



Annual Report

2011/2012



CORPORATE VISION

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

CORPORATE MISSION

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

STRATEGIC PLAN

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

CENTRAL HIGHLANDS COUNCIL

2011-2012

Mayor and Councillors

Mayor	9 Councillors	
<i>Term ends 2013</i> Deirdre E Flint OAM	<i>Term ends 2013</i>	<i>Term ends 2015</i>
Deputy Mayor <i>Term ends 2013</i> Andrew J Downie	Richard G Bowden OAM Anthony W Bailey Geoffrey L Herbert Tim H Jacka Ian V McMichael	Deirdre E Flint OAM James R Allwright Andrew J Downie Loueen M Triffitt

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

	Contact Numbers	Meeting Attendance (including Annual Meeting & Special meetings)			
		Full	Part	Absent	Possible
Deirdre E Flint OAM	0418 319 832	14			14
Richard G Bowden OAM	6259 5542	14			14
Andrew J Downie	6260 4170	12		2	14
Ian V McMichael	6287 1207	12		2	14
Loueen M Triffitt	6286 3275	12	1	1	14
Anthony W Bailey	6286 3284	14			14
Tim Jacka	6288 1554	14			14
Geoffrey L Herbert	6259 5599	13		1	14
Jim Allwright	6288 1392	9			10

COUNCILLOR ATTENDANCE AT COMMITTEE MEETINGS & WORKSHOPS

	Meeting Attendance at Council Committee Meetings				Meeting Attendance at Council Workshops			
	Full	Part	Absent	Possible	Full	Part	Absent	Possible
Deirdre E Flint OAM	17		4	21	8		1	9
Richard G Bowden OAM	4		3	7	5		4	9
Andrew J Downie	13		1	14	7		2	9
Ian V McMichael	16		1	17	8		1	9
Loueen M Triffitt	4		3	7	3		6	9
Anthony W Bailey	2			2	6	1	2	9
Tim Jacka	13		1	14	8		1	9
Geoffrey L Herbert	12		4	16	9			9
Jim Allwright	2		1	3	7			7

MAYORS REPORT



It gives me great pleasure to present my ninth Annual Report which covers the period from July 2011 to June 2012.

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

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

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

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

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

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

We welcome Councillor Jim Allwright who successfully contested the Council Elections and hope he enjoys his time on Council and I know he will contribute on the Committees he has be allocated to.

Deirdre E Flint OAM
Mayor

COUNCIL COMMITTEE REPRESENTATION

Bothwell Swimming Pool Committee

Clr R G Bowden
Clr G L Herbert (Chair)

Bothwell Cemetery Committee

Mayor D E Flint OAM
Clr R G Bowden
Clr L M Triffitt (Chair)

Plant Committee

Mayor Deirdre Flint OAM (Chair)
Clr R G Bowden
Clr A W Bailey

Independent Living Units Committee

Mayor D E Flint OAM (Chair)
Clr I V McMichael
Clr L M Triffitt

Audit Committee

Mayor D E Flint OAM
Deputy Mayor A J Downie
Clr I V McMichael (Chair)

Code of Conduct Committee

Deputy Mayor A J Downie (Chair)
Clr R G Bowden
Clr J R Allwright

ANZAC Day Sub-Committee – Hamilton/Gretna

Mayor D E Flint OAM
Clr L M Triffitt
Clr A W Bailey

ANZAC Day Sub-Committee – Bothwell

Mayor D E Flint OAM
Clr G L Herbert
Clr L M Triffitt

Strategic Planning Sub-Committee

Deputy Mayor A J Downie
Clr I V McMichael
Clr T H Jacka (proxy)

Bothwell Recreation Ground Committee

Clr R G Bowden
Clr G L Herbert

Waste Committee

Deputy Mayor A J Downie
Clr R G Bowden
Clr J R Allwright

Planning Committee

Deputy Mayor A J Downie (Chair)
Clr G L Herbert
Clr I V McMichael
Clr T H Jacka

Central Highlands Tourism Action Group

Mayor D E Flint OAM (Chair)
Clr T H Jacka
Clr G L Herbert

Australia Day Committee

Deputy Mayor A J Downie
Clr A W Bailey
Clr T H Jacka

OTHER COMMITTEE REPRESENTATION

Roads Consultative Group

Mayor D E Flint OAM

Bothwell Spin-In Committee

Mayor D E Flint OAM

Australasian Golf Museum

Mayor D E Flint
Clr G L Herbert

Southern Waste Strategy Authority

Deputy Mayor A J Downie
Mayor D E Flint (Proxy)

Derwent Catchment NRM Committee

Clr J R Allwright

Bothwell Tourism Committee

Mayor D E Flint OAM
Clr G L Herbert
Clr L M Triffitt

Transend – Waddamana to Risdon Vale

Mayor D E Flint OAM

Local Government Association of Tasmanian General Management Committee

Mayor Deirdre Flint OAM

Premiers Local Government Council

Mayor Deirdre Flint OAM

Central Highlands Health Service Project – Community Consultation Committee

Mayor D E Flint OAM



The Men's Shed Steering Committee

Clr Anthony Bailey
Clr J R Allwright (Proxy)

Great Lake Community Centre Committee

Mayor D E Flint OAM
Clr G L Herbert (Proxy)

Central Highlands Health Service Project – Community Consultation Committee

Mayor Deirdre Flint

Rivers Run Tourism Association

Clr Jo Jacka

Ellendale Hall Committee

Mayor D E Flint OAM

LEGEND-2010/2011 ANNUAL PLAN APPRAISAL

☑ Achieved ⌚ In Progress ✎ Ongoing ⊗ Not achieved`

ROADS AND BRIDGES PROGRAM

Strategy

Provide, maintain and as required, construct gravel roads and sealed roads, bridges, culverts and appropriate furniture that forms the Central Highlands road network which enables residents, property owners and visitors safe access to conduct their business activities. Efficiently and effectively implement Council's maintenance and construction roadwork programs.

Activity	Comment	Status
Continue to lobby the State Government to seal the balance of the Highlands Lake Road	Council have representation on the Highland Roads Consultative Group. Council continually lobby the State Government to complete the sealing of the Highlands Lakes Road.	⌚
Ensure that all Council roads are inspected on a regular basis	Regular inspections of Council roads are carried out.	✎
Ensure that all Council bridges are inspected on a regular basis.	Council bridges are inspected by TasSpan every six months.	✎
Manage Council's Asset Register for Roads and Bridges	Revaluations of Council's Road, Bridges, Footpaths, Kerbs & Gutters assets were completed and values recorded as at 30 June 2012.	⌚
Prepare a five year rolling capital works program for construction / reconstruction of Council roads and bridges	Bridge program developed and Roads program ongoing.	✎

Ensure that maintenance of roads and bridges are carried out within budget limits.	Council's road maintenance budget was \$1,400,000. Maintenance works completed totalled \$1,092,002.	✓
	Council completed \$26,093 maintenance works on bridges out of an allocated budget of \$40,500.	✓
	\$7,867 was spent on footpath, kerbs & gutter maintenance with an additional \$29,713 spent on drainage works.	✓

Roads (Capital)

Complete the capital works budget for roads and bridges	Major capital roadworks during 2011/2012 included reconstruction and resealing works on Ellendale Road, Hollow Tree Road, Glen Lea Road, and parts of Hamilton and Bothwell township roads.	✓
	Roads to Recovery Funding of \$527,474 was received this financial year.	

Bridges (Capital)

\$137,821 was spent on replacing Kingsholme Bridge at Ellendale and \$47,714 spent on replacing the bridge at Lake Crescent.	✓
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CONTRACTING EXTERNAL WORKS AND SERVICES

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

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

COMMUNITY AND RECREATIONAL FACILITIES

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

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





Activity	Comment	Status
Carry out maintenance to all halls	Expenditure totalled \$73,674 which included repainting of the Bothwell Hall, \$5,454, sanding of Great Lake Community Centre, \$3,200 and \$3,454 for sanding of the Ouse Hall floor.	
Undertake maintenance and upkeep of all Council parks and gardens	Maintenance and upkeep totalled \$70,584. An arborist is engaged when necessary to report on the health and maintenance required on trees in Council parks and on road verges.	
Cleansing and maintenance of Council's public conveniences	Regular cleansing and maintenance carried out. Cost \$59,822.	
Maintain Council cemetery	Council's Bothwell Cemetery was well maintained during 2011/2012. Council's Cemetery Committee comprising of Council and community representation meet on a regular basis.	
	The Committee is proactive in monitoring and maintaining the local cemetery.	
	Council had a design developed by Millingtons for the layout and plotting of the extension to the Bothwell Cemetery. It is expected that plantings and roadworks will be undertaken during the 2012/2013 financial year.	
Maintenance of town verges and nature strips, recreation grounds and other community amenities	Regular mowing is undertaken and maintenance completed as required. Council budgeted \$107,000 for town mowing with actual costs being \$121,206. \$47,537 was spent on maintaining Council recreational grounds.	

OTHER COUNCIL PROPERTIES AND MISCELLANEOUS WORKS

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

Maintain efficient depot and workshop facilities.

