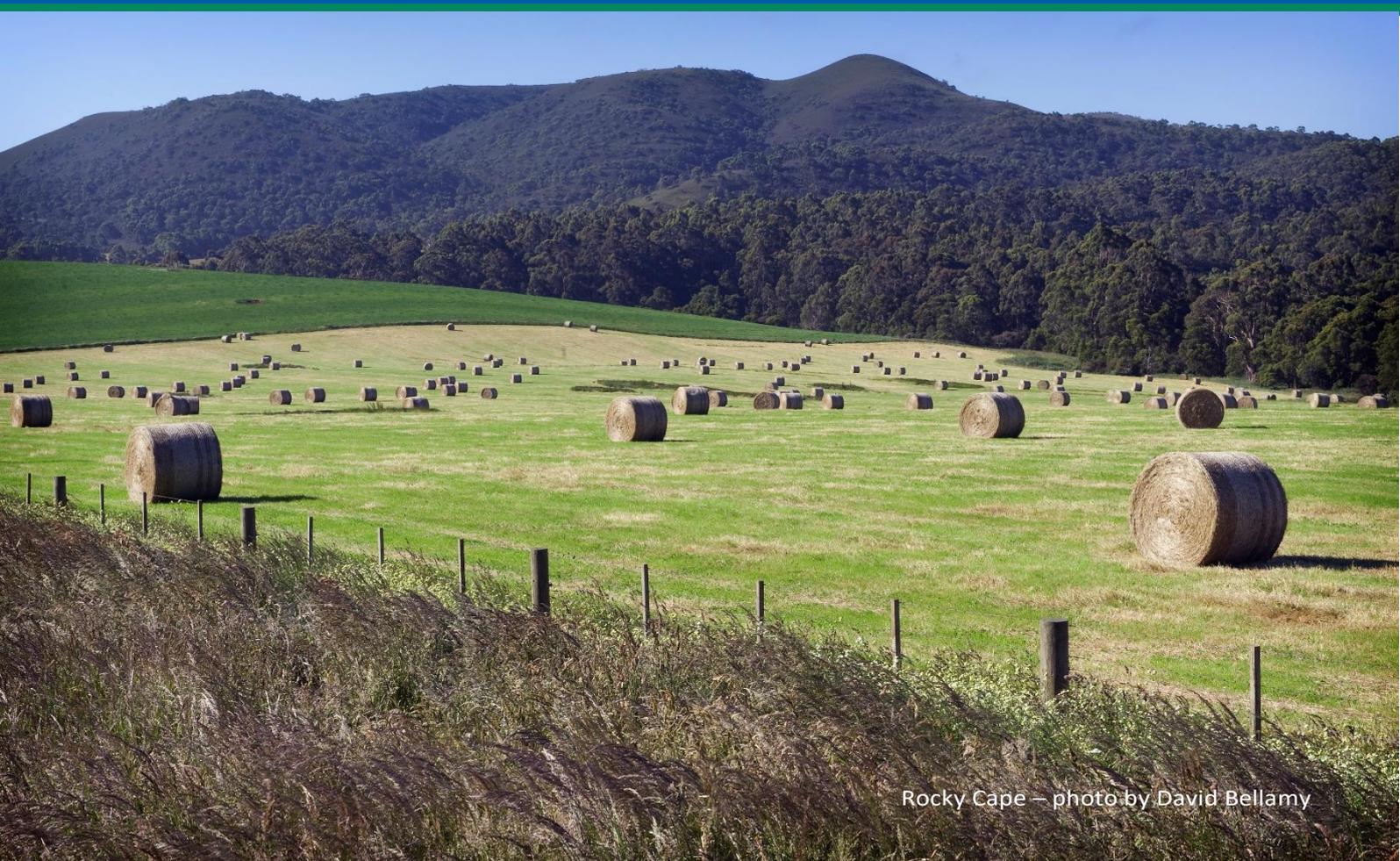




CIRCULAR HEAD COUNCIL



ANNUAL REPORT



Rocky Cape – photo by David Bellamy

ADOPTED BY COUNCIL 15 DECEMBER 2021

2020-21

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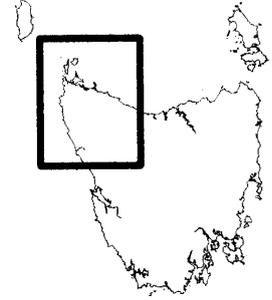
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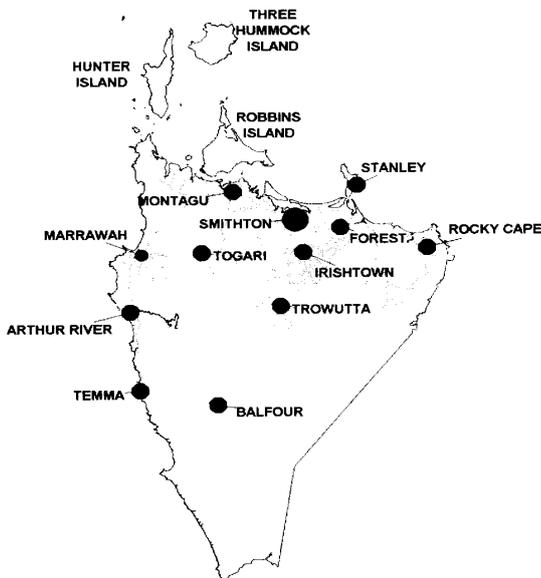
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SNAPSHOT OF CIRCULAR HEAD

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. The municipality has regular rainfall, especially during the winter months, along with some of the world’s cleanest air.



The municipality 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 fertile agricultural land of Circular Head is renowned. With less than two percent of Tasmania’s population, the municipality is an economic powerhouse accounting for more than twelve percent of the state’s annual agricultural production alone, 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 on Wednesday 15 December 2021 at 6:00pm at the Circular Head Council Chambers. Any person wishing to make a submission should deliver it to the General Manager by 5:00pm on Wednesday 8 December 2021, for inclusion on the agenda for the meeting.

MAYOR'S MESSAGE

The clear focus of the activities during this year has been to support the community in response to the COVID-19 pandemic. The ongoing activities of the global pandemic response across the state and area have been the overwhelming focus.

The opportunities of the COVID-19 disruptions have called upon the communities and organisations resilience to pivot and embrace transformational change not seen in many generations.

Circular Head Council has continued in the 2020-21 year the journey of budget reshaping and work redesign to promote the efficient use of resources to deliver improved service delivery.

As part of the COVID-19 pandemic support Circular Head Council has stepped up to support the economic recovery of the area with a 0% rate increase for the 2020-21 financial year.

It has been most pleasing to see many of the local businesses take on the challenge of new circumstances and work to adapt their services and pivot to meet the new requirements of working in a COVID time.

The importance of Council's resource sharing relationship with Waratah-Wynyard Council proved very valuable during this challenging time as this was able to reinforce workable solutions to many infrastructure and asset tasks, giving confidence to both communities in a time of uncertainty.

The ongoing impacts of COVID-19 on the tourism industry and visitor economy has been significant and will require some considerable and ongoing recovery time into the future until travel and visitation is normalised. There are collaborative endeavours underway to promote new opportunities and events to bolster visitation to the local area.

Across the period of this Annual Report the core industries of the region in agribusiness and the value adding manufacturing sector have remained very strong. Near record prices in the livestock sector supported by strong dairy commodity prices has proved valuable for many businesses and has assisted employment retention in challenging times. Once again Circular Head has reinforced its importance to the State by maintaining a strong regional economy.

The operations of Circular Head Council have adapted in this environment with the organisation moving to use electronic platforms for communication much more to maintain connections and undertake business processes. This has stepped forward Councils LEAN learning and enabled strong improvements in processes to be implemented for operational tasks to improve outcomes and provide greater efficiency in the use of time and resources.

While we as a community and Council have been presented with some unprecedented economic and health challenges this year as a community and wider region, our strengths and tenacity continue to shine strong and provide a very positive future for the Circular Head area.

Council has refocused its commitment to the challenge to reinvent the services we provide and the work we do to ensure a prosperous outlook for all the regions residents.

I'd like to take this opportunity to thank all Councillors, management and staff for their continued support throughout the year in which Council faced the impacts of a pandemic alongside the community.

D. H. Quilliam

Daryl Quilliam
MAYOR



GENERAL MANAGER'S MESSAGE

Welcome to the Circular Head Council's 2020-21 Annual Report. It will provide you with an insight into Council's operations and financial position for the year in which the Circular Head Council alongside all the residents of the region faced the impacts of the COVID-19 pandemic.

The 2020-21 year of operations was set out as a year of adaption and reinvention of work processes to meet changes in community and health needs. The regular use of the business improvement process learnings of the past few years proved invaluable in managing change expectations of services and the operational needs to pivot to electronic systems to sustain communication services and undertake operations.

It has been inspiring to see the organisations' teams adapt and refocus attention on customer needs to sustain services. The use of electronic platforms and working from home in the peak periods of the north-west Tasmanian lockdown showed great resilience and strength in the organisation to continue to step up and lead the way for the community.

The unique operating conditions of the COVID-19 pandemic over the last 12 months has clearly shown the value of the work Circular Head Council has been undertaking in adapting and reshaping its operations. Being in a mindset of change allowed the organisation to adapt and meet the imperatives of new processes being led by the Tasmanian State Government in a coordinated approach to the health needs of the state.

The effective use of the Business Continuity Plan processes and some strong scenario planning has shown the Council to be resilient in meeting any challenges ahead.

The need to implement change on a health and community safety platform has allowed for greater confidence in promoting improvements in work practices and processes with teams embedding new requirements confidently. A major improvement in the year was the introduction of advanced road verge vegetation management post reshouldering works to reduce costs and eliminate rework. By implementing new processes Council has been able to advance improved weed management, reduce roadside slashing costs and improve the serviceability and safety of roadside guideposts and signage. This being implemented and gradually extended across the new work in future years will significantly reduce Councils road asset maintenance costs.

The ongoing greater familiarity with electronic platforms and communication systems like Zoom and Teams during the year has facilitated ongoing engagement of customers who experienced the inability to travel during the interstate lockdowns and wished to progress projects in the region.

Council as an organisation in the last 12 months has risen to many new challenges and succeeded to limit the impacts of COVID-19 on performance outcomes by being responsive to both organisational and community needs. Without the clear confidence built over the past few years the flexible adoption of processes and earlier process shifts the impacts on the end of year result would have been far more serious.

As General Manager, I am very pleased with Council's whole of team efforts during COVID-19 and our Annual Plan program despite the obvious challenges experienced.

Council has risen to the challenge of using its financial reserves to support the community during some very unprecedented times and has also demonstrated a capacity to meet unforeseen needs. This has shown the community that there can be an improvement in the bottom line with the adaptation of services.

The organisation has shown courage to step up in approach and meet new challenges whilst keeping the community, customers and all team members safe in a changing paradigm.

As a closing comment I would like to extend my deep appreciative thanks to the Mayor, Councillors and staff who have embraced the accelerated change conversation this year and have stepped up for the community in ways not anticipated. We have innovated how we do business for the community and provided inspiration in moving the organisation forward in some unprecedented circumstances.



Scott Riley
GENERAL MANAGER



MAYOR AND COUNCILLORS



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Term expires October 2022



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Term expires October 2022

COUNCIL

Circular Head Council has nine Councillors, each elected by the community for a term of four years. The current term ends for all Councillors in October 2022. The role of the Council is focused on strategic advocacy, community infrastructure and asset management, policy formulation, including adopting the Budget, Strategic and Annual Plans and determining approval guidelines. This also involves the monitoring of management systems and conducting community consultation to deliver programs and services.

Councillor Attendance at Meetings 2020-21

	Meetings	Special Meetings	Workshops
Mayor Daryl Quilliam	11	0	24
Deputy Mayor Norman Berechree	10	1	23
Cr Gerard Blizzard	11	1	27
Cr Kathleen Ettlin	11	1	25
Cr Stafford Ives-Heres	11	0	27
Cr Betty Kay	10	1	24
Cr John Oldaker	11	0	26
Cr Ashley Popowski	11	0	27
Cr David Woodward	9	0	22

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

Special Meetings - total held for year = 2

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

Workshops - total held for year = 29

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 26 of the Notes to Financial Statements.

Councillor Representation on Committees

Council Committees	Membership 2020-21
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	
CH 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 Ettlin, 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

FAST FACTS – CIRCULAR HEAD

		2020-21	2019-20	2018-19
Population	Municipal area	7,926 (2016 Census)	7,926 (2016 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	294.5	294.5	294.5
	Unsealed	473.5	473.5	473.5
Bridges maintained	Municipal area	121	121	121
	Timber	36	38	39
	Other	85	83	82
Footpath length (km)	Municipal area	31.05	31.05	31.05
Stormwater maintained (km)	Municipal area	33.94	33.85	33.80
Kerb and channelling (km)	Municipal area	62.90	62.84	62.84
Total properties	Municipal area	5,284	5,292	5,278
Rateable properties	Municipal area	4,995	4,996	4,982
Valuation	Assessed annual value	99,659,820	99,570,890	98,853,168
	Capital value	2,277,192,300	2,274,676,800	2,258,029,600

KEY ACTIVITIES STATISTICS

	2020-21	2019-20	2018-19	2017-18	2016-17
Tonnes of waste deposited at Port Latta Landfill site	11,937	11397	10432	10,675	11,377
Tonnes of waste collected – urban	1310.48	1305	1286	1,282	1,320
Tonnes of waste collected – rural	991.46	970	962	974	982
Waste coupons redeemed	*	15,933	15486	16,623	16,071
Recycling urban bin collection	30,672	25,680	25,660	25,642	25,536
Road grading – km	240	190	220	187	181
Road patching – tonnes	319	497	362	450	372
Building permits issued	47	39	34	44	79
Planning permits issued	131	101	85	77	86
Plumbing permits issued	32	33	47	34	82
Dogs registered	1348	1339	1309	1,140	1,247
Dogs impounded	14	14	35	35	29
Burials at Council cemeteries	35	39	32	35	48
Special Plumbing permits issued**	Nil	Nil	Nil	Nil	12
Food premises inspections carried out	57	70	70	70	48
Dairy inspections	82	5	1	Nil	2
Section 337 certificates issued	441	308	217	237	262
Section 132 certificates issued	1374	542	372	476	371
Documents registered in ECM	16,155	12,288	13,102	16,448	15,687
Customer Service System (CSS) events lodged	722	643	789	611	732

* not applicable – coupon system ceased 30 June 2020

** Due to legislation changes no requirement for Special Plumbing permits from 1 July 2017 (all classed as Plumbing permits)

ORGANISATION AND MANAGEMENT STRUCTURE

The executive team as at 30 June 2021



Scott Riley
General Manager



Tracey Bradley
Director Community Services



Rachel Radford
Director Corporate Services



Matthew Saward
Director Strategic Governance



Daniel Summers
Director Infrastructure and
Development Services



Darren Swain
Manager Projects, Works and
Services

EVENTS CALENDAR

<p>JULY</p>	<p>AUGUST</p> <ul style="list-style-type: none"> • Science Gig - online 	<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 • Nourish Community Meal 
<p>OCTOBER</p> <ul style="list-style-type: none"> • Seniors Week 	<p>NOVEMBER</p> <ul style="list-style-type: none"> • Remembrance Day • Nourish Community Meal • NAIDOC WEEK 	<p>DECEMBER</p> <ul style="list-style-type: none"> • Forest Sports Centre redevelopment official opening
<p>JANUARY</p> <ul style="list-style-type: none"> • Australia Day Awards • School holiday activities • Summerbratre activities • Nourish Aussie BBQ lunch • Mayor's Education Fund Celebration of Education 	<p>FEBRUARY</p> <ul style="list-style-type: none"> • Devil Country Muster • Australian Citizenship Ceremony 	<p>MARCH</p> <ul style="list-style-type: none"> • International Women's Day • Gone Nuts Adventure Race • Skate Park competition
<p>APRIL</p> <ul style="list-style-type: none"> • ANZAC Day • Youthfest – Youth Week 	<p>MAY</p> <ul style="list-style-type: none"> • National Volunteers Week • Welcome to Community BBQ • Dog Park opening 	<p>JUNE</p>

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 19-20	Governance 20-21
Expenses	1,630,279	921,594
Income	6,726,828	7,076,942
Net result	5,096,549	6,155,348

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

Council's cultural vision is for a constructive organisation that encourages people to collaborate, connect and lead, as well as approach work in ways which provide a sense of fulfilment (such as achieving your full potential, using your creativity and feeling a sense of accomplishment).

During the 2020-21 year Council has advanced implementation of improved project management, implemented change to many processes and reinforced this with all community projects in a very challenging resource environment. The way forward in improving quality outcomes and growing community knowledge is to continue this trend.

