



CIRCULAR HEAD COUNCIL



ANNUAL REPORT



ADOPTED BY COUNCIL 14 DECEMBER 2023

2022-23

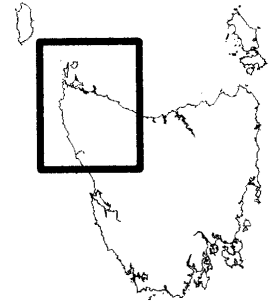
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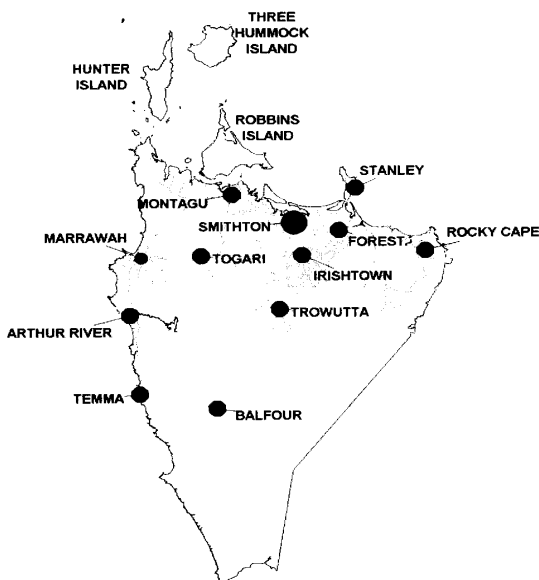
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SNAPSHOT OF CIRCULAR HEAD

Circular Head Council, incorporated in 1908, serves the rural community of Circular Head located in far north-west Tasmania. Circular Head covers an area of 4,917 km². The municipality gained its name from the unusual land formation commonly known as 'The Nut', at Stanley, the solidified lava lake of a long-extinct volcano. The formation was sighted by Bass and Flinders on their historic circumnavigation of Tasmania in 1798.



Circular Head's beautiful coastline is one of the longest of any Council in the state and its fertile soils, coupled with a gently undulating landscape, support more than thirty per cent of Tasmania's dairy farms. Circular Head has regular rainfall, especially during the winter months, along with some of the world's cleanest air.



Circular Head offers a wide variety of work and lifestyle options. Whether you are looking for a sea-change or a tree-change, you will find the best of both worlds in Circular Head.

The agricultural land is renowned for its fertility. With less than two percent of Tasmania's population, Circular Head is an economic powerhouse accounting for more than twelve percent of the state's annual agricultural production, contributing almost \$100 million a year to the economy.

Key economic sectors include dairy and livestock production, commercial fishing, aquaculture, forestry and timber production, agriculture, manufacturing, iron ore pelletisation and tourism.

VISION AND MISSION STATEMENTS

COUNCIL'S MISSION



COUNCIL'S VISION

To provide leadership excellence focused on strategic objectives through local and regional engagement to deliver value for money and services to meet community needs.

COUNCIL'S VALUES



INVITATION FOR SUBMISSIONS

Members of the community are invited to make submissions on the Annual Report for discussion at the Annual General Meeting, which will be held at 6 pm on Thursday 14 December 2023 at the Circular Head Council Chambers. Any person wishing to make a submission should deliver it to the General Manager by 5pm Tuesday 12 December 2023, for inclusion on the agenda for the meeting.

MAYOR'S MESSAGE

After the elections in October 2022 the new team of Councillors has settled in to their role and is building strong working relationships.

The past 12 months has been a time of steady progress and significant decisions, primarily the controversial Robbins Island wind farm development which gave the team an early insight into the intricacies of Planning legislation.

Alongside this we successfully lobbied the Transport Commissioner for speed reductions on Woolnorth Road to help protect the local Tasmanian Devil population, approved the development of a major new Fire Station in Marawah and approved new housing developments at Massey Street in Smithton and Dovecote Road in Stanley, with more proposals in the pipeline. Further development will be guided by a Settlement Strategy which is well along the path towards adoption.

There has been substantial progress towards the development of a Master Plan for Stanley's Church Street, which has benefited from considerable community input and looks set to significantly improve visitor experience and boost the town's small businesses.

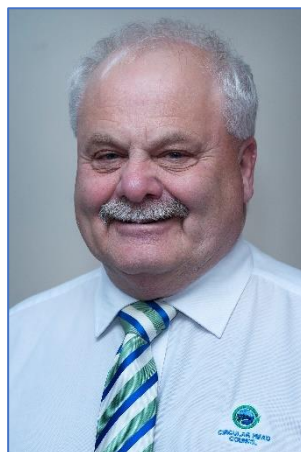
The Duck River Pavilions has continued to build on a successful start and has been welcomed by locals and visitors alike. There has also been considerable work to achieve a successful transition of the Stanley Caravan Park to a new lessee.

In 2022-23 we continued to advocate strongly for Circular Head, lobbying the Senate Inquiry into Rural Banking regarding the closure of both local bank branches, and taking the opportunity to speak directly with the State Cabinet when the Premier and Ministers met in Smithton in February. In particular, we made strong representations on the need for improved ambulance services.

Council has continued to actively engage in the current review of the local government sector, and we now await the outcome. Whatever that may be, I am confident that Council is very well-placed to meet future community needs.



Gerard Blizzard
MAYOR



GENERAL MANAGER'S MESSAGE

Over the past year, we have again strengthened the Executive Leadership Team and honed the organisational focus on the priorities and goals of the Corporate Strategic Plan, which was refreshed in time for the new term of Council.

Every staff member in this organisation works tirelessly on behalf of the community and this report in part celebrates their achievements for our community.

Over the past year the organisation has made substantial progress. Of the 194 projects in the 2022-23 Annual Action Plan, 141 were finalised with a further 8 at 50% or over. This includes a significant reduction in projects carried forward from previous years.

I thank all staff for their commitment to delivering and improving services for the community that has delivered such a positive result.

Over the past year we strengthened our internal governance including risk mitigation and updating numerous policies.

We also dedicated time to fostering community connections, including our Health & Wellbeing Collective. And the CHArts Festival continues to go from strength to strength, a massive credit to the small Community Development team who make it all happen.

The collaboration between Circular Head and Waratah-Wynyard Councils has seen us embark on a shared Digital Transformation, which will support modernisation and an improved cyber security posture. Both Councils are also well placed to respond to the impending outcomes of the local government review.

I'd like to thank all our Councillors, for their commitment and interest and willingness to engage with change. I also thank all our other government partners, business and community members for their efforts in the past financial year. I look forward to continuing to work for a better, more vibrant and prosperous future for this community.



Vanessa Adams MBE
GENERAL MANAGER



MAYOR AND COUNCILLORS



MAYOR GERARD BLIZZARD

Phone 0417 532 392
77 Brittons Road, Smithton, 7330
Term expires October 2026



DEPUTY MAYOR ANNETTE DAWES

Phone 0448 442 744
10 Kays Road, Irishtown, 7330
Term expires October 2026



CR SALLY COLLINS

Phone 0419 539 707
180 Dovecote Road, Stanley, 7331
Term expires October 2026



CR MARK DABNER

Phone 0459 159 270
74 Scotchtown Road, Smithton, 7330
Term expires October 2026



CR RODNEY FLOWERS

Phone 0418 131 580
227 Back Line Road, Forest, 7330
Term expires October 2026



CR TONY HINE

Phone 0428 563 228
2 Billing Street, Smithton 7330
Term expires October 2026



CR JOHN OLDAKER

Phone 0419 311 053
158 Montagu Road, Smithton 7330
Term expires October 2026



CR STEVE PILKINGTON

Phone 0427 571 258
1924 Marcus River Road, West Montagu, 7330
Term expires October 2026



CR ASHLEY POPOWSKI

Phone 0429 407 636
101 Trowutta Road, Smithton 7330
Term expires October 2026

MAYOR DARYL QUILLIAM
DEPUTY MAYOR NORMAN BERECHREE
CR KATHLEEN ETTLIN
CR STAFFORD IVES-HERES
CR DAVID WOODWARD

All retired at the 2022 election.

COUNCIL

Circular Head Council has nine Councillors, each elected by the community for a term of four years. Council provides a wide range of services for the community from waste management to public art. It advocates for community needs, builds and maintains community infrastructure and assets such as roads, stormwater drainage and bridges, makes policy, sets a Budget, and Strategic and Annual Plans and determines approval guidelines. Councillors also monitor organisational management systems and engage the community on proposed programs and initiatives.

Councillor Attendance at Meetings 2022-23

	Meetings	Special Meetings	Workshops
Mayor Daryl Quilliam#	4	0	6
Deputy Mayor Norman Berechree#	3	0	7
Cr Gerard Blizzard	4	0	7
Cr Kathleen Ettlin#	3	0	5
Cr Tony Hine	12	0	25
Cr Stafford Ives-Heres#	4	0	4
Cr John Oldaker	12	0	25
Cr Ashley Popowski	11	0	25
Cr David Woodward#	2	0	2
Mayor Gerard Blizzard**	8	0	15
Deputy Mayor Annette Dawes*##	8	0	16
Cr Sally Collins*	8	0	17
Cr Mark Dabner*	7	0	16
Cr Rodney Flowers*	8	0	13
Cr Stephen Pilkington*	7	0	12

Meetings, including Annual General Meeting - total held for year = 13

Special Meetings - total held for year = 0

Special Meetings are meetings requested and required to consider specific items.

Workshops - total held for year = 25

* denotes Councillor newly elected 1 November 2022

denotes Councillor who finished term 31 October 2022

** denotes newly elected Mayor 1 November 2022

denotes newly elected Deputy Mayor 1 November 2022

Mayor, Deputy Mayor and Councillor Allowances and Expenses

In accordance with Section 72(1)(cb) of the *Local Government Act 1993*, the total allowances and expenses paid to the Mayor, Deputy Mayor and Councillors are documented in Note 9.1 of the Notes to Financial Statements.

Councillor Representation on Committees

Council Committees	Membership 2022-2023 (effective 1 July 2022 – 31 October 2022)
General Manager's Review Special Committee	Mayor Quilliam, Deputy Mayor Berechree
Resource Sharing Committee	Mayor Quilliam, Deputy Mayor Berechree, Cr Oldaker and Cr Popowski
Special Committees	
Central Outdoor Area Management Committee	Cr Oldaker, Cr Woodward as proxy
Circular Head Heritage Centre	Cr Popowski, Cr Ettlin as proxy
Northern Area Management Committee (Stanley Recreation Ground)	Cr Popowski, Cr Woodward as proxy
Stanley Town Hall Committee	Cr Kay, Cr Blizzard as proxy
Western Area Management Committee (Marrawah/Redpa)	Cr Oldaker, Cr Ives-Heres as proxy
Health and Welfare Reference Group	Cr Blizzard and Cr Popowski
Community Committees	
Circular Head Senior Citizens Centre	Cr Oldaker, Cr Popowski as proxy
SPAN (Service Providers Access Network)	Cr Ives-Heres, Cr Ettlin as proxy
Circular Head Community and Recreation Centre Management Committee	Cr Blizzard, Cr Kay as proxy
Circular Head Education and Training Consultative Committee	Cr Ettlin, Cr Popowski as proxy
Circular Head Community Road Safety Partnership Committee	Cr Ives-Heres, Cr Kay as proxy
Circular Head Recreation Advisory Committee	Mayor Quilliam and Cr Blizzard
Circular Head Youth Leaders (CHYL)	Cr Blizzard, Cr Ives-Heres as proxy
Circular Head Boat Ramps Advisory Committee	Cr Kay, Cr Popowski as proxy
Circular Head Landcare Group	Cr Woodward, Cr Popowski as proxy
Community Events Committee	Cr Ives-Heres and Cr Popowski
Working Parties	
Australia Day Awards Working Party	Mayor Quilliam, Deputy Mayor Berechree, Cr Kay and Cr Woodward
Representatives	

Circular Head Tourism Association	Deputy Mayor Berechree, Cr Oldaker as proxy
Cradle Coast Authority Representatives	Mayor Quilliam and General Manager, Deputy Mayor Berechree as proxy
Western Emergency Management Committee	Mayor Quilliam, Cr Popowski as proxy
TasWater	Mayor Quilliam, Deputy Mayor Berechree as proxy
Local Government Association of Tasmania	Mayor Quilliam, Deputy Mayor Berechree and General Manager
Smithton High School Council	Cr Ettlín, Cr Woodward as proxy
Smithton Primary School Council	Cr Woodward, Deputy Mayor Berechree as proxy
Cradle Coast Coastal Pathways Steering Committee	Cr Woodward
Arthur-Pieman Conservation Area Management Committee (Ministerially appointed committee members only)	Mayor Quilliam
Tarkine Coast Progress Group	Deputy Mayor Berechree

Council Committees	Membership 2022-2023 (effective 1 November 2022 – 30 June 2023)
General Manager's Review Special Committee	Mayor Blizzard, Deputy Mayor Dawes
Special Committees	
Central Outdoor Area Management Committee	Cr Oldaker, Cr Flowers as proxy
Circular Head Heritage Centre	Cr Pilkington, Cr Dabner as proxy
Northern Area Management Committee (Stanley Recreation Ground)	Cr Collins, Cr Oldaker as proxy
Stanley Town Hall Committee	Cr Collins, Cr Oldaker as proxy
Western Area Management Committee (Marawah/Redpa)	Cr Oldaker, Cr Popowski as proxy
Community Committees	
Circular Head Health & Wellbeing Collective	Cr Dabner, Cr Dawes as proxy
Circular Head Community and Recreation Centre Management Committee	Cr Oldaker, Cr Popowski as proxy
Circular Head Education and Training Consultative Committee	Cr Dawes, Cr Hine as proxy
Circular Head Community Road Safety Partnership Committee	Cr Popowski, Cr Dabner as proxy
Public Art Committee	Cr Hine, Cr Collins as proxy
Circular Head Youth Leaders (CHYL)	Cr Dawes, Cr Dabner as proxy
Circular Head Show Society	Cr Flowers, Cr Oldaker as proxy
Duck River Pavilions Management Committee	Cr Popowski, Cr Pilkington as proxy
Stanley Chamber of Commerce	Cr Collins, Cr Hine as proxy
Rural Health	Cr Dabner, Cr Pilkington as proxy
Smithton High School	Cr Dawes, Mayor Blizzard as proxy

Working Parties	
Australia Day Awards Working Party	Cr Blizzard, Cr Dawes, Cr Hine, Cr Popowski
Representatives	
Circular Head Tourism Association	Cr Dabner, Mayor Blizzard as proxy
Cradle Coast Authority Representatives	Mayor Blizzard, Cr Dawes as proxy
Western Emergency Management Committee	Mayor Blizzard, General Manager
TasWater	Mayor Blizzard, (Cr Dawes alternate), General Manager
Local Government Association of Tasmania	Mayor Blizzard, (Cr Dawes alternate), GM
Arthur-Pieman Conservation Area Management Committee (Ministerially appointed committee members only)	Mayor Blizzard
Tarkine Coast Progress Group	Mayor Blizzard
Flood Recovery Group	Mayor Blizzard, GM

FAST FACTS – CIRCULAR HEAD

		2022-23	2021-22	2020-21
Population	Municipal area	8,117 (2021 Census)	8,117 (2021 Census)	7,926 (2016 Census)
Area (km ²)	Municipal area	4,917	4,917	4,917
	Smithton	11.18	11.18	11.18
	Stanley	1.87	1.87	1.87
Road length (km)	Municipal area	768	768	768
	Sealed	307.4	294.5	294.5
	Unsealed	460.1	473.5	473.5
Bridges maintained	Municipal area	111	111	111
	Timber	31	34	37
	Other	80	77	74
Footpath length (km)	Municipal area	44.87	44.58	43.19
Stormwater maintained (km)	Municipal area	44.73	44.73	44.67
Kerb and channelling (km)	Municipal area	52.31	52.30	52.25
Total properties	Municipal area	5,304	5,288	5,284
Rateable properties	Municipal area	5,025	5,006	4,995
Valuation	Assessed annual value	100,487,834	99,806,738	99,659,820
	Capital value	2,295,717,800	2,280,814,800	2,277,192,300

KEY ACTIVITIES STATISTICS

	2022-23	2021-22	2020-21	2019-20	2018-19
Tonnes of waste deposited at Port Latta Landfill site	13,732	12,158	11,937	11,397	10,432
Tonnes of waste collected – urban	1,266	1,309	1,310	1,305	1,286
Tonnes of waste collected – rural	983	950	991	970	962
Waste coupons redeemed	*	*	*	15,933	15,486
Recycling urban bin collection	25,883	25,756	30,672	25,680	25,660
Building permits issued	23	24	47	39	34
Planning permits issued	95	119	131	101	85
Plumbing permits issued	35	28	32	33	47
Dogs registered	1,206	1,321	1,348	1,339	1,309
Dogs impounded	10	25	14	14	35
Burials at Council cemeteries	51	31	35	39	32
Food premises inspections carried out	14	25	57	70	70
Dairy inspections	0	43	82	5	1
Section 337 certificates issued	216	355	441	308	217
Section 132 certificates issued	377	578	1,374	542	372
Documents registered in ECM	13,802	15,010	16,155	12,288	13,102
Customer Service System (CSS) events lodged	1,262	669	722	643	789

* Not applicable – coupon system ceased 30 June 2020

ORGANISATION AND MANAGEMENT STRUCTURE

The executive team as of 30 June 2023



Vanessa Adams
General Manager



Tracey Bradley
Director Community Services







Rachel Radford
Director Organisational
Performance



Phil Loone
Director Infrastructure and
Development Services

EVENTS CALENDAR

<p>JULY</p> <ul style="list-style-type: none"> • NAIDOC WEEK 	<p>AUGUST</p> <ul style="list-style-type: none"> • Circular Head Science Gig 	<p>SEPTEMBER</p> <ul style="list-style-type: none"> • CHArts Month • Art competitions • Activities Open Day • Drive In Movie • Sounds Around Town • That's Classic concert • Adult Learners Week • Out of the Shadows Walk 
<p>OCTOBER</p> <ul style="list-style-type: none"> • Light up the Lane • Mental Health Week • Senior's Week Expo 	<p>NOVEMBER</p> <ul style="list-style-type: none"> • Remembrance Day • Circular Head Show 	<p>DECEMBER</p> <ul style="list-style-type: none"> • Christmas Carols at Highfield • Smithton Christmas Parade • Stanley Christmas Parade
<p>JANUARY</p> <ul style="list-style-type: none"> • Australia Day Awards • School holiday activities • Mayor's Education Fund Celebration of Education • Day on the Duck 	<p>FEBRUARY</p> <ul style="list-style-type: none"> • Devil Country Muster 	<p>MARCH</p> <ul style="list-style-type: none"> • International Women's Day • Gone Nuts Adventure Race • Matt Caruana – Motivational Speaker
<p>APRIL</p> <ul style="list-style-type: none"> • ANZAC Day • Youthfest – Youth Week • Community Connections Event 	<p>MAY</p> <ul style="list-style-type: none"> • National Volunteers Week • Volunteers event at Rocky Cape 	<p>JUNE</p> <ul style="list-style-type: none"> • National Reconciliation Day

LEADERSHIP AND GOVERNANCE

Circular Head Council will ensure efficient, effective and cohesive leadership through a business excellence framework in which strategy and direction drive evidence-based decision making.

