



# Annual Report 2013 / 2014



## **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](http://www.centralhighlands.tas.gov.au)

# CENTRAL HIGHLANDS COUNCIL

2013 - 2014

## Mayor and Councillors (Term Ends October 2014)

Deirdre E Flint OAM	Mayor
Andrew J Downie	Deputy Mayor
Richard G Bowden OAM	
Ian V McMichael	
Loueen M Triffitt	
Anthony W Bailey	
Tim H Jacka	
Geoffrey L Herbert	Resigned January 2014
James R Allwright	
David McMillan	Commenced February 2014

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

	Contact Numbers	Meeting Attendance (including Annual Meeting & Special meetings)			
		Full	Part	Absent	Possible
Deirdre E Flint OAM	0418 319 832	13			13
Andrew J Downie	6260 4170	11		2	13
Richard G Bowden OAM	6259 5542	12		1	13
Ian V McMichael	6287 1207	12		1	13
Loueen M Triffitt	6286 3275	12		1	13
Anthony W Bailey	6286 3284	11		2	13
Tim H Jacka	6288 1554	11		2	13
Geoffrey L Herbert	6259 5599	5		2	7
James R Allwright	6288 1392	11		2	13
David McMillan	6289 3317	4		1	5

## 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	32		1	33	3			3
Andrew J Downie	17			17	3			3
Richard G Bowden OAM	3		5	8	3			3
Ian V McMichael	22		2	24	3			3
Loueen M Triffitt	6		5	11	3			3
Anthony W Bailey	3			3	1		2	3
Tim H Jacka	18		8	26	1		2	3
Geoffrey L Herbert	10		3	13	1			1
James R Allwright					3			3
David McMillan	3		1	4	1		1	2

## MAYOR'S REPORT



It gives me great pleasure to present my twelfth Annual Report which covers the period July 2013 to June 2014.

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

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

The provision of first class roads and bridges remains a Council priority. Maintenance works in 2013/2014 totalled \$979,745. Major capital roadworks included reconstruction and resealing works on Ellendale Road, Hollow Tree Road, Arthurs Lake and parts of Hamilton and Bothwell Roads, Dennistoun Road and Fourteen Mile Road. Roads to Recovery funding of \$298,276 was received this financial year and \$193,647 was spent on replacing the bridge at Jordan River Lower Marshes.

As part of the continuing major plant upgrade program, a new Kenworth Truck (\$254,124) and a new JCB Backhoe (\$178,936) were purchased and commissioned.

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

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

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

Developments within the Municipality continue to increase. 74 applications were received as well as 67 building permit applications and 57 plumbing permits. The value of building applications increased from \$3,975,758 in 2012/2013 to \$7,747,293 in 2013/2014.

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

Council's site at the 2014 Agfest Show was judged the best single site – a wonderful achievement. My thanks to Councillor Jo Jacka and Mrs Pauline Cairns for their hard work in achieving this great result.

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

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

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

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

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

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

***Bothwell Swimming Pool Committee***

Clr R G Bowden

Clr G L Herbert (Chair)

Resigned January 2014

***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

Resigned January 2014

***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

Resigned January 2014

***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                      Resigned January 2014  
Clr JR Allwright                      From January 2014  
Clr I V McMichael  
Clr T H Jacka

***Highlands Tasmania Tourism Committee***

Mayor D E Flint OAM (Chair)  
Clr T H Jacka  
Clr G L Herbert                      Resigned January 2014

***Australia Day Committee***

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

***Tourism Committee***

Clr G L Herbert (Chair)                      Resigned January 2014  
Clr T H Jacka (Chair)                      From January 2014  
Mayor D E Flint OAM  
Clr D McMillan                      Commenced February 2014

**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                      Resigned January 2014

***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                      Resigned January 2014  
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)

Resigned January 2014

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

Mayor Deirdre Flint OAM

***Rivers Run Tourism Association***

Clr Tim H Jacka

***Ellendale Hall Committee***

Mayor D E Flint OAM



## LEGEND 2013 - 2014 ANNUAL PLAN APPRAISAL




☒ Achieved   
 ☐ In Progress   
  Ongoing   
 ☐ Not achieved

### ROADS AND BRIDGES PROGRAM

#### Strategy

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

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

Activity	Comment	Status
Continue to lobby the State Government to seal the balance of the Highlands Lake Road	Council have representation on the Highland Roads Consultative Group. Council continually lobby the State Government to complete the sealing of the Highlands Lakes Road.	<input type="checkbox"/>
Ensure that all Council roads are inspected on a regular basis	Regular inspections of Council roads are carried out.	
Ensure that all Council bridges are inspected on a regular basis.	Council bridges are inspected by TasSpan every three months.	
Manage Council's Asset Register for Roads and Bridges	Revaluations of Council's Road, Bridges, Footpaths, Kerbs & Gutters assets were completed and values recorded as at 30 June 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 \$1,091,856. Maintenance works completed totalled \$979,745.	<input checked="" type="checkbox"/>
	Council completed \$11,361 maintenance works on bridges out of an allocated budget of \$41,000.	<input checked="" type="checkbox"/>
	\$4,775 was spent on footpath, kerbs & gutter maintenance with an additional \$47,148 spent on drainage works.	<input checked="" type="checkbox"/>

### Roads (Capital)

Complete the capital works budget for roads and bridges	Major capital roadwork during 2013/2014 included reconstruction and resealing works on Ellendale Road, Hollow Tree Road, Arthurs Lake and parts of Hamilton and Bothwell township roads, Dennistoun Road and Fourteen Mile Road.	✓
	Roads to Recovery Funding of \$298,276 was received this financial year.	

### Bridges (Capital)

\$193,647 was spent on replacing the bridge at Jordan River Lower Marshes.	✓
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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 \$50,257 which included works at Bothwell Hall of \$12,639, and \$10,852 at the Ouse Hall.	

Undertake maintenance and upkeep of all Council parks and gardens	Maintenance and upkeep totalled \$48,705. An arborist is engaged when necessary to report on the health and maintenance required on trees in Council parks and on road verges.	
Cleaning and maintenance of Council's public conveniences	Regular cleaning and maintenance was carried out at a cost of \$79,708.	
Maintain Council cemetery	<p>Council's Bothwell Cemetery was well maintained during 2013/2014 at a cost of \$22,857. Council's Cemetery Committee comprising of Council and community representation meet on a regular basis.</p> <p>The Committee is proactive in monitoring and maintaining the local cemetery.</p> <p>Council has completed work on the layout and plotting of the extension to the Bothwell Cemetery with roadworks and plantings undertaken.</p>	          
Maintenance of town verges and nature strips, recreation grounds and other community amenities	Regular mowing is undertaken and maintenance completed as required. Council budgeted \$130,000 for town mowing with actual costs being \$136,144. \$71,310 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.*


Activity	Comment	Status
Maintain the camping grounds in a clean and tidy state and undertake repairs as needed.	<p>The Bothwell Camping Ground is kept in a clean and tidy state and is being well utilised. Campers often camp on the grassed area along the Clyde River at Hamilton and utilise the laundry and shower facilities. Council has implemented a payment system that is not reliant on office hours.</p> <p>The Bethune Park camping area is well used by campers and fishermen during the summer months.</p> <p>Grey water disposal sites are located at both the Bothwell and Hamilton sites to empty porta-potties and mobile toilet waste into the waste treatment system.</p>	
Maintenance of library facility and housing assets	Routine maintenance undertaken	
Provide waste collections and associated services of town rubbish collections, bulky waste collections and tip cover.	<p>Council held two bulky waste collections throughout the municipality. This is designed to allow residents to place items out for collection that are too bulky or unsuitable for the door to door service. Bulky Waste is collected from satellite waste transfer stations by Council and transferred to the regional refuse sites at Hamilton.</p> <p>To ensure the best use of the Hamilton Refuse Disposal Site, cover is stockpiled and used when necessary.</p>	          
Provision of Housing Services	<p>Council has four units at Ouse under lease from the Department of Health and Community Services. Three of these units are fully occupied as Independent Living Units under the Affordable Housing Criteria, while the fourth is rented by Tasmanian Health Organisation (South) as a Respite Unit.</p> <p>Council also has six Independent Living Units at Bothwell which are fully occupied.</p>	

## WORKS AND SERVICES MANAGEMENT

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

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

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

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



## PLANT AND EQUIPMENT

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

Activity	Comment	Status
Maintain plant and ensure its optimised use	Maintenance and operating costs amounted to \$599,378 with plant hire received of \$742,717.	
	Plant purchases for the year totalled \$506,397:	
	\$34,025 Nissan XTrail	
	\$37,766 Mitsubishi Triton 4x4	
	\$254,124 Kenworth Truck	
	\$178,936 JCB Backhoe	
	\$1,545 Stihl Brushcutter	

## 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	Council staff and plant are available, if required, during the fire season to assist local volunteer fire-fighters and landowners.	

## DEVELOPMENT CONTROL

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

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





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

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

*Over 2013-14 Council has continued working on the interim Central Highlands Planning Scheme in regular consultation with the other Southern Councils. Council workshops have been held to work through the draft.*

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

*Council has been working in conjunction with Hydro and the Department of Economic Development, Tourism and the Arts to develop a Specific Area Plan for Lake Meadowbank, public consultation was undertaken during 2013/2014. A Specific Area Plan for the Meadowbank Lake area has now been adopted by Council for inclusion within the Central Highlands Draft Interim Planning Scheme.*

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>30 "Permitted" and 29 "Discretionary" and 2 "No Permit Required" development applications have been processed for assessment.</p> <p>There has been 15 subdivision applications (including Boundary Adjustments) and 2 adhesion orders received during the year equating to 66 new lots being created.</p>	  
Continue with developing a GIS system	This system continues to be a valuable tool for the Development and Environmental Services team in the delivery and assessment of client services. Council works closely with Insight GIS to ensure data is accurate and updated regularly.	

#### DEVELOPMENT STATISTICS

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Total No Applications</b>	113	88	98	79	74
<b>No. Permitted</b>	57	44	40	30	30
<b>No. Discretionary</b>	55	44	58	33	29
<b>Subdivision Applications</b>	15	16	15	16	15
<b>No. Lots</b>	25	61	107	51	66
<b>Planning Scheme Amendments</b>	1	0	0	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.	
	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 2013/2014 applications for thirteen private water supplies were received and processed.	
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.


- 46 Food Business Registrations have been issued following inspection accordance with the Food Act 2003. These premises are assessed in accordance with Food Standards Code.
- 21 Places of Assembly require licensing in accordance with the Public Health Act and the Guidelines for Health and Safety in Public Places. On completion of Certificate of Occupancies premises are licensed.

- Several Special Events Licences have been issued during the year.
- A DrumMUSTER collection facility continues to operate at the Hamilton Regional Disposal and Recycling Site to provide an ongoing service with two employees trained as DrumMUSTER inspectors.
- School immunisation was carried out in accordance with the National Health and Medical Research Council Immunisation Schedule, and was conducted by Council's Medical Officer of Health at the two schools in the municipality (Bothwell and Ouse).
- "Free" infant immunisation continues to be offered by appointment at the Ouse Surgery and Bothwell Medical Centre as per the national immunisation schedule.
- Environmental Nuisances are followed up by inspections & the issue of abatement notices or infringement notices.

