

Annual Report 2010/2011

CORPORATE VISION

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

CORPORATE MISSION

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

STRATEGIC PLAN

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

CENTRAL HIGHLANDS COUNCIL

2010-2011

Mayor and Councillors

Mayor	9 Councillors	
<i>Term ends 2011</i> Deirdre E Flint OAM	<i>Term ends 2011</i>	<i>Term ends 2013</i>
Deputy Mayor <i>Term ends 2011</i> Andrew J Downie	Deirdre E Flint OAM Andrew J Downie Geoffrey L Herbert Loueen M Triffitt	Richard G Bowden OAM Anthony W Bailey Tim Jacka Ian V McMichael

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

	Contact Numbers	Meeting Attendance (including Annual Meeting & Special meetings)			
		Full	Part	Absent	Possible
Deirdre E Flint OAM	0418 319 832	13			13
Richard G Bowden OAM	6259 5542	10		3	13
Andrew J Downie	6260 4170	13			13
Ian V McMichael	6287 1207	11		2	13
Loueen M Triffitt	6286 3275	12		1	13
Anthony W Bailey	6286 3284	12		1	13
Tim Jacka	6288 1554	13			13
Geoffrey L Herbert	6259 5599	12		1	13
Lynette A Burke	Resigned as Councillor May 2011	11			11

COUNCILLOR ATTENDANCE AT COMMITTEE MEETINGS

	Meeting Attendance at Council Committee Meetings			
	Full	Part	Absent	Possible
Deirdre E Flint OAM	11		1	12
Richard G Bowden OAM	6		4	10
Andrew J Downie	6			6
Ian V McMichael	7		2	9
Loueen M Triffitt	6		3	9
Anthony W Bailey	2			2
Tim Jacka	2			2
Geoffrey L Herbert				0
Lynette A Burke				0



MAYORS REPORT



It gives me great pleasure to present my ninth Annual Report which covers the period from July 2010 to June 2011.

There are many issues facing both Council and residents alike including the increasing cost of living, insecurity in the forestry industry, reduced tourist numbers, and the threat of School closures.

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

Excessive rainfall caused many problems for our workforce. These included flooding of rivers causing damage to our bridges. Many roads were washed out, leading to road closures.

Heavy snowfalls over many days in the lakes area prohibited Council's heavy equipment access to clearing local roads.

Council has continued lobbying the State Government to complete the sealing of the Highland Lakes Road between Miena and Haulage Hill. This road is a vital link to the North West coast which would open up a reliable freight corridor and benefit the tourist industry. There would be many other benefits to the municipality as well.

Councillor Lyn Burke retired in May and the Central Highlands Council would like to thank Lyn for her contribution during her term as Councillor.

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

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

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

Deirdre Flint OAM
Mayor



COUNCIL COMMITTEE REPRESENTATION

Bothwell Swimming Pool Committee

Clr Richard Bowden
Clr Geoffrey Herbert (Chair)

Bothwell Cemetery Committee

Clr Richard Bowden
Clr Loueen Triffitt (Chair)

Plant Committee

Mayor Deirdre Flint (Chair)
Clr Richard Bowden
Clr Anthony Bailey

Independent Living Units Committee

Mayor Deirdre Flint (Chair)
Clr Ian McMichael
Clr Loueen Triffitt

Audit Committee

Mayor Deirdre Flint
Clr Andrew Downie
Clr Ian McMichael (Chair)

Code of Conduct – Consultation Committee

Clr Andrew Downie
Clr Ian McMichael
Clr Loueen Triffitt

Code of Conduct Committee

Clr Andrew Downie (Chair)
Clr Richard Bowden
Clr Lynette Burke

Bothwell Town Hall Committee

Mayor Deirdre Flint (Proxy)
Clr Loueen Triffitt

Enterprise Bargaining Agreement Committee

Clr Andrew Downie
Clr Geoffrey Herbert

Rural & Regional Affairs Policy Policy Committee

Mayor Deirdre Flint
Clr Richard Bowden

ANZAC Day Sub-Committee – Hamilton/Gretna

Mayor Deirdre Flint
Clr Andrew Downie
Clr Loueen Triffitt
Clr Anthony Bailey

ANZAC Day Sub-Committee – Bothwell

Mayor Deirdre Flint
Clr Geoffrey Herbert
Clr Loueen Triffitt

Strategic Planning Sub-Committee

Clr A J Downie
Clr Ian McMichael
Clr Jo Jacka (proxy)

New Residents Kit Sub-Committee

Clr Lynette Burke
Clr Loueen Triffitt

Bothwell Recreation Ground Committee

Clr Richard Bowden
Clr Geoffrey Herbert

Hamilton Hall Committee

Clr Lynette Burke
Clr Loueen Triffitt

Media Response Committee

Mayor Deirdre Flint
Clr Andrew Downie
Clr Richard Bowden

Waste Committee

Clr Andrew Downie
Clr Richard Bowden
Clr Jo Jacka

OTHER COMMITTEE REPRESENTATION

Roads Consultative Group

Mayor Deirdre Flint

JLUPI Steering Committee

Clr Andrew Downie

Southern Waste Strategy Authority

Clr Andrew Downie
Mayor Deirdre Flint (Proxy)

Derwent Catchment NRM Committee

Clr Jo Jacka

Bothwell Tourism Committee

Clr Geoffrey Herbert
Clr Loueen Triffitt

Recreational Lakes Committee

Clr Geoffrey Herbert

Transend – Waddamana to Risdon Vale

Mayor Deirdre Flint

Rural Alive & Well

Clr Ian McMichael

Clr Loueen Triffitt

Local Government Association of Tasmanian General Management Committee

Mayor Deirdre Flint

Premiers Local Government Council

Mayor Deirdre Flint

The Men's Shed Steering Committee

Clr Anthony Bailey

Clr Jo Jacka

Clr Lynette Burke (Proxy)

Central Highlands Health Service Project – Community Consultation Committee

Mayor Deirdre Flint

Rivers Run Committee

Clr Jo Jacka

LEGEND-2010/2011 ANNUAL PLAN APPRAISAL

☑Achieved ⌚In Progress ✎Ongoing ⊗Not achieved`




ROADS AND BRIDGES PROGRAM

Strategy

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

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

Activity	Comment	Statu s
Continue to lobby the State Government to seal the balance of the Highlands Lake Road	Council have representation on the Highland Roads Consultative Group. Council continually lobby the State Government to complete the sealing of the Highlands Lakes Road.	⌚
Ensure that all Council roads are inspected on a regular basis	Regular inspections of Council roads are carried out.	✎

Ensure that all Council bridges are inspected on a regular basis.	Council bridges are inspected by TasSpan every six months.	
Manage Council's Asset Register for Roads and Bridges	Revaluations of Council's Road, Bridges, Footpaths, Kerbs & Gutters assets were completed and values recorded as at 30 June 2008. The next revaluation is expected to be completed by July, 2012.	
Prepare a five year rolling capital works program for construction / reconstruction of Council roads and bridges	Bridge program developed and Roads program ongoing.	
Ensure that maintenance of roads and bridges are carried out within budget limits.	Council's road maintenance budget was \$1,298,000. Maintenance works completed totalled \$1,324,956.	<input checked="" type="checkbox"/>
	Council completed \$17,306 maintenance works on bridges out of an allocated budget of \$37,500.	<input checked="" type="checkbox"/>
	\$20,332 was spent on footpath, kerbs & gutter maintenance with an additional \$10,554 spent on drainage works.	<input checked="" type="checkbox"/>
Roads (Capital)		
Complete the capital works budget for roads and bridges	Major capital roadworks during 2010/2011 included \$7,814 on Bothwell Township roads, \$44,582 Guard Rail on Ellendale Road and \$28,061 on Victoria Valley Road.	<input checked="" type="checkbox"/>
	Roads to Recovery Funding of \$121,407 was received this financial year and will continue for a further three years.	
Bridges (Capital)		
	Largo Bridge on Dennistoun Road was replaced with a concrete deck at a cost of \$47,931.	<input checked="" type="checkbox"/>

CONTRACTING EXTERNAL WORKS AND SERVICES





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

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

COMMUNITY AND RECREATIONAL FACILITIES

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

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

Activity	Comment	Status
Carry out maintenance to all halls	Expenditure totalled \$67,918 which included repainting of the Ouse Hall, \$19,500 and \$4,625.50 for electrical work at the Bothwell Hall.	
Undertake maintenance and upkeep of all Council parks and gardens	Maintenance and upkeep totalled \$64,538. An arborist is engaged when necessary to report on the health and maintenance required on trees in Council parks and on road verges.	
Cleansing and maintenance of Council's public conveniences	Regular cleansing and maintenance carried out. Cost \$67,046.	
Maintain Council cemetery	Council's Bothwell Cemetery was well maintained during 2010/2011. Council's Cemetery Committee comprising of Council and community representation meet on a regular basis.	
	The Committee is proactive in monitoring and maintaining the local cemetery.	↻
	Council is currently having a design developed by Millingtons for the layout and plotting of the extension to the Bothwell Cemetery. It is expected that plantings and roadworks will be undertaken during the 2012/2013 financial year.	

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

Regular mowing is undertaken and maintenance completed as required. Council budgeted \$93,700 for town mowing with actual costs being \$107,268. \$69,114 was spent on maintaining Council recreational grounds.



During this year Council also purchased the Bothwell Recreation Ground which is available for community use. The Council also signed an agreement with the State Government to have the old Hamilton School premises transferred to Council.


The transfer was expected to occur during 2010/2011, however did not finalise until July 2011. This will be available for community use and is currently housing the Upper Derwent Valley Natural Resource Centre, the Central Highlands Community Mens Shed and the Women and Girls Shed.





OTHER COUNCIL PROPERTIES AND MISCELLANEOUS WORKS

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

Maintain efficient depot and workshop facilities.

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


Maintenance of library facility and housing assets	Routine maintenance undertaken	
Provide waste collections and associated services of town rubbish collections, bulky waste collections and tip cover.	Twice a year Council collects rubbish from towns that is too bulky or unsuitable for the domestic door to door service. Bulky Waste is collected from satellite waste transfer stations by Council and transferred to the regional refuse site at Hamilton	
	To ensure the best use of the Hamilton Refuse Disposal Site, cover is stockpiled and used when necessary.	
Provision of Housing Services	Construction has been completed on the new Independent Living Units at Ouse. Council has been granted a lease over these units and is progressing towards obtaining transfer to Council. The existing Housing Department units at Ouse were transferred to Council together with funds to convert and upgrade the five single units to 2 two bedroom units and 1 single unit.	