	Governance 21-22	Governance 22-23
Expenses	\$1,495,279	\$2,441,867
Income	\$8,819,994	\$10,877,373
Net result	\$7,420,715	\$8,435,506

GOVERNANCE

Communications and public engagement	Legislative compliance
Contract management	Membership of regional and State Local Government bodies
Council meetings	Information management
Support for elected Councilor's	Risk management

Continuous Improvement

We actively encourage our people to collaborate and suggest ways to improve our business systems and processes.

During 2022-23 this led to team members identifying and implementing internal improvements. Our 'current state' business processes were also mapped. This work was carried out in conjunction with Waratah-Wynyard Council as we began to implement Digital Transformation across both Councils. This will progressively align systems, policy and process as well as improve our cyber security.

Leadership Development

The Executive Leadership Team and wider management group welcomed several new members and continued to build relationships of trust and mutual support. Council also continued to support colleagues in earlier phases of their career to achieve professional qualifications.

Resource Sharing Agreement

The Resource Sharing Agreement between Circular Head and Waratah-Wynyard Councils was invaluable over the past year in helping both organisations to meet increasing community expectations in an ever more constrained labour and supply chain environment.

COMPLIANCE (STATUTORY REQUIREMENTS)

Animal Control and Compliance

Council has statutory and legislative requirements under the *Dog Control Act 2000* to ensure that all dogs are registered and managed in a responsible manner. To date there are 1048 dogs registered with a further 295 awaiting registration. Council have been conducting regular inspections and educating dog owners to be responsible for their dogs. There has been noticeable improvement in responsible dog ownership as the number of dogs which have been impounded over the years has decreased. Officers will continue educating the public, including the use of regular social media posts.

Council has been proactive in the enforcement of kennel licences bringing a total to date of 78 in the LGA.

Council has been implementing improvements to the dog registration process with the use of E-notices. This has resulted in a marked reduction in customers attending Council to process their renewals, with time savings for both customers and Council staff. Follow-up on returned paper renewals has proven beneficial with the updating of owner details for currency.

Fire abatement inspections and follow-ups were carried out between October and December and will continue at this time each year.

Council continues to action reported illegal works with ongoing efforts to resolve such matters. There were 61 enforcement files in process in 2022-23. These include works without the necessary building and/or planning permits, unsightly articles and environmental harm. Most landowners have been working with Council to obtain the required permits.

Audit Panel Report 2022 - 2023

Background

Circular Head Council's Audit Panel was established in compliance with Division 4 of the Local Government Act 1993 (the Act). It operates in accordance the Council's Audit Panel Charter.

Audit Panel Membership

The Audit Panel comprises three independent members. The membership for the calendar year ended 31 December 2022 consisted of John Howard (Chair), Lisa Dixon and Stephen Allen. With the retirement of Mr Howard at the end of 2022, a new Panel was constituted at the start of 2023 consisting of Stephen Allen (Chair), Lisa Dixon and Paul Viney.



The Role of the Panel

The role of the Panel is to support the elected Council by providing independent advice on Council's financial reporting, internal control, risk management, legislative compliance, long term planning, and fraud control.

In reviewing the Council's performance, the audit panel considers:

- Whether the annual financial statements of the Council accurately represent the operations and state of affairs of the Council;
- Integration of the Council's strategic plan, annual plan, long-term financial management plan and long-term strategic asset management plan;
- Council's accounting, internal control, anti-fraud, anti-corruption and risk management policies, systems and controls to safeguard its long term financial position;
- Whether the Council is complying with the provisions of the Act and any other relevant legislation; and
- Whether the Council has taken any action in relation to previous recommendations provided by the audit panel.

In order to fulfil this role, the panel develops an annual work plan that provides appropriate audit panel activities and information required for each of four meetings (which are held quarterly across the calendar year).

Important items considered across the financial year ending 30 June 2023 were:

a. Annual Plan and Budget

The Panel reflected on the assumptions and estimates that had been made in the planning documents and budget for the year ending 30 June 2023. It noted the recommendations that had been made regarding rate increases (4% for the year ended 30 June 2023) and fees and charges increases. The Panel also discussed the assumptions made in the forward projections of the Council and how these projections were incorporated into both operational and strategic plans.

b. External Audit

The Panel discussed the 2021-2022 audit strategy with the external auditor and the Tasmanian Audit Office and monitored the progress of the audit at each of its subsequent meetings. The Panel also monitored management's consideration and action on unresolved audit findings from the 2021-2022 audit. In the external audit for the year ended 30 June 2022, there were no new audit findings. However, outcomes from this audit revealed that there were five unresolved audit findings from previous years that still remained outstanding (note that seven unresolved audit findings from previous years had been resolved during the year ended 30 June 2022). The unresolved audit findings include:

- Regular reviews of rates and other debtors balances;
- A review of the calculations for the provision for rehabilitation of a landfill site;
- A reconciliation of opening fixed asset balances;
- Update of assumptions with respect to right of use assets and lease liabilities;
- A review of bank signatories.

Indications are that all of these unresolved audit findings will be resolved for the year end 30 June 2023 external audit. However the Panel will monitor management's progress toward resolution of these.

c. Annual Report including Statutory Financial Statements

The Panel considered the appropriateness of the assumptions, policies and application of accounting standards in the financial statements contained in the 2021-2022 Annual Report and considered with the commentary provided in the Annual Report was consistent with the information contained in the financial statements.

d. Internal Audit

The Council has allocated funding toward the conduct of an internal audit (provided by an external accounting firm) in a particular area. The Panel will monitor the outcomes of this internal audit when they become available. It will also make suggestions for other areas that would benefit from internal audit. The Panel also noted the appointment of a Council officer responsible for the areas of risk, policy and compliance is having significant beneficial impact in these areas and in internal audit. It was noted, for example, that as part of a digital transformation strategy, a cyber security audit had been conducted with the recommendations from this audit having a positive impact on the Council and its operations.

e. Risk Management

The Panel regularly reviews the Council's attention to risk management and Council's main strategic risks. Significant attention to the risk management framework, risk management policy and strategic risk register review is conducted at the Panel's meeting in March.

f. Long Term Planning

The Panel reviews and comments upon long term plans such as the Financial Management Strategy; Long Term Strategic Asset Management Plan and other long term planning documents. It is particularly concerned with how the financial management strategy aligns to strategic asset management.

g. Other Matters Considered (but not limited to)

- The financial management of Council as evidenced by regular financial reports (some recommendations were made regarding the improvement of the structure of these financial statements and the commentary that is provided to Councillors on financial matters);
- The progress towards meeting objectives in the annual plan as evidenced by regular management reports through the management information system (It was noted that progress to completion of some capital works projects was difficult given skills and materials shortages generally in the community);
- Information Systems across the Council generally, and in particular cyber security (it was noted that the new Digital Strategy will improve information systems and cyber security); and
- The Council's compliance with relevant legislation (and associated regulations), and its attention to policy review and renewal.

The performance review of the Panel for 2022 did not identify any issues in the operation of the Panel for that calendar year in terms of: composition, skills and experience of the panel; understanding the 'business' of council; meeting administration and conduct; management commitment and support, and other aspects of the role and operation of the panel). As has been stated elsewhere, the Panel meets four times per year, alternating meeting venues between Smithton and Wynyard.

The Panel made four formal recommendations to Council in the financial year ending 30 June 2023:

1. Implementation of a valuer's componentisation for the SWIRL infrastructure – this recommendation is being addressed and should be completed by 31 December 2023;
2. Review of the Long Term Financial Plan and aim to get the operating surplus back to positive – the long term financial plan has been reviewed and although budgetary documents indicate that it is unlikely that an operating surplus will be achieved in the year ended 30 June 2024, the Council is attempting to address this situation in future years;

3. Update of the format of regular financial reports to Council – some work has been completed in this area and it is hoped with resource sharing with Waratah Wynyard Council that this will be further improved;
4. To implement a review of the investment policy – this has been conducted and an updated document prepared and presented to both Council and the Audit Panel.

The panel reviewed the Audit Panel charter and indicated that there were no modifications necessary. The annual work plan of the panel is prepared on an annual basis and will be reviewed for the calendar year ending 31 December 2024 at its November 2023 meeting.

Stephen Allen FCPA
Chair, Audit Panel
July 2023

Building Control

The Consumer Building and Occupational Services (CBOS) regulatory body appoints and licences a person as a Permit Authority, who is employed by Council to undertake requirements under the *Building Act 2016*. This includes ensuring that the required documentation is lodged, with building, plumbing, and demolition permits issued for the municipal area as required in accordance with the Act.

A function of the permit authority is to make the public aware of the building and plumbing requirements in the State and the application of the Act. In this regard interested parties are encouraged to contact Council for assistance in navigating through the building process in accordance with the Act.

Council's statutory obligations under the *Building Act 2016* have been discharged and it has continued to process building permits as expeditiously as possible. The permit authority has continued to review processes and procedures to ensure compliance with current building legislation.

There were 17 Building Permits issued, 5 Permits of Substantial Compliance as well as 98 Notifiable Works Building Notifications received last financial year, including 3 Temporary Occupancies, 1 Environmental Health Officers report, a Building Certificate issued and a permit for Demolition. There was a small decrease in building applications from the previous year.

There were also 35 Plumbing Permits issued, 25 Notifiable CAT 3 Plumbing Notifications issued, and 51 Post Construction Notifications received. Council's Permit Authority has also been working through enforcement records and either finalising with permits being issued and work finalised, or after investigation the matter has been resolved. There have been 25 new enforcement files opened this year, with 5 of those being resolved.

The departure of two Plumbing Compliance Officers during 2022-23 has resulted in the position being currently vacant, with inspections being undertaken as needed by a contracted plumber engaged by Council for the interim.

Code of Conduct Complaints

We are required to report under Section 72 (1) (ba) of the *Local Government Act 1993* any Code of Conduct complaints. Council received no Code of Conduct complaints in the 2022-23 financial year.

Environmental Health and Regulatory

The Environmental Health Service provided by the Council promotes public health and safety for the community by reducing the incidence of preventable illness and monitoring the provision of safe food and water.

Environmental Health Officers are also responsible for managing the environment to limit and control incidents of pollution involving noise, smoke, odour and the adverse effects that wastewater discharge may have. Active investigations are also undertaken in response to written complaints regarding a wide variety of issues.

The employment of a Cadet Environmental Health Officer in late 2022 has provided additional support, however with the departure of Council's qualified Environmental Health Officer in March 2023 has resulted in assistance from Waratah-Wynyard Council's Environmental Health Officer to provide mentorship to the cadet, and skills for inspections of food premises.

This year we had 15 new food businesses being registered, bringing the total number of food businesses in Circular Head to 124. This includes 2 new mobile food businesses. Council continues to undertake regular inspections of these food businesses.

Council participates in a regional (Burnie, Waratah-Wynyard and Circular Head) school vaccination program and a staff vaccination program to help protect those at-risk students and staff against preventable diseases such as influenza, hepatitis, whooping cough, tetanus, and chicken pox.

Council also undertakes sampling and analysis of recreational waters during the recreational swimming season, from December to April.

Contracts for the Supply or Provision of Goods or Services

Pursuant to Section 29 of the *Local Government (General) Regulations 2015*, Council is required to report with the Annual Report contracts for the supply or provision of goods and services exceeding \$100,000.

Successful Contractor	Description of Contract	Period of Contract	\$ Value of Tender/Contract (excluding GST)
Tas Span Pty Ltd PO Box 225 LATROBE TAS 7307	Bridge Replacement - Yanns Road, Rocky Cape	15.06.2023 – 31.03.2024	597,545
Hardings Hotmix PO Box 709 ULVERSTONE TAS 7315	Provision of Bitumen Surfacing Services 23-24	15.06.2023 – 29.02.2024	862,855
Stabilised Pavements of Australia Pty Ltd Unit 3/27 Crooked Billet Drive BRIDGEWATER TAS 7030	Old Stanley Road and Upper Scotchtown Road Upgrades and Seals	15.12.2022 – 31.12.2023	1,256,993
Statewide Contracting (Tas) Pty Ltd 1 Fieldings Way ULVERSTONE TAS 7315	Provision of Roadside Slashing Services	29.11.2022 – 01.05.2024	288,750
Kay's Cleaning Service 48 Kubanks Road SMITHTON TAS 7330	Provision of Street and Toilet Cleaning Services	31.08.2022 – 30.06.2025	122,004
Hardings Hotmix PO Box 709 ULVERSTONE TAS 7315	Footpath Construction Massey and Robert Streets	13.09.2022 – 31.12.2023	216,456

Grants and Benefits

In accordance with Section 77 of the *Local Government Act 1993*, the following grants and benefits have been made by Council during the year.

All of these grants were made available by Council to community organisations to help fund their operations and special projects during the year. Council determines its allocations during its budget deliberations and calls for applications in March and October each year. Allocations made to individual groups in previous years have been detailed in the appropriate year's Annual Report.

Total Allocation	2022-23	2021-22	2020-21	2019-20	2018-19
	\$55,165	\$48,004	\$36,868*	\$74,482*	235,005

*Reduction due to changed operations of the Circular Head Tourism Association contribution

Community Grants Round One	\$	Community Grants Round One	\$
Circular Head Kart Club	706	Circular Head Mens Shed	899
Circular Head Christian School	2,900	Circular Head Heritage Centre	993
Circular Head Pony Club	2,650	Forest Primary School P & F	2,596
Rocky Cape Lions Club	2,655	Stanley Discovery Museum	2,169
Wyndarra Centre	3,000		

Community Grants Round Two	\$	Community Grants Round Two	\$
Rocky Cape Lions Club	1,000	Circular Head Boat Club	2,240
Circular Head Football Association	3,000		

Benefits	\$	Benefits	\$
Wyndarra Christmas Hampers	750	NAIDOC Week (schools and celebrations)	450
Christmas Community Lunch	500	Basketball Memorial Scholarship	166
Soroptimist International of Circular Head	480	Circular Head Community & Recreation Centre	85
Rotary Club of Smithton	205		

Other Contributions	\$	Other Contributions	\$
Circular Head Education and Training Consultative Committee	4,450	Tarkine Coast Progress Group	6,770
Circular Head Tourism Association	16,500		

Council provided in-kind support to community organisations, projects and events through the provision of equipment, use of Council facilities, printing and administrative support.

In-kind support was provided to the following community organisations:

Circular Head Arts	Rural Health Tasmania
Soroptimist International of Circular Head	Smithton Lions Club
Circular Head Agricultural Society	Seven-Up Youth Centre
Smithton Library	Wyndarra Centre Inc.
Stanley Town Hall	State Emergency Service
Circular Head Heritage Centre Inc.	Circular Head Health and Wellbeing Collective
Circular Head Football Association	Crystal Theatre Inc
Service Providers Access Network	Circular Head Recreation Advisory Committee
Circular Head Education & Training Consultative Committee	Circular Head Aboriginal Corporation
Circular Head Youth Advisory Council (YAC)	Circular Head Youth Leaders (CHYL)
Stronger Together in Circular Head Group (STICH)	Circular Head Community Road Safety Committee
Circular Head Little Athletics Association	Arthur Pieman Conservation Area Management Committee
Stanley Harvest Market	Smithton Sustainable Living Hub
Circular Head Aboriginal Corporation	Circular Head Child Care Centre

Land Donation

In accordance with Section 72 (1)(da) of the *Local Government Act 1993* Council did not donate any land under Section 77 of the *Local Government Act 1993*.

Ombudsman's Investigations

There was one Ombudsman inquiry in 2022-23 financial year.

Integrity Commission Investigations

No formal investigations were commenced in 2022-23 financial year.

Public Interest Disclosure Statement

Under Section 86 of the *Public Interest Disclosures Act 2002*

Information as to how persons may obtain, or access copies of the current procedures established by the public body under Part 7	Available from Council's website or from the Council office.
The number and types of disclosures made to the public body during the year and the number of those disclosures that the public body determines to be public interest disclosures	Nil
The number of disclosures determined by the public body to be public interest disclosures that it investigated during the year	Nil
The number and types of disclosed matters referred to the public body during the year by the Ombudsman	Nil
The number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate	Nil
The number and types of disclosed matters that the public body has decided not to investigate during the year	Nil
The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation	Nil
Any recommendations of the Ombudsman under this Act that relate to the public body	Nil

Joint Authorities

Under Section 30 (1) *Local Government Act 1993* Circular Head Council participates in a joint authority with the Cradle Coast Authority. The following report provides a summary of activities, budget and performance of Cradle Coast Authority during the 2021-22 financial year.

CEO Cradle Coast Authority (CCA) Report 2021-22

Local government is always a very dynamic space, but for the last twelve months it has been even more interesting against the backdrop of the local government review and the inevitable question as to how it will impact on our future as individual councils and as a region.

The relationship between CCA and the Circular Head Council has always been strong, productive and built on strong relationships. Attendance at workshops allows CCA learn about local priorities and provide information and input on other projects from across the region. Participation in workshops has been even more important this financial year as there are so many new Councillors and a new Mayor. It is also worth noting that the CCA Board and Committees have also welcomed new representative members, including Mayor Blizzard, and three independent directors. Although it is early days there is already evidence of new thinking and new opportunities emanating from the renewal.

The CCA Board is currently developing a strategic plan for the future which will incorporate any relevant outcomes from the Local Government Review, feedback from Council Workshops, the implementation of the Letter of Expectation, NRM strategy and projects, and the Regional Futures Plan; and more broadly reflect community priorities. Central to all work undertaken by CCA is a commitment to sharing and building strong regional partnerships.

The demand for CCA's input and engagement continues to increase, with CCA facilitating multiple meetings, roundtables and providing input and/or feedback to new government policy and initiatives including but not limited to: TasPorts redevelopment, planning, Homes Tasmania, Tasmanian Population Strategy, ReCFIT, Tasmanian Salmon Industry Plan, Regional Land Use Strategy and the Tasmanian Planning Office.

As the Cradle Coast Community Pathway is nearing completion, it is interesting to note that there is much interest in the development of pathways on the western end of the region including Wiltshire Junction to Stanley and Stanley to Smithton. Although the pathway will be a significant asset for the Cradle Coast, the development requires a significant injection of funding and much work.

