of Conduct Panel

Enterprise Powers Statement

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

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

Description	Period of Contract	Value inc GST	Successful Contractor	Business Address of Successful Contractor
Services for Supply, Installation and Maintenance of Waste Bins & Collection of Waste	1/9/2017 to 30/6/2022	\$195,638.02	JJ Richards & Sons Pty Ltd	3 Grant Street Cleveland Queensland 4163
Kerbside Domestic Garbage & Recycling Collection Service	Two year extension to Contract from 1/7/2020 to 30/6/2022	\$146,730.46	Thorp Waste	24 Glen Lea Road, Brighton 7030
Stabilisation & Seal, Ellendale Road	August 2020 to 30 June 2021	\$332,506.90	Andrew Walter Constructions Pty Ltd	PO Box 5, Claremont
Stabilisation & Seal Flintstone Drive	August 2020 to 30 June 2021	\$133,014.42	Andrew Walter Constructions Pty Ltd	PO Box 5, Claremont

Replacement of Black Snake Lane Bridge	February 2021 to 30 June 2021	\$163,130	Bridge Pro Engineering	PO Box 3253, Ulverstone
Construction and Sealing Pelham Road Stage 4	November 2020 to 30 June 2021	\$632,913.50	Andrew Walter Constructions Pty Ltd	PO Box 5, Claremont
Construction and Sealing Pelham Road Stage 5	November 2020 to 30 June 2021	\$750,501.35	Andrew Walter Constructions Pty Ltd	PO Box 5, Claremont
Upgrading Bothwell Township Stormwater System Stage 1	December 2020 to 30 June 2021	\$682,041.69	MMS Tas Civil Pty Ltd	PO Box 470, Sorell
Stabilisation & Seal Pelham Road Stage 6	April 2021 to December 2021	\$526,598.27	Andrew Walter Constructions Pty Ltd	PO Box 5, Claremont

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.

The public tender process has been applied in all instances.

Financial Performance Indicators

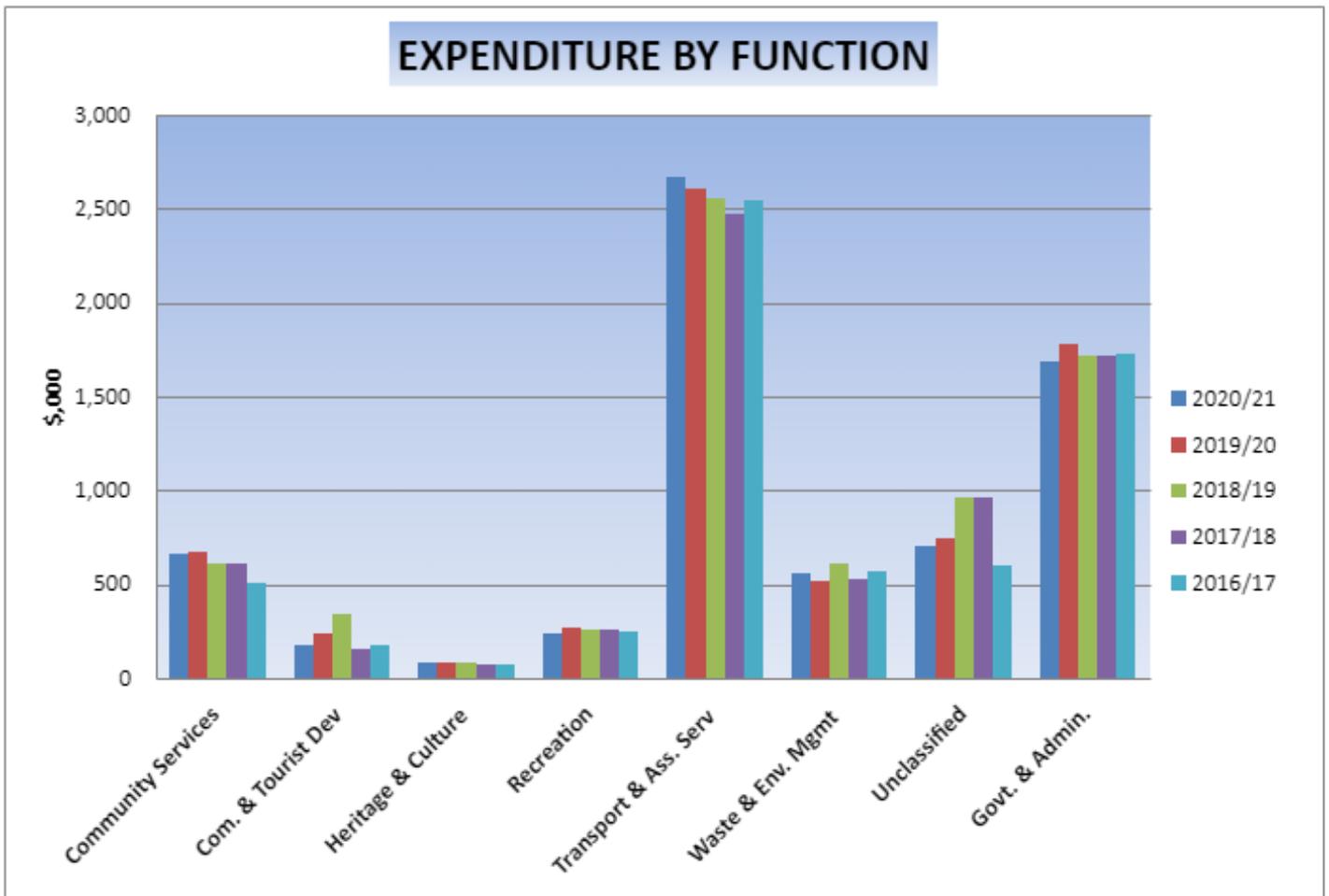
Comparative Financial Performance Indicators are provided for the current and previous seven years.

Indicator	2021 %	2020 %	2019 %	2018 %	2017 %	2016 %	2015 %	2014 %
Rate Revenue Analysis Rate Income : Total Revenue	52.80	52.5	50.1	50.7	50.3	49.8	48	48
Working Capital Ratio Current Assets: Current Liabilities	18.70	16.03	13.41	14.10	12.13	14.39	15.58	15.36
Debt Ratio Total Liabilities: Total Assets	2.02	2.00	1.60	1.53	1.28	1.11	1.32	0.7

Expenditure by Function

	2020/21 '000	2019/20 '000	2018/19 '000	2017/18 '000	2016/17 '000	2015/16 '000	2014/15 '000
Community Services	664	675	609	612	502	420	532
Com. & Tourist Dev	176	235	343	151	173	162	190
Heritage & Culture	84	86	77	67	72	76	70
Recreation	235	263	253	255	242	219	196
Transport & Ass. Serv	2,672	2,604	2,560	2,478	2,549	2,552	2,573
Waste & Env. Mgmt	554	519	613	527	566	539	532
Unclassified	698	748	966	960	597	743	836
Govt. & Admin.	1,686	1,784	1,713	1,717	1,728	1,542	1,785

EXPENDITURE BY FUNCTION



Reserves

Reserves	\$'000 2021	\$'000 2020	\$'000 2019	\$'000 2018	\$'000 2017	\$,000 2016	\$,000 2015	\$,000 2014
Plant Replacement	453	453	453	453	453	453	453	453
Bridges	377	377	377	377	377	377	377	377
Sundry	147	145	242	143	143	196	297	121
Long Service Leave	417	444	404	354	371	351	335	298
Regional Refuse Site	80	80	80	80	80	80	80	80
Quarry Reserve	180	180	80	80	80	80	80	80
Grants	0	0	9	44	170	54	0	0
Total	1,654	1,679	1,645	1,531	1,674	1,591	1,622	1,409

Non - Current Assets

Non-Current Asset	30-Jun-21 Asset value \$'000	30-Jun-20 Asset value \$'000	Increase/ (Decrease) \$'000
Land	3,402	3,402	0
Buildings	5,042	5,163	(121)
Plant, Machinery & Equipment	2,037	2,180	(143)
Office Equipment	165	171	(6)
Computer Equipment	33	53	(20)
Infrastructure	746	785	(39)
Roads	63,042	60,551	2,491
Drainage Systems	989	1,005	(16)
Bridges	8,214	8,218	(4)
Footpaths, Kerbs & Gutters	1,192	934	258
Works in Progress	3,499	558	2,941
Investment in Southern Water	7,565	7,071	494
Land Under Roads	1,111	1,111	0
TOTALS	97,037	91,202	5,835