Combining good project management knowledge and LEAN principles Council continues a journey of change of continually looking for the best value for our customers (the community) and the generations to come. The whole of organisation approach to the elimination of waste under the LEAN banner continues and has been reinforced by the changes of service adaption required by the impacts of COVID-19. During the 2020-21 year the continuous improvement processes proved an invaluable tool to bring into focus real community value.

Leadership Development

Throughout the year leadership development and knowledge sharing continued inhouse by using project management, LEAN, Simulated Work Environment (SWE) training, 5's processes, action learning, and six thinking hats to advance improvement in the organisation's leadership culture and capacity.

The impacts of COVID-19 brought forward very rapidly the needs for broad use and familiarity with several technology implementations such as Teams and Zoom to bring together work continuance capabilities during the COVID-19 disruptions. Circular Head Council has risen to these challenges and continues to embrace these new capabilities.

The value of participation and early work in the shared services collaborative working group projects across Circular Head Council, Waratah-Wynyard Council and Burnie City Council has clearly advanced sustainability and service delivery during the year as these solutions were pretested and familiar to work teams.

Resource Sharing Agreement

In 2020-21 Circular Head Council continued to actively engage, support and adapt the Resource Sharing Agreement between Circular Head and Waratah Wynyard Councils. This agreement continues to provide a valuable collaborative approach to meeting increasing community expectations and innovation in service delivery in a newly constrained labour market affected by restricted travel arrangements.

The value, resilience and adaptability of the Resource Sharing Agreement proved very capable in serving the community during the COVID-19 Pandemic by allowing the work teams to access and build improved knowledge sharing and cost efficiencies.

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. This year we had 1348 dogs registered. Council have been conducting regular inspections and educating dog owners to be responsible for their dogs. We have noticed the improvement in responsible dog ownership as the number of dogs that have been impounded over the years have decreased. Officers will continue educating the public, including regular social media posts.

Council also adopted a change to the dog registration process for the 2021-22 registration period, with the introduction of E-notice. Once the customer has registered the dog a renewal notice is emailed to them into the future.

Council has also adopted the amended Animal Control Policy and associated Animal Control Guidelines. Amendments were made to the policy and guidelines after community consultation, with improvements to be made to Council's services in the coming financial year, including new signage and dog waste bag dispensers at dedicated dog walking areas, upgrades to the pound facility and a more accessible after hours service.

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

Council have been working hard to resolve reported illegal works. There are 43 enforcement files currently in process. 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. One infringement was issued for not complying with an order.

Audit Panel

Circular Head Council's Audit Panel operates in accordance with the Audit Panel Charter reviewed and adopted by Council on 20 August 2020. The Audit Panel comprises three independent members. Membership for 2020-21 was John Howard (Chair), Lisa Dixon and Stephen Allen. The Panel met four times during the year.

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

The Panel discussed Council's annual financial report, the 2019-20 audit findings and the 2020-21 Audit Strategy and Plan with the Tasmanian Audit Office. Outstanding audit findings from previous external audits were reviewed with findings from the 2019-20 audit. The Panel noted that the audit identified one current finding and two previously reported findings to be resolved. Two previously reported findings were resolved during the audit. The Panel reviewed progress on addressing the three findings to be resolved during 2020-21.

The Panel reviewed Internal audits completed for cyber security as well as legislative compliance reviews of five Acts in 2020-21 and actions taken by Council to address limited areas of non-compliance.

During the year, the Audit Panel reviewed:

- The 2019-20 Annual Report and Audited Financial Statements – noted that council had reported an underlying deficit of \$1,491,323 (-9.89% underlying surplus ratio, target > 0%)
- The Circular Head Economic Recovery Package summary report on Council's COVID-19 response
- Discussed Council's future project funding priorities
- Discussed results of Budget Repair Taskforce to achieve budget savings of approx. \$300,000 per annum from efficiency improvements
- Discussed 2021-22 Annual Plan, financial management strategy and Budget preparations– noted 4.8% rate increase with forecast underlying deficit of \$420,145 for 2021-22.

The Panel made one recommendation to Council to take action to reduce the risk of the loss of cohesive leadership.

And noted responses to date on previous recommendations being:

- componentise the Wellbeing Centre (SWIRL) for asset management and accounting purposes – being done with building revaluation process
- develop operational manual for SWIRL – in progress, item added to risk register
- improve financial management reports to Council – some improvements made, further improvements in progress.

John Howard
Chair, Audit Panel
September 2021

Building Control

Council acts as a Permit Authority, checking that the required documentation is lodged and permits issued as required, in accordance with the *Building Act 2016*. 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.

During the last 12 months, the State Government extended timeframes to allow for owners to finalise work as the building works had been disrupted due to the impacts of COVID-19. This also included permits issued prior to 2012, which allowed for stakeholders to finalise older permits.

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 47 Building Permits issued as well as 58 Notifiable Works building notifications received last financial year. There were also 32 Plumbing Permits issued and 29 Notifiable Plumbing notifications issued. Council's Permit Authority has also been working through enforcement records and either finalising with permits being issued, or after investigation the matter has been resolved.

Code of Conduct Complaints

As required to report under Section 72 (1)(ba) of the *Local Government Act 1993* there were no Code of Conduct complaints received for the 2020-21 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.

This year Council saw the largest increase in new food businesses compared to previous years, with 26 new food businesses being registered, bringing the total number of food businesses in Circular Head to 128. Council continues to undertake regular inspections of these food businesses.

The presence of mobile food vendors continued to increase this year, resulting in Council developing and introducing a Mobile Food Vending Policy and Guidelines, allowing mobile food vendors to operate from select areas of Council land across Circular Head. Council continues to work with relevant stakeholders to expand operating areas. The community response from the policy and guidelines to date has been positive.

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 wastewater discharge may

have. Active investigations are also undertaken in response to written complaints regarding a wide variety of issues.

This year Council's Environmental Health Officer has been investigating and responding to major non-compliances associated with dairy premises across Circular Head. This has involved over 80 inspections on dairy farms, resulting in the issuing of 12 Environmental Protection Notices. Council's Environmental Health Officer continues to work closely with other government departments, including the Tasmanian Dairy Industry Authority and the Environment Protection Authority to ensure dairy premises are compliant across Circular Head. Council will continue to respond to and investigate complaints of dairy effluent non-compliance, with over 130 dairy farms operating in Circular Head, it is important that our environment and waterways remain free from pollutants.

Council's Environmental Health Officer continued to liaise with business owners in Circular Head regarding COVID-19 requirements. This included providing up to date information to food businesses, dairy farm operators, pool operators and business owners across Circular Head. As part of the response, Council's Environmental Health Officer also liaised with State Government Departments, including the Department of Health to ensure Council remained up to date with information relevant to both Council and the community.

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)
Stabilised Pavements of Australia Pty Ltd Unit 3/27 Crooked Billet Drive BRIDGEWATER TAS 7030	Mella Road Rehabilitation 2020-21 - Design and Construct	02/09/2020 - 28/02/2022	655,365
BridgePro Engineering PO Box 3253 ULVERSTONE TAS 7315	Tender for Bridge Replacement - Jaegers Road over Ekberg Creek	18/06/2020 - 30/03/2022	160,200
AusSpan PO Box 225 LATROBE TAS 7307	Provision of Bridge Asset Management Services	22/05/2020 - 30/06/2025	169,235
Tas Span Pty Ltd PO Box 225 LATROBE TAS 7307	Tender for Bridge Replacement - Huetts Road over Duck River	18/06/2020 - 30/03/2022	500,304

Hardings Hotmix PO Box 709 ULVERSTONE TAS 7315	Provision of Bitumen Surfacing Services 2020-21	18/06/2020 - 26/02/2022	1,028,190
CivilScape PO Box 63 RIDGLEY TAS 7321	Back Line Road Footpath construction	21/5/2021 – 29/10/2021	156,920
CivilScape PO Box 63 RIDGLEY TAS 7321	Bugg St, Grant St, Brook Street footpath reconstruction	21/5/2021 – 31/12/2021	244,745
Hardings Hotmix PO Box 709 ULVERSTONE TAS 7315	Mella Road Shoulder widening	19/3/2021 – 30/10/2021	173,030
DLM Machinery PO Box 170 NEWSTEAD TAS 7250	Supply of 5.5t Excavator	01/07/2020 - 28/09/2021	106,250

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	2020-21 \$36,868	2019-20 \$74,482*	2018-19 235,005	2017-18 \$269,031	2016-17 \$239,126
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*Reduction due to changed operations of the Circular Head Tourism Association contribution

Community Grants Round One	\$	Community Grants Round One	\$
Circular Head RSL Sub-Branch Inc.	950	Ten Days on the Island	3,000
Irishtown Cricket Club	3,000	Wyndarra Community centre Inc.	3,687

Community Grants Round Two	\$	Community Grants Round Two	\$
Circular Head Children's Services	2,860	Smithton Seventh-Day Adventist Church	3,000

Benefits	\$	Benefits	\$
Wyndarra Christmas Hampers	750	NAIDOC Week (schools and celebrations)	484

Tas Community Fund Community Forum and grant writing session	406	Circular Head Landcare	434
Hire of Facility – COVID testing	100	Volunteers Week	248
Christmas Community Lunch	486	Circular Head Football Association	200

Other Contributions	\$	Other Contributions	\$
Circular Head Education and Training Consultative Committee	17,263		

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 Libraries	Wyndarra Centre Inc.
Stanley Town Hall	State Emergency Service
Circular Head Heritage Centre Inc.	Circular Head Education and Training Consultative Committee
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
Tarkine Progress Group	Forest Primary School
Circular Head Youth Network	Circular Head Youth Leaders
Stronger Together Community Group	JCP Youth Leadership Forum
Arthur Pieman Conservation Area Management Committee	Circular Head Community Road Safety Committee
Study Hub	Circular Head Mountain Bike Club
Circular Head Little Athletics	Department of Home Affairs
Tas Youth Forum	Hunter Island Advisory Group
Tasmanian Community Fund	UTAS Rural Clinical School
Circular Head Football Association	

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

No formal investigations were commenced in 2020-21 financial year.

Three enquiries were dealt with from the Ombudsman but did not proceed to formal investigation.

Integrity Commission Investigations

Notification was received during the reporting period of one matter that was investigated, but no further investigation was launched.

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 2020-21 financial year.

CEO Cradle Coast Authority Report 2020-21

In 2020-21, Circular Head Council's contribution was \$60,940, total Member Council contributions were \$850,969 and a further \$3,255,615 was received as government grants. Employee numbers remained around the same as last year, at approximately 16 FTEs.

Throughout 2020-21, we delivered valuable work across economic development, natural resource management and shared services, all of which will be detailed in our Annual Report. With such a large and diverse range of projects underway, it is difficult to single out a few highlights, however the following achievements seem to have generated particular community interest:

- Completion of the Latrobe to Ambleside section of the Coastal Pathway.
- A successful state election advocacy campaign which saw us secure new funding of \$2.05m for: NRM, small business support and regional land use planning, and an additional \$3m commitment towards Dulverton Waste Management’s plans to develop world-class organic composting facilities.
- The launch of the Little Penguin Toolkit and commencement of Rice Grass removal from the Rubicon-Port Sorell Estuary.
- Commenced implementation of our Shared Services Strategy including regional workforce analysis, telecommunications review and implementation of joint procurement for Microsoft Office 365 and Telstra.

I would like to thank all the Councillors and other people who continue to believe in the regional approach, and I would like to acknowledge the encouragement and support provided by you and Mayor Quilliam in particular. I have found my time at CCA very rewarding, and I very much look forward to continuing to work together through my new role at Central Coast Council.

Best wishes,



Daryl Connelly MBus
CHIEF EXECUTIVE OFFICER

Progress on Major Projects in Leadership and Governance

	Status
Capital Works program design, delivery and forward 10 year works program planning	Completed
Code of Tenders/Procurement review	Completed
End of Financial Year 2019-20	Completed
Impairment of SWIRL/Wharf Discussion Paper	Completed
New customer service system (implementation facilitator)	Not Started
Reshaping and reinvention strategy	In Progress
Shared Services project	In Progress
Local Government Act review	Completed
Capital Works program design, delivery and forward 10 year works program planning	Completed
Code of Tenders/Procurement review	Completed
End of Financial Year 2019-20	Completed
Impairment of SWIRL/Wharf Discussion Paper	Completed
New customer service system (implementation facilitator)	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 19-20	Organisational support 20-21
Expenses	2,539,262	2,636,963
Income	2,601,791	2,591,703
Net result	62,529	(45,260)

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 deficit of \$516 thousand compared to a much higher deficit of \$1.42 million for the 2020-21 financial year.

Compared to the budget of \$1.19 million deficit, there were several variances. These include the following:

Income:

- Interest revenue down \$85,000 due to low interest rates
- Grant revenue up by \$126,000 which includes financial assistance grants (General and Road) and an increase in operating grants for the Energy and Infrastructure Development Fund
- User charges up by \$611,500 which includes Port Latta Dumping charges of \$190,000, Development Application fees of \$390,000, plus several other small variances
- Income from TasWater up by \$158,000, which was not budgeted

Expenses:

- Increase in loss on disposal of \$232,165 which is predominately made up of renewals and disposals within the transport network

- Decrease in employee costs of \$60,000. Some advertised and budgeted officer positions were not filled for a full year

Cash moved from \$11.5 million in 2019-20 to \$14.2 million in 2020-21 compared to a budget of \$10.5 million.

Council's share in the Water Corporation is 1.53%. Council recorded a net increase on its investment in TasWater of \$1.7 million for the year. Council's current investment equates to approximately \$24 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	3	3	3	-
Development Services	7	6.61	2	5
Animal Control	1	1	1	-
Civic Governance	2	2	1	1
Strategic Governance	6	5.6	3	3
Community Services	3	3	-	3
Corporate Services	11	8.52	3	8
Works & Services	24	24	23	1
Total	57	53.73	36	21

Resource Shared Positions				
Staff	Circular Head	Waratah Wynyard	Male	Female
Director Community Services	0.30	0.70	-	1
Director Infrastructure and Development Services	0.45	0.55	1	-
Manager Asset Services	0.50	0.50	1	-
Manager Development and Regulatory 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	4.95	6.05	10	1

Staff Turnover	
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

In early 2021 the Cradle Coast Authority has established a joint service provision arrangement for Councils to have Office 365 software services and mobile phone services. For Circular Head the pricing of these services will be like the previous arrangements, however the new arrangements will allow Council to access some additional services not previously available and the benefits of collaborating with other councils to use this technology better. The Devonport City Council have led the way in their use of this technology and other Councils are able to learn from their experiences.

Progress on Major Projects in Organisational Support

	Status
Council Chambers carpet ground floor	Not Started
Council customer service area refurbishment	Not Started
Customer service system implementation/improvements	Not Started
Planning service review	In Progress
Asset revaluation - buildings	Completed
Cross Council benefit realisation delivery project	In Progress
Annual Asset Management Plan update and maturity assessment improvements (Buildings, inc. Componentisation and revaluation)	Completed
Review HR classification structure - Fair Work requirement	In Progress
Review of fitness for work policy	Not Started
Cross skilling work crews	Completed
Works & Services Leadership Team Development	Completed
IT reviews outcomes	In Progress
Wiring of building (dependant on office redesign)	Not Started
Holden Commodore - replacement	Completed

Nissan Navara D22 - replacement	Not Started
Manager of Engineering and Projects - vehicle replacement	Not Started
Fleet - Development Services - vehicle replacement	Not Started
IT review outcomes	Not Started
New HR system	In Progress
Fleet replacement - Civic 1 - Mayor	Not Started
Fleet replacement - Engineering - Manager Engineering and Projects	Not Started
Fleet replacement - Engineering	Not Started
Fleet replacement - Development - Plumbing and Compliance	Not Started
Conquest Asset System upgrade	Completed
Tablet / phone handset upgrades - Depot	Completed
Tagalong trailer	Completed
Vehicle replacement - Civic	Not Started
Vehicle replacement - Engineering	Not Started
Vehicle replacement - Works & Services	Not Started
Vehicle replacement - Corporate Services	Not Started
Vehicle replacement - Fleet	Not Started
Mobile device management	Completed
Tablet / Phone handset upgrades	Completed
Video conference replacement	Completed
Cyber security risk assessment	Not Started
GIS platform upgrade	In Progress
Electronic timesheets and employee self-service system	In Progress
Street Scrubber	Completed
Webcams	Completed
Aerial image overlay - update data	Completed
Phone system replacement - extra handset licences	Not Started
Website upgrade	In Progress
Network switch upgrade	Completed
UPS battery replacement	Completed
Training on cyber security	Not Started
Communications Officer tools	Completed

CONNECTED COMMUNITIES

The Circular Head community will be inclusive and resilient with a strong sense of belonging. People will be connected to one other 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 19-20	Connected Communities 20-21
Expenses	899,267	837,213
Income	142,756	64,740
Net result	(756,511)	(772,473)

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 Liquor Accord
Social Recovery	Art About Town Month
Municipal Emergency Management	Circular Head Show
Christmas Parades Smithton and Stanley	Education and Training
Christmas Carols Smithton and Stanley	Keep Australia Beautiful (Tidy Towns)

COMMUNITY DEVELOPMENT

Health and Wellbeing

In 2019 the Circular Head Council and Waratah-Wynyard Council applied to the Healthy Tasmania Fund for money to address several risk factors that were identified in the joint Community Health and Wellbeing Plan.