WORKS AND SERVICES MANAGEMENT

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

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

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

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



PLANT AND EQUIPMENT

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

Activity	Comment	Status
Maintain plant and ensure its optimised use	<p>Maintenance and operating costs amounted to \$507,524 with plant hire received of \$663,346.</p> <p>Plant purchases during the year were:</p> <ul style="list-style-type: none"> 1 Mitsubishi Triton GLX 4 Wheel Drive 1 TDM Box Trailer 1 Ford Ranger – SES Vehicle 1 Komatsu Grader 1 Pole Pruning Saw 1 Toyota Hilux 4 x 4 1 Mitsubishi Triton 2WD Auto 1 Pig Trailer 1 Nissan X Trail 	☑

EMERGENCY SERVICES

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

Activity	Comment	Status
State Emergency Service	<p>Council's SES Co-ordinator is Graham Rogers, Manager Development and Environmental Services. Jason Branch, Council's Manager Works and Services is the Deputy Co-ordinator.</p> <p>A review of Council's Emergency Management Plan has commenced and will be adopted during 2011/2012.</p>	
Fire Protection	Council staff and plant are available, if required, during the fire season to assist local volunteer fire-fighters and landowners.	

DEVELOPMENT CONTROL





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

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

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

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

The Southern Tasmanian Regional Planning Project which was commenced in February 2009 continues. This initiative is between the State Government, the STCA and the 12 Southern Tasmanian Council's and resulted in the formulation of a Regional Planning Strategy. The project will also assist with the drafting of a new planning scheme for Central Highlands Council and other Southern Council's in accordance with the Common Key Elements Template adopted by the State which has commenced.

Activity	Comment	Status
Provision of statutory requirements for development of land within the Central Highlands	Council employs a Consultant Planning Officer who works with Council one day a week.	
	44 "Permitted" and 44 "Discretionary" development applications have been processed for assessment.	
	There has been 16 subdivision applications (including Boundary Adjustments) received during the year equating to 61 new lots being created.	
Continue with developing a GIS system	This system continues to be a valuable tool for the Development and Environmental Services team in the delivery and assessment of client services. During the year the GIS system was upgraded from EasiMaps to Exponare.	

DEVELOPMENT STATISTICS

	2006-07	2007-08	2008-09	2009-10	2010-11
Total No Applications	127	179	158	113	88
No. Permitted	66	81	88	57	44
No. Discretionary	61	86	56	55	44
Subdivision Applications	17	12	14	15	16
No. Lots	53	26	43	25	61
Planning Scheme Amendments	2	0	2	1	0


NATURAL RESOURCE MONITORING AND ENVIRONMENTAL MONITORING



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

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

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

Ensure the provision of best practice environmental management.





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

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

ENVIRONMENTAL AND PUBLIC HEALTH

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

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

Activity	Comment	Status
Provision of environmental health service	Council registers all food premises and offers food handler training sessions for the community and charity organisations based on the Foodsafe Accreditation Guidelines.	
	Council monitors food quality as part of the state-wide food-sampling program.	
	Places of Assembly are inspected annually to ensure compliance with the Public Health Act and the Guidelines for Health and Safety in Public Places.	
	Council also register private water supply systems pursuant to the Public Health Act 1997. During 2010/2011 ten private water supplies were requested.	

Continue immunisation programs for adults and children

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



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

ENVIRONMENTAL AND PUBLIC HEALTH REPORT

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

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

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

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


- 54 Food Business Registrations have been issued following inspection accordance with the Food Act 2003. These premises are assessed in accordance with Food Standards Code.
- 20 Places of Assembly require licensing in accordance with the Public Health Act and the Guidelines for Health and Safety in Public Places. On completion of Certificate of Occupancies premises are licensed.
- Several Special Events Licences have been issued during the year.
- A DrumMUSTER collection facility continues to operate at the Hamilton Regional Disposal and Recycling Site to provide an ongoing service with two employees trained as DrumMUSTER inspectors.
- School immunisation was carried out in accordance with the National Health and Medical Research Council Immunisation Schedule, and was conducted by Council's Medical Officer of Health at the two schools in the municipality (Bothwell and Ouse).
- "Free" infant immunisation continues to be offered by appointment at the Ouse Surgery and Bothwell Medical Centre as per the national immunisation schedule.
- A grant application was prepared with assistance of the Economic Development Officer for new public toilets at Derwent Bridge.

- Environmental Nuisances are followed up by inspections & the issue of abatement notices or infringement notices.
- Food handler training was conducted at the Central Highlands Community Health Centre.
- A Contaminated Site Assessment was prepared for the Hamilton Works Depot.

BUILDING AND PLUMBING CONTROL

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

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


Activity	Comment	Status
Provision of plumbing and building control service	<p>75 building permit applications and 70 plumbing permit applications have been lodged with Council.</p> <p>Council employs a Building and Plumbing Inspector to undertake routine inspections and assessment of applications. Council continues to employ a Building Surveyor (part time) to issue Certificates of Likely Compliance and to oversee enforcement issues under the Building Act 2000. 59 Certificates of Likely Compliance were issued by Council's Building Surveyor with only 16 being undertaken by private Building Surveyors.</p> <p>Each application was assessed to determine compliance with the Building Code of Australia and the Tasmanian Plumbing Code. Appropriate site inspections were conducted as applicable for each permit.</p> <p>25 special connection (septic tank) permit applications were lodged with Council. Each application was processed following on-site assessment for compliance with the Plumbing Regulations and Tasmanian Plumbing Code.</p>	

BUILDING STATISTICS

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
No. Buildings	112	93	130	122	105	75
No. Plumbing	79	83	97	103	92	70
No. Special Connections	35	32	22	42	42	25
Value of Building Applications	\$3,747,091	\$5,336,995	\$4,648,747	\$8,011,645	\$14,655,282	\$7,452,462

SOLID WASTE MANAGEMENT

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

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

Maintain and operate Council's waste transfer stations

Tenders were called for the servicing of Council's remote Waste Transfer Stations and roadside standalone bins with the Contract being awarded to Jones Enviro Services, with waste from the "Lyell Highway Sites" being compacted and disposed of at the Hamilton Refuse Disposal Site. Waste from the Waste Transfer Stations near Great Lake continues to be compacted and disposed of at the Launceston City Council Refuse Disposal Site.



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

Roadside stand alone bins were trialled in the Lake Area for a 12 month period with a decision made for the bins to remain. Bins have been placed at Reynolds Neck, Brandum Bay, Jillet Road, Doctors Point, Haulage Hill, Interlaken and Cramps Bay. The bins are 4.5 metre bins and are designed to accept domestic waste only and can be accessed 24/7.



Control and maintenance of refuse disposal sites

Council operates one controlled refuse disposal site at Hamilton.



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

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



Collect static recycling and clean sites

Council engage a contractor, Thorp Recycling, to collect recycling from static sites and ensure that sites are clean. Thorp Recycling have made improvements to the way 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.




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



SWIMMING POOL

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




Activity	Comment	Status
Maintain and operate the Swimming Pool	<p>The Bothwell Swimming Pool opens between the months of December and March each year. The Bothwell District High School continues to use the pool during the month of December for school activities such as learn to swim.</p> <p>The Bothwell Swimming Pool Committee meets regularly during the season to ensure the smooth operation of the facility.</p> <p>A new shade area has now been installed at the site.</p>	


ATTENDANCE STATISTICS

Season Passes	2009-10	2010-11
Family	9	6
Junior	3	1
Daily Attendance		
Junior	608	591
Adult	199	159
Season Users	521	332

ANIMAL CONTROL

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

Activity	Comment	Status
All dogs in the area are to be identified and registered	Council has 1 authorised staff member to undertake duties in relation to dog control.	
Advertise and promote registration, control and care of dogs and Council's Dog Management Plan	<p>Council provides information to ratepayers and residents (by pamphlet) on dog management, responsibilities of dog ownership, control of barking dogs, etc.</p> <p>In accordance with the Dog Control Act 2000 a review of the Dog Management Plan was undertaken and adopted by Council.</p>	 

Complaints received by Council are attended to by Council's Dog Control Officer or staff. Complaints are to be in an Official Complaint Form with \$10 fee which is refunded if the complaint is proven valid. 

Amendments to the Dog Control Act were made which requires all dogs to be micro chipped. To assist residents Council held 4 Micro Chipping days with 450 dogs being micro chipped.

DOG CONTROL STATISTICS

	2006/07	2007/08	2008/09	2009/10	2010/11
Dogs Registered	825	810	869	925	951
Kennel Licenses	0	0	0	0	0
Infringement Notices	1	1	0	4	6
Impounded Dogs	17	16	9	27	37
Declared Dangerous Dogs	1	0	0	0	1

OUSE HALL

Council was successful in obtaining funding through the Regional and Local Community Infrastructure Program for upgrading works to be undertaken at the Ouse Hall. The works involved removing the existing floor and construction of a new hardwood timber floor throughout the hall and toilet areas.

The Ouse Hall was unusable until the works covered by this project were undertaken and the completion of the works will now allow the community to have full use of this facility once more.

HAMILTON COMMUNITY CENTRE

Council was successful in receiving funding for upgrading works at the old Hamilton School building for use as a Community Centre. The redevelopment included the replacement of the old leaking tile roof with a new colourbond roof, new gutters and the installation of a rain water tank.

GOVERNANCE AND CORPORATE MANAGEMENT

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

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


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

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

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

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

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

Activity	Comment	Status
Implementation of Policies and decisions of Council	Council policies and decisions are implemented by staff. New policies are implemented as required.	
Maintain Council's strategic and annual plans	Council's Strategic Plan was adopted by Council in 2009 and annual plans are prepared in accordance with the Local Government Act. A revision of the Strategic Plan will be completed during 2014/2015	<input checked="" type="checkbox"/>

ECONOMIC AND COMMUNITY DEVELOPMENT

To promote and expand business development opportunities to assist in increasing employment.

Work closely with the relevant State agencies to facilitate the sustainable development of the Central Highland's significant economic potential including the creation of employment generating opportunities.






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

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

To provide a positive link between the Central Highlands Council and community stakeholders to facilitate social, cultural, recreation, youth and economic development within the community, in conjunction with relevant organisations.

