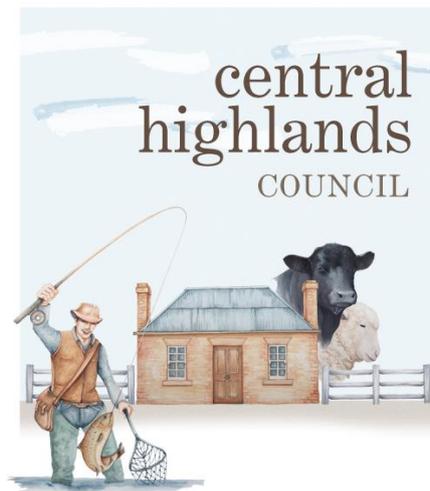
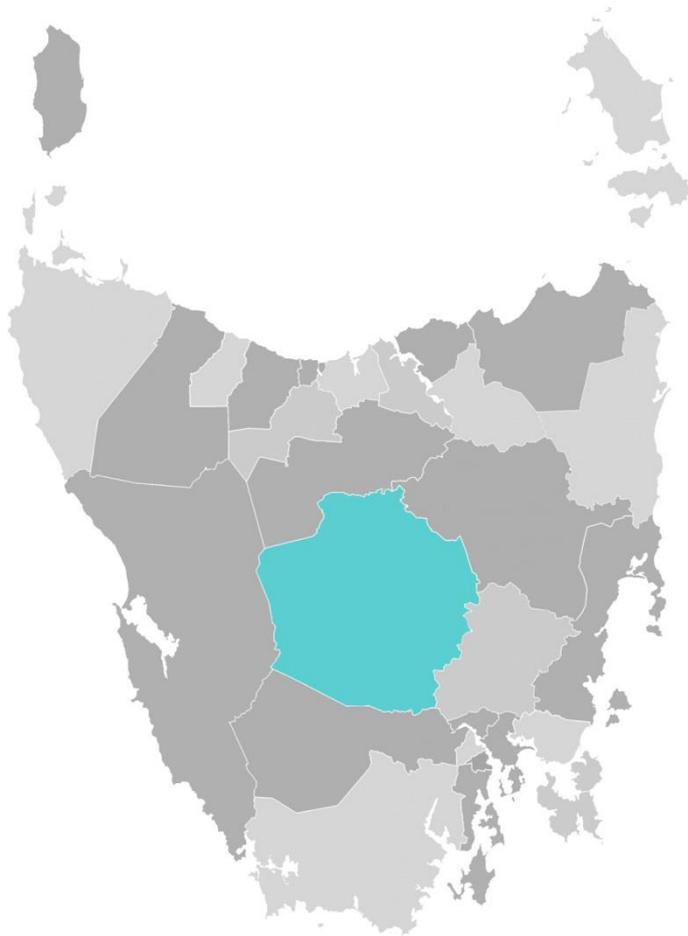




Picture – Great Lake Tasmania

CENTRAL HIGHLANDS COUNCIL ANNUAL REPORT 2021 / 2022





Contact Information

Administration & Works & Services

Address: 6 Tarleton Street, Hamilton TAS 7140

Phone: (03) 6286 3202

Email: council@centralhighlands.tas.gov.au

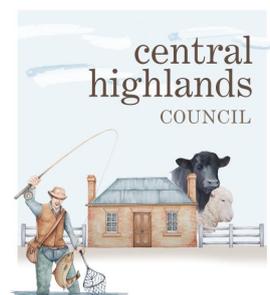
Website: www.centralhighlands.tas.gov.au

Development & Environmental Services

Address: 19 Alexander Street, Bothwell TAS 7030

Phone: (03) 6259 5503

Fax: (03) 6259 5722



The following statistics are provided from the 2021 Census Data

Population

Male 1,371 Female 1,146 Total = 2,517

The median age of people in the Central Highlands was 50 years. Children 0-14 years made up 14.9% of the population and people aged 65 years and over made up 25% of the population.

Central Highlands population comprised Aboriginal and/or Torres Strait Islander people 6.1% (154) of the population, non-indigenous people 84.8% (2137) with 9.2% (231) of indigenous status not stated.

Education

In the Central Highlands, 19 children are attending preschool, 170 children are attending primary school, 106 children are attending secondary school and 39 people are undertaking vocational education with 26 people undertaking tertiary – university or other higher education.

Families

Of the families in the Central Highlands 34.4% were couple families with children, 51.4% were couple families without children, 12.8% were one parent families and 1.3% were other families.

Household composition of occupied private dwellings comprised 58.8% (597) family households, 38.1% (387) of single (or lone) person households and 3.1% (31) of group households.

31.9% of occupied private dwellings had a weekly household income of less than \$650 and 8.6% of occupied private dwellings had a weekly household income of more than \$3,000.

The median weekly household income of all private dwellings was \$1,013. The median monthly mortgage repayments were \$900 and the median weekly rent was \$200.

Dwellings

39.2% (1012) of private dwellings were occupied and 60.9% (1,570) of private dwellings were unoccupied on census night. Of the occupied private dwellings, 6.0% had 1 bedroom, 21.4% had two bedrooms, 48.1% had 3 bedrooms and 19.9% had 4 or more bedrooms. The average number of people per household is 2.1.

Employment – No employment statistics were not available at the time of preparing this Annual Report.

Health

Selected long term health conditions included in the census include arthritis, asthma, cancer (including remission), dementia (including Alzheimer's) diabetes (excluding gestational diabetes), heart disease (including heart attack or angina), kidney disease, lung condition, mental health condition (including depression and anxiety) and stroke.

1,364 people had none of the selected conditions, 547 had one condition, 225 people had two conditions, 108 people had three or more conditions, and 279 people did not provide a response.

Introduction

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

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

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

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

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

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

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

Central Highlands Council values the input of the community. Members of the community are invited to make submissions on the Annual Report for discussion at Council's Annual General Meeting, which will be held at 9.00am on **Tuesday 13 December 2022**.

Any person wishing to make a submission should do so by close of business **Wednesday 7 December 2022**.

Corporate Vision

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

Corporate Mission

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

Strategic Plan

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



MAYOR'S REPORT 2021-2022

Welcome to the Mayor's Report for the Central Highlands Council financial year 2021/2022.

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

I am pleased that, as a Council, we have provided well managed and responsible budgets over the years. Due to the COVID-19 pandemic, Council did not increase rates or fees and charges during 2020/21, however for Council to continue to provide essential services to our community there must be a rate increase for the 2022/23 financial year. The recommendation to Council was to increase rates at 8.5%, however, understanding the present financial strain on our community, there must be a rate increase for 2022/2023 financial year. Although I wish this wasn't necessary. Council by absolute majority adopted a 4.8% general rate increase. With this minimal increase, let's hope this may ease the stress a little for our community.

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

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

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

Coronavirus (COVID-19)

We continue to follow our state government health guidelines regarding Covid, with council continuing to monitor the Covid pandemic and act as necessary with an understanding of its impact on our daily routine for employees and future council activities. Understanding the pressure on each and every one of us, I thank you and hope that the future is looking much brighter for all.

Professional and Personal Development Opportunities

I strongly believe that Council employees and our elected Councillors should continue on a path of both professional and personal development. I have ensured a number of opportunities have been presented to elected Councillors and have noted that these opportunities can assist in a more informed understanding of Council. I deemed that a number of workshops were compulsory for councillors and thus the attendance and engagement was crucial in the development of skills,

understanding financial statements and reports, including the role and responsibilities as elected Councillors. This also including the governance and operational processes and functions of Council, the elected arm and the employee/administrative arm, all expected to work together, with myself as a conduit working closely with our general manager.

Councillors and I continue to be representatives on many committees across the municipality.

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

There have been additional opportunities for me in attending the elected members Local Government Association of Tasmania (LGAT) meetings and conferences, Southern Tasmanian Councils Authority (STCA) and Mayors Round-table meetings. My continuing relationship with other Mayors is important, to talk and listen regarding issues and possible solutions to providing and retaining services to local communities.

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

Township Structure Planning Project

The Township Structure Planning Project is important for the future of the Central Highlands Municipality.

Council has initiated a project to develop structure plans for the major townships in the municipality. The impetus came from feedback received during last year's public notification of the Central Highlands component of the new State Planning Scheme. Additionally, it is now more or less standard practice for the Tasmanian Planning Commission to require structure plans to support planning scheme amendments in small rural towns such as ours.

Structure plan development is generally undertaken by suitably qualified and experienced independent consultants appointed by Council and working under the direction of a Council-appointed steering committee.

Substantial community involvement is essential to ensure the vision developed for a town is the best it can be, and the local community ultimately have ownership over the outcomes.

Council envisage that the structure planning process will be an exciting opportunity for township communities to come together to plan out the future of our towns. The final plans will set out an agreed overall vision for each town. The first phase will involve fundamental data gathering and analysis whilst the second phase will include township community workshops, which will play a crucial part in helping shape the plans. The project steering committee will be appointed after the October council elections.

Bushfire Season

As Central Highlands Council and community await this coming bushfire season, we acknowledge the previous support provided by State Government departments including Tasmanian Fire Service, Tasmania Police, State Emergency Services, Parks & Wildlife Services, Sustainable Timber Tasmania, our Council employees, volunteers, local farmers, businesses, and residents in protecting our community in emergency circumstances.

Infrastructure

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

Capital Works completed for 2021/2022

Capital Works for 2021-22 included:

- Replacement of Black Snake Lane Bridge
- Replacement of Croakers Alley Footbridge
- Hollow Tree stabilisation works - 3km
- Dennistoun Road stabilisation works - 1.1km
- Ellendale Road stabilisation works - 2km
- Lower Marshes stabilisation works - 1.1km
- Stage 6 1,5km of reconstruction works Pelham Road
- Extended Ellendale storm water
- Re-sheeting of gravel roads.

Medical Practices in the Central Highlands

Update GP Services in Ouse

As many of you would now be aware, there still is currently no General Practitioner/Doctor service available at Ouse.

As always, the people of the Central Highlands community are my priority. I will continue to do everything I can (with the support from Council) to get doctors back to Ouse.

Acknowledging the Federal Government is predominantly responsible for funding GPs and primary healthcare, the issue with Ouse Medical Centre needs constant, continued attention and immediate resolution.

We deserve stable, consistent access to doctors providing primary healthcare services. My regular communication with the Premier, Ministers and the Tasmanian Health Service has been positive. The update I can share with community is there was interest from 3 GP providers, but unfortunately, they withdrew their interest.

On Monday 18th of July 2022 at the Ellendale Town Hall, a public meeting was held by the Central Highlands community with over 100 people in attendance which included Central Highlands Councillors, Council staff, State and Federal Ministers, health professionals and community members. As Mayor, I was happy to speak and provide all those in attendance an overview of the ongoing struggle to get doctors and primary healthcare services back to Ouse.

Across the Central Highlands and specifically in Ouse, our basic human rights are not being met. This isn't about 'WANTING' a doctor. This is about 'NEEDING' a doctor and having access to the healthcare services only a doctor can provide.

We deserve stable, consistent access to doctors providing basic primary health care services.

General Practice Bothwell

The Bothwell Doctors Medical Centre, managed by Dr Mary Lumsden, continues to be a thriving centre with doctors available for our Central Highlands community. Dr Mary has a kind and caring personality, and our community are very fond of her.

Thank you to our doctors and their staff for their ongoing support.

Upcoming Community Events

The Bothwell Bi-Centennial 2022 Celebration

The Bothwell Bi-Centennial is a colonial event to celebrate the 200th anniversary and history of settlement of the Township of Bothwell in the Central Highlands. We respect and recognise the traditional custodians of this land, the Tasmanian Aboriginal people, whose many families still live in Bothwell.

The festival will be held on the weekend from 14th - 16th October 2022.

Those attending are invited to wear traditional costume from their homelands. Bothwell has a strong history of Scottish & Irish ancestry.

The Bothwell Bi-Centennial celebration has a fantastic program with must see events showcasing a timeline of history over the 200 years of settlement.

Farmers, shepherds, trappers, stonemasons, builders, grocers, butchers, and mill hands all contributed to making this beautiful heritage township what it is today.

Bushfest 2022

Central Highlands is holding its annual Highlands Bushfest at the Bothwell Recreation Ground on 19th – 20th November with organising well on its way. A Council organised event, it would be difficult to continue running this large-scale event without the support of our local volunteers and community groups.

Council will comply with all Covid requirements for this event.

This is an opportune time for me to thank all volunteers across the Central Highlands who give so much of their time for the many different activities throughout the year., I say thank you all, for your time and effort in helping across various roles throughout the year.

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

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

The working relationship between myself as Mayor and our General Manager remains strong and has been an asset of Council, however, Council is aware that the General Manager will be retiring in October.

I and Councillors thank our General Manager (Lyn Eyles) for her dedication over the years and

wish her all the very best for the future.

New General Manager for Central Highlands Council

Council have engaged a recruitment agency to go through the process of recruiting a General Manager.

Searson Buck have been commissioned to act on Council's behalf in running the recruitment process, in consultation and management with myself.

Following this, the selection panel will then interview applicants. Due to the nature of this position, there will be no involvement from Council staff; not even as a scribe.

The actual interviews will take place with minimal to no contact with Council staff; this ensures not only a professional process but also recognises the need for confidentiality and respect of potential applicants. Following interviews, we will have a successful applicant.

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

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

Loueen (Lou) Triffitt
Mayor Central Highlands Council

Current Councillors as of 30 June 2022



Loueen Triffitt
Mayor
0409 269 702



Jim Allwright
Councillor
0448 297 689



Anthony Archer
Councillor
0427 215 558



Tony Bailey
Councillor
0418 863 284



Scott Bowden
Councillor
0419 595 542



Anita Campbell
Councillor
0427 538 744



Robert Cassidy
Councillor
0458 737 747



Julie Honner
Councillor
0417 168 339



Jim Poore
Councillor
0412 733 617

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

	Meeting Attendance (including Annual Meeting & Special meetings)			
	Full	Part	Absent	Possible
Mayor Loueen Triffitt	13			13
Deputy Mayor James Allwright	13			13
Clr Anthony Archer	13			13
Clr Anthony Bailey	13			13
Clr Scott Bowden	8	1	4	13
Clr Anita Campbell	12		1	13
Clr Robert Cassidy	13			13
Clr Julie Honner	13			13
Clr Jim Poore	12	1		13

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

Councillor Attendance at Committee Meetings & Workshops

	Meeting Attendance at Council Committee & Audit Panel Meetings as members				Meeting Attendance at Council Workshops			
	Full	Part	Absent	Possible	Full	Part	Absent	Possible
Mayor Loueen M Triffitt	11		3	14	4			4
Deputy Mayor James Allwright	11			11	3		1	4
Clr Anthony Archer	3			3	1		3	4
Clr Anthony W Bailey	11		2	13	3		1	4
Clr Scott Bowden	2		1	3	3		1	4
Clr Anita Campbell	6		2	8	4			4
Clr Robert Cassidy	6		1	7	3		1	4
Clr Julie Honner	6			6	3		1	4
Clr Jim Poore	2		1	3	3		1	4

Current Council Committee Representation as of 30 June 2022

Bothwell Swimming Pool Committee

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

Plant Committee

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

Audit Panel

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

Planning Committee

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

Australia Day Committee

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

Bothwell Football Club & Community Centre Committee

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

Central Highlands Visitor Centre Management Committee

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

Bothwell Cemetery Committee

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

Independent Living Units Committee

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

Strategic Planning Sub-Committee

Clr A Bailey
Clr A Campbell
Clr A Campbell

Highlands Tasmania Tourism Committee

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

Waste Committee

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

External Committee Representation

Bothwell Spin-In Committee

Mayor L Triffitt
Clr J Honner (Proxy)

Australasian Golf Museum

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

Southern Tasmanian Waste Group

Deputy Mayor J Allwright
Clr S Bowden (Proxy)

The Derwent Catchment Project

Clr A Bailey

Great Lake Community Centre Committee

Mayor L M Triffitt
Clr J Honner (Proxy)

TasWater Owners Representative

Deputy Mayor J Allwright
Clr A Archer (Deputy Representative)

Clyde Water Trust (Liaison)

Clr J Poore

Health Action Team Central Highlands (HATCH)

Clr A Campbell
Clr A Bailey (Proxy)

The Central Highlands Men's Shed Steering Committee

Clr A W Bailey
Deputy Mayor J Allwright (Proxy)

Overview & Highlights

Anzac Day Services

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

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

Community organised Anzac Day Services were held at Bronte Park and Arthurs Lake.



