CIRCULAR HEAD COUNCIL

ANNUAL REPORT

2011/2012

Tasmanian Dairy Products, Smithton

Photo taken by Rista Brkovic

Adopted by the Council 15 November 2012

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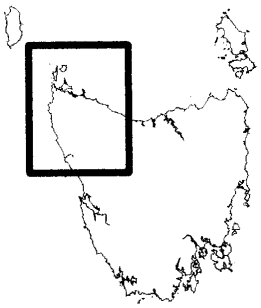
HISTORY AND PROFILE

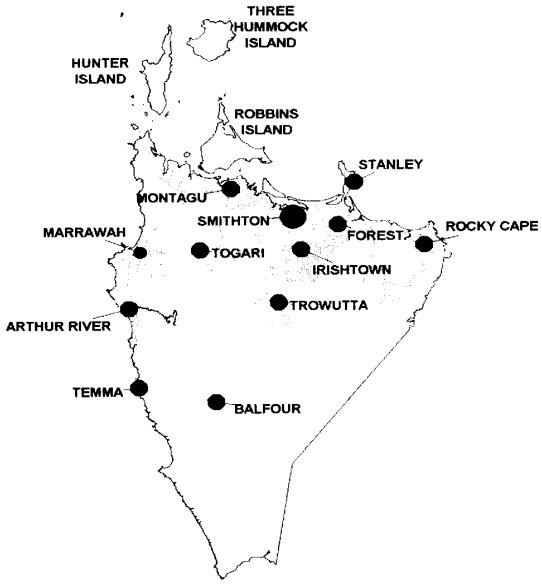
The Circular Head Council, incorporated in 1908, serves the rural community of Circular Head in far North West Tasmania. At 4,917km^2 Circular Head is one of the largest municipal land areas in the State and has one of the longest coastlines.



Circular Head gained its name from the unusual land formation commonly known as *"the Nut"*, at Stanley, the solidified lava lake of a long extinct volcano. 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 and is estimated to be 13 million years old.

Key industry sectors include dairy and prime beef production, commercial fishing and aquaculture, forestry and timber production, tourism, manufacturing, vegetable processing and iron ore pelletising. The municipality also has its share of successful niche-market enterprises. Circular Head businesses export to more than 20 countries, predominantly in the Asia-Pacific region.

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.



Circular Head offers both sea-change and tree-change lifestyles. Beautiful scenery and nature-based activities complement the active community. The Circular Head lifestyle provides residents with a diverse range of sporting and cultural activities, good schools, a medical centre staffed by full-time general practitioners and a hospital.

Many people choose to live in Circular Head for the lifestyle. New residents quickly find they 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

Council's Vision for Our Community

Circular Head will be an iconic community valued for the balance between a progressive economy, unique environment and vibrant lifestyle, providing and caring for all.

Council's Mission

Our Mission is to lead the Circular Head community in enhancing our iconic lifestyle through the provision of quality services with partnership creation and strategic use of resources.

***The values or behaviours that Council will embrace to support our Mission and guide us in achieving our Vision are**:*

- **Empathy and respect for all our people**: by ensuring internal and external stakeholders are regarded for their input.
- **Cohesion and teamwork**: by being committed to an inclusive and productive work environment and adopting a collaborative approach in all things we do.
- **Accountable and transparent**: by being open in all that we do and delivering on outcomes.
- **Accessible and communicative**: by ensuring open, clear and user friendly lines of communication.
- **Responsive management**: by being outcome focused and proactive in the provision of timely and appropriate services.
- **Managing for value**: by innovation and strategic thinking and using all of Council's resources wisely.

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 15 November 2012 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 Thursday 8 November 2012, for inclusion on the agenda for the meeting.

HIGHLIGHTS OF THE YEAR

Beach Road Marrawah

With Green Point being a popular recreation area Council addressed the continual maintenance, dust and roadside drainage issues by sealing both Beach Road and the car parking area at the Green Point beach reserve.

Grey Street

Due to deterioration of pavement through age and associated problems Council undertook a complete reconstruction of Grey Street. The works included new kerb and channelling, stormwater infrastructure and footpath. This upgrade will greatly reduce future maintenance costs, and enhance safety and amenity for pedestrians and motorists alike.

Massey Street

Council undertook reconstruction works on Massey Street from Robert Street to the Tier Hill lookout car park. This upgrade will compliment the recent new residential subdivision off Massey Street, as well as recent upgrades to the south of Massey Street and Robert Street. The works also included upgrades to stormwater infrastructure and footpath extensions to provide improved pedestrian connectivity.

Park Road Togari

Council undertook reconstruction and drainage works on Park Road following major areas of pavement and seal failures. The reconstructed Park Road adds to the previous extensive works undertaken in the Togari area which is subject to heavy vehicle traffic being a major dairy farming area.

Recognition of Activities

Council was awarded: -

- State and National winners – “Look out for your Mates” Road Safety Campaign
- 2011 Heart Foundation Healthy Community Awards – ‘Highly Commended’ *balance your life health and wellbeing* program
- Medibank Active Tasmania Awards 2011 - Winner of the Whole of Community Involvement Award for Council’s *balance your life health and wellbeing* program
- Smithton was awarded the 2000 – 5000 population category of the Keep Australia Beautiful Tasmanian Tidy Towns Awards.

Smithton Skate Park Stage 2

The Smithton Skate Park Stage Two was officially opened on 19 January 2012. The development features a bowl and vertical ramp which provides users with a challenging addition to the Park.
The project was driven by a committed group of young people that use the facility, and raised money to assist with attracting funding from Circular Head Council, Sport and Recreation Tasmania and the Central Outdoor Area Management Committee.
The successful project was managed by the Council’s Engineering Department, who consulted with the contractors and users throughout the process.

Tasmanian Dairy Products

A highlight for Council was being able to approve the construction of the Tasmanian Dairy Products Powdered Milk Plant on the former Gunns Timber Mill Site. Multiple approvals and stages of approval were required as part of the development. Council staff dealt with the assessment of a variety of applications which by the time the project is complete may tally upwards of 25 separate permits or stages of permit.

MAYOR'S MESSAGE

It is with pleasure that I am in the privileged position, elected by the people of the Circular Head community to again represent them in the role of Mayor, and thus once again being able to pen this message for the Annual Report.

In October last year, elections were held for the position of Mayor, Deputy Mayor and a number of Councillors. Individuals presented their reasoning and motivations for nominating, putting themselves forward to electors of the municipality. While not all could be elected, it was pleasing to see both the level of interest from these individuals in participating in the affairs we are responsible for, and the continuing high level of electors prepared to cast their judgement.

Jan Bishop, Betty Kay and Ashley Popowski joined the Council and already they have contributed many ideas, influencing the debate and outcomes on a number of issues before the Council. I also wish to acknowledge the contributions of former Councillors TJ (Timothy) Berechree, Heather Grey and Graham Wells for their past efforts.

We all need to play our part of a team focussed upon creating a prosperous and vibrant community by growing the Municipality of Circular Head together, setting new standards for openness, sharing, trust, teamwork and involvement. It is only then that we will rightly lay claim to our vision of "…an iconic community valued for the balance between a progressive economy, unique environment and vibrant lifestyle, providing and caring for all".

The choice of the photograph on the cover of this years' report was deliberate. The factory, to be officially opened later in the year, dominates the skyline as you drive into Smithton. We have always been a dairying district, now we have established another way of adding value to a locally produced raw product.

The milk factory itself is symbolic I believe of the resilience of this community. Next year will see the officially opening of the AgriTas facility; another way of adding value to a locally produced raw product perhaps. Structural changes in the forestry industry will continue, again we need to be creative if we are to enjoy the benefits of this sustainable resource.

We must continue as a community to explore ways of adding value in all that we do.

Once again, it would be remiss to not acknowledge the support of my fellow Councillors and the dedication of Council Officers, under the direction of our General Manager, Greg Winton, for the value they contribute.

D. H. Quilliam

Daryl Quilliam
MAYOR

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 2013 and will include popular election of the Mayor and Deputy Mayor.

Mayor Daryl Quilliam JP, is married to Bev and works as an agricultural field representative. Daryl has been a member of Council for a total of 25 years and holding the position of Mayor since 2007. Daryl is currently a Council representative on the Cradle Coast Authority Representatives Committee, Cradle Mountain Water, Circular Head Education and Training Consultative Committee, Hunter Island Advisory Group, Circular Head Emergency Planning Committee, the Tasmania/Australia Day Awards Working Party, the Community Events (Australia Day) Committee, Recreation Advisory Committee and Arthur Pieman Conservation Area Off Road Vehicle Consultative Committee. Daryl has also been appointed to the position of Vice President of Local Government Association of Tasmania. Daryl's current term as Mayor expires in 2013 and position of Councillor in 2013.

Deputy Mayor John Oldaker is married to Beth and operates a dairy farm at Togari. John was elected to Council in 1999 and was elected Deputy Mayor in 2011. John is a Council representative on the Cradle Coast Authority Representatives Committee, the Circular Head War Memorial Swimming Pool Redevelopment Reference Group, the Central Outdoor Area Management Committee and the Circular Head Community & Recreation Centre Management Committee. He is also the Chairperson of the Circular Head Emergency Planning Committee, and a representative on the Circular Head Senior Citizens Centre Committee. John is also President of the Smithton RSL Sub-Branch and Vice President of the TFGA Circular Head Branch. John's current term as Deputy Mayor expires in 2013, and Councillor expires in 2015.

Councillor Jan Bishop is married to Rodney and is involved with their family farm, and the Irishtown Community Centre. Jan was elected to Council in 2011. Jan is Council representative on the Stanley Town Hall Committee, and the Tasmania/Australia Day Awards Working Party and a Soroptimist member. Jan's current term as Councillor expires in 2015.

Councillor Rodney Hardy is married to Julie and is retired. Rodney was elected to Council in 2009. He is a Council representative for the Northern Area Management Committee (formerly Stanley Recreation Ground) and is also a member of the Smithton RSL and Ex-Services Club and Smithton Club. Rodney's current term as Councillor expires in 2013.

Councillor Betty Kay is married to Mervyn and is owner/manager of her own real estate business. Betty was elected to Council in 2011. Betty is Council representative on the Tasmania/Australia Day Awards Working Party and the Circular Head Tourism Association. Betty's current term as Councillor expires in 2015.

Councillor Jeanie Murrell is married to Joe and is involved in a family business. Jeanie was elected to Council in 2005 and held the position of Deputy Mayor for the period 2007-2009. Jeanie is a Council representative on the Health and Welfare Reference Group, the Circular Head Rural Health Services, Service Providers Access Network (SPAN), Community Events (Australia Day) Committee, the Tasmania/Australia Day Awards Working Party and the Smithton Wharf Redevelopment Reference Group. She is a board member of the Wyndarra Centre, Emmerton Park Incorporated and is a Soroptimist member. Jeanie is also a member of the North West Area Health Service Consumer Reference Group. Jeanie's current term as Councillor expires in 2013.

Councillor Ashley Popowski is married to Sue and is a retired telecommunications technical officer and Area Manager. Ashley was elected to Council in 2011. Ashley is Council representative on the Circular Head Heritage Centre Committee, the Western Area Management Committee, the Circular Head Recreation Advisory Committee, and Emmerton Park Incorporated. Ashley's current term as Councillor expires in 2015.

Councillor Trevor Spinks is married to Marian and is semi-retired. He was elected as a Councillor in 2007 and held the position of Deputy Mayor 2009 - 2011. Trevor is a current Council representative of the Health and Welfare Reference Group, the Tasmania/Australia Day Awards Working Party, the Smithton Wharf Redevelopment Reference Group and is Chairman of the Circular Head Boat Ramps Advisory Committee and a member of the Emmerton Park Board. Trevor is also an independent representative on the Rural Clinical School Community Advisory Board. Trevor's term as Councillor expires in 2015.

Councillor David Woodward is married to Heather and works in a rural supply retail outlet. David was elected to Council in 2007. David is Council representative on the Southern Area Management Committee (formerly the Trowutta Recreation Ground Committee), the Circular Head Road Safety Committee, the Smithton High School Council, the Circular Head War Memorial Swimming Pool Redevelopment Reference Group, the Smithton Primary School Council and the Circular Head Weeds Strategy Group. David's current term as Councillor expires in 2013.