Independent Auditor's Report
To the Councillors of Central Highlands Council
Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Central Highlands Council (Council), which comprises the statement of financial position as at 30 June 2021 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2021 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report, the asset renewal funding ratio disclosed in note 39(e), nor the Significant Business Activities disclosed in note 38 to the financial report and accordingly, I express no opinion on them.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p>Valuation of property and infrastructure assets <i>Refer to note 23 and 40</i></p>	
<p>At 30 June 2021, Council’s assets included land, land under roads, buildings, and infrastructure assets, including roads, bridges, drainage, footpaths, kerbs and gutter assets totalling \$83.74m recognised at fair value.</p> <p>The fair values of these assets are based on market values and current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value.</p> <p>During 2020-21, Council undertook a revaluation of roads, bridges and footpaths, kerbs and gutter assets. The valuations were determined by external experts and are highly dependent upon a range of assumptions and estimated unit rates.</p>	<ul style="list-style-type: none"> • Assessing the scope, expertise and independence of experts engaged to assist in the valuations. • Evaluating the appropriateness of the valuation methodology applied to determine fair values. • Critically assessing assumptions and other key inputs in the valuation models. • Testing, on a sample basis, the mathematical accuracy of valuation model calculations. • Testing the accuracy of recording independent values in Council’s asset register and general ledger. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

Responsibilities of the General Manager for the Financial Report

The General Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1993* and for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

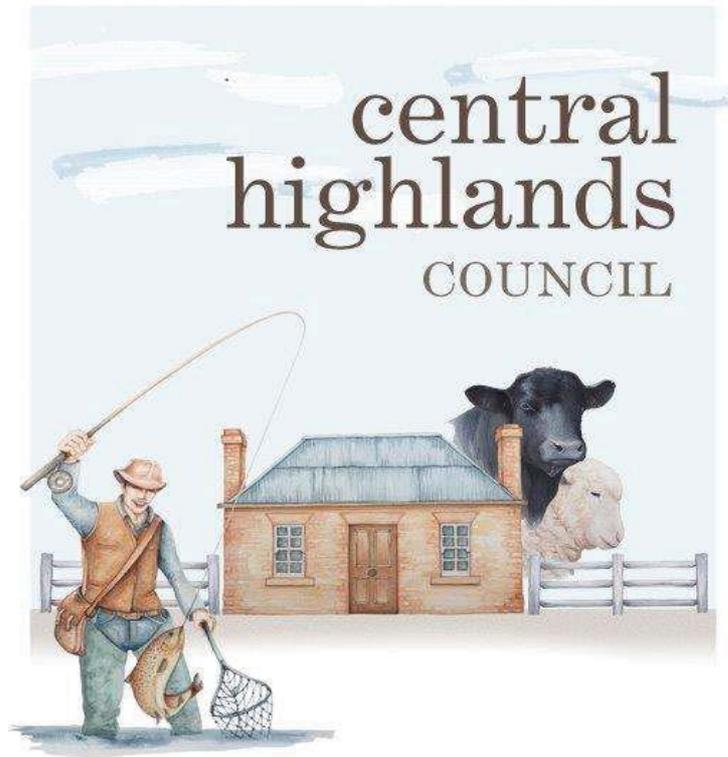
I communicate with the General Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the General Manager, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Jeff Tongs
**Assistant Auditor-General – Audit
Delegate of the Auditor-General**
Tasmanian Audit Office

26 October 2021
Hobart



Central Highlands Council

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2021

Central Highlands Council
Financial Report
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**Statement of Comprehensive Income
For the Year Ended 30 June 2021**

	Note	Budget 2021 \$	Actual 2021 \$	Actual 2020 \$
Income				
Income from continuing operations				
Rates and charges	5	3,730,404	3,760,915	3,743,865
Statutory fees and fines	6	35,000	62,137	46,524
User fees	7	156,500	217,152	262,454
Grants	8	2,428,040	2,668,666	2,566,108
Contributions	9	26,034	24,207	24,624
Interest	10	120,000	45,552	122,037
Other income	11	240,513	294,810	310,314
Investment revenue from water corporation	13	85,000	51,000	51,000
		6,821,491	7,124,439	7,126,926
Capital income				
Capital grants received specifically for new or upgraded assets	8	1,301,000	1,741,592	651,546
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	12	20,000	(277,264)	46,924
		1,321,000	1,464,328	698,470
Total income from continuing operations		8,142,491	8,588,767	7,825,396
Expenses from continuing operations				
Employee benefits	14	(2,015,771)	(1,893,449)	(1,941,814)
Materials and services	15	(1,418,866)	(1,424,287)	(1,543,223)
Depreciation and amortisation	16	(2,134,000)	(2,100,532)	(2,121,424)
Other expenses	17	(1,551,987)	(1,350,103)	(1,307,737)
Total expenses from continuing operations		(7,120,624)	(6,768,371)	(6,914,198)
Net result for the year		1,021,867	1,820,396	911,198
Other comprehensive income				
Items that will not be reclassified subsequently to net result				
Financial assets available for sale reserve				
Fair Value adjustment on equity investment assets	28(b)	-	494,397	(2,039,306)
Net asset revaluation increment(decrement)	28(a)	-	2,416,436	547,218
Total Other Comprehensive Income		-	2,910,833	(1,492,088)
Total Comprehensive result		1,021,867	4,731,229	(580,890)

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

**Statement of Financial Position
As at 30 June 2021**

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	19	10,204,128	11,222,003
Trade and other receivables	20	251,909	224,839
Inventories	21	8,162	6,375
Other assets	22	50,066	54,632
Total current assets		10,514,265	11,507,849
Non-current assets			
Investment in water corporation	18	7,565,445	7,071,048
Property, infrastructure, plant and equipment	23	89,472,321	84,130,730
Total non-current assets		97,037,766	91,201,778
Total assets		107,552,031	102,709,627
Liabilities			
Current liabilities			
Trade and other payables	24	849,597	642,074
Trust funds and deposits	25	245,627	146,499
Contract liabilities	27	-	172,929
Provisions	26	871,408	883,593
Total current liabilities		1,966,632	1,845,095
Non-current liabilities			
Provisions	26	203,417	213,779
Total non-current liabilities		203,417	213,779
Total liabilities		2,170,049	2,058,874
Net Assets		105,381,982	100,650,753
Equity			
Accumulated surplus		34,704,879	32,859,677
Reserves	28	70,677,103	67,791,076
Total Equity		105,381,982	100,650,753

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

Statement of Cash Flows For the Year Ended 30 June 2021

	2021 Inflows/ (Outflows) \$	2020 Inflows/ (Outflows) \$
Cash flows from operating activities		
Rates	3,791,993	3,815,864
Statutory fees and fines	68,351	51,176
User charges and other fines	174,904	436,272
Grants	2,575,737	2,566,108
Interest	49,939	119,645
Investment revenue from water corporation	51,000	51,000
Other receipts	418,145	223,199
Net GST refund/payment	234,733	239,898
Payments to suppliers	(2,825,323)	(3,126,330)
Payments to employees (including redundancies)	(1,915,996)	(1,820,041)
Net cash provided by (used in) operating activities	2,623,484	2,556,792
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(5,376,587)	(2,567,524)
Proceeds from sale of property, infrastructure, plant and equipment	73,636	27,391
Capital grants	1,661,592	731,546
Net cash provided by (used in) investing activities	(3,641,359)	(1,808,587)
Net increase (decrease) in cash and cash equivalents	(1,017,875)	748,205
Cash and cash equivalents at the beginning of the financial year	11,222,003	10,473,798
Cash and cash equivalents at the end of the financial year	10,204,128	11,222,003
Restrictions on cash assets	19	

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

Statement of Changes in Equity For the Year Ended 30 June 2021

	Note	Accumulated Surplus 2021 \$	Asset Revaluation Reserve 2021 \$	Fair Value Reserve 2021 \$	Other Reserves 2021 \$	Total 2021 \$
2021						
Balance at beginning of the financial year		32,859,677	68,199,813	(2,087,272)	1,678,535	100,650,753
<i>Effect of changes in accounting policy for:</i>						
Adjustment on change in accounting policy		-	-	-	-	-
Restated opening balance		32,859,677	68,199,813	(2,087,272)	1,678,535	100,650,753
Surplus / (deficit) for the year		1,820,396	-	-	-	1,820,396
Other Comprehensive Income:						
Fair value adjustments for financial assets at fair value		-	-	-	-	-
Financial assets available for sale reserve		-	-	-	-	-
Fair Value adjustment on equity investment assets	18	-	-	494,397	-	494,397
Net asset revaluation increment(decrement) reversals	28	-	2,416,436	-	-	2,416,436
Actuarial gain/loss on defined benefits plans		-	-	-	-	-
Share of other comprehensive income of associates & joint ventures accounted for by the equity method		-	-	-	-	-
Transfers between reserves		24,806	-	-	(24,806)	-
Balance at end of the financial year		34,704,879	70,616,249	(1,592,875)	1,653,729	105,381,982
		Accumulated Surplus 2020 \$	Asset Revaluation Reserve 2020 \$	Fair Value Reserve 2020 \$	Other Reserves 2020 \$	Total 2020 \$
2020						
Balance at beginning of the financial year		32,077,737	67,652,595	(47,966)	1,645,255	101,327,621
Adjustment due to AASB 15 adoption	37	(95,978)	-	-	-	(95,978)
Adjustment due to AASB 16 adoption		-	-	-	-	-
Restated opening balance		31,981,759	67,652,595	(47,966)	1,645,255	101,231,643
Surplus / (deficit) for the year		911,198	-	-	-	911,198
Other Comprehensive Income:						
Fair value adjustments for financial assets at fair value		-	-	-	-	-
Financial assets available for sale reserve		-	-	-	-	-
Fair Value adjustment on equity investment assets	18	-	-	(2,039,306)	-	(2,039,306)
Net asset revaluation increment(decrement) reversals	28	-	547,218	-	-	547,218
Actuarial gain/loss on defined benefits plans		-	-	-	-	-
Share of other comprehensive income of associates & joint ventures accounted for by the equity method		-	-	-	-	-
Transfers between reserves		(33,280)	-	-	33,280	-
Balance at end of the financial year		32,859,677	68,199,813	(2,087,272)	1,678,535	100,650,753

The above statement should be read with the accompanying notes.