Picture – Sophie Brazendale

South Central Sub-Group – Workforce Development Project and Workforce Network Jobs Hub

The Tasmanian Community Fund during 2020/21 granted \$395,000 to the South Central Sub-Region (SCS), made up of the Brighton, Central Highlands, Derwent Valley and Southern Midlands Councils, for its Workforce Development Project.

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

The Southcentral Workforce Network Jobs Hub (SWN) has been established and covers the four council areas. It is located at Pontville and was officially opened on 9 February 2022. The Jobs Hub provides additional funding to build on the success of the group's current workforce development project.

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

As at 30 June 2022 the Workforce Co-ordinator has:

- Had 749 Industry and Employer meetings
- Filled 205 roles
- Made 24 referrals to Partner organisation
- Obtained 24 traineeships/apprenticeships for new workers
- Has attended 61 industry, career awareness and/or employer tours
- Has organised 43 training courses
- Has sent out 467 resumes to employers

Hospitality Ready Program

The SWN has launched its own Hospitality Ready pilot program which engages local businesses to provide jobseekers with entry level hospitality skills over an 8-week period. Eight participants take part in skill set and accredited training designed to provide them with the experience to secure a role in the industry. Participants receive instruction in coffee making, beer pouring, housekeeping, plate carrying, table setting, wine pouring, talking to customers and communication and conflict resolution. Added to this, participants receive their Responsible Serving of Alcohol, Responsible Conduct of Gaming, keno Writer and Gaming Attendant accreditation. Local hospitality businesses have also agreed to provide work placement for the participants in weeks 7 and 8 of the program and have the option of adding them to their team if they like what they see.

Australia Day Awards

A morning tea was held at Bothwell for the presentation of the Australia Day Awards.

The Central Highlands Australia Day Citizen of the Year was awarded to Mr Ron Brown.

Ron was acknowledged for his selfless attitude winding the community's town clock on the St Luke's Church tower for somewhere between 20 and 30 years. Ron has also used his technical expertise to maintain, conserve and appropriately modify the mechanism to allow the chime to only ring during daylight hours.

Patrick Wood donated the imported clock and significant bell to the Municipality of Bothwell and its citizens. The clock is such an important part of the character of Bothwell town landscape and the regular chimes are a memorable part of the town's ambience. Over the years, Ron has also been involved with the Spin-In, Bothwell Picnic Races and Targa Tasmania.

The Central Highlands Young Citizen of the Year was awarded to James Brazendale.

James is a grade 9 student at Bothwell District High School and has been a staunch advocate for students and young people with Dyslexia. He is a youth ambassador for Square Pegs, which is a not-for-profit organisation passionate about improving outcomes for children with dyslexia.

James recently participated in the creation of an awareness film “Dyslexia Beautiful Minds”, sharing his story and experiences with dyslexia. The film was shown as part of the Hobart City Council’s Our Window in Wellington.

The Australia Day Community Event of the Year was awarded to the Bothwell Sheep Station Cup.

The Bothwell Sheep Station Cup is held in February each year at the historic Ratho Golf Course. It has been conducted for the last three years by a dedicated committee with the assistance from many local community members.

The annual golf event is attended by teams made up of local residents, local farming businesses and other interest competitors from around Tasmania. It is a very inclusive event comprising teams of women and men of all ages and abilities. Funds raised have been donated to Bothwell District High School, the Leukemia Foundation, Donate for Life and this year was the McGrath Foundation Breast Care Nurses.

Since inception they have raised and donated well over \$60,000.

Certificate of Appreciation – Lynda Jeffrey

Lynda has been very proactive in the community, having managed the Australasian Golf Museum and Visitor centre for many years – all as a volunteer.

Lynda has over many years raised funds as part of the Bothwell Tourism Association, with funds being put back into the local community.

Lynda continues to volunteer at the visitor centre and is also a member of the Bothwell Bicentennial Working group.

Certificate of Appreciation – Lyn Brown and Fran Macdonald

Fran originally started the Ouse and Central Highlands Festival. When Lyn arrived at Ouse taking on the Lachlan Hotel they quickly bonded and became a powerhouse dedicated to serving the community.

From the festival was the Children’s Christmas Party, with treats, activities and presents in abundance. None of this happens overnight, it requires meticulous planning, dedication, fortitude and a thick skin.

Last year they organised a raffle under the Ouse and Highlands Community Alive that raised much needed funds for a local resident who lost her home due to a fire incident.

The Derwent Catchment Project

The Derwent Catchment Project (DCP) continues to grow as an organisation and would like to thank the Central Highlands and Derwent Valley Councils for their ongoing support and welcomes Brighton Council as a new partner in the catchment management program for the Derwent. The combined funding provided by the three Council partners has enabled us to leverage a total of more than \$1 million for the region over the last financial year.

The DCP on-ground works team continues to tackle weeds across the three municipalities along roadsides, rivers and on public and private land. Over the year the team surveyed and treated weeds along 850 kms of roadsides, 50 kms of riverbanks and 20 kms of lakeshore. DCP received funding to continue targeted control of orange hawkweed, African feather grass and karamu, the first of a three-year program to manage these high priority invasive weeds.

River restoration programs on the Tyenna River and more recently Lachlan River are making excellent progress in removing willows and other weeds and revegetating the banks to improve access and overall health of these waterways. The on-ground works team continues to maintain the willow free sections of the Ouse River.

The Derwent Pasture Network continues to engage with landholders to support farm resilience. Peter Ball, DCP's pasture specialist is managing several demonstration sites and case studies and sharing the outcomes with local pastoralists through delivery of our 'Grazing Time' workshops. The Pasture Network has also delivered seminars and field days on topics of interest to the farming community including carbon farming, soil carbon, paddock preparation and renovation and the latest on legumes. Additionally, we are growing our capacity to assist farmers by providing farm management, carbon, and biodiversity plans.

DCP has also formed a Derwent Catchment Biosecurity Network supported by a regional biosecurity plan based upon a threat assessment that considers the changing distribution of pests, weeds and diseases under climate change projections. The plan identifies a risk-based approach to prevention and response to new and emerging threats, that builds upon the learnings and experiences across sectors, and across jurisdictions. The Derwent Catchment Biosecurity Network has members from Derwent Valley Council, Central Highlands Council, Lanoma Estate, Westerway Raspberry Farm, Meadowbank, Wandin Valley Farms, Inland Fisheries Service, Tassal, Huon Aquaculture, Waterfalls Café - Mt Field, Biosecurity Tasmania, Huon Aquaculture, Hort Innovation Australia, Hop Products Australia, Hydro Tasmania, Fruit Growers Tasmania, Curringa Farm, Bejo Seeds, Sustainable Timber Tasmania, SFM and Parks and Wildlife Service.

Work continues on the most important stands of the Miena cider gum in the Central Highlands collaborating with Hydro Tasmania and private landholders to install tree bands and wildlife-proof fences to reduce browsing pressure. The project received a grant from TasNetworks to install wombat gates as they were causing havoc with the bottom of our large 700 m exclusion fence. The project will monitor the impact of this infrastructure over time to determine its effectiveness and to ensure the fencing stays intact.

The Derwent Catchment Project team looks forward to continuing to work with stakeholders, councils and community members to improve the regions environments and farming resilience.

Key Focus Areas

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

Strategies

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

Initiatives

Continue support of local organisations and groups	<p>Council continues to support local organisations and groups by way of in-kind support such as provision of plant and labour, photocopying, and free or subsidised use of Council premises, to name a few.</p> <p>Groups to benefit were:</p> <ul style="list-style-type: none">➤ Bothwell Exercise Group – waive hall hire fees Bothwell Hall for exercise classes➤ Ouse On-Line Access Centre – lease of premises no charge➤ Great Lake Community Centre Inc. – lease of premises no charge➤ The Derwent Catchment Project – use of premises no charge➤ Ellendale Hall Committee – use of Ellendale Hall no charge➤ Tasmanian Working Sheepdog Trials – waive recreation ground hire fees➤ Allocation of \$3,000 to Anglers Alliance for lakes cameras
Continue the support of community groups and clubs through in-kind assistance as well as through Council's Community Grants Program	<p>Council provided assistance through the Community Grants Program to the following:</p> <ul style="list-style-type: none">➤ Bothwell CWA \$500 towards Cancer Council of Tas fundraising➤ Donation of \$250 towards the Diabetes Tasmania Pollie pedal 2020➤ Donation of \$300 to Campdrafting Tas Inc.

	<p>towards championships</p> <ul style="list-style-type: none"> ➤ Purchase of a computer \$2,950 for Bothwell CWA ➤ Donation of \$250 to RSPCA Safe Beds Program ➤ Donation of \$240 to the Immune Deficiencies Foundation Annual Fundraising event ➤ \$1,000 donation to Hobart legacy for Centenary of Service 1923-2023 ➤ \$3,216 provided to Hamilton Show Committee to upgrade power supply at Hamilton Recreation Ground ➤ \$483.45 contribution to Morass Bay Shackowners to purchase defib pads ➤ \$150 to the Brighton & Southern Midlands Pony Club ➤ Donation \$750 to the Common Ground Charity fundraising ➤ Donation of \$1,500 to the Anglican Parish of Hamilton for church maintenance ➤ \$3,500 provided to HATCH to install safety fence and gate for children’s play area at Ash Cottage ➤ Donation of \$1,500 towards community run Hamilton Twilight Market and Carol event ➤ \$240 to Rotary Club of Hobart for its annual magic show ➤ Donation of \$2,000 to RAW for its “Taking Time for Myself” mental health program ➤ Donation of \$500 to the Ouse Country Club’s Kids Christmas Party ➤ Contribution of \$3,000 towards the HATCH meal delivery program ➤ \$500 donation to Cooper Smythe ➤ Donation of \$2,500 to HATCH for first aid training
<p>Continue the annual allocation to schools to assist with their programs for school children</p>	<p>Council makes an annual allocation of \$1,000 to Bothwell District High School, Ouse Primary School, Westerway Primary School & Glenora District High School.</p>
<p>Provide annual bursaries for a child at each school continuing further education and Annual citizenship awards</p>	<p>Council provides annual continuing education bursaries to Central Highlands Year 10 students at Bothwell District High School, Glenora District High School and New Norfolk High School and to Year 6 students at both Ouse Primary School and Westerway primary School to assist with costs to further their education. Council also provided annual citizenship awards to students at Bothwell, Ouse, Glenora and Westerway Schools.</p>
<p>Provide assistance to continue the home day care facility at Bothwell</p>	<p>Council contributed \$5,000 to the Brighton Family Day Care Centre towards providing day care facilities in the Central Highlands. The home day care facility closed at Bothwell on 30 June 2021, but a new home day care facility is operating at Ouse.</p>

<p>Continue to allocate funds to the provision of medical services to Ouse and Bothwell</p>	<p>Council continues to make an annual allocation to the Central Highlands General Practice and Bothwell Doctors to support the provision of medical services to our community. Unfortunately, the Central Highlands General Practice at Ouse closed on 31 October 2021 due to the government mandated vaccination policy. The Moreton Group provided a short-term solution operating a practice from November 2021 to the end of March 2022. Council is working with the State Government to seek a new provider, but due to GP shortages, this is proving difficult. Council will continue its lobbying of the State Government to seek a solution.</p>
<p>Support programs and activities that promote the health and wellbeing of our community</p>	<p>Council continues to work with HATCH to deliver programs and activities that promote health.</p> <p>Council has provided a breakfast program one day a week at Bothwell District High School and provides supplies towards the Ouse Primary School breakfast program.</p> <p>Council ran junior golf sessions for students from Bothwell District High School and thank the Bothwell Golf Club for volunteering their time to assist tutoring students.</p> <p>Playgroups are held in Bothwell and Ouse and are well supported.</p> <p>In partnership with HATCH under the Highlands Healthy Connect Program, monthly community walking programs are held followed by a picnic lunch.</p> <p>The Meal Delivery Program, which provides frozen meals to Central Highlands residents at a nominal cost continues and our thanks go to Tracey Turale and HATCH.</p> <p>Other Health and Wellbeing programs partnering with HATCH are held over the year e.g. yoga and relaxation, Freedom Health & Wellness exercise classes, girls connect program, strength and balance program to name a few.</p>
<p>Continue to support regional groups of benefit to Central Highlands residents</p>	<p>Council is a member of the following regional groups:</p> <ul style="list-style-type: none"> ➤ STCA ➤ Destination Southern Tasmania ➤ South Central Sub-Region Group ➤ LGAT
<p>Advocate on behalf of our community on regional, state and national issues</p>	<p>Council continues to advocate for the best outcomes for the Central Highlands.</p>

<p>Continue review of the New Residents Kit to ensure that the information is still relevant and accurate</p>	<p>Staff update the New Residents Kit as required. The New Residents Kit is forwarded to new residents and is available on Council’s website.</p>
<p>Continue with implementation of the priorities listed in the Central Highlands Health & Wellbeing Plan</p>	<p>Council continues to implement the priorities of the Health & Wellbeing Plan. A staff member has been appointed as our Community Relations Officer and is working through programs identified in the Plan.</p>
<p>Continue to support and participate as a member of the Health Action Team Central Highlands (HATCH)</p>	<p>Council continues to support HATCH and has membership on the Group. Council is a partner with HATCH under the Highlands Healthy Connect Program and supports HATCH in its funding applications.</p>
<p>Develop, in partnership with community organisations and members, the event to celebrate the Bicentenary of Bothwell</p>	<p>A Bothwell Bicentennial Working Group has been formed, comprising councillors, local club representation and community members to organise the celebration of 200 years of the establishment of Bothwell.</p> <p>The Bothwell Bicentennial Festival will be held at Bothwell on 15th & 16th October 2022 and will celebrate the town’s history.</p>

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

Strategies

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

Initiatives

Allocate funds to ensure that existing services and assets are maintained	Council budgets sufficient funds to ensure that its assets and services are maintained.
Annually review the 10-year asset management plan to include all classes of assets	Council has a Long-Term Asset Management Plan for roads, bridges and buildings were reviewed and adopted on 19 October 2021.
Install new shade sail and seating at the Bothwell Pool	The new shade sail was installed at the Bothwell Pool prior to the 2021/22 season. New seating will be installed prior to the 2022/23 season.
Lay new slab for bin placement at Bothwell Waste Transfer Station	Two new slabs have been completed at the Bothwell Waste Transfer Station for bin placement.
Install the water connection to the new public conveniences at Bronte Park	Works have commenced on the installation of the new water line for the connection of the new public conveniences at Bronte Park and will be completed during 2022/23.
Replace six vehicles, the side arm slasher and one grader	3 vehicles and the grader were replaced. Three vehicles and the side arm slasher have been carried over to the 2022/23 financial year.
Replace the blinds and drapes in the Bothwell Council Meeting Room	New vertical blinds were purchased and installed in the Bothwell Council Chambers.