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Activity	Comment	Status
Maintain the camping grounds in a clean and tidy state and undertake repairs as needed.	<p>The Bothwell Camping Ground is kept in a clean and tidy state and is being well utilised. Campers often camp on the grassed area along the Clyde River at Hamilton and utilise the laundry and shower facilities. Council implemented a payment system that is not reliant on office hours.</p> <p>The Bethune Park camping area is well used by campers and fishermen during the summer months.</p> <p>Grey water disposal sites are located at both the Bothwell and Hamilton sites to empty porta potties and mobile toilet waste into the waste treatment system.</p>	
Maintenance of library facility and housing assets	Routine maintenance undertaken	
Provide waste collections and associated services of town rubbish collections, bulky waste collections and tip cover.	<p>Twice a year Council collects rubbish from towns that are too bulky or unsuitable for the domestic door to door service. Bulky Waste is collected from satellite waste transfer stations by Council and transferred to the regional refuse site at Hamilton</p> <p>To ensure the best use of the Hamilton Refuse Disposal Site, cover is stockpiled and used when necessary.</p>	 


Provision of Housing Services	<p>The new Independent Living Units at Ouse have been well received by the community. The four units are currently occupied. Council operate the units under a lease from the Department of Health & Community Services.</p> <p>The existing Housing Department units at Ouse were transferred to Council together with funds to convert and upgrade the five single units. The units are available under the Affordable Housing criteria.</p> <p>Council also has six Independent Living Units at Bothwell which are fully occupied.</p>	↻
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WORKS AND SERVICES MANAGEMENT

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

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

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

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



PLANT AND EQUIPMENT

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

Activity	Comment	Status
Maintain plant and ensure its optimised use	<p>Maintenance and operating costs amounted to \$462,556 with plant hire received of \$552,563</p> <p>Plant purchases during the year were:</p> <ul style="list-style-type: none"> 1 Mack Granite 1 5' Skid Slasher 1 Hino Tipper 1 Brushcutter 1 Roadside spray unit 1 Mitsubishi Triton 4 x 4 1 Mitsubishi Triton 4 x 2 	<input checked="" type="checkbox"/>

EMERGENCY SERVICES

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

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

DEVELOPMENT CONTROL

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

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





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

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

Over 2011-12 Council has been drafting the new planning scheme in regular consultation with the other Southern Councils. The Scheme is now in draft form with only a few local sections still to be developed. Several Council workshops have been held to work through the draft. The draft meets requirements of being consistent with the Southern Tasmania Regional Land Use Strategy and being consistent with the schemes of the other Southern Councils other than where local provisions are necessary and justifiable.

Out of this process the need to establish a strategic approach to the Highland Lakes (particularly those experiencing development pressures) has been identified. Council has now engaged with Hydro and the Department of Economic Development, Tourism and the Arts to develop a Specific Area Plan for Lake Meadowbank, which if successful, should inform a process of improved planning for all the Highland Lakes.

All the Southern Region Planning Schemes should be submitted as a unit to the Tasmanian Planning Commission in 2013, with Councils holding informal public consultation in the first half of the year.

Activity	Comment	Status
Provision of statutory requirements for development of land within the Central Highlands	<p>Council employs a Consultant Planning Officer who works with Council one day a week.</p> <p>40 "Permitted" and 58 "Discretionary" development applications have been processed for assessment.</p> <p>There has been 15 subdivision applications (including Boundary Adjustments) received during the year equating to 107 new lots being created.</p>	  
Continue with developing a GIS system	<p>This system continues to be a valuable tool for the Development and Environmental Services team in the delivery and assessment of client services. During the year the GIS system was upgraded from EasiMaps to Exponare and staff trained accordingly.</p>	

DEVELOPMENT STATISTICS

	2007-08	2008-09	2009-10	2010-11	2011-12
Total No Applications	179	158	113	88	98
No. Permitted	81	88	57	44	40
No. Discretionary	86	56	55	44	58
Subdivision Applications	12	14	15	16	15
No. Lots	26	43	25	61	107
Planning Scheme Amendments	0	2	1	0	0


NATURAL RESOURCE MONITORING AND ENVIRONMENTAL MONITORING

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

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

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

Ensure the provision of best practice environmental management.

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

Natural Resource Management

Council continues to fund Natural Resource Management and the implementation of the Derwent Catchment NRM Plan (as applicable), and is working with the local NRM Co-ordinator to implement its Weed Management Strategy. Council contributed \$30,000 towards this position as well as providing in kind support.



Monitor and sample groundwater at Hamilton Landfill and Bothwell old Landfill





The Hamilton and Bothwell landfill sites have been analysed to determine compliance with the Environmental Management and Pollution Control Act. Results are reported to the Department of Primary Industries, Water and Environment on a monthly basis.



ENVIRONMENTAL AND PUBLIC HEALTH

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

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

Activity	Comment	Status
Provision of environmental health service	Council registers all food premises and offers food handler training sessions for the community and charity organisations based on the Foodsafe Accreditation Guidelines.	
	Council monitors food quality as part of the state-wide food-sampling program.	
	Places of Assembly are generally inspected annually to ensure compliance with the Public Health Act and the Guidelines for Health and Safety in Public Places.	
	Council also register private water supply systems pursuant to the Public Health Act 1997. During 2011/2012 twelve private water supplies were requested.	

Continue immunisation programs for adults and children

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



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

ENVIRONMENTAL AND PUBLIC HEALTH REPORT

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

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

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


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

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

BUILDING AND PLUMBING CONTROL

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

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


Activity	Comment	Status
Provision of plumbing and building control service	<p>79 building permit applications and 68 plumbing permit applications have been lodged with Council.</p> <p>Council employs a Building and Plumbing Inspector to undertake routine inspections and assessment of applications. Council continues to employ a Building Surveyor (part time) to issue Certificates of Likely Compliance and to oversee enforcement issues under the Building Act 2000. 53 Certificates of Likely Compliance were issued by Council's Building Surveyor with only 26 being undertaken by private Building Surveyors.</p> <p>Each application was assessed to determine compliance with the Building Code of Australia and the Tasmanian Plumbing Code. Appropriate site inspections were conducted as applicable for each permit.</p> <p>27 Special Plumbing Permit applications were lodged with Council. Each application was processed following on-site assessment for compliance with the Plumbing Regulations and Tasmanian Plumbing Code.</p>	

BUILDING STATISTICS

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
No. Buildings	93	130	122	105	75	79
No. Plumbing	83	97	103	92	70	68
No. Special Connections	32	22	42	42	25	27
Value of Building Applications	\$5,336,995	\$4,648,747	\$8,011,645	\$14,655,282	\$7,452,462	\$5,044,022

SOLID WASTE MANAGEMENT

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

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

Maintain and operate Council's waste transfer stations

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

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

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

Due to the success of the roadside stand alone bins in the Lakes Areas two bins are now also located at the Hungry Wombat Café at Derwent Bridge.

Following a survey of the ratepayers in the Arthurs Lake area the Arthurs Lake Waste Transfer Station has been closed and replaced with roadside stand alone bins allowing 24/7 access. Bins have been placed at the Arthurs Lake Shop and Wilburville.



Control and maintenance of refuse disposal sites

Council operates one controlled refuse disposal site at Hamilton.

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

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



Collect static recycling and clean sites

Council engage a contractor, Thorp Recycling, to collect recycling from static sites and ensure that sites are clean. Improvements made by Thorp Recycling to the way recyclable material is managed at the sites by installing 25m skip bins for the collection of scrap steel which is then taken to Hobart for processing has been very successful.






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



SWIMMING POOL

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





Activity	Comment	Status
Maintain and operate the Swimming Pool	The Bothwell Swimming Pool opens between the months of December and March each year. The Bothwell District High School continues to use the pool during the month of December for school activities such as learn to swim.	
	The solar heating system has been replaced to improve heating efficiency.	<input checked="" type="checkbox"/>
	General maintenance, including replacement of pumps has been undertaken.	
	Council provides funds each year for pool attendants to attend the relevant pool lifesaving courses to obtain the certificates required to operate the pool.	

ATTENDANCE STATISTICS

Season Passes	2009-10	2010-11	2011-12
Family	9	6	2
Junior	3	1	1
Daily Attendance			
Junior	608	591	353
Adult	199	159	120
Season Users	521	332	144

ANIMAL CONTROL

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

Activity	Comment	Status
All dogs in the area are to be identified and registered	Council has 1 authorised staff member to undertake duties in relation to dog control.	
Advertise and promote registration, control and care of dogs and Council's Dog Management Plan	<p>Council provides information to ratepayers and residents (by pamphlet) on dog management, responsibilities of dog ownership, control of barking dogs, etc.</p> <p>In accordance with the Dog Control Act 2000 a review of the Dog Management Plan was reviewed and adopted by Council in December, 2010. The Plan is to be reviewed at least every five years.</p> <p>Complaints received by Council are attended to by Council's Dog Control Officer or staff. Complaints are to be in an Official Complaint Form with \$10 fee which is refunded if the complaint is proven valid.</p>	  

DOG CONTROL STATISTICS

	2007/08	2008/09	2009/10	2010/11	2011/12
Dogs Registered	810	869	925	951	1089
Kennel Licenses	0	0	0	0	0
Infringement Notices	1	0	4	6	2
Impounded Dogs	16	9	27	37	20
Declared Dangerous Dogs	0	0	0	1	0

GOVERNANCE AND CORPORATE MANAGEMENT

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

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


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

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

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

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

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

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

ECONOMIC AND COMMUNITY DEVELOPMENT

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

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





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

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

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

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

Activity	Comment	Status
Develop key targeted tourism strategies for the Central Highlands	<p>Implement tourism development strategies outlined in the Economic Development Plan. Development of the Central Highlands Council Tourism Action Committee. Development of a Regional Visitor Guide. Development and implementation of a Visitation Marketing Plan for the Central Highlands. Work with Tourism Tasmania and key agencies (including Zone groups) to promote the Municipality.</p> <p>Council contributed \$7,750.00 towards the Commonwealth Fly Fishing Championships and \$2,000 towards the 2011 Tour of Tasmania Event Cycling Classic.</p>	↻
Develop and implement initiatives to attract people to live, work and invest in the Council area.	<p>Implementation of Council's Economic Development Plan strategies. Facilitate the development and distribution of promotional material to attract investment, residents and employment to the municipal area. Continue to strengthen partnerships with key stakeholders at local, state and federal levels.</p>	↻

<p>Ensuring that the needs and services of all ages groups and communities, particularly youth and our ageing population are met.</p>	<p>Implementation of the Municipal Sport and Recreation Plan. Advocate for improved health, education and other Government services within the scope of Council's role and in conjunction with community. Development of a Senior's Program for the Central Highlands.</p>	
	<p>Council contribute funding towards the provision of medical services in the municipal area that ensure that local GP services are available for residents.</p>	
<p>Council supports new and appropriate community initiatives by giving assistance to community based groups and organisations where the need is justified</p>	<p>Council offers assistance both financial and in kind to support to community organisations and events through a range of measures including the Community Grant Program.</p> <p>Council also provides Bursaries to Schools for further education of a Central Highlands resident student. Council also donated \$750.00 each to Westerway, Bothwell, Ouse and Glenora Schools to assist with school programs.</p> <p>Citizenship prizes are donated to the schools for their end of year presentations.</p> <p>Council makes an annual contribution of \$5,000 towards the Bothwell Family Day Care Centre which is managed by Brighton Council.</p>	
<p>Ensure relevant Council information is disseminated to the community in a timely manner.</p>	<p>Council provide an annual allocation to Centralinc to assist with the production of the Highlands Digest which provides a valuable avenue for disseminating information about the Central Highlands. Council has commenced the distribution of a quarterly Council newsletter to all residents within the municipality. Council advertises in the three daily newspapers as and where necessary.</p>	
<p>Provide opportunities for people to come together and develop networks and connections</p>	<p>Council supports and encourages activities and events for the Central Highlands region including Australia Day and ANZAC Day.</p> <p>Council's Central Highlands Tourism Action Group consisting of both community and council members successfully organized a site at AGFEST to showcase what the Central Highlands has to offer.</p>	

Conduct community consultation on major issues in a manner that ensures an indicative cross section of the community has input

Community consultations have taken place for issues that affect the community including the new Dog Control Management Act and through surveys when needed.