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

Activity	Comment	Status
Develop key targeted tourism strategies for the Central Highlands	Implement tourism development strategies outlined in the Economic Development Plan. Development of the Central Highlands Council Tourism Action Committee. Development of a Regional Visitor Guide. Development and implementation of a Visitation Marketing Plan for the Central Highlands. Work with Tourism Tasmania and key agencies (including Zone groups) to promote the Municipality.	↻
Develop and implement initiatives to attract people to live, work and invest in the Council area.	Implementation of Council's Economic Development Plan strategies. Facilitate the development and distribution of promotional material to attract investment, residents and employment to the municipal area. Continue to strengthen partnerships with key stakeholders at local, state and federal levels.	↻
Ensuring that the needs and services of all ages groups and communities, particularly youth and our ageing population are met.	Implementation of the Municipal Sport and Recreation Plan. Advocate for improved health, education and other Government services within the scope of Council's role and in conjunction with community. Development of a Senior's Program for the Central Highlands.	↻

Council supports new and appropriate community initiatives by giving assistance to community based groups and organisations where the need is justified	Council offers assistance both financial and in kind to support community organisations and events through a range of measures including the Community Grant Program.	
Ensure relevant Council information is disseminated to the community in a timely manner.	Council provide an annual allocation to Centralinc to assist with the production of the Highlands Digest which provides a valuable avenue for disseminating information about the Central Highlands. Council has recently commenced the distribution of a quarterly Council newsletter to all residents within the municipality. Council advertises in the three daily newspapers as and where necessary.	
Provide opportunities for people to come together and develop networks and connections	Council supports and encourages activities and events for the Central Highlands region including Australia Day and ANZAC Day. Management of a Corporate Internship through UTAS to develop a hallmark event for the region. Council representation on the Bothwell Spin-In committee.	
Conduct community consultation on major issues in a manner that ensures an indicative cross section of the community has input	Community consultations have taken place for issues that affect the community including the new Dog Control Management Act.	
Conduct an open and available access policy to ensure members of the community can discuss items of interest or make representation to Councillors and where appropriate, senior staff.	The community has access to all Senior Council Managers. Public question time is allocated at all Council meetings. Arrangements can be made with Council for delegations to attend and make representations at Council meetings.	

The following donations were made during the year:

DONATIONS AND CONTRIBUTIONS

Brighton Family Day Care	\$ 5,000.00		
Stage Production– Great Lakes Comm	\$ 500.00		
Ellendale Community Garden	\$ 250.00	Children's Christmas Party	
Bronte Park Bush Watch	\$ 350.00	Ellendale	\$ 250.00
Ellendale Craft	\$ 500.00	Breast Cancer Fundraiser	\$ 100.00
Community Grant – Senior's Morning tea	\$ 400.00	Highland Digest	\$ 10,800.00
Christmas Lights -Ellendale	\$ 500.00	Breast Cancer – Premier's Grant	\$ 1,500.00
Breast Cancer Fundraiser – Go Highlands	\$ 500.00	School Awards	\$ 750.00
Carpet – CWA Rooms Bothwell	\$ 500.00	Central Hawks 2011 Season	\$ 350.00
Eyles Foundation	\$ 500.00	Hamilton Show	\$ 500.00
Inaugural Miena Brochure	\$ 1,807.50	Bothwell Golf Club	\$ 100.00
Air bag Stabilisers - SES	\$ 1,000.00	Living with Cancer Programme	\$ 500.00
Cradle Coast Marketing	\$ 2,500.00	Restoration Liapootah Clock	\$ 500.00
Ouse Fun Run BBQ	\$ 500.00	"I am my own wife" - Great Lake	
Tas Fire Service State Competition	\$ 500.00	Community Centre	\$ 500.00
Travel Expenses Africa – V Cooper	\$ 500.00	Miena Visitor Brochure	\$ 820.00
Mens Shed Donation	\$ 500.00	Westerway Bush Watch	\$ 500.00
Great Lake Annual Christmas Party	\$ 200.00		

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

Centralinc Senior Lunches
 Landcare Groups
 Hamilton District Agricultural Show Committee
 Bothwell Lions Club
 Anglican Parish of Hamilton
 Upper Derwent Valley Natural Resource Management Committee
 Bothwell Historical Society
 Bothwell Tourism Committee
 Wayatinah Sports & Social Club
 Bothwell International Spin-In Committee
 Gretna Cricket Club
 Central Hawks Football Club

CORPORATE AND FINANCIAL SERVICES

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

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




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

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



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

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

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

Activity	Comment	Status
Recovery of Rate Debts	Council continue to monitor rate debtors. Rate debtors as at 30 June 2011 amounted to \$309,745 compared to \$220,092 for the previous financial year.	
Creditors Control	Council endeavour to ensure that all creditors are paid in a timely manner.	
Estimates, Annual Plan and Annual Report.	These were all completed and adopted.	<input checked="" type="checkbox"/>
Sundry financial services	Monthly reports and quarterly reports are submitted to Council.	

COMPUTER DEVELOPMENT AND EQUIPMENT

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

HUMAN RESOURCES

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

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

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

TOTAL REMUNERATION BRACKET	NO OF SENIOR EMPLOYEES
\$60,000 - \$80,000	4
\$80,000 - \$100,000	0
\$100,000 - \$120,000	1

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

Total Allowances and expenses paid to the Mayor, Deputy Mayor and Councillors were \$100,523.

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

Council's investment in Southern Water is \$9,211,180 which represents a 1.0% of equity share.

PUBLIC INTEREST DISCLOSURES STATEMENT

Under Part 9 of the Public Interest Disclosures Act, Council has established a written procedure in accordance with the Act. There have been no disclosures wither raised or determined during 2009/2010.

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

Description	Period of Contract	Value excluding GST	Successful Contractor	Business Address Of Successful Contractor
Supply and servicing of waste material from waste transfer stations	1 November, 2006 to 30 June, 2011.	\$118,874 p.a.	Willowee Holdings Pty Ltd T/A Jones Waste Management	9 Donalds Avenue Prospect
Re-Seal program	January 2010-December 2010	Based on various sites and sizes	Roadways	PO Box 303 Glenorchy
Win, Crush & Stockpile Gravel	Accepted extended option to 30 June 2012	Based on various quantities & sites tendered.	Fieldwicks Construction	North
Alterations to Housing Department Units, Lyell Highway, Ouse		\$127,000	T & P Builders	8 Macquarie Court, New Norfolk

NON APPLICATION OF PUBLIC TENDER PROCESS

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

Council has applied the public tender process in all situations where it is required in accordance with Section 333A of the Local Government Act 1993. Council advises that no report is required for the 2010/2011 year.

LAND DONATED

Council is currently in the process of transferring the Osterley War Memorial Hall and land to the Osterley Hall Committee at no cost. The Hall Committee has advised that they will restore the Hall for community use. The proposed transfer was advertised and no objections were received by Council. The property is valued at \$55,000.

PARTNERSHIP AGREEMENT

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

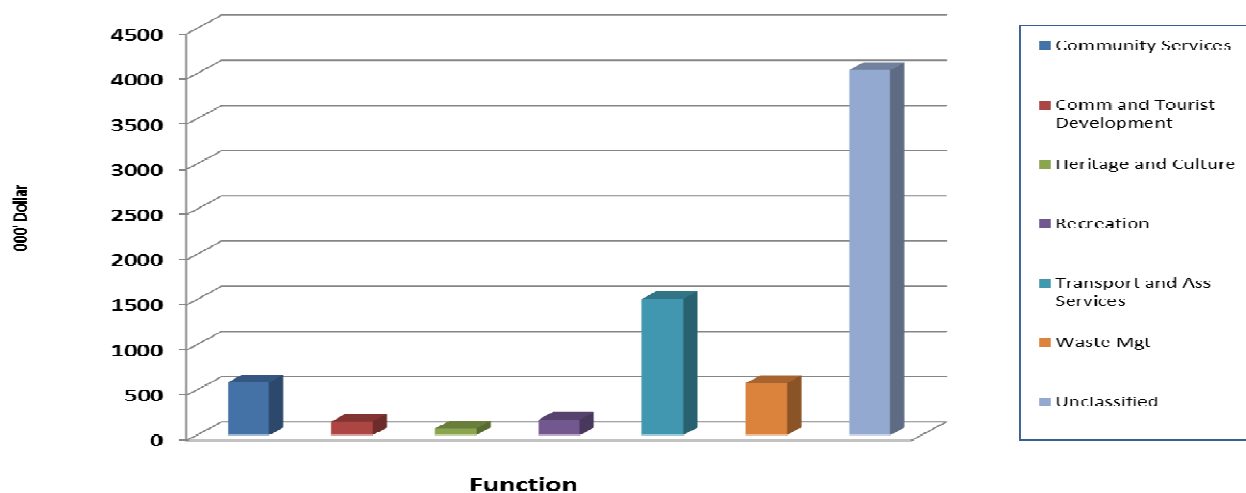
FINANCIAL PERFORMANCE INDICATORS

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

Indicator	2011 %	2010 %	2009 %	2008 %	2007 %	2006 %	2005 %	2004 %	2003 %	2002 %
Rate Revenue Analysis Rate Income : Total Revenue	48	45	46	43	40	33	25	27	27	33
Working Capital Ratio Current Assets: Current Liabilities	10.51	9.46	8.32	6.86	7.22	8.14	5.99	5.22	4.67	3.36
Debt Ratio Total Liabilities: Total Assets	.61	64	.67	.70	.84	.99	.01	.01	.01	.02

EXPENDITURE

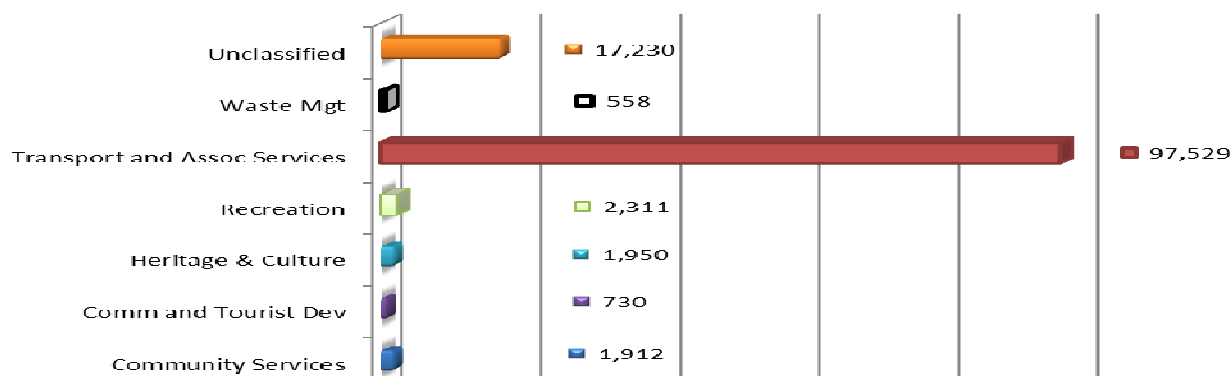
Expenditure by Function



\$000's

RESERVES	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Plant Replacement	100	82	100	100	400	449	428	483	453	453
Roads										
Water					141					
Sewerage	435	178	170	170	223					
Bridges	575	676	750	750	355	405	405	355	377	377
Sundry	509	817	1,510	369	191	305	183	591	619	721
Long Service Leave	221	225	225	225	225	225	231	231	231	231
Independent Living Units	28	39	43		187	95				
Regional Refuse Site	60	70	80	80	80	80	80	80	80	
Quarry Reserve	28	38	50	50	50		80	80	80	80
Shacksites Programme				2,476	1,560	1,270	78	162	158	158
Roads to Recovery	340	112			359	359	354	203	5	79
Bothwell Pool	5	21	23	24	25	6	6	6		
Total	2,301	2,258	2,951	4,244	3,796	3,194	1,845	2,191	2,003	2,099