Introduction

Note 1 Reporting Entity

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

Note 2 Basis of accounting

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 18, 23, 26, and 40 .

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

Note 3 Use of judgements and estimates

Judgements and Assumptions

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

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

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

Employee benefits

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

Defined benefit superannuation fund obligations

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 31.

Fair value of property, infrastructure, plant & equipment

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

Investment in water corporation

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

Note 4 Functions/Activities of the Council

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

	Grants	Other	Total Revenue	Total Expenditure	Surplus/ (Deficit)	Assets
	\$	\$	\$	\$	\$	\$
Government and administration						
2020 - 2021	1,066,970	3,087,604	4,154,574	1,685,828	2,468,746	1,516,389
2019 - 2020	895,892	3,423,396	4,319,288	1,784,396	2,534,892	1,584,449
Roads, streets and bridges						
2020 - 2021	3,089,210	22,207	3,111,417	2,671,722	439,695	72,032,718
2019 - 2020	2,115,799	22,201	2,138,000	2,603,821	(465,821)	71,818,249
Waste management						
2020 - 2021	-	625,764	625,764	553,631	72,133	380,121
2019 - 2020	-	622,455	622,455	519,214	103,241	367,800
Heritage and Culture						
2020 - 2021	-	4,985	4,985	83,839	(78,854)	1,728,953
2019 - 2020	-	8,871	8,871	85,731	(76,860)	1,756,860
Community services						
2020 - 2021	254,078	155,326	409,404	664,141	(254,737)	2,277,062
2019 - 2020	205,963	178,305	384,268	675,380	(291,112)	2,327,144
Recreation facilities						
2020 - 2021	-	88,197	88,197	234,684	(146,487)	2,334,272
2019 - 2020	-	19,680	19,680	262,758	(243,078)	2,401,183
Commercial and Tourism						
2020 - 2021	-	81,085	81,085	176,347	(95,262)	718,980
2019 - 2020	-	132,559	132,559	234,605	(102,046)	736,908
Other - not attributable						
2020 - 2021	-	113,341	113,341	698,179	(584,838)	26,563,536
2019 - 2020	-	200,275	200,275	748,293	(548,018)	21,717,033
Total						
2020 - 2021	4,410,258	4,178,509	8,588,767	6,768,371	1,820,396	107,552,031
2019 - 2020	3,217,654	4,607,742	7,825,396	6,914,198	911,198	102,709,627

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

	2021	2020
	\$	\$
Current assets	10,514,265	11,507,849
Non-current assets	97,037,766	91,201,778
	<u>107,552,031</u>	<u>102,709,627</u>

(c) *Governance and administration*

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

Roads, streets and bridges

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

Waste Management

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

Heritage and Culture

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

Community services

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

Recreation facilities

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

Commercial and Tourism

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

Other - not attributable

Rates and charges and work not attributed elsewhere.

	2021	2020
	\$	\$

Note 5 Rates and charges

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

The valuation base used to calculate general rates for 2020-2021 was \$42.615 million (2019-2020 \$42.471 million). The 2020-21 rate in the AAV dollar was 3.40380 cents (2019-2020, 3.40380 cents).

General Rate	2,909,658	2,896,890
Fire Levy	225,493	224,520
Garbage charge	625,764	622,455
Total rates and charges	<u>3,760,915</u>	<u>3,743,865</u>

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

Accounting policy

Council recognises revenue from rates and annual charges for the amount it is expected to be entitled to at the beginning of the rating period to which they relate, or when the charge has been applied. Rates and charges in advance are recognised as a financial liability until the beginning of the rating period to which they relate.

Note 6 Statutory fees and fines

Statutory Fees	62,137	46,524
Total statutory fees and fines	<u>62,137</u>	<u>46,524</u>

Accounting policy

Statutory fee and fine income

Fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

Note 7 User fees

Rental Housing	78,393	78,384
Planning Fees	42,334	90,227
Building Fees	20,699	27,622
Tips and Waste Transfer Stations	4,162	4,174
Hall Hire	319	1,067
Camp Ground Fees	12,155	17,296
Animal licences	13,700	18,934
Food & Public Assembly Licences	19,725	2,825
Sewer Connection Fees	15,565	12,120
Cemetery Charges	6,607	7,562
Other fees and charges	3,493	2,243
Total user fees	<u>217,152</u>	<u>262,454</u>

Accounting policy

User fee income

Fee income is recognised as revenue when the service has been provided, or the payment is received, whichever first occurs.

Rental income

Rents are recognised as revenue when the payment is due. Rental payments received in advance are recognised as a payable until they are due.

Operating leases as lessor

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

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

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

	2021	2020
	\$	\$
Note 8 Grants		
Grants were received in respect of the following :		
Summary of grants		
Federally funded grants	3,913,251	3,095,585
State funded grants	497,007	122,069
Total	<u>4,410,258</u>	<u>3,217,654</u>
Grants - Recurrent		
Financial assistance grant	2,479,787	2,506,457
Other	188,879	59,651
Total recurrent grants	<u>2,668,666</u>	<u>2,566,108</u>
Capital grants received specifically for new or upgraded assets		
Commonwealth Government - roads to recovery	589,128	589,128
Local roads and community infrastructure	994,336	62,418
Recreational Fishing & Camping Facilities Program	72,628	-
Economic and community recovery	80,000	-
Other	5,500	-
Total capital grants	<u>1,741,592</u>	<u>651,546</u>
Unspent grants and contributions		
Grants and contributions which were obtained on the condition that they be spent for specified purposes or in a future period, but which are not yet spent in accordance with those conditions, are as follows:		
Operating		
Balance of unspent funds at 1 July	92,929	9,035
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	114,298	-
Add: Funds received and not recognised as revenue in the current year	-	87,356
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	-	(3,462)
Less: Funds received in prior year but revenue recognised and/or funds spent in current year	(92,929)	-
Balance of unspent funds at 30 June	<u>114,298</u>	<u>92,929</u>
Capital		
Balance of unspent funds at 1 July	80,000	-
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	65,836	-
Add: Funds received and not recognised as revenue in the current year	-	80,000
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	-	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	(80,000)	-
Balance of unspent funds at 30 June	<u>65,836</u>	<u>80,000</u>
Total unspent funds	<u>180,134</u>	<u>172,929</u>

Accounting policy under AASB 15 and AASB 1058 - applicable from 1 July 2019

Council recognises untied grant revenue and those without performance obligations when received. In cases where funding includes specific performance obligations or is to acquire or construct a recognisable non-financial asset, a liability is recognised for funds received in advance and recognises income as obligations are fulfilled.

The performance obligations are varied based on the agreement, but include completion of the agreed asset.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

If the transaction is a transfer of a financial asset to enable Council to acquire or construct a recognisable non-financial asset to be controlled by Council (i.e. an in-substance acquisition of a non-financial asset), a contract liability is recognised for the excess of the fair value of the transfer over any related amounts recognised and revenue as the unspent funds are expended at the point in time at which required performance obligations are completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin. For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.

The Australian Commonwealth Government provides untied Financial Assistance Grants to Council for general purpose use and the provision of local roads. In accordance with AASB1004: Contributions, Council recognised these grants as revenue when it received the funds and obtained control.

In both years the Commonwealth has made early payment of the first two quarterly instalments for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being below that originally budgeted in 2020-21 by \$5,995, (2019-20, (above budget \$37,359)). This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher by the same amount.