The "Breathe, Eat, Move, Relax" project has been funded for two years and included the employment of a project officer to support the Councils' to deliver the outcomes.

As COVID-19 had an impact on the delivery of the activities the start date was delayed but approval has been granted to extend the project.

Some of the programs that have been undertaken are:

- Breathe Well, Live Better – Smoking Cessation program
- Community Demonstration Gardens
- Tai Chi and Qigong qualification training for local participants
- Kayaking and Bike Riding
- Bike Riding Training
- Yoga classes



Nourish Community Lunches



Funding was received from Healthy Tasmania – Neighbourhood Day Grant program to hold lunches for the community as an extension to Harmony Day. The aim of the lunches was to welcome new residents and reconnect our community that may be experiencing loneliness.

The first lunch was held in September 2020 at the Circular Head Community & Recreation Centre (CHCRC). Everyone was encouraged to bring a plate of food to share. Following the success of this event another community lunch was held in November 2020 at the CHCRC and in January 2021 the theme changed to the great Aussie BBQ to acknowledge Australia Day.

The people who attended thoroughly enjoyed the events and now have made some valuable connections within the community. It has also made new residents feel welcome and has given existing community members an understanding of different cultures that are now part of our community.

EDUCATION

Science Gig

Due to restrictions we were unable to hold a physical National Science Week event in 2020. However, we improvised and had an online Science Gig with some of our favourite things. Families were able to pick up a Science Gig pack which included some water experiments as well as materials for an online MacGyver challenge. On Monday 17 August we had a Facebook live event. Families could log in to watch and participate at home with some experiments, all to do with the theme “Water”. We also filmed a behind the scenes tour of the Stanley Abalone Farm and interviewed Josie Riches an artist that makes baskets out of Marine Waste. Some students were also able to talk to Parks Ranger Kristin about anemones. Children were also able to complete the Science Trail around Smithton. We had over 90 entries.



Mayor's Education Fund Scholarship



The 2021 Mayor's Education Scholarship was awarded to Emma Spinks. Emma attended school locally at St Peter Chanel before attending High School at Marist Regional College. Emma will be attending the University of Queensland, enrolled in a double degree of Agricultural Sciences and Agribusiness on her path to become an agronomist. Emma has always had an interest in agriculture growing up on the family farm in Forest. Her family's passion for farming, strong work ethic and determination has made Emma excited to learn all she can in the agricultural field and to improve and grow in an ever-changing industry.

Celebration of Education

On Friday 29 January 2021 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, the Rotary Club of Smithton's bursary and the Circular Head Seniors Citizens' bursary. We heard from the 2020 Mayor's Education Fund recipient Abbi Mulholland on how her first year at University was impacted by Covid-19. Chairperson of CHETCC, Cr. Kathleen Ettlin also announced our successful Skills Tasmania grant application to complete a Circular Head Workforce Planning Study.



EMERGENCY MANAGEMENT

COVID-19

Covid-19 related planning and responses continued to dominate the planning and preparedness activities.

General

Other emergency management activities included the regular planning activities of the Western Emergency Management Committee. Plans needed to consider the impact of an emergency being managed within a Covid-19 related alert level.

Kevin Maguire was appointed to the role Emergency Management Coordinator having previously been deputy coordinator. Two new deputy coordinators were appointed, including a shared staff member from the Waratah-Wynyard Council who is a deputy coordinator at each Council.

CULTURAL DEVELOPMENT

Art and Culture Month

The 2020 CHArts Festival was a smaller event due to the uncertainty surrounding COVID-19.

A Council owned building at 157 Nelson Street (formerly Smithton Plant Nursery) was used as a pop-up gallery to host adult and youth art and photography. The gallery had 316 visitors over the 12 days it was open.

In 2020 CHArts partnered with The Naked Farmer to shine a light on mental health in rural and remote communities. Local and coastal people took part in photo shoots at Robbins Crossing, The Marawah Tavern and other areas in Circular Head. The photos were displayed in a room at the pop-up gallery where they generated many conversations about the meaning behind the photographs

2020 saw the introduction of a 'pop-up piper' with John Hammond playing music in Smithton and at other iconic Circular Head locations

Sounds Around Town was a huge success with 70 people enjoying a mystery walking concert beginning from the Circular Head Community and Recreation Centre. Guests were treated to songs and stories from the always entertaining Dudley Billing before walking to Smithton Skate Park which was transformed into an incredible set by the Big hArt/Project O teams. Smithton Basketball Clubrooms, SWIRL, Smithton Netball Tennis Centre and El Nathan Chapel were also visited with music from talented local and coastal musicians. The event was sold out very soon after advertising began on social media.

A Friday night drive in was held in ANZAC Park car park with more than 100 people in 40 cars attending. The event quickly sold out and unfortunately the venue would not allow for more cars.



That's Classic musical concert now in its fourth year was again organised by Jan Krom. Approximately 70 people attended the Sunday afternoon performance.

Local businesses were encouraged to decorate their windows in the CHArts colours of pink and black. Many got into the spirit with The Arty Duck crowned the best winning a \$250 prize.

Winners in all categories are listed below:

OPEN ART

Circular Head Council CHArts Prize	Geoff Stanton	Sunday Picnic
Ruth Forrest Prize	Tess Bergin	

OPEN PHOTOGRAPHY

Circular Head Council Photography Prize	Anne Bishop	Breakfast in the mist
Anita Dow prize	Helene Anderson	

Public vote

Winner	Tim Broom	Rustic Refuge
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YOUTH ART

Roger Jaensch Prize	Yarran Bambery	Primrose
CHC Highly commended	Elizabeth Grant	Isolation

YOUTH PHOTO

Roger Jaensch Prize	Scarlett Stone	The Smoking tree
CHC Highly Commended	Scarlett Stone	Behind the arch

Public vote

Winner	Amy Spinks	Montagu Jetty
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Australia Day Awards and Celebrations

The Australia Day Awards were announced at a community function held at the Hall of Fame on Tuesday 26 January 2021. A large crowd gathered to recognise and congratulate the inspiring nominees that have volunteered many hours to our community. Unfortunately, there were no nominations for the Young Citizen of the Year award and due to COVID-19 there were no community events organised.

Australia Day Awards were presented to:

Citizens of The Year	Chrissy and Gary Hingston
Young Citizen of the Year	No nominations received
Senior Citizen of the Year	Amelia (Millie) Quilliam
Community Event of The Year	No nominations received

Tom Dunbabin was the Circular Head Australia Day Ambassador for 2020. Tom retired from active farming in 2017 but remains a leader in the farming community. His lifetime work was developing a sustainable grazing business at the family property Bangor and at The Quoin at Ross. Tom also assisted the Mayor to present the awards.



Summerbrate Circular Head 2021

Due to the impact of COVID-19 and the additional regulations that had to be adhered to it was not feasible to hold the annual Twilight on the Duck event.

In place of the large event several smaller activities were organised to ensure that the community could still attend events during January 2021.

Activities organised were:

- Learn to Surf for children and adults at Stanley and Marrawah
- Sandcastle competition and sausage sizzle
- 3 x 3 Basketball tournament
- Fishcare – public fishing competition
- Nourish Community BBQ – West Esplanade
- Fireworks on Australia Day
- 150 Australia Day Celebrate at Home Packs were distributed throughout the community



All the events were well attended, and the annual fireworks didn't disappoint the large crowd that congregated at the Boat Ramp and other vantage points to witness the display.

YOUTH

Seven Up Youth Centre

Seven Up Youth Centre has operated at a reduced level over the past 12 months due to COVID-19 and lack of a centre coordinator. The centre was closed for some time and after reopening had a maximum capacity of 15 young people with physical distancing in place. Without a permanent coordinator the centre opened two afternoons per week run by partner organisations Council, Rural Health, Circular Head Aboriginal Corporation and Smithton Christian Fellowship. Seven Up has also been hugely supported by the Patricia Dukes Foundation and Treasure Chest.

Funding and support have allowed Seven Up to remain open offering young people a safe place to relax and enjoy a free healthy after school meal. Seven Up offers interactive activities incorporating cooking, art, music and exercise as well as having table tennis and eight ball tables, board games and more.

Youth/School Holiday Programs

School holiday programs were severely impacted by COVID-19 in 2020-21.

Learn to Surf lessons were held as part of the Summer-brate celebrations in January.

Other local activities included learn to skate run by drop in skate school, A Come and Try Badminton day, Scoot, Skate and BMX competition and free swim time at SWIRL

Youth Art and Photography Competition

The Youth Art and Photography Competition is a part of The CHArts Festival in September. In 2020 entries were displayed in the pop-up art gallery

Youth Leadership – Circular Head Youth Leaders



During 2020-21 Circular Head Youth Leaders (CHYL) members were involved in a number of projects and activities.

The 2020 Lifeline Out of the Shadows walk to remember those lost to suicide was held indoors due to poor weather. CHYL members spent time preparing the garden at West Esplanade but ultimately had to relocate the event. CHYL members organised, spoke and sang at this community event.

November was a busy month as CHYL members received a Keep Australia Beautiful Community Kindness award for the Care Packs they delivered during lock down.

CHYL members also participated in NAIDOC week celebrations at Trawmanna and attended a youth leadership day camp with Will Smith and the JCP Youth team.



In February 2021 a new group of CHYL members were inducted and immediately started work by participating in a Child and Youth strategy framework and mental health forum.

New members also began planning for the annual youth week event to be held in April. 'Youth Fest' was a fantastic success with over 300 young people enjoying the karaoke, giant inflatables, laser tag and information booths.

April saw CHYL members attend ANZAC day services in Smithton and Stanley.

In June members of CHYL attended the Tasmanian Youth Forum in Launceston where they discussed the topic of transport.

Progress on Major Projects in Connected Communities

	Status
Implementation of Youth Strategy	In Progress
Youth Fest grant	Completed
Neighbourhood Day Activities	In Progress
Stanley Town Hall - install overhead fans	Completed
Implement Community Social Recovery plan post COVID-19	In Progress
Community fund Initialisation	Not Started
Delivery of Community Wellbeing, Age Friendly and Youth Plans	Completed
LED Christmas Tree lights	In Progress
ANZAC Park plan - post demolition of old swimming pool	In Progress
CH Lawn Cemetery - stage 2 expansion	Completed
Niche Walls expansion	Completed
ANZAC Park Smithton - landscape upgrade and re-design	In Progress
Australia Day rebranding	Completed
Science Week 2021-22	Not Started
Reconciliation Action Plan	In Progress

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 19-20	Community Recreation 20-21
Expenses	3,070,817	3,073,723
Income	734,644	4,131,662
Net result	(2,336,173)	1,057,939

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
Urban Beautification/Street Tree Planting	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
Recreation Advisory Committee	

COVID-19

COVID-19 has had a large impact on community, recreation and sporting groups. We saw facilities closed for a period and some sports were unable to hold their rosters during 2020.

Each sporting body or community user that hires a Council facility must prepare a COVID-19 plan to adhere to the regulations set by the State Government. Volunteers are to be congratulated for their commitment in ensuring that facilities are safe and clean for use by competitors and spectators. All Circular Head Council facilities have the TAS Check in QR codes displayed.

Stanley Recreation Ground

New goals posts and padding were installed at the Stanley Recreation Ground in 2020.



SWIRL Indoor Centre

A new basketball scoreboard was installed at the Indoor Centre. The new board replaced the ageing scoring system that was not fit for purpose.

Floor maintenance was carried out over December 2019 and January 2020. This included sanding and varnishing. The Centre was closed for four weeks to enable the work to be undertaken.



SWIRL – Smithton Wellbeing Indoor Recreation and Leisure

As at the 30 June 2021 SWIRL memberships included 259 full access or aquatic members and 192 Swim School members. The total number of facility entries was 29,307.

The facility commenced the reporting period under COVID-19 restrictions on attendance. By the end of the reporting period restrictions had lifted and attendance limits applied by floor area were well within normal operational parameters.

Progress on Major Projects in Community Recreation and Wellbeing

	Status
Nelson St - Rotaract Park - playground replacement	Completed
West Esplanade - playground equipment replacement	Completed
East Esplanade - realignment of pathway	Completed
King Park - playground equipment replacement	Completed
CH Community Recreation Centre - upgrade of security system	Completed
SWIRL (Stadium) - stage 2 security upgrade	Completed
Stanley Recreation Ground - new goal posts and padding	Completed
SWIRL - air handling improvements for plant room	Completed
SWIRL - energy meter and safety alarm	In Progress
Smithton Dog Park	Completed
East Esplanade - exercise equipment replacement	Completed
Tier Hill scenic look out design and geotechnical investigation for viewing	Not Started
Smithton Marina - future planning	In Progress
Open Space and Recreation Plan actions	In Progress
Know Your Odds Skate Competition	Completed
West Esplanade - replace BBQ's	Completed
King Park - replace BBQ's	Completed
Stanley Recreation Ground - new path around trade waste installation	Completed
Smithton Indoor Sports Centre - renew scoreboard	Completed
SWIRL window upgrade (basketball clubrooms)	Completed
Green point Camping Review	Completed
Recreation COVID planning/re opening facilities	Completed
SWIRL Maintenance scheduling, optimisation and handover, project debrief completion and capital works	Ongoing
Stanley Recreation Ground - Multi Purpose Building - noise control batts and complete wall lining	Completed
Forest Sports Centre contribution to toilets	Completed
Irishtown Recreation Ground tree removal	In Progress
Ride on catcher mower - replacement	Not Started
Review of fees and charges for sporting facilities	In Progress
Develop public art policy	Completed
Duck River Meadows / Circular Head Heritage Centre project	In Progress

ECONOMIC PROSPERITY

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

	Economic Prosperity 19-20	Economic Prosperity 20-21
Expenses	435,933	284,313
Income	97,215	146,185
Net result	(338,718)	(138,128)

ECONOMIC DEVELOPMENT

Council continues to partner with and contribute funds to organisations for economic development in the area. Activities of note for the 2020-21 year include:

- Circular Head Tourism Association (CHTA) Memorandum of Understanding (MOU) for the Circular Head Tourism Industry
- Cradle Coast Regional Futures Plan work groups
- Continued development of a Population Strategy
- Circular Head Economic Recovery Package – COVID-19 response
- Development of a community fund contributions model for developer contributions

Progress on Major Projects in Economic Prosperity

	Status
Develop a municipal economic profile	In Progress
Economic development consultancy	In Progress
Central area development plans - Smithton/Stanley	In Progress
Population Strategy	In Progress
Settlement Strategy	In Progress
Tourism photo frames	Completed
Circular Head Tourism Association Memorandum of Understanding renewal	In Progress
Tarkine Coast Progress Group Memorandum of Understanding renewal	In Progress

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 19-20	Transport and Access 20-21
Expenses	5,969,034	6,067,846
Income	3,299,363	4,393,293
Net result	(2,669,671)	(1,674,553)

** Financial assistance grants paid in advance last year

The Circular Head municipality is serviced by approximately 768 km of road network, made up of 294.5 km of sealed roads and 473.5 km of unsealed gravel roads.

In addition, 121 bridges and culverts serve the community, of which 36 are of timber construction. There are approximately 31km of footpaths, 63km 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

Mawbanna Road

Council completed its works on Mawbanna Road during 2020-21, which included a culvert extension and upgrade and surface sealing of sections totalling approximately 5.1km. Reconstruction works have been undertaken on Mawbanna Road over the past three financial years.



Emmett Street DDA Compliant Parking Space



Council gained funding through the Tasmanian Government administered Vulnerable Road User Program (VRUP) grant program towards installation of a dedicated *Disability Discrimination Act 1992* (DDA) compliant car parking space on the eastern side of Emmett Street. Council was required to meet half of the total cost of the project, with the remaining \$15,000 accessed through the VRUP funding. The construction of the parking space improved vehicle access to the Central Business District for persons with a disability and holding a disability parking permit.

Park Lane (off Smith Street) - Reconstruction

Council addressed long term deterioration of the surface and poor drainage when reconstruction of Park Lane was undertaken during 2020-21, to bring the asset to a standard to meet Council service levels for roads. This reconstruction resulted in better access to properties serviced by this laneway, increased safety for users through sealed surface and improved drainage, and reduced ongoing costs associated with maintenance.



Bridge Replacements



Karl Jaeger Road Bridge

Council replaced two ageing timber bridges, located at Huetts Road Edith Creek, and Karl Jaeger Road at Roger River, with new concrete structures to restore full load carrying capacity traffic and lower ongoing costs associated with maintenance and replacement.