Assets Attributed to functions in '000 Dollars



NON CURRENT ASSETS

Non-Current Asset	June 2011 Asset Value \$'000	June 2010 Asset Value \$'000	Increase/(Decrease) \$'000
Land	3,021	2,856	165
Buildings	4,565	4,508	57
Plant, Machinery and Equipment	2,141	1,952	189
Motor Vehicles	109	105	4
Office Equipment	75	78	(3)
Computer Equipment	60	81	(21)
Infrastructure	461	471	(10)
Roads	88,991	91,088	(2,097)
Drainage Systems	745	757	(12)
Bridges	4,882	4,660	222
Footpaths, Kerbs and Gutters	458	449	9
Works in Progress	18		18
Receivables		8	(8)
Valuer-General	84	112	(28)
Investment in Southern Water	9,211	9,158	53
Totals	114,821	116,283	(1,462)



INDEPENDENT AUDITOR'S REPORT

To the Councillors of Central Highlands Council

Financial Report for the Year Ended 30 June 2011

I have audited the accompanying financial report of Central Highlands Council (Council), which comprises the statement of financial position as at 30 June 2011 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

Auditor's Opinion

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2011 and financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

The Responsibility of the General Manager for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the General Manager's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Manager, as well as evaluating the overall presentation of the financial report.

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

Making a Difference

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

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

Independence

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

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

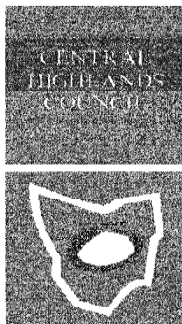
TASMANIAN AUDIT OFFICE



J J Tongs
TECHNICAL AND QUALITY DIRECTOR
Delegate of the Auditor-General

HOBART

30 September 2011



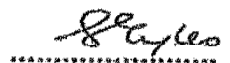
GENERAL PURPOSE FINANCIAL REPORT

For the reporting period end 30 June 2011

I, Lynette Maree Eyles certify that in my opinion:-

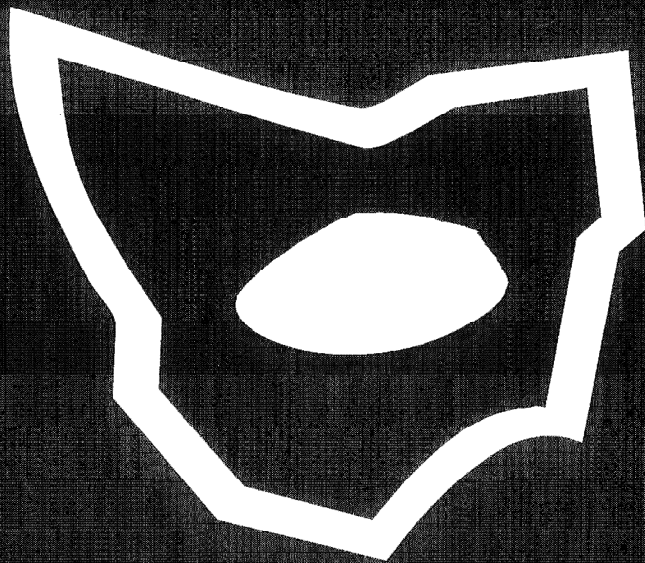
- 1. the general purpose financial report fairly represents:**
 - a) the financial positions of the council; and**
 - b) the results of the council's operations; and**
 - c) the cash flow of the council.**
- 2. The general purpose financial report has been prepared in accordance with the requirements of the Local Government Act 1993 (as amended), the statement of Accounting Concepts and applicable Accounting Standards.**

**L.M.Eyles
General Manager**


.....

Dated at Hamilton this 11 Day of August, 2011.

CENTRAL HIGHLANDS COUNCIL



CENTRAL HIGHLANDS COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June 2011

	Notes	2,011 \$ BUDGET	2011 \$ ACTUAL	2010 \$ ACTUAL
Revenues				
General rates	7	2,642,391	2,679,914	2,531,230
User charges		242,060	339,271	391,421
Interest		200,000	319,241	245,943
Heavy vehicle registration fees contribution		27,000	54,753	59,319
Government subsidies - pensioner rate remissions		50,000	53,524	52,168
Government grants - operating	36	2,203,876	1,921,304	1,893,417
Private works		300,000	109,789	315,156
Other revenue		132,000	59,516	102,818
Total revenue		5,797,327	5,537,312	5,591,472
Expenses				
Employee benefits	3	1,456,887	1,582,633	1,536,253
Depreciation & amortisation	4	4,822,182	2,915,830	4,699,085
(Gain)/Loss on disposal of non-current assets	5	(138,100)	(26,608)	19,082
Fire levy		170,316	170,316	158,034
Fuel		-	194,257	215,570
Light & power		38,588	108,336	79,973
Insurance		122,500	101,809	117,561
Materials & contracts		922,750	1,520,451	1,803,578
Other expenses	6	1,933,313	532,002	600,821
Total expenses	2	9,328,436	7,099,025	9,229,956
Deficit for the year before:		(3,531,109)	(1,561,713)	(3,638,485)
Assets received for no consideration		-		250,000
Government grants - capital	36	-	121,407	410,120
Deficit for the year		(3,531,109)	(1,440,306)	(2,978,365)
Other comprehensive income				
Fair Value Adjustment of Southern Water Investment		-	52,860	(116,203)
Asset Revalue Movement		-	377,769	5,215,000
Comprehensive result		(3,531,109)	(1,009,677)	2,120,432

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

CENTRAL HIGHLANDS COUNCIL
FINANCIAL POSITION
As at 30 June 2011

	Notes	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	8	6,882,232	6,522,557
Receivables	9	452,653	401,772
Prepayments		79,422	80,154
Accrued income		22,456	23,248
Inventories		16,896	12,910
Total Current Assets		7,453,660	7,040,641
NON-CURRENT ASSETS			
Land	10	3,020,735	2,855,689
Buildings	11	4,565,484	4,507,615
Plant, machinery & equipment	12	2,140,601	1,952,232
Motor vehicles	13	109,280	105,136
Office equipment	14	74,834	78,158
Computer equipment	15	59,660	80,688
Infrastructure assets	16	460,735	471,448
Roads	17	88,991,258	91,087,654
Drainage system	18	744,865	756,186
Bridges	19	4,882,566	4,659,817
Footpaths, kerbs & gutters	20	457,795	449,132
Investment Southern Water	1 (v)	9,211,180	9,158,320
Work in progress	21	18,229	-
Receivables		-	7,884
Intangibles	22	84,000	112,000
Total non-current assets		114,821,221	116,281,959
TOTAL ASSETS		122,274,881	123,322,600
CURRENT LIABILITIES			
Payables	23	194,508	242,122
Provisions	24	514,352	502,392
Total current liabilities		708,860	744,514
NON CURRENT LIABILITIES			
Provisions	25	36,652	39,041
Total non-current liabilities		36,652	39,041
TOTAL LIABILITIES		745,512	783,555
NET ASSETS		121,529,368	122,539,045
EQUITY			
Accumulated surplus		27,928,782	29,464,762
Asset revaluation reserve		91,448,788	91,071,019
Reserves	26	2,151,798	2,003,264
TOTAL EQUITY		121,529,368	122,539,045

The above balance sheet should be read in conjunction with the accompanying notes

CENTRAL HIGHLANDS COUNCIL
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2011

	Accumulated Surplus		Asset Revaluation Reserve		Fair Value Reserve		Reserves (note 28)		Total Equity	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Balance at the beginning of the financial year	29,464,762	26,893,299	91,071,019	91,334,019			2,003,264	2,191,264	122,539,045	120,418,582
Total comprehensive result	(1,440,306)	(3,094,537)	377,769	5,215,000	52,860		-	-	(1,009,577)	2,120,463
Transfer of assets to Southern Water		5,478,000		(5,478,000)			-	-	-	-
Transfers to reserves	(530,130)	(57,000)		-			(454,456)	87,000	(1,004,586)	-
Transfers from reserves	454,456	275,000	-	-			530,130	(275,000)	1,004,586	-
Balance at the end of the financial year	27,928,782	29,464,762	91,448,788	91,071,019	52,860	-	1,098,938	2,003,264	121,529,368	122,539,045

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

CENTRAL HIGHLANDS COUNCIL
STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2011

	Notes	Inflows (Outflows) 2011 \$	Inflows (Outflows) 2010 \$
Cash flows from operating activities	1		
Receipts			
Rates		2,551,930	2,497,000
User charges		393,132	440,000
Government subsidies		59,319	52,000
Government grants		2,042,711	1,894,000
Interest received		320,033	222,000
GST collected		325,173	350,000
Other revenue		303,251	1,137,470
		<u>5,995,549</u>	<u>6,592,470</u>
Payments			
Wages and salaries		(1,525,097)	(1,580,000)
Materials, contracts and other payments		(3,051,179)	(3,047,000)
GST paid to Australian Taxation Office		(53,861)	(74,000)
		<u>(4,630,137)</u>	<u>(4,701,000)</u>
Net cash from operating activities	30	<u>1,365,412</u>	<u>1,891,470</u>
Cash flows from investing activities			
Payments for property, plant & equipment		(1,124,393)	(1,625,000)
Proceeds from sale		118,655	140,530
Net cash in investing activities		<u>(1,005,738)</u>	<u>(1,484,470)</u>
Net increase (decrease) in cash held		359,674	407,000
Cash at beginning of reporting period		6,522,557	6,115,557
Cash at end of reporting period	8	<u>6,882,231</u>	<u>6,522,557</u>

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

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

This general purpose financial report has been prepared on an accruals basis in accordance with the Framework for the Preparation and Presentation of Financial Statements, applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). It is presented in Australian dollars. Past values were rounded to the nearest thousand dollars (\$'000), current values are rounded to the nearest dollar. The financial statements include only Central Highlands Council; Council has no subsidiaries.