<p>Reseal:</p> <p>Wayatinah Village Streets and Victoria Valley in front of Dee Lagoon Shacks</p> <p>Stabilise sections of Ellendale Road, Dennistoun Road, Hollow Tree Road and Lower Marshes Road.</p> <p>Complete Stage 6 of Pelham Road Reconstruction</p> <p>Widen Thousand Acre Lane where required</p> <p>Undertake Culvert Upgrade on Waddamana Road</p>	<p>Works not completed and carried over to 2022/23 financial year.</p> <p>All stabilisation works were completed by the successful tenderer, Stabilised Pavements of Australia.</p> <p>Stage 6 of Pelham Road was completed, and this section completes the reconstruction and sealing of Pelham Road.</p> <p>This work was not undertaken. Council will begin Stage 1 of the reconstruction and sealing of Thousand Acre Road during 2022/23.</p> <p>Replacement not undertaken.</p>
<p>Replace the Kitchen in the Hamilton Office</p>	<p>These works have been undertaken and are completed.</p>
<p>Purchase the land and erect 1 Independent Living Unit at Ellendale</p>	<p>Council has identified a suitable block of land at Ellendale and is progressing the subdivision and purchase.</p> <p>Council has put on hold the construction of the Independent Living Unit until title to the land is issued. It is anticipated that it will be included in the 2023/24 budget.</p>
<p>Undertake Infrastructure for future Independent Living Units at Bothwell</p>	<p>The sewer infrastructure extension to the boundary of Council's land in Patrick Street, has been undertaken.</p>
<p>Complete Repair of the Ouse Hall floor</p>	<p>Investigations revealed that major works are required for repairing the floor. The Hall is closed until Council undertakes this work. This item has been carried over in the 2022/23 budget for completion.</p>
<p>Complete the Upgrade of the Kitchen at Council's residence, Bothwell and replace fence</p>	<p>Works have been completed.</p>

Repoint the sandstone at the Hamilton History Room and re-roof	This work has been completed.
Complete the installation of the picnic table at Platypus Walk	The picnic table has been installed.
Paint the exterior of the old Hamilton School	Painting has been completed.
Re-roof the Hamilton Office Building	The roof design has been completed to heritage requirements. Replacement is due to be undertaken in the 2022/23 financial year.
Replace the Bethune Park Toilet Amenities	Completed.
Undertake drainage at Ellendale	Works have been completed.
Install a heat pump at the Ouse Doctor's House	Heat Pump has been installed.
Install CCTV Cameras at the Hamilton and Bothwell Offices	Cameras at both Council offices have been installed.

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

Strategies

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

- Develop and maintain sound risk management processes.

Initiatives

<p>Identify appropriate grant funding to leverage Council funding for projects</p>	<p>Grants received:</p> <ul style="list-style-type: none"> ➤ Financial Assistance Grants from the State Grants Commission - \$3,370,391 ➤ Federal Road to Recovery Grant - \$589,128 ➤ Local Roads & Community Infrastructure Grants - \$828,876 ➤ Recreational Fishing & Camping Facilities Program - \$96,000 ➤ Bothwell Bicentenary Event - \$15,000 ➤ Clyde River Flood Mapping and Study - \$202,500 ➤ Landfill Levy Readiness Grant - \$9,000 ➤ Black Snake Lane Bridge - \$70,000 ➤ Bothwell FC Electronic Scoreboard - \$30,000 ➤ Variable Messaging Boards - \$53,339 ➤ Pelham Fires 19/20 - \$20,600 ➤ Queens Park Play Equipment - \$63,000 ➤ Other Minor Grants - \$9,880
<p>Continually review and update policies and Council's risk register</p>	<p>Council's risk register and policies are updated by staff as required and reviewed at each Audit Panel Meeting.</p>
<p>Continue participation in the Local Government Shared Services and South Central Sub-Region Group and identify other services that can be resource shared</p>	<p>Council is a member of the Local Government Shared Services (LGSS) to access resource sharing opportunities. Council currently use this service for the provision of a planner and dog control officer.</p> <p>The South Central Sub-Region (SCS) was formalised in early 2016 with the Brighton, Central Highlands, Derwent Valley and Southern Midlands Councils endorsing an intent to work together as much as possible on matters of common interest or where benefits can be achieved by working collaboratively. The SCS meets approximately every two months with the Mayor and General Manager of each Council attending. The SCS is funded from a grant of \$395,000 from the Tasmanian Community Fund for its Workforce Development Project.</p> <p>The South-Central Jobs Tasmania Hub at Brighton (renamed Southcentral Workforce Network Jobs Hub) covers the central Highlands, Derwent valley, Southern Midlands and Brighton municipal areas. It was officially opened on 9 February 2022.</p>
<p>Provide financial management reports to Council monthly</p>	<p>Financial reports are prepared by Council's accountant monthly and placed on the Ordinary Council Meeting Agenda each month.</p>

<p>Ensure Annual Financial Statements are completed within the statutory timeframe</p>	<p>Council's Annual Financial Statements were completed and lodged on time.</p>
<p>Ensure that staff are provided with continual training in Council's financial software and records management systems</p>	<p>Council staff are provided with training on an as required basis.</p> <p>Records training has been provided in 2021/22 due to staff changes over recent months.</p>

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

Strategies

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

Initiatives

<p>Allocate funds to continue our support of the Derwent Catchment Project to implement on ground projects and provide a link between Council and the community on natural resource management issues</p>	<p>Council continues to fund natural resource management through funding to the Derwent Catchment Project of \$40,000 per year. Additional funds are provided to support grant applications of benefit to the Central Highlands.</p>
<p>Work with other stakeholders, land managers and government agencies to ensure strategic weed control</p>	<p>Council works with the Derwent Catchment Project to implement its weed strategy and allocated funds to carry out weed management.</p>

<p>Monitor the usage of Council waste transfer stations and refuse site to ensure that the facilities meet the needs of our ratepayers and are maintained at an acceptable standard</p>	<p>Council operates one controlled refuse site at Hamilton which has available a DrumMUSTER facility. A DrumMUSTER compound is also available at the Bothwell Waste Transfer Station.</p> <p>Manned waste transfer sites are available at Bothwell, Miena and Bronte Park.</p> <p>A Refuse Disposal site is located at Hamilton.</p> <p>A Bulky Waste Collection is provided throughout the municipal area which is designed to allow residents to place items out for collection that are too bulky or unsuitable for the door-to-door collection.</p> <p>Council provided a relatively comprehensive kerbside collection service for waste & recycling to the residents of Bothwell, Ellendale, Fentonbury, Gretna, Hamilton, Ouse, Osterley, Wayatinah and Westerway. Thorpe Waste currently holds the contract. All waste is taken to the Hamilton Refuse Disposal Site and the recyclables taken to Hobart for processing.</p> <p>Roadside stand alone bins have been placed at Reynolds Neck, Brandum Bay, Jillet Road, Doctors Point, Haulage Hill, Interlaken, Cramps Bay, Wilburville, Arthurs Lake and Derwent Bridge. The bins are designed to accept domestic waste only, can be accessed 24/7 and have proved to be very successful in most areas.</p> <p>All waste and recycling collected is reported to the DPIPWE annually.</p>
<p>Provide education and encouragement of recycling within the Municipality to expand the life of the Hamilton Refuse Site</p>	<p>Council provides recycling facilities throughout the municipal area and have a fortnightly door to door recycling collection throughout our towns.</p> <p>Council engages a contractor, Thorp Recycling, to collect recycling from static sites and ensure that sites are clean. Thorp Recycling improved the way that recyclable material is managed at the sites by installing 25m skip bins for the collection of scrap steel which is then taken to Hobart for processing. This has been very successful.</p>
<p>Facilitate regular meetings of the Central Highlands Emergency Management Committee and ensure that the Central Highlands Emergency Management Plan is reviewed and remains current</p>	<p>No meetings were held during the year.</p> <p>The Central Highlands Municipal Emergency Plan was approved and signed by the Commissioner Darren Hines on 15th July 2021.</p>

Continue as a member of the Southern Tasmania Waste Group	Council has resolved to be a member of the Southern Tasmanian Regional Waste Authority; a new Joint Authority being established with the other southern councils.
Undertake roadside weed eradication	Roadside weed eradication has been undertaken by Council staff and contractors.

Goal 5 Economic Development – Encourage economic viability within the municipality

Strategies

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

Initiatives

Continue as a member of Destination Southern Tasmania	Council is a current member of Destination Southern Tasmania.
Continue as a member of STCA and LGAT	Council continues its membership and participation in the STCA and LGAT.
Continue with Highlands Bushfest	A successful Highlands Bushfest was held at Bothwell in November 2021 with 4,500 people attending over the weekend.
Continue to support local events that encourage visitation to the Central Highlands	Both the Hamilton Agricultural Show and Highlands Bushfest were held during the year. Both events were very successful.

<p>Continue with providing the tourism brochure through the Brochure Exchange facility, Brooke Street Pier, Spirit of Tasmania and other visitor centres</p>	<p>Council’s “Journey to the Centre of the Earth” brochure is placed at the Hobart Airport, Brooke Street Pier and on both Spirit of Tasmania vessels which is maintained by the Tourism Brochure Exchange.</p>
<p>Continue the roll out of the Highlands Tasmania Touring Map</p>	<p>The Highlands Tasmania Touring Map is placed in businesses throughout the Central Highlands and state-wide.</p>
<p>Engage and strengthen the community by supporting community events and local initiatives that enhance visitation to the Central Highlands</p>	<p>Council provides funding and in-kind support to community groups providing events in the Central Highlands.</p>
<p>Promotion of Central Highlands through production of material and via Council’s website and Council’s Facebook page</p>	<p>Council’s website and Facebook page is updated regularly by staff. Council’s brochure and maps are distributed widely throughout the State.</p>
<p>Continue support of the Highland Digest to enable it to provide community information to residents</p>	<p>Council provides an allocation of \$10,800 to the Ouse On-line Access Centre to assist with the production of the Highland Digest which provides a valuable avenue for dissemination of information and news about the central Highlands.</p>
<p>Continue to support the Central Highlands Visitor Management Committee to optimise the use of the Centre and the dispersement of information to tourists and visitors to the Central Highlands and provide funding for the purchase of goods for sale that promote the Central Highlands</p>	<p>The Central Highlands Visitor Centre, home of the Tasmanian Tartan, is manned by a committed group of volunteers. Displays are changed regularly.</p> <p>The centre has items for sale that promotes the Central Highlands and sells local goods on consignment.</p>
<p>Work with the South Central Sub-Region Group through the Workforce Development Coordinator to provide training for jobseekers and connecting job seekers with relevant local employers</p>	<p>The Workforce Co-ordinator has been very busy with 205 roles filled since September 2020 and 24 traineeships and apprenticeships for new workers. 43 training courses have been completed with 467 resumes sent out to employers.</p>

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

Strategies

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

Initiatives

<p>Annually review Council’s Long Term Financial Plan and Strategy and Long-Term Asset Management Plans</p>	<p>Council’s Asset Management Plans were updated and adopted by Council on 19 October 2021.</p> <p>Council’s Long Term Financial Management Plan and Strategy was updated in October 2021.</p>
<p>Continually monitor and review Council’s financial situation and report findings to Council in a clear and transparent format on a monthly basis</p>	<p>Council engages a consultant accountant who provides regular updates and reports to Council at monthly Council meetings and to Audit Panel Meetings.</p>
<p>Encourage staff to undertake training to further develop their skills</p>	<p>Council encourages staff to undertake any training they may require.</p> <p>The following training was provided in 2021/22:</p> <ul style="list-style-type: none"> ➤ First Aid training all staff ➤ Traffic Management ➤ Excavator Assessment x 1

	<ul style="list-style-type: none"> ➤ Cert III Civil Operations –2 employees (ongoing) ➤ Records Management 3 Office Staff ➤ In house training COVID-19 SWMS and safety plan – all employees ➤ Monthly Toolbox Meetings
Support Elected Members to take advantage of seminars, training and workshops that assist them in their position as a Councillor and their duty to engage in ongoing professional development	Information regarding seminars, training etc. is disseminated to Councillors.
Review the risk register at each Audit Panel Meeting	Council’s risk register is updated regularly and presented at each Audit Panel Meeting.
Ensure ongoing compliance with all legislation, regulations and codes of practice which impact upon Council	Council endeavours to ensure that it complies with the requirements of all legislation, regulations and codes of practice applicable to Local Government.
Continue to provide information to our community and ratepayers via newsletters, Mayor’s article in the Highland Digest, our website and our facebook page to all ratepayers	<p>Council sends out a newsletter with rates instalment notices as required.</p> <p>Council’s Mayor provides a column monthly for the Highland Digest.</p> <p>Additional information is posted to Council’s facebook page and website.</p>
Continually review Council Policies	<p>Council’s policies are continually reviewed and updated where necessary.</p> <p>A policy index is provided to the Audit Panel to ensure that all policies are reviewed by their due review date.</p> <p>New policies are adopted when required.</p>

Public Health

Council will:

- Conduct immunisation sessions as required and promote the need for immunisation.
- Ensure proper provision of on-site effluent disposal in compliance with the current regulatory framework, codes, standards and best environmental practice.
- Undertake routine inspection of places of public assembly, food premises, public health risk activities and water carters to ensure compliance with relevant legislation.

- Promptly investigate environmental health complaints.
- Maintain an effective analysis program for food, recreational waters and general complaints.
- Continue to promote safe food handling through the provision of the I'M ALERT free online food safety training program.
- Ensure that Council complies with public Health requirements for the recovery from the COVID-19 Pandemic.

Environmental and Public Health Report 2021-22

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

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

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

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

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

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

Council activities in relation to Environmental Health:

- 61 Food Business Registrations, inspections were limited. Food Safety assessments were sent out to all premises and Food Licences issued on returned assessment. Council has I'm Alert Food Safety Training free of charge to the community as a Food Safety Initiative. All food premises now have at least one person trained in Food Safety. As of the 30 June the site continues to be used by any new employees to food businesses. Each Food Business has a least one person trained in the Food Safety Program.
- Participating in the Health Departments Food Surveillance Program.
- Distribution as well as using Councils website and Facebook for Posters and Pamphlets relating to Health Education and Promotion.
- Investigation of notifiable diseases
- A DrumMUSTER collection facility continues to operate at the Hamilton Regional Disposal and Recycling Site and the Bothwell site and will provide an ongoing service with one employee trained as a DrumMUSTER inspector.

- Waste Management and monitoring including current EPN for Hamilton Landfill. The EPN Report for 2022 has been sent to the EPA as required by the Hamilton Landfill Permit.
- Monitoring of EPN's issued by Council.
- Council has an ongoing silage and ag pipe recycling point at the Hamilton Landfill, and Bothwell WTS - this service is free of charge to residents.
- School immunisation was carried out in accordance with the National Health and Medical Research Council Immunisation Schedule and was conducted by Council's Medical Officer of Health at the Bothwell Medical Centre.
- Council has a current Covid 19 Safety Plan which is updated when restrictions change.
- Events are managed in our facilities by requiring the event manager to have a Covid Safety plan based on the Workplace Safe Event Safety Assessment.
- "Free" infant immunisation continues to be offered by appointment at the Bothwell Medical Centre as per the national immunisation schedule.
- Recreational Water quality monitoring, lakes and rivers, including Bothwell Public Swimming Pool. Once yearly sampling as approved.
- Annual Reporting done by the 30 September each year for Recreational Water monitoring, Private Water Licences, Food Premises and Waste Reporting.