	2021	2020
	\$	\$
Note 9		
Contributions		
Cash		
Heavy Vehicle Contribution Fees	22,207	22,201
Parks, open space and streetscapes	2,000	2,423
Total	<u>24,207</u>	<u>24,624</u>
Non-monetary assets		
Total	<u>-</u>	<u>-</u>
Total contributions	<u>24,207</u>	<u>24,624</u>

Accounting policy

Council recognises contributions without performance obligations when received. In cases where the contributions is for a specific purpose to acquire or construct a recognisable non-financial asset, a liability is recognised for funds received in advance and income recognised as obligations are fulfilled.

Note 10		
Interest		
Interest on financial assets	45,552	122,037
Total	<u>45,552</u>	<u>122,037</u>

Accounting policy

Interest income

Interest is recognised progressively as it is earned.

Note 11		
Other income		
Private Works	71,282	125,795
Reimbursements	188,181	157,922
Penalties and interest	35,347	26,597
Total other income	<u>294,810</u>	<u>310,314</u>

Accounting policy

Other income

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

Note 12		
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	73,636	27,391
Write down value of assets disposed	(350,900)	19,533
Total	<u>(277,264)</u>	<u>46,924</u>

Accounting policy

Gains and losses on asset disposals

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

	2021	2020
	\$	\$
Note 13		
Investment revenue from water corporation		
Dividend revenue received	51,000	42,736
Tax equivalent received	-	8,264
Total investment revenue from water corporation	<u>51,000</u>	<u>51,000</u>

Accounting policy

Investment revenue

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

Note 14		
Employee benefits		
Wages and salaries	1,639,184	1,676,583
Workers compensation	8,791	26,760
Annual leave and long service leave	153,686	217,752
Sick Leave	48,390	70,373
Superannuation	165,425	158,671
Fringe benefits tax	26,364	33,976
Total employee benefits	<u>2,041,840</u>	<u>2,184,115</u>
Less amounts capitalised	<u>(148,391)</u>	<u>(242,301)</u>
Total operating employee benefits	<u>1,893,449</u>	<u>1,941,814</u>

Accounting policy

Employee benefits

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

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

Note 15		
Materials and services		
Contract payments	754,851	635,323
Building maintenance	11,912	44,193
Plant and equipment maintenance, hire and fuel	178,014	272,100
Consultants	100,234	111,339
Materials and services	322,148	378,914
Other	57,128	101,354
Total materials and services	<u>1,424,287</u>	<u>1,543,223</u>

Accounting policy

Materials and services expense

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

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

	2021 \$	2020 \$
Note 16 Depreciation and amortisation		
<i>Property</i>		
Buildings	121,218	124,078
<i>Plant and Equipment</i>		
Plant, machinery and equipment	295,987	309,454
Fixtures, fittings and furniture	17,801	17,128
Computers and telecommunications	21,959	30,861
<i>Infrastructure</i>		
Roads	1,291,529	1,285,015
Bridges	202,580	212,040
Footpaths and cycleways	56,992	52,820
Drainage	16,302	16,301
Infrastructure	76,164	73,727
<i>Other Assets</i>		
Deferred expenditure	-	-
Total depreciation and amortisation	<u>2,100,532</u>	<u>2,121,424</u>

Accounting policy

Depreciation and amortisation expense

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

Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

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

Land and road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. Straight line depreciation is charged based on the residual useful life as determined each year.

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

	Period
Land improvements	50 years
Buildings	
buildings	10-100 years
building improvements	10-20 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	25-50 years
Other Infrastructure	
footpaths and cycleways	5-80 years
drainage	100 years
recreational, leisure and community facilities	10-20 years
waste management	10-20 years
parks, open space and streetscapes	10-20 years
off street car parks	10-20 years

	2021 \$	2020 \$
Note 17 Other expenses		
External auditors' remuneration (Tasmanian Audit Office)	21,490	30,034
Councillors' allowances	141,337	132,802
Fire Levy	223,995	223,995
Light and Power	111,082	112,971
Insurance	358,858	294,738
Valuation Fees	10,400	11,450
Communications and Telephones	50,843	51,694
Community Support and Donations	72,368	75,242
Land Tax	22,988	22,987
Subscriptions and membership	31,964	32,376
Advertising	33,720	28,561
Legal Fees	31,165	76,244
Printing and Stationery	10,076	17,698
Bank Fees	21,247	21,397
Payroll Tax	41,344	3,520
Water, Sewerage and Rates	112,852	113,009
Other	54,374	59,019
Total other expenses	1,350,103	1,307,737

Accounting policy

Other expenses

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

Note 18 Investment in water corporation

Opening Balance	7,071,048	9,110,354
Fair Value adjustments on equity investment assets	494,397	(2,039,306)
Total investment in water corporation	7,565,445	7,071,048

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

Accounting policy

Equity Investment

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: Financial Instruments to irrevocably classify this equity investment as designated as fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer Note 28) and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured.

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2021, Council holds a 0.48% (2020: 0.49%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

Note 19 Cash and cash equivalents

Cash on hand	550	550
Cash at bank	1,476,549	1,001,893
Term deposits and investments	8,727,029	10,219,560
Total cash and cash equivalents	10,204,128	11,222,003

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

- Trust funds and deposits (note 25)	245,627	146,499
- Unspent grant funds with conditions (note 8)	180,134	-
- Grants received in advance (27)	-	172,929
- Provisions (note 26)	1,074,825	1,097,372
Restricted funds	1,500,586	1,416,800

Total unrestricted cash and cash equivalents

8,703,542	9,805,203
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Accounting policy

Cash and cash equivalents

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

Restricted funds

- i) Includes refundable building, contract and other refundable amounts held in trust by Council for completion of specific purposes.
- ii) Represents grant funding received in advance until specific performance obligations required under funding arrangements are completed.

	2021	2020
	\$	\$
Note 20		
Trade and other receivables		
<i>Current</i>		
Rates debtors	131,671	162,749
Other debtors	126,267	68,119
Provision for impairment - other debtors	(6,029)	(6,029)
Total trade and other receivables	251,909	224,839
Reconciliation of movement in expected credit loss		
Carrying amount at 1 July	6,029	6,029
Amounts written off during the year	-	-
Amounts recovered during the year	-	-
Increase/(decrease) in provision recognised in profit or loss	-	-
Carrying amount at 30 June	6,029	6,029

Accounting policy

Trade and other receivables

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

For rate debtors, Council takes the view that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold unless there are circumstances where a property is likely to be unsaleable. For non-rate debtors, Council uses the presumptions that assets more than 30 days past due have a significant increase in credit risk and those more than 180 days will likely be in default. Council writes off receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Note 21	Inventories		
	Inventories held for consumption	8,162	6,375
	Total inventories	8,162	6,375

Accounting policy

Inventories

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

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

Note 22	Other assets		
	<i>Current</i>		
	Prepayments	46,272	46,451
	Accrued income*	3,794	8,181
	Total	50,066	54,632

* Accrued income only includes interest receivable.

Note 23

	2021	2020
	\$	\$
Property, infrastructure, plant and equipment		
Summary		
at cost	9,331,823	6,324,626
Less accumulated depreciation	<u>(3,597,907)</u>	<u>(3,362,790)</u>
	5,733,916	2,961,836
at fair value at 30 June	108,488,140	110,649,559
Less accumulated depreciation	<u>(24,749,735)</u>	<u>(29,480,665)</u>
	83,738,405	81,168,894
Total	89,472,321	84,130,730
Property		
Land		
at fair value at 30 June	<u>3,401,816</u>	<u>3,401,816</u>
	3,401,816	3,401,816
Land under roads		
at Council valuation at 30 June	<u>1,111,124</u>	<u>1,111,124</u>
	1,111,124	1,111,124
Total Land	4,512,940	4,512,940
Buildings		
at fair value at 30 June	5,818,043	5,818,043
Less accumulated depreciation	<u>(775,792)</u>	<u>(654,574)</u>
Total Buildings	5,042,251	5,163,469
Total Property	9,555,191	9,676,409

Valuation of land (excluding land under roads) and buildings was undertaken by the Valuer-General in 2014-15. A revaluation was due in 2020-21 but has been delayed due to Covid-19. Publicly available market evidence indicates a significant increase may have occurred in the value of land and buildings since the last revaluation in 2014-15. Due to uncertainty over the rate of increase for these assets, Council could not reliably measure the increase in value and consequently determined the current carrying value to be indicative of fair value. The updated valuation will be addressed in 2021-22. 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. Land under roads were revalued in 2019/20 based on unit rate per hectare provided by the Valuer General through the Department of Primary Industries, Parks Water and Environment.