Conduct an open and available access policy to ensure members of the community can discuss items of interest or make representation to Councillors and where appropriate, senior staff.

The community has access to all Senior Council Managers. Public question time is allocated at all Council meetings. Arrangements can be made with Council for delegations to attend and make representations at Council meetings.



The following donations were made during the year:

DONATIONS AND CONTRIBUTIONS

Bothwell Anglers Association	\$200.00	Ouse Golf Club	\$225.00
Bronte Park Bush Watch	\$360.00	Gretna Cricket Club	\$1,000.00
Gretna Fire Brigade	\$500.00	Great Lake Community Centre	\$300.00
Bronte Park Childrens Christmas Party	\$300.00	Ellendale Hall Committee	\$1,000.00
Southern Highlands Progress Assoc.	\$910.00	Angela Triffitt Santa Run	\$300.00
Go! Highlands Inc	\$500.00	Ouse & Highlands Craft Group	\$500.00
Robert Glover Shearing Championship	\$500.00	Jonah Bay Camp Site Grant	\$1,000.00
Bothwell Lions Christmas Carols	\$225.00	Matilda's fundraising	\$500.00
Bothwell Anglers Dinner	\$200.00	Ellendale Fire Brigade	\$500.00
Westerway Fire Brigade	\$397.00		

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

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

CORPORATE AND FINANCIAL SERVICES

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

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




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

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



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

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

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

Activity	Comment	Status
Recovery of Rate Debts	Council continue to monitor rate debtors. Rate debtors as at 30 June 2012 amounted to \$181,896 compared to \$348,077 for the previous financial year.	
Creditors Control	Council endeavour to ensure that all creditors are paid in a timely manner.	
Estimates, Annual Plan and Annual Report.	These were all completed and adopted.	<input checked="" type="checkbox"/>
Sundry financial services	Monthly reports and quarterly reports are submitted to Council.	

COMPUTER DEVELOPMENT AND EQUIPMENT

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

HUMAN RESOURCES

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

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

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

TOTAL REMUNERATION BRACKET	NO OF SENIOR EMPLOYEES
\$60,000 - \$80,000	3
\$80,000 - \$100,000	1
\$120,000 - \$140,000	1

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

Total Allowances and expenses paid to the Mayor, Deputy Mayor and Councillors were \$102,144.

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

Council's investment in Southern Water is \$9,231,380.

PUBLIC INTEREST DISCLOSURES STATEMENT

Under Part 9 of the Public Interest Disclosures Act, Council has established a written procedure in accordance with the Act. There have been no disclosures either raised or determined during 2011/2012.

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

Description	Period of Contract	Value excluding GST	Successful Contractor	Business Address Of Successful Contractor
Supply and servicing of waste material from waste transfer stations and domestic roadside bins	1 July 2011 to 30 June 2016	\$118,874 p.a.	Jones Enviro Services	9 Donalds Avenue Prospect
Stabilisation of parts of Hollow Tree Road and Ellendale Road Prepare & Seal Glen Lea Road	2011/2012	\$304,141	Andrew Walter Construction	PO Box 5 Claremont Tas 7011
Win, Crush & Stockpile Gravel	Accepted extended option to 30 September, 2012	Based on various quantities & sites tendered.	Fieldwicks Construction	PO Box 131E East Devonport Tas 7310
Reseal Program	1 October, 2011 to 30 June, 2013	Based on various sites and various quantities	Downer EDI	44 Glendow Street Invermay Tas 7250
Kingsholme Bridge – Design and construct	Tender 01/12	\$164,400	Bridge Pro	19 Faulkner Drive Latrobe Tas 7315
Replace Bridge Lower Marshes	Tender 02/12	\$180,000	Bridge Pro	19 Faulkner Drive Latrobe Tas 7315
Purchase Truck	September, 2011	\$248,808	Webster Trucks	8C Lampton Avenue Derwent Park Tas 7009

NON APPLICATION OF PUBLIC TENDER PROCESS

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

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

PARTNERSHIP AGREEMENT

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

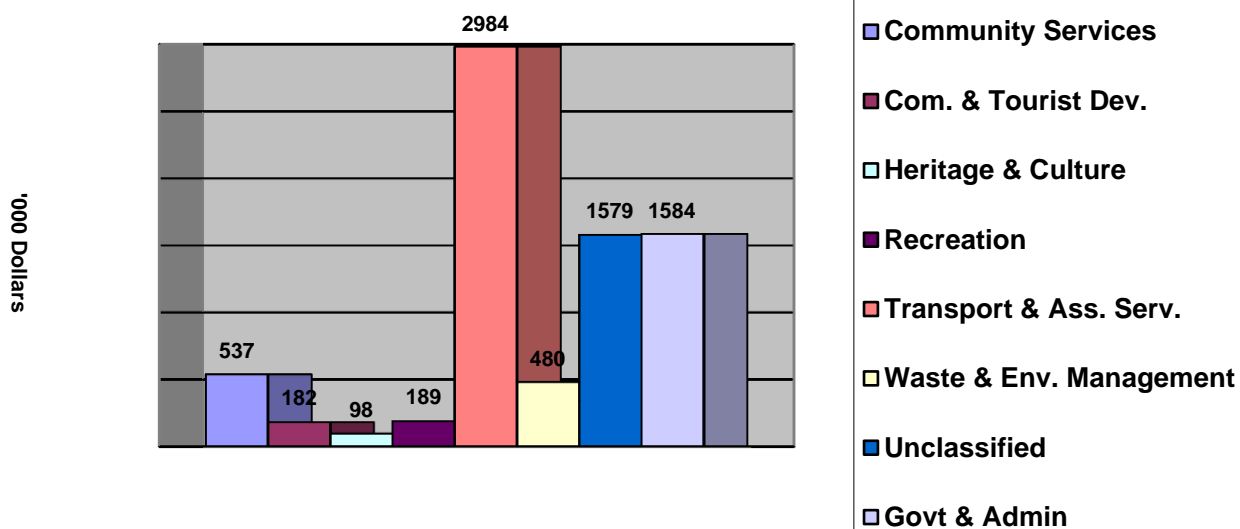
FINANCIAL PERFORMANCE INDICATORS

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

Indicator	2012	2011 %	2010 %	2009 %	2008 %	2007 %	2006 %	2005 %	2004 %	2003 %
Rate Revenue Analysis	%									
Rate Income : Total Revenue	45	48	45	46	43	40	33	25	27	27
Working Capital Ratio	7.39	10.51	9.46	8.32	6.86	7.22	8.14	5.99	5.22	4.67
Current Assets: Current Liabilities										
Debt Ratio	.86	.61	64	.67	.70	.84	.99	.01	.01	.01
Total Liabilities: Total Assets										

EXPENDITURE

EXPENDITURE BY FUNCTION



RESERVES

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reserve	2004	2005	2006	2007	2008	2009	2010	2011	2012
Plant Replacement	100	100	400	449	428	483	453	453	453
Roads									
Water			141						
Sewerage	170	170	223						
Bridges	750	750	355	405	405	355	377	377	377
Sundry	1,510	369	191	305	183	591	619	721	164
Long Service Leave	225	225	225	225	231	231	231	231	231
Independent Living Units	43		187	95					
Regional Refuse Site	80	80	80	80	80	80	80	80	80
Quarry Reserve	50	50	50		80	80	80	80	80
Shacksites Program		2,476	1,560	1,270	78	162	158	158	158
Roads to Recovery			359	359	354	203	5	79	
Bothwell Pool	23	24	25	6	6	6			
Financial Assistance Grants									948
Healthy Communities Grant									193
Total	2,951	4,244	3,796	3,194	1,845	2191	2003	2,179	2,684

NON- CURRENT ASSETS

NON-CURRENT ASSET	30 JUNE 2011 ASSET VALUE \$'000	30 JUNE 2012 ASSET VALUE \$'000	INCREASE/ (DECREASE) \$'000
Land	3,021	3,021	
Buildings	4,565	4,515	(50)
Plant, Machinery & Equipment	2,141	2,095	(46)
Motor Vehicles	109	90	(19)
Office Equipment	75	80	5
Computer Equipment	60	47	(13)
Infrastructure	461	479	18
Roads	88,991	103,243	14,252
Drainage Systems	745	745	
Bridges	4,882	7,464	2,582
Footpaths, Kerbs & Gutters	458	1,229	771
Works in Progress	18		(18)
Valuer-General	84	56	(28)
Investment in Southern Water	9,211	9,231	20
TOTALS	114,821	132,295	17,474

Roads, Bridges and Footpaths were re-valued during the financial year.