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

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

The main functions in environmental management are:

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

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

Council activities in relation to Environmental Management:

- Environmental Nuisances / complaints (6) are followed up by inspections and may require the issue of abatement notices, Environmental Protection Notices and / or infringement notices.
- Issuing of Environmental Protection Notices when required and follow up and monitoring of conditions of Notices.
- Septic tank installation assessments and permits. Monitoring and recording services for 46 Aerated Wastewater Treatment Systems.
- Monitoring of Private Sewage Treatment systems.
- Environmental Assessment of potentially harmful activities (e.g. composting, fish farms, sewage treatment plants and private water plants).

REPORTING REQUIREMENTS

Annual

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

COVID-19 Pandemic

Council has abided by all COVID-19 Government and Statutory requirements, Council has a COVID-19 Safety Plan which is updated on a regular basis. Signage has been installed where required. Events in Council buildings require a COVID-19 Safety Plan and Council has approved the Policy for Paid Covid Pandemic Leave for employees for 7 days isolation.

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

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

Development Statistics

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Total No Applications	56	60	80	84	114	134
No. Permitted	11	5	10	12	28	26
No. Discretionary	39	40	39	33	47	68
Subdivision Applications	2	2	11	9	5	14
No. Lots	3	3	32	5	4	77
Planning Scheme Amendments	0	0	0	0	0	0
No Permit Required	4	13	20	30	39	40

Building Statistics

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Total No. Buildings	44	53	65	61	65	68
Permit Work	-	-	23	21	21	7
Notifiable Work	-	-	36	33	29	45
Low Risk Work	-	-	6	7	15	16
Total No. Plumbing	36	36	32	34	45	54
Permit Work	-	-	21	20	23	15
Notifiable Work	-	-	6	10	15	18
Low Risk Work	-	-	5	4	7	21

Pool Attendance Statistics

Season Passes	2016-17	2017-18	2018-19	2019-20	2020/21	2021/22
Family	2	1	3	0	2	1
Junior	3	0	0	0	0	0
Adult				1	0	0
Daily Attendance						
Junior	1316	802	935	559	694	1008
Adult	387	187	107	90	174	311

Dog Control Statistics

	2016-17	2017-18	2018-19	2019-20	2020/21	2021/22
Dogs Registered	1067	1044	995	1005	983	947
Kennel Licenses	36	33	30	43	29	30
Infringement Notices	14	16	21	7	8	0
Impounded Dogs	12	10	8	6	6	3
Declared Dangerous Dogs	0	0	1	1	1	1

Remissions and Small Debt Write Offs

Small Debt Write Off	20.39	01-0820-04020	18.60
03-0238-01809	14.70	01-0893-04028	21.17
03-0237-01708	20.70	01-0860-03922	18.93
01-0822-04050	16.30	05-0700-03558	18.28
01-0838-02982	162.00	02-0103-01320	648.76
03-0228-01107	18.30	01-0805-02805	373.11
01-0859-02576	123.40	01-0860-03951	22.61
01-0864-03492	17.30	03-0209-00451	20.06
03-0224-01173	27.70	03-0241-01928	19.63
01-0826-02486	23.10	03-0230-01475	15.31
01-0805-02721	1,000.00	03-0221-00961	21.35
01-0805-02721	69.85	03-0234-01545	22.04
01-0805-03937	415.32	01-0805-2730	16.50
01-0810-03938	408.29	03-0226-01308	25.39
01-0808-03686	28.60	03-0221-01010	14.38
01-0860-03933	8.58	03-0238-01755	20.06
01-0860-03934	26.82	03-0212-00608	21.62
03-0224-01186	13.23	01-0848-04016	24.60
03-0237-04042	24.14	04-0017-03967	542.75
10-0400-03595	162.00	03-0207-00363	8.70
03-0201-03706	436.31	03-0218-03961	619.44
TOTAL = \$5,550.32			

Remissions given on Building, Plumbing & Development Applications 2021 / 2022:

DA 2021/100 - \$560 – Digital scoreboard at Bothwell Recreation Ground.

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

Total Remuneration Bracket	No Of Senior Employees
\$110,001 - \$130,000	2
\$130,001 - \$150,000	1
\$150,001 - \$170,000	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.
- Total allowances, expenses and reimbursements paid to the Mayor, Deputy Mayor and Councillors were \$136,198.

Donation of Land Statement Section 177 Local Government Act 1993

Section 177 of the *Local Government Act 1993* requires Council to report on any land donated by Council during the year. It is reported that no land was donated during the 2021/22 financial year.

Public Interest Disclosures Statement

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

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

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

Code of Conduct Complaint Information

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

No complaints were lodged with the Code of Conduct Panel.

Enterprise Powers Statement

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

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

Description	Period of Contract	Value inc GST	Successful Contractor	Business Address of Successful Contractor
Services for Supply, Installation and Maintenance of Waste Bins in Various Locations, Waste Transfer Stations & Collection of Waste & Collection of Waste	1/7/2022 to 30/6/2025 Plus further two year option	\$322,400 p.a.	Thorp Waste	24 Glen Lea Road, Brighton 7030
Kerbside Domestic Garbage & Recycling Collection Service	1/7/2022 to 30/6/2025 Plus further two year option	\$171,122.90 p.a.	Thorp Waste	24 Glen Lea Road, Brighton 7030
Service & Supply, Installation & maintenance of recycling Bins at Waste Transfer Stations and Collection of Recyclables	1/7/2022 to 30/6/2024 Plus further two year option	\$53,856 p.a.	Thorpe Recycling	1829 Elderslie Road, Elderslie 7030
Stabilisation & Re-Seal 1.2 Kms Dennistoun Road	August 2021 to 30 June 2022	\$203,977.27	Stabilised Pavements of Australia	234 Wisemans Ferry Road, Somersby NSW
Stabilising & Resealing 1.7kms Ellendale Road	August 2021 to 30 June 2022	\$277,125.09	Stabilised Pavements of Australia	234 Wisemans Ferry Road, Somersby NSW

Stabilising & Resealing 1.5kms Lower Marshes Road	August 2021 to 30 June 2022	\$187,200.64	Stabilised Pavements of Australia	234 Wisemans Ferry Road, Somersby NSW
Stabilisation and Resealing 1.7kms Hollow Tree Road	August 2021 to 30 June 2022	\$391,417.85	Stabilised Pavements of Australia	234 Wisemans Ferry Road, Somersby NSW
Supply of Grader	August 2021 to 30 June 2022	\$545,688	Komatsu Australia	1095 Cambridge Road, Cambridge
Gravel Crushing	March 2022 to March 2023 plus 1 year option	\$402,286 p.a.	Fieldwicks Crushing Pty Ltd	6178 Frankford Road, Lesley Vale

Non-Application of Public Tender Process

A Council is to report in its Annual Report all instances where the public tender process (Regulation 23) has not been applied.

The public tender process has been applied in all instances.

Financial Performance Indicators

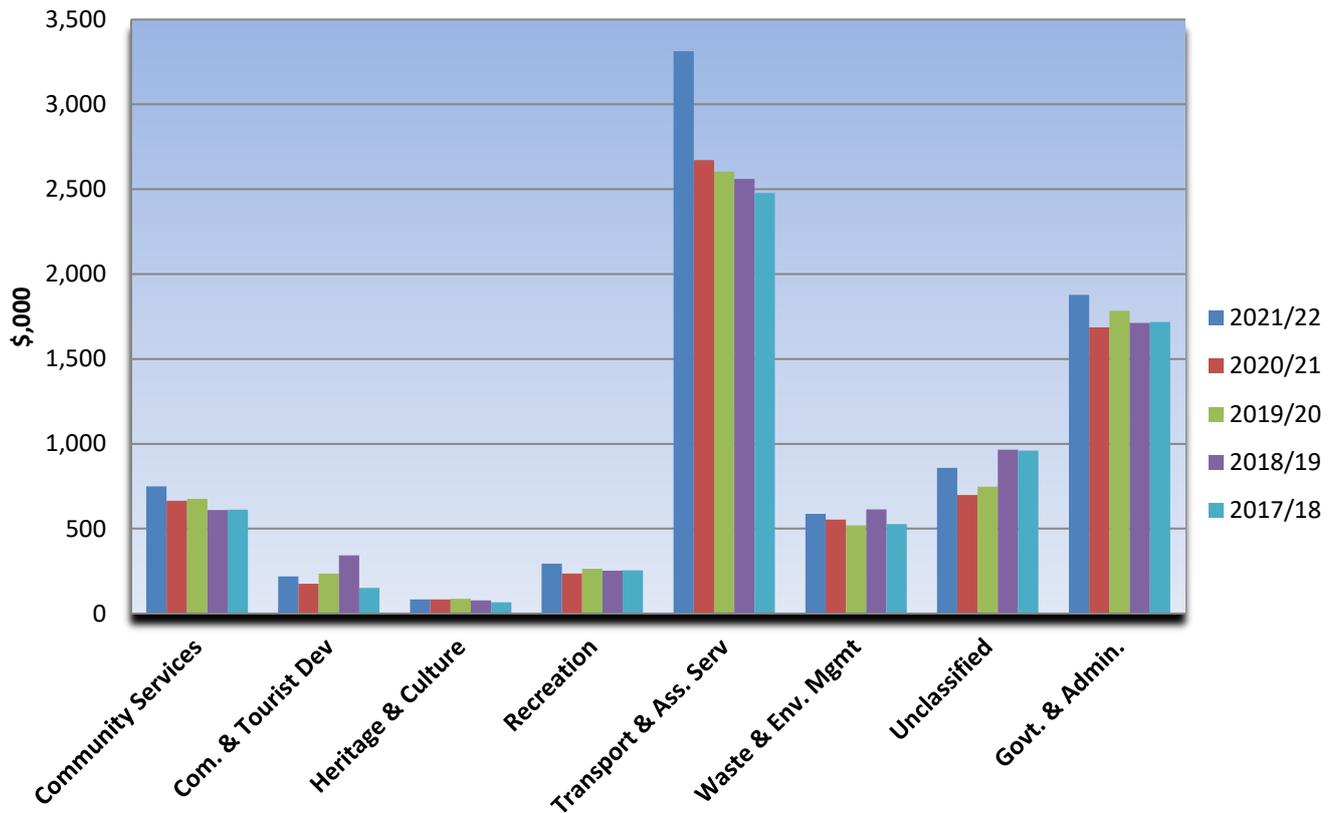
Comparative Financial Performance Indicators are provided for the current and previous seven years.

Indicator	2022 %	2021 %	2020 %	2019 %	2018 %	2017 %	2016 %	2015 %
Rate Revenue Analysis Rate Income: Total Revenue	47.0	52.80	52.5	50.1	50.7	50.3	49.8	48
Working Capital Ratio Current Assets: Current Liabilities	15.11	18.70	16.03	13.41	14.10	12.13	14.39	15.58
Debt Ratio Total Liabilities: Total Assets	1.65	2.02	2.00	1.60	1.53	1.28	1.11	1.32

Expenditure by Function

	2021/22 \$'000	2020/21 \$'000	2019/20 \$'000	2018/19 \$'000	2017/18 \$'000	2016/17 \$'000	2015/16 \$'000
Community Services	750	664	675	609	612	502	420
Com. & Tourist Dev	219	176	235	343	151	173	162
Heritage & Culture	84	84	86	77	67	72	76
Recreation	293	235	263	253	255	242	219
Transport & Ass. Serv	3,314	2,672	2,604	2,560	2,478	2,549	2,552
Waste & Env. Mgmt	588	554	519	613	527	566	539
Unclassified	859	698	748	966	960	597	743
Govt. & Admin.	1,877	1,686	1,784	1,713	1,717	1,728	1,542

EXPENDITURE BY FUNCTION



Reserves

Reserves	\$'000 2022	\$'000 2021	\$'000 2020	\$'000 2019	\$'000 2018	\$'000 2017	\$,000 2016	\$,000 2015
Plant Replacement	453	453	453	453	453	453	453	453
Bridges	377	377	377	377	377	377	377	377
Sundry	151	147	145	242	143	143	196	297
Long Service Leave	401	417	444	404	354	371	351	335
Regional Refuse Site	80	80	80	80	80	80	80	80
Quarry Reserve	180	180	180	80	80	80	80	80
Grants	0	0	0	9	44	170	54	0
Total	1,642	1,654	1,679	1,645	1,531	1,674	1,591	1,622

Non-Current Assets

Non-Current Asset	30-Jun-22 Asset value \$'000	30-Jun-21 Asset value \$'000	Increase/ (Decrease) \$'000
Land	6,322	3,402	2,920
Buildings	8,037	5,042	2,995
Plant, Machinery & Equipment	2,298	2,037	261
Office Equipment	208	165	43
Computer Equipment	22	33	(11)
Infrastructure	947	746	201
Roads	65,455	63,042	2,413
Drainage Systems	1,788	989	799
Bridges	8,193	8,214	(21)
Footpaths, Kerbs & Gutters	1,135	1,192	(57)
Works in Progress	444	3,499	(3,055)
Investment in TasWater	7,779	7,565	214
Land Under Roads	1,111	1,111	0
TOTALS	103,739	97,037	6,702

16 November 2022

Cr Loueen Triffitt
Mayor
Central Highlands Council
6 Tarleton Street
HAMILTON TAS 7140

Issued by email only

Dear Cr Triffitt

Central Highlands Council – Report to Those Charged With Governance – Year Ended 30 June 2022

Enclosed is a copy of my Report to Those Charged with Governance relating to the financial statement audit of Central Highlands Council for the year ended 30 June 2022.

If you have any queries regarding the audit or any other matters, please contact Mr Jon Parkes or myself on (03) 6173 0900.

Yours sincerely



Jeff Tongs
Assistant Auditor-General

Encl.

Copy for:
Mr Ian McMichael, Chair, Audit Panel
Mr Adam Wilson, Acting General Manager



Tasmanian
Audit Office



Central Highlands Council

Report to Those Charged with
Governance for the year ended
30 June 2022

16 November 2022

Table of contents

1. Introduction	1
Purpose of this report	1
Independence	1
Appreciation	1
2. Audit status and outcomes	2
Audit status	2
Auditor’s report	2
Misstatements	2
Significant findings from the audit	3
Reporting to Parliament	3
Fraud	3
Internal control and accounting findings	3
Regulatory non-compliance	3
Related parties	3
3. Audit approach	4
Changes to materiality	4
Changes to the planned audit approach	4
Changes affecting Council and its environment	5
4. Reporting and communication	6
Appendix A – Key audit matters	7

1. Introduction

Purpose of this report

This report communicates matters arising from our audit of the financial report of Central Highlands Council (Council) for the year ended 30 June 2022, which we consider appropriate for the attention of those charged with governance. These matters have been discussed with management. This report also covers matters highlighted in our Financial Audit Strategy (Strategy) issued to Council on 22 June 2022.

This report is intended solely for the information and use of those charged with governance, management, and others within Council for the purposes stated herein, and is not intended to be and should not be used or relied upon by any other person or by any person for any other purpose.

Independence

All staff on the audit engagement team have confirmed that they have been independent of Council. In conducting this audit, we have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements, including the Accounting Professional and Ethical Standards Board Statement APES 110 *Code of Ethics for Professional Accountants*.

Appreciation

We would like to take this opportunity to extend our appreciation to management and staff for their assistance and cooperation during the course of our audit.