Except for certain assets which are valued at fair value in accordance with AASB 116 as disclosed in the relevant notes, the report has been prepared in accordance with the historical cost convention.

The financial statements and notes of Council comply with International Financial Reporting Standards (IFRS). 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.

In the application of accounting standards and other authoritative pronouncements of the AASB management 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.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

b) The Local Government Reporting Entity

All Funds through which Council controls resources to carry on its functions have been included in these statements.

In the process of reporting on Council as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated in full.

Amounts, if any, received as tender deposits and retention amounts controlled by Council are included in the amount disclosed as "payables" within current liabilities.

c) Revenue Recognition

Revenue

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

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. A provision for doubtful debts on rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt or upon notification that a grant has been secured.

Grants, donations and other contributions are brought to account as revenue at the earlier of their receipt or receipt of formal notification in writing from a recognised authority that a grant has been secured.

Unreceived contributions over which Council has no control are recognised as receivables.

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

Donations and other contributions that are not subject to accompanying conditions that they be expended in a particular manner or for a particular purpose are recognised as revenue in the reporting period when Council obtains control over the assets comprising the contributions and donations.

User 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 occurs first. An allowance for impairment is recognised when collection in full is no longer probable.

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

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

d) Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

e) Property, Plant & Equipment and Infrastructure

The cost method of accounting is used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition and all other costs incurred in getting the asset ready for use.

Non monetary assets received in the form of grants or donations are recognised as assets and revenues at their fair value at date of receipt.

f) Valuation of Non-current assets

The majority of Council's non-current assets are disclosed at fair value as determined from time to time by independent consultant engineers (Pitt & Sherry). Those assets disclosed at fair value and not valued by consultant engineers are valued as disclosed in the relevant notes. Fair value is based on market evidence where available, otherwise it is based on depreciated replacement cost. Fair value is reassessed with accumulated depreciation restated proportionately so that the carrying amount equals the revalued amount. Details regarding non-current assets are disclosed in Notes 10 to 24. The following measurement bases therefore apply:

Land	Fair value
Buildings	Fair value
Plant, machinery & equipment and motor vehicles	Cost
Office and Computer equipment	Cost
Infrastructure assets	Cost
Roads	Fair value
Drainage System	Fair value
Water Schemes	Fair value
Sewerage Schemes	Fair value
Bridges	Fair value
Footpaths, kerb and gutters	Fair value
Intangibles	Cost

The provision of AASB 136 paragraph AUS 32.1 is observed and the recoverable amount test is not applied unless there is evidence of impairment of any particular class of assets. Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment, or reversal of any prior impairment, at each reporting date. Where there is indication of impairment the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount the asset is considered impaired and is written down to the recoverable amount and the impairment loss recognised in the Statement of Comprehensive Income. Any impairment reversal is recognised in the Statement of Comprehensive Income only to the extent that it reverses a previous adjustment.

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

g) Depreciation and Amortisation

Depreciation is calculated on a straight-line basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life. Rates have been advised by the Australian Valuation Office in respect of assets valued by them. Assets added since valuation are depreciated at rates based on their estimated useful lives commencing from the beginning of the month after which the asset first became available for use. Consultation in 2011 with Pitt and Sherry has resulted in a reduction in depreciation for roads, as Unsealed surfaces had previously been written off over a 15-20 year period, with no residual value to the asset. It has been agreed that this year, the Unsealed roads have a residual value of 50% which reduces the amount of depreciation applicable. This effectively increases the useful life from 15-20 years to 30-40 years. This has been reflected in the 2011 depreciation figures, and will be further adjusted when Roads are formally valued in the 2011-2012 Financial Year. The intangible asset relating to revaluation of the municipality is being written off over the period up to the due date of the next revaluation.

Depreciation periods are:	Years
Buildings	10 to 100
Plant	2 to 15
Motor vehicles	nil to 2
Office equipment	10 to 20
Computers	2.5 to 10
Infrastructure	10 to 20
Roads sealed	3 to 200
Roads unsealed	35
Drainage systems	100
Sewerage schemes	20 to 100
Bridges	20 to 80
Footpaths, kerbs & gutters	5 to 80
Water	2 to 100
Intangibles	6

h) Employee Entitlements

Employee benefits are calculated in accordance with AASB 119 Employee Benefits. On-costs relating to employee benefits, such as payroll tax and workers compensation insurance, are calculated and included as liabilities but are not classified as employee entitlements. Liabilities owed to employees are recognised at the remuneration rate that Council expects to pay when the obligation is settled.

(i) Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries and annual leave expected to be settled within 12 months are recognised, and are measured at their nominal value using remuneration rates expected to be paid when entitlements are taken. Liability for sick leave has been created under a collective bargaining agreement and is recognised in the financial statements. Oncosts (superannuation and workers compensation) relating to these liabilities are recorded separately.

(ii) Long Service Leave and Non Current Annual Leave

A liability for long service leave and non current annual leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated cash outflows.

The amount vested in employees as **30 June 2011** (i.e the amount for which Council has no unconditional right to defer settlement beyond 12 months) is recognised as a current liability in the balance sheet. The balance is recognised as non-current. Oncosts relating to long service leave and non current annual leave (superannuation and workers compensation) have been recognised as a separate liability. To the extent that it is expected that settlement of leave will give rise to the payment of superannuation contributions, superannuation contributions are accrued as part of the provisions for leave.

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

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

(iii) Superannuation

A liability is not recognised in respect to unfunded liabilities arising from superannuation schemes to which council contributes. Unfunded liabilities are defined as the difference between the present value of employees' accrued benefits at the reporting date and the net market value of the superannuation scheme's assets at that date. The council's share of unfunded liabilities as at the reporting date is disclosed in Note 29.

The superannuation expense for the reporting period is the amount of the statutory contribution Council makes to the superannuation plans that provide benefits to its employees.

(iv) Employee Numbers

The Council employed 27 employees at the end of the reporting period (2010, 25).

i) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows cash and cash equivalents include restricted cash and cash equivalents. They are comprised of cash on hand and short term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

j) Leases

The Council currently has no financing lease arrangements. Its operating lease commitments are outlined in Note 34.

k) Financial Instruments

Council has two categories of financial instrument:

- Loans and receivables (cash and cash equivalents, loans and receivables)
- Available for sale (investment in water corporation)

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurements is at amortised cost using the effective interest rate method.

The fair value of short term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

Council assesses whether there is any objective evidence of impairment of its financial assets at each reporting date.

l) Receivables

Receivables are recognised and carried at original invoiced amounts. No impairment is recognised in relation to rate receivables as any amounts unpaid are recovered when a property is sold.

m) Recognition of Purchased Assets

Items will not be recognised as assets but treated as expenses if their purchase or construction cost does not reach certain limits. These limits vary according to the asset classification. The limits range from \$500 (office equipment and infrastructure assets) to \$5,000 (roads).

n) Payables

Payables are recognised when Council becomes obliged to make future payments as a result of a purchase of assets or services. Their carrying amount is equivalent to fair value as they are settled within specific trading terms or 30 days, whichever is earlier.

o) Loan Borrowings

The borrowing capacity of Council is limited by the Local Government Act 1993. Loans are valued in the financial statements as the principal outstanding as at balance date, which would be repayable in the ordinary course of business and in accordance with the existing term of each loan.

p) Significant Business Activities

For its significant activities, which were deemed to be water and sewerage, Council was required to provide details of the opportunity cost of capital and competitive neutrality costs. These are provided in Note 37. Council is no longer involved in these businesses and so no longer operates a significant business activity. Council operates Camping Grounds and details are provided at Note 36.

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

Competitive neutrality costs are those net costs e.g. rates and income tax, which would be payable by an entity other than local government performing the same activities. Local government is currently exempt from such costs.

The opportunity cost of capital is an estimate of the return or dividend that would be required by private investors were the net assets of the activity provided from that source. It has been deemed that a return equivalent to the long term government bond rate plus a margin of 2% for risk is appropriate.

q) 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 cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

r) Inventories

Inventories consist of materials held in store for maintenance and construction requirements and are carried at the lower of cost and net replacement value. Materials are taken into the store at cost and issued at average price.

s) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

t) Land Under Roads

Under standard AASB1051 paragraphs 8 and 9 Council has elected not to recognise land under roads acquired prior to 30 June 2008. From 1 July 2008 any land under roads is recognised in accordance with AASB116; that is it is not generally recognised until it satisfies both recognition criteria of providing economic benefits and having a reliably measured cost. As such land is generally acquired for no or nominal consideration, when it is recognised its cost is its fair value.

u) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to Council but are not yet effective. They have not been adopted in preparation of the financial report at reporting date.

Standard / Interpretation
Summary

Applicable for annual reporting periods beginning or ending on

Impact on Local Government financial statements

AASB 9: Financial Instruments, AASB 2009-11 and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]

These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements.

Specific changes include:

Applicable for annual reporting periods commencing on or after 1 January 2013.

These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments.

- * simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- * removing the tainting rules associated with held-to-maturity assets;
- * simplifying the requirements for embedded derivatives;
- * removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- * allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- * reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - a. the objective of the entity's business model for managing the financial assets; and
 - b. the characteristics of the contractual cash flows.

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

AASB 124: Related Party Disclosures

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. Applicable for annual reporting periods commencing on or after 1 January 2011

Although this standard does not strictly apply to Local Government it is often used as guidance, as such there will be greater clarity on the disclosure of inter government transactions.
AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.

Applicable for annual reporting periods commencing on or after 1 January 2011.

These amendments are not expected to impact Council

AASB 2009-14: Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]

This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

Applicable for annual reporting periods commencing on or after 1 January 2011

These amendments are not expected to impact Council.

AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
Introduces reduced disclosure requirements for certain types of entities.

Applicable for annual reporting periods commencing on or after 1 January 2013.

This standard is not expected to have a financial impact.

AASB 2010-5 : Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (October 2010).

This Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Report. There is no financial impact resulting from the application of this revised Standard.

Applicable for annual reporting periods commencing on or after 1 Jan 2011.

These amendments are not expected to impact Council.

Standard / Interpretation

Summary

Applicable for annual reporting periods beginning or ending on

Impact on Local Government financial statements

AASB 2010-6: Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7].

This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.

Applicable for annual reporting periods commencing on or after 1 July 2011.

These amendments are not expected to impact Council.