Level 4, Executive Building, 15 Murray Street, Hobart, Tasmania, 700
Postal Address: GPO Box 851, Hobart, Tasmania, 700
Phone: 03 6226 0100 | Fax: 03 6226 019
Email: admin@audit.tas.gov.au
Web: www.audit.tas.gov.au

Independent Auditor's Report

To the Councillors of Central Highlands Council

Financial Report for the Year Ended 30 June 2012

I have audited the accompanying financial report of Central Highlands Council (Council), which comprises the statement of financial position as at 30 June 2012 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

Auditor's Opinion

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2012 and financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

The Responsibility of the General Manager for the Financial Report

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

Auditor's Responsibility

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

...1

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

Strive | Lead | Excel | To Make a Difference

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

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

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

Independence

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

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

Tasmanian Audit Office



J J Tongs
Director Technical and Quality
Delegate of the Auditor-General

HOBART
28 September 2012

...2 of

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

Strive | Lead | Excel | To Make a Difference

central highlands COUNCIL



Central Highlands Council
LOCAL GOVERNMENT MODEL
ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2012

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 Changes in Equity	3
Statement of Cash Flows	4
Notes to Financial Statements	
Introduction	5
Note 1 Significant accounting policies	5
Note 2 Functions/Activities of the Council	13
Note 3 Rates and charges	15
Note 4 Statutory fees and fines	15
Note 5 User fees	15
Note 6 Grants	15
Note 7 Contributions	16
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment	16
Note 9 Other income	16
Note 10 Investment revenue from water corporation	16
Note 11 Employee benefits	17
Note 12 Materials and services	17
Note 13 Depreciation and amortisation	17
Note 14 Finance costs	17
Note 15 Other expenses	18
Note 16 Investment in water corporation	18
Note 17 Cash and cash equivalents	18
Note 18 Trades and other receivables	18
Note 19 Inventories	19
Note 20 Other assets	19
Note 21 Property, infrastructure, plant and equipment	20
Note 22 Intangible assets	24
Note 23 Trade and other payables	24
Note 24 Trust funds and deposits	24
Note 25 Provisions	24
Note 26 Finance Leases	26
Note 27 Reserves	27
Note 28 Reconciliation of cash flows from operating activities to surplus or deficit	28
Note 29 Reconciliation of cash and cash equivalents	28
Note 30 Restricted Assets	28
Note 31 Superannuation	29
Note 32 Commitments	30
Note 33 Financial instruments	31
Note 34 Auditors' remuneration	39
Note 35 Events occurring after balance date	39
Note 36 Related party transactions	39
Note 37 Capital expenditure	40
Note 38 Significant Business Activities	43
Certification of the Financial Report	44

**Statement of Comprehensive Income
For the Year Ended 30 June 2012**

	Note	Actual 2012 \$	Budget 2012 \$	Actual 2011 \$
Income				
Rates and charges	3	2,803,035	2,763,999	2,679,914
Statutory fees and fines	4	37,929	52,000	36,244
User fees	5	219,878	167,608	303,027
Grants	6	2,712,748	1,753,126	1,974,828
Contributions - cash	7	54,753	50,000	54,753
Other income	9	733,774	535,700	488,530
Investment revenue from water corporation	10	3,326		16
Total income		6,565,443	5,322,433	5,537,312
Expenses				
Employee benefits	11	(1,712,787)	(1,616,765)	(1,582,633)
Materials and services	12	(1,491,250)	(2,191,780)	(1,493,263)
Depreciation and amortisation	13	(3,025,499)	(2,700,000)	(2,915,830)
Finance costs	14	(994)		
Other expenses	15	(1,403,418)	(977,061)	(1,133,908)
Total expenses		(7,633,948)	(7,485,606)	(7,125,634)
Surplus / (deficit) before:		(1,068,506)	(2,163,173)	(1,588,321)
Capital grants received specifically for new or upgraded assets	6	527,474	380,000	121,407
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	15,688		26,608
Surplus / (deficit)		(525,344)	(1,783,173)	(1,440,306)
Other comprehensive income				
Net asset revaluation increment(decrement) reversals	27	18,931,957		377,769
Fair value adjustments for investment property	16	20,200		52,860
Comprehensive result		18,426,813	(1,783,173)	(1,009,678)

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

**Statement of Financial Position
As at 30 June 2012**

	Note	2012 \$	2011 \$
Assets			
Current assets			
Cash and cash equivalents	17	8,481,477	6,882,232
Trade and other receivables	18	265,474	452,653
Inventories	19	16,943	16,896
Other assets	20	73,700	101,879
Total current assets		8,837,594	7,453,660
Non-current assets			
Investment in water corporation	16	9,231,380	9,211,180
Property, infrastructure, plant and equipment	21	123,052,096	105,526,039
Intangible assets	22	56,000	84,000
Total non-current assets		132,339,476	114,821,219
Total assets		141,177,070	122,274,879
Liabilities			
Current liabilities			
Trade and other payables	23	486,447	123,556
Trust funds and deposits	24	63,140	70,953
Lease - Nissan Dualis	26	19,499	
Provisions	25	626,326	514,352
Total current liabilities		1,195,413	708,860
Non-current liabilities			
Provisions	25	25,477	36,652
Total non-current liabilities		25,477	36,652
Total liabilities		1,220,889	745,512
Net Assets		139,956,181	121,529,367
Equity			
Accumulated surplus		26,817,281	27,928,782
Reserves	27	113,138,900	93,600,585
Total Equity		139,956,181	121,529,367

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

**Statement of Changes in Equity
For the Year Ended 30 June 2012**

	Note	Total 2012 \$	Accumulated Surplus 2012 \$	Asset Revaluation Reserve 2012 \$	Fair Value Reserve 2012 \$	Other Reserves 2012 \$
2012						
Balance at beginning of the financial year		121,529,367	27,928,782	91,448,787	52,860	2,098,939
Surplus / (deficit) for the year		(525,344)	(525,344)			
Other Comprehensive Income:						
Fair value adjustments for financial assets at fair value		20,200			20,200	
Net asset revaluation increment(decrement) reversals	27	18,931,957		18,931,957		
Transfers between reserves			(586,157)			586,157
Balance at end of the financial year		139,956,181	26,817,281	110,380,743	73,060	2,685,096
		Total 2011 \$	Accumulated Surplus 2011 \$	Asset Revaluation Reserve 2011 \$	Fair Value Reserve 2011 \$	Other Reserves 2011 \$
2011						
Balance at beginning of the financial year		122,539,045	29,464,762	91,071,018		2,003,265
Surplus / (deficit) for the year		(1,440,306)	(1,440,306)			
Other Comprehensive Income:						
Fair value adjustments for financial assets at fair value		52,860			52,860	
Net asset revaluation increment(decrement) reversals	27	377,769		377,769		
Transfers between reserves			(95,674)			95,674
Balance at end of the financial year		121,529,367	27,928,782	91,448,787	52,860	2,098,939

The above statement should be read with the accompanying notes.

Statement of Cash Flows
For the Year Ended 30 June 2012

	Note	2012 Inflows/ (Outflows) \$	2011 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates		2,933,868	2,551,930
User charges and other fines		460,371	393,132
Grants		3,240,223	2,042,711
Interest		365,916	320,033
Dividends	10	3,326	16
Other receipts		292,747	303,235
Net GST refund/payment		368,265	330,631
Payments to suppliers		(2,835,432)	(3,051,179)
Payments to employees (including redundancies)		(1,611,617)	(1,525,097)
Other payments		(42,512)	
Net cash provided by (used in) operating activities	28	3,175,155	1,365,412
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	37	(1,641,819)	(1,124,393)
Proceeds from sale of property, infrastructure, plant and equipment	8	65,909	118,655
Net cash provided by (used in) investing activities		(1,575,910)	(1,005,738)
Net increase (decrease) in cash and cash equivalents		1,599,245	359,674
Cash and cash equivalents at the beginning of the financial year		6,882,232	6,522,558
Cash and cash equivalents at the end of the financial year	17	8,481,477	6,882,232

The above statement should be read with the accompanying notes.

Notes to the Financial Report

For the Year Ended 30 June 2012

Report

Introduction

- (a) The Central Highlands Council (the Council) was established in 1993 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 6 Tarleton Street, Hamilton.
- (b) The purpose of the Council is to:
- provide for the peace, order and good government in the municipality;
 - to promote the social, economic and environmental viability and sustainability of the municipal area;
 - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
 - to improve the overall quality of life of people in the local community;
 - to promote appropriate business and employment opportunities;
 - to ensure that services and facilities provided by the Council are accessible and equitable;
 - to ensure the equitable imposition of rates and charges; and
 - to ensure transparency and accountability in Council decision making.

This financial report is a general purpose financial report that consists of the Statements of Comprehensive Income, Financial Position, Changes in Equity, Cash Flows, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the *Local Government Act 1993 (LGA1993)* (as amended). 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. As a result this financial report does not comply with International Financial Reporting Standards.

Not Significant accounting policies

(a) Basis of accounting

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 1(e), 1(k), 1(n) and 1(p).

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.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, and material subsidiaries or joint ventures, have been included in this financial report. All transactions between these entities and Council have been eliminated in full. Details of entities not included in this financial report based on their materiality are detailed in note 39.

Judgements and Assumptions

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

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

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

Employee entitlements

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

Defined benefit superannuation fund obligations

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

Fair value of property, plant & equipment

Notes to the Financial Report

For the Year Ended 30 June 2012

Report

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in notes 1(d) and in note 21.

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in Southern Water are discussed in note 1(j) and in note 16.

- (b) **Change in accounting policies**
Nil

Notes to the Financial Report

For the Year Ended 30 June 2012

Report

(c) Revenue recognition

Rates, grants and contributions

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

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

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

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

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

Non-monetary contributions

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

User fees and fines

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

A provision for impairment is recognised when collection in full is no longer probable.

Sale of property, plant and equipment, infrastructure

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

Rent

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

Interest

Interest is recognised progressively as it is earned.