In late April/May CCA was able to sign off on all funding for the Braddon Truck wash and Effluent Dump Project. Detailed design work has commenced for Stanley and King Island, deeds of agreement for Smithton between CCA, TasWaters and NRE have been finalised and the Request for Tender for Minna Road is currently with the Quantity Surveyors.

CCA continues to work on organisational alignment, however, in the past twelve months there have been few changes to staffing with a small increase in both NRM, the appointment of a Regional Development Manager and staff returns from leave. Our FTE is approximately 19FTEs with a focus on upskilling and realignment rather than large scale recruitment.

In 2022-23, Circular Head Council contribution was \$65,801 Ex GST (\$72,381 GST Inc). Member Councils' contribution totalled \$797,223 ex GST (\$876,945 GST inc.) and a further \$5,154,719 was received from government grants.

I would like to thank and acknowledge the ongoing support and encouragement from Circular Head Council, including the General Manager, Ms Vanessa Adams for her commitment and insights and more recently Mayor Gerard Blizzard for his contribution to the CCA Board, regular participation in forums and his willingness to support the work of CCA.

Regards,



Sheree Vertigan
Chief Executive Office

Progress on Major Projects in Leadership and Governance

	Status
Strategic Plan - facilitator	Not Started
Strategic Plan update - finalisation and community consultation	Completed
Advocate for positive outcomes for the Circular Head community in local government reform including ensuring that service levels are maintained, local representation is maintained, and the financial status of the community is strengthened.	Completed
Facilitate Councillor induction and training program with newly elected Council.	Completed
Stanley Caravan Park lease and property planning	Completed
Policy Manual review	Completed
Budget Repair (annual deficit reduction)	Completed
New customer service system (implementation facilitator)	Not Started
Communication and Engagement Strategy - advertising and promotional resourcing	In Progress
Explore Shared Services under the Murchison Plan	Not Started
Desktop review of Sustainable Murchison Plan	Not Started

ORGANISATIONAL SUPPORT

Circular Head Council will support a positive and innovative culture, enabling best practice delivery that is customer focused. Its' strong leadership will enable the development and empowerment of its people.

	Organisational Support 21-22	Organisational Support 22-23
Expenses	\$2,520,940	\$2,617,868
Income	\$2,004,947	\$2,452,716
Net result	(\$515,993)	(\$165,152)

Council provides the following internal services:

Administrative support	Information Technology
Asset management	Management of Council buildings and properties
Customer service	Financial management
Human Resources and Workplace Health and Safety	Project management

FINANCE

The Comprehensive Income Statement recorded an underlying surplus of \$260,109 compared to a deficit of \$90,087 in 2021/22 (see summary on page 45 of the financial statements).

Compared to the budget of \$500,000 deficit, there were several variances. These include the following:

Income:

- Grant revenue up by \$1,612,344 which includes \$1,381,598 from financial assistance grants (General and Road) received in advance,
- Interest revenue up by \$287,618 which is due to a rise in interest rates, and
- Other income includes additional contributions for road maintenance of \$170,000. This also includes \$50,000 in additional revenue from the new Smithton Visitor Centre.

Expenses:

- Employee benefits were less than budget due to positions not being filled during the year, and positions budgeted for under wages, but put out to contract again (roadside slashing and street/toilet cleaning). This includes wages and associated oncosts. Council's training program was also under budget by \$80,000, and
- Council's cleaning costs were up by \$40,000 on budget. This was mainly at the SWIRL aquatic facility. Capitalised plant and gravel costs were under by \$100,000 due to more of Council's work being outsourced. Contractors were up due to budgeted wages positions being contracted out

such as roadside slashing and street cleaning. Fuel increased by \$40,000. Operational costs of capital works were \$140,000 which was not budgeted in the comprehensive income statement.

Cash moved from \$16.9 million in 2021/22 to \$18.6 million in 2022/23. \$1.4 million is made up of financial assistance grants received in advance.

Council's share in the Water Corporation is 1.46%. Council recorded a net increase on its investment in TasWater of \$752,934 for the year. Council's current investment equates to approximately \$25.6 million in the regional body.

PEOPLE SERVICES

Human Resources (HR) manages workforce data and information, as well as providing professional HR support for management and staff. Human Resources offer services and advice to maximise the value of Council's investment in a skilled workforce to the ultimate benefit of the Council and its stakeholders.

Full Time Equivalent (FTE) by Department				
Department	Number of Staff	FTE	Male	Female
Engineering Services	5	4.84	4	1
Development Services	10	8.7	5	5
Animal Control	1	1	1	-
Civic Governance	3	3	2	1
Community Services	9	4.94	8	1
Corporate Services	17	14.78	4	13
Works & Services	23	23	22	1
Total	68	60.26	46	22

Resource Shared Positions				
Staff	Circular Head	Waratah-Wynyard	Male	Female
Director Community Services	0.20	0.60	-	1
Director Infrastructure and Development Services	1		1	-
Manager Asset Services	0.50	0.50	1	-
Manager of Engineering and Projects	0.50	0.50	1	
Manager Engineering Services	0.50	0.50	1	-
Engineer	0.50	0.50	1	-
Information Technology Coordinator	0.50	0.50	1	-
Geographical Information Systems Officer	0.20	0.80	1	-
Natural Resource Management Officer	0.50	0.50	1	-
Plumbing and Compliance Officer	0.50	0.50	1	-
Total	4.9	4.9	9	1

Staff Turnover	
2022-23	20.28%
2021-22	24.96%
2020-21	11.91%
2019-20	8.27%
2018-19	11.50%
2017-18	7.22%
2016-17	11.52%
2015-16	30.80% *
2014-15	17.49%
2013-14	17.52%
2012-13	17.96%
2011-12	17.44%
2010-11	16.00%
2009-10	15.49%
2008-09	11.48%

* Includes closure of Swimming Pool

INFORMATION SERVICES

IT Services Collaboration

Following the successful development of our Digital Transformation Strategy, Council has taken decisive steps towards its implementation. Phase 1 of the strategy, focused on planning and design, has been successfully executed. During this phase, we meticulously mapped out both the current and future states of our enterprise architecture and application architecture. This comprehensive assessment has provided invaluable insights into our existing systems and has enabled us to chart a clear path towards a more efficient and effective digital landscape.

Additionally, our commitment to process improvement has resulted in the creation of process maps for several key business processes, with a focus on identifying top-ranking processes that can be optimised for greater efficiencies. By carefully mapping out the future state of these processes, we have been able to pinpoint areas where significant enhancements can be made, ultimately leading to improved service delivery and a streamlined customer experience.

A vital component of our change program is the implementation of a two-year roadmap, which serves as a strategic guide for our digital transformation and security efforts. This roadmap will not only drive our work program but also ensure that our digital initiatives are prioritised, aligned with our organisational goals, and executed in a coordinated manner. As we continue to enhance and expand our digital transformation initiatives, we remain dedicated to upholding the principles of our Digital Transformation Strategy - maximising our return on investment, fostering increased productivity, and providing a complete suite of training resources to empower our staff.

The successful implementation of phase 1 and the creation of our comprehensive roadmap exemplify our unwavering commitment to using technology as an enabler for positive change. By continually investing

in associated people, refining our business processes, and fostering a corporate approach to digital transformation, we are confident that Council will achieve its vision of delivering superior services and an unparalleled customer experience in the digital era.

Progress on Major Projects in Organisational Support

	Status
Council Chambers - records room air conditioning	Completed
Council Chambers - structural columns	Completed
Council Chambers carpet ground floor	Not Started
Council customer service area refurbishment	In Progress
Council Offices compound - cleanout and storage fit out	Completed
Customer service system implementation/improvements	Not Started
Ford Ranger - replacement light fleet	In Progress
VW Amarok - replacement light fleet	In Progress
Mazda BT50 - replacement light fleet	In Progress
Mazda BT50 - replacement light fleet	In Progress
Holden Commodore - replacement light fleet	In Progress
Development - replacement light fleet	In Progress
Engineering - replacement light fleet	In Progress
Manager\Director iPad (Laptop)	Completed
Visitor Centre - IT replacement	Completed
Video conference replacement - PCs	Completed
SharePoint migration	Not Started
Cyber Security review	Completed
Councillor iPads	Completed
Council office Wi-Fi replacement	Completed
Mobile device replacement	Completed
Works Depot microwave link upgrade - expectation increased usage	Completed
Navision upgrade	Not Started
IT review outcomes	Completed
New Human Resources system	Not Started
Conquest Asset System upgrade	Completed
Cyber security risk assessment	Completed
InfoCouncil implementation	Completed
Electronic timesheets and employee self-service system	Not Started
Photocopier renewals - changeover costs	Completed
Communications Officer tools	Not Started
Mazda BT 50 – replacement Light Fleet	In Progress
Mazda BT 50 (4WD) - replacement Light Fleet	In Progress
Fleet - Development Services - vehicle replacement Light Fleet	Not Started
Fleet replacement - Engineering	Completed
Fleet replacement - Engineering	Completed
Fleet replacement - Development	Not Started
Vehicle replacement - Civic	Completed
Vehicle replacement - Engineering	Completed
Vehicle replacement - Works & Services	Not Started
Vehicle replacement - Corporate Services	Completed
Light tipper truck – replacement	Completed

CONNECTED COMMUNITIES

The Circular Head community will be inclusive and resilient with a strong sense of belonging. People will be connected to one another and the world around them. The Circular Head community will be connected to its past and engaged in its present, creating a vibrant shared future.

	Connected Communities 21-22	Connected Communities 22-23
Expenses	\$941,059	\$1,035,130
Income	\$76,454	\$181,387
Net result	(\$864,605)	(\$853,743)

Activities included:

Service Providers Access Network	International Women’s Day
Youth Advisory Group (Circular Head Youth Leaders)	Seniors Week
Youth Leadership Programs	Australia Day Celebrations
Community Road Safety Partnerships Program	Circular Head Health and Wellbeing Collective
Social Recovery	Culture, Heritage and Arts (CHArts) Month
Municipal Emergency Management	Circular Head Show
Christmas Parades Smithton and Stanley	Education and Training
Community Christmas Carols Highfield House	

COMMUNITY DEVELOPMENT

International Women’s Day

A breakfast was held on Wednesday 8 March at the Circular Head Community & Recreation Centre to celebrate International Women’s Day. Over 100 people attended and were entertained by singers Breah & Shayla Guest and Annette Dawes. Guest speakers were Council’s General Manager, Vanessa Adams & Smithton Saints import basketball player, Isis Young.



Community Christmas Carols



The Community Christmas Carols at Highfield were held on Sunday 4 December in the grounds of Highfield House at Stanley. A beautiful evening for families to come along and celebrate the beginning of the festive season in a stunning location.

Approximately 500 people enjoyed the

singing, and we thank the volunteers for bringing the event together.



Harmony Day



A Community Connections Event was held on Sunday 23 April at West Esplanade. The day was filled with music, food from different cultures and lots of fun activities for all the family. There was 200+ people attending, and they all enjoyed connecting with new members of our community.

The event was a partnership between Council, Libraries Tasmania, Circular Head Aboriginal Corporation, Rotary Club of Smithton and Soroptimists International of CH. We received funded through Healthy Tasmania partnered with Relationships Australia.



EDUCATION

Science Gig

The 2022 Circular Head Science Gig was held on Monday 15 August 2022 at the Circular Head Community & Recreation Centre. The theme this year was Glass: More Than Meets the Eye. We had a great turnout with over 400 people attending, lots of exhibitors including the Rural Clinical School, Hydro Tasmania, HIPPY, BOM, Smithton Library, the Redpa Primary Robots, Girls Programming Network and a few new ones. We had lots of great entries in the student competitions that were on display.



Mayor's Education Fund Scholarship



The 2023 Mayor's Education Scholarship was awarded to Gypsy Sweetman. Gypsy attended school locally at Smithton High and completed her schooling attending and living at Hellyer College for the past 2 years. She comes from a large family; Gypsy and her four siblings have lived with and been raised by her Nan since she was 11 years old when her mum passed away. Gypsy has been a volunteer for various local organisations and finds that helping others in her spare time helps them and is also good for her own mental health. Gypsy's role model is her mum, who also volunteered and helped the community despite having her own health issues. Gypsy has decided to study a Bachelor of Education (primary) at Utas Launceston Campus. She is also hoping to return to Smithton when she has finished her studies to teach and help others with their journey. She wants to show students that it doesn't matter where you come from but if you put your mind to it, you can do anything you want.

Celebration of Education

On Friday 20 January 2023 a 'Celebration of Education', was hosted by the Circular Head Education and Training Consultative Committee (CHETCC) to recognise the successful recipients of the Mayor's Education Fund, the Soroptimist International of Circular Head's scholarship and the Rotary Club of Smithton's bursary. We heard from Danielle Stone – the Council Workforce Development Project Officer about the Workforce Development Plan and how she's been working with the community.



CULTURAL DEVELOPMENT

Art and Culture Month

Almost 3000 people were involved in the 2022 CHArts Festival, including artists, musicians, local businesses, caterers, volunteers and visitors.

687 people visited the pop-up gallery at 27 King Street while the CHArts portraits were hung at Time Out on Emmett. There were a total of eight different exhibitions held in various locations throughout Circular Head including portraits of Emmerton Park residents created by Jeff Power. Over 200 people exhibited their art and photography works.

Charts signature event 'Sounds Around Town', a mystery walking concert tour again sold out. Hundreds of people enjoyed the variety of events and activities including The Art of Words, an afternoon with harpist Emily Sanzaro, Sip and Paint, GRiT short films and Water Colour workshops which were popular.

CHArts again partnered with The Naked Farmer to shine a light on mental health in rural and remote communities. The official opening was held on September 10 to coincide with International Suicide Prevention Day.

The month again finished with a flower show run by Circular Head Garden Club and a maker's market organised by Mikayla and Annette House. The final event was 'Light Up the Lane' where an Emmett Street laneway was transformed into a small festival area with live music, food and drinks.

Winners in all categories are listed below:

CHArtchibald

Winner	Jeff Power – 'Deb'
Ruth Forrest Prize	Fran Joyce – 'Sleeping 6, Indah Enniss'
Public Vote	Fran Joyce – 'Sleeping 6, Indah Enniss'

Open Art

Winner	Dean Tuson – 'Sunset on Sylvan'
Roger Jaensch Prize	Jeff Power – 'Innocence'
Gavin Pearce Prize	Liz Wigg – 'Wetlands'
Burnie Arts Prize	Tim Broom – 'Robbins Crossing'
Public Vote	Dean Tuson – 'Sunset on Sylvan'

Open Photography

Winner	Leisa Jagello – 'Barrow Litter'
Cow n Calf Gallery Prize	Phillip Wise – 'Cythea Road'
Anita Dow Prize	Lisa Bramich – 'There's No Place Like Home'

Youth Art (Grade 5 -8)

Winner	Saxon Bishop – 'Graffiti Elmo'
Highly Commended	Willow McAlister – 'Flowers'

Youth Art (Grade 9-12)

Winner	Zeritu Heres – 'Stain'
Highly Commended	Amy Spinks – 'Elton'
Highly Commended	Paris Gregory – 'Eddie'

Youth Photography Grade (5-8)

Winner	Dane Brown – 'Seven Miles of Sunset'
Highly commended	Lilly Best – 'Real Deal'
Highly commended	Tilly Power – 'Get Set to Get Wet'

Youth Photography (Grade 9-12)

Winner	Liana Moore – 'Ethereal'
Highly commended	Neriah Moore – 'Rascal'
Highly commended	Tahlia Issom – 'Abandoned to Nature'

Australia Day Awards

The Australia Day Awards were announced at a community breakfast held at the Hall of Fame on Thursday 26 January 2023. A large crowd gathered to recognise and congratulate the inspiring nominees that have volunteered many hours to our community. We also had a citizenship ceremony to celebrate the newest members of our community.



Australia Day Awards were presented to:

Citizen of The Year

Young Citizen of the Year

Senior Citizens of the Year

Community Event of The Year

Jonathan Smith

Iris Cartwright

Milton de Jonge

2022 Circular Head Show



A large crowd enjoyed the spectacular fireworks display to conclude Australia Day.



Day on the Duck

A Day on the Duck was held on Saturday 28 January 2023, 12pm – 6pm. The event proved to be extremely popular attracting approximately 2000 which included more families due to the time change.



The Duck Race was a highlight as the large crowd gathered on the banks of the Duck River to cheer on their ducks.

Many talented locals performed and entertained the crowd with the sensational Kitty and the Heartbeats closing the day.

There were numerous free activities for young people to enjoy and the food vendors were kept extremely busy as everyone enjoyed the variety on offer.

YOUTH

Seven Up Youth Centre

During 2022 Seven Up Youth Centre began operating under new coordinator Nakore Townsend. With continuing generous funding from Rural Health Tasmania, Smithton Christian Fellowship, Treasure Chest and the Patricia Dukes Foundation and Council Seven Up was able to open three afternoons per week and offer some school holiday programs.

Total figures for the year are as follows: Males – 1133, Females – 889, Total – 2022

Youth/School Holiday Programs

Council partnered with Circular Head Aboriginal Corporation to run January summer holiday activities including a skate park day and a trip to the Ulverstone Waterslide and Pedal buggies. Both were well attended. The skate park day included a free BBQ, Loop Jam music activity and lessons with Drop in Skate School. Learn to Surf was also held at Godfrey's Beach in Stanley.

Youth Art and Photography Competition

The Youth Art and Photography Competition is a part of The CHArts Festival in September. In 2022 entries were displayed in the pop-up art gallery.

Youth Leadership – Circular Head Youth Leaders & Circular Head Youth Advisory Council

The 2022 group of Circular Head Youth Leaders (CHYL) participated in a Vinnies Community Sleep out raising awareness of people experiencing homelessness.



CHYL members also participated in NAIDOC week celebrations at Trawmanna and assisted with the 2022 Science Gig.



September 2022 was a busy month for CHYL. The group facilitated a Lifeline Out of the Shadows Walk to remember those lost to suicide and raise awareness for suicide prevention and raised awareness of domestic abuse by supporting Polished Man

CHYL members also assisted with many CHArts Festival activities and launched their own short film at the Stanley Town Hall. The film entitled 'Belonging' showcases special places in Circular Head and is now

available to view on YouTube.

CHYL members also hosted a pool party in September encouraging young people to take advantage of free entry to SWIRL

In December members sold candles at the Community Christmas Carols on behalf of the Wyndarra Centre and dressed up in costumes to participate in the Christmas Parades.

February 2023 saw some new members join CHYL and planning immediately began for a new year of activities.

Some members participated in Random Acts of Kindness Day on February 17 2023.