AASB 1053: Application of Tiers of Australian Accounting Standards

This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.

This Standard is not expected to impact Council. However, it may affect disclosures if reduced disclosure requirements apply.

Applicable for annual reporting periods commencing on or after 1 January 2013.

These amendments are not expected to impact Council.

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

AASB 1054: Australian Additional Disclosures

This Standard sets out the specific disclosures for entities that have adopted Australian Accounting Standards that are additional to the requirements under International Reporting Standards, including disclosures relating to the nature of the financial report, audit fees and the reconciliation of net operating cash flows to net result.

Applicable for annual reporting periods commencing on or after 1 Jan 2011.

This standard is not expected to have a financial impact.

v) Water and Sewerage Reform

There is no active market for the investment and so it is valued at Council's share of total equity as at each balance date. Changes in the fair value are recognised as revenue or expense in the Comprehensive Income Statement each year. Council's investment is disclosed on the face of the Statement of Financial Position with the value being determined as disclosed above.

Council's share of the Corporation's net assets at 30 June 2011 was \$9,158,320

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

2 FUNCTIONS/ACTIVITIES OF THE MUNICIPALITY

a) Revenues, expenses and assets have been attributed to the following functions/activities. Details of those functions/activities are set out in note 2b).

	Community Services		Comm & Tourist Dev		Heritage & Culture		Recreation		Sport & Assoc Services		Waste & Env Mgt		Unclassified		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Expenses	\$ 584,524	\$ 593,000	\$ 151,738	\$ 332,000	\$ 71,265	\$ 159,000	\$ 170,638	\$ 207,000	\$ 1,907,450	\$ 6,806,500	\$ 573,985	\$ 529,000	\$ 4,037,435	\$ 1,334,000	\$ 7,099,025	\$ 9,220,000
Revenue:																
Rates	171,458	59,000	-	-	-	-	-	-	-	-	438,199	421,000	1,998,316	1,951,000	2,607,975	2,531,000
Grants	-	-	-	-	-	-	-	-	-	-	-	-	2,042,711	3,304,000	2,042,711	2,304,000
Other	185,816	119,000	66,532	93,000	2,738	5,000	2,125	4,000	165,067	435,000	8,729	36,000	505,026	724,000	936,094	1,417,000
Total	357,274	278,000	66,532	93,000	2,738	5,000	2,125	4,000	165,067	435,000	446,928	457,000	4,546,053	4,979,000	5,586,778	6,252,000
Change in net assets from op'ns	(227,250)	(615,000)	(85,156)	(239,000)	(70,527)	(154,000)	(168,501)	(213,000)	(1,342,383)	(5,610,000)	(127,048)	(72,000)	508,618	3,625,000	(1,512,247)	(2,978,000)
Assets:																
Non-current	1,912,145	1,841,000	700,104	785,000	1,950,149	1,949,000	2,311,469	2,451,000	97,529,403	103,385,000	558,287	574,000	9,776,704	5,997,000	114,768,360	116,283,000
Current	-	-	-	-	-	-	-	-	-	-	-	-	7,453,660	7,040,000	7,453,660	7,040,000
Total	1,912,145	1,841,000	700,104	785,000	1,950,149	1,949,000	2,311,469	2,451,000	97,529,403	103,385,000	558,287	574,000	17,230,364	12,437,000	122,222,021	123,323,000

CENTRAL HIGHLANDS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2011

2 FUNCTIONS/ACTIVITIES OF THE MUNICIPALITY CONTINUED

b) The activities of the municipality are categorised into the following broad functions:

Community Services

The provision of public safety, law and order including fire protection and animal control. Health, education and housing for the community together with welfare services for families and children, and the aged and disabled.

Commercial and Tourist Development

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.

Heritage and Culture

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

Recreation

Provision and maintenance of passive and active recreational areas, provision of supported school holiday programs together with the maintenance of swimming pools and other recreational facilities.

Transport and Associated Services

Management and maintenance of roads, bridges, footpaths, kerbs and guttering. Provision of street lighting, street beautification and control of traffic and parking.

Waste and Environmental Management

Collection, handling, processing and disposal of waste material, operation of tip sites and waste transfer stations. Provision of appropriate drainage systems. Water and sewer activities were included in prior years.

Unclassified

All revenues and expenditure that cannot be attributed directly to one of the other listed functions.

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

	2011	2010
	\$	\$
3 EMPLOYEE BENEFITS		
Wages and salaries	1,354,860	1,291,118
Superannuation defined benefits plans	32,867	37,139
Superannuation defined contribution plans	96,338	92,486
Annual and long service leave	83,135	90,264
Sick leave	12,741	26,281
Compassionate leave	2,692	5,964
	1,582,633	1,543,253
Less amounts capitalised	-	(7,000)
	1,582,633	1,536,253

Refer to Note 1 re oncosts in relation to leave

4 DEPRECIATION AND AMORTISATION

Depreciation and amortisation expense was charged in respect of:

	2011	2010
	\$	\$
Buildings	93,594	89,541
Plant, machinery and equipment	244,915	222,334
Motor vehicles	15,656	12,590
Office equipment	5,219	12,069
Computer equipment	31,069	41,013
Infrastructure assets	42,953	39,773
Footpaths, kerbs and gutters	14,673	14,673
Bridges	233,697	203,907
Drainage systems	11,321	11,321
Roads	2,194,733	4,023,866
Intangible - municipal revaluation	28,000	28,000
	2,915,830	4,699,085

5 GAIN (LOSS) ON DISPOSAL OF NON-CURRENT ASSETS

	2011	2010
	\$	\$
Plant, Machinery and Equipment		
Proceeds from sales	101,382	65,830.58
Carry amount	(69,112)	(77,563)
	2011	2010
	\$	\$
Motor Vehicles		
Proceeds from sales	17,273	24,091
Carry amount	(20,920)	(30,841)
Office Equipment		
Less carrying amount	(2,014)	-
Total Gain (Loss) on Sales	26,608	(18,482)

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

6 OTHER EXPENSES	2011	2010
	\$	\$
Auditor's remuneration audit services	20,068	27,215
Valuation fees	13,900	12,073
Aldermen's emoluments	100,523	90,408
Communications link & telephones	34,456	21,964
Payroll tax	40,430	45,975
Local Government Association	21,910	25,759
Community services support & donations	33,678	42,445
Land tax	16,553	17,113
Other	250,484	317,869
	<u>532,002</u>	<u>600,821</u>

7 RATE REVENUE	2011	2010
	\$	\$
General	2,034,287	1,951,098
Garbage	438,199	159,046
Fire levy	171,458	421,086
Rates Received in Advance	35,971	
	<u>2,679,914</u>	<u>2,531,230</u>

Rates Received in advance was not isolated in 2010
Total amount for held at 30 June 2010 in advance was \$26,382.42

8 CURRENT ASSETS - CASH AND CASH EQUIVALENTS	2011	2010
	\$	\$
Cash at bank and on hand	<u>6,882,232</u>	<u>6,522,557</u>

The above figure agrees with cash at the end of the financial year as shown in the Statement of Cash Flows. For the purpose of the Statement of Cash Flows cash includes cash on hand and in banks and investments in money market instruments.

9 CURRENT ASSETS - RECEIVABLES	2011	2010
	\$	\$
Rates receivable	348,620	220,711
Goods & services tax	38,903	18,822
Current financial asset	-	6,304
Other debtors	85,321	176,126
	<u>472,844</u>	<u>421,963</u>
Less: Allowance for impairment	<u>(20,191)</u>	<u>(20,191)</u>
	<u>452,653</u>	<u>401,772</u>

Unpaid rates are recoverable on the sale of the property concerned. Other debtors normally consists primarily of amounts due in respect of private works. Experience shows that these amounts are normally paid in full, although a provision of \$20,191 is included in the 2011 financial statements (\$20,191 2010) in relation to a business in liquidation. No bad debts were written off during 2010/2011 (nil 2009/10).

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

	2011	2010
	\$	\$
Aged Analysis		
The ageing analysis of receivables is as follows:		
Current	256,019	113,000
0-30 days (past due but not impaired)	10,511	22,000
31-60 days (past due but not impaired)	35,710	4,000
91+ days (past due but not impaired)	78,471	263,000
	380,712	402,000

10 NON-CURRENT ASSETS - LAND

	2011	2010
	\$	\$
Land at fair value	2,794,549	2,794,549
Land at cost	226,186	61,139
	3,020,735	2,855,689
Opening carrying value	2,855,689	3,000,550
Revaluation	-	-
Additions	165,046	83,139
Disposals	-	(228,000)
Closing Carrying Value	3,020,735	2,855,689

A full independent valuation of land was undertaken by the Valuer-General as at 30 June 2009.

11 NON-CURRENT ASSETS - BUILDINGS

	2011	2010
	\$	\$
Buildings at fair value	4,597,156	4,572,477
Buildings at cost	151,463	24,679
Less accumulated depreciation	(183,135)	(89,541)
	4,565,484	4,507,615
Opening carrying value	4,507,615	4,365,066
Revaluation	-	1,000
Additions	151,463	252,679
Disposals	-	(22,000)
Depreciation Expense	(93,594)	(89,129)
Closing Carrying Value	4,565,484	4,507,615

An independent valuation of buildings was undertaken by the Valuer-General as at 30 June 2009.

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

12 NON-CURRENT ASSETS - PLANT, MACHINERY AND EQUIPMENT

	2011	2010
	\$	\$
Plant, machinery and equipment at cost	3,532,767	3,269,033
Less accumulated depreciation	(1,392,166)	(1,316,801)
Plant, machinery and equipment at cost	2,140,601	1,952,232
Opening carrying value	1,952,232	2,028,142
Additions	502,396	242,987
Disposals	(81,342)	(96,563)
Depreciation Expense	(232,685)	(222,334)
Closing Carrying Value	2,140,601	1,952,232

13 NON-CURRENT ASSETS - MOTOR VEHICLES

	2011	2010
	\$	\$
Motor vehicles at cost	134,132	122,118
Less accumulated depreciation	(24,852)	(16,983)
Motor vehicles at cost	109,280	105,136

	2011	2010
	\$	\$
Opening carrying value	105,136	92,607
Additions	40,720	55,959
Disposals	(22,536)	(30,841)
Depreciation Expense	(14,039)	(12,590)
Closing Carrying Value	109,280	105,136

14 NON-CURRENT ASSETS - OFFICE FURNITURE AND EQUIPMENT

	2011	2010
	\$	\$
Office furniture & equipment at fair value	105,847	168,895
Less accumulated depreciation	(31,014)	(90,738)
Office furniture & equipment at fair value	74,834	78,158
Opening carrying value	78,158	90,226
Revaluation	-	-
Additions	3,910	-
Disposals	(2,014)	-
Depreciation Expense	(5,219)	(12,069)
Closing Carrying Value	74,834	78,158

Office furniture and equipment assets were revalued as at 30 June 2009 by an independent valuer, Frescatti Pty Ltd. A considerable number of furniture assets are valuable due to their age.