Dividends

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

(d) Expense recognition

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

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

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

Notes to the Financial Report

For the Year Ended 30 June 2012

Report

Depreciation is calculated on a straight-line basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life. Rates have been advised by the Australian Valuation Office in respect of assets valued by them. Assets added since valuation are depreciated at rates based on their estimated useful lives commencing from the beginning of the month after which the asset first became available for use. Road and Footpath Assets were valued by Australian Property Valuers in February 2012 and results are reflected. The intangible asset relating to revaluation of the municipality is being written off over the period up to the due date of the next revaluation.

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.

Notes to the Financial Report

For the Year Ended 30 June 2012

Report

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

The non-depreciation of road earthwork assets shall be reviewed at least at the end of each reporting period, to ensure that the accounting policy applied to particular earthwork assets reflects the most recent assessment of the useful lives of the assets, having regard to factors such as asset usage, physical deterioration and technical and commercial obsolescence.

Artworks and land are not depreciated.

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

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

	Period
Property	
Land	
Land Improvements	50 years
Buildings	10-100 years
Building Improvements	10-20 years
Plant, Machinery and Equipment	2-15 years
Fixtures, Fittings and Furniture	10-20 years
Motor Vehicles	2-3 years
Computers and Telecommunications	2.5-10 years
Roads - sealed	20-200 years
Roads - unsealed	35 years
Road Kerb, Channel and Minor culverts	5-80 years
Bridges	20-80 years
Footpaths and cycleways	5-80 years
Drainage	100 years
Recreational, leisure and community facilities	10-20 years
Sewerage Schemes	20-100 years
Infrastructure - Parks, Gardens and Recreational Facilities	10-20 years
Intangible assets	6 years

Repairs and maintenance

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

Finance Costs

Finance costs are expensed as incurred using the effective interest method. Finance costs include interest on bank overdrafts, unwinding of discounts, and finance lease charges.

(e) Recognition and measurement of assets Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

The asset capitalisation threshold adopted by Council is \$1,000 for Property Plant and Equipment and Furniture and Fittings, and all other classes \$5,000. Assets valued at less than \$1,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

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

The following classes of assets have been recognised in notes 21 and 22. 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 \$
Property	
Land	
Buildings	

Notes to the Financial Report

For the Year Ended 30 June 2012

Report

Fixtures, fittings and furniture	1,000
Computers and telecommunications	1,000
Staff Motor Vehicles	1,000
Roads	5,000
Bridges	5,000
Footpaths and cycleways	5,000
Drainage	5,000
Infrastructure - Parks, Gardens and Recreational Facilities	5,000
<i>Intangible assets</i>	
Intangible assets	1,000

Notes to the Financial Report

For the Year Ended 30 June 2012

Report

(f) Recognition and measurement of assets

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than Plant and Equipment, Staff Vehicles, Furniture and Fittings and Computers, are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset 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 and buildings and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced Council officers or independent experts.

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

Land under roads

Land under roads acquired after 30 June 2008 is brought to account using the cost basis. Council does not recognise land under roads that it controlled prior to that period in its financial report.

(g) Cash and cash equivalents

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

(h) Trade and other receivables

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

(i) 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.

(j) Investments in Water Corporation

Council's investment in Southern Water is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date based on Final Treasurer's Allocation Order in 2012. Council has an ownership interest of 1% in the corporation. Any unrealised gains and losses on holdings at balance date are recognised through the Statement of Comprehensive Income to a Financial assets available for sale Reserve each year. (refer note 27)

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

Council has derived returns from the corporation as disclosed at note 10.

(k) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 24).

(l) Employee benefits

Wages and salaries

Liabilities for wages and salaries and rostered days off are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll costs.

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date. Annual leave is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

Notes to the Financial Report

For the Year Ended 30 June 2012

Report

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service.

Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Sick Leave

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

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

(m) Leases

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to Council where it is likely that Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 1 to 2 year period.

Operating leases

Lease payments for operating leases are required by the Australian accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

(n) 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.

(o) 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.

(p) Impairment of assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of 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.

(q) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest dollar.

(r) Significant Business Activities

Council is required to report the operating capital and competitive neutrality costs in respect of each significant business activity undertaken by the council. The council's disclosure is reconciled in note 38. Council has determined, based upon materiality that

(s) Pending Accounting Standards

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

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
AASB 9: Financial Instruments	These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include: * simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; * allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation - Special Purpose Entities</i> , introducing a number of changes to accounting treatments. The Standard was issued in August 2011.	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments.
	This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i> , introducing a number of changes to accounting treatments. This Standard was issued in August 2011.	Applicable for annual reporting periods commencing on or after 1 January 2013.	Council has not yet determined the application or the potential impact of the Standard.
	This Standard supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i> and AASB 131 <i>Interests in Joint Ventures</i> . This Standard was issued in August 2011.	Applicable for annual reporting periods commencing on or after 1 January 2013.	Council has not yet determined the application or the potential impact of the Standard.
	This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.	Applicable for annual reporting periods commencing on or after 1 January 2013.	No financial impact.

**Central Highlands Council
2011/2012 Financial Report**

**Notes to the Financial Report
For the Year Ended 30 June 2012**

AASB 119: Employee Benefits	This Standard supersedes AASB 119 <i>Employee Benefits</i> , introducing a number of changes to accounting treatments. This Standard was issued in September 2011.	Applicable for annual reporting periods commencing on or after 1 January 2013.	Council has not yet determined the application or the potential impact of the Standard.
AASB 127: Separate Financial Statements	This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> , introducing a number of changes to accounting treatments. This Standard was issued in August 2011.	Applicable for annual reporting periods commencing on or after 1 January 2013.	Council has not yet determined the application or the potential impact of the Standard.
AASB 128: Investments in Associates and Joint Ventures	This Standard supersedes AASB 128 <i>Investments in Associates</i> , introducing a number of changes to accounting treatments. This Standard was issued in August 2011.	Applicable for annual reporting periods commencing on or after 1 January 2013.	Council has not yet determined the application or the potential impact of the Standard.
AASB 1053: Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. This Standard is not expected to impact Council. However, it may affect disclosures if reduced disclosure requirements apply.	Applicable for annual reporting periods commencing on or after 1 July 2013.	These amendments are not expected to impact Council.
AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and int 10 & 12]	[Modified by AASB 2010-7]	Applicable for annual reporting periods commencing on or after 1 July 2013.	Council has not yet determined the application or the potential impact of the Standard.
	Introduces reduced disclosure requirements for certain types of entities.		This standard is not expected to have a financial impact.
AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and int 2, 5, 10, 12, 19 & 127]	This Standard makes consequential amendments to other Australian Accounting Standards and interpretations as a result of issuing AASB 9 in December 2010.	Applicable for annual reporting periods commencing on or after 1 January 2013.	Council has not yet determined the application or the potential impact of the Standard.
	This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.	Applicable for annual reporting periods commencing on or after 1 July 2013.	No financial impact.
	This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards - Reduced Disclosure Requirements. There is no financial impact.	Applicable for annual reporting periods commencing on or after 1 July 2013.	No financial impact.
AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]	This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> .	Applicable for annual reporting periods commencing on or after 1 January 2013.	Council has not yet determined the application or the potential impact of the Standard.
AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and int 2, 4, 12, 13, 14, 17, 19, 131, 132]	This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.	Applicable for annual reporting periods commencing on or after 1 January 2013.	No financial impact.
AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).	Applicable for annual reporting periods commencing on or after 1 July 2013.	Council has not yet determined the application or the potential impact of the Standard.

Central Highlands Council
2011/2012 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2012

AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]	The Standard makes amendments to other Australian Accounting Standards and interpretations as a result of issuing AASB 119 Employee Benefits in September 2011.	Applicable for annual reporting periods commencing on or after 1 January 2013.	Council has not yet determined the application or the potential impact of the Standard.
	This Standard gives effect to Australian Accounting Standards - Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.	Applicable for annual reporting periods commencing on or after 1 January 2013.	No financial impact.
	This Standard amends Reduced Disclosure Requirements arising from AASB13 <i>Fair Value Measurement</i> and consequential amendments implemented through AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB13</i> .	Applicable for annual reporting periods commencing on or after 1 January 2013.	Council has not yet determined the application or the potential impact of the Standard.

(t) 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 and inclusive of the GST payable.

(u) Budget

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

Note 2 Functions/Activities of the Council

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

	Grants	Other	Total Revenue	Total Expenditure	Surplus/ (Deficit)	Assets
Government and administration						
2011-2012	1,023,636	2,843,532	3,867,169	1,583,516	2,283,653	9,557,677
2010-2011	2,042,711	2,506,736	4,549,447	4,037,435	512,012	17,283,818
Roads, streets and bridges						
2011-2012	1,386,538		1,386,538	2,984,705	(1,598,167)	115,173,599
2010-2011		165,067	165,067	1,507,450	(1,342,383)	97,529,503
Waste management						
2011-2012		463,321	463,321	480,225	(16,904)	510,988
2010-2011		446,938	446,938	573,986	(127,048)	558,287
Heritage and Culture						
2011-2012		4,267	4,267	98,457	(94,190)	1,610,724
2010-2011		2,738	2,738	73,265	(70,527)	1,950,148
Community services						
2011-2012	302,575	119,591	422,166	537,142	(114,976)	1,267,879
2010-2011		357,274	357,274	584,524	(227,250)	1,912,145
Recreation facilities						
2011-2012		6,647	6,647	188,840	(182,193)	2,608,964
2010-2011		2,125	2,125	170,626	(168,501)	2,311,469
Commercial and Tourism						
2011-2012		98,937	98,937	181,866	(82,929)	1,051,043
2010-2011		66,582	66,582	151,738	(85,156)	730,103
Other - not attributable						
2011-2012		316,398		1,579,198	1,262,800	9,396,196
2010-2011						
Total						
2011-2012	2,712,749	3,852,693	6,565,443	7,633,949	(1,068,506)	141,177,070
2010-2011	2,042,711	3,547,460	5,590,171	7,099,024	(1,508,853)	122,275,473

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

	2012	2011
Current assets	8,837,594	7,453,660
Non-current assets	132,339,476	114,821,813
	141,177,070	122,275,473

(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 the heritage and cultural requirements of the Municipality.