Cr TJ (Timothy) Berechree, term expired in October 2011.

Cr Heather Grey, term expired in October 2011.

Cr Graham Wells, term expired in October 2011.

GENERAL MANAGER'S MESSAGE

Council recognises that it cannot succeed by acting alone. It acts as a facilitator, advocate, lobbyist, supporter and partner as circumstances require. Achievement of the outcomes identified in the Council Strategic Plan requires stakeholders throughout the municipality to address the identified strategic actions in their own plans and activities.

The overall aim continues to be to deliver upon the strategic directions determined by the Council in 2009. It is pleasing to note that so many of the actions have, or are being addressed.

Earlier in the year the Council embarked upon a new initiative termed ConnectIT. The initiative is concerned with encouraging the embracement of existing and emerging technologies for the purpose of improving accessibility. It is not about simply using further technologies because they are there, but using these tools when it makes sense to do so. Already, all Councillors have been provided with computer tablets, diminishing the need for printed Council documents. Thanks to some partnering with the Australian Government, we will be in the position later this year to further support the embracing of technologies at a community level through the Digital Hubs project.

This year also saw the commencement in earnest of starting plans for the eventual replacement of the Circular Head War Memorial Swimming Pool as the existing pool assets are nearing the end of their design life. So far it has been about establishing both what is required and what is desired; the needs and wants. Much work is still required before the Council will be in a position to call a tender. Further investigations into the geotechnical suitability of CBD site are necessary, the size and components are yet to be determined and external grant funding is yet to be secured.

Both of these projects align with one of the expressed desired outcomes in the Strategic Plan, being *"Facilities and services that cater for future community needs".* The Council continually needs to consider not only the now, but also how changes in perceptions, priorities and the ways we connect with each other evolve.

The pages that follow provide an indication of the activities that the Council are involved with, either directly or indirectly. One of the most satisfying elements for me is the ability of the Council and Council staff to anticipate those changes interprets national and regional priorities and partner to provide local solutions.

Thank you to all that have been part of making those connections and being part of the solutions of the continuing journey.

Greg Winton
GENERAL MANAGER

FAST FACTS – CIRCULAR HEAD

Population	Municipal area	8,263 (2010 Census)		8,107* (2006 Census)

		2011/2012	2010/2011	2009/2010
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	**768.7**	768	767
	Sealed	**293**	291	289
	Unsealed	**475.7**	477	478
Bridges maintained	Municipal area	**122**	122	123
	Timber	**50**	54	54
	Other	**72**	68	69
Footpath length (km)	Municipal area	**30**	28.5	27.0
Stormwater maintained (km)	Municipal area	**33.03**	28.15	27
Kerb and channelling (km)	Municipal area	**59.4**	57.1	56.8
Total properties	Municipal area	**5,128**	5,039	4,995
Rateable properties	Municipal area	**4,873**	4,784	4,770
Valuation	Assessed annual value	**87,836,495**	70,915,750	69,227,992
	Capital value	**1,634,607,000**	1,620,405,500	1,586,708,500

FINANCIAL INDICATORS COMPARISONS

	2011/2012	2010/2011	2009/2010	2008/2009	2007/2008
Rate revenue	**6,554,232**	6,254,040	5,933,407	7,545,644	7,312,983
Total revenue	**13,423,947**	12,730,969	13,799,959	16,705,778	14,230,045
Total operating expenditure	**13,275,009**	11,751,648	11,680,077	14,001,276	12,606,468
Capital	**2,933,767**	3,916,729	4,167,678	5,061,632	5,221,269
Proceeds on sale of assets	**11,760**	28,394	(43,931)	(58,791)	(73,099)
Depreciation and amortisation	**3,129,802**	2,534,751	2,418,816	3,007,974	2,711,318
Borrowings	**1,833,974**	2,195,197	495,167	588,928	712,929
Debt reduction	**361,223**	93,981	93,761	124,004	117,704
Debt reduction as a proportion of total operating expenditure	**2.72%**	0.80%	0.80%	0.89%	0.93%

Indicator		2011/2012	2010/2011	2009/2010	2008/2009
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	**6.26:1**	5.26:1	4.90:1	3.68:1
Rate coverage ratio	$\frac{\text{Rates}}{\text{Total Revenue}}$	**48.82%**	49.12%	43.05%	45.17%
Outstanding rate debtors	$\frac{\text{Outstanding Rates}}{\text{Total Rates}}$	**6.35%**	4.74%	2.84%	1.09%
Expenditure per capita	$\frac{\text{Total Expenditure}}{\text{Population}}$	**$1,606**	$1,185	$1,442	$1,727
Grant coverage ratio	$\frac{\text{Grants}}{\text{Total Revenue}}$	**26.23%**	23.15%	35.56%	27.61%
User charges coverage	$\frac{\text{User Charges}}{\text{Total Revenue}}$	**12.64%**	13.76%	13.82%	21.07%

KEY ACTIVITIES STATISTICS

	2011/2012	2010/2011	2009/2010	2008/2009	2007/2008
Tonnes of waste deposited at Port Latta Landfill site	**14,003**	14,403	14,189	14,354	15,351.56
Tonnes of waste collected – urban	**1,355**	1,440	1,364	1,511	1,567
Tonnes of waste collected – rural	**969**	929	947	909	874
Waste coupons redeemed	**18,142**	19,130	17,120	16,567	17,650
Recycling crate collections *	**N/A**	N/A	N/A	9,360	8,875
Recycling urban bin collection *	**24,045**	23,529	22,115	N/A	N/A
Smithton domestic water consumed– kl **	**N/A**	N/A	N/A	408,880	595,464
Stanley domestic water consumed – kl **	**N/A**	N/A	N/A	72,194	110,949
Industrial water consumed – kl **	**N/A**	N/A	N/A	993,157	940,185
Road grading – km	**296**	284	273	278	260
Road patching – tonnes	**428**	603	602	609	902
Building permits issued	**147**	165	136	159	139
Planning permits issued	**101**	105	158	167	154
Dogs registered	**859**	741	739	715	736
Dogs impounded	**80**	73	40	57	36
Burials at Council cemeteries	**44**	50	74	51	45
Special Plumbing permits issued	**25**	38	19	26	69
Food premises inspections carried out	**86**	142	57	79	158
Dairies inspected	**7**	6	104	169	23
Section 337 certificates issued	**159**	173	202	311	308
Section 132 certificates issued	**238**	230	297	460	620
Staff training (numbers attending) Councillor training (numbers attending)	**380** **17**	206 7	310 10	248 15	222 43
Incoming Calls via Reception	**14,784**	13,366	12,497	-	-
Documents Registered in Data Works	**22,952**	25,781	24,372	29,148	23,381
Customer Service System (CSS) events lodged	**834**	507	441	-	-
Patrons at pool	***14,321**	***16860	***15,495	***14,831	***15,279

* Council changed from recycling crates to recycling bins collection in August 2009

** All Water and Sewerage assets and services were transferred to the Tasmanian Water and Sewerage Corporation as at 01.07.2009

*** Does not include Learn to Swim lessons, Circular Head Amateur Swimming Club, Circular Head Schools, Sporting/Community groups or Private bookings – groups/individuals

ORGANISATION & MANAGEMENT STRUCTURE

CIRCULAR HEAD COMMUNITY

↓

COUNCIL

↓

GENERAL MANAGER

Mr Greg Winton

- Governance
- Advocacy
- Strategic Planning and Reporting

BUSINESS PERFORMANCE	STRATEGIC PROJECTS OFFICE	DEVELOPMENT SERVICES	ENGINEERING SERVICES	FINANCE	WORKS PLUS
Mr Tony Smart Assistant General Manager	Ms Mary-Ann Edwards Manager Strategic Projects	Mr Matthew Saward Executive Manager Development Services	Mr Daniel Summers Executive Manager Engineering Services	Mrs Rachel Mallinson Executive Manager Financial Services	Mr Brian Blake Manager Works Plus

• Administration
• Human Resources
• Municipal Emergency Management
• Risk Management and Insurance
• Records Management
• Customer Services
• Community and Youth Services
• Recreation & Leisure
	• Strategic Planning
	• Project Planning, Design and Management
	• Economic Development
		• Land Use Planning
		• Development Control
		• Public & Environmental Health
		• Building Control
		• Animal Control
		• Weed Management
		• Cemeteries
			• Physical Infrastructure
			• Transport
			• Drainage
			• Solid Waste Management
			• Parks & Reserves
			• Engineering Services
			• Asset Management
			• Contract Management
				• Rates
				• Accounts Payable/ Receivable
				• Information Technology
				• Budget Preparation
				• Payroll
				• Council Properties
					• Maintenance & Construction of –
					  • Drainage
					  • Rural Road Infrastructure
					  • Urban Infrastructure
					  • Parks & Reserves
					  • Cemeteries
					  • Recreation grounds
					• Waste Collection
					• Landfill Operations

Mr. Daniel Summers commenced as the Executive Manager Engineering Services in October 2011 to replace Mr. Matt Greskie who resigned in August 2011.

Resource Sharing

The Waratah-Wynyard Council and the Circular Head Council agreed to enter into a Resource Sharing Agreement from December 2008. In 2010 the Council agreed to extend the arrangement until 30 November 2013.

Resource sharing in itself is not an outcome, but a continuing process. The approach taken has been to re-focus financial resources to maintain service levels to acceptable standards, acknowledging statutory responsibilities and to plan for the future, enabling progress to be made in addressing business risks.

An independent review of the impacts of Resource Sharing on Staff and Councillors was commissioned last year. The report was released in May 2012 and may be accessed via the Council website.

As at June 2012, the following roles were subject to a shared arrangement:

General Manager
Manager - Strategic Projects Office
Executive Manager Financial Services
Manager of Engineering & Projects
Risk Management Coordinator
Technical Officer – Assets
Information Technology Officer
Assets Coordinator
Executive Manager Engineering Services
Human Resources Coordinator
Occupational Health & Safety Officer
Strategic Facilities Designer
Communications Officer
Technical Officer – Engineering & Projects

For the 2012/2013 year, the following role is also envisaged to be subject to a shared arrangement:-

Weeds Officer

Actions proposed for the term of the Agreement, dependent on the availability of resources include:-

Operational Area	Operational Action	Implementation Time Frame
Strategic Planning	Undertake review of Strategic Plans to identify opportunities to combine efforts for advocacy and action on strategic aims.	2010/2011
Project Delivery	Engineering department to deliver infrastructure projects across both municipalities.	2010/2011
Tourism	Examine opportunities for enhanced synergies to service visitor needs.	2011/2012
Planning Approvals	Participate jointly in the Regional Planning Process.	2010/2011
Building/plumbing permits	Establish a working party to exploit synergies in the issuing of permits.	2011/2012
Environmental Management	Pursue shared arrangements for Weed Management.	2010/2011
	Present arrangements and recommendations for improved NRM related activities, particularly in relation to grant funding.	2010/2011
	Review and implement an Environmental Management Plan for	2012/2013

	both Councils' public assets.	
Animal Control	Form a joint working party to explore the "best" value method for the provision of animal control services to both municipalities.	2012/2013
Asset Management and Development	Develop and implement asset management plans for all major capital classes for both municipalities.	2010/2011
Sharing of specialised equipment and software	Identify opportunities to better utilise available equipment.	2011/2012
	Develop program for improved plant utilisation across both municipalities. (Program to be presented to Councils for approval)	2011/2012
Communication and Consultation	Undertake Communications Audit, implement Communication Strategy.	2011/2012
	Introduce and refine Interplan reporting program to inform progress of Council activities.	2010/2011
	Form a working party to refine web page relevance and further develop social media communication opportunities.	2010/2011
Public Health	Reconsider opportunities for specialised role(s).	2011/2012
Regulatory Compliance	Reconsider opportunities for specialised role.	2011/2012
Youth Services	Examine additional joint or regional approaches to support youth service activities.	2011/2012
Professional development	Present professional development opportunities based upon identification of Councillor needs.	2010/2011
	Introduce "Employer of Choice" provisions.	2011/2012
	Undertake Staff "Training Needs Analysis" against position descriptions for both Councils.	2011/2012
	Undertake career path review for all staff.	2011/2012
Occupational Health and Safety	Implement Contractor Induction System.	2010/2011
	Implement Employee induction system.	2010/2011
	Implement skills and license matrix for mandatory training.	2010/2011
Legal Services	Tender for a joint panel of suppliers of Legal advice and Counsel.	2011/2012
IT Services	Form a joint IT services review committee to consider a strategic action plan for IT common platform and Standard Operating Environments (SOE).	2012/2013
Policy Development	Establish a combined document quality management system.	2011/2012
	Establish an internal audit committee to make recommendations for harmonisation policies between Councils where appropriate.	2010/2011
Risk Management	Revise Risk Management Committee roles.	2010/2011
	Employ resource shared officer for Risk Management.	2010/2011
	Embed Risk Management principles for all projects and capital works.	2011/2012
Payroll	Implement interchangeable payroll staff to provide leave cover and support between Councils.	2012/2013
Procurement	Initiate procurement solutions to both Councils which demonstrate effective and efficient gains.	2010/2011
Long Term Financial Planning	Prepare and implement 4 year forward estimates and 10 year indicative long term financial plans.	2010/2011