Many CHYL girls attended Council's International Women's Day breakfast in March 2023.

'Youth Fest' was again a fantastic success in April with over 200 young people attending the event at Riverbend. Free transport was available for young people who were also entertained with Karaoke, indoor inflatables, a flying fox and more.



Deputy Youth Mayor Makayla Buckby and CHYL member Shaelea Billet attended the Suicide prevention LiFE awards.

In June members travelled to Launceston to participate in the 2023 Tasmanian Youth Forum. The theme was Mental Wellbeing and Resilience. Young people were asked to contribute and present their ideas at this free event. A report will be compiled and shared with the Tasmanian government.

Progress on Major Projects in Connected Communities

	Status
Implementation of Youth Strategy	Completed
Review and implement Community Social Recovery plan	Completed
Community Assistance Grant Program delivery	Completed
Deliver Year 3 implementation plan for Health and Wellbeing Plan	Completed
Deliver Year 3 implementation plan for Youth Plan	Completed
Deliver Year 3 implementation plan for Age Friendly Communities Plan	Completed
Establish Circular Head Health and Wellbeing Collective	Completed
Circular Head Heritage Centre underwriting year 1	Completed
Community fund initialisation	Not Started
Celebration Tree remote	Completed
LED Christmas lights – remote access	Completed
ANZAC Park Smithton	Completed
King Park	Completed
Smithton Boat ramps and jetties	In Progress
Nelson Street - Rotaract Park playground	Completed
Stanley Recreation Ground - security system upgrade	Completed
Stanley Recreation Ground -veranda extension	Completed
Stanley Recreation Ground - bar upgrade	Completed
Stanley Recreation Ground - boundary fence	Completed
Smithton Hockey Centre - painting, new doors and floorcoverings	Completed
Circular Head Community Recreation Centre - lighting upgrading	Completed
Stanley Recreation Ground - roof renewal	Completed
Smithton Recreation Ground	Completed
Stanley Recreation Ground – upgrade to amenities block	In Progress
Science Week 2021/2022	Completed
Implement public art projects in consultation with the Public Art Advisory Group	Completed
Explore opportunities to progress a Reconciliation Action Plan with the community	Completed
Science Week program delivery	Completed
Deliver Cultural Heritage and Arts Festival (CHARTS)	Completed

COMMUNITY RECREATION AND WELLBEING

Circular Head will be a place where services, facilities and open spaces provide opportunities for individuals and groups of all ages and abilities to participate in recreational activities that encourage health and wellbeing.

	Community Recreation 21-22	Community Recreation 22-23
Expenses	\$3,206,794	\$3,289,470
Income	\$461,014	\$462,878
Net result	(\$2,745,780)	(\$2,826,592)

SPORT FITNESS AND RECREATION

The provision of services and activities to the community that provide opportunities for individuals and groups to undertake physical activity focused on health and wellbeing:

ANZAC Park	Boat Ramps
King Park	Playgrounds
East Esplanade	Exercise Equipment
West Esplanade	Tennis/Netball Courts
Recreation Advisory Committee	Smithton Recreation Ground
Dip Falls	Stanley Recreation Ground
Brickmakers Beach Reserve	Redpa Recreation Ground
Green Point Beach Reserve	Stanley Town Hall
Walking Tracks	Marrawah Hall
Skate Park	Indoor Sports Centre
Dog Exercise Areas	Hockey Centre
Circular Head Little Athletics	Community and Recreation Centre

Green Point Beach, Marrawah upgrades

The Green Point Beach public toilets has a new roof fitted and an upgrade to the overhead poles and wires.

King Park, Stanley upgrades

The public toilet block had an upgrade of the toilet cisterns, a recoat of the floor and partial upgrade to the roof.



Stanley Recreation Ground

A major section of the roof was replaced, upgrade to safety glass, a new security system and boundary fence. The major project was an upgrade to the Bar, which has provided additional storage, greater refrigeration capacity and efficiency and improved serving areas.



Smithton Hockey Centre upgrades

Upgrades were undertaken to the floor coverings in the hallways and viewing room along with a repaint. Two new external doors were also fitted.

Other Facility Upgrades

- Stanley Town Hall repairs and painting and security upgrade
- Tatlow's Beach toilets fixture upgrades
- ANZAC Park Pre Kinder full external re-paint
- Circular Head Community Recreation Centre upgrade to the lighting

SWIRL – Smithton Wellbeing Indoor Recreation and Leisure

As of 30 June 2023, SWIRL memberships included 239 full access or aquatic members and 175 Swim School members. The total number of facility entries were 29,360.

A 12-month trial for under 16 free entry commenced in October as an extension to previously offered free entry during school holidays. This resulted in a total of 4,768 free entries for under 16 visitors for the period 1 October to 30 June.

GOswim and Adult Swim classes continue to be promoted at the facility and new Swim School staff have been a great addition in attracting participants to these classes.

The Health Club and Begin Program have continued to grow with 3,263 Health Club attendances since commencing the Begin Program in January 2022.

Progress on Major Projects in Community Recreation and Wellbeing

	Status
West Esplanade dump point relocation design	In Progress
General urban parks bins	Completed
ANZAC Park Play Centre - repaint building	Completed
ANZAC Park Play Centre - replace eastern window	Completed
King Park toilet - renewals	Completed
Tatlows Beach toilet - external and internal repaint, fixture upgrade	Completed
Green Point BBQ pavilion and toilet block	Completed
Smithton Wharf security gate	Completed
Tier Hill Lookout structure - geotechnical design and Investigation	Not Started
Tier Hill scenic look out design and geotechnical investigation for viewing	Not Started
Smithton Marina - future planning	Completed
Open Space and Recreation Plan actions	In Progress
SWIRL maintenance planning for facility and systemisation	Completed
King Park BBQ shelter	Completed
Camping strategy development - facilitation to develop strategy for consultation	Not Started
Circular Head Community Recreation Centre underwriting – Circular Head Saints year 1	Completed
2 x practice cricket pitches	Completed
Review of fees and charges for sporting facilities	In Progress
Stanley Town Hall - upgrade security system	Completed
Stanley Town Hall - painting	Completed
Stanley Town Hall - wall and floor repairs	Completed
Activation new heritage museum	Completed
Marine Park	Completed

ECONOMIC PROSPERITY

Circular Head will benefit from a vibrant and diverse economy built on competitive advantage, resource advantage and evidence-based leadership.

	Economic Prosperity 21-22	Economic Prosperity 22-23
Expenses	\$355,350	\$555,102
Income	\$84,992	\$399,478
Net result	(\$270,358)	(\$155,624)

ECONOMIC DEVELOPMENT

Council’s activities of note for the 2022-23 year included:

- Renewal of our Memorandum of Understanding with Circular Head Tourism Association for a 3 year period, focussed on increasing tourism and length of stay.
- Ongoing work on a Settlement Strategy to provide for new land releases and support growth in population
- Stanley Church Street, Master Plan development designed to support local business
- Engaged with the Department of State Growth Renewable Energy team to understand the benefits a Renewable Energy Zone might bring to the area
- Engaged with Homes Tasmania to lobby for more housing, including affordable and social housing.

Workforce Development Project

Circular Head Council developed and delivered the Circular Head Workforce Planning Study in conjunction with the Circular Head Education and Training Consultative Committee (CHETCC) under the Energising Tasmania initiative with the following specific project objectives:

- Better linkage of regional workforce planning to regional economic development.
- Improved collaboration and dialogue between industries and regional bodies.
- Finding ways to achieve a better connection between jobs seekers, the needs of employers and the education sector.
- Improved employment outcomes and participation for disadvantaged members of the Circular Head community.



The study focussed on our key industries and has given us a greater understanding of the workforce challenges and opportunities in the region; together with capability to deliver key actions identified in the study.

A Workforce Development Officer attached to the Workforce Planning Study was set the task of prioritising the actions and objectives outlined in the Study and engaging with stakeholders in business, industry, education and training.



The Workforce Development Officer promoted the plan to a large cross-section of the Circular Head Community and its supporters and encouraged linkages between stakeholders to drive new initiatives and actions. It is evident after the project concludes that these connections and the collaboration driven by the project will continue to be amplified and service Circular Head well into the future.

Many of the objectives & actions of the Workforce Planning Study continue to be delivered & implemented by Council, CHETCC, West North West Working and other stakeholders.

Progress on Major Projects in Economic Prosperity

	Status
Develop a municipal economic profile	Not Started
Settlement Strategy development	In Progress
Settlement Strategy	In Progress
Tarkine Coast Progress Group - MOU funding	Completed
Visitor Economy Plan - facilitator	Not Started
Circular Head Tourism Association Memorandum of Understanding renewal	Completed
Workforce Development Plan completion and implementation	Completed

TRANSPORT AND ACCESS

Circular Head will be a place where a safe, fit-for-purpose and sustainable transport and access network is provided and maintained for present and future community needs.

	Transport and Access 21-22	Transport and Access 22-23
Expenses	\$5,231,034	\$5,132,883
Income	\$3,244,931	\$4,245,698
Net result	(\$1,986,103)	(\$887,185)

The Circular Head municipality is serviced by approximately 768 km of road network, made up of approximately 307 km of sealed roads and 460 km of unsealed gravel roads.

In addition, 111 bridges and culverts serve the community, of which 31 are of timber construction. There are approximately 45km of footpaths, approximately 45km of stormwater maintained, 52km of kerb and channel, and numerous associated items such as guardrail, guideposts, signs, culverts, roundabouts, street seating and traffic islands, which Council provide and maintain as part of the transport network.

Given the high level of primary and secondary production in this municipality across a wide range of industries, an efficient transport network plays a crucial role. Council's road network carries a relatively high proportion of heavy vehicles (average 17%). This places increased demands on road and maintenance programs.

TRANSPORT INFRASTRUCTURE

Trowutta Road

Council undertook road rehabilitation and sealing works on Trowutta Road during 2022-23, which included the resealing of sections between the junction of Trowutta Road (Lower Scotchtown) and Grooms Cross Road Irishtown to Edith Creek, totalling approximately 4.35km. The works addressed surface deterioration, underlying pavement issues and improved traffic safety.



Electrical Vehicle Charging Station



Council entered into an agreement with Electric Highway Tasmania Pty Ltd to facilitate the installation of an electrical vehicle charging station and associated parking bays in the King Street Carpark, Smithton. Council provided the land under a lease agreement to allow the installation, which was substantially completed during the 2022-2023 year. The facility is due to be commissioned in the latter half of 2023.

Bridge Replacements

Three ageing timber bridges in Circular Head were replaced by Council during 2022-2023, with partial funding received from the Commonwealth Government funding through the Bridges Replacement Program (BRP). The bridges were located at Bills Road Roger River, Newhaven Road Mawbanna, and Poilinna Road Edith Creek, with the new structures improving traffic safety, load carrying capacity for essential freight traffic and lowering ongoing maintenance and replacement costs for the community.



New Footpaths – Robert and Massey Streets, Smithton



Council has undertaken installation of new concrete footpaths in Robert and Massey Streets in Smithton, successfully gaining partial funding through the federal Local Roads and Community Infrastructure (LRCI) program. The Robert Street footpath was installed between Nelson and Emmett Streets, and the Massey Street footpath was extended between Smith and Maurice Streets for increased pedestrian accessibility.

Road Network Resurfacing

To maintain pavement integrity and traffic safety on Councils sealed road network, periodic resealing is carried out on an annual basis. During 2022-23 financial year approximately 137,000m² of the sealed road network was resurfaced in various locations.

Old Stanley Road & Upper Scotchtown Road – Upgrade to Sealed Standard

Council commenced works on Upper Scotchtown Road and Old Stanley Road to upgrade sections of unsealed road, totalling 2.6km, to sealed standard. These works will improve traffic safety, drivability, and the amenity of the nearby residential properties. The works are planned to be completed during the 2023-2024 financial year.

Progress on Major Projects in Transport and Access

	Status
Old Stanley Road - upgrade and seal	In Progress
Upper Scotchtown Road - upgrade and seal	In Progress
Blackwood Road - tree removal	Completed
Trowutta Road, South Road, Mengha Road, Montumana Road - shouldering and drainage works	In Progress
Traffic counter replacement	Completed
Massey Street (Maurice Street to Smith Street) construct footpath behind existing kerb	Completed
Robert Street footpath	Completed
Trowutta Road - pavement rehabilitation	Completed
Upper Scotchtown Road	In Progress
Yanns Road bridge widening	In Progress
Poillina Road - Duck River	In Progress
Bills Road - Spinks Creek	Completed
Poillina Road - Birthday Creek	In Progress
Red Marsh Road - Welcome River	Completed
Newhaven Road - Black River	Completed
Rural road safety audit items	In Progress
Annual Resheet programme	Completed
Arthur River Road - surface	Completed
Arthur River Road shoulder - surface	Completed
Giddens Road - surface	In Progress
Montagu Road - surface	Completed
Ollington Street - surface	Completed
Yanns Road - surface	Completed
Victoria Street - surface	Not Started
Bugg Street - surface	Completed
Church Street - surface	Completed
Cripps Street - surface	Completed
East Esplanade - surface	Completed
Edwardes Street - surface	Completed
Fossey Street - surface	Completed
Grant Street - surface	Completed
Hale Street - surface	Completed
Hellyer Street - surface	Completed
Lee Street - surface	Completed
Nelson Street - surface	Completed
West Esplanade - bottom car park	Completed
West Esplanade - car park area adjacent to road	Completed
Stanley Norfolk Island pine tree maintenance	Completed
Scotchtown Road pedestrian bridge - Coventry Creek	Completed
Upper Grant Street - Brittons Road to Senior Avenue - project planning and design	Completed
Stanley Main Street - upgrade planning (inc. Church Street Precinct Master Plan)	In Progress
Green Point Road - resurfacing and drainage	Completed
Rural road safety audit	In Progress
Rural road safety audit items	Completed
Maguires Road - surface reseal	Not Started
Trowutta Road - surface reseal	Completed

Trowutta Road - surface reseal	Completed
Trowutta Road - surface reseal	Completed
Trowutta Road - surface reseal	Completed
Trowutta Road - surface seal	Completed
Rural road safety audit items	Completed
Davis Street (Smith Street to East Esplanade) - design	In Progress

ENVIRONMENT

The world class environment of Circular Head will be respected and enhanced. Planning for and promoting its sustainable management and use will ensure a safe, healthy and unique lifestyle.

	Environment 21-22	Environment 22-23
Expenses	\$2,290,855	\$2,353,146
Income	\$3,096,427	\$3,289,238
Net result	\$805,572	\$936,092

Council provides the following Environment services:

Environmental Health and Regulatory Services	Waste Resource
Natural Environment Management	Water Resource Management

Town Planning

Council is responsible for undertaking a wide range of planning related regulatory functions including strategic land use planning, development control and legislative enforcement. The *Local Government Act 1993* and the *Land Use Planning and Approvals Act 1993* outline the main roles of Council in relation to its town planning responsibilities whilst the Planning Scheme provides the direction for the Council and the community for development within the municipal area.

Council received a total of 151 development applications. These are broken down into 71 Discretionary applications, 16 Subdivisions, 11 Permitted applications and 53 applications determined to be No Permit Required. This is a demonstration of Council's planning staff working with applicants to find the simplest pathway through the planning process. For a second year the applications have included medium-large subdivisions in Smithton and Stanley to address growth and housing shortages. There have been four consecutive years of strong development application numbers, which appears to be the result of a surge of interest from interstate purchasers.

This year we continued to process the Robbins Island wind farm application, and the issuing of a Permit for the Robbins Island Wind Farm in February 2023 is now the subject of an appeal.

With regards to strategic planning, we have commenced a Settlement Strategy for Circular Head, a Master Plan for Church Street Stanley and are completing the Scenic Values Assessment and Management plans.

Consultants ERA have been engaged to develop a Settlement Strategy to create a clear vision for the future of our area. It will have clear objectives to maximise opportunities and address challenges and be

fully supported by extensive research and consultation with the community. The final Settlement Strategy aims to be adopted by Council in 2023/24.

The Scenic Values Assessment and Management project recommends the development of the Scenic Protection Code in the planning scheme to provide an extra level of protection for areas with high scenic values, this code has begun to be written.

The development of the Church Street Precinct Master Plan document commenced with the engagement of consultants Jensen PLUS and Complete Streets, who facilitated onsite community engagement sessions held in May 2023. The final document is scheduled to be presented to Council for endorsement prior to the end of 2023.

Progress on Major Projects in Environment

	Status
Scenic Protection implementation	In Progress
Scenic protection overlay stage 2	Completed
Regional Land Use Strategy review	In Progress
Environmental Plan development	In Progress
Devil road kill mitigation	Completed
Community fund renewable energy	In Progress
Public Place recycling	Completed
Main Road kerb and channel design	Completed
Stanley Stormwater system modelling and options analysis	In Progress
Stanley Main drain - upgrade open drain	Not Started
Gully Pit upgrade / replacement	Completed
Manholes upgrade / replacement	Completed
Excavator - 20T - Port Latta Landfill	Completed
2 tonne tandem Bomag Roller	Completed
Stormwater inspection camera	Completed
Port Latta Cell 6 wall raising	Completed
White Hills transfer station - security cameras	Completed
Smithton Landscape Development Strategy - Duck River Bridge	Not Started
Landscape Plan development - street planting	Not Started
Port Latta landfill gas management plan	Completed
Port Latta hydrological review	Completed
Port Latta cell 3 design	In Progress
Port Latta rehabilitation & aftercare plan	Completed
Landfill Levy Readiness Grant Program – Port Latta Weighbridge	Completed
Urban Drainage Bill investigations and Stormwater Management Plans for urban areas	In Progress
Gully Pit upgrade/replacement	Not Started
Manholes/upgrade replacement	Not Started
Stormwater network audit	Not Started
Waste Strategy 2019-2024 - Explore opportunities to reduce organic waste to landfill (FOGO feasibility review)	In Progress
Waste Strategy 2019-2024 - Develop an audit program to confirm compliance with environmental legislation	In Progress

THE YEAR AHEAD

•	6.5% General Rate revenue increase
•	\$1,350,000 Rural Road resheeting
•	\$4,400,000 New waste cell at Port Latta
•	\$ 620,000 Upper Grant Street upgrade
•	\$ 240,000 Capping of old cells at Port Latta
•	\$ 140,000 Replacement of roller
•	\$ 50,000 Wedge Street playground refurbishment
•	\$ 50,000 Cyber security upgrades
•	\$ 50,000 Future of Local Government reform outcomes
•	\$ 31,000 Skate Park repairs and resurfacing
•	\$ 10,000 Planning and design of stormwater and drainage at Smithton Recreation Ground
•	Future community visioning project



Independent Auditor's Report
To the Councillors of Circular Head Council
Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Circular Head Council (Council), which comprises the statement of financial position as at 30 June 2023 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification signed by the General Manager.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2023 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report, the asset renewal funding ratio disclosed in note 9.5(f), nor the Significant Business Activities disclosed in note 9.4 to the financial report and accordingly, I express no opinion on them.