Note 23	<i>Property, infrastructure, plant and equipment (cont.)</i>	2021	2020
		\$	\$
	<i>Plant and Equipment</i>		
	Plant, machinery and equipment		
	at cost	5,223,409	5,170,713
	Less accumulated depreciation	<u>(3,186,075)</u>	<u>(2,990,718)</u>
		2,037,334	2,179,995
	Fixtures, fittings and furniture		
	at cost	282,790	270,790
	Less accumulated depreciation	<u>(117,612)</u>	<u>(99,811)</u>
		165,178	170,979
	Computers and telecommunications		
	at cost	327,051	324,801
	Less accumulated depreciation	<u>(294,220)</u>	<u>(272,261)</u>
		32,831	52,540
	Total Plant and Equipment	2,235,343	2,403,514
	Infrastructure		
	Roads		
	at fair value at 30 June	75,902,068	78,206,073
	Less accumulated depreciation	<u>(12,859,835)</u>	<u>(17,655,183)</u>
		63,042,233	60,550,890
	Bridges		
	at fair value at 30 June	16,184,436	16,114,517
	Less accumulated depreciation	<u>(7,969,987)</u>	<u>(7,896,761)</u>
		8,214,449	8,217,756
	Footpaths, kerbs and gutters		
	at fair value at 30 June	2,825,078	2,789,021
	Less accumulated depreciation	<u>(1,632,956)</u>	<u>(1,855,449)</u>
		1,192,122	933,572
	Drainage		
	at fair value at 30 June	1,630,155	1,630,154
	Less accumulated depreciation	<u>(641,551)</u>	<u>(625,248)</u>
		988,604	1,004,906
	Infrastructure		
	at fair value at 30 June	1,615,420	1,578,811
	Less accumulated depreciation	<u>(869,614)</u>	<u>(793,450)</u>
		745,806	785,361
	Total Infrastructure	74,183,214	71,492,485
	A full valuation of roads and footpaths was undertaken by independent valuers, Moloneys Asset Management Systems, effective July 2020. Bridges were revalued by AusSpan effective January 2021. Drainage and other infrastructure have not been revalued due to the immaterial amount of assets in these classes.		
	Works in progress		
	Buildings at cost	75,891	15,759
	Roads at cost	2,284,286	193,296
	Infrastructure	157,344	36,609
	Drainage	818,632	50,484
	Footpaths, kerbs and gutters	-	351
	Bridges	162,420	261,823
	Total Works in progress	3,498,573	558,322
	Total property, infrastructure, plant and equipment	89,472,321	84,130,730

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

Reconciliation of property, infrastructure, plant and equipment

2021	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 28)	Depreciation and amortisation (note 16)	Written down value of disposals	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$
Property							
land	3,401,816	-	-	-	-	-	3,401,816
land under roads	1,111,124	-	-	-	-	-	1,111,124
Total land	4,512,940	-	-	-	-	-	4,512,940
buildings	5,163,469	-	-	121,218	-	-	5,042,251
Total buildings	5,163,469	-	-	121,218	-	-	5,042,251
Total property	9,676,409	-	-	121,218	-	-	9,555,191
Plant and Equipment							
plant, machinery and equipment	2,179,995	187,907	-	295,987	34,581	-	2,037,334
fixtures, fittings and furniture	170,979	12,000	-	17,801	-	-	165,178
computers and telecommunications	52,540	2,250	-	21,959	-	-	32,831
Total plant and equipment	2,403,514	202,157	-	335,747	34,581	-	2,235,343
Infrastructure							
roads	60,550,890	-	2,248,300	1,291,529	304,436	1,839,008	63,042,233
bridges	8,217,756	-	(110,067)	202,580	-	309,340	8,214,449
footpaths, kerbs and gutters	933,572	-	278,203	56,992	11,883	49,222	1,192,122
drainage	1,004,906	-	-	16,302	-	-	988,604
infrastructure	785,361	-	-	76,164	-	36,609	745,806
Total infrastructure	71,492,485	-	2,416,436	1,643,567	316,319	2,234,179	74,183,214
Works in progress							
roads	193,296	3,929,998	-	-	-	(1,839,008)	2,284,286
buildings	15,759	60,132	-	-	-	-	75,891
infrastructure	36,609	157,344	-	-	-	(36,609)	157,344
drainage	50,484	768,148	-	-	-	-	818,632
footpaths, kerbs and gutters	351	48,871	-	-	-	(49,222)	-
bridges	261,823	209,937	-	-	-	(309,340)	162,420
Total works in progress	558,322	5,174,430	-	-	-	(2,234,179)	3,498,573
Total property, infrastructure, plant and equipment	84,130,730	5,376,587	2,416,436	2,100,532	350,900	-	89,472,321

(a) Impairment losses

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

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

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

Reconciliation of property, infrastructure, plant and equipment

2020	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 28)	Depreciation and amortisation (note 16)	Written down value of disposals	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$
Property							
land	3,401,816	-	-	-	-	-	3,401,816
land under roads	957,396	-	153,728	-	-	-	1,111,124
Total land	4,359,212	-	153,728	-	-	-	4,512,940
buildings	5,194,121	-	-	124,078	-	93,426	5,163,469
Total buildings	5,194,121	-	-	124,078	-	93,426	5,163,469
Total property	9,553,333	-	153,728	124,078	-	93,426	9,676,409
Plant and Equipment							
plant, machinery and equipment	2,159,646	348,012	-	309,454	18,209	-	2,179,995
fixtures, fittings and furniture	176,599	11,508	-	17,128	-	-	170,979
computers and telecommunications	70,133	13,268	-	30,861	-	-	52,540
Total plant and equipment	2,406,378	372,788	-	357,443	18,209	-	2,403,514
Infrastructure							
roads	59,498,431	-	-	1,285,015	-	2,337,474	60,550,890
bridges	7,816,227	-	393,490	212,040	(37,742)	182,337	8,217,756
footpaths, kerbs and gutters	904,106	-	-	52,820	-	82,286	933,572
drainage	1,021,207	-	-	16,301	-	-	1,004,906
infrastructure	792,889	-	-	73,727	-	66,199	785,361
Total infrastructure	70,032,860	-	393,490	1,639,903	(37,742)	2,668,296	71,492,485
Works in progress							
roads	916,101	1,614,669	-	-	-	(2,337,474)	193,296
buildings	35,418	73,767	-	-	-	(93,426)	15,759
infrastructure	7,350	95,458	-	-	-	(66,199)	36,609
drainage	45,815	4,669	-	-	-	-	50,484
footpaths, kerbs and gutters	82,286	351	-	-	-	(82,286)	351
bridges	38,337	405,823	-	-	-	(182,337)	261,823
Total works in progress	1,125,307	2,194,737	-	-	-	(2,761,722)	558,322
Total property, infrastructure, plant and equipment	83,117,878	2,567,525	547,218	2,121,424	(19,533)	-	84,130,730

(a) Impairment losses

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

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

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

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

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

Accounting policy (cont.)

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

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

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

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

Impairment of assets

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

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

	2021	2020
	\$	\$
Note 24 Trade and other payables		
Trade payables	567,834	459,865
Rates and charges in advance	132,398	107,017
Accrued expenses	139,393	68,603
Other	9,972	6,589
Total trade and other payables	849,597	642,074

Accounting policy

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received. General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

Rates and charges in advance represents amounts received by Council prior to the commencement of the rating or charging period. Revenue is recognised by Council at the beginning of the rating or charge period to which the advance payment relates

Note 25 Trust funds and deposits

Refundable building deposits	1,200	1,200
Retention amounts	153,419	47,407
Other refundable deposits	91,008	97,892
Total trust funds and deposits	245,627	146,499

Accounting policy

Tender deposits

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

Note 26 Provisions

	Annual leave & RDO's	Long service leave	Sick Leave	Landfill Restoration	Other	Total
	\$	\$	\$	\$	\$	\$
2021						
Balance at beginning of the financial year	216,073	443,807	214,241	100,000	123,251	1,097,372
Additional provisions	133,119	22,610	35,404	900	26,331	218,364
Amounts used	(140,548)	(49,416)	(21,718)	-	(29,229)	(240,911)
Balance at the end of the financial year	208,644	417,001	227,927	100,900	120,353	1,074,825
Current	208,644	327,152	227,927	-	107,685	871,408
Non-Current	-	89,849	-	100,900	12,668	203,417
Total	208,644	417,001	227,927	100,900	120,353	1,074,825
2020						
Balance at beginning of the financial year	165,542	403,914	204,452	100,000	101,691	975,599
Additional provisions	157,007	66,188	52,287	-	45,928	321,410
Amounts used	(106,476)	(26,295)	(42,498)	-	(24,368)	(199,637)
Balance at the end of the financial year	216,073	443,807	214,241	100,000	123,251	1,097,372
Current	216,073	344,088	214,241	-	109,191	883,593
Non-Current	-	99,719	-	100,000	14,060	213,779
Total	216,073	443,807	214,241	100,000	123,251	1,097,372