CAPITAL WORKS AND SPECIAL PROJECTS SUMMARY

LEGEND: **Complete ✓** **In Progress ▶** **Not Started ⊙** **Ongoing ✶**

Advocacy & Governance		
		% Complete
Interplan reporting enhancements	▶	25%
Projects from Strategic Plan	▶	90%
Office refurbishment	▶	45%

Business Performance		
		% Complete
Integrated risk management program (Interplan module)	✓	100%
Fleet replacement	▶	50%
1 tonne flat tray ute	✓	100%

Community		
		% Complete
Wharf Road small boat jetty Stanley	▶	40%
Development of Smithton Skate Park - stage 2	✓	100%
Pool cleaner	✓	100%

Development		
		% Complete
Presentation of a major planning scheme review report (Regional Planning Scheme)	▶	70%
Broom Control project	✓	100%
Mawbanna Road weeds - Cradle Coast	✓	100%
Street/Rural addressing audit of anomalies	▶	25%
Weed Management Strategy for roadsides	✓	100%
Building consultancy for community buildings	▶	90%
Animal Control - dog trailer	✓	100%

Economic Development		
		% Complete
Economic Development Consultancy	▶	50%

Engineering		
		% Complete
Detailed plan costs and infrastructure construction for Nelson Street subdivision	✓	100%
Design stormwater Alexander Terrace, Stanley	✓	100%
New Waste Cell at Port Latta	▶	50%
Port Latta landfill - master site document	✓	100%
Port Latta landfill - augment leachate management system	▶	60%

Port Latta landfill - fire management plan works	✓	100%
Port Latta landfill - leachate management	✓	100%
Port Latta landfill - mobile litter capture fences	✓	100%
Port Latta landfill - new sampling bores and access track works	✓	100%
White Hills Transfer Station - remediation of green waste area	✓	100%
Stormwater - problems as identified by Cradle Mountain Water	▶	75%
King Street upgrade (survey for concept design work)	✓	100%
Crossovers to rural farms/businesses in Circular Head area	▶	10%
Building Maintenance Fund	✓	100%
Bridge replacements	▶	99%
Seal Green Point Beach Road and car park	✓	100%
Massey Street upgrade - from Robert Street to lookout	✓	100%
Park Road Togari reconstruction - reconstruction of pavement - stage 1	✓	100%
Reconstruct Grey Street, Smithton	✓	100%
Geotechnical survey and design - Beatties Hill	✓	100%
Footpath extension - corner Albert Street and Main Road, Stanley	✓	100%
Sealed road network - condition inspection	✓	100%
Footpath upgrade - Irishtown (seal path)	✓	100%
Backline Road reseal - Boys Road to Sedgy Creek bridge	✓	100%
David Street and Manuka Drive - reseal	✓	100%
Kubanks Road - Bass Highway to Duck River - reseal	✓	100%
Trowutta Road - Champions Road to Duck River bridge (south) - reseal	✓	100%
Bridge replacement - Fairview Road - Welcome River	✓	100%
Bridge replacement - Newhaven Track - Picnic Creek	✓	100%
Bridge replacement - Ralstons Road - Edith Creek	✓	100%
Bridge replacement - Huetts Road - Birthday Creek	✓	100%
Bridge replacement - Hilders Road drain	✓	100%
Bridge replacement - Croles Road - Roger River	▶	1%
Bridge sandblasting - Rennison Road, Montagu River	✓	100%
Rifle Range Road upgrade - table drain alternative	✓	100%
Road safety audit - sealed rural collector roads	▶	99%
Keogh/Horton/Ollington Streets, Forest - major patch, reseal and drainage	✓	100%
Massey Street subdivision - Council contribution for stormwater	✓	100%
Crossovers - Main Road, Stanley	✓	100%
Road rehabilitation and drainage - Forest Corner Store	✓	100%
Trowutta Road (between Scotchtown and Trowutta)	▶	60%
Stanley Walking Trails	✓	100%
West Esplanade foreshore park - playground	✓	100%
Tatlows Beach remedial works (construction and design)	✓	100%
New public toilet at Green Point, Marrawah	✓	100%
West Esplanade Foreshore upgrade (grant funding)	✓	100%
Demolish stone wall - 17 Church Street, Stanley	✓	100%
Circular Head Cemetery - infrastructure extension	✓	100%
King Park Stanley Masterplan - fencing, footpath	✓	100%
Lookout Dovecote Road - new bollards and maintenance	✓	100%
Green Point toilet block - render exterior	✓	100%

Montagu Recreational Reserve - shelter repairs and fire break	✓	100%
Beach access ramp repair - Godfreys Beach	▶	25%
Smithton Walking Tracks	✓	100%
West Esplanade - design development of terrace and gardens	✓	100%
West Esplanade - design development	✓	100%
Trethewies lookout - upgrade viewing platform	✓	100%
West Esplanade Playground Fence	✓	100%
Smithton Public Toilet Upgrade	✓	100%
Trowutta Recreation Ground - removal of trees	✓	100%
Wood heater and enclosure Trowutta Recreation Ground	✓	100%
Asset Management Consultancy (includes NAMS Plus). Preparation of revised Asset Management Plans and indicative forward capital works program	✓	100%
Loftus upgrades and training	✓	100%
Stormwater review	✓	100%
Asset management system - Conquest software and licence	✓	100%
Drafting licences - AutoCAD Civil 3D and AutoCAD LT	✓	100%
Small twin drum vibratory compactor	✓	100%
Replace ride-on mowers	✓	100%

Finance

		% Complete
Circular Head Tourism Association contribution	✓	100%
Circular Head Progress Group contribution	✓	100%
North West Rural Strategy Group	✓	100%
DataWorks software upgrade	▶	5%
Consultancy for DataWorks/Reg Apps document integration	✓	100%
Network switch upgrade Works Depot	✓	100%
Computer system for Engineering and Development Services meeting room	✓	100%
Firewall upgrade	✓	100%
Microsoft Office 2010 upgrade	✓	100%
Wireless network	✓	100%
UPS (Uninterruptible Power Supply) upgrade	✓	100%
Digital Local Government NBN Project - online DA/BA	⊙	0%

Strategic Projects

		% Complete
Redevelopment of Smithton wharf	▶	50%
Harcus River Road - fatal flaw fauna and flora survey	✓	100%
Subdivision of 19 West Esplanade, Smithton	▶	50%
Signage Stanley	✓	100%
Circular Head War Memorial Swimming Pool (documentation and permits)	▶	15%
Smithton Leisure and Recreation Master Plan	✓	100%

ADVOCACY & GOVERNANCE

Advocacy

The Council continues to advocate on behalf of the community on regional, state and national issues.

Endeavours to advocate for positive outcomes for the people of the municipality continue to be an integral part of the business of the Council. This is achieved through means including face to face discussions with State and Federal politicians and government agencies, providing input into proposed legislative changes, lobbying and participation as a member of the Local Government Association of Tasmania and a member of the Cradle Coast Authority.

The Council has actively participated to achieve influence in topics including:-

- Future directions for the area described as the Tarkine;
- The proposed formation of a single water corporation in the state;
- Water irrigation development;
- Agricultural school of excellence;
- Expansion of dairy industry.

Council

The Council comprises the Mayor and 8 Councillors. The role of the Council is focussed on 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.

Councillors' Attendance at Meetings 2011/2012

	Meetings	Special Meetings	Workshops
Mayor Daryl Quilliam	13	1	24
Deputy Mayor John Oldaker	13	1	24
Cr TJ Berechree **	2	0	0
Cr Jan Bishop *	8	0	16
Cr Heather Grey **	3	1	8
Cr Rodney Hardy	12	1	21
Cr Betty Kay *	9	0	15
Cr Jeanie Murrell	13	0	23
Cr Ashley Popowski *	9	0	15
Cr Trevor Spinks	13	1	22
Cr Graham Wells **	4	1	8
Cr David Woodward	12	1	19

* New Councillor elected October 2011
** Term expired October 2011

Meetings, including Annual General Meeting - total held for year = 13
Special Meetings were meetings requested and required to consider specific items.
Workshops – total held for year = 24

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 were:

	2011/2012
Mayor Allowances and Expenses	$37,302.28
Deputy Mayor Allowances and Expenses	$21,133.65
Councillor Allowances and Expenses	$85,339.93
Total Allowances and Expenses paid to Mayor, Deputy Mayor & Councillors	$143,775.86

Energy Efficiency Monitoring

Planet Footprint Pty Ltd is an environmental scorekeeper that collects data from various utilities including Aurora and Fleet fuel providers. LGAT and state government signed an agreement in December 2008, in relation to Climate Change with a view to Carbon Emissions Reduction.

Circular Head Council participates in four benchmarking categories: Greenhouse Emissions, Street Lighting, Fleet and Energy (Power not including street lighting). Greenhouse Emissions and Power usage data is collected from 20 Circular Head Council properties. A full report on Energy consumption, consumption in dollars and Greenhouse emissions is also available by building for:

- Circular Head War Memorial Swimming Pool
- Circular Head Council Chambers
- Circular Head Community Recreation Centre
- Works Plus Depot.

Circular Head Council is benchmarked against the following: Best, Median and Mean results measured against up to 187 different Councils of similar regional demographics.

Listed is a snapshot of information for each category for 2011 – 2012.

1. Street Lighting

- Percentage of total Greenhouse Emissions by street lights 12.4%
- Number of Street Lights 453
- Cost per day to run street lighting $244

2. Fleet

- Percentage of total Greenhouse Emissions by Fleet 46.7%
- Litres of diesel used 67,000
- Litres of Unleaded petrol used 24,000
- Emissions in tonnes diesel 195t
- Emissions in tonnes ULP 60t

3. Energy

- 53% of Councils' energy usage is consumed by the Circular Head War Memorial Swimming Pool.
- 42% of the Council Administration building is for internal lighting.
- 40% of Emissions are from Energy usage (Power).

In the 2012 - 2013 financial year Council will be monitoring any co-funding opportunities under the Community Energy Efficiency Program (CEEP) to instigate some energy savings.

Cradle Coast Authority Regional Report - 2011/2012

Since 2000, the Cradle Coast Authority has been providing ways for the councils and communities of North West Tasmania to work together for the benefit of our region.

It provides a strong voice for the region in dealings with other levels of government, shared administration for regional activities and development of new services and initiatives to meet the region's changing needs.

In 2011/12, the Authority advocated the region's interests in public debate and policy processes on issues ranging from development in the Tarkine to air and sea access, health services reform and regional economic development.

The Authority's business units continued to be leaders in their fields, with Cradle Coast NRM winning the Australian Government NRM Award at the 2011 Tasmanian Landcare Conference and the Cradle Coast Tourism team establishing the State's first industry-based leadership group under the new Regional Tourism Organisation structure.

In its second year of operation, the Cradle Coast Healthy Communities Initiative launched a 'toolkit' for councils to support healthy lifestyles in their communities, and provided funding for 32 'local solutions' to prevent lifestyle-related disease.