## BUILDING AND PLUMBING CONTROL

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

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


Activity	Comment	Status
Provision of plumbing and building control service	<p>67 building permit applications and 57 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. 42 Certificates of Likely Compliance were issued by Council's Building Surveyor with only 15 being undertaken by private Building Surveyors.</p> <p>Each application was assessed to determine compliance with the Building Code of Australia and the Tasmanian Plumbing Code. Appropriate site inspections were conducted as applicable for each permit.</p> <p>20 Special Plumbing Permit applications were lodged with Council. Each application was processed following on-site assessment for compliance with the Plumbing Regulations and Tasmanian Plumbing Code.</p>	





## BUILDING STATISTICS

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>No. Buildings</b>	122	105	75	79	65	67
<b>No. Plumbing</b>	103	92	70	68	55	57
<b>No. Special Connections</b>	42	42	25	27	16	20
<b>Value of Building Applications</b>	\$8,011,645	\$14,655,282	\$7,452,462	\$5,044,022	\$3,975,758	\$7,747,293

## SOLID WASTE MANAGEMENT



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

Activity	Comment	Status
Provision of a door to door garbage and kerbside recycling service	Council provided a relatively comprehensive kerbside collection service for waste & recycling to the residents of Bothwell, Ellendale, Fentonbury, Gretna, Hamilton, Ouse, Osterley, Wayatinah and Westerway. Thorpe Waste currently holds the contract and during 2013-2014 has replaced all recycling crates with wheelie bins. All waste is taken to the Hamilton Refuse Disposal Site and the recyclables taken to Hobart for processing.	

<p>Maintain and operate Council's waste transfer stations</p>	<p>Tox Free Australia trading as Jones Enviro Services currently holds the tender for the servicing of Council's remote Waste Transfer Stations and roadside standalone bins, with waste from the "Lyell Highway Sites" being compacted and disposed of at the Hamilton Refuse Disposal Site. Waste from the Waste Transfer Stations near Great Lake continues to be compacted and disposed of at the Launceston City Council Refuse Disposal Site.</p> <p>Council currently operates manned Waste Transfer Stations at Miena, Bothwell and Bronte Park.</p> <p>Roadside stand alone bins have been placed at Reynolds Neck, Brandum Bay, Jillet Road, Doctors Point, Haulage Hill, Interlaken, Cramps Bay, Wilburville, Arthurs Lake and Derwent Bridge. The bins are designed to accept domestic waste only, can be accessed 24/7 and have proved to be very successful in most areas.</p>	
<p>Control and maintenance of refuse disposal sites</p>	<p>Council operates one controlled refuse disposal site at Hamilton.</p> <p>Operating hours are reviewed regularly to ensure that they are appropriate for the community.</p> <p>The DrumMUSTER collection facility is available at the Hamilton Regional Disposal Site.</p>	
<p>Collect static recycling and clean sites</p>	<p>Council engage a contractor, Thorp Recycling, to collect recycling from static sites and ensure that sites are clean. Thorp Recycling improved the way that recyclable material is managed at the sites by installing 25m skip bins for the collection of scrap steel which is then taken to Hobart for processing. This has been very successful.</p>	
<p>Council is a member of the Southern Waste Strategy Authority, along with other Southern Councils. During the year the Authority continued implementation of the Waste Strategy jointly developed by the member Councils. Cllr Andrew Downie is Council's representative on this Authority.</p>		

## SWIMMING POOL

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





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

## ATTENDANCE STATISTICS

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

## ANIMAL CONTROL

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

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

## DOG CONTROL STATISTICS

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

## GOVERNANCE AND CORPORATE MANAGEMENT

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

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

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


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

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

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

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

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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"/>

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Long Term Financial Plan	A Long Term Financial Plan for the 10 year period 2012/2013 to 2022/2023 has been approved. This is a rolling plan for the management of Council's finances and is not intended to be static. It will be reviewed as part of the annual planning process and updated to reflect changing circumstances.	☑
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The Plan has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of Council's Financial Plan is financial sustainability in the medium to long term, while linking to Council's objectives as specified in its Strategic Management Plan. The Financial Plan is a guideline for future action and encourages Council to take into consideration the future impact that decisions made today may have on Council's long term sustainability.

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Long Term Asset Management Plan	Infrastructure and Asset Management Plans have been developed to ensure that Council continues to provide effective and comprehensive management of its infrastructure asset portfolios.	☑
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The Long Term Asset Management Plan will be reviewed during the annual budget preparation and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of the budget decision process.

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## ECONOMIC AND COMMUNITY DEVELOPMENT

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

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

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

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



## Highlights for the Year

Council, together with Parks and Wildlife Services, initiated the Leeawuleena Sleeping Water Art Exhibition held at the Lake St. Clair Visitor Centre. This year's Glover Prize winning painting "Looking South from the Labyrinth to Mount Olympus and Lake St. Clair" by Mark Rodda was the centrepiece of the exhibition.

The upgrade of the Belchers Tier Radio repeater was completed with funding from the Red Cross Tasmania Bushfire Appeal Fund.

Council was the winner of the Keep Australia Beautiful Tidy Towns Award in the 2001-5000 population category.

Our successful participation at Agfest was recognised by being presented with the Best Single Site Award.

A Highlands Tasmania Touring Map was developed for display in all our Information Bays.

Waddamana Power Station, constructed nearly a century ago, is now a museum and was the perfect venue for St. Andrews Caledonian Pipe Band from Launceston to express their prize winning talents and fill the imposing power hall with a wall of sound. A DVD was produced and is available for purchase at Council Offices and selected retailers.

Tear-off touring maps have been distributed widely throughout the state.

Our new website is up and running and we are now on Facebook.

Activities and events provided through the Healthy Communities Initiative's Come Alive "n" Thrive Program included HeartMoves, cooking classes, indoor bowls, golf, Heart Foundation walking group, Austcycle, Beat It and food label reading sessions.

Over one hundred people attended a street party at Hamilton to celebrate Australia Day.

A new tourism brochure was developed and has been widely distributed.

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Activity	Comment	Status
<b>Develop key targeted tourism strategies for the Central Highlands</b>	<p>Implement tourism development strategies outlined in the Economic Development Plan. Development of the Highlands Tasmania Tourism Committee. Development of a Regional Visitor Guide. Development and implementation of a Visitation Marketing Plan for the Central Highlands. Work with Tourism Tasmania and key agencies (including Zone Groups) to promote the Municipality.</p> <p>Council contributed \$15,000.00 towards the hosting of the Tour of Tasmania Event Cycling Classic, \$2,000 to the 2013 Bothwell Speed Shear Event, \$920 to the Hamilton Show, \$4,000 towards Bushfest and \$1,000 to the Derwent Valley Art Competition.</p>	U

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<b>Develop and implement initiatives to attract people to live, work and invest in the Council area.</b>	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.	U
<b>Ensuring that the needs and services of all ages, groups and communities, particularly youth and our ageing population are met.</b>	<p>Implementation of the Municipal Sport and Recreation Plan. Advocate for improved health, education and other Government services within the scope of Council's role and in conjunction with community. Development of a Senior's Program for the Central Highlands.</p> <p>The Healthy Communities Initiative's Come Alive "N" Thrive programme is a partnership between Central, Southern Midlands and Northern Midlands Councils aimed at Improving health through activities and education and is funded by the Australian Government. During 2013/2014, funding of \$140,000 was received from the Department of Health and Ageing, with total expenditure amounting to \$212,636.</p> <p>Activities and events include HeartMoves (exercise sessions to suit all fitness levels), cooking classes, indoor bowls, golf, Heart Foundation walking group, Austcycle (making bike riding safer and fun), Beat It (physical activity and lifestyle program), and food label reading sessions (making better choices when purchasing food through the ability to comprehend food labels), etc.</p> <p>Council contributed \$43,000.00 funding towards the provision of medical services in the municipal area to ensure that local GP services are available for residents.</p>	U

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

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



These included:





- \$500 to the 2013 Wayatinah Country Music Festival
- \$500 to the Bothwell Community Music Festival
- \$300 to Back to Steppes Celebration
- \$505 to Bushwatch
- \$1,000 to Trout Guides and Lodges Tasmania
- \$1,000 to Gretna Red Cross Centenary
- \$830 for Santa Runs and Christmas party
- \$600 to a Seniors Program – Mosaic Workshop
- \$1,000 Art competition.

Council also provides Bursaries to Schools for further education of a Central Highlands resident student. Council also makes donations to Westerway, Bothwell, Ouse and Glenora Schools to assist with school programs. A total of \$4,400 was donated for the year.

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

Community grants to churches in the Central Highlands Municipality provided \$3,000 for maintenance works on churches.

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

<b>Ensure relevant Council information is disseminated to the community in a timely manner.</b>	<p>Council provided \$10,800 to Centralinc to assist with the production of the Highlands Digest. This publication provides a valuable avenue for disseminating information about the Central Highlands.</p> <p>Council has commenced the distribution of a quarterly Council newsletter to all residents within the municipality.</p> <p>Council advertises in the three daily newspapers as and where necessary.</p>	
<b>Provide opportunities for people to come together and develop networks and connections</b>	<p>Council supports and encourages activities and events for the Central Highlands region including Australia Day and ANZAC Day.</p> <p>Highlands Tasmania Tourism Committee consisting of both community and council members successfully organized a site at AGFEST to showcase what the Central Highlands has to offer.</p> <p>A total of \$2,154 was expended on these 3 events.</p>	
<b>Conduct community consultation on major issues in a manner that ensures an indicative cross section of the community has input</b>	<p>Community consultations have taken place for issues that affect the community including the new Dog Control Management Act and through surveys when needed.</p>	
<b>Conduct an open and available access policy to ensure members of the community can discuss items of interest or make representation to Councillors and where appropriate, senior staff.</b>	<p>The community has access to all Senior Council Managers. Public question time is allocated at all Council meetings. Arrangements can be made with Council for delegations to attend and make representations at Council meetings.</p>	

The following donations and contributions were made during the year:

### **DONATIONS AND CONTRIBUTIONS**

Bothwell Football Club	\$500	PCYC Child Safety Handbook	\$280
Westerway Hall – Playground Equipment	\$1,000	Church Grants and Donations	\$3,000
Ellendale Cert	\$100	Tasmanian Shearing Team Representative	\$500
Royal Flying Doctor Service	\$2,000	RAW (Rural Alive and Well)	\$10,000
Donations to Various Fundraiser Functions	\$1,250	Ouse Online Centre	\$500
Southern All Stars Cheers & Dance Team	\$300	Webcams in the Highlands	\$2,727

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

Centralinc Senior Lunches  
 Hamilton District Agricultural Show Committee  
 Bothwell Lions Club  
 Anglican Parish of Hamilton  
 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  
 Bothwell Rabbits 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 2014 amounted to \$206,607 compared to \$178,533 for the previous financial year. (\$38,404 Forestry debt received September 2014).	
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
\$80,000 - \$100,000	3
\$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 \$107,631.

