CIRCULAR HEAD COUNCIL

ANNUAL REPORT 2004/2005

CONTENT PAGE

CONTENT PAGE 2
HISTORY AND PROFILE 3
VISION AND MISSION STATEMENTS 4
OVERVIEW 5
FAST FACTS – CIRCULAR HEAD 6
FINANICAL INDICATORS COMPARISONS 7
KEY ACTIVITY STATISTICS 8
MAYORS MESSAGE 9
MAYOR AND COUNCILLORS 10
GENERAL MANAGER'S MESSAGE 13
MANAGEMENT STRUCTURE 14
ORGANISATION STRUCTURE 15
THE YEAR IN REVIEW 16
PHYSICAL ENVIRONMENT 16
REGULATORY 24
ADVOCACY AND GOVERNANCE 30
ECONOMIC DEVELOPMENT 32
COMMUNITY SERVICES 34
CORPORATE SERVICES 39
THE YEAR AHEAD 43
FINANCIAL STATEMENTS & AUDITORS REPORT 44

HISTORY AND PROFILE

The Circular Head Council, incorporated in 1908, serves the rural community of Circular Head, located in the far North West corner of Tasmania.

Circular Head covers one of the largest municipal land areas in Tasmania, 4,917km^2. The area is dominated by forestry plantations and agricultural land, which along with the aquaculture industry provides significant employment and income generation in the area.

Circular Head has one of the longest coastlines of any Tasmanian municipal area, with breathtaking expanses of golden sands and rugged rock faces.

The municipal area of Circular Head gains its name from the unusual land formation commonly known as *"the Nut"*, at Stanley. This land formation was sighted by Bass & Flinders on their historic circumnavigation of the State in 1798, and named by them the *"Circular Head"*. The Nut rises 152 metres above sea level, being formed from solidified lava and is estimated to be 13 million years old.

Today, the Nut and the town of Stanley, nestled at its base, are two of the foremost tourist attractions in the North West area. The Nut is depicted on Council's logo, with the colours of green to represent the lush green forests and highly productive farm areas with blue representing the waterways and the sea.

Being the largest dairying and prime beef producing area of the State compliments other significant industries in Circular Head, including fishing, oyster and abalone farming, tourism, processing of many raw products including vegetables, timber, meat and milk, and the iron-ore pelletising plant at Port Latta.

The lifestyle of Circular Head is unique. The area offers spectacular scenery, a diverse range of sporting and cultural activities with a caring community enabling the maintenance of family values and friendships.

Many people choose to live in Circular Head for the lifestyle. New residents are welcomed to the area to become part of the close knit community. The population comprises a growing number of residents from overseas, thus helping to enrich the area's cultures still further

VISION AND MISSION STATEMENTS

Our Council Vision

Circular Head – a caring, progressive and dynamic community

Our Council Mission

Circular Head Council – providing excellence and innovation in service delivery

To achieve our mission we will:

- be ethical and professional at all times
- promote open and effective community consultation, which facilitates discussion, involvement, action and partnership
- provide excellence in customer service by facilitating prompt, accurate and effective response to customer concerns
- adopt sound business principles in the management of Council resources
- encourage quality, innovation and continuous improvement in the delivery of services to the community.

Invitation for submissions

Members of the community are invited to make submissions on the Annual Report for discussion at the Annual General Meeting which is to occur on Thursday, 1 December 2005. Any person wishing to make a submission should deliver it to the General Manager by 5:00pm on Wednesday, 23 November 2005 for inclusion on the agenda for the meeting.

Legend	
#	Completed
➔	In Progress
µ	Not Achieved
--	Deferred
x	Deleted

Please use above legend when referring to pages 17 to 38

OVERVIEW

- 2.65% increase in general rates and service charges.
- further reconstruction and sealing of Mella Road.
- upgrades to Emmett Street (Main Street)
- seal a one kilometre section of Plummers Road, Forest
- reseal 15 kilometres of existing bitumen roads
- $350,000 Bridge replacements
- kerbing and channelling improvements
- upgrade Massey Street pump station
- additional detailed designs for future road upgrades
- successful lobbying outcome for Bass Highway upgrade
- signed new Partnership Agreement with State Government
- Australia Day Citizen of the Year - Mrs Mary Saville.
- Young Citizen of the Year – Mr Zac Morgan.

FAST FACTS – CIRCULAR HEAD

			Male	Female
Population	Municipal area	8,086	4,179	3,907
	Age 0-14 years		1009	891
(ABS Estimates 2003)	Age 15 years & over		2738	2530
	Age 65 years & over		432	486
		2004/2005	**2003/2004**	**2002/2003**
Area (km)	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	767	767	767
	Sealed	290.70	289.70	279.70
	Unsealed	496.30	497.30	487.30
Bridges maintained	Municipal area	101	101	101
	Timber	47	48	49
	Other	54	53	52
Footpath length (km)	Municipal area	29.40	29.40	28.50
Sewer maintained (km)	Municipal area	48.10	48.10	48.10
Stormwater maintained (km)	Municipal area	26.96	26.96	26.96
Kerb & channeling (km)	Municipal area	41.90	41.40	39.10
Water reticulation maintained (km)	Municipal area	53.80	53.80	53.80
Sewerage Treatment throughput (ml/day)	Municipal area	5-7	5-7	5-7
Total properties	Municipal area	4,746	4,721	4,652
Rateable properties	Municipal area	4,579	4,579	4,396
Valuation	Assessed annual value	35,298,883	35,356,409	35,166,387
	Capital value	659,371,000	661,109,500	657,321,500

FINANICAL INDICATORS COMPARISONS

	2004/2005	2003/2004	2002/2003	2001/2002	2000/2001
Rate revenue	6,630,235	6,024,610	5,828,357	5,608,429	5,374,499
Total revenue	12,841,345	13,656,127	13,788,054	14,424,974	10,727,615
Total operating expenditure	11,268,177	10,932,925	11,238,170	11,185,176	10,222,437
ure	2,548,741	5,078,317	3,873,529	3,917,192	2,607,004
Proceeds on sale of assets	(470,897)	299,168	227,652	279,263	178,154
Net capital expenditure	3,019,638	4,779,149	3,645,877	3,637,929	2,428,850
Depreciation and amortisation	2,296,581	2,218,591	2,176,011	2,056,948	2,029,654
Borrowings	1,230,182	1,170,290	1,153,874	1,616,371	2,045,895
Debt reduction	(59,982)	(16,416)	462,497	429,524	408,619
Debt reduction as a proportion of total operating expenditure	(0.53%)	0.15%	4.12%	3.84%	4.00%

INDICATOR	2004/ 2005	2003/ 2004	2002/ 2003	2001/ 2002	2000/ 2001
Current ratio	5.190:1	3.875:1	2.305:1	2.422:1	1.384:1
Rate coverage ratio	52.41%	46.56%	42.98%	39.65%	50.95%
Outstanding rate debtors	1.40%	2.20%	3.67%	3.54%	4.46%
Expenditure per capita	$1,390	$1,352	$1,442	$1,391	$1,211
Grant coverage ratio	18.53%	23.78%	24.95%	18.30%	22.23%
User charges coverage	21.65%	21.70%	19.28%	16.71%	25.32%
Capital expenditure coverage		45.45%	33.30%	33.94%	25.17%