2. Audit status and outcomes

Audit status

Our audit of the financial report is complete.

Auditor's report

We have issued an auditor's report with an unmodified opinion.

The matter included as a key audit matter in the auditor's report is disclosed in Appendix A.

Misstatements

In completing our audit, we may identify misstatements that result from:

- an inaccuracy in gathering or processing data from which the financial report is prepared
- an omission of an amount or disclosure, including inadequate or incomplete disclosures, and those disclosures required to meet the disclosure objectives of the financial reporting framework
- an incorrect accounting estimate arising from overlooking, or clear misinterpretation of, facts
- judgements of management concerning accounting estimates that we consider unreasonable or the selection and application of accounting policies that we consider inappropriate
- an inappropriate classification, aggregation or disaggregation, of information
- the omission of a disclosure necessary for the financial report to achieve fair presentation beyond disclosures specifically required by the financial reporting framework.

In assessing the effect of misstatements on the financial report we also consider the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial report as a whole.

Uncorrected misstatements

We have not identified any uncorrected misstatements that, in our judgement, either individually or in aggregate, could have a material effect on the financial report for the year ended 30 June 2022.

Corrected misstatements

There were no material misstatements corrected by management affecting balances or disclosures in the financial report above our threshold for communicating to those charged with governance.

Significant findings from the audit

There were no significant matters identified in the audit.

Reporting to Parliament

Pursuant to section 29 of the *Audit Act 2008* we will also report to Parliament in writing on the audit. Our report will draw attention to:

- any instances of significance where functions were not adequately and properly performed
- particulars of any major change of approach in relation to the extent or character of the audit function.

The report may also draw attention to significant developments at Council during the financial year which came to our attention during the audit.

Fraud

During the audit, nothing came to our attention and management have not advised us of any actual or potential fraud that has occurred.

Internal control and accounting findings

A Memorandum of Audit Findings is being drafted, setting out matters that came to our attention during the audit and our recommendations for improvements. These matters will be provided to management for review and response. The finalised Memorandum of Audit Findings will be forwarded to those charged with governance upon completion.

Regulatory non-compliance

In performing our audit we have not become aware of any instances of non-compliance with applicable laws and regulations that would have an impact on the determination of material amounts and disclosures in the financial report.

Related parties

There were no matters arising during the audit in connection with Council related parties.

3. Audit approach

Changes to materiality

A comparison of our final materiality to our planning materiality is provided below:

Materiality base	Planning	Final
Overall materiality	\$1.08m	\$1.15m
Performance materiality	\$0.97m	\$1.04m
Aggregation of trivial misstatements	\$0.02m	\$0.02m

Changes to the planned audit approach

There were changes to our planned audit approach as documented in the Financial Audit Strategy. Key controls over the following significant risks were unable to be tested, therefore, the control risk has been assessed as high:

- Management override of controls
- Valuation of property and infrastructure assets
- Existence and accuracy of capital expenditure

High assurance over these significant risks was obtained through substantive tests of details only.

The following table confirms the audit approach undertaken during the audit

Risk	Key audit matter (KAM) or significant risk (SR)	Risk assessment			Audit response		
		Inherent risk assessment	Control risk assessment	Risk of material misstatement	Test of controls ¹	Substantive analytic procedures	Substantive tests of detail
Risks pervasive to the audit							
Management override of controls	SR	H	H	H			✓
Risks at the assertion level							

¹ The design and implementation of controls to address key audit matters and significant risks were evaluated in all instances.

Risk	Key audit matter (KAM) or significant risk (SR)	Risk assessment			Audit response		
		Inherent risk assessment	Control risk assessment	Risk of material misstatement	Test of controls ¹	Substantive analytic procedures	Substantive tests of detail
Valuation of property and infrastructure assets	KAM	H	H	H			✓
Existence and accuracy of capital expenditure	SR	H	H	H			✓
Accuracy and assessment of depreciation	SR	H	L	M	✓	✓	

Legend: H – high, M – medium, L – low

Changes affecting Council and its environment

Significant developments impacting Council and their impact on the financial report and our audit approach are summarised below:

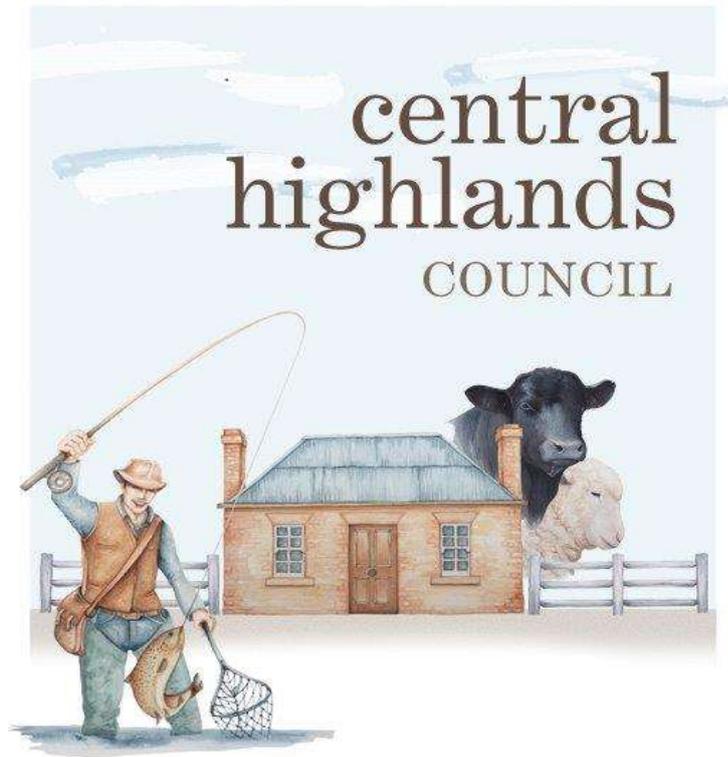
Significant developments	Impact
Capital Projects	
Council's total budget for capital expenditure program for 2021-22 totals \$4.44m with the majority relating to roads.	<p>Council's actual capital spend for 2021-22 was \$3.20 million, audit procedures included:</p> <ul style="list-style-type: none"> • Testing, on a sample basis, the allocation of costs between capital and operating expenditure, including costs capitalised to work in progress. • Evaluating management's assessment of the stage of completion for capital works in progress. • Assessing the adequacy of disclosures made in the financial report, including those regarding key assumptions used.
Asset Valuations	
Valuations of property assets, Land and Buildings are being performed by the Office of the Valuer-General (OVG).	Council's revaluation of land and buildings in 2021-22 resulted in a net revaluation increment of \$5.73 million. Refer to Appendix A for further details of this Key Audit Matter and audit procedures performed.

4. Reporting and communication

Deliverable	Responsibility	Agreed date	Milestone Met
Presentation of Financial Audit Strategy	Tasmanian Audit Office	31 May 2022	✓
Interim audit visit commences	Tasmanian Audit Office	6 June 2022	✗
Final audit commences	Tasmanian Audit Office	15 September 2022	✓
Finalised trial balance provided to Tasmanian Audit Office	Council	15 August 2022	✓
Draft financial report provided to Tasmanian Audit Office	Council	15 August 2022	✓
Report to Those Charged with Governance issued	Tasmanian Audit Office	28 September 2022	✗
Management Representation letter signed	Council	28 September 2022	✓
Financial report certified by accountable authority	Council	28 September 2022	✗
Independent Auditor's Report issued	Tasmanian Audit Office	30 September 2022	✗
Memorandum of Audit Findings issued	Tasmanian Audit Office	31 October 2022	✗

Appendix A – Key audit matters

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p>Valuation of property and infrastructure <i>Refer to notes 23 and 39</i></p>	
<p>At 30 June 2022, Council’s assets included land, land under roads, buildings, and infrastructure assets, including roads, bridges, drainage, footpaths, kerbs and gutter assets totalling \$92.99 million recognised at fair value.</p> <p>The fair values of these assets are based on market values and current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value.</p> <p>During 2021-22, Council undertook a revaluation of land and building assets. The valuations were determined by external experts and are highly dependent upon a range of assumptions and estimated unit rates.</p>	<ul style="list-style-type: none"> • Assessing the scope, expertise and independence of experts engaged to assist in the valuations. • Evaluating the appropriateness of the valuation methodology applied to determine fair values. • Critically assessed assumptions and other key inputs into the valuation model. • Testing, on a sample basis, the mathematical accuracy of valuation model calculations. • Testing the accuracy of recording independent values in Council’s asset register and general ledger. • Assessing the adequacy of disclosures made in the financial report, including those regarding key assumptions used.



Central Highlands Council

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2022

Central Highlands Council
Financial Report
Table of Contents

FINANCIAL REPORT	Page
Financial Statements	
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Cash Flows	3
Statement of Changes in Equity	4
Notes to Financial Statements	
Note 1 Reporting entity	5
Note 2 Basis of accounting	5
Note 3 Use of estimates and judgements	5
Note 4 Functions/Activities of the Council	6
Note 5 Rates and charges	8
Note 6 Statutory fees and fines	8
Note 7 User fees	8
Note 8 Grants	9
Note 9 Contributions	10
Note 10 Interest	10
Note 11 Other income	10
Note 12 Net gain/(loss) on disposal of property, infrastructure, plant and equipment	10
Note 13 Investment revenue from water corporation	11
Note 14 Employee benefits	11
Note 15 Materials and services	11
Note 16 Depreciation and amortisation	12
Note 17 Other expenses	13
Note 18 Investment in water corporation	13
Note 19 Cash and cash equivalents	13
Note 20 Trades and other receivables	14
Note 21 Inventories	14
Note 22 Other Assets	14
Note 23 Property, infrastructure, plant and equipment	15
Note 24 Trade and other payables	21
Note 25 Trust funds and deposits	21
Note 26 Provisions	21
Note 27 Reserves	23
Note 28 Reconciliation of cash flows from operating activities to surplus or deficit	24
Note 29 Reconciliation of cash and cash equivalents	24
Note 30 Superannuation	25
Note 31 Commitments	26
Note 32 Contingent liabilities	26
Note 33 Financial instruments	27
Note 34 Events occurring after balance date	31
Note 35 Related party transactions	32
Note 36 Other significant accounting policies and pending accounting standards	34
Note 37 Significant Business Activities	35
Note 38 Management Indicators	36
Note 39 Fair Value Measurement	38
Note 40 Material budget variations	41
Certification of the Financial Report	42

**Statement of Comprehensive Income
For the Year Ended 30 June 2022**

	Note	Budget 2022 \$	Actual 2022 \$	Actual 2021 \$
Income				
Income from continuing operations				
Rates and charges	5	3,874,507	3,890,827	3,760,915
Statutory fees and fines	6	50,000	58,053	62,137
User fees	7	207,250	230,673	217,152
Grants	8	2,510,640	3,598,891	2,668,666
Contributions	9	22,200	48,873	24,207
Interest	10	60,000	30,723	45,552
Other income	11	250,000	297,497	294,810
Investment revenue from water corporation	13	102,000	122,400	51,000
		7,076,597	8,277,937	7,124,439
Capital income				
Capital grants received specifically for new or upgraded assets	8	861,250	1,758,823	1,741,592
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	12	-	(146,117)	(277,264)
		861,250	1,612,706	1,464,328
Total income from continuing operations		7,937,847	9,890,643	8,588,767
Expenses from continuing operations				
Employee benefits	14	(1,993,657)	(2,054,935)	(1,893,449)
Materials and services	15	(1,379,666)	(2,318,387)	(1,424,287)
Depreciation and amortisation	16	(2,134,000)	(2,189,609)	(2,100,532)
Other expenses	17	(1,588,983)	(1,421,009)	(1,350,103)
Total expenses from continuing operations		(7,096,306)	(7,983,940)	(6,768,371)
Net result for the year		841,541	1,906,703	1,820,396
Other comprehensive income				
Items that will not be reclassified subsequently to net result				
Financial assets available for sale reserve				
Fair Value adjustment on equity investment assets	28(b)	-	213,771	494,397
Net asset revaluation increment(decrement)	28(a)	-	5,729,626	2,416,436
Total Other Comprehensive Income		-	5,943,397	2,910,833
Total Comprehensive result		841,541	7,850,100	4,731,229

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

**Statement of Financial Position
As at 30 June 2022**

	Note	2022	2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	19	11,144,895	10,204,128
Trade and other receivables	20	141,325	251,909
Inventories	21	12,567	8,162
Other assets	22	92,404	50,066
Total current assets		11,391,191	10,514,265
Non-current assets			
Investment in water corporation	18	7,779,216	7,565,445
Property, infrastructure, plant and equipment	23	95,960,510	89,472,321
Total non-current assets		103,739,726	97,037,766
Total assets		115,130,917	107,552,031
Liabilities			
Current liabilities			
Trade and other payables	24	608,396	849,597
Trust funds and deposits	25	213,538	245,627
Provisions	26	899,011	871,408
Total current liabilities		1,720,945	1,966,632
Non-current liabilities			
Provisions	26	177,890	203,417
Total non-current liabilities		177,890	203,417
Total liabilities		1,898,835	2,170,049
Net Assets		113,232,082	105,381,982
Equity			
Accumulated surplus		36,623,769	34,704,879
Reserves	27	76,608,313	70,677,103
Total Equity		113,232,082	105,381,982

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

Statement of Cash Flows For the Year Ended 30 June 2022

	2022	2021
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$	\$
Cash flows from operating activities		
Rates	3,923,071	3,791,993
Statutory fees and fines	63,858	68,351
User charges and other fines	339,914	174,904
Grants	3,598,891	2,575,737
Interest	22,613	49,939
Investment revenue from water corporation	13 122,400	51,000
Other receipts	346,370	418,145
Net GST refund/payment	365,216	234,733
Payments to suppliers	(4,421,153)	(2,825,323)
Payments to employees (including redundancies)	(2,052,859)	(1,915,996)
Net cash provided by (used in) operating activities	28 2,308,322	2,623,484
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(3,197,661)	(5,376,587)
Proceeds from sale of property, infrastructure, plant and equipment	103,372	73,636
Capital grants	1,758,823	1,661,592
Net cash provided by (used in) investing activities	(1,335,466)	(3,641,359)
Cash flows from financing activities		
Repayment of trust funds and deposits	(32,089)	-
Net cash provided by (used in) financing activities	(32,089)	-
Net increase (decrease) in cash and cash equivalents	940,767	(1,017,875)
Cash and cash equivalents at the beginning of the financial year	10,204,128	11,222,003
Cash and cash equivalents at the end of the financial year	29 11,144,895	10,204,128
Restrictions on cash assets	19	

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

**Statement of Changes in Equity
For the Year Ended 30 June 2022**

	Note	Accumulated Surplus 2022 \$	Asset Revaluation Reserve 2022 \$	Fair Value Reserve 2022 \$	Other Reserves 2022 \$	Total 2022 \$
2022						
Balance at beginning of the financial year		34,704,879	70,616,249	(1,592,875)	1,653,729	105,381,982
Surplus / (deficit) for the year		1,906,703	-	-	-	1,906,703
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	18	-	-	213,771	-	213,771
Net asset revaluation increment(decrement) reversals	27	-	5,729,626	-	-	5,729,626
Transfers between reserves		12,187	-	-	(12,187)	-
Balance at end of the financial year		36,623,769	76,345,875	(1,379,104)	1,641,542	113,232,082
		Accumulated Surplus 2021 \$	Asset Revaluation Reserve 2021 \$	Fair Value Reserve 2021 \$	Other Reserves 2021 \$	Total 2021 \$
2021						
Balance at beginning of the financial year		32,859,677	68,199,813	(2,087,272)	1,678,535	100,650,753
Surplus / (deficit) for the year		1,820,396	-	-	-	1,820,396
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	18	-	-	494,397	-	494,397
Net asset revaluation increment(decrement) reversals	27	-	2,416,436	-	-	2,416,436
Transfers between reserves		24,806	-	-	(24,806)	-
Balance at end of the financial year		34,704,879	70,616,249	(1,592,875)	1,653,729	105,381,982

The above statement should be read with the accompanying notes.