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

15 NON-CURRENT ASSETS - COMPUTER EQUIPMENT

	2011 \$	2010 \$
Computer equipment at cost	259,773	249,732
Less accumulated depreciation	(200,113)	(169,044)
Computer equipment at cost	59,660	80,688
Opening carrying value	80,688	106,005
Additions	10,041	15,695
Disposals	-	-
Depreciation Expense	(31,069)	(41,013)
Closing Carrying Value	59,660	80,688

16 NON-CURRENT ASSETS - INFRASTRUCTURE ASSETS

	2011 \$	2010 \$
Infrastructure assets at cost	734,617	702,377
Less accumulated depreciation	(273,883)	(230,930)
Infrastructure assets at cost	460,735	471,448
Opening carrying value	471,448	371,493
Additions	32,240	139,728
Depreciation Expense	(42,953)	(39,773)
Closing Carrying Value	460,735	471,448

17 NON-CURRENT ASSETS - ROADS

	2011 \$	2010 \$
Roads at fair value	125,013,257	124,914,920
Less accumulated depreciation	(36,021,999)	(33,827,266)
Roads at fair value	88,991,258	91,087,654
Roads at fair value		
Opening carrying value	91,087,654	89,582,522
Revaluation	-	4,969,970
Additions	98,337	559,028
Depreciation Expense	(2,194,733)	(4,023,866)
Closing Carrying Value	88,991,258	91,087,654

Roads assets were revalued as at 30 June 2008 by an independent valuer, Pitt & Sherry. These amounts were adjusted by an index at 30 June 2010. Consultation with Pitt and Sherry has resulted in a significant reduction of depreciation expense for 2011 as the Unsealed roads were being depreciated over a 15-20 year period with no residual value. The amended expense reflects a 50% residual value with no change to the length of time that the asset is being depreciated, and will reflect accurately in 2012 when Roads are formally valued.

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

18 NON-CURRENT ASSETS - DRAINAGE SYSTEM

	2011	2010
	\$	\$
Drainage system at fair value	1,151,493	1,151,493
Less accumulated depreciation	(406,628)	(393,307)
Drainage system - at fair value	<u>744,865</u>	<u>756,186</u>
Drainage system at fair value		
Opening carrying value	756,186	767,307
Revaluation	-	-
Additions	-	-
Depreciation expense	(11,321)	(11,321)
Closing Carrying Value	<u>744,865</u>	<u>756,186</u>

Drainage system assets were revalued as at 30 June 2008 by an independent valuer, Pitt & Sherry.

19 NON-CURRENT ASSETS - BRIDGES

	2011	2010
	\$	\$
Bridges at fair value	10,965,493	10,074,199
Less accumulated depreciation	(6,082,928)	(5,414,381)
Bridges - at fair value	<u>4,882,566</u>	<u>4,659,817</u>
Bridges at fair value		
Opening carrying value	4,659,817	4,622,071
Revaluation	377,769	244,106
Additions	78,676	28,146
Disposals	-	(30,600)
Depreciation Expense	(233,697)	(203,907)
Closing Carrying Value	<u>4,882,565</u>	<u>4,659,817</u>

Bridge assets were revalued as at 30 June 2008 by an independent valuer, Pitt & Sherry.
These amounts were adjusted by an index at 30 June 2011.

20 NON-CURRENT ASSETS - FOOTPATHS, KERBS & GUTTERS

	2011	2010
	\$	\$
Footpaths, kerbs & gutters at fair value	672,838	649,502
Less accumulated depreciation	(215,043)	(200,370)
Footpaths, kerbs & gutters - at fair value	<u>457,795</u>	<u>449,132</u>
Footpaths, kerbs and gutters at fair value		
Opening carrying value	449,132	463,806
Revaluation	-	-
Disposals	-	-
Additions	23,336	-
Depreciation Expense	(14,673)	(14,673)
Closing carrying value	<u>457,795</u>	<u>449,132</u>

Footpaths, kerbs and gutters assets were revalued as at 30 June 2008 by an independent valuer, Pitt & Sherry.

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

21 NON-CURRENT ASSETS - WORK IN PROGRESS

	2011	2010
	\$	\$
Work in progress at cost		
Carrying amount 1 July	-	108,000
Completed work transferred out	-	(108,000)
Additions	18,229	-
	<u>18,229</u>	<u>-</u>

Work in progress represents capital works not completed and not ready for use as at 30 June. Therefore no depreciation is charged against these amounts.

22 NON-CURRENT ASSETS - INTANGIBLES

	2011	2010
	\$	\$
Revaluation cost paid to Valuer-General	112,000	140,000
Less amortisation	(28,000)	-28,000
	<u>84,000</u>	<u>112,000</u>

A revaluation of the municipality with effect from 1 July 2009 was undertaken and paid for during the 2009 financial year. The cost of the previous revaluation was fully written off as at 30 June 2009.

23 CURRENT LIABILITIES - PAYABLES

	2011	2010
	\$	\$
Other creditors and accruals	194,508	242,122
	<u>194,508</u>	<u>242,122</u>

24 CURRENT LIABILITIES - SHORT TERM PROVISIONS

	2011	2010
	\$	\$
Employee entitlements:		
Annual leave	120,094	106,336
Long service leave	204,255	189,021
Sick leave	190,002	207,035
	<u>514,352</u>	<u>502,392</u>

25 NON-CURRENT LIABILITIES - LONG TERM PROVISIONS

	2011	2010
	\$	\$
Employee entitlements:		
Long service leave	36,652	39,041
	<u>36,652</u>	<u>39,041</u>

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

26 RESERVES	2,011	2010
a) Composition		\$
Plant replacement reserve	453,364	453,364
Sundry Wayatinah works reserve	50,000	50,000
P/W shack sites reserve	158,141	158,141
Roads to Recovery reserve	78,651	6,000
Bridge reserve	376,798	376,798
Long service leave reserve	231,200	231,200
Sundry reserves	750,784	728,000
	2,098,938	2,003,503
b) Movements	2011	2,010
	\$	\$
Plant replacement reserve		
Balance at the beginning of the financial year	453,364	483,364
Amount transferred to accumulated surplus	-	30,000
Amount transferred from accumulated surplus	-	-
Balance at the end of the financial year	453,364	453,364
Sundry Wayatinah works reserve		
Balance at the beginning of the financial year	50,000	50,000
Amount transferred to accumulated surplus	-	-
Amount transferred from accumulated surplus	-	-
Balance at the end of the financial year	50,000	50,000
Private works shack sites reserve		
Balance at the beginning of the financial year	158,141	161,550
Amount transferred to accumulated surplus	-	3,409
Amount transferred from accumulated surplus	-	-
Balance at the end of the financial year	158,141	158,141
Roads to Recovery reserve		
Balance at the beginning of the financial year	5,550	202,750
Amount transferred to accumulated surplus	-	197,200
Amount transferred from accumulated surplus	73,101	-
Balance at the end of the financial year	78,651	5,550
Bridge reserve		
Balance at the beginning of the financial year	376,798	355,179
Amount transferred to accumulated surplus	-	-
Amount transferred from accumulated surplus	-	21,619
Balance at the end of the financial year	376,798	376,798
Sundry reserves		
Balance at the beginning of the financial year	728,211	707,034
Amount transferred to accumulated surplus	454,456	43,708
Amount transferred from accumulated surplus	477,029	64,885
Balance at the end of the financial year	750,784	728,211
Long service leave reserve		
Balance at the beginning of the financial year	231,200	231,200
Amount transferred to accumulated surplus	-	-
Amount transferred from accumulated surplus	-	-
Balance at the end of the financial year	231,200	231,200

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

27 COMMITMENTS FOR EXPENDITURE

The Council has an agreement with the Department of Primary Industries and Water (now Primary Industries, Parks, Water and Environment) to construct shack site roadworks. At balance date Council had spent \$4,016,459 on these works and had a balance of \$158,141 to complete the works.

The Municipality had no operating lease commitments at 30 June 2011.

28 COMMITTEES

The Committees that operate the Municipality's halls do not operate on terms determined by Council. The Council does not appoint any of the Committee members and does not determine the procedures relating to the meetings of these Committees. Therefore they do not satisfy the definition of Special Committees.

These committees raise their own funds and make their own decisions, maintain their own books and records, and operate separate bank accounts. They do not conduct financial transactions with Council. Therefore the operations of these Committees have not been consolidated into the accounts.

Council has 5 Special Committees these being the Bothwell Swimming Pool, the Bothwell Cemetery Committee, the Independent Living Units Committee, the Medical Services Special Committee and the Code of Conduct Committee. These are Special Committees as Council appoints Councillors to serve on them. They do not undertake any financial transactions on their own behalf as all such transactions are made by the Council.

29 SUPERANNUATION

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

At the present time Council contributes 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Bendzulla Actuarial Pty Ltd undertook the last actuarial review of the Fund at 30 June 2008. The review disclosed that at that time the net market value of assets available for funding member benefits was \$84,786,241, the value of vested benefits was \$77,075,401, the surplus was \$7,707,840, and the value of total accrued benefits was \$81,398,000. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Scheme's financial statements for Council employees.

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

Net Investment Return	(17)% 2008-09 and 7.0% pa thereafter
Salary Inflation	4.0% pa
Price Inflation	n/a

In the opinion of the Actuary, the Quadrant Defined Benefit Fund was adequately funded in that assets were sufficient to cover the vested benefits of all members at the review date and the actuarial value of accrued past service benefits.

CENTRAL HIGHLANDS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2011

At 30 June 2009 the net market value of assets available for funding member benefits had fallen to \$58,450,000 largely due to the poor investment returns that were experienced during the 2009 financial year. The value of vested benefits at that date was \$64,350,000 resulting in a shortfall of \$5,900,000. When the Fund's assets are below the vested benefits, superannuation law defines this as an "unsatisfactory financial position". As a result of the Fund moving into an unsatisfactory financial position, the Quadrant Trustee prepared a plan to restore the financial position within a reasonable time frame. This plan noted the improved investment returns since 30 June 2009 and confirmed that the 9.5% contribution rate remained appropriate.

The next full triennial actuarial review of the Fund will have an effective date of 30 June 2011 and is expected to be completed late in 2011 or early in 2012. 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.