KEY ACTIVITY STATISTICS

	2004/2005	2003/2004	2002/2003	2001/2002	2000/2001
Engineering Services					
Tonnes of waste deposited at Port Latta Landfill site	16,092	16,064	12,066	10,832	13,859
Tonnes of waste collected – Urban	1,404	1,406	1,344	1,306	1,170
Tonnes of waste collected – Rural	843	794	669	702	769
Waste coupons redeemed	20,022	23,339	19,314	18,473	16,492
Recycling crate collections	9,325	8,932	10,257	10,341	9,116
Smithton domestic water Consumed– kl	448,391	499,293	475,000	415,076	428,239
Stanley domestic water consumed - kl	101,263	103,224	115,871	113,690	130,481
Industrial water consumed – kl	1,039,774	989,850	1,160,418	1,123,188	1,079,697
Works Plus					
Road grading – km	324	387	322	454	388
Road patching – tonnes	446	525	179	303	401
Planning and Building					
Building permits issued	152	160	146	155	114
Planning permits issued	107	126	91	104	130
Dogs registered	801	844	949	1041	906
Dogs impounded	42	15	24	33	66
Burials at Council cemeteries	40	21	33	35	45
Environmental Health					
Special Plumbing Permits Issued	23	59	13	25	30
Children immunised at Council clinics	74	138	146	113	112
Food premises inspections carried out	117	94	64	66	97
Dairies inspected	10	6	0	93	188
Financial Services					
Section 337 certificates issued	270	513	451	313	326
Administration Services					
Staff training (numbers attending)		N/A	39	30	49
Community Development					
Patrons at pool	14,169	14,527	11,987	14,061	15,824

MAYORS MESSAGE

Local Government is more than ever been asked to account for its decisions and it is of utmost importance that the community has trust and respect for the Council in its decision making processes.

The outcomes of the review of the Local Government Act 1993 present additional responsibilities in the area of governance and accountability. Tasmanian local authorities will be required, for instance, to adopt a Code of Conduct, Customer Service Charter and a Code for Tendering in the 2005/2006 year.

Whilst I accept that in some instances such may be beneficial, I am mindful of the resources that we are required to dedicate, by legislation, developing, publishing and maintaining externally imposed accountability measures. I often wonder whether some costs could be better spent on improvements to roads, parks or other infrastructure, or responding to other identified local needs.

Towards the end of the year, the Council will commence publishing a regular column in the *Circular Head Chronicle*, again in an effort to inform and encourage an increased public understanding of the many activities undertaken by the Council and opportunities for input.

We endeavour to provide information and the ability to participate in our public policy decisions by various methods. We encourage comment via newspaper advertising, we erect on-site signage for selected Development Applications, and various documents are on permanent display at the Administration Office or on our website. We arrange forums, presentations and encourage questions from the public gallery at Council meetings. The Council currently expends some $50,000 annually simply advertising in newspapers.

The organisation, however, is only as good as the community will let it be. Without us all working co-operatively, we will only be able to achieve a fraction of what is possible. The Council provides opportunities for participation in the local government democratic process; perhaps a mutual obligation exists for us all to consider issues, not as individuals, but collectively as citizens of a community.

I commend the General Manager, Greg Winton, and his staff for their commitment over the past year. I am very proud to have been able to play my part and look forward to a continued dedicated effort from individual Councillors and all staff.

MAYOR W Ross Hine

MAYOR AND COUNCILLORS

Circular Head Council has nine Councillors, elected by the community each for a term of four years. Half of the Council is elected every two years, to allow for continuity of Council business. The Mayor and Deputy Mayor are elected by the community. Council elections will be held in October 2005 and will include popular election of the Mayor and Deputy Mayor.

Mayor W Ross Hine JP, a farmer from Marrawah, is married to Ned and has four children and five grandchildren. Ross has been a Council member for 17 years, being Deputy Mayor for 4 years before being elected Mayor in 1996. Ross is a life member of the Redpa Football Association, Redpa Parents & Friends Association and the Circular Head Football Association. Ross is also a Director of the Cradle Coast Authority. His current term as Mayor expires 2005 and Councillor expires in 2007.

Deputy Mayor Daryl Quilliam JP, an agricultural field representative, is married to Bev with 2 daughters. Elected Deputy Mayor in October 2000, Daryl has been a member of Council for 18 years. Daryl is currently President of the Circular Head Football Association and a member of the Circular Head Heritage Centre and Central Outdoor Area Management Committee. His current term as Deputy Mayor and councillor expires in 2005.

Michael (Mike) Buckby is a farmer from West Montagu, and is married to Robyn and has a son Jim. Elected to Council in 1996, Mike has been a staunch supporter of Rural Youth, holding several positions including State Vice-President and is a life member of the Circular Head Rural Youth Club. Mike was Chairman of the Agfest Field Days in 1995 and 1996 and is the current President of Smithton Turf Inc, as well as several other community groups. His current term expires in 2005.

Bernard Charles JP, a farmer from Mawbanna, is married to Lorraine with two children. Bernard was first elected to Council in 1992. Bernard is a representative on the Cradle Coast Water Authority and the Cradle Coast Authority, a committee member of the Circular Head Business Enterprise Centre and also the Circular Head Weed Strategy Group. Other interests include the Smithton Rotary Club. His current term expires in 2005.

John Oldaker, a farmer from Togari, is married to Beth with five children. John is interested in agricultural politics and is a past Chairman of the Tasmanian Farmers and Graziers Association Dairy Council. He is a member of the Tasmanian Food Safety Authority. A Vietnam veteran, John is also a member of the Smithton RSL. His current term expires in 2007.

Graham Wells, a tourist operator from Stanley, is married to Maxine. They have four children. Graham was elected to Council for the first time in October 2000. He is a member of a number of Committees, with a strong interest in the tourism industry. His current term expires in 2005.

Rodney Flowers, is self employed as a mowing contractor, employing two local people. He has lived in Circular head for 14 years and has a farm at Forest. Rodney is the Council representative on the Heritage Special Committee. Rodney was elected to Council for the first time in October 2002. His current term expires in 2007.

Darren Wilson is employed by an agricultural equipment company in sales. Darren was elected to Council for the first time in October 2002. He is a member of the Indoor Area Special Committee.
His current term expires in 2007.

Michael Weldon, a farmer from Nabageena, is married to Teena with four children. Michael served as Deputy Mayor from 1996 to 2000, and has been a member of Council for eight years. Michael is a former MHA, having held a Ministerial position with a previous Labour Government.
His current term expires in 2005.

Councillors' Attendance at Meetings 2004/2005

	Ordinary Meetings	Special Meetings
Mayor Ross Hine	12	3
Deputy Mayor Daryl Quilliam	12	3
Cr Michael Buckby	12	2
Cr Bernard Charles	11	2
Cr Rodney Flowers	11	1
Cr John Oldaker	12	3
Cr Michael Weldon	10	2
Cr Graham Wells	11	3
Cr Darren Wilson	12	1

Special meeting 22 July 2004 for 2004-2005 Budget Adoption.

Special meeting 5 August 2004 for Proposed Framework – Future Management of Hunter Island.

Special meeting 2 June 2005 Motions General Meeting LGAT – 2005 Annual Conference.

Ordinary meetings of Council were held every third Thursday of the month, commencing at 6:00pm and are advertised in print media one week prior to the next meeting throughout the year. Members of the public were welcome to attend those meetings.