Introduction

Note 1 Reporting Entity

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

Note 2 Basis of accounting

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 18, 23, 26 and 39.

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

Note 3 Use of judgements and estimates

Judgements and Assumptions

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

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

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

Employee benefits

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

Defined benefit superannuation fund obligations

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

Fair value of property, infrastructure, plant & equipment

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

Investment in water corporation

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

Note 4 Functions/Activities of the Council

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

	Grants	Other	Total Revenue	Total Expenditure	Surplus/ (Deficit)	Assets
	\$	\$	\$	\$	\$	\$
Government and administration						
2021 - 2022	1,306,307	3,349,863	4,656,170	1,876,590	2,779,580	3,055,832
2020 - 2021	1,066,970	3,087,604	4,154,574	1,685,828	2,468,746	1,516,389
Roads, streets and bridges						
2021 - 2022	3,572,688	22,207	3,594,895	3,313,920	280,975	77,787,543
2020 - 2021	3,089,210	22,207	3,111,417	2,671,722	439,695	72,032,718
Waste management						
2021 - 2022	211,500	637,776	849,276	587,680	261,596	451,416
2020 - 2021	-	625,764	625,764	553,631	72,133	380,121
Heritage and Culture						
2021 - 2022	-	452	452	83,736	(83,284)	2,059,270
2020 - 2021	-	4,985	4,985	83,839	(78,854)	1,728,953
Community services						
2021 - 2022	204,219	216,723	420,942	750,401	(329,459)	4,349,922
2020 - 2021	254,078	155,326	409,404	664,141	(254,737)	2,277,062
Recreation facilities						
2021 - 2022	63,000	17,041	80,041	293,458	(213,417)	3,995,391
2020 - 2021	-	88,197	88,197	234,684	(146,487)	2,334,272
Commercial and Tourism						
2021 - 2022	-	97,731	97,731	219,091	(121,360)	994,424
2020 - 2021	-	81,085	81,085	176,347	(95,262)	718,980
Other - not attributable						
2021 - 2022	-	191,136	191,136	859,064	(667,928)	22,437,118
2020 - 2021	-	113,341	113,341	698,179	(584,838)	26,563,536
Total						
2021 - 2022	5,357,714	4,532,929	9,890,643	7,983,940	1,906,703	115,130,917
2020 - 2021	4,410,258	4,178,509	8,588,767	6,768,371	1,820,396	107,552,031

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

	2022	2021
	\$	\$
Current assets	11,391,191	10,514,265
Non-current assets	103,739,726	97,037,766
	115,130,917	107,552,031

(c) *Governance and administration*

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

Roads, streets and bridges

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

Waste Management

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

Heritage and Culture

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

Community services

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

Recreation facilities

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

Commercial and Tourism

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

Other - not attributable

Rates and charges and work not attributed elsewhere.

	2022	2021
	\$	\$

Note 5 Rates and charges

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

The valuation base used to calculate general rates for 2021-2022 was \$42.786 million (2020-2021 \$42.615 million). The 2021-22 rate in the AAV dollar was 3.52092 cents (2020-2021, 3.40380 cents).

General Rate	3,025,238	2,909,658
Fire Levy	227,813	225,493
Garbage charge	637,776	625,764
Total rates and charges	3,890,827	3,760,915

The date of the latest general revaluation of land for rating purposes within the municipality was 2021, and the valuation will be first applied in the rating year commencing 1 July 2022.

Accounting policy

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

Note 6 Statutory fees and fines

Statutory Fees	58,053	62,137
Total statutory fees and fines	58,053	62,137

Accounting policy

Statutory fee and fine income

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

Note 7 User fees

Rental Housing	76,115	78,393
Planning Fees	58,917	42,334
Building Fees	22,575	20,699
Tips and Waste Transfer Stations	13,719	4,162
Hall Hire	644	319
Camp Ground Fees	14,094	12,155
Animal licences	15,065	13,700
Food & Public Assembly Licences	10,013	19,725
Sewer Connection Fees	12,100	15,565
Cemetery Charges	4,449	6,607
Other fees and charges	2,982	3,493
Total user fees	230,673	217,152

Accounting policy

User fee income

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

Rental income

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

Operating leases as lessor

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

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

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

	2022	2021
	\$	\$
Note 8 Grants		
Grants were received in respect of the following :		
Summary of grants		
Federally funded grants	4,992,834	3,913,251
State funded grants	364,880	497,007
Total	<u>5,357,714</u>	<u>4,410,258</u>
Grants - Recurrent		
Financial assistance grant	3,370,391	2,479,787
Bothwell Bi-Centenary event funding	15,000	-
River Clyde flood mapping and study	202,500	-
Landfill levy readiness	9,000	-
Other	2,000	188,879
Total recurrent grants	<u>3,598,891</u>	<u>2,668,666</u>
Capital grants received specifically for new or upgraded assets		
Commonwealth Government - roads to recovery	589,128	589,128
Local roads and community infrastructure	828,876	994,336
Black Snake Lane bridge	70,000	-
Bothwell FC electronic scoreboard	30,000	-
Variable message boards	53,339	-
Pelham fires 19/20	20,600	-
Bothwell play equip Queens Park	63,000	-
Dunrobin Shelter & BBQ	96,000	-
Recreational Fishing & Camping Facilities Program	-	72,628
Economic and community recovery	-	80,000
Other	7,880	5,500
Total capital grants	<u>1,758,823</u>	<u>1,741,592</u>
Unspent grants and contributions		
Grants and contributions which were obtained on the condition that they be spent for specified purposes or in a future period, but which are not yet spent in accordance with those conditions, are as follows:		
Operating		
Balance of unspent funds at 1 July	114,298	92,929
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	25,588	114,298
Add: Funds received and not recognised as revenue in the current year	-	-
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(56,598)	-
Less: Funds received in prior year but revenue recognised and/or funds spent in current year	-	(92,929)
Balance of unspent funds at 30 June	<u>83,288</u>	<u>114,298</u>
Capital		
Balance of unspent funds at 1 July	65,836	80,000
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	1,003,967	65,836
Add: Funds received and not recognised as revenue in the current year	-	-
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(57,294)	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	-	(80,000)
Balance of unspent funds at 30 June	<u>1,012,509</u>	<u>65,836</u>
Total unspent funds	<u>1,095,797</u>	<u>180,134</u>

Accounting policy under AASB 15 and AASB 1058

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

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

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

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

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

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

In both years the Commonwealth has made early payment of the first two quarterly instalments for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2021-22 by \$859,751, (2020-21, below budget \$5,995). This has impacted the Statement of Comprehensive Income resulting in the Net result being higher by the same amount.

	2022	2021
	\$	\$
Note 9 Contributions		
Cash		
Heavy Vehicle Contribution Fees	22,207	22,207
Parks, open space and streetscapes	3,939	2,000
Other	22,727	-
Total	<u>48,873</u>	<u>24,207</u>
Total contributions	<u>48,873</u>	<u>24,207</u>

Accounting policy

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

Note 10 Interest		
Interest on financial assets	30,723	45,552
Total	<u>30,723</u>	<u>45,552</u>

Accounting policy

Interest income

Interest is recognised progressively as it is earned.

Note 11 Other income		
Private Works	135,778	71,282
Reimbursements	123,792	188,181
Penalties and interest	37,927	35,347
Total other income	<u>297,497</u>	<u>294,810</u>

Accounting policy

Other income

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

Note 12 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	103,372	73,636
Write down value of assets disposed	(249,489)	(350,900)
Total	<u>(146,117)</u>	<u>(277,264)</u>

Accounting policy

Gains and losses on asset disposals

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

	2022	2021
	\$	\$
Note 13		
Investment revenue from water corporation		
Dividend revenue received	122,400	51,000
Total investment revenue from water corporation	<u>122,400</u>	<u>51,000</u>

Accounting policy

Investment revenue

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

Note 14		
Employee benefits		
Wages and salaries	1,629,655	1,639,184
Workers compensation	21,427	8,791
Annual leave and long service leave	184,657	153,686
Sick Leave	91,732	48,390
Superannuation	190,406	165,425
Fringe benefits tax	40,334	26,364
Total employee benefits	<u>2,158,211</u>	<u>2,041,840</u>
Less amounts capitalised	<u>(103,276)</u>	<u>(148,391)</u>
Total operating employee benefits	<u>2,054,935</u>	<u>1,893,449</u>

Accounting policy

Employee benefits

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

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

Note 15		
Materials and services		
Contract payments	1,325,597	754,851
Building maintenance	33,106	11,912
Plant and equipment maintenance, hire and fuel	285,096	178,014
Consultants	93,964	100,234
Materials and services	395,808	322,148
Other	184,816	57,128
Total materials and services	<u>2,318,387</u>	<u>1,424,287</u>

Accounting policy

Materials and services expense

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

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

	2022	2021
	\$	\$
Note 16 Depreciation and amortisation		
<i>Property</i>		
Buildings	144,809	121,218
<i>Plant and Equipment</i>		
Plant, machinery and equipment	283,821	295,987
Fixtures, fittings and furniture	22,695	17,801
Computers and telecommunications	14,592	21,959
<i>Infrastructure</i>		
Roads	1,347,860	1,291,529
Bridges	206,400	202,580
Footpaths and cycleways	56,992	56,992
Drainage	23,840	16,302
Infrastructure	88,600	76,164
Total depreciation and amortisation	2,189,609	2,100,532

Accounting policy	
Depreciation and amortisation expense	
Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.	
Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.	
Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.	
Land and road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. Straight line depreciation is charged based on the residual useful life as determined each year.	
Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:	
	Period
Land improvements	50 years
Buildings	
buildings	10-100 years
building improvements	10-20 years
Leasehold improvements	
leasehold building improvements	10-20 years
Plant and Equipment	
plant, machinery and equipment	2-30 years
fixtures, fittings and furniture	5-20 years
computers and telecommunications	2-10 years
leased plant and equipment	2-15 years
Roads	
road pavements and seals	12-30 years
road substructure	30 to 60 years
road formation and earthworks	Infinite
road kerb, channel and minor culverts	50-80 years
Bridges	
bridges deck	20-80 years
bridges substructure	25-50 years
Other Infrastructure	
footpaths and cycleways	5-80 years
drainage	100 years
recreational, leisure and community facilities	10-100 years
waste management	10-50 years
parks, open space and streetscapes	10-100 years
off street car parks	10-20 years

	2022	2021
	\$	\$
Note 17 Other expenses		
External auditors' remuneration (Tasmanian Audit Office)	34,540	21,490
Councillors' allowances	133,345	141,337
Fire Levy	226,604	223,995
Light and Power	105,234	111,082
Insurance	418,466	358,858
Valuation Fees	11,950	10,400
Communications and Telephones	58,546	50,843
Community Support and Donations	44,179	72,368
Land Tax	22,870	22,988
Subscriptions and membership	34,819	31,964
Advertising	36,268	33,720
Legal Fees	27,607	31,165
Printing and Stationery	13,467	10,076
Bank Fees	21,010	21,247
Payroll Tax	47,890	41,344
Water, Sewerage and Rates	120,550	112,852
Other	63,664	54,374
Total other expenses	1,421,009	1,350,103

Accounting policy

Other expenses

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

Note 18 Investment in water corporation

Opening Balance	7,565,445	7,071,048
Fair Value adjustments on equity investment assets	213,771	494,397
Total investment in water corporation	7,779,216	7,565,445

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

Accounting policy

Equity Investment

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

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2022, Council holds a 0.47% (2021: 0.48%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

Note 19 Cash and cash equivalents

Cash on hand	550	550
Cash at bank	2,396,874	1,476,549
Short term investments	8,747,471	8,727,029
Total cash and cash equivalents	11,144,895	10,204,128

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

- Trust funds and deposits (note 25)	213,538	245,627
- Unspent grant funds with conditions (note 8)	1,095,797	180,134
- Provisions (note 26)	1,076,901	1,074,825
Restricted funds	2,386,236	1,500,586

Total unrestricted cash and cash equivalents

8,758,659 **8,703,542**

Accounting policy

Cash and cash equivalents

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

Restricted funds

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

	2022 \$	2021 \$
Note 20		
Trade and other receivables		
<i>Current</i>		
Rates debtors	99,427	131,671
Other debtors	41,898	126,267
Provision for impairment - other debtors	-	(6,029)
Total trade and other receivables	141,325	251,909
Reconciliation of movement in expected credit loss		
Carrying amount at 1 July	6,029	6,029
Amounts written off during the year	(6,029)	-
Amounts recovered during the year	-	-
Increase/(decrease) in provision recognised in profit or loss	-	-
Carrying amount at 30 June	-	6,029

Accounting policy

Trade and other receivables

Trade receivables that do not contain a significant financing component are measured at amortised cost, which represents their transaction value. Impairment is recognised on an expected credit loss (ECL) basis. When determining whether the credit risk has increased significantly since initial recognition, and when estimating the ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience, an informed credit assessment and forward-looking information. Council has established a provision matrix to facilitate the impairment assessment. For rate debtors, Council takes the view that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold unless there are circumstances where a property is likely to be unsaleable. For non-rate debtors, Council uses the presumptions that assets more than 30 days past due have a significant increase in credit risk and those more than 180 days will likely be in default. Council writes off receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Note 21		
Inventories		
Inventories held for consumption	12,567	8,162
Total inventories	12,567	8,162

Accounting policy

Inventories

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

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

Note 22		
Other assets		
<i>Current</i>		
Prepayments	80,500	46,272
Accrued income*	11,904	3,794
Total	92,404	50,066

* Accrued income only includes interest receivable.

Note 23

	2022	2021
	\$	\$
Property, infrastructure, plant and equipment		
Summary		
at cost	6,634,192	9,331,823
Less accumulated depreciation	<u>(3,662,256)</u>	<u>(3,597,907)</u>
	2,971,936	5,733,916
at fair value at 30 June	117,880,499	108,488,140
Less accumulated depreciation	<u>(24,891,925)</u>	<u>(24,749,735)</u>
	92,988,574	83,738,405
Total	95,960,510	89,472,321
Property		
Land		
at fair value at 30 June	<u>6,322,000</u>	<u>3,401,816</u>
	6,322,000	3,401,816
Land under roads		
at Council valuation at 30 June	<u>1,111,124</u>	<u>1,111,124</u>
	1,111,124	1,111,124
Total Land	7,433,124	4,512,940
Buildings		
at fair value at 30 June	8,275,368	5,818,043
Less accumulated depreciation	<u>(237,865)</u>	<u>(775,792)</u>
Total Buildings	8,037,503	5,042,251
Total Property	15,470,627	9,555,191

Valuation of land (excluding land under roads) and buildings was undertaken by the Valuer-General as at 30 June 2022. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Land under roads were revalued in 2019/20 based on unit rate per hectare provided by the Valuer General through the Department of Primary Industries, Parks Water and Environment.