The Tarkine Forest Drive project reached an important milestone with the construction of the Tayatea Bridge at Meunna, a regional template for planning schemes was finalised and $20 000 was secured for strategies to improve the wellbeing of lesbian, gay, bisexual, transgender and intersex people in our region.

These highlights reveal the diversity of issues the Authority is involved with, but also the region's growing confidence in working at regional scale.

The Authority's member councils expressed their confidence in the Authority by increasing the notice period for withdrawal of membership to 3 years, and supporting the borrowing of funds to establish new office premises under a 10 year lease.

The year ahead will see the Authority move into new headquarters, present nine new planning schemes for formal approval, investigate new regional models for waste management, planning, tourism and emergency management services, and help the region prepare for, and respond to, new political and economic challenges.

This will be possible with, and because of, the continuing efforts of our staff, our board, our councils and their communities, and their commitment to our region.

Copies of the Cradle Coast Authority Annual Report 2011/12 are available from www.cradlecoast.com.

Roger Jaensch
Executive Chairman

Cradle Mountain Water - 2011/2012

During 2011-12 we focussed on the identification and implementation of operational efficiencies across all aspects of our business.

The introduction of technology to capture performance data in the field has enabled us to improve operational efficiency and customer service. The highlight for the year in the area of water quality was the installation of a new water treatment plant at Waratah. This innovative "modular style" membrane filtration water treatment plant includes fluoridation and chlorination that complies with industry best practice. The mains power is supplemented by solar power.

The finalisation of the Price and Service Plan resulted in a review and significant updating of our website. This occurred in parallel with a communication campaign to increase awareness of pricing changes that commenced on 1 July 2012.

There was an increased emphasis on improving communication with the media in response to customer complaints. A proactive and transparent approach was adopted, delivering better outcomes for all parties involved. A communication initiative that has been extremely beneficial is our Facebook page. Very positive customer relationship outcomes have been experienced due to its "instant nature" to respond to customer issues. Further emphasis will be placed on raising the profile of this medium in the next twelve months.

The majority of our people-based initiatives are centred on improved communication. With the current employee intranet going 'live' in August 2011, this significantly improved accessibility to information for our employees. Employees can now easily access their payroll information.

Our "No Harm" objective has provided the impetus behind a number of health and safety initiatives over the past twelve months. Particular attention has been paid to high risk activities which have necessitated the development of procedures and work instructions, provision of training and ongoing communication activities. Our commitment to workplace safety was recognised in the 2011 WorkSafe Tasmania Awards in October and we were a "finalist" and "highly commended" in the Best New Worker Program.

The development of the Price and Service Plan was a major project in 2011-12. This plan sets the prices and service standards for the organisation for the next three years. The objectives of the plan are:

- Transition existing customer tariffs to 'target tariffs' that achieve equity price over the region.
- Improve product and customer service standards.
- Set price paths which minimise price shocks to customers.

A total of 12,300 meters were installed during the year on un-metered properties and replacement of old meters. Funding of $1.95 million was received from the Commonwealth Government for this project.

Cradle Mountain Water is seeking to enhance and standardise our current Supervisory Control and Data Acquisition System (SCADA) and telemetry systems. The project will also deliver efficiencies through improved serviced provision through local and remote monitoring, alarming and control of all installations.

This year also saw the implementation and completion of the Dam Management Plan. The plan contains information about the effective management of the dams to ensure they comply with safety requirements. This plan completes the suite of plans that come under the Asset Management Plan:

- Waste Water Management Plan
- Drinking Water Quality Management Plan
- Emergency Management Plan

These management plans provide the basis for continued improvements in our infrastructure and systems.

The continued focus on communication and consultation with staff, customers and other stakeholders will be pivotal in moving forward successfully. The Board, executive and management team and all Cradle Mountain Water employees are committed to our organisation and our customers.

Andrew Kneebone
CEO – Cradle Mountain Water

Progress on Major Projects in Advocacy & Governance

		% Complete
Adoption of new Partnership Agreement with the State Government	▶	80%
Advocate for an increase in windfarm generation capacity in the municipality	▶	70%
Staff awareness of policies, GM directives and procedure updates	✓	100%
Review current communication efforts and implementation of proposed enhancements	✓	100%
Develop and Implement comprehensive Communications Strategy to engage with community, industry and business	▶	20%
Councillor elections - provision of support to parties at election time	✓	100%
Present professional development opportunities based upon identification of Councillor needs	✓	100%
Action all resolutions of Council 2011/2012	✓	100%
Investigate, develop and implement resource sharing initiatives	✓	100%
LEGEND: Complete ✓ In Progress ▶ Not Started ⊙		

Administration Services

Provide quality administrative services and support to all Council departments and external stakeholders including, but not limited to, customer service, risk management, human resources, policy and procedures protocols, governance support with Council elections and legislative compliance.

A review of Council's Policy Register was completed and adopted by Council in March 2012.

Risk Management

Council has introduced an integrated Risk Management reporting register that will be included into the Council Meeting agenda keeping Councillors advised of associated risks.

Occupational Health and Safety

The restructuring of our Workplace Health & Safety Advisory Committee has resulted in representatives from both the Indoor and Outside work forces meeting on a monthly basis to discuss safety, health and wellbeing matters.

Having one combined committee has also improved the development, approval and communication process of new procedures that are required to enable compliance with the harmonisation of OHS laws, which will be introduced into Tasmania on the 1 January 2013.

The committee is working through the road map of recommendations for improvements to the OH&S systems as recognised in the review and safety audit arranged during the previous year.

Incidents /Accidents

During the 2011/2012 year there were 2 recorded workplace injuries, resulting in time loss totalling 239 hours.

Emergency Management

State Emergency Service

Council continues to support the local State Emergency Services Unit based in Smithton. The unit comprises a membership of 17 volunteers, specialising in all facets of emergency and road crash rescue.

Council is represented at the North West Regional Emergency Management Committee that represents the Cradle Coast region.

Emergency Management Planning

Council's emergency management planning is in accordance with the Tasmanian Emergency Management Act.

Council received funding from the Commonwealth Natural Disaster Resilience Program to identify current and future levels of exposure to risk or possible risk in the Circular Head area and to the likelihood, consequences and level of risk of such an event. The results will allow the Circular Head Emergency Management Committee to formalise plans and exercises in an effort to mitigate such events occurring such as flood, fire and or pandemic.

Human Resources

Council employs a total workforce of 52 full time equivalent people (including casuals, pool and immunisation nursing staff), 23 of whom are based at Works Plus.

The year has progressed with resource sharing officers between Circular Head and the Waratah-Wynyard Councils, providing for interchangeable staff within departments of Management, Business Strategy, Human Resources, Risk Management, Finance and Engineering.

Full Time Equivalent (FTE) by Department

Department	Number of Staff	FTE	Male	Female
Business Performance Unit	11	8.27	2	9
Financial Services	5	5	2	3
Community Services	3	3		3
Engineering Services	5	5	5	
Development Services	5	5	3	2
Works Plus	23	21.85	21	2
Pool	7	1.35		7
Immunisation Nurses	3	0.15		3
Strategic Projects Office	2	2	1	1
Total	**64**	**51.62**	**34**	**30**

Average Age by Department

Business Performance Unit	46
Financial Services	37
Community Services	42
Engineering Services	45.5
Development Services	32.5
Works Plus	45
Pool	41
Immunisation Nurses	43
Strategic Projects Office	58
Average Age overall	**43**

Staff Tenure in excess of 10 years

Department	Number of Staff	FTE	Male	Female
Business Performance Unit	2	2	1	1
Business Strategy				
Financial Services				
Community Services				
Engineering Services				
Development Services	1	1	1	
Works Plus	9	7.85	7	2
Pool				
Immunisation Nurses				
Business Strategy Unit				
Total	**12**	**10.85**	**9**	**3**

Staff Tenure in excess of 20 years

Business Performance Unit	2	2	1	1
Business Strategy				
Financial Services				
Community Services				
Engineering Services				
Development Services				
Works Plus	5	5	5	
Pool				
Immunisation Nurses				
Business Strategy Unit				
Total	**7**	**7**	**6**	**1**

Resource Shared Positions

Staff	Waratah-Wynyard	Circular Head	Male	Female
General Manager	0.5	0.5	1	
Executive Manager Engineering Services	0.5	0.5	1	
Human Resources Supervisor	0.5	0.5		1
Executive Manager Financial Services	0.5	0.5		1
Technical Officer - Engineering & Projects	0.5	0.5	1	
Risk Management Coordinator	0.5	0.5	1	
Health & Safety Officer	0.5	0.5	1	
Manager Strategic Projects Office	0.5	0.5		1
Strategy Facilitator	0.5	0.5	1	
IT Coordinator	0.5	0.5	1	
Total	**5.0**	**5.0**	**7**	**3**

Training/Development

Council is also continuing to further develop skills of staff. Specific industry training has also been undertaken by individuals to assist them in performing their roles including first aid, warden training and general fire safety training, payroll and taxation training, work in confined

spaces, bronze medallions, permit authority workshops, lifeguard training, return to work co-ordinators, disposal of records, playground safety training, mental health 1st aid, traffic control, work safely in construction and pruning, pests and diseases training.

The following certificates/degrees have been completed by staff undertaking tertiary training – Certificate III in Timber Manufactured Products (chainsaw), Certificate IV in Local Government (Planning), Graduate Certificate in Business, Bachelor of Business.

Staff Turnover

The turnover rate of Council staff was 17.44% compared to 16% in 2010/2011 compared to 15.49% in 2009/2010, 11.48% in 2008/2009, 19% in 2007/2008, and 7.3% in 2006/2007.

Annual Remuneration for Senior Staff

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
80,000 – 100,000	2
100,000 – 120,000	2
120,000 – 140,000	2
140,000 – 160,000	1
160,000 – 180,000	Nil

Public Interest Disclosure Statement

Under Section 86 of the *Public Interest Disclosures Act 2002* Circular Head Council did not receive, nor has it been required to deal with, any Public Interest Disclosures for the 2011/2012 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 are available to download from Council's web site www.circularhead.tas.gov.au.

Ombudsman's Investigations

Council received no investigations from the Office of the Ombudsman during the 2011/2012 year.

Contracts for the Supply or Provision of Goods or Services

Pursuant to Section 23 (5) of the *Local Government (General) Regulations 2005,* 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
Hardings Hotmix Pty Ltd 30 Industrial Drive ULVERSTONE TAS 7315	Spray Sealing Contract No. 1491	06/09/2011 – 20/04/2012	$209,333.00
Hardings Hotmix Pty Ltd 30 Industrial Drive ULVERSTONE TAS 7315	Asphalt Surfacing Contract No. 1492	16/09/2011 – 31/05/2012	$149,375.00
Protector Rail Pty Ltd PO Box 710 KINGSTON TAS 7051	Supply and install guardrail – Trowutta Road	16/02/2012 – 27/04/2012	$112,800.00
Mr. Ricky Dennison RA 422 Montagu Road SMITHTON TAS 7330	Street Cleaning Services Contract	12/03/2012 – 08/03/2014	$173,800.00

Progress on Major Projects in Business Performance

		% Complete
Review of Fleet Management practices	✓	100%
Implementation of Occupational Health and Safety	✓	100%
Business Continuity Plan revision	▶	15%
Implementation of the 24 OH&S audit recommendations	▶	60%
Update on emergency management development, practices and community education	✓	100%
Investigate the introduction of an internal Audit Committee to test Council's works procedures	▶	40%
Introduce Employer of Choice provisions	✓	100%
Develop and implement HR Management Tool and processes to ensure the capture of relevant data and statistics	▶	40%
Establish training register which includes a matrix of current skills, tracking of licensing and renewal requirements, management of training needs as well as producing up to date and accurate data	▶	40%
Further develop the induction process to ensure all new staff have effective and supportive induction into Council	✓	100%
Review and update HR Manual	✓	100%
Revision of recruitment and induction practices	✓	100%
Investigate potential to implement electronic document templates in the electronic records management system	✓	100%
Staff awareness of policies, GM Directives and procedure updates	✓	100%
Upgrade and implementation of DataWorks records management system to version 4.02	✓	100%
Completion and adoption of new Policy, Guidelines and Information Brochure for Street Stalls, Use of Public Reserves and Event Management	✓	100%
Adoption by Council of a revised and updated Delegations Register	✓	100%
Continue to develop Council's website to provide online information and services, including online forms	✓	100%
Revision of tender procedures and supporting documentation	✓	100%
Preparation and consultation for development of Customer Service Strategy including surveys, training and membership of National Local Government Customer Service Association (Tasmanian Chapter)	✓	100%
Refine customer communication criteria and reporting methods of Loftus HMS CSS system in liaison with Workplace Improvement Team	✓	100%
Undertake staff training needs analysis and develop training plan	▶	50%

LEGEND: Complete ✓ In Progress ▶ Not Started ⊙

COMMUNITY

Community Services

Council's *balance your life*…program is the overarching health and well-being banner that underpins the role of the Community Services Department.