Community amenities

Operation and maintenance of housing for aged persons and persons of limited means, Civic Centre, Council halls (excluding indoor sports complexes).

Community services

Administration and operation of dog registration, operation of pounds, control of straying stock, and noxious weeds. Contribution to 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 fulfill 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 attributes

Rates and charges and work not attributed elsewhere.

	2012 \$	2011 \$
Note 3 Rates and charges		
Council uses Assessed Annual Value as the basis of valuation of all properties within the municipality. The Assessed Annual Value within Central Highlands is 4% of its Capital Value.		
The valuation base used to calculate general rates for 2011/2012 was \$41,393,914 million (2010/2011 \$41,324,374 million). The 2011/2012 rate in the AAV dollar was \$0.04237128, with minimum rate payable \$340.00 (2010/2011 \$0.0416054, with minimum rate \$311.00.)		
General Rate	2,121,287	2,034,287
Fire Levy	173,059	171,458
Garbage charge	464,310	438,199
Revenue in advance	44,380	35,971
Total rates and charges	2,803,035	2,679,914
The date of the latest general revaluation of land for rating purposes within the municipality was 2008, and the valuation was applied in the rating year commencing 1 July 2009.		
Note 4 Statutory fees and fines		
Infringements and costs	37,929	36,244
Total statutory fees and fines	37,929	36,244
Note 5 User fees		
Rental Housing	75,135	6,781
Planning Fees	48,036	20,948
Building Fees	38,764	29,646
Plumbing Fees	1,940	12,538
Tips and Waste Transfer Stations	(1,885)	277
Hall Hire	1,413	1,145
Other fees and charges	56,475	231,692
Total user fees	219,878	303,027
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Government Subsidies - Pensioner Rate Remissions	61,979	53,524
State funded grants	2,650,769	1,921,304
Total	2,712,748	1,974,828
Grants - Operating		
Financial assistance grant	2,346,194	1,838,069
Healthy Communities	280,357	
Other	86,197	136,759
Total operating grants	2,712,748	1,974,828

**Notes to the Financial Report
For the Year Ended 30 June 2012**

	2012 \$	2011 \$
<p>The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. On 11 May 2012 the Government announced in the Commonwealth Budget following the downturn in the economy that, "to assist local councils with planning for the recovery and to ensure local government has maximum certainty to begin planning their 2012-13 works programs", it would bring forward for payment to all councils in June 2012, the first two instalments of the 2012-13 grant pool. Since 2009-10 the Commonwealth has been making early payment of the first quarterly instalment for the following year. However, the above General Purpose and Roads Financial Assistance Grants for 2011-12 thus include an additional instalment over that received in 2010-11. In accordance with AASB1004 <i>Contributions</i>, Council recognises these grants as revenue when it receives the funds and obtains control. The effects of the early receipt of instalments each year has resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2011-12 by \$948,408 and 2010-11 by \$467,029. This has impacted the Statement of Comprehensive Income resulting in the Net surplus/(deficit) from continuing operations being higher in both years by these amounts. With fewer instalments due to be received in 2012-13, the reverse effect is expected to occur.</p>		
Capital grants received specifically for new or upgraded assets		
Commonwealth Government - Roads to Recovery	527,474	121,407
Total capital grants	527,474	121,407
Conditions on grants		
<p>Non-reciprocal grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:</p>		
Healthy Communities	192,787	
Total	192,787	
Note 7 Contributions		
(a) Cash		
Heavy Vehicle Contribution Fees	54,753	54,753
Total	54,753	54,753
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	65,909	118,655
Write down value of assets disposed	(50,221)	(92,047)
Total	15,688	26,608
Note 9 Other income		
Interest	392,467	319,241
Private Works	225,226	109,789
Other	116,082	59,500
Total other income	733,774	488,530
Note 10 Investment revenue from water corporation		
Dividend Revenue	3,326	16
Total investment revenue from water corporation	3,326	16

	2012 \$	2011 \$
Note 11 Employee benefits		
Wages and salaries	1,336,275	1,354,860
Annual leave and long service leave	164,470	83,135
Sick Leave	65,066	15,433
Superannuation	146,976	129,205
Total employee benefits	1,712,787	1,582,633
Note 12 Materials and services		
Contract payments	385,512	283,943
Building maintenance	37,225	
Plant and equipment maintenance	68,930	48,166
Plant Hire	552,798	621,871
Consultants	51,695	16,676
Other	395,089	522,607
Total materials and services	1,491,250	1,493,263
Note 13 Depreciation and amortisation		
Property		
Land		
Land improvements		
Buildings		
Buildings	98,131	93,594
Plant and Equipment		
Plant, machinery and equipment	426,421	260,571
Fixtures, fittings and furniture	5,374	5,219
Computers and telecommunications	29,777	31,069
Infrastructure		
Roads	2,167,140	2,194,733
Bridges	193,382	233,697
Footpaths and cycleways	16,616	14,673
Drainage	11,515	11,321
Other infrastructure	49,143	42,953
Intangible assets		
Intangible assets	28,000	28,000
Total depreciation and amortisation	3,025,499	2,915,830
Note 14 Finance costs		
Interest - Finance leases	994	-
Total finance costs	994	-
Rate used to capitalise finance costs	10.9%	

	2012 \$	2011 \$
Note 15 Other expenses		
Auditors' remuneration	21,441	20,068
Councillors' allowances	102,144	100,523
Fire Levy	172,304	170,316
Fuel	230,299	194,257
Light and Power	122,149	108,336
Insurance	149,355	109,659
Valuation Fees	12,505	13,900
Communications and Telephones	52,484	34,456
Payroll Tax	52,120	40,430
Community Support and Donations	81,541	33,678
Land Tax	20,805	16,553
Other	386,271	291,733
Total other expenses	1,403,418	1,133,908
Note 16 Investment in water corporation		
<i>Carrying amount</i>		
At fair value	9,211,180	9,158,320
Fair Value Adjustments	20,200	52,860
Total investment in water corporation	9,231,380	9,211,180
<i>Background</i>		
There is no active market for the investment and so it is valued at Council's share of total equity at each balance date. Changes in the fair value are recognised as revenue or expense in the Comprehensive Income Statement each year. Council's investment is disclosed on the face of the Statement of Financial Position with the value being determined as disclosed above. Council's share of the Corporation's net assets at 30 June 2012 was \$9,231,380.		
Note 17 Cash and cash equivalents		
Cash on hand	450	450
Cash at bank	1,885,204	1,404,252
At Call - Tascorp	534,200	5,477,530
At Call - Westpac	5,542,176	
Term Deposits and Investments	519,447	
Total cash and cash equivalents	8,481,477	6,882,232
Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
- Leave provisions (Note 25)	651,803	551,004
- Reserve funds allocated for specific future purposes		
- Trust funds and deposits (Note 24)	63,140	70,953
Restricted Funds	714,943	621,957
Total unrestricted cash and cash equivalents	7,766,534	6,260,275
Note 18 Trade and other receivables		
<i>Current</i>		
Rates debtors	181,896	348,077
Other debtors	52,599	85,864
Provision for impairment - other debtors	(20,191)	(20,191)
Net GST receivable	51,170	38,903
Total trade and other receivables	265,474	452,653

	2012 \$	2011 \$
Note 19 Inventories		
Inventories held for distribution	16,943	16,896
Total inventories	16,943	16,896
Note 20 Other assets		
Current		
Prepayments	24,693	79,422
Accrued income	49,007	22,456
Total	73,700	101,879

Accrued income only includes items that are receivable in nature. This does not include Rates in Advance.

Note 21 Property, infrastructure, plant and equipment

	2012 \$	2011 \$
Summary		
at cost	6,269,376	6,609,696
Less accumulated depreciation	2,689,198	2,543,699
	8,958,573	9,153,395
at fair value	151,521,139	143,748,104
Less accumulated depreciation	32,049,221	42,288,062
	183,570,360	186,036,166
Total Property, Infrastructure, Plant and Equipment	192,528,934	195,189,561
Property		
Land		
at fair value	3,020,735	3,020,735
Total Land	3,020,735	3,020,735
Buildings		
at fair value	4,796,457	4,748,618
Less accumulated depreciation	(281,266)	(183,135)
Total Buildings	4,515,191	4,565,484
Total Property	7,535,926	7,586,219
Valuation of land (excluding land under roads) and buildings were undertaken by a qualified independent valuer. 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 is not valued before 2008 and at deemed cost at the date acquired for subsequent acquisitions using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services.		
Plant and Equipment		
Plant, machinery and equipment		
at cost	3,711,010	3,532,767
Less accumulated depreciation	(1,615,585)	(1,392,166)
	2,095,425	2,140,601
Fixtures, fittings and furniture		
at cost	116,645	105,847
Less accumulated depreciation	(36,352)	(31,014)
	80,293	74,834
Computers and telecommunications		
at cost	277,371	259,773
Less accumulated depreciation	(229,926)	(200,113)
	47,445	59,660
Leased plant and equipment Nissan Dualis		
at cost	21,871	
Less accumulated amortisation	(2,551)	
	19,320	
Staff Vehicles		
at cost	134,132	134,132
Less accumulated depreciation	(63,615)	(24,852)
	70,518	109,280
Total Plant and Equipment	2,313,001	2,384,374

Note 21 <i>Property, infrastructure, plant and equipment (cont)</i>	2012	2011
	\$	\$
Infrastructure		
Roads		
at fair value	129,058,655	125,013,257
Less accumulated depreciation	(25,815,722)	(36,021,999)
	103,242,933	88,991,258
Bridges		
at fair value	13,150,928	10,965,493
Less accumulated depreciation	(5,687,352)	(6,082,928)
	7,463,576	4,882,565
Footpaths and cycleways		
at cost		
Less accumulated depreciation		
at fair value	1,494,364	672,838
Less accumulated depreciation	(264,881)	(215,043)
	1,229,484	457,795
Drainage		
at cost	1,163,020	1,151,493
Less accumulated depreciation	(418,143)	(406,628)
	744,877	744,865
at fair value		
Less accumulated depreciation		
Infrastructure		
at cost	801,792	734,617
Less accumulated depreciation	(323,026)	(273,883)
	478,766	460,735
at fair value		
Less accumulated depreciation		
Total Infrastructure	113,159,635	95,537,218
Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by AP Valuers and Asset Management on 20/02/2012.		
The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.		
Works in progress		
Buildings at cost	15,009	5,000
Roads at cost	14,144	
Footpaths, Kerbs and Gutters	(46)	7,792
Infrastructure	14,427	5,437
Bridges at cost		
Total Works in progress	43,534	18,229
Total property, infrastructure, plant and equipment	123,052,097	105,526,040

Note 21 Property, plant and equipment, infrastructure (cont.)