Note 23	<i>Property, infrastructure, plant and equipment (cont.)</i>	2022	2021
		\$	\$
	<i>Plant and Equipment</i>		
	Plant, machinery and equipment		
	at cost	5,510,751	5,223,409
	Less accumulated depreciation	<u>(3,213,136)</u>	<u>(3,186,075)</u>
		2,297,615	2,037,334
	Fixtures, fittings and furniture		
	at cost	348,566	282,790
	Less accumulated depreciation	<u>(140,308)</u>	<u>(117,612)</u>
		208,258	165,178
	Computers and telecommunications		
	at cost	331,225	327,051
	Less accumulated depreciation	<u>(308,812)</u>	<u>(294,220)</u>
		22,413	32,831
	Total Plant and Equipment	2,528,286	2,235,343
	Infrastructure		
	Roads		
	at fair value at 30 June	78,710,250	75,902,068
	Less accumulated depreciation	<u>(13,255,662)</u>	<u>(12,859,835)</u>
		65,454,588	63,042,233
	Bridges		
	at fair value at 30 June	16,286,659	16,184,436
	Less accumulated depreciation	<u>(8,093,549)</u>	<u>(7,969,987)</u>
		8,193,110	8,214,449
	Footpaths, kerbs and gutters		
	at fair value at 30 June	2,825,078	2,825,078
	Less accumulated depreciation	<u>(1,689,948)</u>	<u>(1,632,956)</u>
		1,135,130	1,192,122
	Drainage		
	at fair value at 30 June	2,453,939	1,630,155
	Less accumulated depreciation	<u>(665,390)</u>	<u>(641,551)</u>
		1,788,549	988,604
	Infrastructure		
	at fair value at 30 June	1,896,081	1,615,420
	Less accumulated depreciation	<u>(949,511)</u>	<u>(869,614)</u>
		946,570	745,806
	Total Infrastructure	77,517,947	74,183,214
	A full valuation of roads and footpaths was undertaken by independent valuers, Moloneys Asset Management Systems, effective July 2020. Bridges were revalued by AusSpan effective January 2021. Drainage and other infrastructure have not been revalued due to the immaterial amount of assets in these classes.		
	Works in progress		
	Buildings at cost	194,489	75,891
	Roads at cost	209,164	2,284,286
	Infrastructure	33,182	157,344
	Drainage	-	818,632
	fixtures, fittings and furniture	6,815	-
	Bridges	-	162,420
	Total Works in progress	443,650	3,498,573
	Total property, infrastructure, plant and equipment	95,960,510	89,472,321

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

Reconciliation of property, infrastructure, plant and equipment

2022	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 27)	Depreciation and amortisation (note 16)	Written down value of disposals	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$
Property							
land	3,401,816	-	2,920,184	-	-	-	6,322,000
land under roads	1,111,124	-	-	-	-	-	1,111,124
Total land	4,512,940	-	2,920,184	-	-	-	7,433,124
buildings	5,042,251	-	2,809,442	144,809	-	330,619	8,037,503
Total buildings	5,042,251	-	2,809,442	144,809	-	330,619	8,037,503
Total property	9,555,191	-	5,729,626	144,809	-	330,619	15,470,627
Plant and Equipment							
plant, machinery and equipment	2,037,334	649,664	-	283,821	105,562	-	2,297,615
fixtures, fittings and furniture	165,178	52,442	-	22,695	-	13,333	208,258
computers and telecommunications	32,831	4,174	-	14,592	-	-	22,413
Total plant and equipment	2,235,343	706,280	-	321,108	105,562	13,333	2,528,286
Infrastructure							
roads	63,042,233	-	-	1,347,860	143,927	3,904,142	65,454,588
bridges	8,214,449	-	-	206,400	-	185,061	8,193,110
footpaths, kerbs and gutters	1,192,122	-	-	56,992	-	-	1,135,130
drainage	988,604	-	-	23,840	-	823,785	1,788,549
infrastructure	745,806	-	-	88,600	-	289,364	946,570
Total infrastructure	74,183,214	-	-	1,723,692	143,927	5,202,352	77,517,947
Works in progress							
roads	2,284,286	2,032,890	-	-	-	(4,108,012)	209,164
buildings	75,891	334,652	-	-	-	(216,054)	194,489
infrastructure	157,344	89,230	-	-	-	(213,392)	33,182
drainage	818,632	5,153	-	-	-	(823,785)	-
fixtures, fittings and furniture	-	6,815	-	-	-	-	6,815
bridges	162,420	22,641	-	-	-	(185,061)	-
Total works in progress	3,498,573	2,491,381	-	-	-	(5,546,304)	443,650
Total property, infrastructure, plant and equipment	89,472,321	3,197,661	5,729,626	2,189,609	249,489	-	95,960,510

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

Reconciliation of property, infrastructure, plant and equipment

2021	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 27)	Depreciation and amortisation (note 16)	Written down value of disposals	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$
Property							
land	3,401,816	-	-	-	-	-	3,401,816
land under roads	1,111,124	-	-	-	-	-	1,111,124
Total land	4,512,940	-	-	-	-	-	4,512,940
buildings	5,163,469	-	-	121,218	-	-	5,042,251
Total buildings	5,163,469	-	-	121,218	-	-	5,042,251
Total property	9,676,409	-	-	121,218	-	-	9,555,191
Plant and Equipment							
plant, machinery and equipment	2,179,995	187,907	-	295,987	34,581	-	2,037,334
fixtures, fittings and furniture	170,979	12,000	-	17,801	-	-	165,178
computers and telecommunications	52,540	2,250	-	21,959	-	-	32,831
Total plant and equipment	2,403,514	202,157	-	335,747	34,581	-	2,235,343
Infrastructure							
roads	60,550,890	-	2,248,300	1,291,529	304,436	1,839,008	63,042,233
bridges	8,217,756	-	(110,067)	202,580	-	309,340	8,214,449
footpaths, kerbs and gutters	933,572	-	278,203	56,992	11,883	49,222	1,192,122
drainage	1,004,906	-	-	16,302	-	-	988,604
infrastructure	785,361	-	-	76,164	-	36,609	745,806
Total infrastructure	71,492,485	-	2,416,436	1,643,567	316,319	2,234,179	74,183,214
Works in progress							
roads	193,296	3,929,998	-	-	-	(1,839,008)	2,284,286
buildings	15,759	60,132	-	-	-	-	75,891
infrastructure	36,609	157,344	-	-	-	(36,609)	157,344
drainage	50,484	768,148	-	-	-	-	818,632
footpaths, kerbs and gutters	351	48,871	-	-	-	(49,222)	-
bridges	261,823	209,937	-	-	-	(309,340)	162,420
Total works in progress	558,322	5,174,430	-	-	-	(2,234,179)	3,498,573
Total property, infrastructure, plant and equipment	84,130,730	5,376,587	2,416,436	2,100,532	350,900	-	89,472,321

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

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

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

Accounting policy (cont.)

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

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

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

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

Impairment of assets

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

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

	2022	2021
	\$	\$
Note 24 Trade and other payables		
Trade payables	391,904	567,834
Rates and charges in advance	139,127	132,398
Accrued expenses	71,832	139,393
Other	5,533	9,972
Total trade and other payables	608,396	849,597

Accounting policy

Trade and other payables

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

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

Note 25 Trust funds and deposits

Refundable building deposits	1,200	1,200
Retention amounts	114,247	153,419
Other refundable deposits	98,091	91,008
Total trust funds and deposits	213,538	245,627

Accounting policy

Tender deposits

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

Note 26 Provisions

	Annual leave & RDO's	Long service leave	Sick Leave	Landfill Restoration	Other	Total
	\$	\$	\$	\$	\$	\$
2022						
Balance at beginning of the financial year	208,644	417,001	227,927	100,900	120,353	1,074,825
Additional provisions	177,577	33,553	54,029	3,026	30,712	298,897
Amounts used	(185,813)	(49,681)	(26,494)	-	(34,833)	(296,821)
Balance at the end of the financial year	200,408	400,873	255,462	103,926	116,232	1,076,901
Current	200,408	335,724	255,462	-	107,417	899,011
Non-Current	-	65,149	-	103,926	8,815	177,890
Total	200,408	400,873	255,462	103,926	116,232	1,076,901
2021						
Balance at beginning of the financial year	216,073	443,807	214,241	100,000	123,251	1,097,372
Additional provisions	133,119	22,610	35,404	900	26,331	218,364
Amounts used	(140,548)	(49,416)	(21,718)	-	(29,229)	(240,911)
Balance at the end of the financial year	208,644	417,001	227,927	100,900	120,353	1,074,825
Current	208,644	327,152	227,927	-	107,685	871,408
Non-Current	-	89,849	-	100,900	12,668	203,417
Total	208,644	417,001	227,927	100,900	120,353	1,074,825

2022 **2021**

(a) Employee benefits

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

Weighted average increase in employee costs	5.70%	(6.51%)
Weighted average discount rates	2.97%	0.48%
Weighted average settlement period	12	12

Employee Numbers - FTE

27 27

Accounting policy

Employee benefits

i) Short term obligations

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

ii) Other long term employee benefit obligations

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

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

iv) Defined benefit plans

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

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

v) Defined contribution plans

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

(b) Landfill restoration

Council is obligated to restore its landfill site to a particular standard. Current projections indicate that stage two of the landfill site will be due for rehabilitation in 2023/24. The forecast life of the landfill site is expected to be 40 years based on current estimates of remaining capacity and the forecast rate of infill. The provision for restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council does not expect to receive reimbursement from a third party

Note 27 Reserves

	Balance at beginning of reporting year	Increment	(decrement)	Balance at end of reporting year
(a) Asset revaluation reserve	\$	\$	\$	\$
2022				
Property				
Land	1,994,350	2,920,184	-	4,914,534
Land under roads	153,728	-	-	153,728
Buildings	1,712,197	2,809,442	-	4,521,639
Fixtures and fittings	4,530	-	-	4,530
	3,864,805	5,729,626	-	9,594,431
Infrastructure				
Roads	56,088,634	-	-	56,088,634
Bridges	7,241,945	-	-	7,241,945
Footpaths and cycleways	2,823,943	-	-	2,823,943
Drainage	596,922	-	-	596,922
	66,751,444	-	-	66,751,444
Total asset revaluation reserve	70,616,249	5,729,626	-	76,345,875
2021				
Property				
Land	1,994,350	-	-	1,994,350
Land under roads	153,728	-	-	153,728
Buildings	1,712,197	-	-	1,712,197
Fixtures and fittings	4,530	-	-	4,530
	3,864,805	-	-	3,864,805
Infrastructure				
Roads	53,840,334	2,248,300	-	56,088,634
Bridges	7,352,012	-	(110,067)	7,241,945
Footpaths and cycleways	2,545,740	278,203	-	2,823,943
Drainage	596,922	-	-	596,922
	64,335,008	2,526,503	(110,067)	66,751,444
Total asset revaluation reserve	68,199,813	2,526,503	(110,067)	70,616,249

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

	Balance at beginning of reporting year	Increment	(decrement)	Balance at end of reporting year
(b) Fair value reserve	\$	\$	\$	\$
2022				
Equity Investment assets				
Investment in water corporation	(1,592,875)	213,771	-	(1,379,104)
Total fair value reserve	(1,592,875)	213,771	-	(1,379,104)
2021				
Equity Investment assets				
Investment in water corporation	(2,087,272)	494,397	-	(1,592,875)
Total fair value reserve	(2,087,272)	494,397	-	(1,592,875)

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

Note 27 Reserves (cont)

	Balance at beginning of reporting year	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting year
(c) Other reserves	\$	\$	\$	\$
2022				
Other Reserves	1,653,729	3,939	(16,126)	1,641,542
Total Other reserves	1,653,729	3,939	(16,126)	1,641,542
2021				
Other Reserves	1,678,535	2,000	(26,806)	1,653,729
Total Other reserves	1,678,535	2,000	(26,806)	1,653,729

	2022 \$	2021 \$
(a) Asset revaluation reserve	76,345,875	70,616,249
(b) Fair value reserve	(1,379,104)	(1,592,875)
(c) Other reserves	1,641,542	1,653,729
Total Reserves	76,608,313	70,677,103

Note 28 Reconciliation of cash flows from operating activities to net result for the year

Result from continuing operations	1,906,703	1,820,396
Depreciation/amortisation	2,189,609	2,100,532
(Profit)/loss on disposal of property, plant and equipment, infrastructure	146,117	277,264
Capital grants received specifically for new or upgraded assets	(1,758,823)	(1,661,592)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	110,584	(27,070)
Decrease/(increase) in other assets	(42,338)	4,566
Decrease/(increase) in inventories	(4,405)	(1,787)
Increase/(decrease) in trade and other payables	(241,201)	207,523
Increase/(decrease) in provisions	2,076	(22,547)
Increase/(decrease) in other liabilities	-	(73,801)
Net cash provided by/(used in) operating activities	2,308,322	2,623,484

Note 29 Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 19)	11,144,895	10,204,128
Total reconciliation of cash and cash equivalents	11,144,895	10,204,128

Note 30 Superannuation

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

For the year ended 30 June 2022 the Council contributed 0% (2021: 0%) of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

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

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

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

The actuarial review concluded that:

- The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2020.
- The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2020.
- Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2020.

Given the strong financial position of the Fund, the Actuary recommended that the Council consider a contribution holiday and contribute 0% of salaries from 1 July 2021 to 30 June 2024.

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

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

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

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

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

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

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

Note 30 Superannuation (cont.)

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

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

- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2020. Favourable investment returns, since that date, has seen further improvement in the financial position of the Fund. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2023.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Deloitte Consulting Pty Ltd as at 30 June 2021, showed that the Fund had assets of \$54.52 million and members' Vested Benefits were \$45.12 million. These amounts represented 0.21% and 0.18% respectively of the corresponding total amounts for Spirit Super.
- As at 30 June 2021 the Fund had 87 members and the total employer contributions and member contributions for the year ending 30 June 2021 were \$879,254 and \$229,820 respectively.

	2022	2021
	\$	\$
Fund		
Defined benefits fund		
Employer contributions to Spirit Super	-	-
	-	-
Accumulation funds		
Employer contributions to super funds	190,406	165,425
	190,406	165,425

	2022	2021
	\$	\$
Note 31 Commitments		
Capital expenditure commitments		
Roads	-	268,550
Total	-	268,550
Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial report are as follows:		
Recycling and garbage collection contracts (expires 2025)	1,642,137	351,051
Total	1,642,137	351,051

Note 32 Contingent liabilities

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

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

Note 33 Financial Instruments

(a) Interest Rate Risk

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

2022

	Weighted average interest rate	Floating interest rate	Fixed interest maturing in:		Non-interest bearing	Total
			1 year or less	Over 1 to 5 years		
		\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	1.36%	2,397,425	8,747,470	-	-	11,144,895
Trade and other receivables		141,325	-	-	-	141,325
Investment in water corporation		-	-	-	7,779,216	7,779,216
Total financial assets		2,538,750	8,747,470	-	7,779,216	19,065,436
Financial liabilities						
Trade and other payables		-	-	-	608,396	608,396
Trust funds and deposits		-	-	-	213,538	213,538
Total financial liabilities		-	-	-	821,934	821,934
Net financial assets (liabilities)		2,538,750	8,747,470	-	6,957,282	18,243,502

2021

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

Note 33 Financial Instruments (cont.)

(b) Fair Value

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

Financial Instruments	Total carrying amount as per the Statement of Financial Position		Aggregate net fair value	
	2022	2021	2022	2021
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	11,144,895	10,204,128	11,144,895	10,204,128
Trade and other receivables	141,325	251,909	141,325	251,909
Investment in water corporation	7,779,216	7,565,445	7,779,216	7,565,445
Total financial assets	19,065,436	18,021,482	19,065,436	18,021,482
Financial liabilities				
Trade and other payables	608,396	849,597	608,396	849,597
Trust funds and deposits	213,538	245,627	213,538	245,627
Total financial liabilities	821,934	1,095,224	821,934	1,095,224

(c) Credit Risk

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

(d) Risks and mitigation

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

Market risk

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

Interest rate risk

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

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

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

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

Note 33 Financial Instruments (cont.)
(d) Risks and mitigation (cont.)