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

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Valuation of property and infrastructure Refer to notes 6.1 and 8.8	
<p>At 30 June 2023, Council's assets included land, land under roads, buildings and infrastructure assets, such as transport infrastructure and stormwater and drainage assets valued at fair value totalling \$214.23 million. The fair values of these assets are based on market values and current replacement cost.</p> <p>Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value. In between valuations, Council considers the application of indexation to ensure the carrying values reflect fair values.</p> <p>During 2022-23, Council undertook a full revaluation of stormwater and drainage assets. Indexation was applied to land, buildings and transport infrastructure assets. The valuations were determined by experts and are highly dependent upon a range of assumptions and estimated unit rates.</p>	<ul style="list-style-type: none"> • Assessing the scope, expertise and independence of experts involved to assist in the valuations. • Evaluating the appropriateness of the valuation methodology applied to determine fair values. • Critically assessing assumptions and other key inputs into the valuation model. • Reviewing the mathematical accuracy of valuation model calculations. • Evaluating indexation applied to assets between formal valuations. • Reviewing the reconciliation of asset balances in the general ledger to the underlying fixed asset register. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

Responsibilities of the General Manager for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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



David Bond
Assistant Auditor-General
Delegate of the Auditor-General
Tasmanian Audit Office

6 December 2023
Hobart

**Statement of Comprehensive Income
For the Year Ended 30 June 2023**

	Note	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$
Income from continuing operations				
Recurrent income				
Rates and charges	2.1	9,454,637	9,489,704	9,044,919
Statutory fees and fines	2.2	424,800	459,893	694,689
User fees	2.3	2,161,848	2,252,914	2,091,364
Grants	2.4	3,765,438	5,377,782	4,702,537
Interest	2.5	30,000	317,618	13,405
Other income	2.6	282,526	573,397	375,867
Investment revenue from Water Corporation	2.8, 5.1	379,000	379,200	379,200
		16,498,249	18,850,508	17,301,981
Capital income				
Capital grants received specifically for new or upgraded assets	2.4	2,409,724	1,635,865	785,048
Contributions - non-monetary assets	2.9	-	1,446,778	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.7	-	(24,383)	(202,270)
		2,409,724	3,058,260	582,778
Total income from continuing operations		18,907,973	21,908,768	17,884,759
Expenses from continuing operations				
Employee benefits	3.1	(6,140,640)	(5,691,018)	(5,505,015)
Materials and contracts	3.2	(3,226,277)	(3,759,228)	(3,192,207)
Depreciation and amortisation	3.3	(5,209,592)	(5,438,775)	(5,175,095)
Finance costs	3.4	(1,226)	(3,495)	(1,151)
Other expenses	3.5	(2,368,194)	(2,532,950)	(2,167,843)
Total expenses from continuing operations		(16,945,929)	(17,425,466)	(16,041,311)
Result from continuing operations		1,962,044	4,483,302	1,843,448
Net result for the year		1,962,044	4,483,302	1,843,448
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	5.1,8.1	-	752,934	712,430
Net asset revaluation increment/(decrement)	8.1	-	18,266,378	8,261,327
Total Other Comprehensive Income		-	19,019,312	8,973,757
Total Comprehensive result		1,962,044	23,502,614	10,817,205

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

**Statement of Financial Position
As at 30 June 2023**

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	4.1	18,621,448	16,930,604
Trade and other receivables	4.2	1,639,729	610,687
Inventories	4.3	89,688	91,928
Other assets	4.4	119,052	62,001
Total current assets		20,469,917	17,695,220
Non-current assets			
Investment in water corporation	5.1	25,580,220	24,827,286
Property, infrastructure, plant and equipment	6.1	232,469,227	207,154,757
Intangible assets	6.3	173,659	100,371
Right-of-use assets	6.2	62,182	27,621
Total non-current assets		258,285,288	232,110,035
Total assets		278,755,205	249,805,255
Liabilities			
Current liabilities			
Trade and other payables	7.1	2,444,747	1,364,955
Provisions	7.2	1,217,763	1,221,213
Lease liabilities	7.3	2,561	1,896
Total current liabilities		3,665,071	2,588,064
Non-current liabilities			
Provisions	7.2	4,410,015	80,910
Lease liabilities	7.3	66,948	25,724
Total non-current liabilities		4,476,963	106,634
Total liabilities		8,142,034	2,694,698
Net Assets		270,613,171	247,110,557
Equity			
Accumulated surplus		149,135,160	144,651,858
Reserves	8.1	121,478,011	102,458,699
Total Equity		270,613,171	247,110,557

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

Statement of Cash Flows
For the Year Ended 30 June 2023

	2023	2022
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$	\$
Cash flows from operating activities		
Rates	9,514,147	9,039,494
Statutory fees and fines	459,893	694,689
User charges and other fines	2,097,681	3,196,219
Grants	5,377,782	5,140,937
Interest received	317,618	13,405
Investment revenue from water corporation	379,200	379,200
Net GST refund/(payment)	896,044	672,220
Payments to suppliers	(3,975,218)	(4,121,194)
Payments to employees	(5,675,797)	(5,601,857)
Finance costs paid	(3,495)	(1,151)
Other payments	(2,489,654)	(2,168,590)
Net cash provided by (used in) operating activities	6,898,201	7,243,372
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(6,999,992)	(5,584,474)
Proceeds from sale of property, infrastructure, plant and equipment	156,770	287,777
Capital grants	1,635,865	785,048
Net cash provided by (used in) investing activities	(5,207,357)	(4,511,649)
Cash flows from financing activities		
Repayment of interest bearing loans and borrowings	-	-
Net cash provided by (used in) financing activities	-	-
Net increase (decrease) in cash and cash equivalents	1,690,844	2,731,723
Cash and cash equivalents at the beginning of the financial year	16,930,604	14,198,881
Cash and cash equivalents at the end of the financial year	18,621,448	16,930,604

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

Statement of Changes in Equity For the Year Ended 30 June 2023

	Note	Accumulated	Asset	Fair Value	Other	Total
		Surplus	Revaluation	Reserve	Reserves	Equity
2023		2023	2023	2023	2023	2023
		\$	\$	\$	\$	\$
Balance at beginning of the financial year		144,651,858	99,579,703	2,739,661	139,335	247,110,557
Net result for the year		4,483,302	-	-	-	4,483,302
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	5.1,8.1	-	-	752,934	-	752,934
Net asset revaluation increment/(decrement)	8.1	-	18,266,378	-	-	18,266,378
Total comprehensive income		149,135,160	117,846,081	3,492,595	139,335	270,613,171
Balance at end of the financial year		149,135,160	117,846,081	3,492,595	139,335	270,613,171

	Note	Accumulated	Asset	Fair Value	Other	Total
		Surplus	Revaluation	Reserve	Reserves	Equity
2022		2022	2022	2022	2022	2022
		\$	\$	\$	\$	\$
Balance at beginning of the financial year		142,808,410	91,318,376	2,027,231	139,335	236,293,352
Net result for the year		1,843,448	-	-	-	1,843,448
Other Comprehensive Income:						
Fair Value adjustment on equity investment assets	5.1,8.1	-	-	712,430	-	712,430
Net asset revaluation increment/(decrement)	8.1	-	8,261,327	-	-	8,261,327
Total comprehensive income		144,651,858	99,579,703	2,739,661	139,335	247,110,557
Balance at end of the financial year		144,651,858	99,579,703	2,739,661	139,335	247,110,557

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

**Circular Head Council
Financial Report
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Note 1 Overview

1.1 Reporting entity

- (a) The Circular Head Council was established on 27 August 1907 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 33 Goldie Street Smithton.
- (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.

1.2 Basis of accounting

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

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

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

This financial report has been prepared under the historical cost convention, except where specifically stated in the notes.

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

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, and material subsidiaries or joint ventures, have been included in this financial report. All transactions between these entities and Council have been eliminated in full.

1.3 Use of judgements and estimates

Judgements and Assumptions

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

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

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

Employee entitlements

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 7.2.

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 8.5.

Fair value of property, infrastructure, plant & equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, infrastructure, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in note 6.1.

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 5.1.

Landfill / Tip Rehabilitation

Assumptions and judgements are utilised in determining its provision for rehabilitation for the Port Latta landfill site are discussed in note 7.2.

1.4 Material Budget Variations

Council's original budget was adopted by the Council on 21 July 2022. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity, the weather, and by decisions made by the Council. Material variations of more than 10% are explained below:

Revenues

1 Grants

The variations for both operating and capital was up \$1,381,598 due to the early receipt of Commonwealth funding. The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. Since 2011-12 the Commonwealth has been making early payment of instalments for the following year. As a general grant that is untied and without performance obligations, Council recognises grant revenues when received. This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher in both years by these amounts. With fewer instalments due to be received next year, the reverse effect may occur, however future payments remain at the Commonwealth's discretion. See note 9.5 for impact on net result.

2 Interest

Due to higher interest rates, Council's interest revenue significantly exceeded the budget estimate for the year.

3 Other income

Council's claim from State Growth for the maintenance of the Arthur River and Temma Rd's was \$170,000 more than budget, and sales included an additional \$50,000 from the new Smithton Visitor Centre.

Expenses

4 Employee benefits

Employee benefits were less than budget due to positions not being filled during the year, and positions budgeted for under wages, but put out to contract again (roadside slashing and street/toilet cleaning). This includes wages and associated oncosts. Council's training program was also under budget by \$80,000.

5 Materials and contracts

Council's cleaning costs were up by \$40,000 on budget. This was mainly at the SWIRL aquatic facility. Capitalised plant and gravel costs were under by \$100,000 due to more of Council's work being outsourced. Contractors were up due to budgeted wages positions being contracted out such as roadside slashing and street cleaning. Fuel increased by \$40,000. Operational costs of capital works were \$140,000 which was unbudgeted.

1.5 Functions/Activities of the Council

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

	Grants	Other	Total Revenue	Total Expenditure	Surplus/ (Deficit)	Assets
	\$	\$	\$	\$	\$	\$
Civic Governance						
2022 - 2023	-	-	-	855,924	(855,924)	-
2021 - 2022	-	968	968	833,528	(832,560)	31,354
Transport infrastructure						
2022 - 2023	3,745,182	488,151	4,233,333	5,103,062	(869,729)	163,138,318
2021 - 2022	2,876,476	351,910	3,228,386	5,189,013	(1,960,627)	152,480,566
Stormwater and drainage						
2022 - 2023	-	367,463	367,463	415,649	(48,186)	10,841,929
2021 - 2022	15,000	346,995	361,995	454,161	(92,166)	9,777,774
Solid waste management						
2022 - 2023	2,100	2,874,797	2,876,897	1,814,632	1,062,265	7,112,380
2021 - 2022	-	2,688,757	2,688,757	1,729,786	958,971	1,644,135
Advocacy						
2022 - 2023	-	-	-	175,078	(175,078)	-
2021 - 2022	38	-	38	164,398	(164,360)	-
Social and community						
2022 - 2023	-	427,302	427,302	1,525,282	(1,097,980)	962,788
2021 - 2022	-	623,118	623,118	1,421,992	(798,874)	1,092,975
Community development						
2022 - 2023	11,294	41,909	53,203	618,533	(565,330)	1,230,822
2021 - 2022	17,400	12,199	29,599	578,163	(548,564)	1,083,503
Parks and reserves						
2022 - 2023	-	518,520	518,520	3,432,496	(2,913,976)	30,708,763
2021 - 2022	21,780	504,738	526,518	3,322,065	(2,795,547)	21,245,754
Other - not attributable						
2022 - 2023	3,255,071	10,176,979	13,432,050	3,484,810	9,947,240	64,760,205
2021 - 2022	2,556,891	7,868,489	10,425,380	2,348,205	8,077,175	62,449,194
Total						
2022 - 2023	7,013,647	14,895,121	21,908,768	17,425,466	4,483,302	278,755,205
2021 - 2022	5,487,585	12,397,174	17,884,759	16,041,311	1,843,448	249,805,255

1.5 Functions/Activities of the Council (Continued)

(b) Reconciliation of Assets above with the Statement of Financial Position at 30 June:

	2023	2022
	\$	\$
Current assets	20,469,917	17,695,220
Non-current assets	258,285,288	232,110,035
	<u>278,755,205</u>	<u>249,805,255</u>

(c) Civic Governance

The provision of elected representation and the executive support allowing for positive and clear leadership for the Circular Head Community.

Transport infrastructure

Construction, maintenance and cleaning of roads, footpaths, drainage works, street lighting, bridges, parking facilities and traffic signs.

Stormwater and drainage

The provision of stormwater/drainage services to the residents of Smithton and Stanley.

Solid waste management

The provision of services associated with the collection and disposal of garbage to the residents of the Municipal Area.

Advocacy

To allow Council the opportunity to continually raise the profile of the Circular Head Council and the district at State and National levels, including representation in local government regional, state and federal bodies.

Social and community

The delivery of development services to the community including the provision of health, building, planning, immunisations and animal control.

Community Development

To encourage participation in the events and activities of the Circular Head area, the Council acts as a facilitator to help local community organisations gain access to other funding opportunities.

Parks and reserves

The provision of recreational facilities including sports grounds, parks and reserves throughout the community.

Other - not attributable

General Services and activities not identifiable with the foregoing functions.

	2023	2022
	\$	\$
Note 2 Revenue		
Note 2.1 Rates and charges		
Council recognises revenue from rates and annual charges for the amount it is expected to be entitled to at the beginning of the rating period to which they relate, or when the charge has been applied. Rates and charges in advance are recognised as a financial liability until the beginning of the rating period to which they relate.		
Council uses the Valuer General's assessed annual value as the basis of valuation of all properties within the municipality. The assessed annual value of a property is its estimated rental for the year.		
The valuation base used to calculate general rates for 2022-23 was \$143,169,080 (2021-22 \$99,659,820). The 2022-23 rate in the dollar was 5.0813269 cents (2021-22, 8.048742 cents).		
General rate	7,953,546	7,615,235
Stormwater rates	367,463	346,995
Waste collection rates	1,148,817	1,066,299
Rate penalties	19,878	16,390
Total rates and charges	9,489,704	9,044,919

The date of the latest general revaluation of land for rating purposes within the municipality was in 2018/19, and the valuation was first applied in the rating year commencing 1 July 2019.

Accounting policy

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

Note 2.2 Statutory fees and fines

Infringements and costs	890	1,814
Town planning fees	139,815	325,833
Land information certificates	72,116	107,374
Other fees and fines	247,072	259,668
Total statutory fees and fines	459,893	694,689

Accounting policy

Fees and fines are recognised when or as the performance obligation is completed, or when the taxable event has been applied and Council has an unconditional right to receive payment.

Note 2.3 User fees

Solid waste charges - Port Latta	1,287,608	1,185,663
Heavy vehicle tax	298,632	298,632
Sales - private works	255	26,937
Sales - other	91,843	29,626
Dog registration fees	36,663	39,203
SWIRL aquatic facility user charges	402,097	399,817
Other fees and charges	135,816	111,486
Total user fees	2,252,914	2,091,364

Accounting policy

Council recognises revenue from user fees and charges when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

	2023	2022
	\$	\$
Note 2.4 Grants		
Grants were received in respect of the following:		
Summary of grants		
Federally funded grants	4,976,344	4,652,862
State funded grants	803,241	805,365
Others	1,234,062	29,358
Total	7,013,647	5,487,585
Grants - Recurrent		
Commonwealth Government Financial Assistance Grants - General Purpose (Untied)	2,034,403	1,779,106
Commonwealth Government Financial Assistance Grants - Roads (Untied)	2,941,941	2,873,756
Department of State Growth - Community Workforce planning	65,908	-
National Australia Day Council Limited - Day on the Duck	9,980	16,000
Rural Health Tasmania - LDAT I AM Project - Mentoring	-	1,400
Mental Health Co - Mental Health Week - Save your bacon	855	-
UTAS College of Sciences and Engineering - Tasmania National Science week	2,500	2,500
Crade Coast Waste Management Group - Public Place Recycling	2,100	-
Department of Natural Resources and Environment - Landfill Levy Readiness Grant	-	14,775
Community Road Safety - Full Gear Program	21,450	-
Department of Communities ,Sport and Recreation - 2021 Election Commitment	-	15,000
Department of Health - Community Connections Roadshow	20,000	-
Department of Premier and Cabinet - Australia Day planning and activities	1,315	-
Department of Premier and Cabinet - Stanley Recreation Ground facilities upgrade	132,330	-
Libraries Tasmania - 26TEN Communities program funding	145,000	-
Total recurrent grants	5,377,782	4,702,537
Capital grants received specifically for new or upgraded assets		
Department of State Growth - MASH Terminals Replacement Project - Duck River Bridge	-	53,937
Department of State Growth - SRRP Funding - Mella Road Shoulder Widening	-	307,577
Department of State Growth - Heavy Vehicle Safety Productivity Program	-	(438,400)
Department of State Growth - Havelock St pedestrian Crossing	-	28,207
Department of State Growth - Stanley Main Rd footpath extension	-	37,972
Department of State Growth - Vulnerable Road User Program - Hotmix	-	47,982
Dulverton Regional Waste Management - Installation of Light White Hills	-	6,738
Department of Communities Tasmania - Practice Cricket Pitches	-	21,780
40 South Dairies Pty Ltd - Donalds Road Sink Hole Remediation Works 50%	-	2,720
Department Infrastructure Transport and Regional Development and Communications (Local Roads and Community Infrastructure Program Round 3)	803,241	162,715
Department of State Growth - PDLM 2 Milestone 2	-	520,081
Department of State Growth - Emmett Street DDA VRUP Works 50%	-	13,302
Department of State Growth - Bridges renewal program - Poilinna Rd	335,316	-
Department of State Growth - Bridges renewal program - Bills Rd	216,890	-
Department of State Growth - Bridges renewal program - Newhaven Rd	280,418	-
Department of State Growth - SRRP Project Round 1 - Upper Scotchtown Road	-	20,437
Total capital grants	1,635,865	785,048

	2023	2022
	\$	\$
Note 2.4 Grants (Continued)		
Unspent grants and contributions		
Grants and contributions which were obtained on the condition that they be spent for specified purposes or in a future period, but which are not yet spent in accordance with those conditions, are as follows:		
Operating		
Balance of unspent funds at 1 July	-	73,864
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	145,000	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	-	(73,864)
Balance of unspent funds at 30 June	<u>145,000</u>	<u>-</u>
Capital		
Balance of unspent funds at 1 July	-	573,426
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	-	-
Less: Funds received in prior year but revenue recognised and funds spent in current year	-	(573,426)
Balance of unspent funds at 30 June	<u>-</u>	<u>-</u>
Total unspent funds	<u>145,000</u>	<u>-</u>

Accounting policy
Council recognises untied grant revenue and those without performance obligations when received. In cases where there is an enforceable agreement which contains sufficiently specific performance obligations, revenue is recognised as or when control of each performance obligations is satisfied. (i.e. when it transfers control of a product or provides a service.) A contract liability is recognised for unspent funds received in advance and then recognised as income as obligations are fulfilled.
Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control. Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have a continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.
If the transaction is a transfer of a financial asset to enable Council to acquire or construct a recognisable non-financial asset to be controlled by Council (i.e. an in-substance acquisition of a non-financial asset), a contract liability is recognised for the excess of the fair value of the transfer over any related amounts recognised and revenue as the unspent funds are expended at the point in time at which required performance obligations are completed.
For construction projects, this is generally as the construction progresses in accordance with costs incurred, since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin. For the acquisitions of assets, revenue is recognised when the asset is acquired and controlled by the Council.
In both years the Commonwealth has made early payment of quarterly instalments of untied Financial Assistance Grants for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally allocated in 2022-23 by \$1,381,598 (2021-22, \$1,148,487). This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher by the same amount.