Mella Road Reseal and Rehabilitation

Council carried out reseal works on sections of Mella Road totaling 5.8km. Also pavement rehabilitation works and road widening on sections to improve safety for use by heavy vehicles.



Road Network Shoulder Resheeting Works

As part of Council's annual road network maintenance, shoulder resheeting works were undertaken on Montagu Road, Trowutta Road, Backline Road, Mengha Road, Irishtown Road and Mawbanna Road.

Progress on Major Projects in Transport and Access

	Status
Review infrastructure contribution models from other jurisdictions	Completed
Upper Scotchtown Road Shoulder Widening	In Progress
Brook Street footpath reconstruction	Not Started
Grant Street footpath reconstruction	Not Started
Bugg Street footpath reconstruction	Not Started
Havelock Street Smithton – construction of kerb outstands and ramps	In Progress
Trowutta Road Smithton – replacement of end terminals with MASH terminals	In Progress
King Park entrance	Not Started
Main Road footpath - Stanley	Not Started
Reseal - Mawbanna Road (18110 - 20740m) surface	Completed
Reseal - Green Point Road (280 - 2400m) surface	Not Started
Rural road safety audit items	In Progress
Rural roads resheeting	Completed
Faheys Lane (0 - 330m) - surface seal	Completed
Faheys Lane (330 - 370m) - surface seal	Completed
Faheys Lane (370 - 670m) - surface seal	Completed
Faheys Lane (670 - 916.6m) - surface seal	Completed
Mawbanna Road (05148 - 06950m) - surface seal	Completed
Mawbanna Road (20740 - 24050m) - surface seal	Completed
Montagu Road (13800 - 14640m) - surface seal	Completed
South Road (13630 - 18930m) - surface seal	Completed
Mella Road - reseal (PMB) (90-2600)	In Progress
Mella Road - reseal (PMB) (3000-3500)	In Progress
Mella Road - reseal (PMB) (4700 - 5000)	In Progress
Mella Road - reseal (PMB) (5930 - 7700)	In Progress
Mella Road - reseal (PMB) (8000 - 8750)	In Progress
Green Point Road (0000 - 2054m) - pavement	Completed
Green Point Road (2054 - 2737m) - pavement	Completed
Mella Road - rehabilitation Ch 2600-3000	Completed
Mella Road - rehabilitation Ch 3500-4700	Completed
Mella Road - rehabilitation Ch 5000-5200	Completed
Mella Road - rehabilitation Ch 5750 - 5930	Completed
Mella Road - rehabilitation Ch 7700 - 8000	Completed
Youngs Road - Blizzards Creek corner works	Completed
Cythea Road - culvert replacement	Completed
Lovetts Road - culvert repair/replacement	Completed
Alcomie Cross Road - culvert extension and upgrade	Completed
Huetts Road - culvert extension and upgrade	Completed
Mawbanna Road (south of Bartletts Rd on horseshoe bend) - culvert extension and upgrade	Completed
Hotmix transitions from unsealed roads (based on 50% VRU Contribution) - Poilinna Road, Barcoo Road, Loosemores Road (Mawbanna end), Fairview Road, Huetts Road	Completed
Road network shoulder resheeting - Montagu Road, Trowutta Road, Back Line	Completed

Road, Mengha Road, Irishtown Road, Mawbanna Road	
Freeman Place, Arthur River - upgrade works	Completed
Casey's Road bridge - replace with culvert	Completed
Huetts Road bridge over Duck River - replace	Completed
Karl Jaeger Road bridge over Ekberg Creek - replace	Completed
Woolnorth Road bridge over Welcome River - engineering assessment	Not Started
Brook Street, sec - 1 surface seal	Completed
Carnac Court, sec - 1 surface seal	Completed
Carnac Court, sec - 1 surface seal	Completed
Carnac Court, sec - 2 surface seal	Completed
Church Street, sec - 4 surface seal	Completed
Dallas Court, sec - 1 surface seal	Completed
Emmett Street, sec - 1 surface seal	Completed
Emmett Street, sec - 1 surface seal	Completed
Gibson Street, sec - 1 surface seal	Completed
Gibson Street, sec - 2 surface seal	Completed
Gibson Street, sec - 3 surface seal	Completed
Gibson Street, sec - 3 surface seal	Completed
Hanson Court, sec - 1 surface seal	Completed
Leederry Street, sec - 1 surface seal	Completed
Leederry Street, sec - 2 surface seal	Completed
Nutview Court, sec - 1 surface seal	Completed
O'Connor Place, sec - 1 surface seal	Completed
Poke Street, sec - 1 surface seal	Completed
Poke Street, sec - 3 surface seal	Completed
Tier Hill Drive, sec - 1 surface seal	Completed
Tier Hill Drive, sec - 2 surface seal	Completed
Tier Hill Drive, sec - 2 surface seal	Completed
Tier Hill Drive, sec - 4 surface seal	Completed
Tier Hill Drive, sec - 4 surface seal	Completed
Victoria Street, sec - 1 surface seal	Completed
West Esplanade, sec - 1 surface seal	Completed
West Esplanade, sec - 1 surface seal	Completed
Park Lane (off Smith St) - reconstruction	Completed
Davis Street (Smith Street to East Esplanade) - design	In Progress
Emmett Street DDA Carpark (Based on 50% VRUP contribution) - design and works	Completed
Ute mounted spraying unit	Completed
Green Point Road Marrawah - safety barrier	Completed
Back Line Road footpath	In Progress
Mella Road Shoulder Widening	In Progress
Sampson Avenue/Goldie Street roundabout - consultation and design	Completed
Grader GPS unit	Not Started
Infrastructure maintenance - life cost refinement	Ongoing

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 19-20	Environment 20-21
Expenses	2,019,314	2,137,761
Income	2,731,112	2,829,627
Net result	711,798	691,866

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.

On 26 May 2021, Council transitioned to begin operating under the Tasmanian Planning Scheme – Circular Head. To date, only six councils are operating under the Tasmanian Planning Scheme. Council had a dedicated resource to draft our components of the scheme, so have led the way in being an early adopter.

The 2020-21 year has shown further increase in the number of development applications received. The previous financial year saw 157 applications received, with 172 in 2020-21. These applications include large subdivisions in Smithton and Stanley to address growth and housing shortages. We have had two consecutive years of strong growth in development application numbers, which appears to be the result of a surge of interest from interstate purchasers looking to escape environmental conditions and impacts of COVID-19.

A considerable portion of the development team workload has also been in the preliminary assessment, management, and final assessment of large-scale renewable energy projects. This year we have received lodgement of the Robbins Island wind farm application and provided pre-lodgement advice on the

proposed transmission line from Robbins Island to Hampshire, and the Western Plains wind farm. These projects typically take over 12 months to progress through the combined Council and Environmental Protection Authority statutory planning process.

With regards to strategic planning, we have commenced drafting a settlement strategy for Circular Head and have completed stage 1 of the Scenic Visual Assessment project.

We need 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 Scenic Visual Assessment project will determine if we need to develop the Scenic Protection Code in the planning scheme to provide an extra level of protection for areas with high scenic values. Stage 2 of the project will be delivered in the 2021-22 financial year, with this stage to include public consultation.

Progress on Major Projects in Environment

	Status
Planning scheme representation	Completed
Seek approval and implement planning scheme	Completed
FOGO feasibility	Completed
Waste Services Strategy - year 1 actions	Completed
Waste Services Strategy - year 2 actions	Completed
Conservation covenant policy review	Completed
Installation of CCTV at White Hills	Completed
Smithton Landscape Development Strategy - Duck River Bridge	Not Started
Nelson Street, Smithton - stormwater works	Completed
Cripps and Hale Streets, Stanley - provide stormwater service	Not Started
Alexander Terrace, Stanley - provide stormwater service	In Progress
5T Excavator	Completed
7.6m Tip truck for Port Latta	Completed
Tip Shop infrastructure	In Progress
Urban Drainage Bill investigations and Stormwater Management Plans for urban areas	In Progress
Complete Waste Management Service Plan and Strategy	Completed
Stormwater network audit- CCTV work	Ongoing
Ford tipper - Port Latta landfill - replacement	Completed
Gully Pit upgrade/replacement	Completed
Manholes/upgrade replacement	Completed
Stormwater network audit	Not Started
Wheelie Bin sticker replacement project	Not Started
Roadside Vegetation Management long term strategy	Completed

THE YEAR AHEAD

•	4.8% General Rate revenue increase
•	\$1,160,000 Rural road resheeting
•	\$464,460 Lades Road bridge over Duck River replacement
•	\$198,861 McPhersons Road bridge replacement
•	\$196,560 Brakeys Road bridge over Wilson Creek replacement
•	\$250,000 Tractor and implements for slashing
•	\$115,000 Brook Street replacement of footpaths
•	\$66,000 King Park entrance - modified into new location
•	\$42,535 LED Christmas lights
•	Grant Funding Strategy development
•	Regional Land Use Strategy review



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 2021 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 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 2021 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 the management indicators, nor the Significant Business Activities disclosed in note 31 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
Infrastructure, property, plant and equipment <i>Refer to notes 11, 18 and 35</i>	
<p>Infrastructure, property, plant and equipment at 30 June 2021, of \$199.18m, includes land, buildings, transport infrastructure, stormwater and drainage assets. The fair values for these assets are based on market value or current replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value. Indexation is applied to fair values between formal valuations.</p> <p>In 2020-21 Council revalued building assets, based on fair values determined by external experts. The valuations are highly dependent upon a range of assumptions and estimated unit rates.</p> <p>The calculation of depreciation requires estimation of asset useful lives, which involves a high degree of subjectivity. Changes in assumptions and depreciation policies can significantly impact the depreciation charged</p> <p>Capital expenditure in 2020-21 totalled \$4.93m on a number of significant programs to upgrade and maintain assets. Capital projects can contain a combination of enhancement and maintenance activity which are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental.</p>	<ul style="list-style-type: none"> • Assessing the scope, expertise and independence of experts engaged to assist in the valuations. • Evaluating the appropriateness of the valuation methodology applied to determine fair values. • Critically assessing assumptions and other key inputs in the valuation model, including corroboration of assumptions to external data. • Testing, on a sample basis, the mathematical accuracy of the valuation model's calculations. • Evaluating management's assessment of the useful lives. • Performing substantive analytical procedures on depreciation expenses. • Testing, on a sample basis, significant expenditure on maintenance and capital works to corroborate appropriate treatment. • Testing capital work-in-progress to ensure that active projects will result in usable assets and that assets commissioned are transferred in a timely manner. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

2

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 are 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.



Jeff Tong
Assistant Auditor-General, Audit
Delegate of the Auditor-General
Tasmanian Audit Office

3 December 2021
Hobart

STATEMENT OF COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED
30 JUNE 2021

		Actual 2021 \$	Budget 2021 \$	Actual 2020 \$
	Note			
Income from operations				
Rates	3	8,641,530	8,619,215	8,656,438
Interest		13,093	100,000	79,981
Grants	4	3,376,270	3,250,209	3,389,460
User charges	5	2,749,820	2,138,304	2,239,777
Investment revenue from Water Corporation	6	158,000	-	158,000
Other income	7	504,040	413,268	611,686
Total		15,442,753	14,520,996	15,135,342
Expenses from operations				
Loss on disposal of infrastructure, property, plant and equipment	8	232,165	-	129,119
Employee costs	9	5,390,180	5,449,958	5,262,650
Materials and contracts	10	3,114,893	3,123,563	3,789,493
Depreciation and amortisation	11	5,085,967	5,030,625	5,172,088
Finance costs	12	-	-	1,226
Other expenses	13	2,136,208	2,104,950	2,209,330
Total		15,959,413	15,709,096	16,563,906
Result from operations		(516,660)	(1,188,100)	(1,428,564)
Capital income				
Proceeds from capital grants	4	5,791,399	803,242	1,198,367
Total		5,791,399	803,242	1,198,367
Total Income		21,234,152	15,324,238	16,333,709
Net result for the year		5,274,739	(384,858)	(230,197)
Other comprehensive income				
Items that will not be reclassified subsequently to net result				
Fair value adjustments on equity investment assets	33	1,747,255	-	(6,636,793)
Asset revaluations	34	8,529,685	-	15,457,329
		10,276,940	-	8,820,536
Items that will be reclassified subsequently to net result				
Financial assets available for sale reserve				
- Fair value adjustment on equity investment assets	33	-	-	-
Total comprehensive result		15,551,679	(384,858)	8,590,339
The above statement should be read in conjunction with the accompanying notes				

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

		Actual 2021 \$	Actual 2020 \$
	Note		
Current Assets			
Cash and cash equivalents	14	14,198,881	11,583,024
Receivables	15	1,152,780	941,359
Inventories	16	97,561	126,462
Other current assets	17	236,688	263,279
Total Current Assets		15,685,910	12,914,124
Non Current Assets			
Infrastructure, property, plant and equipment	18	199,182,636	192,050,227
Investment Water Corporation	33	24,114,856	22,367,601
Right-of-use assets	18B	38,430	44,925
Total Non Current Assets		223,335,922	214,462,753
TOTAL ASSETS		239,021,832	227,376,877
Current Liabilities			
Payables	20	1,289,063	1,289,465
Provisions	21	1,285,757	1,279,548
Borrowings	23	-	3,900,000
Lease liabilities	21	14,347	14,347
Total Current Liabilities		2,589,167	6,483,360
Non Current Liabilities			
Provisions	21	111,456	123,987
Borrowings	23	-	-
Lease liabilities	21	27,857	27,857
Total Non Current Liabilities		139,313	151,844
TOTAL LIABILITIES		2,728,480	6,635,204
NET ASSETS		236,293,352	220,741,673
Equity			
Accumulated surplus		142,808,410	137,533,671
Reserves	34	93,484,942	83,208,002
TOTAL EQUITY		236,293,352	220,741,673
The above statement should be read in conjunction with the accompanying notes			

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2021

	Total		Accumulated Surplus		Asset Revaluation Reserve		Fair Value Reserve		Other Reserves	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$			\$	\$
Balance at beginning of the financial year	220,741,673	212,442,527	137,533,671	138,055,061	82,788,691	67,331,362	279,976	6,916,769	139,335	139,335
<i>Effect of changes in accounting policy for:</i>										
Adjustment due to AASB 15/1058 adoption	-	(291,193)	-	(291,193)	-	-	-	-	-	-
Restated opening balance	220,741,673	212,151,334	137,533,671	137,763,868	-	-	-	-	-	-
Net result for the year	5,274,739	(230,197)	5,274,739	(230,197)	-	-	-	-	-	-
Financial assets available for sale reserve										
– Fair Value adjustment in equity investment assets	1,747,255	(6,636,793)	-	-	-	-	1,747,255	(6,636,793)	-	-
– Fair Value adjustment on Available for Sale Asset	-	-	-	-	-	-	-	-	-	-
Net asset revaluation increment/(decrement)	8,529,685	15,457,329	-	-	8,529,685	15,457,329	-	-	-	-
Balance at end of the year	236,293,352	220,741,673	142,808,410	137,533,671	91,318,376	82,788,691	2,027,231	279,976	139,335	139,335
The above statement should be read in conjunction with the accompanying notes										

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2021

		2021	2020
	Note	\$	\$
Cash flows from operating activities			
Cash Used			
Employee costs		(5,357,397)	(5,130,490)
Materials and contracts		(4,683,686)	(5,492,328)
Finance costs paid		-	(1,226)
Other supplier payments		(2,173,839)	(2,189,647)
		(12,214,922)	(12,813,691)
Cash Received			
Rate revenue		8,769,093	8,578,299
Other revenue and user charges		3,199,350	4,543,431
Grants		3,376,270	3,389,460
GST recovered from tax authority		1,337,935	1,337,935
Interest received		13,093	79,981
Water Corporation Investment returns		158,000	158,000
		16,853,741	18,087,106
Net Cash provided by (used in) operating activities	27	4,638,819	5,273,415
Cash flows from investing activities			
Cash Used			
Payments for property, plant and equipment		(4,927,431)	(5,430,097)
		(4,927,431)	(5,430,097)
Cash Received			
Proceeds from sale of property, plant and equipment		1,013,070	165,000
Capital grants		5,791,399	1,198,367
		6,804,469	1,363,367
Net cash provided by (used in) investing activities		1,877,038	(4,066,730)
Cash flows from financing activities			
Cash Used			
Repayment of lease liabilities		-	(9,216)
Repayment of borrowings		(3,900,000)	-
		(3,900,000)	(9,216)
Net cash provided by (used in) financing activities	28	(3,900,000)	(9,216)
Net Increase (decrease) in cash and cash equivalents		2,615,857	1,197,469
Cash and cash equivalents at beginning of the financial year		11,583,024	10,385,555
Cash and cash equivalents at end of the financial year	14	14,198,881	11,583,024
The above statement should be read in conjunction with the accompanying notes			

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT INDICATORS

Underlying surplus or deficit reconciliation

	2021	2020	2019	2018
Underlying surplus or deficit reconciliation				
Net result for the year	(516,660)	(1,428,564)	(19,678)	65,696
Add fire damaged bridge WDV	-	-	-	-
Less financial assistance grants in advance	-	(62,759)	(34,856)	-
Recognition/(derecognition) of assets	-	-	-	-
Less recovery on investment	-	-	-	-
Less capital grants	-	-	-	-
Add financial assistance grants	51,468	-	-	-
Underlying surplus (deficit)	(465,192)	(1,491,323)	(54,534)	65,696

	Benchmark	2021	2020	2019	2018
		\$'000	\$'000	\$'000	\$'000
(a) Underlying surplus or deficit					
Recurrent income*					
less		15,494	15,073	14,517	14,461
recurrent expenditure		15,959	16,564	14,572	14,396
Underlying surplus/deficit	>0	(465)	(1,491)	(55)	65

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

Council reported one minor deficit and one minor surplus in the four years from 2018-2021. 2020 saw a significantly higher deficit than each other year in the report and the 2021 deficit showed an improving position.