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

Council's investment in TasWater is \$7,680,120.

### PUBLIC INTEREST DISCLOSURES STATEMENT

Under Part 9 of the Public Interest Disclosures Act, Council has established a written procedure in accordance with the Act. No disclosures were raised or determined during 2013/2014.

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 7250
Win, Crush & Stockpile Gravel	Accepted extended option to 30/09/2014	Based on various quantities & sites tendered.	Fieldwicks Construction	PO Box 131E East Devonport 7310
Reseal Program	01/10/2011 to 30/06/2014	Based on various sites and various quantities	Downer EDI	44 Glendow Street Invermay 7250
Stage 2 Arthurs Lake Road	02/2013	\$265,287	Stornoway Asset Services	PO Box 402 South Hobart 7004

## 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 2013/2014 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	2014 %	2013 %	2012 %	2011 %	2010 %	2009 %	2008 %	2007 %	2006 %	2005 %
Rate Revenue Analysis Rate Income : Total Revenue	48	46	45	48	45	46	43	40	33	25
Working Capital Ratio Current Assets: Current Liabilities	6.51	7.68	7.39	10.51	9.46	8.32	6.86	7.22	8.14	5.99
Debt Ratio Total Liabilities: Total Assets	.70	.81	.86	.61	.64	.67	.70	.84	.99	.01

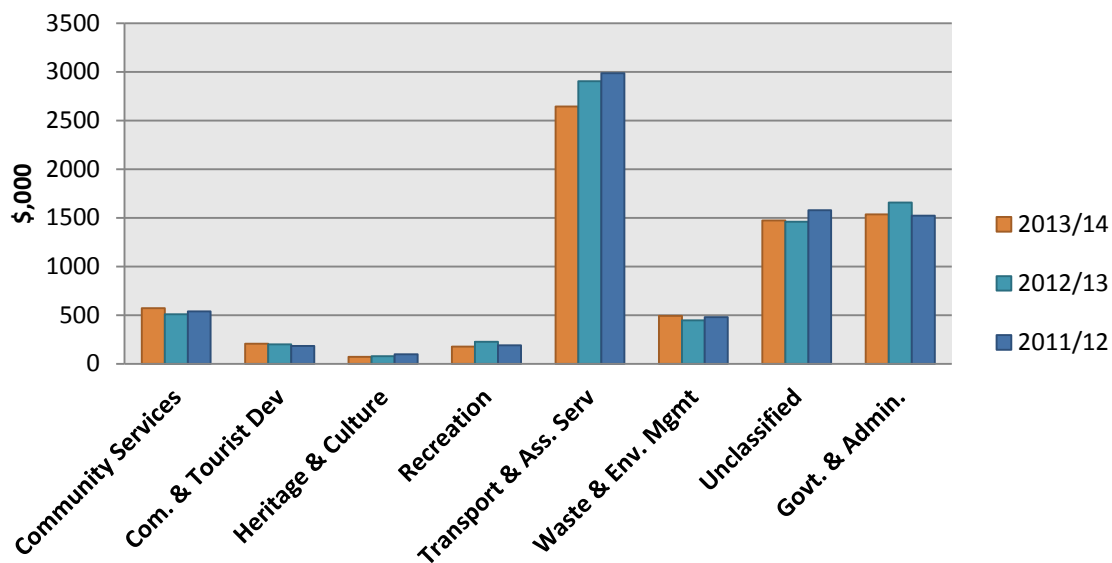


## EXPENDITURE

### EXPENDITURE BY FUNCTION

	2013/14	2012/13	2011/12
Community Services	572	507	537
Com. & Tourist Dev	207	199	182
Heritage & Culture	70	79	98
Recreation	176	224	189
Transport & Ass. Serv	2,643	2,905	2,985
Waste & Env. Mgmt	492	446	480
Unclassified	1,472	1,458	1,579
Govt. & Admin.	1,535	1,658	1,522

### EXPENDITURE BY FUNCTION



## RESERVES

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reserve	2006	2007	2008	2009	2010	2011	2012	2013	2014
Plant Replacement	400	449	428	483	453	453	453	453	453
Roads									
Water	141								
Sewerage	223								
Bridges	355	405	405	355	377	377	377	377	377
Sundry	191	305	183	591	619	721	164	165	121
Long Service Leave	225	225	231	231	231	231	231	288	298
Independent Living Units	187	95							
Regional Refuse Site	80	80	80	80	80	80	80	80	80
Quarry Reserve	50		80	80	80	80	80	80	80
Shacksites Program	1,560	1,270	78	162	158	158	158	0	0
Roads to Recovery	359	359	354	203	5	79		0	0
Bothwell Pool	25	6	6	6				0	0
Financial Assistance Grants							948	1056	0
Healthy Communities Grant							193	213	0
<b>Total</b>	<b>3,796</b>	<b>3,194</b>	<b>1,845</b>	<b>2191</b>	<b>2003</b>	<b>2,179</b>	<b>2,684</b>	<b>2,712</b>	<b>1,409</b>

## NON- CURRENT ASSETS

<b>NON-CURRENT ASSET</b>	<b>30 JUNE 2013 ASSET VALUE \$'000</b>	<b>30 JUNE 2014 ASSET VALUE \$'000</b>	<b>INCREASE/ (DECREASE) \$'000</b>
Land	3,021	3,021	
Buildings	4,431	4,402	(29)
Plant, Machinery & Equipment	2,049	2,164	115
Motor Vehicles	82	61	(21)
Office Equipment	87	124	37
Computer Equipment	69	58	(11)
Infrastructure	469	531	62
Roads	105,527	105,498	(29)
Drainage Systems	733	883	150
Bridges	7,602	8,227	625
Footpaths, Kerbs & Gutters	1,358	1,334	(24)
Works in Progress	4	959	955
Valuer-General	28	5	(23)
Investment in Southern Water	9,230	7,680	(1,550)
<b>TOTALS</b>	<b>134,690</b>	<b>134,947</b>	<b>257</b>

Roads were re-valued in 2012-2013 and Bridges were re-valued in 2013-2014 financial years.

## **Independent Auditor's Report**

**To the Councillors of Central Highlands Council**

**Financial Report for the Year Ended 30 June 2014**

### **Report on the Financial Report**

I have audited the accompanying financial report of Central Highlands Council (Council), which comprises the statement of financial position as at 30 June 2014 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 2014 and financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards. *The*

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

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

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those  
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*

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

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

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

### **Independence**

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

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

### **Tasmanian Audit Office**



H M Blake  
**Auditor-  
General**

Hobart  
24 September 2014

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

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

**Central Highlands Council**  
**ANNUAL FINANCIAL REPORT**  
*For the Year Ended 30 June 2014*

**Central Highlands Council  
Financial Report  
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## Statement of Comprehensive Income For the Year Ended 30 June 2014

	Note	Budget 2014 \$	Actual 2014 \$	Actual 2013 \$
<b>Income</b>				
<b>Recurrent income</b>				
Rates and charges	3	3,045,488	3,048,757	2,974,579
Statutory fees and fines	4	35,000	36,853	28,463
User fees	5	219,000	221,714	221,059
Grants	6	2,325,201	1,308,241	2,309,179
Contributions - cash	7	55,000	50,045	62,896
Interest	8	280,000	262,121	309,237
Other income	9	408,561	233,092	302,383
Investment revenue from water corporation	11	-	101,806	-
		<b>6,368,250</b>	<b>5,262,629</b>	<b>6,207,796</b>
<b>Capital income</b>				
Capital grants received specifically for new or upgraded assets	6	308,000	458,026	578,360
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	10	-	51,415	(10,446)
<b>Total income</b>		<b>6,676,250</b>	<b>5,772,070</b>	<b>6,775,710</b>
<b>Expenses</b>				
Employee benefits	12	(1,758,206)	(1,809,425)	(1,808,606)
Materials and services	13	(2,086,174)	(1,156,800)	(1,356,365)
Depreciation and amortisation	14	(3,180,000)	(2,766,254)	(2,933,350)
Finance costs	15	(15,000)	(17,335)	(15,077)
Other expenses	16	(1,233,593)	(1,418,255)	(1,362,562)
<b>Total expenses</b>		<b>(8,272,973)</b>	<b>(7,168,069)</b>	<b>(7,475,960)</b>
<b>Surplus / (deficit)</b>		<b>(1,596,723)</b>	<b>(1,395,999)</b>	<b>(700,250)</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to surplus or deficit</b>				
Net asset revaluation increment	29	-	775,170	2,578,163
		-	<b>775,170</b>	<b>2,578,163</b>
<b>Items that may be reclassified subsequently to surplus or deficit</b>				
Financial assets available for sale reserve				
— Fair Value adjustment on Available for Sale Assets	29	-	(1,549,480)	(1,780)
		-	<b>(1,549,480)</b>	<b>(1,780)</b>
<b>Total Other Comprehensive Income</b>		-	<b>(774,310)</b>	<b>2,576,383</b>
<b>Comprehensive result</b>		<b>(1,596,723)</b>	<b>(2,170,309)</b>	<b>1,876,133</b>

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

## Statement of Financial Position As at 30 June 2014

	Note	2014	2013
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	18	3,643,972	6,079,445
Trade and other receivables	19	281,634	235,251
Financial assets	20	1,718,808	1,925,611
Inventories	21	14,180	10,474
Other assets	22	41,330	48,156
<b>Total current assets</b>		<b>5,699,924</b>	<b>8,298,937</b>
<b>Non-current assets</b>			
Investment in water corporation	17	7,680,120	9,229,600
Property, infrastructure, plant and equipment	23	127,261,460	125,432,660
Intangible assets	24	5,500	28,000
<b>Total non-current assets</b>		<b>134,947,080</b>	<b>134,690,260</b>
<b>Total assets</b>		<b>140,647,004</b>	<b>142,989,197</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	25	254,595	463,402
Trust funds and deposits	26	38,338	51,493
Provisions	27	582,406	552,662
Finance leases	28	-	13,205
<b>Total current liabilities</b>		<b>875,339</b>	<b>1,080,762</b>
<b>Non-current liabilities</b>			
Provisions	27	109,660	76,121
<b>Total non-current liabilities</b>		<b>109,660</b>	<b>76,121</b>
<b>Total liabilities</b>		<b>984,999</b>	<b>1,156,883</b>
<b>Net Assets</b>		<b>139,662,005</b>	<b>141,832,314</b>
<b>Equity</b>			
Accumulated surplus		25,916,132	26,090,607
Reserves	29	113,745,873	115,741,707
<b>Total Equity</b>		<b>139,662,005</b>	<b>141,832,314</b>