Public question time was held during the meetings near the commencement and conclusion of the meetings with the general public encouraged to ask question at the appropriate time.

GENERAL MANAGER'S MESSAGE

In a municipality as widespread and diverse as Circular Head, the Council often faces competing interests. The challenge for the organisation is to balance financial responsibility and community expectations.

Rates are the primary source of Local Government funding, however every dollar we get from somewhere else is one which reduces pressure on rates.

Fundamental changes to the financial relationships between Local Government, the State and the Australian Government must occur to allow local authorities to be sufficiently funded if it is to deliver services and facilities demanded locally.

Another year has Council better placed financially, however, Councillors and staff cannot become complacent; work continues on establishing the full extent of long term asset management and its financial consequences. The continuing problem of aging infrastructure continues to present headaches; I would like to assure all ratepayers and residents to a commitment to obtain "best value" as much as is reasonably possible.

The standout outcome for Circular Head in the past year was the commitment to upgrades to the Bass Highway. The announcements by the Australian and the State Government followed a concerted campaign co-ordinated by the Cradle Coast Authority. The result reinforced my belief in the benefits of collaborative efforts.

Presently a funding submission is before the Australian Government for the construction of a new sixty-bed aged care facility. The Council has committed up to $1.4M and the State Government $1M to achieve a consolidated, modern and viable aged care facility as proposed by the Emmerton Park Board.

Next year I look forward to reflecting on this project as being the standout.

The following pages can only provide a snapshot of the past years results. I wish to acknowledge the efforts of elected members, who dedicate many thankless hours representing the interests of community.

Through the combined efforts of the Councillors and employed staff, the organisation will continue to strive to achieve community and customer satisfaction, meeting the demands and expectations of the people of Circular Head.

Greg Winton, General Manager

MANAGEMENT STRUCTURE

JOHN VAN GAALEN,
MANAGER CORPORATE SERVICES

Financial Services
Information Technology
Human Resources
Administrative and governance
Risk Management & Insurance
Records Management

DARYL POLZIN
MANAGER INFRASTRUCTURE AND DEVELOPMENT SERVICES

Physical Infrastructure
Transport
Drainage
Solid Waste Management
Parks and Reserves
Engineering Services
Sewerage
Water Supply

Land Use Planning
Development Control
Environmental Health
Building Control
Animal Control.
Weed Management
Environmental Matters
Catchment Management

BRIAN BLAKE,
MANAGER WORKS PLUS

Responsible for the maintenance and construction of:

- Water
- Drainage
- Sewerage
- Road Infrastructure

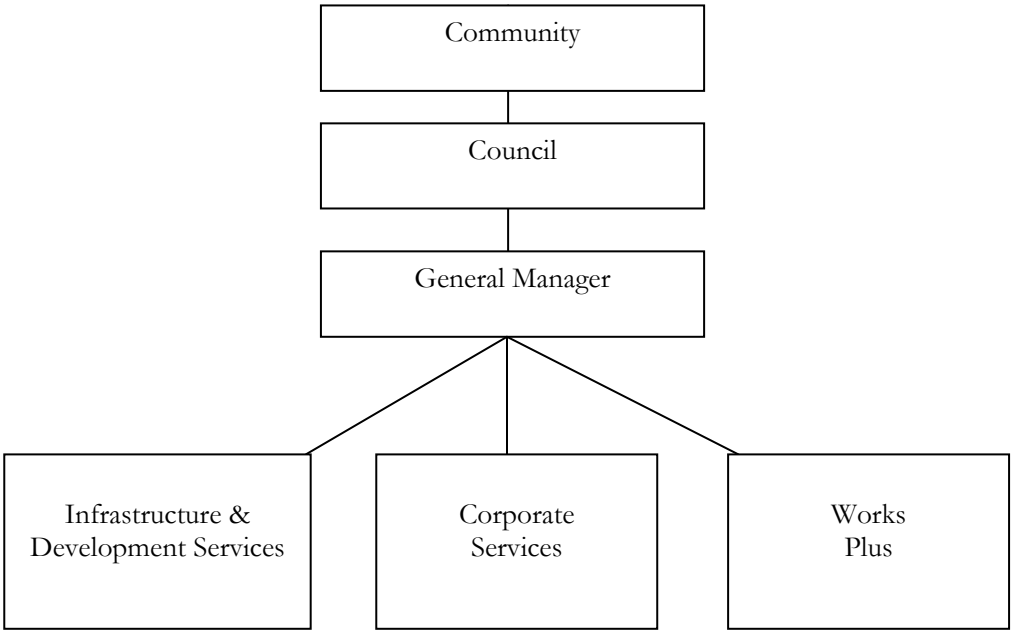
ORGANISATION STRUCTURE

Council employs a total workforce of 55 people (including pool staff), 25 of whom are based at Works Plus (one of which is employed on a casual basis).

Council services for the year were provided through three teams and Work Plus. Staff development and training is an essential ingredient towards providing a quality service to our ratepayers. Council continued to support staff undertaking vocational training programs during the year with subjects studied by staff including accounting, town planning, environmental health and horticulture.

Council maintains its commitment to equal employment opportunities. Council staff cover a wide range of age groups and a balanced gender representation.

Staff members participated in various personal and professional development seminars and courses during 2004/2005.



In accordance with Sections 72 (1) (cd), 72 (4) and 72 (5) of the Local Government Act 1993 Council is to include within its Annual Report a statement relating to the total annual remuneration paid to employees of the Council who hold positions designated by it as being senior positions. Total annual remuneration includes the salary paid, contributions to superannuation, value of the use of any motor vehicle and any other allowances or benefits paid.

Annual Remuneration	No. of Employees
105,000 – 125,000	1
85,000 – 105,000	2

THE YEAR IN REVIEW

Council delivered its services during the year under six general program areas, in accordance with its Strategic Plan. As part of its annual reporting process, Council demonstrates to the community its progress in achieving those goals.

Listed below are the major projects and activities in the 2004/2005 Operational Plan and Budget Estimates. Our progress is explained by the symbols below.

Legend	
#	Completed
➔	In Progress
µ	Not Achieved
--	Deferred
x	Deleted

PHYSICAL ENVIRONMENT

Strategic Goal

To optimise the physical environment of our community through the provision of quality infrastructure.

Functions

- Road & Bridge maintenance
- Traffic management
- Kerbing, channelling and footpaths
- Water reticulation & connections
- Sewerage maintenance
- Urban & rural road drainage
- Waste management service
- Recreational facilities
- Beautification strategies
- Parks & gardens
- Asset management

Objectives

- Plan and action the long term maintenance of our roads, bridges, sewerage systems, drains, water reticulation, buildings, parks, reserves, recreational facilities and other infrastructure
- Develop effective and innovative asset management techniques
- Develop programs for infrastructure development, taking into consideration community expectation for improved facilities within resource limitations
- Enhance and encourage ongoing beautification and weed control
- Ensure asset creation at the lowest life cycle cost

This program provides a variety of services based around the vast network of roads, bridges, and footpaths within the Municipality.

Roadwork's

The reconstruction of Plummers Road and reconstruction of Mella Road were the main significant capital works projects undertaken this year. Works scope for Plummers Road included pavement widening and partial sealing of 1.2 kilometres of road.