	Benchmark	2021	2020	2019	2018
		\$'000	\$'000	\$'000	\$'000
(b) Underlying surplus ratio					
<u>Underlying surplus/deficit</u>		(465)	(1,491)	(55)	65
Recurrent income*		15,443	15,072	14,552	14,461
Underlying surplus ratio %	>0	(3.01%)	(9.89%)	(0.38%)	0.45%

This ratio serves as an overall measure of operating effectiveness.

Council achieved the benchmark in 2 of the last 4 financial years, however the 2020 year was a more significant reduction in the ratio.

	Benchmark	2021	2020	2019	2018
		\$'000	\$'000	\$'000	\$'000
(c) Net financial liabilities					
Liquid assets less		15,352	12,524	16,517	17,494
Total liabilities		2,728	6,635	6,946	6,841
Net financial liabilities	0	12,624	5,889	9,571	11,013

	Benchmark	2021	2020	2019	2018
		\$'000	\$'000	\$'000	\$'000
(d) Net financial liabilities ratio					
<u>Net financial liabilities</u>		12,624	5,889	9,571	11,013
Recurrent income*		15,443	15,072	14,461	14,123
Net financial liabilities ratio %	0 - (50%)	81.7%	39.1%	66.2%	78.0%

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

Council recorded results above the benchmark in each of the years, apart from the current financial year.

	Benchmark	2021	2020	2019	2018
		\$'000	\$'000	\$'000	\$'000
(e) Asset consumption ratio					
Transport Infrastructure					
<u>Depreciated replacement cost</u>		135,290	135,125	122,591	122,037

Current replacement cost		228,402	227,202	200,213	197,182
Asset consumption ratio %	40-60%	59.2%	59.5%	61.2%	61.9%

Stormwater & Drainage

<u>Depreciated replacement cost</u>		9,435	9,597	9,445	7,622
Current replacement cost		17,603	17,552	17,241	13,673
Asset consumption ratio %	40-60%	53.6%	54.7%	54.8%	55.7%

Solid waste management

<u>Depreciated replacement cost</u>		1,383	1,642	1,350	1,405
Current replacement cost		3,560	3,554	3,004	2,821
Asset consumption ratio %	40-60%	38.9%	46.2%	44.9%	49.8%

Parks, Reserves & Recreation facilities

<u>Depreciated replacement cost</u>		4,790	4,709	4,417	3,690
Current replacement cost		7,899	7,573	7,063	6,164
Asset consumption ratio %	40-60%	60.6%	62.2%	62.5%	59.9%

This ratio indicates the level of service potential available in Council's existing asset base. All asset classes identified above are either between the target benchmark or slightly over in each financial year.

	Benchmark	2021	2020	2019	2018
		\$'000	\$'000	\$'000	\$'000
(f) Asset renewal funding ratio					
<u>Capital outlay - LTFP</u>		4,638	5,058	10,082	11,244
Capital outlay – SAMP		4,638	5,058	10,082	11,244
Asset renewal funding ratio %	100%	100%	100%	100%	100%

	Benchmark	2020	2020	2019	2018
		\$'000	\$'000	\$'000	\$'000
(g) Asset sustainability ratio					
<u>Capex on replacement/renewal of existing assets</u>		3,659	4,205	1,234	5,360
Annual depreciation expense*		5,086	5,172	4,281	4,598
Asset sustainability ratio %	>95%	71.9%	81.0%	29.0%	116.57%

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

Council have exceeded the benchmark in all but 1 of the years identified.

**(g) Asset sustainability ratio
continued**

	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
By asset class	\$'000	\$'000	\$'000
Buildings	-	38	38
Transport infrastructure	3,216	303	3,519
Stormwater	61	-	61
Solid Waste	-	6	6
Parks and reserves	243	83	326
Plant and equipment	132	125	257
Furniture	-	-	-
Computers	7	16	23
Total	3,659	571	4,230

1.1 INTRODUCTION

(a) The Circular Head Council (Council) was established on 27 August 1907 and is a body corporate with perpetual succession and a common seal.

The Council's Administration Centre is located at 33 Goldie St, Smithton.

The purpose of the Council is to:

- provide for the peace, order and good government in the municipality;
- to promote the social, economic and environmental viability and sustainability of the municipal area;
- to ensure that resources are used efficiently and effectively, and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
- to improve the overall quality of life of people in the local community;
- to ensure that services and facilities provided by the Council are accessible and equitable;
- to ensure the equitable imposition of rates and charges; and
- to ensure transparency and accountability in Council decision making.

1.2 BASIS OF ACCOUNTING

This financial report is a general-purpose financial report that consists of the Statements of Comprehensive Income, Financial Position, Changes in Equity, Cash Flows, and notes accompanying these financial statements. The general-purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the *Local Government Act 1993 (LGA1993)* (as amended).

This financial report has been prepared on the accrual and going concern basis. This financial report has been prepared under the historical cost convention, except where specifically stated.

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.

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

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.

All funds through which Council as a general-purpose reporting entity controls resources to carry out its functions have been included in the financial statements of the Council.

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 clear 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 21.

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 22.

Fair value of infrastructure, property, plant & equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in notes 18 and 35.

Investment in Water Corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 33.

Revenue Recognition

Council recognises untied grant revenue and those without performance obligations when received as discussed in note 4 Grants.

2. FUNCTIONS/ACTIVITIES OF THE COUNCIL

2(a) Expenses, revenue and assets have been attributed to the following functions/activities, descriptions of which are set out in note 2(c)

2020/21 Actual		Transport Infrastructure	Solid Waste Management	Drainage	Parks, Reserves & rec facilities	Social & Community Wellbeing	Civic Governance	Community Development	Advocacy	Other - Not Attributable	Total
Expenses		5,185,948	1,622,289	366,844	3,135,988	1,425,063	883,854	512,055	179,410	2,647,962	15,959,413
	%	32.49%	10.17%	2.30%	19.65%	8.93%	5.54%	3.21%	1.12%	16.59%	100.00%
Revenue											
Grants	\$	3,609,537	-	-	3,500,000	-	-	-	-	2,058,132	9,167,669
Other	\$	298,632	2,414,414	345,431	643,343	658,820	8,436	363	-	7,697,044	12,066,483
Total		3,908,169	2,414,414	345,431	4,143,343	658,820	8,436	363	-	9,755,176	21,234,152
	%	18.41%	11.37%	1.63%	19.51%	3.10%	0.04%	0.00%	0.00%	45.94%	100.00%
Net Result	\$	(1,277,779)	792,125	(21,413)	1,007,355	(766,243)	(875,418)	(511,692)	(179,410)	7,107,214	5,274,739
Assets (note 2(b))	\$	143,198,478	1,896,964	9,434,984	21,327,434	1,092,975	31,354	1,083,503	-	60,956,140	239,021,832
2020/21 Budget											
Expenses	\$	5,199,916	1,564,326	444,816	3,434,578	1,291,227	812,864	613,263	183,041	2,165,065	15,709,096
	%	33.10%	9.96%	2.83%	21.86%	8.22%	5.17%	3.90%	1.17%	13.78%	100.00%
Revenue											
Grants	\$	2,778,806	-	-	-	-	-	-	-	1,274,645	4,053,451
Other	\$	1,969,300	3,485,576	518,508	990,294	467,897	-	23,357	-	3,815,857	11,270,787
Total		4,748,106	3,485,576	518,508	990,294	467,897	-	23,357	-	5,090,502	15,324,238
	%	30.98%	22.75%	3.38%	6.46%	3.05%	0.00%	0.15%	0.00%	33.22%	100.00%
Net Result	\$	(451,810)	1,921,250	73,692	(2,444,284)	(823,331)	(812,864)	(589,907)	(183,041)	2,925,437	(384,858)
2019/20 Actual											
Expenses		5,691,787	1,592,346	324,517	3,190,518	1,261,756	734,938	569,626	167,463	3,030,955	16,563,906
	%	34.36%	9.61%	1.96%	19.26%	7.62%	4.44%	3.44%	1.01%	18.30%	100.00%
Revenue											
Grants	\$	2,921,034	-	-	387,775	-	-	-	-	1,279,018	4,587,827
Other	\$	273,588	2,341,480	345,751	414,859	329,010	65,191	25,337	-	7,950,666	11,745,882
Total		3,194,622	2,341,480	345,751	802,634	329,010	65,191	25,337	-	9,229,684	16,333,709
	%	19.56%	14.34%	2.12%	4.91%	2.01%	0.40%	0.16%	0.00%	56.51%	100.00%
Net Result	\$	(2,497,165)	749,134	21,234	(2,387,884)	(932,746)	(669,747)	(544,289)	(167,463)	6,198,729	(230,197)
Assets (note 2(b))	\$	143,034,079	2,157,934	9,596,627	21,605,320	1,116,412	31,355	1,289,602	-	48,545,548	227,376,877

(b) Total assets shown in note 2(a) are reconciled with the amounts shown for assets in the Statement of Financial Position as follows:

	2021	2020
	\$	\$
Current Assets	15,685,910	12,914,124
Non-current Assets	223,335,922	214,462,753
	<u>239,021,832</u>	<u>227,376,877</u>

(c) The activities relating the Council's components reported on in Note 2(a) link directly to the Strategic and Operational Plans and are as follows:

Transport Infrastructure

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

Solid Waste Management

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

Stormwater and drainage

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

Parks, reserves and recreation facilities

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

Social and community

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

Civic Governance

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

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 bodies.

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.

Other – not attributable

General Services and activities not identifiable with the foregoing functions.

3. RATES

	2021	2020
	\$	\$
General rates	7,238,583	7,277,806
Waste collection rates	1,016,842	1,014,401
Stormwater rates	345,431	345,750
Rates penalties	40,673	18,481
TOTAL	8,641,530	8,656,438

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.

4. GRANTS

	2021	2020
	\$	\$
Operating grants	3,376,270	3,389,460
Capital grants	5,791,399	1,198,367
TOTAL	9,167,669	4,587,827

Grants – Recurrent

Commonwealth financial assistance grants	3,236,098	3,355,632
University of Tasmania – National Science Week 2019	-	500
Project – Artsposure		23,328
Tasmanian Community Fund Board – Stanley Multi-Purpose Building	50,173	-
National Australia Day Council Limited – Australia Day COVID Safe Program	10,314	-
National Australia Day Council Limited – Australia Day Messaging and Branding	1,000	-
University of Tasmania – National Science Week Seed Grant 2021	2,000	-
University of Tasmania – National Science Week Seed Grant 2020	1,685	-
Department of State Growth –2020 Energy and Infrastructure Development Fund	75,000	-
Foundation for Rural and Regional Renewal – Strengthening Rural Communities	-	10,000
TOTAL	3,376,270	3,389,460

Grants – Capital

Commonwealth Roads to Recovery	803,241	803,242
Department of Infrastructure, Regional Development – Community Wellbeing Centre	3,500,000	382,275
Dulverton Waste Management – CCTV	6,505	-
Cradle Coast Waste Management Group – Transfer Station Facilities Best Practice	-	7,350
Department of Infrastructure and Regional Development – National Stronger Region Fund	-	2,750
Department of Infrastructure, Transport, Regional Development and Communications – Local Roads and Community Infrastructure Program – 1 st Instalment	401,620	-
Department of State Growth – Heavy Vehicle Safety Productivity Program – Mella Road	438,400	-
Department of premier and Cabinet, Communities, Sport and Recreation upgrade of lighting facilities at the netball courts. Circular Head Netball Association 50% share	-	2,750
Department of Infrastructure, Transport, Regional Development and Communications – Local Roads and Community Infrastructure Program Phase 2 – 1 st Instalment	373,920	-
Department of State Growth – Bridges Renewal Program – Huetts Road	267,713	-
TOTAL	5,791,339	1,198,367

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	-	-
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with conditions	73,684	-
Balance of unspent funds at 30 June	73,684	-

Capital

Balance of unspent funds at 1 July	-	-
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with conditions	573,426	-
Balance of unspent funds at 30 June	573,426	-

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2020-21 the Commonwealth made early payment of the two quarterly instalments for the following year as it had done in 2019-20.

In accordance with AASB1058, Council recognises these grants as revenue when it receives the funds and obtains control. The difference between the entitlement for 2020-21 and the receipts for 2020-21 was \$51,468.

Accounting Policy

Accounting policy under AASB 15 and AASB 1058 - applicable from 1 July 2019

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

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

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

Grant income - recurrent and capital

Grant income is recognised as revenue when Council obtains control over the assets comprising the receipt. Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured and are valued at their fair value at the date of transfer.

Where grants recognised as revenues during the financial year were obtained on condition that they be expended in a manner or used over a particular period and those conditions were undischarged at balance date, the unused grant is also disclosed.

Unreceived contributions over which Council has control are recognised as receivables.

5. USER CHARGES

	2021	2020
	\$	\$
Solid Waste Charges – Port Latta	1,029,676	958,551
Heavy Vehicle Tax	298,632	298,556
Sales – Private Works	50,079	14,031
Sales – Other	15,675	31,665
Property Rental	104,454	112,359
Rate certificate fees	130,599	90,575
Development application fees	461,840	100,580
Dog registration fees	56,202	29,614
SWIRL user charges	428,388	358,884
Other User Charges	174,275	244,962
TOTAL	2,749,820	2,239,777

[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.

6. INVESTMENT REVENUE FROM WATER CORPORATION

	2021	2020
	\$	\$
Dividend	158,000	132,398
Tax equivalent	-	25,602
Guarantee Fee	-	-
TOTAL	158,000	158,000

[Accounting Policy](#)

Investment revenue

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

7. OTHER INCOME

	2021	2020
	\$	\$
Contributions	1,414	16,059
Road maintenance contribution	18,777	19,903
Other revenue	170,234	230,918
Resource sharing	313,615	344,806
TOTAL	504,040	611,686

Accounting Policy

Operating lease as lessor

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

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

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

Where leases are commercial agreements, and properties leased are predominantly used for leasing to third parties, Council records lease revenue on an accruals basis and records the associated properties as investment property in accordance with AASB 140. These properties are recognised at fair value. These leases may include incentives which have not been recognised in the statement of financial position, on the basis the amounts are unlikely to be material and could be reliably measured at balance date.

8. GAIN/(LOSS) ON DISPOSAL OF INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

	2021	2020
	\$	\$
Proceeds from sales	1,013,071	165,000
Less carrying amounts of assets disposed	<u>(1,245,236)</u>	<u>(294,119)</u>
TOTAL	<u>(232,165)</u>	<u>(129,119)</u>

Accounting Policy

Gains and losses on asset disposals

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

9. EMPLOYEE COSTS

	2021	2020
	\$	\$
Wages, salaries and allowances	3,454,349	3,296,163
Superannuation expenses	455,731	444,193
Leave expenses	1,018,379	917,656
Payroll tax	220,081	202,703
Resource sharing	281,116	426,286
Other employee expenses	<u>216,701</u>	<u>304,942</u>
Total direct employee costs	5,646,357	5,591,943
Less amounts capitalised	<u>(256,177)</u>	<u>(329,293)</u>
TOTAL	<u>5,390,180</u>	<u>5,262,650</u>

Accounting Policy

Employee benefits

Expenses are recognised in the Comprehensive Income Statement 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.

10. MATERIALS AND CONTRACTS

	2021	2020
	\$	\$
Contractors	2,041,651	2,267,087
Fuel	159,469	210,814
Maintenance	221,273	54,226
Materials	304,224	808,249
Software and licences	165,690	156,932
Operational costs of capital works	35,477	104,547
Other materials and contracts	187,109	187,638
TOTAL	<u>3,114,893</u>	<u>3,789,493</u>

Accounting Policy

Materials and contracts

Expenses are recognised in the Comprehensive Income Statement 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.