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



## Statement of Cash Flows For the Year Ended 30 June 2014

	Note	2014 Inflows/ (Outflows) \$	2013 Inflows/ (Outflows) \$
<b>Cash flows from operating activities</b>			
Rates		3,020,683	2,967,810
Statutory fees and fines		13,802	
User charges and other fines		243,885	311,466
Grants		1,308,241	2,297,532
Interest		271,708	310,088
Dividends		101,806	-
Other receipts		269,982	365,279
Net GST refund/payment		273,235	246,129
Payments to suppliers		(3,080,993)	(2,981,891)
Payments to employees (including redundancies)		(1,746,142)	(1,831,626)
Finance costs		(17,335)	(15,077)
<b>Net cash provided by (used in) operating activities</b>	30	<b>658,872</b>	<b>1,669,710</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(3,863,301)	(2,785,741)
Proceeds from sale of property, infrastructure, plant and equipment		117,332	67,544
Payments for other financial assets		206,803	(1,925,611)
<b>Net cash provided by (used in) investing activities</b>		<b>(3,539,166)</b>	<b>(4,643,808)</b>
<b>Cash flows from financing activities</b>			
Capital grants		458,026	578,360
Repayment of leases		(13,205)	(6,294)
<b>Net cash provided by (used in) financing activities</b>		<b>444,821</b>	<b>572,066</b>
Net increase (decrease) in cash and cash equivalents		(2,435,473)	(2,402,032)
Cash and cash equivalents at the beginning of the financial year		6,079,445	8,481,477
<b>Cash and cash equivalents at the end of the financial year</b>	31	<b>3,643,972</b>	<b>6,079,445</b>
Restrictions on cash assets	18		

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

**Statement of Changes in Equity  
For the Year Ended 30 June 2014**

			Asset Fair		
	Note	Total	Accumulated	Revaluation	Value
		2014	Surplus	Reserve	Reserve
		\$	2014	2014	2014
2014					
Balance at beginning of the financial year		141,832,314	26,090,607	112,958,907	71,280
Surplus / (deficit) for the year		(1,395,999)	(1,395,999)	-	-
Other Comprehensive Income:					
— Fair Value adjustment on Available for Sale Assets	17	(1,549,480)	-	-	(1,549,480)
Net asset revaluation increment(decrement) reversals	29	775,170	-	775,170	-
Transfers between reserves		-	1,221,524	-	(1,221,524)
<b>Balance at end of the financial year</b>		<b>139,662,005</b>	<b>25,916,132</b>	<b>113,734,077</b>	<b>(1,478,200)</b>

			Asset Fair		
		Total	Accumulated	Revaluation	Value
		2013	Surplus	Reserve	Reserve
		\$	2013	2013	2013
2013					
Balance at beginning of the financial year		139,956,181	26,817,281	110,380,744	73,060
Surplus / (deficit) for the year		(700,250)	(700,250)	-	-
Other Comprehensive Income:					
— Fair Value adjustment on Available for Sale Assets	17	(1,780)	-	-	(1,780)
Net asset revaluation increment(decrement) reversals	29	2,578,163	-	2,578,163	-
Transfers between reserves		-	(26,424)	-	26,424
<b>Balance at end of the financial year</b>		<b>141,832,314</b>	<b>26,090,607</b>	<b>112,958,907</b>	<b>71,280</b>

The above statement should be read with the accompanying notes.

## Introduction

- (a) The Central Highlands Council (the Council) was established in 1993 and is a body corporate with perpetual succession and a common seal.

Council's main office is located at 6 Tarleton Street, Hamilton.

- (b) The purpose of the Council is to:

- provide for health, safety and welfare of the community;
- to represent and promote the interests of the community;
- provide for the peace, order and good government in the municipality.

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.

## Note 1 Significant accounting policies

- (a) Basis of accounting

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

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

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

## Judgements and Assumptions

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

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

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

### Employee entitlements

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

### Defined benefit superannuation fund obligations

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

### Fair value of property, plant & equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in notes 1(f) and in note 23.

### Investment in Water Corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 1(k) and in note 17.

(b) Change in accounting policies

*AASB 13 Fair Value Measurement*

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2013 comparative period (refer note 48), except for financial instruments, of which the fair value disclosures are required under AASB 7: *Financial Instruments, Disclosures*.

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

*AASB 119 Employee benefits*

In the current year, Council has applied AASB 119 *Employee Benefits* (as revised) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously calculated/measured by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered Council's measurement of the annual leave provision.

(c) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments* and the relevant amending standards (effective from 1 January 2017)

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

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

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

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

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

(ii) AASB 1031 *Materiality* (effective from 1 January 2014)

The objective of this standard is to make cross-references to other standards and the Framework for the Preparation and Presentation of Financial Statements (as identified in AASB 1048 *Interpretation of Standards*) that contain guidance on materiality.

(iii) AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

(effective from 1 January 2014)

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

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

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

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

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

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

**(d) Revenue recognition**

*Rates, grants and contributions*

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

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

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

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

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

*Non-monetary contributions*

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

*User fees and statutory fees and fines*

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

*Sale of property, plant and equipment, infrastructure*

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

*Rent*

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

*Interest*

Interest is recognised progressively as it is earned.

*Dividends*

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

**(e) Expense recognition**

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

*Employee benefits*

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

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

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. Land is 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 improvements	50 years
Buildings	
buildings	10-100 years
building improvements	10-20 years
Leasehold improvements	
leasehold building improvements	10-20 years
Plant and Equipment	
plant, machinery and equipment	2-15 years
fixtures, fittings and furniture	10-20 years
computers and telecommunications	2.5-10 years
leased plant and equipment	2-15 years
Roads	
road pavements and seals	12-30 years
road substructure	60 years
road formation and earthworks	200 years
road kerb, channel and minor culverts	50-80 years
Bridges	
bridges deck	20-80 years
bridges substructure	25-50 years
Other Infrastructure	
footpaths and cycleways	5-80 years
drainage	100 years
recreational, leisure and community facilities	10-20 years
waste management	10-20 years
parks, open space and streetscapes	10-20 years
off street car parks	10-20 years
Intangible assets	
intangible assets	5 years

To move towards complying with the Auditor-General report on Infrastructure Financial Accounting in Local Government the residual values have been removed from roads assets and useful lives of road formation and earthworks has been extended from 100 years to 200 years. A full revaluation and review of road assets will be undertaken in 2014/15 by Maloney's Asset Management engineers and valuers.

*Repairs and maintenance*

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

*Borrowing Costs*

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

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

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

*Acquisition and Recognition*

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

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

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

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

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

*Revaluation*

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

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

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

*Land under roads*

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

**(g) Cash and cash equivalents**

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

**(h) Trade and other receivables**

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

**(i) Financial assets**

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

**(j) Inventories**

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other

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

**(k) Investments in water corporation**

Council's investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. Council has an ownership interest of 0.5% in the corporation. Any unrealised gains and losses on holdings at balance date are recognised through the Statement of Comprehensive Income to financial assets available for sale Reserve each year. (refer note 29)

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

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

**(l) Investments**

Investments, other than investments in associates and property, are measured at cost.

**(m) Accounting for investments in associates**

Council's investment in associates is accounted for by the equity method as Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in Council's share of the net assets of the entities. Council's share of the financial result of the entities is recognised in the Statement of Comprehensive Income.

**(n) Tender deposits**

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

**(o) Employee benefits**

**(i) Short term obligations**

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

**(ii) Other long term employee benefit obligations**

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

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

**(iii) Sick Leave**



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

**(iv)** *Retirement benefit obligations*

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

*Defined benefit plans*

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

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

*Defined contribution plans*

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

**(p) Interest bearing liabilities**

The borrowing capacity of Council is limited by the *Local Government Act 1993*. Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition these liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the liability using the effective interest method.

**(q) 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. Council does not currently have any leased assets.

*Operating leases*

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

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

**(r) 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.

**(s) 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 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.

**(t) 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.

**(u) Rounding**

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

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

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

**(w) Investment property**

Council does not hold any investment property.

**(x) Financial guarantees**

Council has not issued any financial guarantees.

**(y) 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 37. Council has determined, based upon materiality that Hamilton and Bothwell camping grounds as defined in note 37 are considered significant business activities. Competitive neutrality costs include notional costs i.e. income tax equivalent, rates and loan guarantees in preparing the information disclosed in relation to significant business activities.

**(z) Contingent assets, contingent liabilities and commitments**

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

Commitments are not recognised in the Statement of Financial Position. Commitments are disclosed at their nominal value inclusive of the GST payable.

**(aa) 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						
2013 - 2014	33,549	3,128,181	3,161,730	1,535,267	1,626,463	10,701,206
2012 - 2013	653,550	2,920,014	3,573,564	1,657,811	1,915,753	10,703,307
Roads, streets and bridges						
2013 - 2014	1,432,473	-	1,432,473	2,643,396	(1,210,923)	115,942,123
2012 - 2013	2,086,404	-	2,086,404	2,904,560	(818,156)	115,220,612
Waste management						
2013 - 2014	-	480,371	480,371	491,800	(11,429)	449,444
2012 - 2013	-	479,436	479,436	446,261	33,175	481,434
Heritage and Culture						
2013 - 2014	-	3,099	3,099	70,459	(67,360)	1,474,368
2012 - 2013	-	1,738	1,738	79,227	(77,489)	1,443,594
Community services						
2013 - 2014	300,245	142,839	443,084	572,188	(129,104)	1,671,682
2012 - 2013	147,585	112,148	259,733	507,098	(247,365)	1,659,889
Recreation facilities						
2013 - 2014	-	3,461	3,461	175,955	(172,494)	2,120,675
2012 - 2013	-	11,542	11,542	224,075	(212,533)	2,181,062
Commercial and Tourism						
2013 - 2014	-	72,955	72,955	206,904	(133,949)	793,225
2012 - 2013	-	106,815	106,815	198,677	(91,862)	722,674
Other - not attributable						
2013 - 2014	-	174,897	174,897	1,472,100	(1,297,203)	7,494,281
2012 - 2013	-	256,478	256,478	1,458,251	(1,201,773)	10,576,625
<b>Total</b>						
2013 - 2014	1,766,267	4,005,803	5,772,070	7,168,069	(1,395,999)	140,647,004
2012 - 2013	2,887,539	3,888,171	6,775,710	7,475,960	(700,250)	142,989,197

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

	2014	2013
	\$	\$
Current assets	5,699,924	8,298,937
Non-current assets	134,947,080	134,690,260
	<u>140,647,004</u>	<u>142,989,197</u>

(c) Governance and administration

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

*Roads, streets and bridges*

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

*Waste Management*

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

*Heritage and Culture*

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

*Community services*

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

*Recreation facilities*

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

*Commercial and Tourism*

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

*Other - not attributable*

Rates and charges and work not attributed elsewhere.