2012	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 27)	Depreciation and amortisation (note 13)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
Land	3,020,735							3,020,735
Total land	3,020,735							3,020,735
buildings	4,565,484	42,839		(98,131)			5,000	4,515,191
Total buildings	4,565,484	42,839		(98,131)			5,000	4,515,191
Total property	7,586,218	42,839		(98,131)			5,000	7,535,926
Plant and Equipment								
plant, machinery and equipment	2,252,913	412,026		(426,421)	50,221			2,188,297
fixtures, fittings and furniture	71,802	10,832		(5,374)				77,260
computers and telecommunications	59,697	17,563		29,777			(38)	47,445
Total plant and equipment	2,384,412	440,421		(461,572)	50,221		(38)	2,313,001
Infrastructure								
roads	88,991,259	826,273	15,592,542	(2,167,140)				103,242,934
bridges	4,882,565	215,309	2,559,083	(193,382)				7,463,575
footpaths and cycleways	457,795	181	780,331	(16,616)			7,792	1,229,483
drainage	744,865	11,527		(11,515)				744,877
Infrastructure	460,697	61,776		(49,143)			5,437	478,766
Total infrastructure	95,537,181	1,115,065	18,931,957	(2,437,796)			13,229	113,159,635
Works in progress								
buildings	5,000	11,053					5,000	11,053
roads		14,144						14,144
Footpaths	7,792	(45)					7,792	(45)
Infrastructure	5,437	14,427					5,437	14,427
bridges		3,954						3,954
Total works in progress	18,229	43,534					18,229	43,534
Total property, plant and equipment, infrastructure	105,526,040	1,641,858	18,931,957	(2,997,499)	50,221		(38)	123,052,097

(a) Impairment losses

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

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

	2012 \$	2011 \$
Note 22 Intangible assets		
Revaluation cost paid to Valuer General	84,000	112,000
less amortisation	(28,000)	(28,000)
Total intangible assets	56,000	84,000
Note 23 Trade and other payables		
Trade payables	464,609	39,289
Net GST payable	2,181	4,443
Accrued expenses	19,657	79,824
Total trade and other payables	486,447	123,556
Note 24 Trust funds and deposits		
Relocation Bonds	3,500	3,500
Other refundable deposits	59,640	67,453
Total trust funds and deposits	63,140	70,953

Trust Account and Deposits consist of deposits totalling \$17,500 for Development Applications, Public and Open Spaces bonds \$5,515, Landcare Grants \$25,109, save the Ouse Hospital \$7,386, Edgell trust of \$4,713. The Hospital Funds are held by Council on their behalf and Landcare will use their funds as requested.

Note 25 Provisions	Annual leave	Long service	Sick leave	Total
2012	\$	\$	\$	\$
Balance at beginning of the financial year	120,095	240,907	190,002	551,004
Additional provisions	119,519	47,784	54,288	221,591
Amounts used	(91,978)	(5,577)	(23,237)	(120,792)
Balance at the end of the financial year	147,636	283,114	221,053	651,803
2011				
Balance at beginning of the financial year	108,336	232,062	211,035	551,433
Additional provisions	102,323	22,224	22,080	146,627
Amounts used	(90,564)	(13,379)	(43,113)	(147,056)
Balance at the end of the financial year	120,095	240,907	190,002	551,004

	2012	2011
	\$	\$
(a) Employee benefits		
Current (i)		
Annual leave	147,636	120,094
Long service leave	257,637	204,255
Sick leave	221,053	190,002
	626,326	514,352
Non-current (ii)		
Long service leave	25,477	36,652
	25,477	36,652
Aggregate carrying amount of employee benefits:		
Current	626,326	514,352
Non-current	25,477	36,652
	651,803	551,004
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs		3.70%
Weighted average discount rates		1.05%
Weighted average settlement period		12
(i) Current		
All annual leave and the long service leave entitlements representing 10 or more years		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	147,636	121,094
- Other long-term employee benefits that do not fall due within 12 months after the end	478,690	393,257
	626,326	514,351
(ii) Non-current		
Long service leave representing less than 10 years of continuous service measured at present value	25,477	36,652

(b) Land fill restoration

Under legislation Council is obligated to restore Hamilton site to a particular standard. Current projections indicate that the Hamilton site will cease operation in 2024 and restoration work is expected to commence shortly thereafter. The forecast life of the Hamilton site is based on current estimates of remaining capacity and the forecast rate of infill.

	2012 \$	2011 \$
Note 26 Finance leases		
Council had the following obligations under finance leases for the lease of equipment (the sum of which is recognised as a liability after deduction of future lease finance charges included in the obligation):		
Current :		
Not later than one year	8,078	-
Less: Finance Charges	(1,647)	-
Non Current :		
Later than one year and not later than five years	13,205	-
Later than five years		
Less: Future Finance Charges	(137)	-
Recognised in the Statement of Financial Position as:	19,499	-

Note 27 Reserves

	Balance at beginning of reporting period	Increment	(Decrement)	Balance at end of reporting period
	\$	\$	\$	\$
(a) Asset revaluation				
2012				
Property				
Land	1,620,084			1,620,084
Buildings	1,563,482			1,563,482
Fixtures Fittings and Furniture	4,530			4,530
	3,188,097			3,188,097
Infrastructure				
Roads	82,754,657	15,592,542		98,347,199
Bridges	3,054,860	2,559,083		5,613,943
Footpaths and cycleways	1,998,466	780,331		2,778,797
Drainage	452,708			452,708
	88,260,691	18,931,957		107,192,647
Total Asset Revaluation	91,448,787	18,931,957		110,380,744
2011				
Property				
Land	1,620,084			1,620,084
Buildings	1,563,482			1,563,482
Fixtures Fittings and Furniture	4,530			4,530
	3,188,097			3,188,097
Infrastructure				
Roads	82,754,657			82,754,657
Bridges	2,677,091	377,769		3,054,860
Footpaths and cycleways	1,998,466			1,998,466
Drainage	452,708			452,708
	87,882,922	377,769		88,260,691
Total Asset Revaluation	91,071,019	377,769		91,448,787

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 period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$	\$	\$	\$
2012				
Other Reserves	2,098,938	1,141,873	(555,715)	2,685,095
Total Other reserves	2,098,938	1,141,873	(555,715)	2,685,095
2011				
Other Reserves	2,003,264	95,674		2,098,938
Total Other reserves	2,003,264	95,674		2,098,938

Council has set aside funds in the following areas : Financial Assistance Grants paid in advance, Bridges, Refuse and Quarry sites, Healthy Communities unspent funds, Fair Value for Water Corporation and Shacksites

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(c) Fair Value Reserves	\$	\$	\$	\$
2012				
Fair Value Reserves	52,860	20,200		73,060
Total Fair Value Reserves	52,860	20,200		73,060
2011				
Fair Value Reserves		52,860		52,860
Total Fair Value Reserves		52,860		52,860

Summary Total Reserves

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
2012	\$	\$	\$	\$
Total Asset Revaluation	91,448,787	18,931,957		110,380,744
Total Fair Value Reserves	52,860	20,200		73,060
Total Other reserves	2,098,938	1,141,873	(555,715)	2,685,095
Total Reserves	93,600,585	20,094,030	(555,715)	113,138,899
2011				
Total Asset Revaluation	91,071,019	377,769		91,448,787
Total Fair Value Reserves		52,860		52,860
Total Other reserves	2,003,264	95,674		2,098,938
Total Reserves	93,074,283	526,302		93,600,585

	2012 \$	2011 \$
Note 28 Reconciliation of cash flows from operating activities to surplus (deficit)		
Surplus/Deficit	(525,344)	(1,440,306)
Depreciation/amortisation	3,025,499	2,915,830
(Profit)/loss on disposal of property, plant and equipment, infrastructure	(15,688)	(26,608)
Impairment losses		
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	187,178	(41,475)
Decrease/(increase) in other assets	28,179	
Decrease/(increase) in inventories	(47)	(3,986)
Increase/(decrease) in trade and other payables	382,390	(37,614)
Increase/(decrease) in provisions	100,799	(429)
Increase/(decrease) in other liabilities	(7,812)	
Cancelled cheque prior financial year	-	
Net cash provided by/(used in) operating activities	3,175,155	1,365,412
Note 29 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 17)	8,481,477	6,882,232
Total reconciliation of cash and cash equivalents	8,481,477	6,882,232

Note 31

Superannuation

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

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

Bendzulla Actuarial Pty Ltd undertook the last actuarial review of the Fund at 30 June 2011. The review disclosed that at the time the net market value of assets available for funding member benefits was \$57,588,247 the value of vested benefits was \$52,794,839 the surplus was \$4,793,408 and the value of total accrued benefits was \$57,330,437. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Scheme's financial statements for Council employees.

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

Net Investment Return	0% pa
Salary Inflation	4.0% pa
Price Inflation	n/a

In the opinion of the Actuary, the Quadrant Defined Benefit Fund was adequately funded in that assets were sufficient to cover the vested benefits of all members at the review date and the actuarial value of the accrued past service benefits. The next triennial review will be undertaken after 30 June 2011.

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*.

During the reporting period Council made the required superannuation contributions for all employees. The amount of contributions paid to Quadrant during the reporting period was \$146,976 (\$129,227 in 2011).