**30 RECONCILIATION OF NET CASH FROM OPERATING ACTIVITIES TO
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS**

	2011	2010
	\$	\$
Change in net assets resulting from operations	(1,440,306)	(2,978,365)
Non-Cash Adjustments		
Depreciation	2,915,830	4,699,085
(Gain) loss on disposal of non-current assets	(26,608)	247,000
Change in Assets/Liabilities		
Increase (decrease) in employee entitlement liabilities	(429)	(44,800)
Increase (decrease) in creditors & borrowings	(37,614)	50,000
(Increase) decrease in debtors & prepayments	(41,475)	(94,450)
(Increase) decrease in stores and materials	(3,986)	13,000
Net cash from operating activities	1,365,412	1,891,470

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

31 FINANCIAL INSTRUMENTS

a) Risk Exposures

Credit risk:

The amount of any credit risk associated with financial assets is the carrying amount net of any provision for doubtful debts. Such a risk crystallises when one party to the transaction fails to discharge their obligations. Council's financial assets comprise accrued income, receivables and cash and cash equivalents.

There is no significant concentration of credit risk with any single debtor or group of debtors. The amount of debt written off in any one year is normally immaterial.

Council has no investments, only deposits at call and an operating account.

Council's credit risk is therefore immaterial. There has been no change in its exposure to or management of this risk since the previous period.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk, those being currency risk, interest rate risk and other price risk. Council's exposure to or management of these risks has not changed since the previous period.

Currency risk -

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Council has no exposure to currency risk.

Interest rate risk -

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council's financial instruments comprise accrued income, cash and cash equivalents, receivables and payables. It has no interest bearing liabilities.

At balance date Council had the following mix of financial assets and liabilities exposed to interest rate risk:

	2011	2010
	\$	\$
Financial Assets		
Cash and cash equivalents	6,882,232	6,522,557
Receivables	452,653	401,772
Accrued income	22,456	23,248
Financial Liabilities		
Payables	194,508	242,122
Net exposure	<u>7,162,833</u>	<u>6,705,455</u>

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

Sensitivity Analysis Disclosure:

The following sensitivity analysis is based on interest rate risk exposures existing at balance date. It shows the effect of interest rate movements on the net result and equity.

	2011	2010
	\$	\$
Net Result		
+1%	72	63
-1%	(72)	(63)
Equity		
+1%	72	63
-1%	(72)	(63)

The movements in net result and equity are due to higher/lower interest rates relating to cash and cash equivalents and to other financial assets.

Other price risk -

This is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Council is not aware of having any exposure to this risk.

Liquidity risk:

This is the risk that Council will encounter difficulty in meeting obligations associated with financial liabilities. It's liquidity risk is immaterial as it has no interest bearing liabilities and its other liabilities are significantly less than the value of its current assets.

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

31 FINANCIAL INSTRUMENTS

b) Interest rate risk

Council's exposure to interest rate risk on financial instruments as at reporting date is:

2011	Effective or weighted average interest rate %	Variable interest rate \$	Fixed Interest Rate Maturity			Non interest bearing \$	Total
			<1 Yr \$	1 -5 yrs \$	> 5 yrs \$		
Financial Assets							
Cash and cash equivalents	4.63	6,882,232					6,882,232
Investment Southern Water						9,211,180	9,211,180
Receivables	2.00					452,653	452,653
Accrued Income						22,456	22,456
Total		6,882,232	0	0	0	9,686,289	16,568,521
Financial Liabilities							
Payables						194,508	194,508
Total		0	0	0	0	194,508	194,508

Council's exposure to interest rate risk on financial instruments as at 30 June 2010 was:

2010	Effective or weighted average interest rate %	Variable interest rate \$	Fixed Interest Rate Maturity			Non interest bearing \$	Total \$
			<1 Yr \$	1 -5 yrs \$	> 5 yrs \$		
Financial Assets							
Cash and cash equivalents	4.66	6,522,557					6,522,557
Investment						9,158,320	9,158,320
Receivables	2.00		6,304	7,500		395,500	409,304
Accrued Income						23,248	23,248
Total		6,522,557	6,304	7,500	0	9,577,068	16,113,429
Financial Liabilities							
Payables						242,123	242,123
Total		0	0	0	0	242,123	242,123

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

31 FINANCIAL INSTRUMENTS

c) Net fair value

The carrying amount of Council's receivables, payables, cash and short term deposits is a reasonable approximation of fair value.

The net fair value of Council's financial assets and liabilities is as follows:

	2011		2010	
	Aggregate		Aggregate	
	Carrying amount	net fair value	Carrying amount	net fair value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	6,882,232	6,882,232	6,522,557	6,522,557
Receivables	452,653	452,653	409,304	409,304
Investment	9,211,180	9,211,180	9,158,320	9,158,320
Accrued income	22,456	22,456	23,248	23,248
	<u>16,568,521</u>	<u>16,568,521</u>	<u>16,113,429</u>	<u>16,113,429</u>
Financial liabilities				
Payables	194,508	194,508	242,123	242,123
	<u>194,508</u>	<u>194,508</u>	<u>242,123</u>	<u>242,123</u>

Aggregate net fair value is calculated using a discount rate equal to the average of mid rates of Commonwealth Government securities maturing on or near 30 June each year for the next 10 years. As these rates are applied to borrowings they have no effect in these financial statements.

d) Accounting policies

Accounting policies relating to financial assets and financial liabilities are disclosed in note 1

e) Terms and conditions

There are no terms and conditions associated with financial assets or financial liabilities which may significantly affect the amount, timing and certainty of future cash flows.

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

f) Fair Value Hierarchy

The table below analyses financial instruments carried at fair value by valuation method.

The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data.

Reconciliation of Level 3 Fair Value Movements

	2011			
	\$			
30 June 2011	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Available for sale financial				
assets	-	-	9,211,180	9,211,180
Total	-	-	9,211,180	9,211,180
Reconciliation of Level 3 Fair Value Movements				
	2011		2010	
	\$		\$	
Net assets transferred from 1 July 2009	9,158,320		9,275,320	
Change in fair value of investment	52,860		(117,000)	
Total investment in Water Corporation	9,211,180		9,158,320	

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

32 REGISTER OF INTERESTS

Councillor & Position	Interest	Summary of Nature of Interest	Dates Interest Existed	Nature of Relevant Dealings by Council
Cr Deirdre Flint (Mayor)	None declared			
Cr Richard Bowden		Lower Farm Road	13/12/2010	Access Road
Cr Andrew Downie Deputy Mayor)	Yes	Conservation Covenants in Central Highlands	17/08/2010	Property owner
Cr Andrew Downie Deputy Mayor)		Community Grant Application - Hamilton Show	15/02/2011	Committee Member
Cr Joe Jacka	None declared			
Cr Lynette Burke	None declared			
Cr Anthony Bailey	Yes	Request for Donation - Vanessa Cooper	19/10/2010	Family Member
Cr Anthony Bailey		Request for Rate Remission Ouse Country Club	19/10/2010	Member Ouse Country Club
Cr Anthony Bailey		Request for Assistance Central Highlands Community Men's Shed Inc	19/10/2010	President
Cr Anthony Bailey		Proposed Subdivision - Independent Living Units Ouse	18/04/2011	President Ouse Golf Club
Cr Loueen Triffitt	Yes	Community Grant application Ouse Country Club	19/10/2010	Member of Ouse Golf Club
Cr Loueen Triffitt		Community Grant application Great Lake Community Centre	16/11/2010	Member of Committee
Cr Loueen Triffitt		Great Lake Community Centre Inc - Member	15/03/2011	Member of Committee
Cr Loueen Triffitt		Capital Works Programme 2011/2012 - Budget	21/06/2011	Resides on River Street
Cr Ian McMichael	Yes	Rate Remissions	20/07/2010	Owner of Properties
Cr Ian McMichael		Request for Rate Remission Ouse Country Club	19/10/2010	Member
Cr Ian McMichael		Community Grant Application - Hamilton Show	15/02/2011	Member of Committee
Cr Geoffrey Herbert		Statutory Status of Signage	13/12/2010	Business signage
Cr Geoffrey Herbert		Capital Works Programme 2011/2012 - Budget	21/06/2011	Business owner - reselling front of business

CENTRAL HIGHLANDS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2011

33 SIGNIFICANT BUSINESS ACTIVITIES

Council's Camping Ground operations were deemed to be significant business activities. The following information is provided in relation to those activities:

	2011	2010
	\$	\$
Camping Grounds		
Revenue	18,846	24,110
Community Service Obligations identified	-	-
	<u>18,846</u>	<u>24,110</u>
Direct costs:		
Employee costs	388	693
Power	1,386	2,314
Payment to other councils	-	-
Depreciation	-	-
Other	989	624
	<u>2,764</u>	<u>3,631</u>
Indirect costs:		
Administration	-	-
Supervision and indirect overheads	-	-
Competitive neutrality costs	-	-
	<u>-</u>	<u>-</u>
	<u>16,083</u>	<u>20,479</u>

34 LEASING COMMITMENTS

Council had no operating lease commitments at 30 June 2011 (nil 30 June 2010).

35 OTHER EXPENDITURE COMMITMENTS

Council has an agreement with the Department of Primary Industries and Water (now Primary Industries, Parks, Water and Environment) to construct shack site roadworks. The Department is funding the costs of the road works, which will be transferred to Council on completion.

Council has received a total of \$4,174,600 from the Department towards the works.

The timing was as follows:

\$476,000	2008-09
\$20,893	2005-06
\$2,721,182	2004-05
\$956,525	2003-04

At balance date Council had spent a total of \$4,016,459 on these works and had a balance of \$158,141 on hand to complete the works.

CENTRAL HIGHLANDS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2011

36 GOVERNMENT GRANTS	2011	2010
The following grants were received during the year:	\$	\$
Operating		
State Grants Commission	1,838,069	1,887,417
DPAC re Australia Day	1,300	-
DIER - Hamilton Community Centre	30,000	-
DPAC - Black Spot Funding	33,409	-
DPAC - Breast Cancer Awareness	1,500	-
DPAC - Gretna War Memorial	4,935	5,000
State Emergency Service SES Vehicle Grant	9,091	
CRISP - Seed Funding	3,000	1,000
	1,921,304	1,893,417
Capital		
Roads to Recovery	121,407	380,120
Ouse Hall		30,000
	121,407	410,120

At the end of 2010/11 the following grants remained unspent: \$78,651 of the Roads to Recovery allocation.

\$467,029 in Financial Assistance Grants for 2011/12 was received in advance in the 2010/11 financial year.