The Department strives to deliver a varied range of opportunities in health and well-being, education, sport and recreation and artistic and cultural pursuits.

It recognises the importance of a balanced approach to service delivery, and aims to build on the strong foundations already established, ensuring the continued development and promotion of the community and its identity.

Council will continue to develop positive relationships and partnerships within the community to contribute to the wider 'health' of the residents on all levels – physical, emotional, cultural and economic.

Activities included:

- SPAN (Service Providers Access Network)
- National Youth Week
- Youth Advisory Group (Circular Head Youth Leaders)
- Youth Leadership Programs with Smithton High School and Circular Head Christian School
- North West Action for Youth
- YNOT (Youth Network of Tasmania)
- CHYN (Circular Head Youth Network)
- BEST Youth Program
- CRSP (Community Road Safety Partnership Program)
- North West Social Recovery Committee
- Circular Head Emergency Management Committee
- Christmas Parade
- Christmas Wishing Tree
- Lighting of the Christmas Event
- Clean Up Australia Day
- Australia Day Celebrations
- Circular Head Education and Training Consultative Committee
- Circular Head Community and Recreation Centre
- Circular Head Arts
- Circular Head Agricultural Society (Circular Head Show)
- Circular Head Community Garden
- Circular Head Little Athletics Association
- International Women's Day
- Seniors Week
- Science Gig
- Circular Head Garden Club
- Circular Head Liquor Accord
- Tidy Towns (Keep Australia Beautiful Campaign)

- Cradle Coast Authority Healthy Communities Initiative
- UTAS Rural Clinical School
- Federation of Schools
- Circular Head Business Group
- Maternity Liaison Group
- Relationships Australia / Rural Development Services Local Voices Project
- Red Cross

YOUTH

Seven up Youth Centre

The Centre is still open! Students from grades 7 and up use the centre to catch up, play games, do homework, listen to music, participate in activities etc… A total of 97 sessions were conducted in the 12 months from July 2011 – June 2012, 1848 young people accessed these sessions, an average of 19 each session.

Activities undertaken included cup cake decorating, felt making, horror make-up, sausage sizzles, unicycle riding, break dancing, table tennis competitions, art workshops, jewellery making, gaming competitions, cooking, nail art and music sessions.

June – December 2011 saw a period in which a paid co-ordinator ran the centre with support from Rural Health and Council staff. Co-ordinator funding ended in December 2011 which heralded in a new period in the history of the centre. A Memorandum of Understanding was signed in April 2012 between Rural Health Tasmania, Circular Head Council, Circular Head Aboriginal Corporation (CHAC) and Smithton Christian Fellowship (SCF) to keep the centre in operation. Four staff from Rural Health, Council & CHAC now operates the centre each Tuesday and Wednesday afternoon.

Aside from the efforts of these organisations, the community has provided enormous support to the centre. SCF provides the location each week, Time Out on Emmett donates bread each week, Treasure Chest pledged money each month and many individuals and organisations have contributed money, food, furniture and time. We are extremely grateful to everyone who has helped to keep the doors of the centre open.

Other Youth Activities

Council regularly liaised with the student leadership teams at Circular Head Christian School and Smithton High School. Financial support was provided for leadership activities for both secondary schools and Soroptimist International for Circular Head's annual Careers Day.

Smithton High School Drug Forum

Council worked closely with the Smithton High School's Student Executive Council, and service providers to raise awareness about the effects of drug use on individuals and the community.

The event, witnessed by 400 people (including community members, Smithton High School and Circular Head Christian School students) was hosted by the Student Executive Council. It featured guest speaker Ronnie Burns (former AFL footballer); a film on binge drinking; a drama piece created by the high school students on drug taking at a party and student discussion on key terms such as resilience, role models and respect.

Bang! Crash! Tap!

Council held a performance from the Raw Dance Company, Bang! Crash! Tap! for the Smithton High and the Circular Head Christian Schools on 21 July 2011. It was held at the Circular Head Christian School. A combined BBQ was held prior to the event. Approximately 450 students attended. Council are planning on making this an annual event.

Bang! Crash! Tap! also performed at the Stanley Town Hall on 21 July 2011 with over 100 community members enjoying the show.

Other youth activities organised and/or supported by Council include:

- Art about Town and Socktail Party
- Graffiti Workshops at Skate Park
- Tas Laser Skirmish Outings
- AFL trip to Aurora Stadium
- Bus Trip to Burnie Cinemas
- BEST Youth Solutions Program
- Pool Party and Waterslide with the Hawks
- Mini Movers Boot Camps
- Cradle Coast Outrigger Canoe Club - students from Circular Head Christian and Smithton High Schools attended.

National Youth Week

Youth Fest 2012

Youth Fest 2012 was held on Friday 13 April, 3.00pm – 7.00pm at the Smithton Skate Park and Little Athletics Ground. This was a joint initiative with Circular Head Council, Circular Head Aboriginal Corporation and Rural Health Tasmania, the event was to celebrate the contribution of our young people to the community, and to give them the opportunity to have fun, and be exposed to new things. We provided 350 young people with the opportunity to create and enjoy their own style of entertainment – including live bands, a giant bouncy worm, bouncy castles, Lagoon of Doom, Surf Challenge, Gladiator Pit, face painting, temporary tattoos, Skate Competition, Dancing Competition, Smithton Idol Singing Contest, Mr Inferno street performance and the Hurricane ride.

An event full of 'hidden messages', Youth Fest also provided opportunity for our youth to act on issues through participating in a variety of interactive activities. These activities included Burnie Youth and Drug Service's 'Knock Grog and Grass on Its ASS' program which included boxing and healthy alternatives as well as health information; the LINC's learner licence information and test questions; the Cancer Council's activities around drug and alcohol use; Relationships Australia's relationships activity and mental health activity.

The event was made possible with funding from the Department of Premier and Cabinet's Community Development Division, Circular Head Council, Circular Head Aboriginal Corporation and Rural Health.

National Youth Week Regional Event

Youth Week's Regional Event was held at the Burnie Civic Centre on Wednesday 18 April 2012. Approximately 1000 grade 9 students took part in the expo. The event featured a guest mental health speaker and interactive stall holders. Through funding obtained through the Office of Children & Youth Affairs (OCYA) and Beyond Blue, all North West Councils were able to offer free transport for all grade 9 students to attend this event.

Circular Head Youth Leaders (CHYL)

The Circular Head Youth Leaders is a Youth Advisory Group to Council. Their role is to improve the health and wellbeing of young people by supporting and engaging youth, while allowing their voices to be heard.

CHYL meets regularly to advise Council on youth issues and concerns and develop activities and projects for young people in Circular Head.

Some of the activities undertaken included:

- National Youth Week
- Australia Day
- National Youth Week Official Launch
- Youth Fest
- Skate Park Opening Stage 2
- Pool Party
- Seven Up Youth Centre
- Winter Woollies Campaign
- YNOT Youth Conferences

Future is in Your Cup Coffee Stall

"The Future is in Your Cup Coffee Stall" attended the following events this year:

- Australia Day
- Science Gig
- Circular Head Agricultural Society Show
- Rural Health Tasmania Health Expo
- Forestry Rally

Community Road Safety Partnerships (CRSP) Program

The Circular Head Community Road Safety Partnerships (CHCRSP) Committee continues to be proactive in providing education and promotional strategies to address road safety issues within Circular Head.

The "Look out for your Mates" campaign has shown that the community is more aware of road safety issues, and there has been a reduction in the severity of road crashes within the municipality. The "Look out for your Mates" challenge will continue to be the main focus of the CHCRSP Committee.

The “Look out for your Mates” initiative was entered in the Safer Communities Awards 2011 under the local government section and was recognised as the State winner in November and was then successful in receiving the National Award presented in Canberra in December. The campaign was highlighted as a best practice model of community engagement addressing road safety issues at a local level.

Council officers were invited to present the “Look out for your Mates” campaign at the Community Road Safety Partnerships regional workshops in the North West, North and South of the State.

Other CHCRSP initiatives include the Keys to Ps sessions for learner drivers and their supervisors and supporting the Smithton Rotary Club to deliver the annual RYDA program to Grade 10 students.

The CHCRSP committee is also supporting the North West Learner Driver Mentor Program which is recruiting driver mentors to assist young people that do not have access to a car and/or supervising driver to achieve the required 50 hours to gain a provisional licence.

Circular Head Liquor Accord

The Circular Head Liquor Accord (CHLA) continues to work collaboratively to minimise harm associated with alcohol sale and consumption, improving safety and amenity, reducing alcohol related violence and anti-social behaviour.

The CHLA maintains a close working relationship with the Circular Head Community Road Safety Partnership Program supporting the Designated Driver Program and the “Look out for your Mates” campaign by promoting responsible alcohol consumption.

Breathalyser Units have continued to be utilised in licensed venues to assist patrons with addressing drink driving issues.

Mayors Education Fund

The annual $5,000 Bursary is awarded to an applicant who is able to demonstrate that they would find it difficult to access further education without the funding support. It is preferable that the course is relevant to the district.

The successful recipient for 2011/12 was Lisa Ryan who is undertaking a Bachelor of Nursing at UTAS in Launceston. At the end of her nursing studies she will have the option of furthering her studies in different fields.

Australia Day Awards and Celebrations

Australia Day Award 2012 recipients were:
Citizen of the Year – Annette Dawes
Young Citizen of the Year – Jye Crosswell
Community Event of the Year – The Centenary Celebrations – Stanley Town Hall

The annual *Twilight on the Duck* Australia Day festival on the West Esplanade foreshore continues to be an outstanding success with over 4,000 people attending. Tasmanian Seafoods was the major sponsor for the event in 2012. Highlights included the introduction of the Australia Day Ambassador Program with Mr Alastair McCooke and family attending the events.

The festivities commenced with the Cocktail Party on the eve of the event and brilliant sunshine greeted the large crowd at West Esplanade the following day where the large crowd enjoyed the popular 'duck' themed activities and enjoyed the *Graze the Region* food and wine section.

Other highlights during the event included sword swallowing, whip cracking and dragon boat racing which provided some different acts to entertain the crowd.

Quality musical entertainment and the signature Duck Race on the river were a popular drawcard. The event culminated with the spectacular fireworks display.

Circular Head Education and Training Consultative Committee (CHETCC)

The CHETCC is a committee of Council whose aim it is to promote and celebrate the value of lifelong learning in the community and address other issues relating to education and training within the community, such as but not limited to poor post year 10 retention rates and identified skills shortages. The Committee recently obtained funding from Skills Tasmania, as part of the joint Australian and Tasmanian Government's "North West and Northern Tasmania Innovation and Investment Fund" (NWNTIIF), to employ a part-time Project Officer.

Following the appointment of the CHETCC Project Officer in 2011 programs and initiatives that will encourage training and retraining opportunities in Circular Head have been undertaken. Other strategies have been developed to promote the newly established Circular Head Trade Training Centres.

A MOU with Trade Training Centre stakeholders has been established due to changes within the Education Department around lead school and RTO status.

Science Gig 2011 was once again planned to align with the National Theme 2011 was the year of Chemistry. CHETCC hosted a highly successful event seeing in excess of 400 people through the door. This was the first time funding for the Gig was sought outside the CHETCC budget with the Project Officer seeking sponsorship and participation in the event from Industry. This proved to be successful. After the 2011 Science Gig it was decided to apply for a Science Week Grant.