- # Arthur River Road
- ➔ Mella Road reconstruction & seal
- # Montagu Road S bends
- # Kerb & Channel, footpaths Smithton/Stanley
- ➔ Austin Subdivision
- # Reseal 15km
- ➔ Emmett Street Paving
- # Barrier - Backline Road
- # Maguires Road Seal 100m
- # Retaining Wall - Emmett Street
- # Footpaths Brooks/Lette St
- # Street Lighting - Stanley

Port Latta Landfill

The landfill continued to operate efficiently, and the Environmental Management Plan was completely replaced to comply with Department of Primary Industries, Water and Environment requirements. A Strategic Plan for the life of the site was commissioned. Disposal volume to the site was almost constant compared to the previous year although the proportion of controlled wastes increased.

Recycling

Council continued to support recycling. Participation rates decreased by 4% from the previous year. The program diverted almost 60,000 kilograms of rubbish from landfill, an increase of some 20% compared to the previous year.

Solid Waste

- # Review the provision of a recycling service.
- ➔ Encourage usage of recycling facilities
- ➔ Consider the future development and management opportunities for the landfill facilities located at Port Latta.

Cemeteries, Parks & Reserves

➔	Green Pt Beach Access
➔	Tatlows Beach Access
- - -	1100m post rail fencing
#	Seal & ext Walkway Tatlows Beach
#	Anzac Park improvements
➔	Design - Dip Falls walk/platform
➔	King Park Arts Devt
#	Parks - New Playground Equipment
- - -	Toilets Smithton
#	New Stage Lawn Cemetery

Drainage

This program area includes the provision of drainage infrastructure within the town areas such as pipes and kerbing. Maintenance works were completed within budget.

#	Norwood St Forest
#	Edgecumbe Beach
#	Kerb & Channel Tier Hill
#	Kerb & Channel Brooks/Hellyer
#	Kerb & Channel Stanley

Sewer

Activities include operation of two sewage treatment facilities and the maintenance and operation of a collection network within the town areas of Stanley and Smithton. Included in this service is the collection and treatment of trade wastes from several commercial/industrial premises.
Operation and maintenance was completed within budget allocation.
Problems continued with the removal of sludge from the Pelican Point site, and further investigations are planned for next year.
Both schemes have operated within licence limits for the year.

#	New Pump + Mains upgrade
- - -	Recirc. Pump upgrade

Bridges

- A new concrete bridge was commenced over the Duck River on Trowutta Road, replacing a wooden structure.
- In order to maintain connectivity of the road network and ensure the safety of traffic, Council repaired and/or replaced bridges in the following locations:-

- Welcome Swamp Road
- Polinna Road
- Lades Road
- Temma Road

➔ Red Marsh Road/Welcome River Bridge
➔ Trowutta Rd (Duck River)

Works Plus

Works Plus commenced operations as a business unit on 1 July 1996 and is Council's civil maintenance and construction unit, maintaining roads, bridges, drainage, sewerage reticulation and treatment, water reticulation, parks and gardens, cemeteries and operations of Council's waste disposal landfill site.

Capital Projects were completed on time, without impacting on the standard of service for all other maintenance contracts.

Improvements in operational efficiency continues. An exceptional standard of work continues to be produced at a competitive price.

A Quality system provides the necessary framework to support Works Plus' commitment to providing an exceptional standard of work and an efficient and productive operation

Water supply – domestic consumption

Water Supply

Massey St Pump Station
Valve/Hydrant replacement
Mains Replacement

Council continued to operate and maintain reticulation of water supplies to Smithton, Stanley and Irishtown. Bulk treated water is provided for distribution by Cradle Coast Water Authority.

During the year, Council distributed 1493ML of treated water to Smithton/Irishtown and 101ML to Stanley representing a decrease of 1% on the previous year. Water meter readings were undertaken to gather information for four-monthly billing and for routine operations.

As required by Regulation 36 issued under the *Local Government Act 1993,* Council is to prepare a statement reporting on its plans in relation to potable water supplied for domestic consumption. The Council plans to:-

- Maintain membership of the Cradle Coast Water Authority and be represented by a Councillor. In the current year Cr Bernard Charles attended the Cradle Coast Water Authority as Council's Representative.
- Conitinue hydrant/valve replacements

The average age of water mains in Circular Head is approximately 33 years with an average design life of 52 years.

National Competition Policy

As required by Regulation 36 (b) issued under the *Local Government (General) Regulations 2005,* Council is required to provide sufficient financial information to demonstrate that it is applying the pricing guidelines in relation to water supplied by it for domestic consumption. This is as specified in the Urban Water Pricing Guidelines issued by the Government Prices Oversight Commission.

Council, since 1 July 1995, has adopted a two part water pricing policy for its three water districts – Smithton, Stanley and Irishtown. For the reporting year a fixed charged of $241.45 was levied to cover the fixed cost of the reticulation systems. This charge includes an allowance of 50 kilolitres. Excess use is charged at 95 cents per kilolitre beyond the 50Kl allowance.

The water rates and volumetric charges are set to enable water reticulation to be financially independent. Due to variations in water usage patterns there exists a potential for a small surplus or loss.

Tables containing information in the format as specified by the Government Prices Oversight Commission for water and sewerage services provided by Council follows.

WATER

Cost Items	Lower Limit $'000	Upper Limit $'000	Budget $'000
Operation and maintenance	115	115	142
Purchases of bulk water	996	996	931
Administration & overheads	61	61	132
Externalities	-	-	-
Taxes & tax equivalents (other than income tax)	15	15	-
Cost of asset consumption – Lower limit	35	-	-
Cost of asset consumption – Upper limit	-	99	-
Interest on Debt	-	-	-
Dividends Paid	-	-	-
Cost of capital	-	122	
TOTAL COST	**1221**	**1407**	**1205**

Revenue Items	Actual $'000	Budget $'000
Fixed rates & charges	513	514
Volume-based charges	1032	952
Other fees and charges	2	-
Other revenue	-	-
CSO Payments	-	-
Own use transfers	24	-
TOTAL REVENUE	**1571**	**1466**
Real rate of return on non-current assets	**16.43%**	

Real rate of return = $\frac{\text{Earnings Before Interest and Income Tax}}{\text{Assets valued using DRC or DORC}}$

$= \frac{\text{Revenue – (O\&M, Bulk Water, A\&O, Externalities, Other Taxes, Cost of Asset Consumption – Upper)}}{\text{Assets valued using DRC or DORC}}$

Wastewater

Cost Items	Lower Limit $'000	Upper Limit $'000	Budget $'000
Operation and maintenance	499	499	917
Purchases of bulk water	-	-	-
Administration & overheads	65	65	142
Externalities	-	-	-
Taxes & tax equivalents (other than income tax)	6	6	-
Cost of asset consumption – Lower limit	165	-	-
Cost of asset consumption – Upper limit	-	262	-
Interest on Debt	19	-	19
Dividends Paid	-	-	-
Cost of capital	-	576	-
TOTAL COST	**752**	**1,407**	**1078**

Revenue Items	Actual $'000	Budget $'000
Fixed rates & charges	1,134	1,143
Volume-based charges	-	-
Other fees and charges	-	-
Other revenue	337	673
CSO Payments	-	-
Own use transfers	35	-
TOTAL REVENUE	**1,506**	**1,816**
Real rate of return on non-current assets	**8.20%**	

Real rate of return = Earnings Before Interest and Income Tax
Assets valued using DRC or DORC
=Revenue – (O&M, Bulk Water, A&O, Externalities, Other Taxes, Cost of Asset Consumption – Upper)
Assets valued using DRC or DORC

REGULATORY

Strategic goal

To protect our lifestyle, heritage and natural environment.