Note 2.5 Interest		
Interest on cash and cash equivalents	317,618	13,405
Total Interest	<u>317,618</u>	<u>13,405</u>

Accounting policy
Interest income
Interest is recognised progressively as it is earned.

Note 2.6 Other income		
Road maintenance contribution	182,219	47,344
Other Revenue	144,037	126,522
Resource Sharing	247,141	202,001
Total other income	<u>573,397</u>	<u>375,867</u>

	2023	2022
	\$	\$
Note 2.7 Net gain/(loss) on disposal of property, infrastructure, plant and equipment.		
Proceeds of sale	156,770	287,777
Write down value of assets disposed	(181,153)	(490,047)
Total	<u>(24,383)</u>	<u>(202,270)</u>

Accounting policy

Gains and losses on asset disposals

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

Note 2.8 Investment revenue from water corporation		
Dividend revenue received	379,200	379,200
Total investment revenue from water corporation	<u>379,200</u>	<u>379,200</u>

Accounting policy

Investment revenue

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

Note 2.9 Contributions - non-monetary assets		
Buildings	1,446,778	-
Total contributions - non-monetary assets	<u>1,446,778</u>	<u>-</u>

Accounting policy

Contributions - non-monetary assets

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

Note 3.1 Employee benefits		
Wages and salaries	3,639,985	3,536,021
Leave expenses	915,282	966,238
Superannuation	509,429	463,171
Payroll Tax	241,944	192,192
Resource Sharing	648,158	410,116
Other employee expenses	162,513	228,272
	<u>6,117,311</u>	<u>5,796,010</u>
Less amounts capitalised	(426,293)	(290,995)
Total employee benefits	<u>5,691,018</u>	<u>5,505,015</u>

Accounting policy

Employee benefits

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

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

	2023	2022
	\$	\$
Note 3.2 Materials and contracts		
Contractors	2,161,434	1,669,882
Fuel	294,311	269,145
Maintenance	307,425	237,660
Materials	362,698	463,537
Software and licences	171,863	206,096
Operational costs of capital works	142,474	43,620
Other materials and contracts	319,023	302,267
Total materials and contracts	3,759,228	3,192,207

Accounting policy

Materials and services expense

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

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

Note 3.3 Depreciation and amortisation

Property

Buildings	500,992	497,906
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Plant and Equipment

Plant and equipment	657,211	656,621
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Furniture	5,350	2,029
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Computers	84,224	69,836
-----------	--------	--------

Infrastructure

Transport infrastructure	3,329,927	3,130,810
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Stormwater and drainage	233,197	219,532
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Parks and reserves	282,348	261,072
--------------------	---------	---------

Solid waste	308,236	259,567
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Intangible assets

Municipal property valuation	33,457	66,913
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Right-of-use of assets

Right-of-use of assets	3,833	10,809
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Total depreciation and amortisation	5,438,775	5,175,095
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	2023	2022
	\$	\$
Accounting policy		
Depreciation and amortisation expense		
Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.		
Land improvements, buildings, Infrastructure, plant and equipment and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets. Right-of-use assets are amortised over the lease term. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation and amortisation 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 remaining values and a separate depreciation rate is determined for each component.		
Land, heritage, artwork and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life. Straight line depreciation is charged based on the residual useful life as determined each year.		
Major depreciation and amortisation periods used are listed below and are consistent with the prior year unless stated:		
		Period
Property		
Buildings		30-100 years
Plant and Equipment		
Plant and equipment		3-17 years
Furniture		3-25 years
Computers		<4> years
Infrastructure		
Transport infrastructure		8-250 years
Stormwater and drainage		50-100 years
Parks and reserves		10-80 years
Solid waste		25-60 years
Right-of-use of assets		
Right-of-use of assets		2-40 years

Note 3.4 Finance costs

Interest - lease liabilities	3,495	1,151
Total finance costs	3,495	1,151

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

	2023	2022
	\$	\$
Note 3.5 Other expenses		
External auditors' remuneration	42,411	41,755
Councillors' allowances	178,952	174,475
Advertising	100,705	99,733
Bank Fees	25,559	22,583
Communication costs	10,641	5,780
Contribution, donations and grants	69,004	55,079
Consultancy Fees	116,833	143,595
Electricity	201,744	177,710
Property Rental	16,395	490
Insurance	283,731	225,008
Land Tax	60,118	57,943
Legal expenses	42,957	11,815
Licences and permits	64,611	41,102
Memberships	109,399	105,115
Postage	11,066	12,389
Rates discounts	218,903	196,641
Water and Sewerage Rates	107,304	98,315
Sampling	20,354	19,181
Supplementary valuation fees	15,360	5,209
Telephone	33,830	37,297
Other expenses	803,073	636,628
Total other expenses	2,532,950	2,167,843

Accounting policy

Other expenses

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

Note 4 Current Assets

Note 4.1 Cash and cash equivalents

Cash on hand	1,600	1,700
Cash at bank	6,410,258	7,765,777
Money market call account	12,209,590	9,163,127
Total cash and cash equivalents	18,621,448	16,930,604

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

Internal committed funds

i) Council special committees (note 9.2)	121,399	128,677
ii) Unspent grant funds with conditions (note 2.4)	145,000	-
iii) Landfill restoration (note 7.2)	4,361,105	32,000
iv) Employee provisions (note 7.2)	1,266,673	1,270,123
Committed funds	5,894,177	1,430,800
Total uncommitted cash and cash equivalents	12,727,271	15,499,804

Accounting policy

Cash and cash equivalents

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

Restricted funds

- i) Includes funds set aside for the operation of Council's special committees.
- ii) Represents grant funding received in advance until specific performance obligations required under funding arrangements are completed.
- iii) Monies set aside for the rehabilitation of the Port Latta landfill site.

	2023	2022
	\$	\$
Note 4.2 Trade and other receivables		
<i>Current</i>		
Rates debtors	259,448	283,536
Sundry Debtors	1,348,584	293,693
Other debtors	31,697	33,458
Total trade and other receivables	<u>1,639,729</u>	<u>610,687</u>

Accounting policy

Trade and other receivables

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

For rate debtors, Council takes the view that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rate debtors, Council uses the presumptions that assets more than 30 days past due have a significant increase in credit risk and those more than 90 days will likely be in default. Council writes off receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Note 4.3 Inventories

Gravel	89,688	91,928
Total inventories	<u>89,688</u>	<u>91,928</u>

Accounting policy

Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value. Where inventories are acquired at no cost, or for nominal consideration, the cost shall be the current replacement cost as at the date of acquisition.

Note 4.4 Other assets

Current

Prepayments	94,202	57,463
Revenue Accrual	24,850	4,538
Total other assets	<u>119,052</u>	<u>62,001</u>

Accounting policy

Other assets

Expenses are recorded in the year they relate to. Prepayments generally include insurance, licences and permits. The revenue accrual relates to interest not received up until 30 June on bank accounts and short term deposits.

	2023	2022
	\$	\$
Note 5.1 Investment in water corporation		
Opening balance	24,827,286	24,114,856
Fair Value adjustments on equity investment assets	752,934	712,430
Total investment in water corporation	<u>25,580,220</u>	<u>24,827,286</u>

Council has derived returns from the water corporation as disclosed at note 2.8.

Accounting policy

Equity Investment

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: *Financial Instruments* to irrevocably classify this equity investment as designated at fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer note 8.1) and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured.

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. Council holds 1.46% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

Note 6	Non-current assets	2023	2022
Note 6.1	Property, infrastructure, plant and equipment	\$	\$
	Summary		
	at cost	30,637,225	24,751,127
	Less accumulated depreciation	(12,396,538)	(11,405,423)
		<u>18,240,687</u>	<u>13,345,704</u>
	at fair value as at 30 June	339,626,271	310,096,612
	Less accumulated depreciation	(125,397,731)	(116,287,559)
		<u>214,228,540</u>	<u>193,809,053</u>
	Total	<u>232,469,227</u>	<u>207,154,757</u>
	Property		
	Land		
	at fair value as at 30 June	11,934,470	8,637,385
		<u>11,934,470</u>	<u>8,637,385</u>
	Land under roads		
	at fair value as at 30 June	7,909,101	7,909,101
		<u>7,909,101</u>	<u>7,909,101</u>
	Total Land	<u>19,843,571</u>	<u>16,546,486</u>
	Buildings		
	at fair value as at 30 June	42,396,942	33,806,310
	Less accumulated depreciation	(14,083,119)	(10,892,982)
		<u>28,313,823</u>	<u>22,913,328</u>
	Total Buildings	<u>28,313,823</u>	<u>22,913,328</u>
	Total Property	<u>48,157,394</u>	<u>39,459,814</u>
	Plant and Equipment		
	Plant and equipment		
	at cost	10,805,198	10,785,865
	Less accumulated depreciation	(4,601,217)	(4,290,258)
		<u>6,203,981</u>	<u>6,495,607</u>
	Furniture		
	at cost	152,572	114,855
	Less accumulated depreciation	(116,243)	(110,894)
		<u>36,329</u>	<u>3,961</u>
	Computers		
	at cost	1,454,080	1,401,105
	Less accumulated depreciation	(1,282,598)	(1,198,373)
		<u>171,482</u>	<u>202,732</u>
	Total Plant and Equipment	<u>6,411,792</u>	<u>6,702,300</u>
	Infrastructure		
	Transport infrastructure		
	at fair value as at 30 June	256,047,908	241,068,530
	Less accumulated depreciation	(100,818,691)	(96,497,065)
		<u>155,229,217</u>	<u>144,571,465</u>
	Stormwater and drainage		
	at fair value as at 30 June	21,337,850	18,675,286
	Less accumulated depreciation	(10,495,921)	(8,897,512)
		<u>10,841,929</u>	<u>9,777,774</u>
	Parks and reserves		
	at cost	8,216,320	8,078,108
	Less accumulated depreciation	(3,652,979)	(3,370,633)
		<u>4,563,341</u>	<u>4,707,475</u>

Note 6.1 Property, infrastructure, plant and equipment (Continued)	2023	2022
	\$	\$
Solid Waste		
at cost	8,384,615	3,565,932
Less accumulated depreciation	(2,743,501)	(2,435,265)
	<u>5,641,114</u>	<u>1,130,667</u>
 Total Infrastructure	 <u>176,275,601</u>	 <u>160,187,381</u>
 Works in progress		
Buildings	60,465	429,731
Transport infrastructure	1,505,692	274,571
Solid waste	12,397	35,842
Parks and reserves	3,732	52,803
Computers	4,770	4,770
Stormwater and drainage	10,111	7,545
Land	27,273	-
Total Works in progress	<u>1,624,440</u>	<u>805,262</u>
 Total property, infrastructure, plant and equipment	 <u>232,469,227</u>	 <u>207,154,757</u>

Note 6.1 Property, infrastructure, plant and equipment (Continued)

Reconciliation of property, infrastructure, plant and equipment

2023	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 8.1)	Depreciation and amortisation (note 3.3)	Written down value of disposals	Decognition of non-monetary assets	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
Land	8,637,385	-	3,297,085	-	-	-	-	11,934,470
Land under roads	7,909,101	-	-	-	-	-	-	7,909,101
Total land	16,546,486	-	3,297,085	-	-	-	-	19,843,571
Buildings	22,913,328	2,684,774	3,629,108	(500,992)	-	(842,126)	429,731	28,313,823
Total buildings	22,913,328	2,684,774	3,629,108	(500,992)	-	(842,126)	429,731	28,313,823
Total property	39,459,814	2,684,774	6,926,193	(500,992)	-	(842,126)	429,731	48,157,394
Plant and Equipment								
Plant and equipment	6,495,607	365,585	-	(657,211)	-	-	-	6,203,981
Furniture	3,961	37,718	-	(5,350)	-	-	-	36,329
Computers	202,732	52,974	-	(84,224)	-	-	-	171,482
Total plant and equipment	6,702,300	456,277	-	(746,785)	-	-	-	6,411,792
Infrastructure								
Transport infrastructure	144,571,465	3,875,659	10,042,833	(3,329,927)	(181,153)	-	250,340	155,229,217
Stormwater and drainage	9,777,774	-	1,297,352	(233,197)	-	-	-	10,841,929
Parks and reserves	4,707,475	85,411	-	(282,348)	-	-	52,803	4,563,341
Solid waste	1,130,667	4,791,208	-	(308,236)	-	-	27,475	5,641,114
Total infrastructure	160,187,381	8,752,278	11,340,185	(4,153,708)	(181,153)	-	330,618	176,275,601
Works in progress								
Buildings	429,731	60,465	-	-	-	-	(429,731)	60,465
Transport infrastructure	274,571	1,481,461	-	-	-	-	(250,340)	1,505,692
Solid waste	35,842	4,029	-	-	-	-	(27,475)	12,396
Parks and reserves	52,803	3,733	-	-	-	-	(52,803)	3,733
Computers	4,770	-	-	-	-	-	-	4,770
Land	-	27,273	-	-	-	-	-	27,273
Stormwater and drainage	7,545	2,566	-	-	-	-	-	10,111
Total works in progress	805,262	1,579,527	-	-	-	-	(760,349)	1,624,440
Total property, infrastructure, plant and equipment	207,154,757	13,472,856	18,266,378	(5,401,485)	(181,153)	(842,126)	-	232,469,227

Note 6.1 Property, infrastructure, plant and equipment (Continued)

Reconciliation of property, infrastructure, plant and equipment (Continued)

2022	Balance at beginning of financial year	Acquisition of assets	Revaluation Increments (decrements) (note 8.1)	Depreciation and amortisation (note 3.3)	Written down value of disposals	Decognition of non-monetary assets	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
Land	8,857,385	-	-	-	(220,000)	-	-	8,637,385
Land under roads	7,909,101	-	-	-	-	-	-	7,909,101
Total land	16,766,486	-	-	-	(220,000)	-	-	16,546,486
Buildings	23,588,405	53,709	(230,000)	(497,906)	(880)	-	-	22,913,328
Total buildings	23,588,405	53,709	(230,000)	(497,906)	(880)	-	-	22,913,328
Total property	40,354,891	53,709	(230,000)	(497,906)	(220,880)	-	-	39,459,814
Plant and Equipment								
Plant and equipment	6,862,032	296,407	-	(656,621)	(6,211)	-	-	6,495,607
Furniture	5,990	0	-	(2,029)	-	-	-	3,961
Computers	248,440	24,128	-	(69,836)	-	-	-	202,732
Total plant and equipment	7,116,462	320,535	-	(728,486)	(6,211)	-	-	6,702,300
Infrastructure								
Transport infrastructure	135,289,377	4,252,261	7,946,858	(3,130,810)	(253,937)	-	467,716	144,571,465
Stormwater and drainage	9,434,984	26,871	544,469	(219,532)	(9,018)	-	-	9,777,774
Parks and reserves	4,789,157	149,877	-	(261,072)	-	-	29,513	4,707,475
Solid waste management	1,383,496	6,738	-	(259,567)	-	-	-	1,130,667
Total infrastructure	150,897,014	4,435,747	8,491,327	(3,870,981)	(262,955)	-	497,229	160,187,381
Works in progress								
Buildings	33,224	396,507	-	-	-	-	-	429,731
Transport infrastructure	729,467	12,820	-	-	-	-	(467,716)	274,571
Solid waste management	1,620	34,222	-	-	-	-	-	35,842
Parks and reserves	49,186	33,130	-	-	-	-	(29,513)	52,803
Computers	770	4,000	-	-	-	-	-	4,770
Stormwater and drainage	-	7,545	-	-	-	-	-	7,545
Total works in progress	814,267	488,224	-	-	-	-	(497,229)	805,262
Total property, infrastructure, plant and equipment	199,182,634	5,298,215	8,261,327	(5,097,373)	(490,046)	-	-	207,154,757

Note 6.1 Property, infrastructure, plant and equipment (Continued)

Accounting policy

Recognition and measurement of assets

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

Property, plant and equipment and infrastructure 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 and borrowing costs incurred during construction.

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

	Threshold
	\$
Buildings	\$5,000
Plant and equipment	\$1,000
Furniture	\$1,000
Computers	\$1,000
Transport infrastructure	\$5,000
Stormwater and drainage	\$3,000
Parks and reserves	\$1,000
Solid waste	\$3,000

Note 6.1 Property, infrastructure, plant and equipment (Continued)

Accounting policy (Cont.)

Revaluation

Council has adopted the following valuation bases for its non-current assets:

Land	Fair Value
Land under roads	Fair Value
Plant and equipment	Cost
Furniture	Cost
Stormwater and drainage	Fair Value
Transport infrastructure	Fair Value
Buildings	Fair Value
Parks and reserves	Cost
Solid waste	Cost

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, furniture, solid waste, parks reserves and recreation facilities all other classes 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. Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset.

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

Impairment of assets

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

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

Note 6.2 Right-of-use assets

	Property	Plant and Equipment	Total
2023	\$	\$	\$
Opening Balance at 1 July 2022	27,621	-	27,621
Revaluation of lease liability	38,394	-	38,394
Depreciation expense	(3,833)	-	(3,833)
Balance at 30 June 2023	62,182	-	62,182
2022			
Opening Balance at 1 July 2021	29,546	8,884	38,430
Depreciation expense	(1,925)	(8,884)	(10,809)
Balance at 30 June 2022	27,621	-	27,621

Accounting policy

Leases - Council as Lessee

In contracts where Council is a lessee, Council recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied. Refer to note 7.3 for details on accounting policy of lease liability.