The Science Gig is a truly inspiring and engaging forum, essential to the Education of our Community in the many facets of Science.

CHETCC has been closely involved in supporting retrenched workers and students, highlighting opportunities within the region for retraining and up skilling, identifying industry sectors experiencing and/or forecasted to grow in the future.

With this in mind CHETCC worked collaborately to host an Opportunities & Options Expo in April 2012. This event saw over 450 people in attendance and many relationships established between stakeholders, service providers and the public. 150 students took part in "speed dating formatted" information seeking sessions, which was a great success.

The Project Officer also participated in a successful application to Federal Government for a $370,000 grant to showcase the functions and applications of the NBN. This project entails educating the general public on applications and uses for IT on many platforms.

Seniors Week

Mayor Daryl Quilliam hosted the annual Mayor's afternoon tea for seniors as part of Seniors Week 2011 celebrations. The afternoon tea was held at the Circular Head Community and Recreation Centre on Friday 7 October.

This is a great opportunity for the seniors of the Circular Head community and their families to enjoy an afternoon together. The guest speaker Jessica Maguire (Flex Studio) led a discussion in ways to remain healthy and active as we age, entertainment was provided by secondary school students.

Tech Buddies - A Seniors Week friendship scheme

Tech Buddies was again held and has become a fixture on the Seniors Week calendar in Smithton. This free program involves a senior member of the community working one-on-one with a secondary school student to gain a basic grasp of modern technology.

Two sessions were held at the Smithton Online Access Centre. Participants learned how to upload a digital photo onto a computer and transfer the photo onto a mug. Other topics covered were the participant's own choice, relating to technology. Topics ranged from internet use through to mobile phones.

The program has provided a unique opportunity to break down barriers between generations.

Christmas Parade 2011

The Christmas Parades in Smithton and Stanley were again an outstanding success. Both parades were blessed with fine weather and large crowds enjoyed the high standard of floats.

Balance your life… Health and Well-being Initiative

The Circular Head Council's *balance your life* initiative was developed as holistic approach to caring for the community, through the implementation of a health and well-being program.

Under the *balance* 'brand' Council has facilitated the coordination of services and programs which promote wellness in the community. *balance* builds on existing activities already undertaken by Council.

The *balance your life* program has received recognition from the:

- 2011 Heart Foundation Healthy Community Awards – 'Highly Commended' *balance your life health and wellbeing* program

- Medibank Active Tasmania Awards 2011
  Winner of the Whole of Community Involvement Award for Council's *balance your life health and wellbeing* program

Healthy Communities Initiative

The Circular Head Council continued its partnership with the Cradle Coast Authority and the other eight (8) North West Councils received funding to implement the Healthy Communities Initiative (HCI) across the Cradle Coast Region. The HCI is funded by the Australian Government Department of Health and Ageing through Council of Australian Government (COAG).

The aim of the initiative is to improve the wellness of residents by way of reducing and preventing the incidence of overweight and obesity-related chronic disease. It was revealed that poor nutrition, smoking and risky alcohol consumption in the Cradle Coast region is up to 10% higher than the Tasmanian statistics.

2011/2012 initiatives undertaken were:

- Circular Head War Memorial Swimming Pool Lifeguards trained to deliver aqua fitness for the community.
  Sessions commenced in November 2011 and have continued on a regular basis attracting large attendances.

- Stuff for Blokes
  The "Stuff for Blokes" program was about providing activities for men to encourage them to improve their lifestyles.
  The program commenced on Tuesday 24 April 2012 continued each Tuesday for six (6) weeks. The sessions ran from 10.30am – 2pm and gave blokes the opportunity to interact in a friendly environment, get involved with a building project and try their hand at cooking classes.
  Council is working in partnership with the Circular Head Aboriginal Corporation to promote the importance of personal wellness to help men learn about improving their health.

- BEAT IT Program
  The BEAT IT program commenced on Friday 13 April 2012 with twelve (12) participants registered. The program has been designed by the Australian Diabetes Council. It is proposed to assist with those at risk of, or living with diabetes, heart disease and other chronic conditions, through awareness and physical activity – all in a safe and supportive environment.
  The program was tailored to meet the individual needs of the participants to suit health and lifestyle goals to ensure the participants get the most out of the program.
  KAW Training facilitated the program and was held twice a week on Tuesday at 10.45am and Friday at 11.45am for 12 weeks at the Smithton Fellowship Centre.

Federal funding will again be available to implement new initiatives for 2012 / 2013 financial year.

Lose Kilos for the Community

Kilos for the Community commenced in February 2012 with approximately 200 register participants.

The focus of the program changed from the successful event in 2011. Although losing weight is still an important part of the program the focal point was to encourage community members to set a smart goal. Specific, Measurable, Attainable, Realistic, Timely. This gave a broader spotlight to the program allowing clients the opportunity to achieve personal goals. Differing measurement techniques were used to monitor individual progress.

Local ambassadors have been enlisted to help sell the message over the 10 week program, along with Facebook and weekly updates in the local Chronicle.

A calendar of physical activities was available for participants to attend and free vouchers were offered as incentives.

The results showed an overall improvement with all areas:

- Significant weight loss was achieved
- Hip & weight measurements showed a significant improvement with people becoming active and increasing muscle mass
- The walking/running test showed a marked improvement in cardio fitness

The Kilos for the Community initiative is an inclusive community program that encourages a kick start for participants to improve their overall wellness.

Sport and Recreation

This area promotes physical activity, maintenance of recreation facilities, support for sporting and recreation clubs/groups and is responsible for assisting the Area Management Committees of Council.

The Area Management Committees of Council are responsible for the management of the facilities, with funding derived from Council's operational budget, grants and income from users.

Circular Head War Memorial Swimming Pool

The opportunity to learn to swim and enjoy an aquatic facility is recognised as an important recreational activity. Council operates and maintains the district's indoor heated swimming pool. Pool safety is paramount requiring employment of qualified lifeguards to supervise all pool users. Annual training for lifeguards is undertaken.

Circular Head Council once again supported an extension to the pool opening hours over the winter months from May to August 2012 to promote the importance of physical activity for the community.

During this time many sporting and community groups have taken advantage of the extended hours.

Pool lifeguards have undertaken additional training in Aqua Fitness, pre-school and adult swimming instruction courses.

Learn to Swim classes have been held throughout the school holidays.

Aqua fit classes have been introduced and have been popular particularly among women.

The pool staff has been involved with the consultation process of the proposed Aquatic facility.

Skate Park Colours Up

A combined art project was undertaken by Council and Circular Head Aboriginal Corporation to engage with young people to decorate the addition to the skate park.
Workshops were organised which gave young people the opportunity to work with a professional graffiti artist to develop designs to update the existing paintwork and provide colourful artwork for the new section of the park.

Exercise Equipment Installation

As part of the successful Lose Kilos for the Community initiative, Council committed funds to install exercise equipment along the Duck River Foreshore Walk as an incentive for the program.

Eleven (11) pieces of equipment have been placed in four (4) different locations along the walk giving users the opportunity to try different apparatus.

The equipment is utilised on a regular basis and positive comments have been received from the community.

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	2011/2012 232,634	2010/2011 193,225.91	2009/2010 190,415	2008/2009 $157,315	2007/2008 $149,970

Community Grants Round One	**$**	**Community Grants Round One**	**$**
Smithton Primary School	3,000	Tas Symphony Orchestra	2,000
Community Garden	2,000	Smithton Guides	500
Forest Primary School	1,000	Wyndarra Centre	2,000
CH State School Sports Association	1,000	Mawbanna Hall	2,300
Rocky Cape Hall	2,996	Redpa Football Club	2.498
Irishtown Indoor Bias Bowls	400	Australian Red Cross	5,000
Seven Up Youth Centre	1,741	Circular Head Badminton Assoc	1,219

Community Grants Round Two	**$**	**Community Grants Round Two**	**$**
Nelson Bay Shack Community	1,044	Smithton High School	3,610
Irishtown Football Club	5,000	Smithton Saints Indoor Bias Bowls	3,703
SES Social Club	1,000	Smithton Basketball Club	629
Aus Breast Feeding Assoc (CH)	1,500	Jeff Power	750
MOPs Smithton	2,914	Smithton Indoor Cricket Club	2,000

Benefits	**$**	**Benefits**	**$**
Wyndarra Centre – gravel/fees	752	Rotary Club of Somerset – Special Needs Children	100
Landcare Conference	1,250	Wyndarra Centre – Christmas Hampers	300
Rocky Cape Lions Club - fees	215	Immune Deficiencies Foundation	100
Circular Head Agricultural Society - fees	75	Smithton Lions Club - fees	75
Circular Head Visitors Centre – venue hire	330	Smithton Rotary Club - RYLA	500

Other Contributions	$	Other Contributions	$
Circular Head Tourism Association	111,775	Circular Head Progress Group	25,000
Circular Head Education and Training Consultative Committee	42,376		

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

Inkind support was provided to the following community organisations:

- Circular Head Arts
- Rural Health Tasmania
- Relay for Life Event
- Soroptimist International of Circular Head
- Smithton Lions Club
- Circular Head Agricultural Society
- Seven up Youth Centre
- Smithton LINC
- Wyndarra Centre
- Stanley Town Hall
- State Emergency Service
- Circular Head Business Group
- Circular Head Education and Training Consultative Committee
- Circular Head Football Association
- Circular Head Indoor Bowls
- Circular Head Heritage Centre
- Circular Head Child Care Centre
- Circular Head Garden Club
- Circular Head Aboriginal Corporation
- Circular Head Progress Group
- Montagu Hall
- Mawbanna Hall
- Emmerton Park

Progress on Major Projects in Community

		% Complete
Participation and coordination of the Service Providers Access Network (SPAN)	✓	100%
Community Grants Round 1 and Round 2	✓	100%
Continued support for youth programs and activities	✓	100%
Coordination of Circular Head Youth Leaders	✓	100%
Participation and coordination of Youth Week	✓	100%
Participation and coordination of Seven Up Youth Centre	✓	100%
Partnership with the Circular Head Liquor Accord	✓	100%
Participation in the Circular Head Community Road Safety Partnerships program	✓	100%
Mayor's Education Fund	✓	100%
Review Area Management committee structures	▶	75%
Identify sources of funding available for recreation and special interest groups and disseminate	✓	100%
Coordination of the Christmas Parade	✓	100%
Liaison with local organisations to support community events and special interest groups	✓	100%
Participation in Australia Day activities	✓	100%
Investigate sources of funding for proposed pool redevelopment	▶	10%
LEGEND: Complete ✓ In Progress ▶ Not Started ⊙		

DEVELOPMENT

Development Services

Development Services is responsible for professional and technical management and support for various organisational functions, including:

- Land Use Planning
- Weed Management
- Building Control
- Public and Environmental Health
- Animal Control
- Cemeteries

Animal Control

Council provide an ongoing animal control service with the main focus being on dog control. Council also responds to instances where other animals are unattended on roads under our control.

Operating consistent with the core values of Council, our primary goal has been the education of the Circular Head community regarding the responsibilities of owning animals (dogs in particular) within Tasmania. Council reviewed their Dog Management Policy to incorporate a proactive code of responsible dog ownership and changed our animal control service provider.

A total of 859 dogs were registered over the 2011/2012 period. This was an increase 118 dogs compared to the 741 registered over the 2010/2011, period and the well above the average of 733 dogs registered over the past four years.

This total was largely due to the proactive registration checks undertaken by our contractors and sets a benchmark against which the effectiveness of our new service providers can begin to be measured.

Building Control

Council undertake a number of functions under the *Building Act 2000* operating parallel with industry to ensure that the built environment is both safe and effective for purpose.

Council issued a total of 148 building approvals over the 2011/2012 period which was well down from the 165 approvals in the 2010/2011 period. However, this decrease doesn't provide an accurate overall representation as the average number of building approvals issued over the past four financial years was 150 approvals. The quantity of building approvals is consistent with the overall average.

The education and enforcement of the requirements of the *Building Act 2000* has been an ongoing process. It has been difficult to measure the effectiveness of our approach due to the way we report on building approvals. It was noted that 10 of the 148 approvals issued during 2011/2012 were as a direct result of illegal work being discovered.