Functions

- Animal/litter control
- Public & environmental health
- Building control
- Planning
- Public safety
- Cemetery management

Objectives

- Promote public and community health awareness
- Identify, monitor and regulate potential and actual health risk issues within Circular Head
- Maintain a safety and emergency capability
- Protect and enhance natural environment assets
- Facilitate opportunities for heritage protection and residential, commercial and industrial development
- Revise a planning document for the municipal area which provides a blueprint for development, growth and infrastructure investments

Environmental Health

µ	Inspection of all food premises in accordance with a risk management process.
#	Further implementation of Food Safety Training
#	Investigation of complaints concerning dairy shed effluent and take necessary action to ensure environmental compliance.
#	Participation in the state-wide food testing program.
#	Investigation of incidences of environmental pollution and appropriate follow-up action to ensure remedial work is carried out and ensure future compliance.
#	Continued development and implementation of the Natural Resource Management Strategy (Circular Head).
#	Keep abreast of proposed national changes to food legislation.

Council employs an environmental health officer to carry out regulatory and educational functions in accordance with various legislation, particularly the Public Health Act 1997 and Food Act 2003.

The following schedule lists Council's responsibilities in relation to environmental health matters.

Public Health Act 1997

PART 3 – Prevention and control of disease

Investigates and reports upon incidents of notifiable disease as requested by the Director of Public Health

Provides monthly immunisation clinics, and conducts school immunisation programs in accordance with the recommended Immunisation Schedule as endorsed by the Director of Public Health

PART 5 – Premises

- Conducts ongoing assessments of places of assembly and places used for specific events
- Responds to complaints of unhealthy premises as defined by the Act
- Issues license and registration for public health risk activities, particularly skin penetration (piercing) activities
- Issues registration of regulated systems, specifically cooling towers.

PART 6 – Water

- Conducts weekly monitoring of the reticulated drinking water supply for compliance with the Australian Drinking Water Guidelines, and report the results to the Director of Public Health
- Conducts monitoring of selected recreational waters during November through March, reporting the results to the Director of Public Health
- Issues registration of private water suppliers, who supply water to the public
- A separate potable water quality report has been prepared for the Director of Public Health

Food Act 2003

- Registration and assessment of food businesses
- Participation in the State food sampling program
- Application of the Australian/New Zealand Food Standards Code
- Promotion of food handler training and promotion of healthy food options

Circular Head's Reticulated Water Supply System

- Circular Head Council's water reticulation system as whole meets the performance requirements of the Australian Drinking Water Guidelines for E.coli.
- One sampling site had a single series of results outside of guideline values. This situation has been reported to the Director of Public Health. At all other times this site fully satisfied the guidelines.

Recreational Water Quality

- A separate recreational water quality report has been prepared and submitted to the Director of Public Health.
- Sampling conducted at six sites.
- Four sites met guidelines for primary contact recreation.
- Two sites were suitable for secondary contact only (i.e. boating)
- Continue monitoring program on risk basis for 2005/06, sampling to be concentrated at 4 sites.

Food Premises

- 81 registered food businesses
- Increased pressure with monitoring the food handling skills and knowledge component of the Australia/New Zealand Food Standards Code.
- 6 food complaints required investigation.
- Council will continue to assess premises on basis of risk.

Places of Assembly

- Majority of work performed in the assessment of temporary places of assembly.

Immunisation & Disease

- Continued provision of school immunisation sessions for Grade 7 & 10.
- A total of 500 encounters were recorded (at both School based and Council Clinics), with a total of 581 doses of vaccine administered. This is down on previous years, particularly due to the conclusion of the Meningococcal C catch-up program.

On-Site Wastewater Management

- Continued implementation of AS/NZS 1547:2000 On-site domestic wastewater management in the assessment of new applications.

Complaints dealt with include:

- Littering/illegal dumping
- Water pollution (including Dairies)
- Smoke
- Noise complaints
- Odour complaints

Development Control and Land Use Planning

- To develop the Strategic basis for the development of a continuously improving Planning Scheme for Circular Head.
- To prepare and initiate the formal approval of a new Planning Scheme.

Council acts as a "planning authority" in accordance with the Land Use Planning and Approvals Act 1993. Council is required to receive and process applications in accordance with the Circular Head s46 Planning Scheme 1995.

For the purposes of these functions, Council employs a Senior Planner, and a Development Services Assistant, who has dual responsibility within planning and resource management.

1.5 percent of applications resulted in appeals or enforcement actions. The number of appeals was down from 10 in the previous 12 months to 3 this year.

In 2004/2005, 216 planning applications were received (up from 134 in the previous year). This reflects the increased activity as a result of the 'property boom'.

The Operational Plan Performance Measures for planning are:
98 percent of applications were determined within the prescribed statutory time frame. The average processing time was down from 34 to 22 days. There were three appeals, of which one was mediated, one lost and one won by the Council. The appeal over a residential subdivision for 65 lots off Massey Street remains outstanding.

Major projects within the planning area included the Stanley Guided Development Plan (final report yet to be released), which forms part of a major strategic review of the planning scheme for that area. A rezoning application for Stanley to facilitate a tourism development by the Tall Timbers Group was refused by the Resource Planning and Development Commission. The application to rezone 19 & 19a Emmett Street from Residential and Rural to Industrial was approved by the Resource Planning and Development Commission.

Pre-application discussions continued over electricity transmission lines from Woolnorth Wind Farm and Smithton to Burnie, possible development on the Northwest Industrial Area at Port Latta, alterations to the Woolnorth Wind Farm permit, and a marina / port redevelopment at Stanley. Applications for these developments are expected to be lodged during 2005/06.

Building Control

- Maintenance of efficient administrative systems for the issuing of project information and memoranda.
- Assessment of building proposals for compliance with statutory requirements and the processing of building applications promptly within the time limits prescribed under the Building Regulations.
- Inspections as necessary on projects requiring building approval.

Council's Regulatory Services Officer, until their resignation in early June 2005, was accredited as, and conducted an Assistant Building Surveyor's role, as well as managing other regulatory functions for example:- fire abatement and nuisances.

With development in Circular Head recovering from last year's building boom, figures are down from last year's excellent building year.

There were 22 new dwellings in comparison to 55 last year, a decrease of over 60%.
Total building value for the financial period was $3,087,100 in comparison to $35,626,901 in the previous year.

Animal & Litter Control

- # Promotion of responsible dog ownership through registration of dogs over the age of 4 months within the municipal area.
- # Respond to reports of straying dogs and other animals, including impounding and taking follow-up action. Conduct door-to-door inspections as appropriate to ensure dogs are registered.
- # Surveillance of the district to detect and investigate instances of the illegal dumping of waste, and take appropriate follow-up action.
- # Investigate complaints and assess action to abate nuisances and fire hazards.

Council continues to outsource animal control to a contractor. This has allowed 24 hour monitoring, and access for emergency response.

- 801 dogs were registered
- 42 dogs were impounded
- 32 dogs were destroyed

Natural Resource Management

- Council continued a with a focus on:
- Coastal & roadside weeds
- Ragwort and pampas grass monitoring/inspections
- Education and awareness campaigns
- Administration support

The Council supported the nomination of Mr Wayne Tennant of Togari to the Cradle Coast Natural Resource Management Committee.