	2014	2013
	\$	\$
<b>Note 3</b>		
<b>Rates and charges</b>		
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 2013-2014 was \$41.636 million (2012-2013 \$40.239 million). The 2013-2014 rate in the AAV dollar was 2.846843 cents (2012-2013, 2.868 cents).		
General Rate	2,328,367	2,268,365
Fire Levy	183,735	176,371
Garbage charge	493,785	478,848
Revenue in advance	42,870	50,995
<b>Total rates and charges</b>	<b>3,048,757</b>	<b>2,974,579</b>
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.		
<b>Note 4</b>		
<b>Statutory fees and fines</b>		
Statutory Fees	36,853	28,463
<b>Total statutory fees and fines</b>	<b>36,853</b>	<b>28,463</b>
<b>Note 5</b>		
<b>User fees</b>		
Rental Housing	84,263	88,290
Planning Fees	31,328	53,594
Building Fees	26,680	24,242
Plumbing Fees	2,066	1,817
Tips and Waste Transfer Stations	421	328
Hall Hire	1,842	1,501
Camp Ground Fees	16,648	10,264
Animal licences	10,993	8,718
Food & Public Assembly Licences	13,608	10,310
Sewer Connection Fees	10,631	9,532
Cemetery Charges	6,779	9,162
Other fees and charges	16,455	3,301
<b>Total user fees</b>	<b>221,714</b>	<b>221,059</b>
<b>Ageing analysis of contractual receivables</b>		
Please refer to note 35 for the ageing analysis of contractual receivables.		
<b>Note 6</b>		
<b>Grants</b>		
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Federally funded grants	1,432,473	2,700,118
State funded grants	175,245	26,900
Others	158,549	160,521
<b>Total</b>	<b>1,766,267</b>	<b>2,887,539</b>
<b>Grants - Recurrent</b>		
Financial assistance grant	1,134,197	2,121,758
Healthy Communities	140,000	160,521
Other	34,044	26,900
<b>Total recurrent grants</b>	<b>1,308,241</b>	<b>2,309,179</b>

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2011-12 and 2012-13 the Commonwealth made early payment of the two quarterly instalments for the following year. In accordance with AASB1004 *Contributions*, Council recognises these grants as revenue when it receives the funds and obtains control. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2012-13 by \$1,055,901. This has impacted the Statement of Comprehensive Income resulting in the Surplus/ (deficit) being higher in 2012-13 by this amount. In the 2014-15 Budget the Commonwealth announced it would discontinue the approach of prepaying instalments. Therefore there was no prepayment in 2013-14 and Council met its budgeted position.

<b>Capital grants received specifically for new or upgraded assets</b>	<b>\$</b>	<b>\$</b>
Commonwealth Government - roads to recovery	298,276	578,360
Upgrade Belchers Tier AM Radio Repeater	90,750	-
Ellendale Hall Toilets	50,000	-
Other	19,000	-
<b>Total capital grants</b>	<b>458,026</b>	<b>578,360</b>

	2014	2013
	\$	\$
<b>Conditions on grants</b>		
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:		
Healthy Communities	-	145,685
<b>Total</b>	<b>-</b>	<b>145,685</b>
Non-reciprocal grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Healthy Communities	145,685	174,043
<b>Total</b>	<b>145,685</b>	<b>174,043</b>
Net increase (decrease) in non-reciprocal grant revenues for the year:	<b>174,043</b>	<b>(126,941)</b>
<b>Note 7 Contributions</b>		
<b>(a) Cash</b>		
Heavy Vehicle Contribution Fees	47,795	54,753
Parks, open space and streetscapes	2,250	8,143
<b>Total contributions</b>	<b>50,045</b>	<b>62,896</b>
<b>Note 8 Interest</b>		
Interest on financial assets	262,121	309,237
<b>Total</b>	<b>262,121</b>	<b>309,237</b>
<b>Note 9 Other income</b>		
Private Works	124,974	184,287
Reimbursements	67,448	80,866
Penalties and interest	40,670	37,230
<b>Total other income</b>	<b>233,092</b>	<b>302,383</b>
<b>Note 10 Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>		
Proceeds of sale	117,332	67,545
Write down value of assets disposed	(65,917)	(77,991)
<b>Total</b>	<b>51,415</b>	<b>(10,446)</b>
<b>Note 11 Investment revenue from water corporation</b>		
Dividend revenue received	101,806	-
<b>Total investment revenue from water corporation</b>	<b>101,806</b>	<b>-</b>
<b>Note 12 Employee benefits</b>		
Wages and salaries	1,498,081	1,508,272
Workers compensation	3,415	3,767
Annual leave and long service leave	198,995	190,212
Sick Leave	65,510	50,163
Superannuation	157,496	150,950
Fringe benefits tax	12,820	14,171
	1,936,317	1,917,535
Less amounts capitalised	(126,892)	(108,929)
<b>Total employee benefits</b>	<b>1,809,425</b>	<b>1,808,606</b>
<b>Note 13 Materials and services</b>		
Contract payments	335,120	348,729
Building maintenance	49,932	72,749
Plant and equipment maintenance	46,060	50,643
Consultants	139,439	119,760
Plant Hire	539,742	551,687
Other	46,507	212,797
<b>Total materials and services</b>	<b>1,156,800</b>	<b>1,356,365</b>



		2014	2013
		\$	\$
<b>Note 14</b>	<b>Depreciation and amortisation</b>		
	<i>Property</i>		
	Buildings	99,993	99,477
	Plant, machinery and equipment	344,961	337,676
	Fixtures, fittings and furniture	8,069	5,415
	Computers and telecommunications	21,453	29,810
	Leased plant and equipment	1,346	7,465
	<i>Infrastructure</i>		
	Roads	1,969,706	2,132,805
	Bridges	200,008	211,557
	Footpaths and cycleways	23,693	19,728
	Drainage	11,471	11,598
	Infrastructure	57,554	49,819
	<i>Intangible assets</i>		
	Intangible assets	28,000	28,000
	<b>Total depreciation and amortisation</b>	<b>2,766,254</b>	<b>2,933,350</b>
<b>Note 15</b>	<b>Finance costs</b>		
	Bank Fees	17,335	13,293
	Interest - Finance leases	-	1,784
	<b>Total finance costs</b>	<b>17,335</b>	<b>15,077</b>
<b>Note 16</b>	<b>Other expenses</b>		
	External auditors' remuneration (Tasmanian Audit Office)	20,930	29,596
	Councillors' allowances	107,631	111,786
	Fire Levy	175,183	176,029
	Fuel	273,429	221,113
	Light and Power	133,860	130,536
	Insurance	146,900	163,646
	Valuation Fees	17,067	17,022
	Communications and Telephones	62,691	52,604
	Payroll Tax	45,459	62,430
	Community Support and Donations	91,468	77,756
	Land Tax	22,992	23,091
	Registration	49,221	50,671
	Subscriptions and membership	38,379	41,333
	Advertising	43,053	34,433
	Legal Fees	46,681	26,147
	Printing and Stationery	30,441	22,425
	Other	112,870	121,944
	<b>Total other expenses</b>	<b>1,418,255</b>	<b>1,362,562</b>

		2014	2013
		\$	\$
<b>Note 17</b>	<b>Investment in water corporation</b>		
	Opening Balance	9,229,600	9,231,380
	Fair Value adjustments on Available-for-Sale Assets	(1,549,480)	(1,780)
	<b>Total investment in water corporation</b>	<b>7,680,120</b>	<b>9,229,600</b>
Council has derived returns from the water corporation as disclosed at note 11.			
At 30 June 2013, Council held a 1% ownership interest in Southern Water based on the Final Treasurer's Allocation Order in 2011. From 1 July 2013 a new State-wide water and sewerage corporation trading as "TasWater", commenced in accordance with the <i>Water and Sewerage Corporation Act 2012</i> . TasWater took over the water and sewerage services and assets previously operated by Ben Lomond Water, Cradle Mountain Water and Southern Water.			
At 30 June 2014, Council held a 0.5% ownership interest in TasWater which is based on net assets of \$1,536 million. Council does not have significant influence to allow it to use the equity method to account for this interest.			
<b>Note 18</b>	<b>Cash and cash equivalents</b>		
	Cash on hand	450	450
	Cash at bank	543,493	1,452,281
	At Call - Westpac	100,029	1,626,714
	Term Deposits and Investments	3,000,000	3,000,000
	<b>Total cash and cash equivalents</b>	<b>3,643,972</b>	<b>6,079,445</b>
Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:			
	- Trust funds and deposits (note 26 )	38,338	51,493
	- Leave provisions (note 27)	692,066	628,783
	<b>Restricted funds</b>	<b>730,404</b>	<b>680,276</b>
	<b>Total unrestricted cash and cash equivalents</b>	<b>2,913,568</b>	<b>5,399,169</b>
<b>Note 19</b>	<b>Trade and other receivables</b>		
	Rates debtors	206,607	178,533
	Other debtors	63,483	39,177
	Net GST receivable	11,544	17,541
	<b>Total trade and other receivables</b>	<b>281,634</b>	<b>235,251</b>
<b>Note 20</b>	<b>Financial assets</b>		
	<b>Current</b>		
	Term Deposits	1,718,808	1,925,611
	<b>Total financial assets</b>	<b>1,718,808</b>	<b>1,925,611</b>
<b>Note 21</b>	<b>Inventories</b>		
	Inventories held for consumption	14,180	10,474
	<b>Total inventories</b>	<b>14,180</b>	<b>10,474</b>
<b>Note 22</b>	<b>Other assets</b>		
	Prepayments	2,761	-
	Accrued income*	38,569	48,156
	<b>Total</b>	<b>41,330</b>	<b>48,156</b>
*	Accrued income only includes items that are reciprocal in nature. This does not include Rates in Advance.		

Note 23

*Property, infrastructure, plant and equipment*

	2014	2013
	\$	\$
<b>Summary</b>		
at cost	5,681,344	4,554,526
Less accumulated depreciation	<u>2,315,276</u>	<u>2,263,277</u>
	<b><u>3,366,068</u></b>	<b><u>2,291,249</u></b>
at fair value at 30 June 2014	162,335,949	159,259,891
Less accumulated depreciation	<u>38,440,557</u>	<u>36,118,480</u>
	<b><u>123,895,392</u></b>	<b><u>123,141,411</u></b>
<b>Total</b>	<b><u>127,261,460</u></b>	<b><u>125,432,660</u></b>
<b>Property</b>		
<b>Land</b>		
at fair value at 30 June 2014	<u>3,020,735</u>	<u>3,020,735</u>
<b>Total Land</b>	<b><u>3,020,735</u></b>	<b><u>3,020,735</u></b>
<b>Buildings</b>		
at fair value at 30 June 2014	4,882,592	4,811,527
Less accumulated depreciation	<u>480,735</u>	<u>380,742</u>
<b>Total Buildings</b>	<b><u>4,401,857</u></b>	<b><u>4,430,785</u></b>
<b>Total Property</b>	<b><u>7,422,592</u></b>	<b><u>7,451,520</u></b>

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.