	2012	2011
Fund	\$	\$
Defined benefits fund		
Employer contributions to Quadrant	36,510	36,414
	36,510	36,414
Accumulation funds		
Employer contributions to super funds	110,466	92,813
	110,466	92,813

Note 32 Commitments

The Council has entered into the following commitments

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2012					
<i>Operating</i>					
Recycling and Garbage Collection	113,101				113,101
Total	113,101				113,101
2011					
<i>Operating</i>					
Recycling and Garbage Collection	109,237	113,101			222,338
Total	109,237	113,101			222,338

**Central Highlands Council
2011/2012 Financial Report**

**Notes to the Financial Report
For the Year Ended 30 June 2012**

Reference	2012	2011
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COMMENT

AASB 137

Para Guarantees for loans to other entities

86 The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by Council, not the fair value of the financial guarantee.

Note 33 Financial Instruments

(a) Accounting Policy, terms and conditions

Recognised financial instruments			
	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	17	Cash on hand and at bank and money market call account are valued at face value.	On call deposits returned a floating interest rate of 5.22% (4.63% in 2011/2012). The interest rate at balance date was 4.4% (5.7% in 2010/2011).
		Interest is recognised as it accrues.	
		Investments are held to maximise interest returns of surplus cash.	
		Interest revenues are recognised as they	
		Managed funds are measured at market value.	
Trade and other receivables			
Other debtors	18	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears attract an interest rate of 10% (10% in 2010/2011). Credit terms are based on 30 days.
Financial Liabilities			
Trade and other payables	23	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.
		Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.	As at balance date, the Council had finance leases with an average lease term of 1.5 years. The weighted average rate implicit in the lease is 10.9%.

Note 33 Financial instruments (cont.)

(b) Interest Rate Risk

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

2012

	Weighted average interest rate	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
			1 year or less	Over 1 to 5 years	More than 5 years		
			\$	\$	\$	\$	\$
Financial assets							
Cash and cash equivalents	4.48%	8,481,477					8,481,477
Investment in Southern Water						9,231,380	9,231,380
Trade and other receivables	2.00%	265,474					265,474
Other assets						73,700	73,700
Total financial assets		8,746,951				9,305,080	18,052,031
Financial liabilities							
Trade and other payables						486,447	486,447
Trust Funds and Deposits						63,140	63,140
Lease - Nissan Dualis						19,499	19,499
Total financial liabilities						569,086	569,086
Net financial assets (liabilities)		8,746,951				8,735,994	17,482,945

2011

	Weighted average interest rate	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
			1 year or less	Over 1 to 5 years	More than 5 years		
			\$	\$	\$	\$	\$
Financial assets							
Cash and cash equivalents	4.63%	6,882,232					6,882,232
Investment in Southern Water						9,211,180	9,211,180
Trade and other receivables	2.00%	452,653					452,653
Accrued Income						22,456	22,456
Total financial assets		7,334,885				9,233,636	16,568,521
Financial liabilities							
Trade and other payables						124,150	124,150
Trust funds and deposits						70,952	70,952
Total financial liabilities						195,102	195,102
Net financial assets (liabilities)		7,334,885				9,038,534	16,373,419

Note 33 Financial Instruments (cont.)

(c) Net Fair Values

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		Aggregate net fair value	
	2012	2011	2012	2011
	\$	\$	\$	\$
<i>Financial assets</i>				
Cash and cash equivalents	8,481,477	6,882,232	8,481,477	6,882,232
Investment	9,231,380	9,211,180	9,231,380	9,211,180
Trade and other receivables	265,474	452,653	265,474	452,653
Accrued Income	73,700	22,456	73,700	22,456
Total financial assets	18,052,031	16,568,521	18,052,031	16,568,521
<i>Financial liabilities</i>				
Trade and other payables	486,447	194,508	486,447	194,508
Trust funds and deposits	63,140	70,952	63,140	70,952
Finance Lease	19,499		19,499	
Total financial liabilities	569,086	265,460	569,086	265,460

(d) Credit Risk

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

(e) Risks and mitigation

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

Market risk

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

Interest rate risk

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

Our loan borrowings are sourced from major Australian banks. Finance leases are sourced from major Australian financial institutions. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Treasury and Finance each year.

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

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

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

Credit risk

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

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

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

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

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

We 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
2012				
Cash and cash equivalents	7,947,277	534,200		
Total contractual financial assets	7,947,277	534,200		8,481,477
2011				
Cash and cash equivalents	1,405,295	5,477,530		
Total contractual financial assets	1,405,295	5,477,530		6,882,825

Movement in Provisions for Impairment

	2012 \$	2011 \$
Balance at the beginning of the year	(20,191)	(20,191)
New Provisions recognised during the year		
Amounts already provided for and written off as uncollectible		
Amounts provided for but recovered during the year		
Balance at end of year	(20,191)	(20,191)

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 & Other Receivables was:

	2012 \$	2011 \$
Current (not yet due)	8,380	18,578
Past due by up to 30 days	19,139	35,710
Past due between 31 and 180 days		5,315
Past due between 181 and 365 days	766	61
Past due by more than 1 year	23,988	25,656
Total Trade & Other Receivables	52,272	85,321

Liquidity risk

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

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

To help reduce these risks we:

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

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

The table below lists the contractual maturities for Financial Liabilities

These amounts represent undiscounted gross payments including both principal and interest amounts

2012	6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
	or less	months	years	years	years	Cash Flow	Amount
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	486,447						
Finance Lease	3,593	3,593	12,313				
Trust funds and deposits	63,140						
Interest-bearing loans and borrowings							
Total financial liabilities	553,180	3,593	12,313				

2011	6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
	or less	months	years	years	years	Cash Flow	Amount
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	124,150						
Trust funds and deposits	70,952						
Interest-bearing loans and borrowings							
Total financial liabilities	195,102						

	Level 1	Level 2	Level 3	Total
30-Jun-11				
Financial assets at fair value through the comprehensive income statement			9,211,180	9,211,180
Reconciliation of Level 3 Fair Value Movements			2012	2011
			\$	\$
Opening balance				
Investment on transfer of assets			9,211,180	9,158,320
Change in fair value movement in Southern Water			20,200	52,860
Closing balance			9,231,380	9,211,180

Note 34 Auditors' remuneration	2012	2011
	\$	\$
Audit fee to conduct external audit - Tasmanian Audit Office	21,441	20,068
	21,441	20,068

Note 35 Events occurring after balance date

No matters have occurred after balance date that warrant disclosure in this report.

Note 36 Related party transactions

(i) Responsible Persons

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

Councillors		
Councillor Deirdre Flint	- Mayor	01/07/11..30/06/12
Councillor Andrew Downie	- Deputy Mayor	01/07/11..30/06/12
Councillor Richard Bowden	- Councillor	01/07/11..30/06/12
Councillor Loueen Triffitt	- Councillor	01/07/11..30/06/12
Councillor Geoffrey Herbert	- Councillor	01/07/11..30/06/12
Councillor Anthony Bailey	- Councillor	01/07/11..30/06/12
	- Councillor	01/07/11..30/06/12
Councillor Joe Jacka	- Councillor	01/07/11..30/06/12
Councillor James Allwright	- Councillor	25/10/11..30/06/12

- (ii) In accordance with s84(2)(b) of the *Local Government Act 1993*, the following interests have been notified to the General Manager in respect of any body or organisation with which the Council has major financial dealings.

(iii)	REGISTER OF INTERESTS	Nature of Relevant Dealings by Council
Cr Anthony Bailey	Central Highlands Council Mens Shed - Wives and Girlfriends Room	20/09/2011 Committee Member
Cr Loueen Triffitt	Central Highlands Council Mens Shed - Wives and Girlfriends Room	19/10/2011 Committee Member
Cr Ian Michael	Restriction of vehicular access on Gowan Brae Road	18/10/2011 Family Member
Cr Anthony Bailey	Ouse Country Club Lease	15/11/2011 President Ouse Golf Club
Cr Geoffrey Herbert	Alterations to shop and signage in village zone and Heritage Conservation area - Patrick Street Bothwell	15/11/2011 Owner of property
Cr Anthony Bailey	Community Grants programme 2011-2012 Ouse Golf Club Associates	12/12/2011 President Ouse Golf Club
Cr Ian Michael	Community Grants programme 2011-2012 Ouse Golf Club Associates	12/12/2011 Member of Committee
Cr Loueen Triffitt	Community Grants programme 2011-2012 Angela Triffitt	12/12/2011 Family Member
Cr Tim Jacka	Ellendale Hall	20/03/2012 Committee member
Cr Loueen Triffitt	Community Grants programme 2011-2012 Angela Triffitt	20/03/2012 Family Member

	2012	2011
	\$	\$
Total Remuneration for the reporting year for Councillors' Emoluments and reimbursements included above amounted to:	102,144	135,474
Total Remuneration for the reporting year for senior management positions included above amounted to:	393,073	287,706

	Note	2012 \$	2011 \$
Note 37 Capital expenditure			
Capital expenditure areas			
Roads		840,417	98,337
Drainage		11,527	
Footpaths Kerbs and Guttering		154	23,336
Bridges		215,309	78,676
Parks, open space and streetscapes		76,144	32,240
Buildings		53,893	151,463
Plant and equipment		412,025	552,994
Other		32,350	187,348
Total capital works		1,641,819	1,124,393

Note 38 Significant Business Activities

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

	Hamilton Camping Grounds	
	2012	2011
	\$	\$
<i>Revenue</i>		
Rates		
User Charges	5,248	18,846
Grants		
	<hr/>	
Total Revenue	5,248	18,846
	<hr/>	
<i>Expenditure</i>		
<i>Direct</i>		
Employee Costs	595	388
Materials and Contacts	822	989
Power	222	1,386
	<hr/>	
Total Expenses	1,639	2,763
	<hr/>	

Reference

AAS/AASB Para

Certification of the Financial Report

LGA 1993 84(3)

The financial report presents fairly the financial position of the Central Highlands Council as at 30 June 2012, the results of its operations for the year then ended and the cash flows of the Council, in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards.



< General Manager >

General Manager

Date : 15/08/12 xx/xx/xx

<Due by 15 August 2011>