Street and Rural Numbering

Council completed many requests for individual numbering of properties (predominantly where new dwellings were being constructed).

Street Permits

A number of street permits were issued to local and state groups/associations in accordance with the Vehicle and Traffic Act 1999. The majority of permits issued were for local sporting or social clubs fundraising by way of raffles. No fee is currently charged for this permitting process.

ADVOCACY AND GOVERNANCE

Strategic goal

To provide clear leadership and direction for the Circular Head Community.

Functions

- Council elected member support
- Advocacy
- Strategic planning
- Annual reporting
- Council Meetings

Objectives

- Provide a responsive and caring focus for our community
- Stimulate and desire to achieve
- Foster strategic collaboration with other organisations
- Become a model of superior Local Government operation

Advocacy

Represent the district on regional, state and national bodies, which make decisions impacting upon Circular Head

Lobby parliamentarians, state and national bodies to advance the interests of the district

Keep abreast of current issues that may impact upon our community and be pro-active in taking appropriate action

Governance

-- Local Government Election process

➔ Review of long term strategic issues such as the review of the Financial Management Strategy and the Asset Management Plan.

Active lobbying for Commonwealth and State funding for community programs, including the upgrading of the Bass Highway

➔ Development of Council's new Strategic Plan and community consultation

➔ Further enhancement of effective communication with the community and ensure information is made available

Allocation of adequate resources to provide training, briefing and teamwork development for Councillors and staff

➔ Rationalisation of Council owned properties and investment in assets that provide reasonable return

The process of clear leadership and direction for the Circular Head community is centred upon the monthly ordinary meetings of the Council during which the Council exercises statutory responsibilities. This formal process also provides the opportunity for both elected members to bring matters forward for debate, together with Management presenting issues requiring a policy position or direction.

Members of the public are also entitled to ask questions of the Council at a designated period during the meeting; an option again exercised by several persons in attendance.

In addition to the Council meetings, regular workshop discussions were conducted during which matters were brought to the attention of Councillors, including the presentation of issues by external parties. No decisions may be taken during these discussions; however they continue to prove to be a valuable exercise in presenting information in an effective manner.

Endeavours to advocate and lobby for positive outcomes for the municipality are ongoing. Councillors and staff held numerous discussions with Federal and State Politicians and continued to work with both the Local Government Association of Tasmania and the Cradle Coast Authority to support the local position.

Partnership Agreement

Circular Head Council signed its first three-year Partnership Agreement with the State Government on 1 June 1999. This was the first Agreement of its kind to be developed and it marked the beginning of a highly successful new era in intergovernmental relations for Tasmania.

The 2004Agreement is a blend of progressing previously identified issues and new initiatives for the area comprises of some 27 Schedules including:-

- Review of the needs for aged care services and facilities;
- Improving health and welfare access networks;
- Optimising local emergency management capabilities;
- Sealing of Arthur River Road and ongoing maintenance;
- Expansion of the aquaculture and marine industries in the region;
- Agreement on B –Double routes;
- Provision of regional scientific information including geo-hazards, ground-water and mineral prospectivity;
- Increase in sport and recreation participation rates; and
- Effective financial arrangements.

A report to the Council is to be prepared at the conclusion of the first 12 months detailing ongoing progress. The Council and the State may then determine to alter or add to the Agreement.

ECONOMIC DEVELOPMENT

To attract sustainable economic investment to Circular Head.

Strategic goal

- Economic development initiatives.

Functions

- Promote our resource and natural competitive advantage
- Promote economic development opportunities within Circular Head
- Provide and encourage increased opportunities for the appreciation of and participation in arts and culture
- Develop and increase tourism potential
- Develop new funding initiatives
- Provide educational opportunities that are responsive to the needs of students and industry.

Objectives

Co-ordination of an integrated publicity campaign promoting the district.

➔ Encourage and initiate value adding opportunities of the area's existing and new products.

➔ Development of plans identified in a Partnership Agreement between Council and the State Government.

-- Creation of an expanded industrial zoned area on the outskirts of Smithton.

Council continued to support local business enterprise via the contributions towards the operations of both the Business Enterprise Centre and Tourism Association. The Council also continued financial support to the Cradle Coast Authority. As indicated last year, strengthening alliances and developing extended networks with these organisations, and others such as the, and various State Agencies is considered a necessary and effective method of furthering economic development opportunities.

Issues that were pursued during the year included:-

- Formal establishement of Incorporated Development Group to pursue breakwater and/or associated facilities at the Stanley wharf,

- Educational Strategy via the Circular Head Education and Training Consultative Committee with the appointment of Change Leader to drive the grant funded project.
- Joint promotion of district via Agfest Site.

COMMUNITY SERVICES

Strategic goal

To lead a strong and vibrant community

Functions

- Community development
- Community projects
- Area Management Committees
- Recreational facilities
- Swimming pool

Objectives

- Foster and encourage the development of community organisations and events
- Provide high level of support for community issues
- Develop new funding initiatives
- Develop and preserve a strong cultural life for all members of the community
- Build links between family service providers, families and the wider community in order to construct a web of relationships
- Monitor and evaluate services as necessary to ensure they are responsive to local needs
- Support the development of facilities catering for the health and well being of our residents
- Develop and facilitate a range of programs appropriate for children and young people which respond to their needs
- Facilitate the development of essential social and health services in Circular Head Citizenship Ceremonies

  # Continue provision of financial and in-kind assistance to community organisations via the Community Grants program

The focus during the year was to further strengthen relationships with the many professional and volunteer organisations and individuals that could assist the Council in providing services and activities that would contribute to the broader wellbeing of the community.

The developing network is continuing to grow and is successful in responding to demands that arise to service the community.
The importance of community development is an essential part of local government that has the ability to enhance community achievements and pride.

Activities included:-

- SPAN (Service Providers Access Network)
- National Illicit Drug Strategy – Tough on Drugs Project
- Disability Support Group
- National Youth Week
- Christmas Parade
- CH Education and Training Consultative Committee
- Clean Up Australia Day
- Agfest Display
- Australia Day
- Kings Park Development
- Circular Head Community & Recreation Centre
- Circular Head Combined Community Group
- Circular Head Arts
- Seniors Week
- Harmony Day
- International Women's Day
- School Holiday Program
- Website

Australia Day 2005

Was celebrated at the Circular Head Community & Recreation Centre with a free Community Brunch. Patrons were entertained with items from local performers during the morning and children enjoyed outdoor activities.
Seven residents of Circular Head celebrated Australia Day by becoming Australian Citizens.

The 2005 Australia Day Citizen of the Year Award was presented to Mrs Mary Saville. Mrs Saville was selected for this award for her tireless efforts in supporting the Circular Head Community particularly in the sporting area as a volunteer.

Mary has been involved with the Circular Head Amateur Swimming Club, the Circular Head Basketball Association (Juniors & Seniors), the Circular Head Motor Cycle Club, the Smithton Football Club and recently the Circular Head Community & Recreation Centre as she serves on the board and works assists with coordinating catering events.

Mary has also been involved with other community events such as Australia Day Celebrations and the Stanley Dockside Festival. Mary's is a selfless, dedicated woman who is a major asset to the Circular Head Community.