Note		2014 \$	2013 \$
23	<b>Property, infrastructure, plant and equipment (cont.)</b>		
	<b>Plant and Equipment</b>		
	<b>Plant, machinery and equipment</b>		
	at cost	4,243,171	4,070,917
	Less accumulated depreciation	2,017,983	1,951,757
		<b>2,225,188</b>	<b>2,119,160</b>
	<b>Fixtures, fittings and furniture</b>		
	at cost	169,659	128,758
	Less accumulated depreciation	45,614	41,767
		<b>124,045</b>	<b>86,991</b>
	<b>Computers and telecommunications</b>		
	at cost	309,634	328,480
	Less accumulated depreciation	251,679	259,737
		<b>57,955</b>	<b>68,743</b>
	<b>Leased plant and equipment - Nissan Dualis</b>		
	at cost	-	21,871
	Less accumulated amortisation	-	10,016
		<b>-</b>	<b>11,855</b>
	<b>Total Plant and Equipment</b>	<b>2,407,188</b>	<b>2,286,749</b>
	<b>Infrastructure</b>		
	<b>Roads</b>		
	at fair value at 30 June 2014	136,074,112	134,133,330
	Less accumulated depreciation	30,575,846	28,606,140
		<b>105,498,266</b>	<b>105,527,190</b>
	<b>Bridges</b>		
	at fair value at 30 June 2014	14,334,521	13,639,850
	Less accumulated depreciation	6,107,782	6,037,707
		<b>8,226,739</b>	<b>7,602,143</b>
	<b>Footpaths and cycleways</b>		
	at fair value at 30 June 2014	1,649,305	1,649,305
	Less accumulated depreciation	314,998	291,305
		<b>1,334,307</b>	<b>1,358,000</b>
	<b>Drainage</b>		
	at fair value at 30 June 2014	1,413,607	1,163,020
	Less accumulated depreciation	530,796	429,741
		<b>882,811</b>	<b>733,279</b>
	<b>Infrastructure</b>		
	at fair value at 30 June 2014	961,077	842,124
	Less accumulated depreciation	430,400	372,845
		<b>530,677</b>	<b>469,279</b>
	<b>Total Infrastructure</b>	<b>116,472,800</b>	<b>115,689,891</b>
	Valuation of roads and footpaths has been determined in accordance with an independent valuation undertaken by AP Valuers and Asset Management effective 20 February 2012. The valuations were updated as at 30 June 2013 based on depreciated replacement cost using the Road and Bridge Construction indices. Roads and footpaths will be revalued in 2014-15 by an independent registered valuer.		
	Valuation of Bridges has been determined by an independent valuation on 31 October 2013 by AusSpan. The revaluation resulted in an increment of \$630,965		
	Valuation of drainage infrastructure was undertaken by Council staff effective 30 June 2008. The valuations were updated as at 30 June 2014 based on depreciated replacement cost using the Road and Bridge Construction indices. The revaluation resulted in an increment of \$144,214		
	<b>Works in progress</b>		
	Roads at cost	811,816	-
	Infrastructure	147,064	4,500
	<b>Total Works in progress</b>	<b>958,880</b>	<b>4,500</b>
	<b>Total property, infrastructure, plant and equipment</b>	<b>127,261,460</b>	<b>125,432,660</b>

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

Reconciliation of property, plant and equipment and infrastructure

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

(a) Impairment losses

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

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

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

Reconciliation of property, plant and equipment and infrastructure

2013	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 29)	Depreciation and amortisation (note 14)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Property</b>								
land	3,020,735	-	-	-	-	-	-	3,020,735
<b>Total land</b>	<b>3,020,735</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,020,735</b>
buildings	4,515,192	-	-	99,477	-	-	15,070	4,430,785
<b>Total buildings</b>	<b>4,515,192</b>	<b>-</b>	<b>-</b>	<b>99,477</b>	<b>-</b>	<b>-</b>	<b>15,070</b>	<b>4,430,785</b>
<b>Total property</b>	<b>7,535,927</b>	<b>-</b>	<b>-</b>	<b>99,477</b>	<b>-</b>	<b>-</b>	<b>15,070</b>	<b>7,451,520</b>
<b>Plant and Equipment</b>								
plant, machinery and equipment	2,165,944	368,883	-	337,676	77,991	-	-	2,119,160
fixtures, fittings and furniture	80,293	12,113	-	5,415	-	-	-	86,991
computers and telecommunications	47,445	51,108	-	29,810	-	-	-	68,743
leased plant and equipment	19,320	-	-	7,465	-	-	-	11,855
<b>Total plant and equipment</b>	<b>2,313,002</b>	<b>432,104</b>	<b>-</b>	<b>380,366</b>	<b>77,991</b>	<b>-</b>	<b>-</b>	<b>2,286,749</b>
<b>Infrastructure</b>								
roads	103,242,934	-	2,379,062	2,132,805	-	-	2,037,999	105,527,190
bridges	7,463,575	-	170,636	211,557	-	-	179,489	7,602,143
footpaths and cycleways	1,229,482	-	28,465	19,728	-	-	119,781	1,358,000
drainage	744,877	-	-	11,598	-	-	-	733,279
infrastructure	478,766	-	-	49,819	-	-	40,332	469,279
<b>Total infrastructure</b>	<b>113,159,634</b>	<b>-</b>	<b>2,578,163</b>	<b>2,425,507</b>	<b>-</b>	<b>-</b>	<b>2,377,601</b>	<b>115,689,891</b>
buildings	11,054	4,016	-	-	-	-	(15,070)	-
roads	14,144	2,023,855	-	-	-	-	(2,037,999)	-
footpaths	(45)	119,826	-	-	-	-	(119,781)	-
infrastructure	14,427	30,405	-	-	-	-	(40,332)	4,500
bridges	3,954	175,535	-	-	-	-	(179,489)	-
<b>Total works in progress</b>	<b>43,534</b>	<b>2,353,637</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,392,671)</b>	<b>4,500</b>
<b>Total property, plant and equipment, infrastructure</b>	<b>123,052,097</b>	<b>2,785,741</b>	<b>2,578,163</b>	<b>2,905,350</b>	<b>77,991</b>	<b>-</b>	<b>-</b>	<b>125,432,660</b>

(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.

		2014 \$	2013 \$
Note 24	<b>Intangible assets</b>		
	Revaluation cost paid to Valuer General	5,500	28,000
	<b>Total intangible assets</b>	<b>5,500</b>	<b>28,000</b>
	<b>Reconciliation of intangible assets</b>		<b>Total</b>
			<b>\$</b>
	<b>Gross carrying amount</b>		
	Balance at 1 July 2012		112,000
	Additions		-
	Balance at 1 July 2013		112,000
	Additions		5,500
	Expired revaluation		(112,000)
	Balance at 1 July 2014		<b>5,500</b>
	<b>Accumulated amortisation and impairment</b>		
	Balance at 1 July 2012		56,000
	Amortisation expense		28,000
	Balance at 1 July 2013		84,000
	Amortisation expense		28,000
	Expired revaluation		(112,000)
	Balance at 1 July 2014		-
	Net book value at 30 June 2013		28,000
	Net book value at 30 June 2014		<b>5,500</b>
Note 25	<b>Trade and other payables</b>		
	Trade payables	216,516	434,551
	Accrued expenses	38,079	28,851
	<b>Total trade and other payables</b>	<b>254,595</b>	<b>463,402</b>
Note 26	<b>Trust funds and deposits</b>		
	Refundable building deposits	3,500	3,500
	Other refundable deposits	34,838	47,993
	<b>Total trust funds and deposits</b>	<b>38,338</b>	<b>51,493</b>

Note 27

Provisions

	Annual leave	Long service leave	Sick Leave	Other	Total
	\$	\$	\$	\$	\$
<b>2014</b>					
Balance at beginning of the financial year	135,066	263,657	176,559	53,501	628,783
Additional provisions	154,609	60,378	62,430	14,373	291,790
Amounts used	(144,640)	(25,654)	(41,365)	(16,848)	(228,507)
Balance at the end of the financial year	<b>145,035</b>	<b>298,381</b>	<b>197,624</b>	<b>51,026</b>	<b>692,066</b>
<b>2013</b>					
Balance at beginning of the financial year	139,563	263,114	204,778	44,348	651,803
Additional provisions	144,232	57,771	56,458	36,182	294,643
Amounts used	(148,729)	(57,228)	(84,677)	(27,029)	(317,663)
Balance at the end of the financial year	<b>135,066</b>	<b>263,657</b>	<b>176,559</b>	<b>53,501</b>	<b>628,783</b>
				<b>2014</b>	<b>2013</b>
				<b>\$'000</b>	<b>\$'000</b>
<b>(a) Employee benefits</b>					
<b>(i) Current</b>					
Annual leave				145,035	135,066
Long service leave				196,806	194,013
Sick Leave				197,624	176,559
Other				42,941	47,024
				<b>582,406</b>	<b>552,662</b>
<b>(ii) Non-current</b>					
Long service leave				101,575	69,644
Other				8,085	6,477
				<b>109,660</b>	<b>76,121</b>
Aggregate carrying amount of employee benefits:					
Current				582,406	552,662
Non-current				109,660	76,121
				<b>692,066</b>	<b>628,783</b>
The following assumptions were adopted in measuring the present value of employee benefits:					
Weighted average increase in employee costs				2.00%	1.00%
Weighted average discount rates				3.02%	3.15%
Weighted average settlement period				12	12
<b>(i) Current</b>					
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				145,035	141,866
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value				196,806	187,213
				<b>341,841</b>	<b>329,079</b>
<b>(ii) Non-current</b>					
Long service leave representing less than 10 years of continuous service measured at present value				101,575	69,644
<b>(iii) Employee Numbers</b>				34	36



		2014	2013
		\$	\$
<b>Note 28</b>	<b>Finance Leases</b>		
	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):		
	Not later than one year	-	13,205
	Recognised in the Statement of Financial Position as:	-	<b>13,205</b>
	Aggregate carrying amount of interest-bearing loans and borrowings:		
	Current	-	13,205
	Non-current	-	-
	<b>Total Finance Leases</b>	-	<b>13,205</b>

Note 29 Reserves

	Balance at beginning of reporting year	Increment	(decrement)	Balance at end of reporting year
	\$	\$	\$	\$
<b>(a) Asset revaluation reserve</b>				
<b>2014</b>				
<b>Property</b>				
Land	1,620,084	-	-	1,620,084
Buildings	1,563,482	-	-	1,563,482
Fixtures and fittings	4,530	-	-	4,530
	<b>3,188,096</b>	-	-	<b>3,188,096</b>
<b>Infrastructure</b>				
Roads	100,726,262	-	-	100,726,262
Bridges	5,784,579	630,956	-	6,415,535
Footpaths and cycleways	2,807,262	-	-	2,807,262
Drainage	452,708	144,214	-	596,922
	<b>109,770,811</b>	<b>775,170</b>	-	<b>110,545,981</b>
<b>Total asset revaluation reserve</b>	<b>112,958,907</b>	<b>775,170</b>	-	<b>113,734,077</b>

2013

<b>Property</b>				
Land	1,620,084	-	-	1,620,084
Buildings	1,563,482	-	-	1,563,482
Fixtures and fittings	4,530	-	-	4,530
	<b>3,188,096</b>	-	-	<b>3,188,096</b>
<b>Infrastructure</b>				
Roads	98,347,200	2,379,062	-	100,726,262
Bridges	5,613,943	170,636	-	5,784,579
Footpaths and cycleways	2,778,797	28,465	-	2,807,262
Drainage	452,708	-	-	452,708
	<b>107,192,648</b>	<b>2,578,163</b>	-	<b>109,770,811</b>
<b>Total asset revaluation reserve</b>	<b>110,380,744</b>	<b>2,578,163</b>	-	<b>112,958,907</b>