(a) Employee benefits

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

Weighted average increase in employee costs	(6.51%)	5.32%
Weighted average discount rates	0.48%	0.38%
Weighted average settlement period	12	12

Employee Numbers - FTE

2021	2020
27	27

<p>Accounting policy</p> <p>Employee benefits</p> <p><i>i) Short term obligations</i></p> <p>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.</p> <p><i>ii) Other long term employee benefit obligations</i></p> <p>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.</p> <p>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.</p> <p><i>iii) Sick leave</i></p> <p>No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.</p> <p><i>iv) Defined benefit plans</i></p> <p>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.</p> <p>Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund, which is a sub fund of the Tasplan Superannuation. 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.</p> <p><i>v) Defined contribution plans</i></p> <p>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.</p>

(b) Landfill restoration

Council is obligated to restore its landfill site to a particular standard. Current projections indicate that stage two of the landfill site will be due for rehabilitation in 2023. The forecast life of the landfill site is expected to be 40 years based on current estimates of remaining capacity and the forecast rate of infill. The provision for restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council does not expect to receive reimbursement from a third party

Note 27 Contract liabilities

Current

Funds received prior to performance obligation being satisfied (Upfront payments)	-	172,929
	-	<u>172,929</u>

<p>Accounting policy</p> <p>Council recognised the following contract liabilities with customers:</p> <p>Grants received in advance includes funding for non-financial assets. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. Council did not received any of these grants in 2020/21.</p>

Note 28 Reserves

	Balance at beginning of reporting year	Increment	(decrement)	Balance at end of reporting year
(a) Asset revaluation reserve	\$	\$	\$	\$
2021				
Property				
Land	1,994,350	-	-	1,994,350
Land under roads	153,728	-	-	153,728
Buildings	1,712,197	-	-	1,712,197
Fixtures and fittings	4,530	-	-	4,530
	3,864,805	-	-	3,864,805
Infrastructure				
Roads	53,840,334	2,248,300	-	56,088,634
Bridges	7,352,012	-	(110,067)	7,241,945
Footpaths and cycleways	2,545,740	278,203	-	2,823,943
Drainage	596,922	-	-	596,922
	64,335,008	2,526,503	(110,067)	66,751,444
Total asset revaluation reserve	68,199,813	2,526,503	(110,067)	70,616,249
2020				
Property				
Land	1,994,350	-	-	1,994,350
Land under roads	-	153,728	-	153,728
Buildings	1,712,197	-	-	1,712,197
Fixtures and fittings	4,530	-	-	4,530
	3,711,077	153,728	-	3,864,805
Infrastructure				
Roads	53,840,334	-	-	53,840,334
Bridges	6,958,522	393,490	-	7,352,012
Footpaths and cycleways	2,545,740	-	-	2,545,740
Drainage	596,922	-	-	596,922
	63,941,518	393,490	-	64,335,008
Total asset revaluation reserve	67,652,595	547,218	-	68,199,813

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	\$	\$	\$	\$
2021				
Equity Investment assets				
Investment in water corporation	(2,087,272)	494,397	-	(1,592,875)
Total fair value reserve	(2,087,272)	494,397	-	(1,592,875)
2020				
Equity Investment assets				
Investment in water corporation	(47,966)	-	(2,039,306)	(2,087,272)
Total fair value reserve	(47,966)	-	(2,039,306)	(2,087,272)

Council has to designate its investment in Taswater as an equity investment at fair value through other comprehensive income. Subsequent changes in fair value are reflected in the reserve and will not be reclassified through the profit or loss when derecognised.

Note 28 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	\$	\$	\$	\$
2021				
Other Reserves	1,678,535	2,000	(26,806)	1,653,729
Total Other reserves	1,678,535	2,000	(26,806)	1,653,729
2020				
Other Reserves	1,645,255	42,315	(9,035)	1,678,535
Total Other reserves	1,645,255	42,315	(9,035)	1,678,535

	2021	2020
	\$	\$
(a) Asset revaluation reserve	70,616,249	68,199,813
(b) Fair value reserve	(1,592,875)	(2,087,272)
(c) Other reserves	1,653,729	1,678,535
Total Reserves	70,677,103	67,791,076

Note 29 Reconciliation of cash flows from operating activities to net result for the year

Result from continuing operations	1,820,396	911,198
Depreciation/amortisation	2,100,532	2,121,424
(Profit)/loss on disposal of property, plant and equipment, infrastructure	277,264	(46,924)
Capital grants received specifically for new or upgraded assets	(1,661,592)	(731,546)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	(27,070)	34,787
Decrease/(increase) in other assets	4,566	(48,843)
Decrease/(increase) in inventories	(1,787)	3,607
Increase/(decrease) in trade and other payables	207,523	51,690
Increase/(decrease) in provisions	(22,547)	121,773
Increase/(decrease) in other liabilities	(73,801)	139,626
Net cash provided by/(used in) operating activities	2,623,484	2,556,792

Note 30 Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 19)	10,204,128	11,222,003
Total reconciliation of cash and cash equivalents	10,204,128	11,222,003

Note 31 Superannuation

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

For the year ended 30 June 2021 the Council contributed 0% (2020: 0%) of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2020. The review disclosed that at that time the net market value of assets available for funding member benefits was \$51,939,000, the value of vested benefits was \$43,411,000, the surplus over vested benefits was \$8,528,000, the value of total accrued benefits was \$43,562,000, and the number of members was 95. These amounts relate to all members of the Fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees.

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

- Net Investment Return 3.75% p.a.
- Salary Inflation 2.75% p.a.
- Price Inflation n/a

The actuarial review concluded that:

- The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2020.
- 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 2020.
- 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 2020.

Given the strong financial position of the Fund, the Actuary recommended that the Council consider a contribution holiday and contribute 0% of salaries from 1 July 2018 to 30 June 2021.

The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2023 and is expected to be completed late in 2023.

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 2020 actuarial review used the "aggregate" funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is consistent with the method used at the previous actuarial review in 2017.

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

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

Note 31 Superannuation (cont.)

- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependants in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

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

- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2020. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2023.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2020, showed that the Fund had assets of \$51.94 million and members' Vested Benefits were \$43.41 million. These amounts represented 0.53% and 0.45% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2020 the Fund had 95 members and the total employer contributions and member contributions for the year ending 30 June 2020 were \$927,231 and \$235,365 respectively.

	2021	2020
	\$	\$
Fund		
Defined benefits fund		
Employer contributions to Tasplan	-	-
	<u>-</u>	<u>-</u>
Accumulation funds		
Employer contributions to super funds	165,425	158,671
	<u>165,425</u>	<u>158,671</u>

	2021	2020
	\$	\$
Note 32 Commitments		
Capital expenditure commitments		
Roads	268,550	-
Total	<u>268,550</u>	<u>-</u>
Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial report are as follows:		
Recycling and garbage collection contracts (expires 2022)	351,051	702,102
Total	<u>351,051</u>	<u>702,102</u>

Note 33 Contingent liabilities

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

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

Note 34 Financial Instruments

(a) Interest Rate Risk

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

2021

	Weighted average interest rate	Floating interest rate	Fixed interest maturing in:		Non-interest bearing	Total
			1 year or less	Over 1 to 5 years		
		\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	0.28%	1,477,099	8,727,029	-	-	10,204,128
Trade and other receivables		251,909	-	-	-	251,909
Investment in water corporation		-	-	-	7,565,445	7,565,445
Total financial assets		1,729,008	8,727,029	-	7,565,445	18,021,482
Financial liabilities						
Trade and other payables		-	-	-	849,597	849,597
Trust funds and deposits		-	-	-	245,627	245,627
Total financial liabilities		-	-	-	1,095,224	1,095,224
Net financial assets (liabilities)		1,729,008	8,727,029	-	6,470,221	16,926,258

2020

	Weighted average interest rate	Floating interest rate	Fixed interest maturing in:		Non-interest bearing	Total
			1 year or less	Over 1 to 5 years		
		\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	0.56%	1,002,442	10,219,561	-	-	11,222,003
Trade and other receivables		224,839	-	-	-	224,839
Investment in water corporation		-	-	-	7,071,048	7,071,048
Total financial assets		1,227,281	10,219,561	-	7,071,048	18,517,890
Financial liabilities						
Trade and other payables		-	-	-	535,057	535,057
Trust funds and deposits		-	-	-	146,499	146,499
Total financial liabilities		-	-	-	674,207	681,556
Net financial assets (liabilities)		1,227,281	10,219,561	-	6,396,841	17,836,334

Note 34 Financial Instruments (cont.)