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

All right-of-use assets are measured as described in the accounting policy for property, infrastructure, plant and equipment in note 6.1. Also, Council applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the aforesaid note.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Note 6.3 Intangible assets

	2023	2022
	\$	\$
Municipal Property Valuations (transferred from other assets in 2021/22)	66,915	100,371
Digital Transformation Strategy	106,744	-
Total	173,659	100,371

Accounting policy

Intangible assets

Council recognised its payment for the Municipal Property Valuation and amortises over the time between revaluations (Generally 6 years). Council developed a Digital Transformation Strategy during 2022/23. The Strategy is amortised over the benefit period which will be 5 years.

Note 7 Current liabilities

Note 7.1 Trade and other payables

Trade payables	1,803,949	808,698
Rates and charges in advance	468,030	421,527
Other payables	6,871	1,147
Net GST payable	62,681	49,039
Accrued expenses	103,216	84,544
Total trade and other payables	2,444,747	1,364,955

Accounting policy

Trade and other payables

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

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

For ageing analysis of trade and other payables, refer to note 8.7

Note 7.2 Provisions

	Land fill Restoration	Annual leave	Long service leave	RDO's and banked hours	Total
2023	\$	\$	\$	\$	\$
Balance at beginning of the financial year	32,000	449,767	741,080	79,276	1,302,123
Net amount used/accrued	4,329,105	69,014	(68,272)	(4,192)	4,325,655
Balance at the end of the financial year	4,361,105	518,781	672,808	75,084	5,627,778
Current	-	518,781	623,898	75,084	1,217,763
Non-current	4,361,105	-	48,910	-	4,410,015
Total	4,361,105	518,781	672,808	75,084	5,627,778
2022	\$	\$	\$	\$	\$
Balance at beginning of the financial year	24,000	496,136	800,438	76,639	1,397,213
Net amount used/accrued	8,000	(46,369)	(59,358)	2,637	(95,090)
Balance at the end of the financial year	32,000	449,767	741,080	79,276	1,302,123
Current	-	449,767	692,170	79,276	1,221,213
Non-current	32,000	-	48,910	-	80,910
Total	32,000	449,767	741,080	79,276	1,302,123

Note 7.2 Provisions (Continued)

(a) Employee benefits	2023	2022
	\$	\$
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4.00%	3.00%
Weighted average discount rates	4.14%	1.46%
Weighted average settlement period (days)	12	12
Employee Numbers	68	67

Accounting policy
Employee benefits
<i>i) Short term obligations</i>
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.
<i>ii) Other long term employee benefit obligations</i>
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.
<i>iii) Sick leave</i>
No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.
<i>iv) Defined benefit plans</i>
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 (the Fund), a sub-fund of the Tasplan Superannuation Fund (Tasplan). The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 <i>Employee Benefits</i> , Council does not use defined benefit accounting for these contributions.
<i>v) Defined contribution plans</i>
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.
Land fill restoration
Estimated rehabilitation costs (cell capping) were determined on information received from third party contractors' commercial rates. These costs reflect a reduction in waste to landfill due to the potential implementation of Food and Organic collection by customers into the future. An average of Council Cost Index's of 3.76% was chosen as the index rate and discounted by the Australian Government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

	2023	2022
	\$	\$
Note 7.3 Lease liabilities		
Lease liabilities	69,509	27,620
	<u>69,509</u>	<u>27,620</u>
Current	2,561	1,896
Non-Current	66,948	25,724

Lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

Minimum lease payments due

As at 30 June 2023	Within 1 Year \$	1-2 Years \$	2-3 Years \$	3-4 Years \$	4-5 Years \$	After 5 Years \$	Total \$
Lease payments	2,561	2,629	2,810	3,004	3,211	87,165	101,380
Finance charges	(3,682)	(3,491)	(3,337)	(3,171)	(2,995)	(15,195)	(31,871)
Net present value	<u>(1,121)</u>	<u>(862)</u>	<u>(527)</u>	<u>(167)</u>	<u>216</u>	<u>71,970</u>	<u>69,509</u>
As at 30 June 2022							
Lease payments	2,563	2,563	2,563	2,563	2,563	25,018	37,833
Finance charges	(667)	(626)	(585)	(542)	(497)	(7,296)	(10,213)
Net present value	<u>1,896</u>	<u>1,937</u>	<u>1,978</u>	<u>2,021</u>	<u>2,066</u>	<u>17,722</u>	<u>27,620</u>

Accounting policy

Leases - Council as Lessee

The lease liability is measured at the present value of outstanding payments that are not paid at balance date, discounted by using the rate implicit in the lease. Where this cannot be readily determined then Council's incremental borrowing rate for a similar term with similar security is used.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Short-term leases and leases of low-value assets

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases i.e. leases with a lease term of 12 months or less and leases of low-value assets i.e., when the value of the leased asset when new is \$10,000 or less. Council recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

Exposure from variable lease payments

Council has fixed lease payments on all leases.

Notes to the Financial Report
For the Year Ended 30 June 2023

Note		Balance at beginning of reporting year	Increment	(Decrement)	Balance at end of reporting year
		\$	\$	\$	\$
Note 8	Other financial information				
Note 8.1	Reserves				
	(a) Asset revaluation reserve				
	2023 Property				
	Land	6,671,328	3,297,085	-	9,968,413
	Land under roads	892,690	-	-	892,690
	Buildings	10,365,326	3,629,108	-	13,994,434
		17,929,344	6,926,193	-	24,855,537
	Infrastructure				
	Transport Infrastructure	76,465,662	10,042,833	-	86,508,495
	Stormwater and drainage	5,184,697	1,297,352	-	6,482,049
		81,650,359	11,340,185	-	92,990,544
	Total asset revaluation reserve	99,579,703	18,266,378	-	117,846,081
	2022 Property				
	Land	6,671,328	-	-	6,671,328
	Land under roads	892,690	-	-	892,690
	Buildings	10,595,326	-	(230,000)	10,365,326
		18,159,344	-	(230,000)	17,929,344
	Infrastructure				
	Transport Infrastructure	68,518,804	7,946,858	-	76,465,662
	Drainage	4,640,228	544,469	-	5,184,697
		73,159,032	8,491,327	-	81,650,359
	Total asset revaluation reserve	91,318,376	8,491,327	(230,000)	99,579,703

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

(b) Fair value reserve

2023 Equity Investment assets					
Investment in water corporation	2,739,661	752,934	-	3,492,595	
Total fair value reserve	2,739,661	752,934	-	3,492,595	
2022 Equity Investment assets					
Investment in water corporation	2,027,231	712,430	-	2,739,661	
Total fair value reserve	2,027,231	712,430	-	2,739,661	

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

(c) Other reserves

2023 Public open space reserve	139,335	-	-	139,335
Total Other reserves	139,335	-	-	139,335
2022 Public open space reserve	139,335	-	-	139,335
Total Other reserves	139,335	-	-	139,335

The public open space reserve was created to enable Council to receive developer contributions for public open space in the Municipality in lieu of land contributions.

	2023 \$	2022 \$
Total Reserves	121,478,011	102,458,699

	2023	2022
Note 8.2 Reconciliation of cash flows from operating activities to surplus (deficit)	\$	\$
Result from continuing operations	4,483,302	1,843,448
Depreciation/amortisation	5,434,942	5,164,286
Depreciation of right-of-use assets	3,833	10,809
(Profit)/loss on disposal of property, infrastructure, plant and equipment	24,383	202,270
Contributions - Non Monetary Assets	(1,446,778)	-
Capital grants received specifically for new or upgraded assets	(1,635,865)	(785,048)
Change in assets and liabilities:		
Decrease/(increase) in trade and other receivables	(1,029,042)	542,093
Decrease/(increase) in other assets	(57,051)	74,315
Decrease/(increase) in inventories	2,240	5,633
Increase/(decrease) in trade and other payables	1,027,564	75,892
Increase/(decrease) in provisions	(43,568)	95,090
Increase/(decrease) in other liabilities	134,241	14,584
Net cash provided by/(used in) operating activities	6,898,201	7,243,372
Note 8.3 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 4.1)	18,621,448	16,930,604
Total reconciliation of cash and cash equivalents	18,621,448	16,930,604
Note 8.4 Financing arrangements		
Bank overdraft	500,000	500,000
Used facilities	-	-
Unused facilities	500,000	500,000
Note 8.5 Superannuation		
During the year Council made the required superannuation contributions for all eligible employees to an appropriate complying superannuation fund as required by the <i>Superannuation Guarantee (Administration) Act 1992</i> .		
As required in terms of paragraph 148 of AASB 119 <i>Employee Benefits</i> , Council discloses the following details:		
<ul style="list-style-type: none"> ■ During the reporting period the amount of superannuation contributions paid to accumulation schemes was \$628,990 (2021-22, \$555,684). ■ During the next reporting period the expected amount of superannuation contributions to be paid to accumulation schemes is \$662,412. 		
Fund		
Accumulation funds		
Employer contributions	628,990	555,684
	628,990	555,684
Note 8.6 Commitments		
Capital Expenditure Commitments		
Transport Infrastructure	1,466,436	-
Total Capital expenditure commitments	1,466,436	-
Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial report are as follows:		
Maintenance	31,074	12,235
Green Point Reserve	20,730	12,561
Waste transfer station management	228,072	112,996
Cleaning contractors (includes SWIRL aquatic facility)	146,459	292,918
Total contractual commitments	426,335	430,710

Note 8.7 Financial Instruments

(a) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates of financial assets and non-lease financial liabilities, both recognised and unrecognised, at balance date are as follows. For lease liabilities refer to note 7.3.

2023

	Weighted average interest rate	Floating interest rate \$	Fixed interest maturing in:			Non-interest bearing \$	Total \$
			1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
Financial assets							
Cash and cash equivalents	4.49%	18,619,848	-	-	-	1,600	18,621,448
Trade and other receivables	1.11%	-	-	-	-	1,639,729	1,639,729
Investment in water corporation		-	-	-	-	25,580,220	25,580,220
Total financial assets		18,619,848	-	-	-	27,221,549	45,841,397
Financial liabilities							
Trade and other payables		-	-	-	-	2,444,747	2,444,747
Total financial liabilities		-	-	-	-	2,444,747	2,444,747
Net financial assets (liabilities)		18,619,848	-	-	-	24,776,802	43,396,650

2022

	Weighted average interest rate	Floating interest rate \$	Fixed interest maturing in:			Non-interest bearing \$	Total \$
			1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
Financial assets							
Cash and cash equivalents	0.95%	16,928,904	-	-	-	1,700	16,930,604
Trade and other receivables	3.25%	-	-	-	-	610,687	610,687
Investment in water corporation		-	-	-	-	24,827,286	24,827,286
Total financial assets		16,928,904	-	-	-	25,439,673	42,368,577
Financial liabilities							
Trade and other payables		-	-	-	-	1,364,955	1,364,955
Total financial liabilities		-	-	-	-	1,364,955	1,364,955
Net financial assets (liabilities)		16,928,904	-	-	-	24,074,718	41,003,622

Note 8.7 Financial Instruments (Continued)

(b) Fair Value

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

Financial Instruments	Note	Total carrying amount as per Balance Sheet		Aggregate net fair value	
		2023 \$	2022 \$	2023 \$	2022 \$
<i>Financial assets</i>					
Cash and cash equivalents	4.1	18,621,448	16,930,604	18,621,448	16,930,604
Other financial assets	4.4	24,850	4,538	24,850	4,538
Trade and other receivables	4.2	1,639,729	610,687	1,639,729	610,687
Investment in water corporation	5.1	25,580,220	24,827,286	25,580,220	24,827,286
Total financial assets		45,866,247	42,373,115	45,866,247	42,373,115
<i>Financial liabilities</i>					
Trade and other payables	7.1	2,444,747	1,364,955	2,444,747	1,364,955
Total financial liabilities		2,444,747	1,364,955	2,444,747	1,364,955

(c) Credit Risk

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

(d) Risks and mitigation

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

Market risk

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

Interest rate risk

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

Council's loan borrowings are sourced from major Australian banks. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks.

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

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

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

Note 8.7 Financial Instruments (Continued)
(d) Risks and mitigation (Continued)

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.

Rate Debtors

Rates and charges are required to be paid in full by 30 September, but in order to receive a discount the rates and charges must be paid in full by 31 August. Ratepayers may apply to the council to pay rates and charges by instalments, subject to approved terms and conditions. Should amounts remain unpaid outside of approved payment options the Council will instigate collection proceedings.

Other Debtors (including loans and advances)

Debtors are required to settle within one month from the current month. Should amounts remain unpaid outside of approved payment options the Council will instigate collection proceedings.

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
2023				
Cash and cash equivalents	18,621,448	-	-	18,621,448
Trade and other receivables	1,639,729	-	-	1,639,729
Investments and other financial assets	25,605,070	-	-	25,605,070
Total contractual financial assets	45,866,247	-	-	45,866,247
2022				
Cash and cash equivalents	16,930,604	-	-	16,930,604
Trade and other receivables	610,687	-	-	610,687
Investments and other financial assets	24,831,824	-	-	24,831,824
Total contractual financial assets	42,373,115	-	-	42,373,115

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:

	2023 \$	2022 \$
Current (not yet due)	1,165,092	259,383
Past due by up to 30 days	45,824	805
Past due between 31 and 60 days	61,500	5,390
Past due between 61 and 90 days	61,238	-
Past due by more than 90 days	306,075	345,109
Total Trade & Other Receivables	1,639,729	610,687

Note 8.7 Financial Instruments (Continued)
(d) Risks and mitigation (Continued)

Impairment Losses

A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. No allowance for impairment in respect of trade receivables has been recognised as at 30 June 2023.

All rates receivable are in excess of 90 days. No allowance for an impairment loss is recognised against unpaid rates unless it is probable that the unpaid rates cannot be recovered when the property is next sold.

Liquidity risk

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

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

To help reduce these risks we:

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

The Council's 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 non-lease Financial Liabilities. For lease liabilities refer to note 7.3.

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

2023	6 mths or less \$	6-12 months \$	1-2 years \$	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	2,444,747	-	-	-	-	-	2,444,747
Total financial liabilities	2,444,747	-	-	-	-	-	2,444,747

2022	6 mths or less \$	6-12 months \$	1-2 years \$	2-5 years \$	>5 years \$	Contracted Cash Flow \$	Carrying Amount \$
Trade and other payables	1,364,955	0	-	-	-	-	1,364,955
Total financial liabilities	1,364,955	-	-	-	-	-	1,364,955

Note 8.7 Financial Instruments (Continued)

(e) Sensitivity disclosure analysis

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

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

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

		Interest rate risk			
		+1 %		-1%	
		100 basis points		100 basis points	
2023	\$	Profit \$	Equity \$	Profit \$	Equity \$
Financial assets:					
Cash and cash equivalents	18,621,448	186,214	186,214	(186,214)	(186,214)
Trade and other receivables	1,639,729	16,397	16,397	(16,397)	(16,397)
Financial liabilities:					
Trade and other payables	2,444,747	24,447	24,447	(24,447)	(24,447)

		Interest rate risk			
		+1 %		-1%	
		100 basis points		100 basis points	
2022	\$	Profit \$	Equity \$	Profit \$	Equity \$
Financial assets:					
Cash and cash equivalents	16,930,604	169,306	169,306	(169,306)	(169,306)
Trade and other receivables	610,687	6,107	6,107	(6,107)	(6,107)
Financial liabilities:					
Trade and other payables	1,364,955	13,650	13,650	(13,650)	(13,650)

Note 8.8 Fair Value Measurements

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

- Land
- Land under roads
- Buildings
- Transport infrastructure
- Stormwater and drainage
- Investment in water corporation

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

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement
- 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 2023.

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 2023

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
Investment in water corporation	5.1	-	-	25,580,220	25,580,220
Land	6.1	-	11,934,470	-	11,934,470
Land under roads	6.1	-	7,909,101	-	7,909,101
Buildings	6.1	-	28,313,823	-	28,313,823
Transport infrastructure	6.1	-	-	155,229,217	155,229,217
Stormwater and drainage	6.1	-	-	10,841,929	10,841,929
		-	48,157,394	191,651,366	239,808,760

As at 30 June 2022

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
Investment in water corporation	5.1	-	-	24,827,286	24,827,286
Land	6.1	-	8,637,385	-	8,637,385
Land under roads	6.1	-	7,909,101	-	7,909,101
Buildings	6.1	-	22,913,328	-	22,913,328
Transport infrastructure	6.1	-	-	144,571,465	144,571,465
Stormwater and drainage	6.1	-	-	9,777,774	9,777,774
		-	39,459,814	179,176,525	218,636,339

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

Note 8.8 Fair Value Measurements (Continued)

(b) Highest and best use

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

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

Level 2 Measurements (recurring and non-recurring) - Land and Land under roads are valued using the Tasmanian Valuer General's valuation information provided to Council on a cyclical basis. Buildings have been valued by an independent third party on a componentised depreciated replacement cost method.

Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in note 6. The investment in Water Corporation, which is classified as level 3 is separately disclosed in note 5. There have been no transfers between level 1, 2 or 3 measurements during the year.

Investment in water corporation

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. Council holds 1.46% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

Land

Council conducted a revaluation in the 2019/20 financial year using land values determined by the Office of the Valuer General. Subsequently an indexation of land values occurred in the 2022/23 financial year utilising adjustment factors provided by the Office of the Valuer General.

Land under roads

Valuation of land under roads was determined by using the land valuations supplied by the Office of the Valuer-General as at 1 July 2019. The most significant input into this valuation approach is price per square metre, derived by Valuer General from analysis of market sales of different classes of property and locality.

Buildings

Council conducted a revaluation in the 2020/21 financial year. The Council valuation was carried out by the APV valuers, as at 30 June 2021. The most significant input into this valuation approach was based on current market value. An indexation of 15.24% was applied at 30 June 2023. The indexation applied was based on non-residential building construction Tasmania rates.

Where Council buildings are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement with a new asset having similar service potential.

Transport Infrastructure

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises rural roads into rural sealed and rural unsealed roads. All roads are managed in segments. All road segments are then componentised into earthworks, pavement, and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

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

Council has recognised a change in useful life of road pavements from 80 years to 70-100 years for sealed roads and from 150 years to 250 years for unsealed roads following a review utilising AUSTRROADS recognised pavement evaluation methodology for pavement life estimation as well as expert judgement visual assessment. The same methods were also used to assess Councils sprayed bitumen surfaces on sealed roads with a resultant change in useful life from 15 years to 16-18 years to better match actual in service performance of these assets. Depreciation was adjusted accordingly when the change in useful life occurred.