11. DEPRECIATION AND AMORTISATION

	2021	2020
	\$	\$
Buildings	487,663	453,782
Transport infrastructure	3,143,679	3,301,568
Stormwater and drainage	219,176	215,882
Solid waste management	264,233	257,645
Parks, reserves and recreational facilities	245,787	217,558
Plant and equipment	648,242	644,339
Furniture	2,125	2,215
Computers	68,567	43,047
Amortisation – right-of-use assets	6,495	6,495
Amortisation – municipal revaluation	-	29,557
TOTAL	5,085,967	5,172,088

Accounting Policy

Depreciation and amortisation expense

All non-current assets, which have a limited useful life, are systematically depreciated over the useful life in a manner that reflects the consumption of the service potential of those assets. Land and land under roads are generally not depreciable assets. Non-current assets are those which provide a benefit to Council extending beyond twelve (12) months. Depreciation is recognised as per the schedule below. Rates of depreciation reflect the consumption of the service potential of these assets and are reviewed annually.

The current schedule of rates for depreciation is:

<u>Classification</u>	<u>Useful Life</u>
Buildings	30 - 100 years
Plant and equipment	3 - 17 years
Transport infrastructure	8 - 250 years
Stormwater and drainage	50 - 100 years
Parks, reserves and recreational facilities	10 - 80 years
Furniture and computers	3 - 25 years
Right-of-use assets	2 - 40 years
Solid waste management	25 - 60 years

Land, heritage, artworks and road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Fleet, being motor vehicles and light commercials, are included in the Plant and Equipment asset category.

Council utilises residual values from some items of plant and equipment and all fleet vehicles. An average of 25% of the purchase price is used as the residual.

12. FINANCE COSTS

	2021	2020
	\$	\$
Interest – lease liabilities	-	1,226

Accounting Policy

Finance expenses

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 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.

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

13. OTHER EXPENSES

	2021	2020
	\$	\$
Advertising	77,647	70,904
Audit fees	35,604	40,893
Bank fees	22,983	31,868
Communication costs	11,654	5,755
Contributions, donations and grants	35,003	79,488
Consultancy fees	151,071	168,491
Councillors allowance	172,353	166,801
Electricity	192,538	252,293
Property rental	2,877	5,253
Insurance	190,020	152,531
Land tax	70,085	67,831
Legal expenses	35,014	7,197
Licences and permits	32,362	33,103
Memberships	100,679	105,840
Postage	12,176	11,482
Rates discounts	160,925	159,393
Water and sewerage rates	89,610	96,482
Sampling	19,942	18,947
Supplementary valuation fees	7,150	14,900
Telephone	41,434	46,297
Other expenses	675,081	673,581
TOTAL	2,136,208	2,209,330

Accounting Policy

Other expenses

Expenses are recognised in the Comprehensive Income Statement 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.

14. CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Short term deposits	9,162,211	9,151,922
Cash at bank	5,034,970	2,429,402
Petty cash	1,700	1,700
TOTAL	14,198,881	11,583,024

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. Council considers cash to include cash on hand and in banks (including Special Committee accounts).

Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position.

15. RECEIVABLES

	2021	2020
	\$	\$
Rate debtors	279,181	408,554
Sundry debtors	841,959	521,107
Other receivables	31,640	11,698
TOTAL	<u>1,152,780</u>	<u>941,359</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.

16. INVENTORIES

	2021	2020
	\$	\$
Gravel	<u>97,561</u>	<u>126,462</u>

Accounting Policy

Inventories

Quantities of inventories on hand at balance date are valued at the lower of cost or net replacement value.

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

17. OTHER CURRENT ASSETS

	2021	2020
	\$	\$
Prepayments	57,386	49,003
Municipal property valuations	167,287	147,787
Revenue Accrual	12,014	66,489
TOTAL	<u>236,688</u>	<u>263,279</u>

Accounting Policy

Revenue accruals and prepayments

The Council considers the carrying amount of the revenue accrual and prepayments approximates the net fair value.

Accruals and prepayments are recognised in accordance with relevant accounting standards with materiality a major factor in determining their applicability.

18. INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

Land

	2021	2020
	\$	\$
<u>Gross Carrying Amount</u>		
Opening balance at fair value	9,549,500	8,576,913
Additions	-	-
Revaluation adjustment	-	1,057,587
Disposals	(692,115)	(85,000)
TOTAL	<u>8,857,385</u>	<u>9,549,500</u>

Land was revalued in the 2019 financial year based on Valuer General figures.

Land Under Roads

	2021	2020
	\$	\$
<u>Gross Carrying Amount</u>		
Opening balance at fair value	7,909,101	7,016,411
Additions	-	-
Revaluation adjustment	-	892,690
TOTAL	<u>7,907,101</u>	<u>7,909,101</u>

Buildings

	2021	2020
	\$	\$
<u>Gross Carrying Amount</u>		
Opening balance at fair value	17,967,473	17,115,362
Additions	38,088	1,041,111
Revaluation adjustment	16,089,799	-
Disposal	(558,850)	(189,000)
Closing balance	<u>33,536,510</u>	<u>17,967,473</u>
<u>Accumulated Depreciation</u>		
Opening balance	2,125,209	1,725,645
Depreciation for the year	487,663	453,782
Revaluation adjustment	7,560,114	-
Disposal	(224,881)	(54,218)
Closing balance	<u>9,948,105</u>	<u>2,125,209</u>
TOTAL	<u><u>23,588,405</u></u>	<u><u>15,842,264</u></u>

Council has undertaken a full revaluation in the 2020-21 financial year. The valuation was completed by a third party and independent valuer.

Transport Infrastructure

	2021	2020
	\$	\$
<u>Gross carrying amount</u>		
Opening balance at fair value	227,222,075	201,628,567
Additions	3,519,299	3,280,670
Transfer	-	-
Recognition/(derecognition)	-	-
Revaluation adjustment	-	24,413,207
Disposal	(2,339,679)	(2,100,369)
Closing balance	<u>228,401,695</u>	<u>227,222,075</u>
<u>Accumulated Depreciation</u>		
Opening Balance	92,097,097	79,949,460
Depreciation for the year	3,143,679	3,301,568
Revaluation adjustment	-	10,906,155
Recognition/(derecognition)	-	-
Disposal	(2,128,458)	(2,060,086)
Closing balance	<u>93,112,318</u>	<u>92,097,097</u>
Closing balance at fair value	<u>135,289,377</u>	<u>135,124,978</u>

The transport infrastructure class of asset was revalued on 30 June 2020 by Council's Engineer. Transport infrastructure assets have been valued at written down replacement cost.

Stormwater and Drainage

	2021	2020
	\$	\$
<u>Gross carrying amount</u>		
Opening balance at fair value	17,552,488	17,241,582
Additions	61,743	401,721
Transfer	-	-
Revaluation	-	-
Disposal	(11,618)	(90,815)
Closing balance	<u>17,602,613</u>	<u>17,552,488</u>
<u>Accumulated depreciation</u>		
Opening balance	7,955,861	7,796,740
Depreciation for the year	219,176	215,882
Revaluation adjustment	-	-
Disposal	(7,408)	(56,7610)
Closing balance	<u>8,167,629</u>	<u>7,955,861</u>
TOTAL	<u>9,434,984</u>	<u>9,596,627</u>

The stormwater and drainage class of asset was revalued on 30 June 2019 by Council's Engineer. Stormwater and drainage assets have been valued at written down replacement cost.

Solid Waste Management

	2021	2020
	\$	\$
<u>Gross carrying amount</u>		
Opening balance at cost	3,554,408	3,004,467
Additions	5,879	549,941
Closing balance	<u>3,560,287</u>	<u>3,554,408</u>
<u>Accumulated depreciation</u>		
Opening balance	1,912,558	1,654,913
Depreciation for the year	264,233	257,645
Closing balance	<u>2,176,791</u>	<u>1,912,558</u>
TOTAL	<u><u>1,383,496</u></u>	<u><u>1,641,850</u></u>

Parks, Reserves and Recreation Facilities

	2021	2020
	\$	\$
<u>Gross carrying amount</u>		
Opening balance at cost	7,572,822	7,062,892
Additions	325,898	509,930
Closing balance	<u>7,898,720</u>	<u>7,572,822</u>
<u>Accumulated depreciation</u>		
Opening balance	2,863,776	2,646,218
Depreciation for the year	245,787	217,558
Disposals	-	-
Closing balance	<u>3,109,563</u>	<u>2,863,776</u>
TOTAL	<u><u>4,789,157</u></u>	<u><u>4,709,046</u></u>

Plant and Equipment

	2021	2020
	\$	\$
<u>Gross carrying amount</u>		
Opening balance at cost	10,292,303	9,316,480
Additions	257,119	975,823
Disposals	(40,820)	-
Closing balance	<u>10,508,602</u>	<u>10,292,303</u>
<u>Accumulated depreciation</u>		
Opening balance	3,035,427	2,391,088
Disposals	(37,100)	-
Depreciation for the year	648,243	644,339
Closing balance	<u>3,646,570</u>	<u>3,035,427</u>
TOTAL	<u><u>6,862,032</u></u>	<u><u>7,256,876</u></u>

Furniture

	2021	2020
	\$	\$
<u>Gross carrying amount</u>		
Opening balance at cost	114,855	114,855
Additions	-	-
Closing balance	<u>114,855</u>	<u>114,855</u>
<u>Accumulated depreciation</u>		
Opening balance	106,740	104,525
Depreciation for the year	2,125	2,215
Closing balance	<u>108,865</u>	<u>106,740</u>
TOTAL	<u>5,990</u>	<u>8,115</u>

Computers

	2021	2020
	\$	\$
<u>Gross carrying amount</u>		
Opening balance at cost	1,373,722	1,223,892
Additions	22,875	149,831
Closing balance	<u>1,396,597</u>	<u>1,373,722</u>
<u>Accumulated depreciation</u>		
Opening balance	1,079,590	1,036,543
Depreciation for the year	68,567	43,047
Closing balance	<u>1,148,157</u>	<u>1,079,590</u>
TOTAL	<u>248,440</u>	<u>294,132</u>

Works in Progress

	2021	2020
	\$	\$
<u>Gross carrying amount</u>		
Opening balance at cost	117,738	1,677,645
Additions	709,059	25,874
Transfers	(12,530)	(1,585,781)
TOTAL	<u>814,267</u>	<u>117,738</u>

Summary Table: Infrastructure, Property, Plant and Equipment

2021	Balance at beginning of financial year	Acquisition of assets	Recognition / Derecognition of assets	Revaluation increments (decrements) Note 34	Written down value of disposals	Depreciation Note 11	Recognition / Derecognition of assets	Revaluation increments (decrements)	Disposal of assets	Transfers	Balance at end of financial year
Land	9,549,500								692,115		8,857,385
Land under roads	7,909,101										7,909,101
Buildings	15,842,264	38,088		16,089,799	558,850	487,663		7,560,114	224,881		23,588,405
Transport infrastructure	135,124,978	3,519,299			2,339,679	3,143,679			2,128,458		135,289,377
Stormwater and drainage	9,596,627	61,743			11,618	219,176			7,408		9,434,984
Solid waste management	1,641,850	5,879				264,233					1,383,496
Parks, reserves and recreation facilities	4,709,046	325,898				245,787					4,789,157
Plant and equipment	7,256,876	257,119			40,820	648,243			37,100		6,862,032
Furniture	8,115					2,125					5,990
Computers	294,132	22,875				68,567					248,440
Works in progress	117,738	709,059								12,530	814,267
TOTAL	192,050,227	4,939,960	-	16,089,799	2,950,967	5,079,473	-	7,560,114	3,089,962	12,530	199,182,634

Summary Table: Infrastructure, Property, Plant and Equipment

2020	Balance at beginning of financial year	Acquisition of assets	Recognition / Derecognition of assets	Revaluation increments (decrements) Note 34	Written down value of disposals	Depreciation Note 11	Revaluation adjustment	Recognition / Derecognition of assets	Disposal of assets	Transfers	Balance at end of financial year
Land	8,576,913	-	-	1,057,587	85,000	-	-	-	-	-	9,549,500
Land under roads	7,016,411	-	-	892,690	-	-	-	-	-	-	7,909,101
Buildings	15,389,717	1,041,111	-	-	189,000	453,782	-	-	54,218	-	15,842,264
Transport infrastructure	121,679,107	3,280,670	-	24,413,207	2,100,369	3,301,568	10,906,155	-	2,060,086	-	135,124,978
Stormwater and drainage	9,444,842	401,721	-	-	90,815	215,882	-	-	56,761	-	9,596,627
Solid waste management	1,349,554	549,941	-	-	-	257,645	-	-	-	-	1,641,850
Parks, reserves and recreation facilities	4,416,674	509,930	-	-	-	217,558	-	-	-	-	4,709,046
Plant and equipment	6,925,392	975,823	-	-	-	644,339	-	-	-	-	7,256,876
Furniture	10,330	-	-	-	-	2,215	-	-	-	-	8,115
Computers	187,349	149,830	-	-	-	43,047	-	-	-	-	294,132
Works in progress	1,677,645	25,874	-	-	-	-	-	-	-	1,585,781	117,738
TOTAL	176,673,934	6,934,900	-	26,363,484	2,465,184	5,136,036	10,906,155	-	2,171,065	1,585,781	192,050,227

Accounting Policy

i) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets.

The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Cost is determined as the fair value of the asset given as consideration plus costs incidental to the acquisition (e.g. architects fees, engineering design fees, administration charges and all other costs incurred) in getting the asset ready for use.

Non-monetary assets received in the form of grants, donations or at nominal consideration are recognised as assets and revenues at their fair value at the date of receipt. (Fair value meaning: the amount for which an asset could be exchanged, between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arms-length transaction).

Non-Current Assets Constructed by Council

The cost of non-current assets constructed by the Council includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. The cost of materials includes consulting and engineering fees.

Asset values are net of the Goods and Services Tax component.

ii) Classification and Valuation of Non-Current Assets

Land, land under roads, buildings, transport infrastructure and stormwater and drainage are measured at Fair Value. All other asset values are measured at cost.

Where assets are recorded at valuation, the valuation has been performed by Council officers with the exception of land, land under roads and buildings which have been valued by the Tasmanian Valuer-General.

Infrastructure assets at valuation are at written down replacement cost. Replacement cost is the current cost of a new asset that could provide the same service as an existing asset. Accumulated depreciation or amortisation recognises the amount of the replacement cost that is pro-rata to the proportion of the asset's useful life that has expired.

iii) Revaluation Policy

Where assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve. Net revaluation decrements will be debited to any previous revaluation increments for that class of assets, with any deficiency being recognised as an expense. Assets are revalued with such frequency as to ensure the carrying value does not differ materially from fair value at reporting date.

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

Land	Fair Value
Land under roads	Fair Value
Buildings	Fair Value
Transport Infrastructure	Fair Value
Stormwater and Drainage	Fair Value
Right-of-use assets	Cost

Solid Waste Management	Cost
Parks, Reserves and Recreation Facilities	Cost
Plant and Equipment	Cost
Furniture and Computers	Cost

iv) Maintenance vs. Capitalisation

Officers of the Council determine at the occurrence of an event whether to capitalise/expense expenditure. The following formula is provided as a guide "...maintenance, repair costs and minor renewals are charged as expenses as incurred unless their total value exceeds 10% of the written down current value and increases the economic life by more than 10%, or the net realisable value by more than five (5) thousand dollars".

In addition however, council's policy as it relates to transport infrastructure is as follows:

<u>Transport Infrastructure</u>	
Reseals	Capitalised
Road Shouldering	Expensed
Reconstruction/Construction	Capitalised
Gravel Re-sheeting	Capitalised
Tar Patching	Expensed
Road Drainage (Open)	Expensed
Road Drainage (Piped)	Capitalised
Signage	Expensed
Line Marking	Expensed
Road Verge Works	Expensed
Traffic Management	Capitalised
Site Survey	Capitalised
Earthworks	Capitalised
Clearing of trees	Expensed
Disposal of materials	Expensed
Moving of services (ie Water/Phone)	Expensed
Fencing	Expensed
Landscaping	Expensed

v) Threshold for Recognising a New Asset

The following limits apply in recognising the acquisition of new assets. When group values have been determined the threshold applies to the group not individual assets within that group.