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

	Balance at beginning of reporting year	Increment	(decrement)	Balance at end of reporting year
	\$	\$	\$	\$
<b>(b) Fair value reserve</b>				
<b>2014</b>				
<b>Available-for-sale assets</b>				
Investment in water corporation	71,280	(1,549,480)	-	(1,478,200)
<b>Total fair value reserve</b>	<b>71,280</b>	<b>(1,549,480)</b>	-	<b>(1,478,200)</b>

2013

<b>Available-for-sale assets</b>				
Investment in water corporation	73,060	(1,780)	-	71,280
<b>Total fair value reserve</b>	<b>73,060</b>	<b>(1,780)</b>	-	<b>71,280</b>

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

**Note 29 Reserves (cont)**

	Balance at beginning of reporting year	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting year
<b>(c) Other reserves</b>	\$	\$	\$	\$
<b>2014</b>				
Other Reserves	2,711,520	72,013	(1,293,537)	1,489,996
<b>Total Other reserves</b>	<b>2,711,520</b>	<b>72,013</b>	<b>(1,293,537)</b>	<b>1,489,996</b>
<b>2013</b>				
Other Reserves	2,685,096	1,166,692	(1,140,268)	2,711,520
<b>Total Other reserves</b>	<b>2,685,096</b>	<b>1,166,692</b>	<b>(1,140,268)</b>	<b>2,711,520</b>
		<b>2014</b>	<b>2013</b>	
		\$	\$	
<b>Total Reserves</b>		<b>113,745,873</b>	<b>115,741,707</b>	

**Note 30 Reconciliation of cash flows from operating activities to surplus (deficit)**

Surplus/(Deficit)	(1,395,999)	(700,250)
Depreciation/amortisation	2,766,254	2,933,350
(Profit)/loss on disposal of property, plant and equipment, infrastructure	(51,415)	10,446
Capital grants received specifically for new or upgraded assets	(458,026)	(578,360)
Decrease/(increase) in trade and other receivables	(46,383)	30,223
Decrease/(increase) in other assets	6,826	25,544
Decrease/(increase) in inventories	(3,706)	6,469
Increase/(decrease) in trade and other payables	(208,807)	(23,045)
Increase/(decrease) in provisions	63,283	(23,020)
Increase/(decrease) in other liabilities	(13,155)	(11,647)
<b>Net cash provided by/(used in) operating activities</b>	<b>658,872</b>	<b>1,669,710</b>

**Note 31 Reconciliation of cash and cash equivalents**

Cash and cash equivalents (see note 18)	3,643,972	6,079,445
<b>Total reconciliation of cash and cash equivalents</b>	<b>3,643,972</b>	<b>6,079,445</b>

**Note** **32Superannuation**

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

For the year ended 30 June 2014 the Council contributed 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Bendzulla Actuarial Pty Ltd undertook the last actuarial review of the Fund at 30 June 2011. The review disclosed at that 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 over vested benefits 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% p.a. for 2011/12 and 7.0% p.a. thereafter

Salary Inflation 4.0% pa

Price Inflation n/a

The actuarial review concluded that:

1. The value of assets of the Quadrant Defined Benefit Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2011.
2. The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2011.
3. Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2014.

The Actuary recommended that in future the Council contribute 9.5% of salaries in 2012/13, 10.5% of salaries in 2013/14, and 11% of salaries in 2014/15.

The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2014 and is expected to be completed late in 2014 or early in 2015.

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

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

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

- The 2011 actuarial review used a funding method that sets the level of Council contributions targeting a margin of 10% in the value of Fund assets over the total of members' vested benefits over the medium to longer term.

The funding method used was the same as the method used at the previous actuarial review in 2008. Under the target funding method of financing the benefits, the stability of the Councils' contributions over time depends on how closely the Fund's actual experience matches the expected experience. If the actual experience differs from that expected, the Councils' contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards its financing target.

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

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

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

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

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

Note

32Superannuation (cont.)

- As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2011. Favourable investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2014.
- An analysis of the assets and vested benefits of Funds participating in the Scheme, prepared by Bendzulla Actuarial Pty Ltd as at 30 June 2013, showed that the Fund had assets of \$61.5 million and members' Vested Benefits were \$54.2 million.

These amounts represented 9.8% and 8.7% respectively of the corresponding total amounts for the Scheme.

	2014	2013
Fund	\$	\$
<b>Defined benefits fund</b>		
Employer contributions to Quadrant	33,768	29,047
	<u>33,768</u>	<u>29,047</u>
<b>Accumulation funds</b>		
Employer contributions to super funds	121,196	121,903
	<u>121,196</u>	<u>121,903</u>

	2014	2013
	\$	\$
<b>Note 33Commitments</b>		
<b>Contractual commitments</b>		
Contractual commitments at end of financial year but not recognised in the financial report are as follows:		
Recycling and garbage collection contract (expires 2017)	683,482	929,708
<b>Total</b>	<u>683,482</u>	<u>929,708</u>

Note 34Contingent liabilities

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

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

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

Note 35

Financial Instruments  
(a) Accounting Policy, terms and conditions

Recognised  
financial

instruments      Note      Accounting Policy      Terms and Conditions

Financial assets

<b>Cash and cash equivalents</b>	18	Cash on hand and at bank and money market call account are valued at face value.	On call deposits returned a floating interest rate. The interest rate at balance date was 2.50% (3.8% 2012/2013).
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Interest is recognised as it accrues.

Investments and bills are valued at cost.

Investments are held to maximise interest returns of surplus cash.

Interest revenues are recognised as they accrue.

Managed funds are measured at market value.

Trade and other receivables

<b>Other debtors</b>	19	Receivables are carried at amortised cost using the effective interest method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears attract an interest rate of 10% (10%). Credit terms are based on 30 days.
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Financial Liabilities

<b>Trade and other payables</b>	25	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 date.
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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 did not have any finance leases.

Note 35 Financial Instruments (cont.)

(b) Interest Rate Risk

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

2014

	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 \$		
<b>Financial assets</b>							
Cash and cash equivalents	3.24%	543,943	3,100,029	-	-	-	3,643,972
Financial assets	3.37%	-	1,718,808	-	-	-	1,718,808
Trade and other receivables		281,634	-	-	-	-	281,634
Investment in water corporation		-	-	-	-	7,680,120	7,680,120
<b>Total financial assets</b>		<b>825,577</b>	<b>4,818,837</b>	<b>-</b>	<b>-</b>	<b>7,680,120</b>	<b>13,324,534</b>
<b>Financial liabilities</b>							
Trade and other payables		-	-	-	-	254,595	254,595
Trust funds and deposits		-	-	-	-	38,338	38,338
Financial Leases		-	-	-	-	-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>292,933</b>	<b>292,933</b>
<b>Net financial assets (liabilities)</b>		<b>825,577</b>	<b>4,818,837</b>	<b>-</b>	<b>-</b>	<b>7,387,187</b>	<b>13,031,601</b>

2013

	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 \$		
<b>Financial assets</b>							
Cash and cash equivalents	3.80%	1,397,306	4,682,139	-	-	-	6,079,445
Other financial assets	3.70%	-	1,925,611	-	-	-	1,925,611
Trade and other receivables		235,251	-	-	-	-	235,251
Investment in water corporation		-	-	-	-	9,229,600	9,229,600
<b>Total financial assets</b>		<b>1,632,557</b>	<b>6,607,750</b>	<b>-</b>	<b>-</b>	<b>9,229,600</b>	<b>17,469,907</b>
<b>Financial liabilities</b>							
Trade and other payables		-	-	-	-	463,402	463,402
Trust funds and deposits		-	-	-	-	51,493	51,493
Financial Leases		-	13,205	-	-	-	13,205
<b>Total financial liabilities</b>		<b>-</b>	<b>13,205</b>	<b>-</b>	<b>-</b>	<b>514,895</b>	<b>528,100</b>
<b>Net financial assets (liabilities)</b>		<b>1,632,557</b>	<b>6,594,545</b>	<b>-</b>	<b>-</b>	<b>8,714,705</b>	<b>16,941,807</b>

**Note 35 Financial Instruments (cont.)**

**(c) Fair Value**

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2014 \$	2013 \$	2014 \$	2013 \$
<b>Financial assets</b>				
Cash and cash equivalents	3,643,972	6,079,445	3,643,972	6,079,445
Financial assets	1,718,808	1,925,611	1,718,808	1,925,611
Trade and other receivables	281,634	235,251	281,634	235,251
Investment in water corporation	7,680,120	9,229,600	7,680,120	9,229,600
<b>Total financial assets</b>	<b>13,324,534</b>	<b>17,469,907</b>	<b>13,324,534</b>	<b>17,469,907</b>
<b>Financial liabilities</b>				
Trade and other payables	254,595	463,402	254,595	463,402
Trust funds and deposits	38,338	51,493	38,338	51,493
Finance leases	-	13,205	-	13,205
<b>Total financial liabilities</b>	<b>292,933</b>	<b>528,100</b>	<b>292,933</b>	<b>528,100</b>

**(d) Credit Risk**

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

**(e) Risks and mitigation**

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

**Market risk**

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

**Interest rate risk**

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

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

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

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



#### Credit risk

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

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

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

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

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

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

	Financial Institutions (AAA credit rating)	Government agencies (BBB credit rating)	Other (min BBB credit rating)	Total
<b>2014</b>				
Cash and cash equivalents	3,643,972	-	-	3,643,972
Financial assets	1,718,808	-	-	1,718,808
<b>Total contractual financial assets</b>	<b>5,362,780</b>	<b>-</b>	<b>-</b>	<b>5,362,780</b>
<b>2013</b>				
Cash and cash equivalents	6,079,445	-	-	6,079,445
Investments and other financial assets	1,925,611	-	-	1,925,611
<b>Total contractual financial assets</b>	<b>8,005,056</b>	<b>-</b>	<b>-</b>	<b>8,005,056</b>

#### Movement in Provisions for Impairment of Trade and Other Receivables

	2014 \$	2013 \$
<b>Balance at the beginning of the year</b>	-	20,191
New Provisions recognised during the year	-	-
Amounts already provided for and written off as uncollectible	-	(20,191)
Amounts provided for but recovered during the year	-	-
<b>Balance at end of year</b>	<b>0</b>	<b>0</b>

#### Ageing of Trade and Other Receivables

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

	2014 \$	2013 \$
Current (not yet due)	11,955	17,541
Past due by up to 30 days	30,796	31,368
Past due between 31 and 180 days	122,763	134,267
Past due between 181 and 365 days	-	-
Past due by more than 1 year	116,120	52,075
<b>Total Trade &amp; Other Receivables</b>	<b>281,634</b>	<b>235,251</b>

**Liquidity risk**

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

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

To help reduce these risks we:

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

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

The table below lists the contractual maturities for Financial Liabilities

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

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

2013	≤ 6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
	or less	months	years	years	years	Cash Flow	Amount
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	463,402	-	-	-			463,402
Trust funds and deposits	51,493						51,493
Finance lease	13,205	-					13,205
<b>Total financial liabilities</b>	<b>528,100</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>528,100</b>

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and - A parallel shift of + 1% and -2% in market interest rates (AUD) from year-end rates of 4.4%.