(b) Fair Value

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2021	2020	2021	2020
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	10,204,128	11,222,003	10,204,128	11,222,003
Trade and other receivables	251,909	224,839	251,909	224,839
Investment in water corporation	7,565,445	7,071,048	7,565,445	7,071,048
Total financial assets	18,021,482	18,517,890	18,021,482	18,517,890
Financial liabilities				
Trade and other payables	849,597	535,057	849,597	535,057
Trust funds and deposits	245,627	146,499	245,627	146,499
Total financial liabilities	1,095,224	681,556	1,095,224	681,556

(c) Credit Risk

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

(d) Risks and mitigation

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

Market risk

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

Interest rate risk

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

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

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

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

Credit risk

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

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

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

It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation. In addition, receivable balances are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

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

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

	Financial Institutions (AAA credit rating)	Government agencies (BBB credit rating)	Other (min BBB credit rating)	Total
2021				
Cash and cash equivalents	10,204,128	-	-	10,204,128
Total contractual financial assets	10,204,128	-	-	10,204,128
2020				
Cash and cash equivalents	11,222,003	-	-	11,222,003
Total contractual financial assets	11,222,003	-	-	11,222,003

Movement in Provisions for Impairment of Trade and Other Receivables

	2021 \$	2020 \$
Balance at the beginning of the year	6,029	6,029
New Provisions recognised during the year	-	-
Balance at end of year	6,029	6,029

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:

	2021 \$	2020 \$
Current (not yet due)	84,747	40,359
Past due by up to 30 days	18,803	2,386
Past due between 31 and 180 days	15,910	13,584
Past due between 181 and 365 days	-	5,761
Past due by more than 1 year	778	-
Total Trade & Other Receivables	120,238	62,090

Liquidity risk

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

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

To help reduce these risks we:

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

The 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).

2021	6 mths or less	6-12 months	1-2 years	Contracted Cash Flow	Carrying Amount
	\$	\$	\$	\$	\$
Trade and other payables	849,597	-	-	-	849,597
Trust funds and deposits	245,627	-	-	-	245,627
Total financial liabilities	1,095,224	-	-	-	1,095,224

2020	6 mths or less	6-12 months	1-2 years	Contracted Cash Flow	Carrying Amount
	\$	\$	\$	\$	\$
Trade and other payables	642,074	-	-	-	642,074
Trust funds and deposits	146,499	-	-	-	146,499
Total financial liabilities	788,573	-	-	-	788,573

(e) Sensitivity disclosure analysis

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

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

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

		Interest rate risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2021		\$	\$	\$	\$
Financial assets:					
Cash and cash equivalents	10,204,128	(204,083)	(204,083)	102,041	102,041
Trade and other receivables	251,909	(5,038)	(5,038)	2,519	2,519

		Interest rate risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2020		\$	\$	\$	\$
Financial assets:					
Cash and cash equivalents	11,222,003	(224,440)	(224,440)	112,220	112,220
Trade and other receivables	224,839	(4,497)	(4,497)	2,248	2,248

Note 35 Events occurring after balance date

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

Note 36 Related party transactions

(i) **Responsible Persons**

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

Councillors Councillor Loueen Triffit (Mayor)
Councillor James Allwright (Deputy Mayor)
Councillor Anthony Bailey
Councillor Robert Cassidy
Councillor Jim Poore
Councillor Julie Honner
Councillor Anthony Archer
Councillor Scott Bowden
Councillor Anita Campbell

General Manager Lyn Eyles
Senior Managers Adam Wilson
Jason Branch
Graham Rogers

(ii) **Councillor Remuneration**

2021

Short term employee benefits

Position	Period	Allowances	Vehicles	Total Compensation AASB 124	Expenses ¹	Total allowances and expenses section 72
		\$	\$	\$	\$	\$
Mayor	Full year	33,948	-	33,948	420	34,368
Deputy Mayor	Full year	19,938	-	19,938	3,374	23,312
Councillors	Full year	67,900	-	67,900	6,996	74,896
Total		121,786	-	121,786	10,790	132,576

2020

Short term employee benefits

Position	Period	Allowances	Vehicles	Total Compensation AASB 124	Expenses ¹	Total allowances and expenses section 72
		\$	\$	\$	\$	\$
Mayor	Full year	33,148	-	33,148	525	33,673
Deputy Mayor	Full year	19,468	-	19,468	3,021	22,489
Councillors	Full year	66,299	-	66,299	7,624	73,923
Total		118,915	-	118,915	11,170	130,085

¹ Section 72(1)(b) of the *Local Government Act 1993* requires the disclosure of expenses paid to Councillors.

(iii) Key Management Personnel Remuneration

2021	Remuneration band	Number of employees	Short term employee benefits			Post employment benefits		Total
			Salary ¹	Vehicles ²	Other Allowances and Benefits ³	Superannuation ⁴	Non-monetary Benefits ⁵	
			\$	\$	\$	\$	\$	
	\$100 001 - \$120 000	2	195,304	25,533	-	17,249	(32,988)	205,098
	\$140 001 - \$170 000	2	230,210	26,737	5,000	22,514	32,140	316,601
	Total		425,514	52,270	5,000	39,763	(848)	521,699

2020	Remuneration band	Number of employees	Short term employee benefits			Post employment benefits		Total
			Salary ¹	Vehicles ²	Other Allowances and Benefits ³	Superannuation ⁴	Non-monetary Benefits ⁵	
			\$	\$	\$	\$	\$	
	\$100 001 - \$120 000	2	170,046	28,043	-	16,034	4,608	218,731
	\$140 001 - \$170 000	2	227,463	29,598	5,000	24,743	24,708	311,512
	Total		397,509	57,641	5,000	40,777	29,316	530,243

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

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

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

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

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

(iv) Remuneration Principles

Councillors

Councillors are entitled to an allowance based on the number of voters in the Local Government area (LGA) and the revenue of the council.

Councillors are also entitled to reimbursement for telephone, travel, child care and other expenses in accordance with the council's policy.

Executives

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

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

(v) Transactions with related parties

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

Nature of the transaction	Amount of the transactions during the year	Outstanding balances, including commitments at year end	Terms and conditions
Supply of gravel ¹	\$66,395	Council owes \$16,188	30-day terms on invoices

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

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

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

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

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

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

Note 37 Other significant accounting policies and pending accounting standards

(a) Taxation

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

Goods and services tax (GST)

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

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

(b) Impairment of non-financial assets

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

(c) Allocation between current and non-current

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

(d) Financial guarantees

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

(e) Contingent assets, contingent liabilities and commitments

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

(f) Budget

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

(g) Adoption of new and amended accounting standards

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

(i) AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

The amendments refine the definition of material in AASB 101 and are applicable for the year ended 30 June 2021. The amendments clarify the definition of material and includes guidance relating to obscuring information that could be reasonably expected to influence decisions of the primary users of the financial information. The amendments include additional guidance to the definition of material, gives it more prominence, and clarifies the explanation accompanying the definition of material. The adoption of the amendments has not had any significant impact on Council.

Council has leases that are short-term leases and leases of low-value asset and will not be recognising a right-of-use asset.

(h) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

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

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

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

Adoption of AASB 2017-5 is not expected to have any impact on council.

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

Note 38 Significant Business Activities

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

	Hamilton and Bothwell Camping Grounds	
	2021	2020
	\$	\$
Revenue		
User Changes	12,154	17,295
Total Revenue	12,154	17,295
Expenditure		
<i>Direct</i>		
Employee Costs	193	691
Materials and Contacts	1,559	1,293
Utilities	1,065	1,458
<i>Indirect</i>		
Engineering & Administration	39	138
Total Expenses	2,856	3,580
<i>Notional cost of free services received</i>		
<i>Capital Costs</i>		
Depreciation	545	545
Opportunity cost of capital	1,567	1,575
Total Capital Costs	2,112	2,120
<i>Competitive neutrality adjustments</i>		
Rates, water and land tax	12,531	6,549
	12,531	6,549
<i>Calculated Surplus/(Deficit)</i>	(5,345)	5,046
Tax Equivalent rate	30%	30%
Taxation equivalent	(1,604)	1,514
Competitive neutrality costs	10,928	8,063

Accounting policy

Significant business activities

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

Note	39	Management indicators	Benchmark	2021 \$	2020 \$	2019 \$	2018 \$
		(a) Underlying surplus or deficit					
		Net result for the year		1,820,396	911,198	170,660	691,941
		Less non-operating income					
		Capital grants		1,741,592	651,546	211,847	611,721
		FAGs in advance		(5,995)	37,359	60,054	(2,104)
		Insurance claims		-	-	-	-
		Contributions - non monetary assets		-	-	44,500	-
		Add non-operational expenses					
		Flood/Fire damage		-	17,761	33,246	-
		Landfill restoration provision		-	-	100,000	-
		Planning appeal		-	46,690	135,788	-
		Underlying surplus/deficit	0	84,799	286,744	123,293	82,324

The intent of the underlying result is to show the outcome of a council's normal or usual day to day operations.
Good result in the past four years.