The 2005 Australia Day Young Citizen of the Year Award was presented to Zachary Morgan. Zac is an exemplary young citizen and has worked and volunteered in many areas. He is a volunteer with the Tasmanian Ambulance Service and has received a commendation for his outstanding work commitment. He has been a Venturer Scout, a member of the Circular Head Rotaract Club and actively supports community initiatives.
Zac was an inaugural member of the Youth Advisory Group: VOYCH 'Voice of Youth in Circular Head'. He also has played and coached hockey at junior levels.

Zac displays maturity and sense of responsibility in his concern for others and his community spirit is an example and inspiration to people of all ages. He is a positive role model for the youth in the Circular Head Community.

The 2005 Community Event of the Year was awarded to the Greenham's Bicentenary Cattle Drive.

The Cattle Drive recognised the prioneers of the region who contributed to cattle agistment on the Coastal plains, acknowledging the pioneering spirit and accomplishements of the drovers from the 1880's to the 1930's. The Drive revived a great interest in the history of the region. Many descendants of the orginial drovers attended the Cattle Drive and associated events to remember their heritage. Many commented that is was an emotional event as they recalled the lives, including the hardships that their ancestors endured.

The event saw numerous volunteers from the Circular Head communiyt give of their time and talents to make the event a success. There were those involved in the logistics and obtaining permission from the various agencies, as well as gaining insurance, thosed involved in publicity and advertising, those involved in droving, financial management, catering and many more.

During the Cattle Drive, scenes of the cattle, drovers, the beautiful landscape and images of the Coast south of the Arthur River were beamed into homes around the country promoting the amazing region.

Youth Week

Was celebrated from 9 – 17 April 2005.
Entertainment based events were organised and weel attended.

Hip Hop Master Class Session

An opportunity for young people to learn everything there is to know about 'scratching' and the background and philosophy of hip-hop.

Participants in this activity also learnt about MC'ing and DJ'ing and also received an insight into the music industry.

Music – Make it Yours

This was an opportunity for the young people to show their talents; singing dancing or playing a musical instrument. Closed auditions were held with local judges assessing their

efforts and six finalists performed and entertained a large audience at the Smithton Christian Fellowhip Centre.

SMS messaging was the voting procedure to chose the most popular performer. Brianna Hite was the overall winner and received a $50 voucher and the opportunity to record a CD. The recently formed Voice of Youth (VOY's) youth choir performed at the concert.

Movies in the Park

Anzac Park was transformed into an outdoor movie theatre for the evening. An outdoor screen was erected and the movie Racing Stripes was shown. There was also displays and giveaways from the North West Drug Education Centre. A sausage sizzle was provided.

Agfest Display

Held 5,6,7 May 2005 was again a very successful promotion for the Circular Head area. The theme for the site was "Unique & Nutured – A Great Adventure".
Exhbitors witnin the site were:

- Blue Hills Honey
- Forestry Tasmania
- Education (Circular Head Education & Training Consultative Committee)
- TAFE
- Lobster Display
- Marrawah Gold
- Circular Head Tourism
- Circular Head Heritage Centre

Approximately 15,500 patrons viewed the Circular Head Council site reinforcing the success of promoting our area at this event.

Summer Vacation Holiday Program

During the Christmas Holidays Council organised a High School Aged Summer Vacation Program.
Council engaged the services of Cameron Blight to co-ordinate the program which included:

- Outdoor Sports Day
- Basketball
- Cooking and Music Workshops
- Stanley – visiting the Nut and beach activities
- Gym and Slot Car Day
- Australia Day Celebrations
- Disco

ıout the program.

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 February each year. Allocations made to individual groups in previous years have been detailed in the appropriate year's Annual Report.

Total allocation	**2004/05**	**2003/04**	**2002/03**	**2001/02**	**2000/01**
	$150,883	$103,216	$100,328	$68,455	$47,774

Community Grants	$	**Community Grants**	$
Montagu Youth Group	500	Smithton Rescue Service	5,000
Emmerton Park Inc	2,180	Rotary Club	500
CH Gymnastics Club	500	CH Agricultural Society	1,000
Mawbanna Community Hall	2,089.25	Circular Head Rural Health Services	525
Forest Stanley Cricket Club	1,983.80	Montagu Community Hall	1,914.83
Royal Volunteer Coastal Patrol	1,000	C H International Friendship Group	750
Benefits		**Benefits**	
National Tree Day	159.09	Standing Steady Forum - CH Rural Health	200
Seniors Week	290.91	Stanley Dockside Festival	400
Smithton Turf Inc	30,000	Tsunami Appeal	5,000
Sth Australian Fire Appeal	5,000	Circular Head Toursim Association	71,000
Circular Head Business Enterprise Centre	15,000	Mayors Education Fund	5,000
10 Days on the Island	590.91	Circular Head Rural Youth - Agfest	300

Council provided support to community organisations, projects and events through:

- Provision of equipment
- Use of Council facilities
- Prinitng and administrative support

Council inkind support was provided to the following community organisations:

- Circular Head Arts
- Smithton Playgroup
- Lions Club
- Circular Head Agricultural Society
- Forest Priamry School
- Smithton Indoor Sports Centre

CORPORATE SERVICES

Strategic Goal

To demonstrate continuous improvement in the delivery of quality administrative services to Council and the community

Functions

- Administrative and governance support
- Financial management
- Human resources
- Information technology
- Records management
- Insurance and risk management.

Objectives

- Develop a high standard of communication, teamwork and trust across the organisation
- Encourage employees to reach their full potential
- Provide client focused services
- Progress workplace initiatives
- Implement a Quality improvement program to achieve third party Quality certification
- Develop high standard Information Technology strategies
- Continue to apply quality financial management

μ	Completion of Council's Annual Report by 31 October 2005
➔	Development and implementation of a Strategic Plan consultation framework.
➔	Further develop and maintain a risk register and risk assessment of Council's assets.
#	Development and implementation of Safety System
➔	Review the Financial Management Strategy.
#	Undertake budget review in February 2005.
#	Preparation of Annual Budget Estimates by 30 June 2005.

Occupational Health and Safety

Council's Workplace Health and safety Advisory Committee has pursed the improvement and updating of the safety manuals into one document covering administration, works plus and the swimming pool. The production of Council's first pocket size safety handbook was produced further providing all at council a quick and easy accessible guide to working safety.

Commitment to safety training through out the year provided indoor and out door staff where applicable the opportunity to achieve Workplace Level 2 Certificate, Develop Fire Safety Awareness, Fire Warden Training, Basic Chemical Understanding and Advanced Resuscitation. Three minor workplace accidents were recorded for the period of this report

Risk Management and Insurance

Circular Head Council in accordance with its Strategic Plan and the process set out in the Australian Standard AS/NZS 4360:1995 - Risk Management, will, in managing its operations ensure that potential losses from accidental or business activities are minimised. The Council will provide as far as practical, a safe working and living environment for all staff, volunteers, contractors and members of the public and protect its assets and the community from likely adverse loss.

The Council operations will be managed in such a way that all risks are assessed during decision making and minimised before the performance of work activity.

To achieve this Council will ensure that a highly motivated and skilled team of people focused on the success of the corporation and its community is provided, and that a philosophy and awareness of risk becomes an integral part of the planning, management process and the general culture of the organisation.