A full valuation of bridges assets is undertaken annually by independent valuers, AusSpan. 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. This data is then utilised by Council Engineering staff when a full revaluation occurs for the entire asset class.

Transport infrastructure including bridges was last revalued on 30 June 2020 by Council's Engineer.

An indexation occurred in the 2022/23 year. The Indexation rate was 7.09% and is based on the March 2022 - March 2023 movement of Producer Price Index 3101 Road and bridge construction Victoria; Series ID A2333706A as published by the Australian Bureau of Statistics.

Note 8.8 Fair Value Measurements (Continued)

Stormwater and drainage

A revaluation of drainage infrastructure was undertaken by Council's Engineer as at 30 June 2023.

The valuation methodology used is the Cost Approach, which has been applied in accordance with the LGAT publication Financial and Asset Management Practice Summaries, Practice Summary 9 - Valuation Practices. Essentially this equates to an estimation of 'fair value' by calculating the depreciated current replacement cost (the cost to construct or acquire a substitute asset of comparable utility and condition).

Some of the stormwater assets the Council maintains are made from outdated materials (such as earthenware) and/or are of non-standard sizes. In these instances, a Modern Equivalent Asset is used as the basis for valuation.

All stormwater infrastructure assets have an assumed residual value of zero and/or cost to dispose is recovered from residual value.

A key part of the revaluation is a review of the unit replacement rates for the assets being revalued. Replacement cost methodologies vary depending on the component. Estimating Costs and are generally based on first principles job costing using the following data sources:

Local material quotes, Local plant and labour cost estimates (by in-house civil engineer), The 2023 Rawlinsons Australian Construction Handbook and the Australian Bureau of Statistics 6427.0 Producer Price Index.

(d) Unobservable inputs and sensitivities

Asset / liability category*	Carrying amount (at fair value)	Key unobservable inputs *	Expected range of inputs	Description of how changes in inputs will affect the fair value
Investment in Water Corporation	25,580,220	Refer to note 5.1 for a description of the valuation basis.		

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(e) Changes in recurring level 3 fair value measurements

There have been no transfers between level 1, 2 or 3 measurements during the year.

	2023 \$	2022 \$
Balance at beginning of reporting period	24,827,286	24,114,856
Gain/loss recognised in other comprehensive income- Fair value adjustment on equity investment assets (TasWater)	752,934	712,430
Closing balance	25,580,220	24,827,286

(f) Valuation processes

Council's current policy for the valuation of property, infrastructure, plant and equipment and investment in water corporation (recurring fair value measurements) is set out in notes 5.1, and 6.1.

Note 8.9 Events occurring after balance date

No events after balance date have been identified of a material level.

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Note 9 Other matters

Note 9.1 Related party transactions

(i) Councillor Remuneration 2023

Name	Position	Period	Short term employee benefits		Total Compensation AASB 124	Expenses ²	Total allowances and expenses section 72
			Allowances \$	Vehicles ¹ \$			
Mr D Quilliam	Mayor	01/07/22 to 03/11/22	15,823	-	15,823	-	15,823
Mr J Oldaker	Councillor	Full Year	13,823	-	13,823	750	14,573
Mr N Berechree	Deputy Mayor	01/07/22 to 03/11/22	8,848	-	8,848	-	8,848
Mr A Popowski	Councillor	Full Year	13,823	-	13,823	750	14,573
Mr D Woodward	Councillor	01/07/22 to 03/11/22	4,521	-	4,521	-	4,521
Mr G Bizzard	Mayor	Full Year	37,081	-	37,081	750	37,831
Mrs K Ettlin	Councillor	01/07/22 to 03/11/22	4,521	-	4,521	-	4,521
Mr S Ives-Heres	Councillor	01/07/22 to 03/11/22	4,521	-	4,521	-	4,521
Mr A Hine	Councillor	Full Year	13,823	-	13,823	750	14,573
Mr R Flowers	Councillor	03/11/22 to 30/06/23	9,303	-	9,303	750	10,053
Ms S Collins	Councillor	03/11/22 to 30/06/23	9,303	-	9,303	750	10,053
Mr S Pilkington	Councillor	03/11/22 to 30/06/23	9,303	-	9,303	750	10,053
Mrs A Dawes	Deputy Mayor	03/11/22 to 30/06/23	18,207	-	18,207	750	18,957
Mr M Dabner	Councillor	03/11/22 to 30/06/23	9,303	-	9,303	750	10,053
Total			172,203	-	172,203	6,750	178,953
Councillor Remuneration 2022							
Mr D Quilliam	Mayor	Full Year	47,126	-	47,126	750	47,876
Mr N Berechree	Deputy Mayor	Full Year	26,351	-	26,351	750	27,101
Mr J Oldaker	Councillor	Full Year	13,464	-	13,464	750	14,214
Mrs B Kay	Councillor	01/07/22 to 18/10/21	4,423	-	4,423	-	4,423
Mr A Popowski	Councillor	Full Year	13,464	-	13,464	750	14,214
Mr G Bizzard	Councillor	Full Year	13,464	-	13,464	750	14,214
Mrs K Ettlin	Councillor	Full Year	13,464	-	13,464	750	14,214
Mr S Ives-Heres	Councillor	Full Year	13,464	-	13,464	750	14,214
Mr D Woodward	Councillor	Full Year	13,464	-	13,464	750	14,214
Mr A Hine	Councillor	11/11/21 to 30/06/22	9,041	-	9,041	750	9,791
Total			167,725	-	167,725	6,750	174,475

¹ Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

² Section 72(1) of the Local Government Act 1993 requires the disclosure of expenses paid to Councillors.

Notes to the Financial Report
For the Year Ended 30 June 2023

(ii) Key Management Personnel Remuneration 2023

Name	Position	Period	Remuneration band	Short term employee benefits				Post employment benefits			Total
				Salary ¹	Short-term Incentive Payments ²	Vehicles ³	Other Allowances and Benefits ⁴	Super-annuation ⁵	Termination Benefits ⁶	Non-monetary Benefits ⁷	
				\$	\$	\$	\$	\$	\$	\$	
Vanessa Adams	General Manager	Full Year	\$180,001 - \$200,000	188,354	-	12,415	-	19,702	-	10,780	231,231
Rachel Radford	Director Organisational Performance	Full Year	\$100,001 - \$120,000	116,319	-	8,471	-	12,311	-	22,981	160,082
Phil Loone	Director Infrastructure & Development Services	31/1/2023 to 30/06/23	\$60,001 - \$80,000	62,783	-	1,352	-	7,837	-	6,017	77,989
Total				367,456	-	22,238	-	39,850	-	39,758	469,302

Key Management Personnel Remuneration 2022

Matthew Seward	Director Strategic Governance	01/07/21 to 21/02/22	\$200,001 - \$220,000	115,913	-	-	-	10,149	81,318	8,976	216,356
Scott Riley	General Manager	01/07/21 to 18/2/22	\$160,001 - \$180,000	118,650	-	-	-	24,913	21,841	9,091	174,495
Darren Swain	Director Projects Works and Services	01/07/21 to 17/12/21	\$100,001 - \$120,000	82,842	-	10,300	-	8,610	12,489	4,889	119,130
Rachel Radford	Director Corporate Services	01/07/21 to 23/07/21	\$60,001 - \$80,000	49,036	-	3,172	-	4,903	-	515	57,626
Mark Wisniewski	Manager Projects Works and Services	7/2/22 to 24/6/22	\$40,001 - \$60,000	42,300	-	2,052	-	4,230	-	3,256	51,838
Vanessa Adams	General Manager	2/5/22 to 30/6/22	\$20,001 - \$40,000	28,587	-	-	-	2,858	-	1,326	32,771
Sub-total				437,328	-	15,524	-	55,663	115,648	28,054	652,217
Acting arrangements											
Duncan Spinks	Acting Director Corporate Services	24/7/21 to 30/06/22	\$120,001 - \$140,000	114,527	-	8,576	-	11,411	-	5,221	139,735
Matthew Seward	Acting General Manager	21/2/22 to 01/5/22	\$200,001 - \$220,000	19,000	-	-	-	1,900	-	-	20,900
Sub-total				133,527	-	8,576	-	13,311	-	5,221	160,635
Total				570,855	-	24,100	-	68,974	115,648	33,275	812,852

Note 9.1 Related party transactions (Continued)

(ii) Key Management Personnel Remuneration (Continued)

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

² Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes.

³ Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

⁴ Other allowances and benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.

⁵ Superannuation means the contribution to the superannuation fund of the individual.

⁶ Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

⁷ Non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services etc).

(iii) Remuneration Principles

Elected Members

Elected Members payments are made monthly in accordance with Section 340A of the Local Government Act 1993 (the Act).

Executives

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

Short term incentive payments

Council paid no short-term incentive payments during the 2022/23 and 2021/22 financial years.

Termination benefits

No terminations were paid during the year to KMP staff.

Acting Arrangements

When members of key management personnel are unable to fulfill their duties, consideration is given to appointing other members of senior staff to their position during their period of absence.

Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

Council had no Acting arrangements for the 2022/23 year where staff filled KMP roles for longer than 1 month.

(iv) Transactions with related parties

During the period Council did not enter into transactions with related parties.

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

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

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

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

Note 9.2 Special committees and other activities

Committee	2023			2022		
	Revenue	Expenditure	Funds held by Council	Revenue	Expenditure	Funds held by Council
	\$	\$	\$	\$	\$	\$
Circular Head Heritage Centre*	-	-	-	-	776	-
Marawah/Redpa Special Committee	10,970	11,561	11,820	7,198	1,868	12,411
Stanley Town Hall	28,193	13,822	72,107	21,235	15,618	57,736
Smithton Rec Ground	13,360	10,942	22,960	4,467	9,694	20,542
Indoor Sports Centre @	-	14,715	-	-	-	14,715
Stanley Caravan Park Committee #	-	-	-	-	39,140	-
Stanley Rec Ground	22,056	20,814	14,512	29,868	22,912	13,270
Trowutta Rec Ground ^	-	10,003	-	-	-	10,003
	74,579	81,857	121,399	62,768	90,008	128,677

* The Circular Head Heritage Centre is now an Incorporated Body, not a special committee of Council

The Stanley Caravan Park Committee funds were committed previously to an upgrade of the playground at Tatlow's Beach Stanley

^ The Trowutta Recreation Committee has not been operational for a number of years. Funds transferred to general revenue.

@ The Indoor Sports Centre Committee has not been operational for a number of years. Funds transferred to general revenue.

Funds held by the special committees during the year were transferred into Council's bank account unless otherwise noted as "Cash held by Committee". The "Funds held by Council" remain under the control of special committees subject to Council's authorisation.

Note 9.3 Other significant accounting policies and pending accounting standards

(a) Taxation

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

Goods and services tax (GST)

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

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

(b) Impairment of non-financial assets

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

(c) Allocation between current and non-current

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

(d) Financial guarantees

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

(e) Contingent assets, contingent liabilities and commitments

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

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

(f) Budget

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

(g) Adoption of new and amended accounting standards

No new accounting standards have been adopted in the current financial year.

(h) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

(i) AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

This Standard modifies AASB 13 *Fair Value Measurement* for application by not-for-profit public sector entities such as Council. It includes authoritative implementation guidance when fair valuing non-financial assets, not held primarily for their ability to generate cash inflows. This includes guidance and clarification regarding the determination of an asset's highest and best use, the development and use of internal assumptions for unobservable inputs and allows for greater use of internal judgements when applying the cost approach in the measurement and determination of fair values. Although Council is yet to fully determine the impact of this standard, the changes will be evaluated in the future assessment of all property and infrastructure assets measured at fair value. The Standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

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

Note 9.4 Significant Business Activities

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

	Camping and recreational vehicles		Port Latta Solid Waste	
	2023	2022	2023	2022
	\$	\$	\$	\$
Revenue				
User Changes	-	-	1,285,675	1,183,913
Other	68,982	58,828	397,381	394,952
Total Revenue	68,982	58,828	1,683,056	1,578,865
Expenditure				
Direct				
Labour and materials	18,651	14,040	187,522	178,029
Other	27,783	11,305	134,804	151,496
Indirect				
Engineering & Administration	-	-	56,617	51,545
Total Expenses	46,434	25,345	378,943	381,070
Notional cost of free services received				
Capital Costs				
Depreciation and amortisation	7,506	7,509	342,383	292,357
Opportunity cost of capital	43,263	11,912	234,646	31,593
Total Capital Costs	50,769	19,421	577,029	323,950
Competitive neutrality adjustments				
Rates and land tax	-	-	527	496
	-	-	527	496
Calculated Surplus/(Deficit)	15,042	25,974	961,203	904,942
Tax Equivalent rate	25.00%	27.50%	25.00%	27.50%
Taxation equivalent	3,761	7,143	240,301	248,859
Competitive neutrality costs	100,964	51,909	1,196,273	953,879

Accounting policy

Significant business activities

Assumptions:

- Tax equivalent 25%
- Interest rate 5.5%

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

Note	9.5 Management indicators	Benchmark	2023 \$	2022 \$	2021 \$	2020 \$
(a)	Underlying surplus or deficit					
	Net result for the year		4,483,302	1,843,448	5,274,739	(230,197)
	<u>Less non-operating income</u>					
	Recognition of non-monetary assets		(1,446,778)	-	-	-
	Capital grants		(1,635,865)	(785,048)	(5,791,399)	(1,198,367)
	Financial assistance grants received in advance		(1,381,598)	(1,148,487)	-	(62,759)
	Add excess roadside tree removal		114,326	-	-	-
	Add WDV of bridges completed early (grant funded)		126,722	-	-	-
	<u>Add non-operational expenses</u>					
	Financial assistance grants		-	-	51,468	-
	Underlying surplus/deficit	0	<u>260,109</u>	<u>(90,087)</u>	<u>(465,192)</u>	<u>(1,491,323)</u>

The intent of the underlying result is to show the outcome of a Council's normal or usual day to day operations. Council has reached the benchmark in the last 2 years.

(b)	Underlying surplus ratio					
	<u>Underlying surplus or deficit</u>		260,109	(90,087)	(465,192)	(1,491,323)
	Recurrent income*		18,850,508	17,301,981	15,442,753	15,135,342
	Underlying surplus ratio %	0.00%	1.38%	-0.52%	-3.01%	-9.85%

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

Council has achieved its target of 0% in two of the last 4 years. The construction of the SWIRL aquatic facility has had a large impact on Council's operating results.

(c)	Net financial liabilities					
	Liquid assets less		20,261,177	17,541,291	15,351,661	12,524,383
	total liabilities		8,142,034	2,694,698	2,728,480	6,635,204
	Net financial liabilities	0	<u>12,119,143</u>	<u>14,846,593</u>	<u>12,623,181</u>	<u>5,889,179</u>

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.

Council has sufficient liquid assets to covers its liabilities.

(d)	Net financial liabilities ratio					
	<u>Net financial liabilities</u>		12,119,143	14,846,593	12,623,181	5,889,179
	Recurrent income*		18,850,508	17,301,981	15,442,753	15,135,342
	Net financial liabilities ratio %	0% - (50%)	64%	86%	82%	39%

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

Council has recorded results between or well above the benchmark in each of the 4 years.

(e) **Asset consumption ratio**

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

Parks, reserves and recreation facilities

<u>Fair value (Carrying amount)</u>	4,563,341	4,707,475	4,790,000	4,709,000
Current replacement cost (Gross)	8,216,320	8,078,108	7,899,000	7,573,000
Asset consumption ratio %	56%	58%	61%	62%

Transport Infrastructure

<u>Fair value (Carrying amount)</u>	155,229,217	144,571,465	135,289,377	135,124,978
Current replacement cost (Gross)	256,047,908	241,068,530	228,401,695	227,222,075
Asset consumption ratio %	61%	60%	59%	59%

Stormwater and drainage

<u>Fair value (Carrying amount)</u>	10,841,929	9,777,774	9,434,984	9,596,627
Current replacement cost (Gross)	21,337,850	18,675,286	17,602,613	17,552,448
Asset consumption ratio %	51%	52%	54%	55%

Management indicators (Continued)

Note	9.5	Benchmark	2023 \$	2022 \$	2021 \$	2020 \$
<i>Solid waste management</i>						
			5,641,114	1,130,667	1,383,496	1,641,850
			8,384,615	3,565,932	3,560,287	3,554,408
		Asset consumption ratio %	67%	32%	39%	46%
		Target >60%				

This ratio indicates the level of service potential available in Council's existing asset base.
Council has met its target in the current financial year

2023 \$	2022 \$	2021 \$	2020 \$
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(f) 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.

	2023 \$	2022 \$	2021 \$	2020 \$
Projected capital funding outlays**	4,701,204	5,298,215	4,638,000	5,058,000
Projected capital expenditure funding***	10,565,161	5,298,215	4,638,000	5,058,000
Asset renewal funding ratio %	44%	100%	100%	100%
	90-100%			

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

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

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

The Strategic Asset Management Plan contains a number of items that may be determined as operation in nature therefore could be excluded from the above calculations. Also there are several items that are new/ungrade in nature that Councillors are yet to decide upon.

(g) Asset sustainability ratio

		2023 \$	2022 \$	2021 \$	2020 \$
<u>Capex on replacement/renewal of existing assets</u>		4,774,180	4,475,483	3,659,000	4,205,000
Annual depreciation expense		5,401,485	5,087,839	5,086,967	5,172,088
Asset sustainability ratio %	100%	88%	88%	72%	81%

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

Council is behind the benchmark for this ratio in each of the 4 years. Asset renewal programs are based upon asset management programs in place, therefore may be intermittent in nature.

Note 9.5 Management indicators (Continued)

2023	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
	\$	\$	\$
By asset class			
Buildings	337,623	487,978	825,601 *
Transport infrastructure	3,422,206	703,793	4,125,999
Stormwater and drainage	-	-	-
Solid waste	489,578	-	489,578 **
Parks and reserves	126,214	12,000	138,214
Plant and equipment	345,585	20,000	365,585
Furniture	-	37,718	37,718
Computers	52,974	-	52,974
Total	4,774,180	1,261,489	6,035,669

2022	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
	\$	\$	\$
By asset class			
Buildings	42,520	11,189	53,709
Transport infrastructure	4,010,173	709,804	4,719,977
Stormwater and drainage	-	26,871	26,871
Solid waste	6,738	-	6,738
Parks and reserves	113,456	65,934	179,390
Plant and equipment	278,468	17,939	296,407
Furniture	-	-	-
Computers	24,128	-	24,128
Total	4,475,483	831,737	5,307,220

* Adjustments to opening balances not included

** Capitalisation of future cell capping not included

Certification of the Financial Report

The financial report presents fairly the financial position of the Circular Head Council as at 30 June 2023 and the results of its operations and cash flows for the year then ended, in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.



Vanessa Adams
General Manager

Date : 5/12/2023