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

Interest rate risk					
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2014	\$	\$	\$	\$	\$
<b>Financial assets:</b>					
Cash and cash equivalents	3,643,972	(72,879)	(72,879)	36,440	36,440
Trade and other receivables	281,634	(5,633)	(5,633)	2,816	2,816
<b>Financial liabilities:</b>					
Finance leases	-	0	0	0	0

Interest rate risk					
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2013	\$	\$	\$	\$	\$
<b>Financial assets:</b>					
Cash and cash equivalents	6,079,445	(121,589)	(121,589)	60,794	60,794
Trade and other receivables	235,251	(4,705)	(4,705)	2,353	2,353
<b>Financial liabilities:</b>					
Finance leases	13,205	(264)	(264)	132	132

(g) Fair Value Hierarchy

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

The different levels have been defined as follows:

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

	Level 1	Level 2	Level 3	Total
30 June 2014	\$	\$	\$	\$
Available for sale financial assets	-	-	7,680,120	7,680,120

	Level 1	Level 2	Level 3	Total
30 June 2013	\$	\$	\$	\$
Available for sale financial assets	-	-	9,229,600	9,229,600

Reconciliation of Level 3 Fair Value Movements

	2014	2013
Opening balance	9,229,600	9,231,380
Change in fair value movement in Southern Water	(1,549,480)	(1,780)
Closing balance	7,680,120	9,229,600

**Note 36 Events occurring after balance date**

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

**Note 37 Related party transactions**

**(i) Responsible Persons**

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

<b>Councillors</b>	Councillor Deirdre Flint (Mayor)
	Councillor Andrew Downie (Deputy Mayor)
	Councillor Richard Bowden
	Councillor Loueen Triffit
	Councillor Geoffrey Hebert to January 2014
	Councillor Anthony Bailey
	Councillor Tim Jacka
	Councillor James Allwright
	Councillor Ian McMichael
	Councillor David McMillan from March 2014
<b>General Manager</b>	Lyn Eyles
<b>Senior Managers</b>	Jason Branch
	Graham Rogers
	Christopher Absolom

	2014	2013
	\$	\$
Total Remuneration for the reporting year for Councillors' Emoluments and reimbursements included above amounted to:	107,631	111,786
Total Remuneration for the reporting year for senior management positions included above amounted to:	334,060	364,049

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

Note 38

Significant Business Activities

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

	Hamilton & Bothwell Camping Grounds	
	2014	2013
	\$	\$
<b>Revenue</b>		
User Charges	16,647	10,255
<b>Total Revenue</b>	<b>16,647</b>	<b>10,255</b>
<b>Expenditure</b>		
<i>Direct</i>		
Employee Costs	2,597	1,425
Materials and Contacts	964	1,303
Interest	-	-
Utilities	5,340	4,418
<b>Total Expenses</b>	<b>8,901</b>	<b>7,146</b>

Note	39 Management indicators	Benchmark	2014 \$	2013 \$	2012 \$	2011 \$
(a)	<b>Underlying surplus or deficit</b>					
	Recurrent income* less		6,369,945	6,089,449	6,100,000	5,544,000
	recurrent expenditure		7,168,069	7,475,960	7,634,000	7,126,000
	Underlying surplus/deficit	0	(798,124)	(1,386,511)	(1,534,000)	(1,582,000)

\* Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature.

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2011-12 and 2012-13 the Commonwealth made early payment of the two quarterly instalments for the following year. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2012-13 by \$1,055,901. In the 2014-15 Budget the Commonwealth announced it would discontinue the approach of prepaying instalments. Therefore there was no prepayment in 2013-14 which increased Council's underlying deficit in 2013-14 by this amount.

(b)	<b>Underlying surplus ratio</b>					
	<u>Underlying surplus or deficit</u>		(798,124)	(1,386,511)	(1,534,000)	(1,582,000)
	Recurrent income*		6,369,945	6,089,449	6,100,000	5,544,000
	Underlying surplus ratio %	0%	(12.5%)	(22.8%)	(25.1%)	(28.5%)

This ratio serves as an overall measure of financial operating effectiveness.

(c)	<b>Net financial liabilities</b>					
	Liquid assets less		5,644,414	8,240,307	8,747,000	7,335,000
	total liabilities		984,999	1,156,883	1,221,000	746,000
	Net financial liabilities	0	4,659,415	7,083,424	7,526,000	6,589,000

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

(d)	<b>Net financial liabilities ratio</b>					
	<u>Net financial liabilities</u>		4,659,415	7,083,424	7,526,000	6,589,000
	Recurrent income*		6,369,945	6,089,449	6,100,000	5,544,000
	Net financial liabilities ratio %	0% - (50%)	73%	116%	123%	119%

This ratio indicates the net financial obligations of Council compared to its recurrent income.

(e) **Asset renewal funding ratio**

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

<i>Transport Infrastructure</i>				
<u>Projected capital funding outlays**</u>	800,640	757,640	N/A	N/A
Projected capital expenditure funding***	800,640	757,640	N/A	N/A
Asset renewal funding ratio %	90-100%	100%	100%	N/A

Note	39 Management indicators (cont.)	2014 \$	2013 \$	2012 \$	2011 \$
	(f) <b>Asset consumption ratio</b>				
	<i>Roads</i>				
	<u>Depreciated replacement cost</u>	105,498,266	105,527,190	103,424,000	88,991,000
	Current replacement cost	136,074,112	134,133,330	129,058,000	125,013,000
	Asset consumption ratio %	77.5%	78.7%	80.1%	71.2%
	<i>Buildings</i>				
	<u>Depreciated replacement cost</u>	4,401,857	4,430,785	4,515,191	4,565,484
	Current replacement cost	4,882,592	4,811,527	4,796,457	4,748,618
	Asset consumption ratio %	90.2%	92.1%	94.1%	96.1%
	<i>Drainage</i>				
	<u>Depreciated replacement cost</u>	882,811	733,279	744,877	744,865
	Current replacement cost	1,413,607	1,163,020	1,163,020	1,151,493
	Asset consumption ratio %	62.5%	63.0%	64.0%	64.7%
	<i>Bridges</i>				
	<u>Depreciated replacement cost</u>	8,226,739	7,602,143	7,464,000	4,882,000
	Current replacement cost	14,334,521	13,639,850	13,151,000	10,965,000
	Asset consumption ratio %	57.4%	55.7%	56.8%	44.5%
	<i>Footpaths and Cycleways</i>				
	<u>Depreciated replacement cost</u>	1,334,307	1,358,000	1,229,000	458,000
	Current replacement cost	1,649,305	1,649,305	1,494,000	673,000
	Asset consumption ratio %	80.9%	82.3%	82.3%	68.1%
	<i>Other infrastructure assets</i>				
	<u>Depreciated replacement cost</u>	530,677	469,279	478,000	460,000
	Current replacement cost	961,077	842,124	801,000	735,000
	Asset consumption ratio %	55.2%	55.7%	59.7%	62.6%
	(g) <b>Asset sustainability ratio</b>				
	<u>Capex on replacement/renewal of existing assets</u>	3,259,683	2,615,000	1,600,000	1,119,000
	Annual depreciation expense	2,705,401	2,933,350	3,026,000	2,916,000
	Asset sustainability ratio %	100%	120.5%	89.1%	52.9%
					38.4%

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

	Capital renewal expenditure	Capital new/upgrade expenditure	Total Capital Expenditure
By asset class	\$	\$	\$
Land	-	-	-
Buildings	16,520	54,545	71,065
Plant, machinery and equipment	506,396	-	506,396
Fixtures, fittings and furniture	42,898	12,891	55,789
Roads	2,477,933	274,665	2,752,598
Bridges	193,647	-	193,647
Footpaths and cycleways	-	-	-
Drainage	16,789	-	16,789
Other infrastructure	-	261,517	261,517
Intangible	5,500	-	5,500
<b>Total</b>	<b>3,259,683</b>	<b>603,618</b>	<b>3,863,301</b>

#### Note 40 Fair Value Measurements

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

Investment in water corporation

Property, infrastructure plant and equipment

- Land

- Buildings, including footpaths & cycleways

- Roads

- Bridges

- Other infrastructure

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

#### (a) Fair Value Hierarchy

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

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

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2014. Comparative information has not been provided as allowed by the transitional provisions of AASB 13.

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

#### As at 30 June 2014

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>					
Investment in water corporation	17	-	-	7,680,120	7,680,120
Land	23	-	-	3,020,735	3,020,735
Buildings	23	-	-	4,401,857	4,401,857
Roads, including footpaths & cycleways	23	-	-	106,832,573	106,832,573
Bridges	23	-	-	8,226,739	8,226,739
Drainage	23	-	-	882,811	882,811
Other Infrastructure	23	-	-	530,677	530,677
		-	-	<b>131,575,512</b>	<b>131,575,512</b>

#### Transfers between levels of the hierarchy

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

#### (b) Highest and best use

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

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

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



**Note 40 Fair Value Measurements (cont.)**

**Investment property and investment in water corporation**

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

**Land and Buildings**

Valuation of land (excluding land under roads) and buildings 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. A full revaluation of the municipality by the Valuer-General will be undertaken in 2014-15.

**Infrastructure assets**

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by AP Valuers and Asset Management effective 20 February 2012. The valuations of roads and footpaths were updated as at 30 June 2013 based on depreciated replacement cost using the Road and Bridge Construction indices. Roads and footpaths will be revalued in 2014-15 by an independent registered valuer. Value of Bridges has been determined by an independent valuation on 31 October 2013 by AusSpan.

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

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in Note 1(e).

A full valuation of roads and footpaths was undertaken by independent valuers, AP Valuers and Asset Management, effective 20 February 2012. Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. The valuations of roads and footpaths were updated as at 30 June 2013 based on depreciated replacement cost using the Road and Bridge Construction indices. Roads and footpaths will be revalued in 2014-15 by an independent registered valuer.

A full valuation of bridges assets was undertaken by independent valuers, AusSpan, effective 31 October 2013. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

A full valuation of drainage infrastructure was undertaken by Council staff effective 30 June 2008. The valuations were updated as at 30 June 2014 based on depreciated replacement cost using the Road and Bridge Construction indices.

**(d) Valuation processes**

Council's current policy for the valuation of property, infrastructure, plant and equipment, investment in water corporation and investment property (recurring fair value measurements) is set out in note 1(f), 1(k) and 1(w) respectively.

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

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

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

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

## Certification of the Financial Report

The financial report presents fairly the financial position of the Central Highlands Council as at 30 June 2014, the results of its operations for the year then ended and the cash flows of the Council, in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards (including interpretations) and other authoritative pronouncements issued by the Australian Accounting Standards Board.



Lyn Eyles  
General Manager

Date : 13/08/2014