Cemeteries

Council maintains five cemetery sites in the Municipality. Cemetery records and plot allocation is administered through the Development Services Department. Maintenance of the facilities is undertaken by Council's Works Plus unit.

Land Use Planning

Planning involves a wide range of duties in relation to the Resource Management and Planning Systems in Tasmania. Council is focussed on sustainable development principles and the maintenance and enhancement of land use planning and control.

The role of planning is both strategic and regulatory, and aims to ensure compliance with legislative requirements in relation to land use planning, development applications and enforcement. Council aims to undertake its role in a cost-effective manner, while ensuring standards of service are maintained.

During this reporting period, much of Council's energies and attention have been focussed on the planning reform process to implement new common format planning schemes. During 2011/12 participation in the Cradle Coast Regional Planning Initiative involved a significant amount of officer time in reviewing documentation and attendance at the technical reference group meetings, together with a series of workshops with the elected Council to progress towards a regionally consistent planning template. Draft version three of the regional template was released to Councils for further comment just after the end of the reporting period. GHD Pty Ltd were engaged in this period to undertake the drafting of local provisions, and to assist in the representation of Council's interests through the preparation of the template.

During the reporting period there were recorded 145 planning assessments with 101 permits issued and 44 proposals assessed as exempt or permitted without a permit. This number is consistent with the number of planning permits issued for 2010/11, but down on trends from the three years prior. In August 2011 residential development standards were introduced via Planning Directive to apply across the state in residential zones. This has changed which developments require a permit or do not require a permit from what was previously in Council's Planning Scheme.

In terms of developments approved, highlights included the approval in September 2011 of the Tasmanian Dairy Products, Powdered Milk factory in Smithton. Tight timelines were involved in all aspects of the approval process.

Public and Environmental Health

Council's Public and Environmental Health unit plays a key role in the provision of a range of public and environmental health services to the community.

The *Public Health Act 1997* outlines requirements relating to public health, including provisions for disease control, regulation of at risk premises, powers over unhealthy premises and monitoring of both drinking and recreational water quality.

The Act is supported by a variety of guidelines and referenced standards that Council must enforce.

Recreational Water Quality monitoring of beaches continued to focus at Tatlows and Godfreys Beaches in Stanley, together with Detention River and Crayfish Creek. The results at Stanley consistently meet guidelines values. The results at Detention River and Crayfish Creek can vary with climatic conditions, and at times fail to meet guideline values, meaning the continued presence of warning signage at these locations over the microbiological quality.

During the reporting period immunisation was offered to grade 7 & 10 students. This year saw what is likely to be one of the last years where Hepatitis B immunisation is offered to Grade 7 students, as those commencing grade 7 from 2013 onwards are likely to have been offered this immunisation at Birth.

Under the *Food Act 2003* Council is also responsible for ensuring public health is protected by registering and assessing food businesses and responding to complaints of defective food. Providing information on food safety standards is also an important aspect of food safety. Council's Environmental Health Officer had the opportunity to attend a variety of community group's functions to discuss food safety.

Environmental Health covers a range of environmental management issues from responding to pollution incidents to assessing the environmental impact of development proposals. Working with stakeholders in the dairy industry to promote responsible management of dairy effluent is a continuing focus.

Public Building Safety

Council owned public buildings are subject to an ongoing maintenance program incorporating the essential safety and health features of the building as well as the overall building itself.

Non-Council owned public buildings have been registered as Places of Public Assembly. Through this registration process, Council made a point of educating building owners of their obligations for essential annual maintenance requirements under the *Building Act 2000*. In some cases, Council assisted building owners in obtaining the initial annual maintenance paperwork.

The Place of Assembly registration and annual maintenance processes are an annually re-occurring issue for both Council and privately owned buildings.

Weed Strategy

During the reporting period weeds activities continued to be focussed on education and weed surveillance. Mapping of roadside weeds and pilot programs to control the spread of roadside weeds were a strategic focus. During the reporting period Council adopted a budget to allow for increased hours devoted to strategic management of weeds, through the employment of a resource shared weeds officer with the Waratah Wynyard Council. A number of smaller projects were undertaken to control weeds with assistance from external funding bodies. These included follow up control of infestations of Broom and Asparagus Fern.

Progress on Major Projects in Development:

		% Complete
Participation in Regional Planning Review process	▶	80%
Develop a series of fact sheets to assist people in lodging a development application (the roll out date dependent upon the release of a new format planning scheme)	✓	100%
Update website to facilitate public reporting of noxious weed infestation	✓	100%
Maintenance of the assessment program for environmentally relevant activities (including Level 1 activities)	✓	100%
Continue to maximise external funding for weed and Natural Resource Management projects in Circular Head	✓	100%
Monitoring of recreational water quality	✓	100%
Review of legislative changes in Building, Planning, Environmental Health and Animal Control promoting Council's interests and the distribution of information to the community	✓	100%
Maintenance of the annual assessment program for premises covered by the Public Health and Food Acts	✓	100%
School immunisation program for grade 7 and grade 10 students in accordance with current immunisation schedule	✓	100%
Education and training of staff in legislative change and legal precedence	✓	100%
Staff awareness of policies, GM directives and procedure updates	✓	100%
Establishment of compliance regime for the provision of annual maintenance statement enforcement under Section 120 (2) Building Act 2000, Regulation 47	✓	100%
Review of Dog Management Policy	✓	100%
Actively monitor animal control contract, including reporting and statistics	✓	100%

LEGEND: Complete ✓ In Progress ▶ Not Started ⊙

ECONOMIC DEVELOPMENT

Economic Development

Circular Head is well placed to take advantage of significant economic development opportunities. Council has formed the view that the Circular Head municipal area has excellent prospects for developing and expanding value adding of the rich resources in the area.

The Council will continue to develop a working relationship with existing and potential industry in the creation and pursuit of economic development opportunities. Council continued to financially support the Circular Head Tourism Association and the Cradle Coast Authority, and provided establishment funding for the establishment of the Circular Head Progress Group.

A Special Projects Office (formerly Business Strategy Unit) has been established as a functional unit serving both the Circular Head and Waratah-Wynyard Councils. It is designed to further the strategic interests of both municipalities, particularly by concentrating on the preparation of projects to a level of maturity that demonstrates need and are "shovel ready", enabling more rapid deployment once funding has been secured.

The Council has actively participated in matters involving:-

- The extension of energy utilities - natural gas to Smithton - electricity distribution at Marrawah;
- Multi use of the area generally described as the Tarkine;
- Water irrigation development;
- AgriTas development;
- Milk factory feasibility studies.

ENGINEERING

Engineering Services

Engineering Services is responsible for professional and technical management and support for various organisational functions, including:

- Customer Service
- Project management
- Management of Civil Design consultants
- Development application assessment in terms of infrastructure requirements
- Asset Management
- Physical Infrastructure renewal and replacement
- Contract Management
- Solid Waste Management

Civil works designs are completed each year for various capital projects and operational issues by internal Engineering Services staff and external consultants. The Engineering Services team receives customer enquiries on a range of issues, such as the condition of a road or connection to Council's stormwater network. These enquiries come from a range of different stakeholders, from internal staff and ratepayers to Councillors and other government departments.

Black River (Dip Road) Bridge Replacement

Nelson Street Subdivision

One of the most important functions provided by the Engineering Services team is that of Asset Management. In broad terms asset management is a way for Council Officers to maintain a proactive and holistic approach to customer requests using asset management systems and procedures, to better inform decisions by Councillors to protect the long-term needs of ratepayers and the community in general.

Asset management plans are being developed for all classes of Council's infrastructure assets and these initial plans will form the baseline for future versions and improvements/enhancements.

Works Plus

Operating as a separate Business Unit, Works Plus is Council's dedicated and skilled works team, responsible for construction and maintenance of all Council's built infrastructure. Performing many activities relating to the maintenance of Council's physical assets, Works Plus also perform routine inspections on a regular basis and any defects are programmed for repair. Additionally, customer requests related to built infrastructure lodged with Council by phone, email or over the customer services counter are logged and tracked for completion status.

For Works Plus' construction and maintenance activities unit prices are determined by benchmarking or other competitive processes. Works Plus also has the capability to offer a private works service for civil construction activities such as subdivision works and driveways.

Drainage

This activity provides for the management, collection and control of stormwater runoff within the drainage districts of Smithton and Stanley.

Forest Store Corner Kerbing and Channelling

Drainage of stormwater is typically by underground piped systems which collect runoff from kerb and channel, properties, public reserves and roadways. There are also open drain systems that involve natural flow paths and minor creek systems.

Rivers within the Circular Head municipality are dealt with by the State Government, under the Department of Primary Industries, Parks, Water and Environment.

Continuing work is being undertaken by Engineering Services and Works Plus for planning of future construction programs, to meet the needs of the community in the short to medium and long term.

Parks & Reserves

This activity provides for the management, maintenance and enhancement of a wide range of parks, gardens, cemeteries and reserves within the municipality.

The amenities provided and maintained by Council include a camping ground at Montagu, parks and gardens in Stanley and Smithton, walkways in Stanley and Smithton, as well as recreational facilities at Dip Falls, Marrawah and Brickmakers Beach.

Greenpoint Beach, Marrawah Toilets

Council also maintains five cemetery sites in the Municipality. Cemetery records and plot allocation is administered through the Development Services Department. Maintenance of the facilities is coordinated by the Department Manager and is contracted out to Works Plus, Council's civil construction arm.

Solid Waste Management

Kerbside garbage (wheelie bin) collection services are provided to residential properties in the urban centres in Stanley and Smithton on a weekly basis, whilst fortnightly collections are provided to the wider rural area.

Kerbside recycling collection is provided to the urban centres of Smithton and Stanley fortnightly. The White Hills Transfer Station on Bass Highway, Smithton is open 7 days a week 10am to 4pm all year around (although closed on Christmas Day, Boxing Day, New Years Day, Good Friday & Anzac Day) and has provision for depositing recyclables at no out of pocket cost to the customer.

The community may also dispose of general waste and domestic recyclables at the White Hills Waste Transfer Station. All waste is then transported to the Port Latta Landfill Site, which also receives waste from other statewide sources.

The Port Latta Landfill site is one of Council's major facilities, operating under strict environmental controls administered by the Environmental Protection Authority.

Transport

The Circular Head municipality is serviced by approximately 767 km of road network made up of 289 km of sealed roads and 478 km of unsealed gravel roads.

In addition, 123 bridges and culverts serve the community, of which 54 are of timber construction, there is 27 km of footpath, 40 km of kerb and channel as well as other items such as guardrail, roundabouts, street seating and traffic islands.

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%), placing increased demands on road and maintenance programs.

Annual bitumen resealing programs (for the sealed roads) and gravel resheeting programs (for the unsealed gravel roads) are conducted to ensure longevity of the road surface and periodic reconstruction of roads occurs when they have reached the end of their life and require renewal.

Annual maintenance and reconstruction works are undertaken on a contractual basis by Council's in-house business unit Works Plus and by private contractors.

Rifle Range Road

Progress on Major Projects in Engineering

		% Complete
Port Latta maintained and operated to contract and licence/EPN requirements	✓	100%
White Hills Transfer Station maintained and operated to contract conditions	✓	100%
Monitor Works Plus operations	✓	100%
Progress the development of an Asset Management Plan for all Council owned buildings relating to public safety issues	✓	100%
Strategic Plan development for Port Latta Landfill Site	▶	90%
Review Circular Head Council and Waratah-Wynyard Council system for ensuring assets donated to Council (typically by subdivision construction) are to an acceptable standard and prepare an improved common system	▶	99%
Staff awareness of policies, GM directives and procedure updates	✓	100%
Initiate procurement solutions to both Councils which demonstrate effectiveness or efficiency gains	✓	100%

LEGEND: Complete ✓ In Progress ▶ Not Started ⊙

FINANCE

Financial Services

Financial Services includes the provision of accounting and financial management services to the organisation, collection of rates and other revenue, payment of accounts, compliance with applicable Australian Accounting Standards, payroll, information technology and property management.

Financial Management

The Statement of Financial Performance recorded a surplus of $2,731,282 compared to a surplus of $917,714 last year.