Council has perused its strategy on risk management although fairing well with the annual audit undertaken by the public liability Mutual Insurer Council unfortunately did not reach its goal to be within the 90% bracket. Areas of strength were the risk policy committing Council to proactive risk management, road & footpath inspections, playgrounds, town planning, professional advice, contract management and swimming pool safety.

Council's risk register system is being upgraded to a flexible risk assessment and register, Risk Profiling System, introduced to Council by the Council's Mutual Insurance Scheme providing an effective means to complete risk assessments for any site, activity or function of the Council.

Emergency Services

Council continues to support the local State Emergency Services Unit based in Smithton. The unit comprises a membership of 15 volunteers specialising all facets of emergency and road crash rescue. Council provided the unit with a new 4 bay colour bond shed to assist with the housing of their equipment. Electricity, telephone vehicle running costs is met by Council.

Council is working through the development of a Municipal Recovery Plan that will be implemented in the event of a disaster within Circular Head that will facilitate the recovery of affected individuals, communities and infrastructure as quickly and practicable as possible. The plan will sit within the broader structure of the Council's Emergency Management Plan.

Emergency Management

Council is reviewing the Circular Head Emergency Management Plan to incorporate the Tasmanian Emergency Risk Management project and the Specialist Resource List for Circular Head.

The arrangement of Councils Business Continuity Plan to be undertaken in the event of the Council Offices being subject to non use is near completion and will allow Council to be operational within a 24 hour time line.

Public Interest Disclosure Statement

Circular Head Council did not receive or has been required to deal with any, Public Interest Disclosures for the 2004-2005 year.

A copy of the Circular Head Council Public Interest Disclosure Guidelines is available for viewing at Council Offices during the normal business hours or copies may be downloaded from the Council Internet web site www.circularhead.tas.gov.au

Freedom of Information

Circular Head Council received and dealt with one (1) FOI request for the period of this report.

State Grants Commission

Commonwealth Financial Assistance Grants available for the State of Tasmania increased by 3.17% for the current financial year to $51,194,482. Council's share of the available grant pool was $2,188,617, an 11.00% increase from the last financial year.

Annual Report Continuous Improvement

As part of Council's commitment to open and transparent governance the Annual Report required by the Local Government Act 1993 is continuously being reviewed for improvements.

Council is continuing with the inclusion of the full financial reports with accompanying notes rather than excluding the explanatory accompanying notes. The accompanying notes have been further enhanced to enable the identification of major revenue and expense items with the aim to assist the reader in interpreting the current year and to understand the underlying performance issues that will impact on future years. Council believes that a user of the Annual Report should have readily on hand all statutory required information rather than having to request separately the complete financial accounts.

Work Experience Placements

Council once again supported work experience placements for a number of persons from different schools and institutions. The students followed organised work programs designed to provide exposure to real work situations. The students received the opportunity to learn new skills, assisted with mayoral duties and were able to use a variety of office equipment not usually available to them.

Council recognises that it has a large role to play in providing this opportunity to our young people and it is intended to continue this role into the future.

Financial Management

The Statement of Financial Performance recorded a surplus of $1,691,548 compared to $3,370,198 for last year. An abnormal income item of $118,380 exists due to the revaluation of Council's investment in Cradle Coast Water Authority. Expenses for the year were lower than the previous year by approximately $300,000, consisting of a reduction in other expenses. Cash and cash reserves have remained at a positive level. Over the past two years, Council has delayed projects identified in its Asset Management Plan, thus cash held in reserves is needed to fund their renewal in subsequent years. These circumstances are unlikely to eventuate in future years so the strong result should be viewed in isolation rather than a base to project forward. Borrowings have increased by $59,892 over the period. This is due to a loan drawdown of $450,000 for the Community Recreation Centre.

Overall, the financial year as reported, has seen a very strong result mainly due to increased income compared to budget. The only concern is the delay in projects identified in the Asset Management Plan. As more information is collected, the assumptions in the plan can be refined to balance the financial costs of increased maintenance to the loss of life cost due to early replacement. The continuing challenge will be balancing renewal of assets against the services Council provides while maintaining rate revenue at a level affordable to the community. A cost modelling system and revised asset management plan are on the agenda for the coming financial year.

Rates collection for the financial year was exceptional with unpaid rates at the end of June 2005 at 1.40% ($92,923). In the previous year, rates unpaid were 2.10% ($132,651). Council's revenue officer has been proactive in collecting Council's debts through increased contact and dialogue with debtors. An increased amount of ratepayers have also elected to pay their rates and water via the direct debit system and electronic payment services which Council supports.

National Taxation Return

(Commonwealth-State Relations) Act 1999

As required by Section 72 (1) (ca) of the Local Government Act 1993 Council reports no disputes with the Australian Taxation Office during the financial year relating to compliance with the GST law. A detailed analysis of the above can be found in the financial statements and accompanying notes at the back of this Annual Report.

THE YEAR AHEAD

The 2005/2006 Budget estimates presented an underlying increase of 2.80% in the general rate.

The single major capital expenditure is a provision of $750,000 towards the upgrade to Irishtown Road.

Other items include: -

- General Rate Increase - 2.80% increase
- Water Rates Increase - No change
- Sewerage Rates - No change
- $140,000 to reconstruct Fossey Street section
- $200,000 to improve Trowutta/Lower Scotchtown Road intersection
- $350,000 to reseal 20 kilometres of existing bitumen roads
- $250,000 to seal a section of Old Port Road
- $175,000 to seal a section of Giddens Road
- $590,000 to replace bridges
- $78,000 to install kerb and channel to section of Massey Street, Smithton
- $350,000 for Central Business District improvements
- $250,000 for Smithton Recreation Ground improvements
- $910,000 for waste cell construction at Port Latta
- $270,000 for Sewerage treatment improvement
- $50,000 for Tourism infrastructure initiatives

FINANCIAL STATEMENTS & AUDITORS REPORT

INDEPENDENT AUDIT REPORT

To the Councillors of the Circular Head Council

Financial Report for the year Ended 30 June 2005

Matters Relating to the Electronic Presentation of the Audited Financial Statements

The audit report relates to the financial statements published in both the annual report and the website of the Circular Head Council for the year ended 30 June 2005. The Council's General Manager is responsible for the integrity of both the annual report and the website.

The audit report refers only to the financial statements and notes named below. It does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial statements.

If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hardcopy of the audited financial statements in the Council's annual report.

Scope

The financial report and the General Manager's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, statement of changes in equity, accompanying notes to the financial statements, and the General Manager's declaration for the year ended 30 June 2005.

The General Manager is responsible for the preparation and true and fair presentation of the financial report in accordance with Section 84 of the *Local Government Act 1993*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

I conducted an independent audit in order to express an opinion to the Councillors. My audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Local Government Act 1993*, Accounting Standards and other mandatory financial reporting requirements in

Australia, a view which is consistent with my understanding of the Council's financial position, and of its performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the General Manager.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls.

The Audit Opinion expressed in this report has been formed on the above basis.

Independence

In conducting my audit, I have met applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion the financial report presents fairly, in accordance with the *Local Government Act 1993* and applicable Accounting Standards and other mandatory financial reporting requirements in Australia, the financial position of the Circular Head Council as at 30 June 2005, and the results of its operations and its cash flows for the year then ended.

TASMANIAN AUDIT OFFICE

D W R Baulch
DEPUTY AUDITOR-GENERAL
Delegate of the Auditor-General

HOBART
6 October 2005