Land	Nil	Roads	As per 18(iv)
Playground equipment	\$2,000	Right of use assets	\$10,000
Plant/Machinery	\$1,000	Bridges	\$5,000
Furniture & Fittings	\$1,000	Buildings	\$5,000
Office Equipment	\$1,000	Recreation Facilities	\$1,000
Community Amenities	\$1,000	Parks and Gardens	\$1,000
Stormwater/Drainage	\$3,000		

Asset thresholds will be reviewed in the subsequent financial year. It is anticipated any changes will not have a material effect on the financial statements.

vi) Land Under Roads

Council has elected to recognise land under roads prior to 1 July 2008 as an asset in accordance with AASB 1051 Land Under Roads for the first time in the 2015-16 financial year. Land under roads acquired post 1 July 2008 is brought to account at cost and subsequently revalued on a fair value basis. A revaluation was conducted in the current financial year.

vii) Impairment of assets

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

viii) Unsealed Road Pavement Depreciation

Council adopted to depreciate Unsealed Road Pavement and Unsealed Road Surfaces.

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 AUSTROADS recognised pavement evaluation methodology for pavement life estimation as well as expert judgement visual assessment

Sealed Road Pavement – Componentisation and Useful Life Review:

Review of asset componentisation and useful life was included as part of the 2019-20 revaluation of roads assets. Specifically, for rural sealed road pavement assets, BASE and SUB-BASE components were recognised in place of the previous single pavement component. The existing useful life of 100yrs was retained for the BASE component while the SUB-BASE component was recognised as having a useful life of 200yrs.

ix) Earthworks Recognition

Council elected to recognise Earthworks as an integral part of the municipal transport network. A recognition of \$23.5 million in Earthworks replacement costs was identified at 1 July 2014.

18B. RIGHT OF USE ASSETS

	Property	Plant and Equipment	Total
	\$	\$	\$
2021			
Opening Balance at 1 July 2020	30,864	14,061	44,925
Additions	-	-	-
Depreciation expense	(1,318)	(5,177)	-
Balance at 30 June 2021	29,546	8,884	38,430
2020			
Opening Balance at 1 July 2019	32,182	19,238	51,420
Disposals	-	-	-
Amortisation expense	(1,318)	(5,177)	(6,495)
Balance at 30 June 2020	30,864	14,061	44,925

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.

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.

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.

19. LEASE LIABILITIES

	2021	2020
	\$	\$
Current Liability		
Lease liabilities	14,347	14,347
	<u>14,347</u>	<u>14,347</u>
Non-Current Liability		
Lease liabilities	27,857	27,857
	<u>27,857</u>	<u>27,857</u>
TOTAL	<u>42,204</u>	<u>42,204</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.

Exposure from extension options and termination options

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

20. PAYABLES

	2021	2020
	\$	\$
Current		
Accrued wages	71,712	32,607
Trade and other creditors	1,217,351	1,256,858
TOTAL	<u>1,289,063</u>	<u>1,289,465</u>

Accounting Policy

Trade and other payables

Trade creditors are unsecured, not subject to interest charges and generally settled within specified trading terms or 30 days whichever is the earlier.

The Council considers the carrying amount of trade and other creditors approximate their fair value.

21. PROVISIONS

	2021	2020
	\$	\$
Current Liability		
Annual leave	496,136	490,862
Long service leave	712,982	710,000
Rostered days off and banked hours	76,639	78,686
	<u>1,285,757</u>	<u>1,279,548</u>
Non-Current Liability		
Landfill restoration	24,000	16,000
Long service leave	87,456	107,987
	<u>111,456</u>	<u>123,987</u>
TOTAL	<u>1,397,213</u>	<u>1,403,535</u>

Accounting Policy

Employee benefits

i) Employee Benefits – Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave, rostered days off and banked hours that are 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 including appropriate oncosts (superannuation, payroll tax, workers compensation). Council employed a total of 55.96 full time equivalent staff members at the end of the financial year (2019-20 – 55.27).

ii) Employee Benefits – Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is

recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

iii) Employee Benefits – Retirement benefit obligations

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

Defined benefit plans

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

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

Defined contribution plans

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

iv) Employee Benefits – Personal (Sick and carer's) Leave

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.

v) 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 12 months, being Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as long service leave, the liability is classified as current even if not expected to be settled within the next 12 months.

Landfill restoration

Under the Environmental Management and Pollution Control Act 1994 (EMPCA) Council is obligated to rehabilitate the Port Latta landfill site at the end of its useful life. Current waste rate projections indicate that the site will cease operation no earlier than [2049] and rehabilitation work is expected to commence shortly thereafter. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of waste. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current acceptable solutions in accordance with the Environmental Protection notice issued to the site under EMPCA 1994. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, estimation of future waste rates and related costs.

22. SUPERANNUATION

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund). The Fund was a sub-fund of the Tasplan Superannuation Fund up to 31 March 2021. On April 2021, the Tasplan Superannuation Fund merged (via a Successor Fund Transfer) into the MTAA Superannuation Fund to become Spirit Super. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 *Employee Benefits*, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2021 the Council contributed 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

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

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

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

The actuarial review concluded that:

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

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

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

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

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

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

- The 2020 actuarial review used the “aggregate” funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is consistent with the method used at the previous actuarial review in 2017. Under the aggregate funding method of financing the benefits, the stability of the Councils’ contributions over time depends on how closely the Fund’s actual experience matches the expected experience. If the actual experience differs from that expected, the Councils’ contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members’ benefits.
- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members’ vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit

in terms of Rule 27.4 (b) (A). However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.

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

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

- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus, the Fund is not able to prepare standard AASB119 defined benefit reporting.
- During the reporting period the amount of contributions paid to defined benefits schemes was Nil 2020-21 (2019-20 Nil), and the amount paid to accumulation schemes was \$ (2019-20, \$ 591,681), 2020-21, \$ 579,120.
- As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2020. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2023.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2020, showed that the Fund had assets of \$51.94 million and members' Vested Benefits were \$43.41 million. These amounts represented 0.53 % and 0.45 % respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2020 the fund had 95 members and the total employer contributions and member contributions for the year ending 30 June 2020 were \$927,231 and \$235,365 respectively.

23. BORROWINGS

	2021	2020
	\$	\$
Current Liabilities		
Loans	-	3,900,000
	-	3,900,000
Non-Current Liabilities		
Loans	-	-
	-	-
TOTAL	-	3,900,000

Accounting Policy

Loans and borrowings

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

The approximate net fair value of Council's loans was nil (2019-20 \$3,900,000) compared to the actual value of nil (2019-20, \$ 3,900,000). The loans were drawn down in June 2017 and no interest is payable, therefore they are deemed to be at their net fair value.

The debenture loans of Council are secured by trust deed. In accordance with section 80 of the Local Government Act 1993 (as amended) the borrowing capacity of Council is limited to:

- Except with the approval of the Minister, a council may not borrow additional money for any purpose if the annual payments required to service the total borrowings would exceed 30% of its revenue of the preceding financial year.
- Grants made to a council for specific purposes are to be excluded in calculating 30% of revenue of the council.

Interest is expensed as it accrues and no interest has been capitalised during the current or comparative reporting period. There have been no defaults or breaches of the loan agreement during the period. Borrowings are secured by way of mortgages over the general rates of the Council.

Council received loan funding through the State Government's Northern Tasmanian stimulation package in 2016-17 (\$400,000 for the demolition of the old war memorial swimming pool and \$3,500,000 for the construction of the new wellbeing centre). Both loans were repaid in full during 2020-21 as interest free loan funding.

As part of the Government's response to the COVID-19 pandemic, the Treasurer has ensured that all councils have access to sufficient funding. On 15 June 2020 the Treasurer provided explicit support to the Tasmanian Public Finance Corporation for any loans advanced to local government authorities under the Local Government Loans Program. As at 30 June 2021 no borrowings have been required by Circular Head Council.

24. COMMITMENTS FOR EXPENDITURE

(a) Operating Lease Commitments

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2021					
Photocopying Lease	3,543	525			4,068
Lease Liabilities	14,347			27,857	42,204
TOTAL	17,890	525	-	27,857	46,272
2020					
Photocopying Lease	7,879	3,543	525		11,947
Lease Liabilities	14,347			27,857	42,204
TOTAL	22,226	3,543	525	27,857	54,151

(b) Capital Commitments

Council had no capital commitments as at 30 June 2021.

Council had the following capital commitments as at 30 June 2020:

- \$500,305 for the replacement of a bridge on Huett's Road over Duck River.
- \$160,200 for the replacement of a bridge on Jaeger's Road over Ekberg Creek, and
- \$832,830 for bitumen resurfacing

(c) Other operating Commitments

2021	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
Maintenance	12,235	12,235	9,107	6,850	40,427
Green Point Reserve	4,571	-	-	-	4,571
Waste Transfer Station Management	91,724	-	-	-	91,724
Cleaning Services Works Plus	7,272	-	-	-	7,272
Cleaning Services Sports Centre	12,480	-	-	-	12,480
Cleaning Services Council Office	19,980	-	-	-	19,980
Cleaning Services additional charges	720	-	-	-	720
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	148,982	12,235	9,107	6,850	177,174

2020	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
Maintenance	12,235	12,235	12,235	6,810	43,515
Green Point Reserve	5,834	-	-	-	5,834
Waste Transfer Station Management	91,724	-	-	-	91,724
Cleaning Services Works Plus	7,272	-	-	-	7,272
Cleaning Services Sports Centre	12,480	-	-	-	12,480
Cleaning Services Council Office	19,980	-	-	-	19,980
Cleaning Services additional charges	720	-	-	-	720
	<hr/>				
	150,245	12,235	12,235	6,810	181,525

25. SPECIAL COMMITTEES

Committee	2021			2020		
	Revenue	Expenditure	Funds held by Council	Revenue	Expenditure	Funds held by Council
	\$	\$	\$	\$	\$	\$
Circular Head Heritage Centre	-	-	776	16,778	28,507	776
Marrawah/Redpa Special Committee	6,280	3,723	7,081	8,409	4,230	4,524
Stanley Town Hall	20,074	23,444	52,119	23,770	15,555	55,489
Smithton Rec Ground	1,863	1,780	25,769	4,320	22,814	25,686
Indoor Sports Centre	-	-	14,715	7,612	10,395	14,715
Stanley Caravan Park Committee	-	-	39,140	-	-	39,140
Stanley Rec Ground	20,876	21,467	6,314	26,481	25,458	6,905
Trowutta Rec Ground	-	-	10,003	-	-	10,003
	49,093	50,414	155,917	87,370	106,959	157,238

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.

26. RELATED PARTY DISCLOSURE

Responsible persons:

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

Councillors: **Daryl Quilliam** (Mayor 2007 - present)
 John Oldaker (Councillor 1999 - present)
 Betty Kay (Councillor 2011 - present)
 Norman Berechree (Councillor 2014 – present, Deputy Mayor October 2018 - present)
 Ashley Popowski (Councillor 2011 - present)
 David Woodward (Councillor 2007 - 2014, October 2015 – present)
 Kathleen Ettlin (Councillor October 2018 – present)
 Gerard Blizzard (Councillor October 2018 – present)
 Stafford Ives-Heres (Councillor October 2018 – present)

General Manager: **Scott Riley** (2 January 2018 – present)

(a) Key Management Personnel Remuneration – Elected Members

	2021	2020
	\$	\$
Councillor Allowances and Reimbursements	<u>172,353</u>	<u>168,423</u>

2020/21						
Short Term Employee Benefits						
Name	Position	Period	Allowances	Total Compensation AASB124	Expenses	Total Allowances and Expenses S.72
Mr D Quilliam	Mayor	Full Year	46,072	46,072	930	47,002
Mr N Berechree	Deputy Mayor	Full Year	25,763	25,763	930	26,693
Mr J Oldaker	Councillor	Full Year	13,164	13,164	930	14,094
Mrs B Kay	Councillor	Full Year	13,164	13,164	930	14,094
Mr A Popowski	Councillor	Full Year	13,164	13,164	930	14,094
Mr G Blizzard	Councillor	Full Year	13,164	13,164	930	14,094
Mrs K Ettlin	Councillor	Full Year	13,164	13,164	930	14,094
Mr S Ives-Heres	Councillor	Full Year	13,164	13,164	930	14,094
Mr D Woodward	Councillor	Full Year	13,164	13,164	930	14,094
Total			163,983	163,983	8,370	172,353

2019/20						
Short Term Employee Benefits						
Name	Position	Period	Allowances	Total Compensation AASB124	Expenses	Total Allowances and Expenses S.72
Mr D Quilliam	Mayor	Full Year	44,988	44,988	930	45,918
Mr N Berechree	Deputy Mayor	Full Year	25,157	25,157	930	26,087
Mr J Oldaker	Councillor	Full Year	12,844	12,844	930	13,774
Mrs B Kay	Councillor	Full Year	12,844	12,844	930	13,774
Mr A Popowski	Councillor	Full Year	12,844	12,844	930	13,774
Mr G Blizzard	Councillor	Full Year	12,844	12,844	930	13,774
Mrs K Ettlin	Councillor	Full Year	12,844	12,844	930	13,774
Mr S Ives-Heres	Councillor	Full Year	12,844	12,844	930	13,774
Mr D Woodward	Councillor	Full Year	12,844	12,844	930	13,774
Total			160,053	160,053	8,370	168,423

¹ Superannuation means the contribution to the superannuation fund of the individual.

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

³ Section 72(1)(c) of the *Local Government Act 1993* requires the disclosure of expenses paid to Councillors.

(b) Key Management Personnel Remuneration – Executives

2020-21

Employee	Position	Remuneration band	Short term employee benefits				Post Employment benefits			Non-monetary benefits ⁸	TOTAL
			Salary ¹	Short term incentive payments ²	Vehicles ³	Other allowances and benefits ⁴	Superannuation ⁵	Other long term benefits ⁶	Termination benefits ⁷		
Matthew Sward	Director Strategic Governance	Full Year \$140,001 - \$160,000	124,070				11,786	3,066	9,435	148,357	
Rachel Radford	Director Corporate Services	Full Year \$160,001 - \$180,000	125,991	-	12,725		15,910	2,898	8,916	166,440	
Darren Swain	Manager Projects Works & Services	Full Year \$160,001 - \$180,000	126,860		11,609		11,035	2,846	8,758	161,108	
Daniel Summers	Director Infrastructure & Development Services	Full Year \$180,001 - \$200,000	154,326		10,106		14,661	3,817	11,744	194,654	
Scott Riley	General Manager	Full Year \$200,001 - \$220,000	179,889				23,385	4,536	13,958	221,768	
			711,136	-	34,440	-	76,777	17,163	52,811	892,327	

2019-20		Short term employee benefits					Post Employment benefits				
Employee	Position	Remuneration band	Salary ¹	Short term incentive payments ²	Vehicles ³	Other allowances and benefits ⁴	Superannuation ⁵	Other long term benefits ⁶	Termination benefits ⁷	Non-monetary benefits ⁸	TOTAL
Matthew Sward	Director Strategic Governance	Full Year \$140,001 - \$160,000	121,664				11,558	3,023		9,258	145,503
Rachel Radford	Director Corporate Services	Full Year \$140,001 - \$160,000	122,052	-	12,725		11,603	3,014		8,649	158,043
Darren Swain	Manager Projects Works & Services	Full Year \$120,001 - \$140,000	120,162		12,550		10,600	2,758		8,631	154,701
Daniel Summers	Director Infrastructure & Development Services	Full Year \$180,001 - \$200,000	150,317		15,160		14,280	3,797		11,572	195,126
Scott Riley	General Manager	Full Year \$200,001 - \$220,000	176,466				22,941	4,473		13,698	217,578
			690,661	-	40,435	-	70,982	17,065		51,808	870,951

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. These payments are capped at 15% of base salary

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 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 other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation; other non-monetary benefits (such as housing, subsidised goods or services etc)

⁷ Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

⁸ Other non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services etc)

(c) 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 2020-21 and 2019-20 financial years.

Termination benefits

No termination payments were made during the year.

(d) Transactions with related parties

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

Nature of the transaction	Amount of the transaction during the year	Outstanding balances at year end	Terms and conditions	Provision for doubtful debts
Cleaning and maintenance services	\$10,810	\$0	30-day terms on invoices	\$0

There was a total of 7 transactions for the 2020-21 financial year (12 transactions 2019-20).

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

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

- Payment of rates on a primary residence
- Dog registration

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

27. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2021	2020
	\$	\$
Net result for the year	5,274,739	(230,197)
Depreciation and amortisation expense	5,085,967	5,172,088
Recognition of assets	-	-
Net (gain) loss on disposal of plant and equipment	232,165	129,119
	<u>5,318,132</u>	<u>5,301,207</u>
Non-operating income		
Recovery on investment	-	-
Capital grants	(5,791,399)	(1,198,367)
	<u>(5,791,399)</u>	<u>(1,198,367)</u>
(Increase) decrease in receivables	(193,289)	(220,166)
(Increase) decrease in other assets	37,362	1,586,265
Increase (decrease) in creditors	(402)	(64,880)
Increase (decrease) in provisions	(6,324)	99,553
	<u>4,638,819</u>	<u>1,400,772</u>
Net cash provided by (used in) operating activities	<u>4,638,819</u>	<u>5,273,415</u>

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Interest-bearing loans and borrowings	
	2021	2020
	\$	\$
Balance as at 1 July 2020	3,900,000	3,900,000
Cash Repayments	(3,900,000)	-
Balance as at 30 June 2021	<u>-</u>	<u>3,900,000</u>

29. CREDIT STANDBY ARRANGEMENTS

	2021	2020
	\$	\$
Bank overdraft limit	<u>500,000</u>	<u>500,000</u>

Credit facilities of \$500,000 were available. The overdraft remained unused during the year.