Credit risk

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

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

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

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

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

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

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

	Financial Institutions (AAA credit rating)	Government agencies (BBB credit rating)	Other (min BBB credit rating)	Total
2022				
Cash and cash equivalents	2,397,424	-	-	2,397,424
Trade and other receivables	-	-	141,325	141,325
Investments and other financial assets	8,747,471	-	-	8,747,471
Total contractual financial assets	11,144,895	-	141,325	11,286,220
2021				
Cash and cash equivalents	1,477,099	-	-	1,477,099
Trade and other receivables	-	61,542	190,367	251,909
Investments and other financial assets	8,727,029	-	-	8,727,029
Total contractual financial assets	10,204,128	61,542	190,367	10,456,037

Ageing of Trade and Other Receivables

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

	2022 \$	2021 \$
Current (not yet due)	21,769	84,747
Past due by up to 30 days	3,015	18,803
Past due between 31 and 180 days	16,830	15,910
Past due between 181 and 365 days	284	-
Past due by more than 1 year	-	778
Total Trade & Other Receivables	41,898	120,238

Note 33 Financial Instruments (cont.)

(d) Risks and mitigation (cont.)

Credit risk (cont.)

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets none (2020-21: \$6,028) were impaired. The amount of the provision raised against these debtors was nil (2020-21: \$6,028). The individually impaired debtors related to general and sundry debtor and had been impaired as a result of their doubtful collection.

	2022	2021
	\$	\$
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	-	6,028
Total Trade & Other Receivables	-	6,028

Liquidity risk

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

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

To help reduce these risks we:

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

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

The table below lists the contractual maturities for Financial Liabilities

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

2022	6 mths	6-12	1-2	Contracted	Carrying
	or less	months	years	Cash Flow	Amount
	\$	\$	\$	\$	\$
Trade and other payables	608,396	-	-	608,396	1,216,792
Trust funds and deposits	213,538	-	-	213,538	427,076
Total financial liabilities	821,934	-	-	821,934	1,643,868

2021	6 mths	6-12	1-2	Contracted	Carrying
	or less	months	years	Cash Flow	Amount
	\$	\$	\$	\$	\$
Trade and other payables	849,597	-	-	849,597	1,699,194
Trust funds and deposits	245,627	-	-	245,627	491,254
Total financial liabilities	1,095,224	-	-	1,095,224	2,190,448

Note 33 Financial Instruments (cont.)

(e) Sensitivity disclosure analysis

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

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

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

		Interest rate risk			
		-1 %		+1%	
		-100 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2022		\$	\$	\$	\$
Financial assets:					
Cash and cash equivalents	11,144,895	(111,449)	(111,449)	111,449	111,449
Trade and other receivables	141,325	(1,413)	(1,413)	1,413	1,413

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

Note 34 Events occurring after balance date

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

Note 35 Related party transactions

(i) **Responsible Persons**

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

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

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

(ii) **Councillor Remuneration**

2022

Short term employee benefits

Position	Period	Allowances	Vehicles	Total Compensation AASB 124	Expenses ¹	Total allowances and expenses section 72
		\$	\$	\$	\$	\$
Mayor	Full year	34,724	-	34,724	507	35,231
Deputy Mayor	Full year	20,393	-	20,393	4,249	24,642
Councillors	Full year	69,451	-	69,451	6,874	76,325
Total		124,569	-	124,569	11,630	136,198

2021

Short term employee benefits

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

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

(iii) Key Management Personnel Remuneration

2022	Remuneration band	Number of employees	Short term employee benefits			Post employment benefits		Total
			Salary ¹	Vehicles ²	Other Allowances and Benefits ³	Superannuation ⁴	Non-monetary Benefits ⁵	
			\$	\$	\$	\$	\$	
	\$110 001 - \$130 000	2	181,108	32,149	-	18,610	7,165	239,032
	\$130 001 - \$150 000	1	122,662	15,431	-	12,628	(16,093)	134,628
	\$150 001 - \$170 000	1	131,681	8,769	5,000	16,328	6,777	168,555
	Total		435,451	56,349	5,000	47,566	(2,151)	542,215

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

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

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

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

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

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

(iv) Remuneration Principles

Councillors

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

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

Executives

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

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

(v) Transactions with related parties

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

Nature of the transaction	Amount of the transactions during the year	Outstanding balances, including commitments at year end	Terms and conditions
Supply of gravel ¹	\$68,893	Council owes \$6,672	30-day terms on invoices

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

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

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

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

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

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

Note 36 Other significant accounting policies and pending accounting standards

(a) Taxation

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

Goods and services tax (GST)

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

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

(b) Impairment of non-financial assets

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

(c) Allocation between current and non-current

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

(d) Financial guarantees

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

(e) Contingent assets, contingent liabilities and commitments

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

(f) Budget

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

(g) Adoption of new and amended accounting standards

In the current year, Council has reviewed and assessed all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board, and determined that none would have a material effect on Council's operations or financial reporting

(h) Pending Accounting Standards

In the current year, Council has reviewed and assessed all the new accounting standards and interpretations that have been published, with future effective dates, and determined they are either not applicable to Council's activities, or would have no material impact

Note 37 Significant Business Activities

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

	Hamilton and Bothwell Camping Grounds	
	2022	2021
	\$	\$
Revenue		
User Changes	14,094	12,154
Total Revenue	14,094	12,154
Expenditure		
<i>Direct</i>		
Employee Costs	627	193
Materials and Contacts	622	1,559
Utilities	1,999	1,065
<i>Indirect</i>		
Engineering & Administration	125	39
Total Expenses	3,373	2,856
<i>Notional cost of free services received</i>		
<i>Capital Costs</i>		
Depreciation	545	545
Opportunity cost of capital	1,968	1,567
Total Capital Costs	2,513	2,112
<i>Competitive neutrality adjustments</i>		
Rates, water and land tax	14,166	12,531
	14,166	12,531
<i>Calculated Surplus/(Deficit)</i>	(5,958)	(5,345)
Tax Equivalent rate	30%	30%
Taxation equivalent	(1,787)	(1,604)
Competitive neutrality costs	12,379	10,928

Accounting policy

Significant business activities

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

Note	38	Management indicators	Benchmark	2022 \$	2021 \$	2020 \$	2019 \$
		(a) Underlying surplus or deficit					
		Net result for the year		1,906,703	1,820,396	911,198	170,660
		Less non-operating income					
		Capital grants		1,758,823	1,741,592	651,546	211,847
		FAGs in advance		761,962	(5,995)	37,359	60,054
		Contributions - non monetary assets		-	-	-	44,500
		Add non-operational expenses					
		Flood/Fire damage		467,537	-	17,761	33,246
		Landfill restoration provision		-	-	-	100,000
		Loss on disposal of assets		143,927	-	-	-
		Planning appeal		-	-	46,690	135,788
		Underlying surplus/deficit	0	(2,618)	84,799	286,744	123,293

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

	(b) Underlying surplus ratio						
	<u>Underlying surplus or deficit</u>		(2,618)	84,799	286,744	123,293	
	Recurrent income*		7,515,975	7,130,434	7,089,567	7,187,977	
	Underlying surplus ratio %	0%	(0.0%)	1.2%	4.0%	1.7%	

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

	(c) Net financial liabilities						
	Liquid assets less		11,286,220	10,456,037	11,446,842	10,733,424	
	total liabilities		1,898,835	2,170,049	2,058,874	1,649,806	
	Net financial asset	0	9,387,385	8,285,988	9,387,968	9,083,618	

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

Good result in all years.

	(d) Net financial liabilities ratio						
	<u>Net financial liabilities</u>		9,387,385	8,285,988	9,387,968	9,083,618	
	Recurrent income*		7,515,975	7,130,434	7,089,567	7,187,977	
	Net financial liabilities ratio %	0% - (50%)	125%	116%	132%	126%	

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

(e) Asset renewal funding ratio

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

Transport Infrastructure

	<u>Projected capital funding outlays**</u>		1,340,000	2,488,000	1,440,000	1,871,000	
	Projected capital expenditure funding***		1,340,000	2,488,000	1,440,000	1,540,000	
	Asset renewal funding ratio %	90-100%	100%	100%	100%	121%	

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

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

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

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

Note	38	Management indicators (cont.)	2022 \$	2021 \$	2020 \$	2019 \$	0
------	----	-------------------------------	------------	------------	------------	------------	---

(f) **Asset consumption ratio**

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

Roads

<u>Fair value (Carrying amount)</u>		65,454,588	63,042,233	60,550,890	59,498,431
Current replacement cost (Gross)		78,710,250	75,902,068	78,206,073	76,314,943
Asset consumption ratio %	60%	83.2%	83.1%	77.4%	78.0%

Buildings

<u>Fair value (Carrying amount)</u>		8,037,503	5,042,251	5,163,469	5,194,121
Current replacement cost (Gross)		8,275,368	5,818,043	5,818,043	5,724,616
Asset consumption ratio %	60%	97.1%	86.7%	88.7%	90.7%

Drainage

<u>Fair value (Carrying amount)</u>		1,788,549	988,604	1,004,906	1,021,207
Current replacement cost (Gross)		2,453,939	1,630,155	1,630,154	1,630,154
Asset consumption ratio %	60%	72.9%	60.6%	61.6%	62.6%

Bridges

<u>Fair value (Carrying amount)</u>		8,193,110	8,214,449	8,217,756	7,816,227
Current replacement cost (Gross)		16,286,659	16,184,436	16,114,517	15,240,097
Asset consumption ratio %	60%	50.3%	50.8%	51.0%	51.3%

Footpaths and Cycleways

<u>Fair value (Carrying amount)</u>		1,135,130	1,192,122	933,572	904,106
Current replacement cost (Gross)		2,825,078	2,825,078	2,789,021	2,706,735
Asset consumption ratio %	60%	40.2%	42.2%	33.5%	33.4%

Other infrastructure assets

<u>Depreciated replacement cost</u>		946,570	745,806	785,361	792,889
Current replacement cost		1,896,081	1,615,420	1,578,811	1,522,089
Asset consumption ratio %	60%	49.9%	46.2%	49.7%	52.1%

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

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

(g) **Asset sustainability ratio**

<u>Capex on replacement/renewal of existing assets</u>		2,475,137	2,250,004	1,786,424	992,581
Annual depreciation expense		2,189,609	2,100,532	2,121,424	2,124,957
Asset sustainability ratio %	100%	113.0%	107.1%	84.2%	46.7%

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

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

	Capital renewal expenditure	Capital new/upgrade expenditure	Total Capital Expenditure
	\$	\$	\$
By asset class			
Buildings	161,304	173,348	334,652
Land	-	-	-
Plant, machinery and equipment	648,084	1,580	649,664
Fixtures, fittings and furniture	30,481	28,776	59,257
Computers	4,174	-	4,174
Roads	1,596,731	436,158	2,032,889
Footpaths, kerbs and gutters	-	-	-
Drainage	-	5,157	5,157
Other infrastructure	11,722	77,508	89,230
Bridges	22,641	-	22,641
Total	2,475,137	722,527	3,197,664

Note 39 Fair Value Measurements

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

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

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

(a) Fair Value Hierarchy

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

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

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2021.

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

As at 30 June 2022

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
Investment in water corporation	18	-	-	7,779,216	7,779,216
Land	23	-	6,322,000	-	6,322,000
Buildings	23	-	8,037,503	-	8,037,503
Land under roads	23	-	1,111,124	-	1,111,124
Roads, including footpaths & cycleways	23	-	-	66,589,718	66,589,718
Bridges	23	-	-	8,193,110	8,193,110
Drainage	23	-	-	1,788,549	1,788,549
Other Infrastructure	23	-	-	946,570	946,570
		-	15,470,627	85,297,163	100,767,790

As at 30 June 2021

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

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

(b) Highest and best use

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

Note 39 Fair Value Measurements (cont.)

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

Investment in water corporation

Refer to Note 18 for details.

Land and buildings

Valuation of land (excluding land under roads) and buildings was undertaken by the Valuer-General as at 30 June 2022. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Land under roads were revalued in 2019/20 based on unit rate per hectare provided by the Valuer General through the Department of Primary Industries, Parks Water and Environment.

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

Land under roads

Land under roads is based on valuations determined by the Valuer-General effective 1 July 2019, using site values adjusted for engloba (undeveloped and/or unserved) characteristics, access rights, private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation.

Infrastructure assets

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

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

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

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

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

Roads, including footpaths & cycleways

A full valuation of roads and footpaths was undertaken by independent valuers, Moloneys Asset Management Systems, effective July 2020.

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. All road segments are componentised into formation, pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. A full revaluation of roads, including footpaths and cycleways was undertaken by independent valuer, Moloneys Asset Management Systems effective 30 June 2020. The next full valuation is planned for 30 June 2024.

Note 39 Fair Value Measurements (cont.)

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

Bridges

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

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

Other Infrastructure

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

(d) Unobservable inputs and sensitivities

Asset / liability category*	Carrying amount (at fair value)	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Roads	\$ 65,454,588	Unit replacement cost per sqm	from \$9/sqm (unsealed) up to \$40/sqm (sealed)	The higher the unit cost, the higher the fair value
		Useful life	Refer Note 1e	The longer the useful life, the higher the fair value
Bridges	\$ 8,193,110	Useful life	Refer Note 1e	The longer the useful life, the higher the fair value
Investment in Water Corporation	\$ 7,779,216	Useful life	Refer Note 1e	The longer the useful life, the higher the fair value
Buildings	\$ 8,037,503	Useful life	Refer Note 1e	The longer the useful life, the higher the fair value

(e) Valuation processes

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

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

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

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

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

Note 40 Material budget variations

Council's original budget was adopted by the Council in June 2021. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity, the weather, and by decisions made by the Council. Material variations of more than 10% are explained below:

Revenues

(i) **Statutory fees and fines**

The amount over budget of \$8,053 (16%) was due mainly to the budget being set with expectation that Covid-19 would have a greater effect than it did.

(i) **User fees**

The amount over budget \$23,423 (11%) was due mainly to the budget being set with expectation that Covid-19 would have a greater effect than it did.

(ii) **Interest**

Revenue income was down \$29,277 on budget (49%) due to lower than expected bank interest rates available.

(ii) **Contributions**

Revenue income was up \$26,673 on budget (120%) due to receipt of an unbudgeted contribution..

(iii) **Other income**

The increase of \$47,496 on budget (19%) was due mainly to increased private works revenue.

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

Dividend revenue was up \$20,400 on budget (20%) due to a special dividend received.

(iv) **Grants**

The Capital Grants increase of \$897,573 on budget (104%) and Operating Grants increase of \$1,088,251 on budget (43%) was due mainly to increased grant availability due to Covid-19.

Expenses

(i) **Materials and services**

The increase of \$938,723 on budget (68%) was due mainly to flood damaged road repairs.

(i) **Other expenses**

The decrease of \$167,980 on budget (11%) was due mainly to reduced spend on support and donations.

Certification of the Financial Report

The financial report presents fairly the financial position of the Central Highlands Council as at 30 June 2022 and the results of its operations and cash flows for the year then ended, in accordance with the Local Government Act 1993 (as amended), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.



Lyn Eyles
General Manager

Date : 12-August-2022