(b) Underlying surplus ratio							
<u>Underlying surplus or deficit</u>			84,799	286,744	123,293	82,324	
Recurrent income*			7,130,434	7,089,567	7,187,977	6,858,954	
Underlying surplus ratio %	0%		1.2%	4.0%	1.7%	1.2%	

This ratio serves as an overall measure of financial operating effectiveness.
Good result in the past four years.

(c) Net financial liabilities							
Liquid assets less			10,456,037	11,446,842	10,733,424	10,362,432	
total liabilities			2,170,049	2,058,874	1,649,806	1,553,890	
Net financial asset	0		8,285,988	9,387,968	9,083,618	8,808,542	

This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets means that, if all liabilities fell due at once, additional revenue would be needed to fund the shortfall.

Good result in all years.

(d) Net financial liabilities ratio							
<u>Net financial liabilities</u>			8,285,988	9,387,968	9,083,618	8,808,542	
Recurrent income*			7,130,434	7,089,567	7,187,977	6,858,954	
Net financial liabilities ratio %	0% - (50%)		116%	132%	126%	128%	

This ratio indicates the net financial obligations of Council compared to its recurrent income.
Good result in all years.

(e) Asset renewal funding ratio

An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.

Transport Infrastructure

<u>Projected capital funding outlays**</u>			2,488,000	1,440,000	1,871,000	1,500,000	
Projected capital expenditure funding***			2,488,000	1,440,000	1,540,000	1,500,000	
Asset renewal funding ratio %	90-100%		100%	100%	121%	100%	

** 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.

Council is providing sufficient funding to renew assets in accordance with its asset renewal plans.

Note	39	Management indicators (cont.)	2021 \$	2020 \$	2019 \$	2018 \$	0
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(f) **Asset consumption ratio**

An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.

Roads

<u>Fair value (Carrying amount)</u>		63,042,233	60,550,890	59,498,431	59,931,818
Current replacement cost (Gross)		75,902,068	78,206,073	76,314,943	75,630,314
Asset consumption ratio %	60%	83.1%	77.4%	78.0%	79.2%

Buildings

<u>Fair value (Carrying amount)</u>		5,042,251	5,163,469	5,194,121	5,107,130
Current replacement cost (Gross)		5,818,043	5,818,043	5,724,616	5,522,171
Asset consumption ratio %	60%	86.7%	88.7%	90.7%	92.5%

Drainage

<u>Fair value (Carrying amount)</u>		988,604	1,004,906	1,021,207	1,037,210
Current replacement cost (Gross)		1,630,155	1,630,154	1,630,154	1,630,154
Asset consumption ratio %	60%	60.6%	61.6%	62.6%	63.6%

Bridges

<u>Fair value (Carrying amount)</u>		8,214,449	8,217,756	7,816,227	7,983,719
Current replacement cost (Gross)		16,184,436	16,114,517	15,240,097	15,254,656
Asset consumption ratio %	60%	50.8%	51.0%	51.3%	52.3%

Footpaths and Cycleways

<u>Fair value (Carrying amount)</u>		1,192,122	933,572	904,106	956,926
Current replacement cost (Gross)		2,825,078	2,789,021	2,706,735	2,706,735
Asset consumption ratio %	60%	42.2%	33.5%	33.4%	35.4%

Other infrastructure assets

<u>Depreciated replacement cost</u>		745,806	785,361	792,889	784,846
Current replacement cost		1,615,420	1,578,811	1,522,089	1,441,213
Asset consumption ratio %	60%	46.2%	49.7%	52.1%	54.5%

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

The result for all categories except footpaths and cycleways is within an acceptable range. A result close to 50% to 60% suggests that council has sufficient service capacity remaining in these asset classes

(g) **Asset sustainability ratio**

Capex on replacement/renewal of existing assets

		2,250,004	1,786,424	992,581	2,328,571
Annual depreciation expense		2,100,532	2,121,424	2,124,957	2,099,464
Asset sustainability ratio %	100%	107.1%	84.2%	46.7%	110.9%

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

Good results in 2021, 2020, and 2018. Significantly below benchmark in 2019 due to major upgrades taking priority to convert gravel roads to sealed.

	Capital renewal expenditure	Capital new/upgrade expenditure	Total Capital Expenditure
	\$	\$	\$
By asset class			
Buildings	41,335	18,797	60,132
Land	-	-	-
Plant, machinery and equipment	187,907	-	187,907
Fixtures, fittings and furniture	12,000	-	12,000
Computers	2,250	-	2,250
Roads	1,765,475	2,100,824	3,866,299
Footpaths, kerbs and gutters	31,100	17,771	48,871
Drainage	-	765,568	765,568
Other infrastructure	-	157,344	157,344
Bridges	209,937	-	209,937
Total	2,250,004	3,060,304	5,310,308

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 2021.

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 2021

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
Investment in water corporation	18	-	-	7,565,445	7,565,445
Land	23	-	3,401,816	-	3,401,816
Buildings	23	-	5,042,251	-	5,042,251
Land under roads	23	-	1,111,124	-	1,111,124
Roads, including footpaths & cycleways	23	-	-	64,234,355	64,234,355
Bridges	23	-	-	8,214,449	8,214,449
Drainage	23	-	-	988,604	988,604
Other Infrastructure	23	-	-	745,806	745,806
		-	9,555,191	81,748,659	91,303,850

As at 30 June 2020

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
Investment in water corporation	18	-	-	7,071,048	7,071,048
Land	23	-	3,401,816	-	3,401,816
Buildings	23	-	5,163,469	-	5,163,469
Land under roads	23	-	1,111,124	-	1,111,124
Roads, including footpaths & cycleways	23	-	-	61,484,462	61,484,462
Bridges	23	-	-	8,217,756	8,217,756
Drainage	23	-	-	1,004,906	1,004,906
Other Infrastructure	23	-	-	785,361	785,361
		-	9,676,409	78,563,533	88,239,942

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

(b) Highest and best use

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

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

Note 40 Fair Value Measurements (cont.)

Investment in water corporation

Refer to Note 18 for details.

Land and buildings

Valuation of land (excluding land under roads) and buildings was undertaken by the Valuer-General in 2014-15. A revaluation was due in 2020-21 but has been delayed due to Covid-19. 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. Land under roads were revalued in 2019/20 based on unit rate per hectare provided by the Valuer General through the Department of Primary Industries, Parks Water and Environment.

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

Land under roads

Land under roads valuation is based on unit rate per hectare provided by the Valuer General through the Department of Primary Industries, Parks Water and Environment as at 1/7/19.

Infrastructure assets

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

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

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

The calculation of CRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation. The 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 July 2020.

Note 40 Fair Value Measurements (cont.)

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

Bridges

A full valuation of bridge assets was undertaken by independent valuers, AusSpan, effective January 2021. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

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

Other Infrastructure

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

(d) Unobservable inputs and sensitivities

Asset / liability category*	Carrying amount (at fair value)	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Roads	\$ 63,042,233	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	\$ 8,214,449	Useful life	Refer Note 1e	The longer the useful life, the higher the fair value
Investment in Water Corporation	\$ 7,565,445	Useful life	Refer Note 1e	The longer the useful life, the higher the fair value
Buildings	\$ 5,042,251	Useful life	Refer Note 1e	The longer the useful life, the higher the fair value

(e) Valuation processes

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

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

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

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

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

Note 41 Material budget variations

Council's original budget was adopted by the Council on 19 June 2019. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity, the weather, and by decisions made by the Council. Material variations of more than 10% are explained below:

Revenues

(i) **Statutory fees and fines**

The amount over budget of \$27,137 (78%) was due mainly to the budget being set with expectation that Covid-19 would have a greater effect than it did.

(i) **User fees**

The amount over budget of \$60,652 (39%) was due mainly to the budget being set with expectation that Covid-19 would have a greater effect

(ii) **Interest**

Revenue income was down \$74,448 on budget (62%) due to lower than expected bank interest rates available.

(iii) **Other income**

The increase of \$54,297 on budget (23%) was due mainly to receipt of an insurance claim.

(iv) **Investment revenue from water corporation**

Dividend revenue was down \$34,000 on budget (40%) due to Covid19 remissions.

(iv) **Grants**

The Capital Grants increase of \$440,592 on budget (34%) and Operating Grants increase of \$240,626 on budget (10%) was due mainly to increased grant availability due to Covid-19.

Expenses

(i) **Other expenses**

The decrease of \$201,884 on budget (13%) was due mainly to lower legal fees than expected and reduced community support and donations.

Certification of the Financial Report

The financial report presents fairly the financial position of the Central Highlands Council as at 30 June 2021 and the results of its operations and cash flows for the year then ended, in accordance with the Local Government Act 1993 (as amended), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.



Lyn Eyles
General Manager

Date : 12-August-2021