30. FINANCIAL INSTRUMENTS

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting policy
Financial assets		
Cash and cash equivalents	14	Cash on hand, at bank and in cash management accounts are valued at face value. Interest is recognised as it accrues. Investments are held to maximise interest returns of surplus cash.
Receivables	15	An impairment loss is not recognised on rates receivable. A provision for impairment is recognised on other debtors when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.
Investment in Water Corporation	33	The investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date.
Financial liabilities		
Trade and other payables	20	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.
Interest-bearing loans and borrowings	23	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables. Borrowings are secured by way of mortgages over the general rates of the Council.

(b) Interest Rate Risk

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

2021	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
		One year or less	Over 1 to 5 years	More than 5 years		
Financial assets						
Cash and cash equivalents	14,198,881	-	-	-	-	14,198,881
Trade and other receivables	-	-	-	-	1,152,780	1,152,780
Accrued revenue	-	-	-	-	12,014	12,014
Investment in water corporation	-	-	-	-	24,114,856	24,114,856
Total financial assets	14,198,881	-	-	-	25,279,650	39,478,531
Financial liabilities						
Trade and other payables	-	-	-	-	1,289,063	1,289,063
Interest-bearing loans and borrowings	-	-	-	-	-	-
Total financial liabilities	-	-	-	-	1,289,063	1,289,063
Net financial assets (liabilities)	14,198,881	-	-	-	26,568,713	40,767,594
2020	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
		One year or less	Over 1 to 5 years	More than 5 years		
Financial assets						
Cash and cash equivalents	9,151,922	2,429,402	-	-	1,700	11,583,024
Trade and other receivables	-	-	-	-	941,359	941,359
Accrued revenue	-	-	-	-	66,489	66,489
Investment in water corporation	-	-	-	-	22,367,601	22,367,601
Total financial assets	9,151,922	2,429,402	-	-	23,377,149	34,958,473
Financial liabilities						
Trade and other payables	-	14,347	-	27,857	1,289,465	1,289,465
Interest-bearing loans and borrowings	-	-	3,900,000	-	-	3,900,000
Total financial liabilities	-	14,347	3,900,000	-	1,289,465	5,231,669
Net financial assets (liabilities)	9,151,922	2,415,055	(3,900,000)	(27,857)	22,087,684	29,726,804

(c) Net Fair Values

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

Financial Instruments	30 June 2021		30 June 2020	
	Carrying amount	Fair value	Carrying amount	Fair Value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents				
Cash at bank and on hand	5,036,670	5,036,670	9,151,922	9,151,922
Short Term Deposits	9,162,211	9,162,211	2,431,102	2,431,102
Receivables	1,152,780	1,152,780	941,359	941,359
Accrued revenue	12,014	12,014	66,489	66,489
Investment in Water Corporation	24,114,856	24,114,856	22,367,601	22,367,601
	39,478,531	39,478,531	34,958,473	34,958,473
Financial liabilities				
Payables	1,289,063	1,289,465	1,289,465	1,289,465
Financial Liabilities	-	-	3,900,000	3,900,000
	1,289,063	1,289,465	5,189,465	5,189,465
Net financial assets	38,147,264	38,147,264	29,769,008	29,769,008

(d) Credit Risk

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

(e) Risks and Mitigation

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

Market Risk

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

Cash and cash equivalents are subject to floating interest rates. Any variations in future cash flows from interest rate movements are expected to have an immaterial effect on the Council's revenue.

Interest Rate Risk

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

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

All of the Council's interest-bearing liabilities are at fixed rates so there is no exposure to interest rate risk.

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

- Conformity with State and Federal regulations and standards,
- Adequate safety,
- Appropriate liquidity,
- Monitoring of return on investment,
- Staggering maturity dates to provide for interest rate variations,
- Benchmarking of returns and comparisons with budget.

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

Credit Risk

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

The carrying amount of financial assets recorded in the financial statements, net of any allowances for impairment losses, represents the Council's maximum exposure to credit risk without taking account of any collateral or other security.

Council's policy in relation to receivables is summarised below.

Debtors of the Council are required to settle their accounts within specified terms including:

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.

Impairment Losses

The following table provides an ageing of the Council's trade and rate receivables at the reporting date:

Trade receivables	30 June 2021		30 June 2020	
	Gross	Impairment	Gross	Impairment
	\$	\$	\$	\$
Not past due	815,326	-	416,253	-
Past due 0-30 days	1,020	-	369	-
Past due 31-60 days	3,225	-	-	-
Past due 61-90 days	3,252	-	66,786	-
More than 90 days	18,556	-	37,699	-
Total trade receivables	841,379	-	521,107	-
Rates receivables				
More than 90 days	279,180	-	408,554	-
Other Receivables	32,221	-	11,698	-
Total receivables as per the Statement of Financial Position	1,152,780	-	941,359	-

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 2021.

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.

Where the Council has obtained financial or non-financial assets during the period by taking possession of collateral it holds as security or calling on other credit enhancements (e.g. guarantees) and such assets meet the recognition criteria in other Australian Accounting Standards, the Council must disclose:

- the nature and carrying amount of the assets obtained; and
- when the assets are not readily convertible to cash, its policies for disposing of such assets or for using them in its operations.

Liquidity Risk

Liquidity risk is the risk that the Council will not be able to meet its financial obligations as they fall due. The Council's approach to managing liquidity is to ensure that it will always have enough liquidity to meet its liabilities when they fall due.

The debenture loans of Council are secured by trust deed and the total loan borrowings are limited to borrowings approved by Treasury. In accordance with section 80 of the *Local Government Act 1993* (as amended) the borrowing capacity of the Council is limited as follows:

- Except with the approval of the Minister, a council may not borrow additional money for any purpose if the annual payments required to service the total borrowings would exceed 30% of its revenue of the preceding financial year; and
- Grants made to a council for specific purposes are to be excluded in calculating 30% of the revenue of the council.

Maturity analysis for financial liabilities

The following tables detail the undiscounted cash flows payable by the Council by remaining contractual maturity for its financial liabilities (non-lease related liabilities). It should be noted that as these are undiscounted and include estimated interest payments, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position.

The table below lists the contractual maturities for non-lease Financial Liabilities. For lease liabilities refer to Note 21.

	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
30 June 2021					
Payables	1,289,063	-	-	1,289,063	1,289,063
Borrowings	-	-	-	-	-
Total	1,289,063	-	-	1,289,063	1,289,063
30 June 2020					
Payables	1,289,465	-	-	1,289,465	1,289,465
Borrowings	3,900,000	-	-	3,900,000	3,900,000
Total	5,189,465	-	-	5,189,465	5,189,465

The Council has not defaulted on or breached the conditions of any loan's payable recognised at balance date.

(f) **Sensitivity Disclosure Analysis**

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

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The analysis assumes all other variables remain constant and was performed on the same basis for 2020.

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	Surplus or deficit			Equity	
	+1% (100 basis points)	-0.5% (50 basis points)	+1% (100 basis points)	-0.5% (50 basis points)	
2021	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	14,198,881	141,989	(70,995)	141,989	(70,995)
Trade and other receivables	941,359	-	-	-	-
Financial Liabilities					
Interest bearing loans and borrowings	-	-	-	-	-
Trade and other payables	1,289,063	-	-	-	-

Interest rate risk	Surplus or deficit			Equity	
	+1% (100 basis points)	-0.5% (50 basis points)	+1% (100 basis points)	-0.5% (50 basis points)	
2020	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	11,583,024	115,830	(57,915)	115,830	(57,915)
Trade and other receivables	941,359	-	-	-	-
Financial Liabilities					
Interest bearing loans and borrowings	3,900,000	-	-	-	-
Trade and other payables	1,289,465	-	-	-	-

The movements in profit are due to higher/lower interest costs from variable rate debt and cash balances.

31. SIGNIFICANT BUSINESS ACTIVITIES

	CAMPING & RECREATIONAL VEHICLES \$		PORT LATTA SOLID WASTE \$	
	2021	2020	2021	2020
Revenue				
Rates	-	-	-	-
User Charges	-	-	1,027,815	958,374
Grants	-	-	-	-
Other	54,007	59,019	338,739	342,306
Total Revenue	54,007	59,019	1,366,554	1,300,680
Expenses				
<i>Direct</i>				
Labour & Materials	40,909	35,877	136,363	151,916
Borrowing Costs	-	-	-	-
Other	11,078	10,966	56,095	59,230
<i>Indirect</i>				
Engineering and Administration	-	-	166,704	126,824
Total Expenses	51,987	46,843	359,162	337,970
Capital Costs				
Depreciation	30,155	27,378	287,786	257,083
Opportunity Cost of Capital	11,854	12,286	31,135	30,017
Total Capital Costs	42,009	39,664	318,921	287,100
Competitive Neutrality Costs	-	-	698	612
Calculated surplus/(deficit)	(28,135)	(15,202)	718,908	705,015
Income Tax Equivalent 27.50%/30%	0	0	197,700	193,879
Total Fully Attributed Costs	93,996	86,507	875,783	818,949

Accounting Policy

Under section 84(2) (da) of the *Local Government Act 1993*, Council is required to report operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by it.

32. AUDITOR'S REMUNERATION

	2021	2020
	\$	\$
Audit fee external audit	35,604	40,893
TOTAL	35,604	40,893

Includes acquittal and travel disbursement costs.

33. INVESTMENT IN WATER CORPORATION

At 30 June 2021, Council held a 1.53% ownership interest in TasWater.

	2021	2020
	\$	\$
Opening balance	22,367,601	29,004,394
Fair Value adjustments on equity investment assets	1,747,255	(6,636,793)
Total investment in water corporation	24,114,856	22,367,601

Accounting Policy

Council has derived returns from the water corporation as disclosed at note 6.

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: Financial Instruments to irrevocably classify this equity investment as designated as fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer note 34) and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2021, Council continues to hold a 1.53% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

34. RESERVES

	2021 \$	2020 \$
Asset Revaluation Reserve:		
Balance at beginning of financial year	82,788,691	67,331,362
Revaluation adjustment:		
Land	-	1,057,587
Land under roads	-	892,690
Transport infrastructure	-	13,507,052
Buildings	8,529,685	-
Balance at end of financial year	91,318,376	82,788,691
Closing balance		
Land	6,671,328	6,671,328
Land under roads	892,690	892,690
Buildings	10,595,326	2,065,641
Transport infrastructure	68,518,804	68,518,804
Stormwater	4,640,228	4,640,228
	91,318,376	82,788,691

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

	2021 \$	2020 \$
Fair value reserve:		
Equity investment assets		
Balance at the beginning of the financial year	279,976	6,916,769
Investment in water corporation	1,747,255	(6,636,793)
Total fair value reserve		
Available for Sale assets		
Balance at the beginning of the financial year	-	-
Fair Value Adjustment	-	-
Balance at the end of the financial year	2,027,231	279,976

Council has 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.

Public Open Space Reserve		
Balance at beginning of financial year	139,335	139,335
Transfer from retained surplus	-	-
Expenditure of funds on capital works	-	-
Balance at end of financial year	<u>139,335</u>	<u>139,335</u>
<u>TOTAL</u>	<u>93,484,942</u>	<u>83,208,002</u>

The Public Open Space Contributions Policy states that all moneys taken as contributions under this policy will be held in a reserve and used for the provision of new or the improvement of existing public open spaces and beautification projects.

35. 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
- 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 follows:

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

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

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

As at 30 June 2021

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Land	18	-	8,857,385	-	8,857,385
Land under roads	18	-	7,909,101	-	7,909,101
Buildings	18	-	23,588,405	-	23,588,405
Investment in water corporation	33	-	-	24,114,856	24,114,856
Transport Infrastructure	18	-	-	135,289,377	135,289,377
Stormwater	18	-	-	9,434,984	9,434,984
Total		-	40,354,891	168,839,217	209,194,108

As at 30 June 2020

	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Land	18	-	9,549,500	-	9,549,500
Land under roads	18	-	7,909,101	-	7,909,101
Buildings	18	-	15,842,264	-	15,842,264
Investment in water corporation	33	-	-	22,367,601	22,367,601
Transport Infrastructure	18	-	-	135,124,978	135,124,978
Stormwater	18	-	-	9,596,627	9,596,627
Total		-	33,300,865	167,089,206	200,390,071

Transfers between levels of the hierarchy

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

(b) Highest and best use

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

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

Council has changed its valuation technique for Stormwater. Previously, data has been sourced from a small sample of Council's own capital jobs, but the 2014-15 financial year saw Council use benchmark data to complete the revaluation. This was deemed a more reflective valuation technique as a wide amount of data is available compared to the small amount of capital jobs Council completes for stormwater each year.

(d) Changes in recurring level 3 fair value measurements

The changes in level 3 assets with recurring fair value measurements are detailed in note 18. The investment in Water Corporation, which is classified as level 3 is separately disclosed in note 32. There have been no transfers between level 1, 2 or 3 measurements during the year.

(e) 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 note 18.

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

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

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 23 is provided by the Tasmanian Public Finance Corporation (level 2).

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

(g) Fair Value Hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

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

30 June 2021	Level 1	Level 2	Level 3	Total
Financial assets at fair value through the comprehensive income statement	-	-	-	-
Available for sale financial assets	-	-	24,114,856	24,114,856
TOTAL	-	-	24,114,856	24,114,856

30 June 2020	Level 1	Level 2	Level 3	Total
Financial assets at fair value through the comprehensive income statement	-	-	-	-
Available for sale financial assets	-	-	22,236,601	22,367,601
TOTAL	-	-	22,367,601	22,367,601

There were no transfers between Level 1 and 2 in the period.

Reconciliation of Level 3 Fair Value Movements

	2021	2020
	\$	\$
Opening Balance	22,367,601	29,004,394
Fair value adjustment on equity assets	1,747,255	(6,636,793)
Closing Balance	<u>24,114,856</u>	<u>22,367,601</u>

Investment in water corporation

Refer to Note 33 for details of valuation techniques used to derive fair values.

Council's investment is not traded in an active market and is only sensitive to fluctuations in the value of TasWater's net assets.

Land

Land fair values were determined by the State Valuer General effective 30 June 2020. Sales prices of comparable land sites near are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

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 30 June 2020. 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.

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.

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.

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 AUSTROADS 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 revaluation occurred in the current year.

Stormwater

A full audit of drainage infrastructure was undertaken by Peacock. Darcey & Anderson Pty Ltd (Surveying, Engineering & Planning consultants). Like roads, drainage assets are managed in segments; pits and pipes being the major components.

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

CRC is based on the unit price for the component type. For pipes, the unit price is multiplied by the asset's length. The unit price for pipes is based on the construction material as well as the depth the pipe is laid.

A revaluation was undertaken on 1 July 2018. The Rawlinsons 2019 Australian Construction Handbook was used to determine unit prices in the revaluation as Council had very few capital projects as evidence for using its own unit prices.

36. EVENTS OCCURRING AFTER BALANCE DATE

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

37. CONTINGENT ASSETS & LIABILITIES

Bank Guarantee

Council currently has a Bank Guarantee in place for \$50,000 as a requirement for mining lease 879P/M located at White Hills.

The Bank Guarantee acts as a security deposit to be returned following the successful and satisfactory rehabilitation of the site at the cessation of mining activities.

Accounting Policy

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

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

38. OTHER SIGNIFICANT ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS

(A) LEASES

Leasehold improvement

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

(B) 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)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i) where the amount of GST incurred is non-recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recovered from or paid to the ATO, are classified as operating cash flows.

(C) BUDGET INFORMATION

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

(D) TRUST FUNDS

The Council receives monies as an agent for the State Government. As Council performs only a custodial role in respect of these monies, and because the monies cannot be used for Council purposes, they are excluded from the financial statements.

Amounts received as tender deposit and retention amounts controlled by Council are included in the amount disclosed as “payables” within Current Liabilities.

(E) ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

In the current year, Council has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

(F) PENDING ACCOUNTING STANDARDS

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations with future effective dates are either not applicable to Council's activities or have no material impact.



Certification of the Financial Report

for the financial year ended 30/06/2021

The financial report presents fairly the financial position of the Circular Head Council as at 30 June 2021, the results of its operations for the year then ended and the cash flows of the Council, in accordance with the Local Government Act 1993 (as amended), Australian Accounting Standards (including interpretations) and other authoritative pronouncements issued by the Australian Accounting Standards Board.

Scott Riley
General Manager

Dated at Smithton this 30th day of November 2021.