Variations from the budget in the income area included an increase in interest revenue of $180,000, an increase in investment revenue from Cradle Mountain Water of around $330,000 due to larger than expected tax equivalent and guarantee payments and an increase of $570,000 in operating grants due to unbudgeted grants being received from the federal governments Digital Local Government & Digital Hub's programs.

Employee costs came in under budget by $500,000. This was predominately in relation to a number of positions and their associated oncosts that were vacant for a part of the year.

Actual expenditure for materials and contracts exceeded the yearly budget by approximately $600,000. A large proportion of the difference is due to the operational costs of capital works being budgeted under each individual capital project but being unable to be capitalised due to their nature (items such as guide posts, line marking and signage).

Cash and cash reserves remained at a positive level. Cash moved from $8,951,287 in 2010/11 to $11,338,126 in 2011/12. The large increase in cash held was due to the timing of the receipt a $1.5 million grant for the upgrade of Harcus River Road in June 2012 which remained unspent as at the end of the year

The council invested a total of $4.5 million, through the Commonwealth Bank in 2006/07, into three separate portfolios. Two investments were $2 million each and another of $500,000. Each portfolio contains or contained about 100 companies.

The $500,000 portfolio has matured and Council received all cash back in December 2010, while one $2 million portfolio has been forfeited. Council's remaining investment recorded a book loss of $185,274 for the year, and a cash loss of $749,334. Council still receives interest on the remaining $1,250,666.

Existing borrowings decreased by $361,223 over the period.

Council's share in the newly formed Water Corporation is 6.8% (as per the draft treasurer's report). Council recorded a net increase on its investment in Cradle Mountain Water of $23,800 for the year. Council's current investment equates to approximately $22.2 million in the regional body. As Council is unable to exert significant influence over the operations of Cradle Mountain Water, the change in the fair value of the investment is recorded in the Statement of Comprehensive Income (ie as income or expense).

Progress on Major Projects in Finance

		% Complete
Review of Financial Management Strategy	✓	100%
Present long term financial plan integrating asset management plans	▶	5%
Develop a revenue policy and incorporate into financial management strategy	✓	100%
Investigate preparation of common leases for Council properties	✓	100%
Staff awareness of policies, GM directives and procedure updates	✓	100%

LEGEND: Complete ✓ In Progress ▶ Not Started ⊙

Strategic Projects Office

Circular Head and Waratah-Wynyard Councils have together formed the Strategic Projects Office (SPO) which is tasked with the primary objective of progressing outcomes for each of the Council's Five Year Strategic Plans. The SPO identifies opportunities that may present themselves, that further the Council's strategic intent or allow the Councils to think 'outside the square' and initiate a 'new way of doing things' for the community. Projects are to be delivered through project management, innovation, consultation and strategic thinking whilst managing for value in the execution of these.

Where a Council budget allows, projects may progress to full development or, if the project is particularly large, to 'shovel ready' stage. This means that, for larger community projects, all design, consultation, documentation and the issue of Permits is to be facilitated by the SPO so that funding can then be sought for the development of the project. In the modern funding paradigm, governments will bias their funding commitments to projects that demonstrate need, are underpinned by extensive community consultation and have all the necessary permits issued. The SPO is aware of external funding opportunities and, where appropriate, determines if such funding may assist with project delivery.

View of the Smithton wharf that is to be redeveloped

The SPO also acts as an advocate for regional economic development.

Primary activities undertaken during 2011-2012 are summarised below:

- *Flora and Fauna Study* of the Harcus River Road;
- *Smithton Leisure and Recreation Development Plan 2011* ;
- Pre planning, documentation and consultation for the demolition and redevelopment of the Smithton wharf;
- Pre planning, progression of a design competition and community consultation for development of the Circular Head Aquatic Leisure Centre;
- Subdivision application and implementation over land at 19 West Esplanade to create three (3) lots, separating slip yards from the public marina;
- Draft design and consultation for an elevated scenic lookout at Tier Hill, Smithton;
- Draft design and consultation for a lookout and entry sign at Trethewies Lookout, Stanley;

View of the Duck River Estuary from Tier Hill

- Attendance, where relevant, at workshops such as ‘Energy Efficiency’, Regional Development Australia funding and ‘information sessions’ with community groups upon request.

The SPO works co-operatively across the various Departments of both Councils, is an advocate for regional economic development and seeks to develop collaborative networks with community groups, other local professionals and State and Federal agencies. Other projects undertaken with SPO involvement include:

- Community Recreation Centre Hall of Fame – advice on memorabilia display structures.
- Seating location and ‘No Camping’ signage - Stanley;
- Subdivision and rezoning of land at 52 - 54 Alexander Terrace, Stanley;
- Ongoing design advice to internal and external clients.

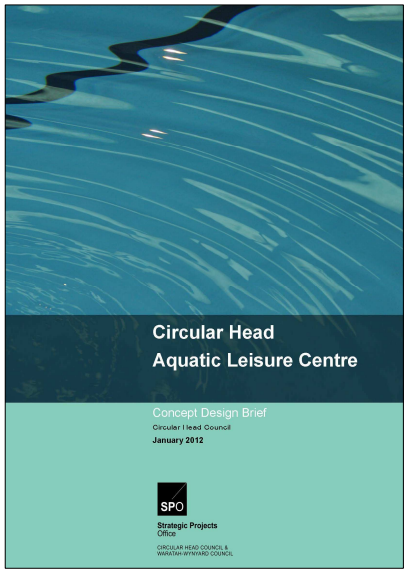
The SPO also attracts private clients that seek to employ the skill base that is comprised within the SPO. Private commissions have included:

- Landscape Plan and corporate signage for Tasmanian Dairy Products Pty. Ltd. Smithton;
- Storm surge protection for the Somerset Wastewater Treatment Plant, for Cradle Mountain Water;
- Design of a new depot facility at Paradise Road, Sheffield, for Cradle Mountain Water;
- Expansion of the Waste Water Treatment and Pumps and Distribution buildings at Knights Road, Ulverstone, for Cradle Mountain Water.

2012-2013 Priorities

Council have asked the SPO to pursue the following over the 2012-2013 period:

- Demolition and redevelopment of the Smithton wharf;
- Detailed design and documentation of the Circular Head Aquatic Leisure Centre;
- Stanley entry signage;
- Development of the Eastern Foreshore Master Plan, Smithton;
- Options for management of the Dip Falls Reserve; and
- Investigate free camp site in Circular Head for self contained recreational vehicles.



Design Brief for Circular Head Aquatic Leisure Centre

Progress on Major Projects in Business Strategy Unit

		% Complete
Review of Strategic Plan gap analysis for Circular Head Council and develop works program	✓	100%
Tier Hill viewing platform - master plan development	✓	100%
Stanley village - streetscape issues (signage, furniture, design)	✓	100%
Smithton CBD upgrade - King Street draft design	✓	100%
Review of existing strategies and master plans for Circular Head Council and integrate into works program	✓	100%
Advocate for regional economic development and represent interests of the municipality at appropriate regional and State fora	✓	100%
Signage criteria for Circular Head Planning Scheme with specific signage schedule for Stanley	✓	100%
Develop framework for design and quality control over public realm	▶	15%
Revitalise existing schemes to landscape town entries	✓	100%
Circular Head Community Recreation Centre (CHCRC) Hall of Fame - memorabilia display structures	✓	100%
Staff awareness of policies, GM directives and procedure updates	✓	100%
Develop Business Strategy Unit stakeholder and communications strategy	✓	100%
Pursue grant funding for strategic projects	✓	100%
LEGEND: Complete ✓ In Progress ▶ Not Started ⊙		

THE YEAR AHEAD

- General Rate increase of 2.5%
- $795,000 for the rehabilitation of Woolnorth Road
- $415,000 to replace the Duck River bridge on Kubanks Road
- $262,000 to upgrade the footpath and parking on Bugg Street
- $242,000 to upgrade John Street
- $98,000 to repair damaged access at Godfrey's Beach Stanley
- $481,580 for resealing of various roads
- $85,000 for design and reconstruction of Cockburn Road
- $3,500 investigate self contained RV sites and signage
- $40,000 Smithton Boat Ramp upgrade

Tasmanian Audit Office

Independent Auditor's Report

To the Councillors of Circular Head Council

Financial Report for the Year Ended 30 June 2012

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

Auditor's Opinion

In my opinion Council's financial report:

(a) presents fairly, in all material respects, its financial position as at 30 June 2012 and financial performance, cash flows and changes in equity for the year then ended; and

(b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

The Responsibility of the General Manager for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement,

...1 of 2

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

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

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

Independence

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

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

Tasmanian Audit Office

H M Blake
Auditor-General

HOBART
28 September 2012

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Comprehensive Income Statement for the Year Ended 30 June 2012

	Note	Actual 2012 $	Budget 2012 $	Actual 2011 $
Continuing operations				
Income				
Rates	3	6,554,232	6,481,326	6,219,165
Interest		587,040	400,000	589,848
Grants	4	3,520,684	2,948,908	2,680,557
User charges	5	1,697,087	1,770,430	1,752,055
Investment Revenue from Cradle Mountain Water	7	530,718	200,000	520,174
Other income	6	522,426	404,970	551,088
Gain on disposal of assets	8	11,760	150,000	28,394
Total income		13,423,947	12,355,634	12,341,281
Expenses				
Employee costs	9	4,024,285	4,541,103	3,958,225
Materials and contracts	10	3,535,532	2,928,237	3,608,747
Depreciation and amortisation	11	3,129,802	2,459,727	2,579,343
Finance costs	12	131,115	90,724	32,698
Other expenses	13	2,454,275	2,965,725	2,041,886
Total expenses		13,275,009	12,985,516	12,220,899
Surplus (deficit) from continuing operations:		148,938	(629,882)	120,382
Recognition of assets		-	-	179,268
Impairment on investment	15	(185,272)	-	271,200
Capital grants	4	2,767,616	1,500,000	346,864
Surplus (deficit):		2,731,282	870,118	917,714
Other comprehensive income				
Financial Assets available for sale reserve -Fair value initial adjustment on available for sale assets	42	-	-	(64,931)
-Fair value adjustment on available for sale assets	42	23,800	-	103,428
Asset Revaluations	43	1,842,845	-	27,704,953
Comprehensive Result		4,597,927	870,118	28,661,164

Statement of Financial Position As at 30 June 2012

	Note	Actual 2012 $	Actual 2011 $
Current Assets			
Cash and cash equivalents	14	11,338,126	8,951,287
Other Financial assets	15	95,926	281,200
Receivables	16	840,706	633,382
Inventories	17	152,632	181,946
Other current assets	18	47,982	66,491
Total Current Assets		12,475,372	10,114,306
Non Current Assets			
Land	19	7,453,260	7,453,260
Land under roads	20	1,448	1,448
Buildings	21	10,699,575	10,596,939
Transport infrastructure	22	88,712,104	88,845,266
Stormwater and drainage	23	4,822,944	2,797,591
Solid waste management	24	673,925	777,315
Parks, reserves and recreation facilities	25	1,986,378	1,512,755
Plant and equipment	26	1,907,577	2,138,736
Furniture	27	25,262	35,931
Computers	28	133,560	123,127
Works in progress	29	288,899	795,752
Investment Cradle Mountain Water	42	22,214,852	22,191,052
Total Non Current Assets		138,919,784	137,269,172
TOTAL ASSETS		151,395,156	147,383,478
Current Liabilities			
Payables	30	902,772	1,199,994
Provisions	31	704,651	652,932
Borrowings	32	384,280	361,223
Total Current Liabilities		1,991,703	2,214,149
Non Current Liabilities			
Provisions	31	162,073	141,596
Borrowings	32	1,449,694	1,833,974
Total Non Current Liabilities		1,611,767	1,975,570
TOTAL LIABILITIES		3,603,470	4,189,719
NET ASSETS		147,791,686	143,193,759
Equity			
Accumulated surplus		91,917,921	89,213,579
Reserves	43	55,873,765	53,980,180
TOTAL EQUITY		147,791,686	143,193,759

Statement of Changes in Equity For year ended 30 June 2012

	Total		Accumulated Surplus		Asset Revaluation Reserve		Fair Value Reserve		Other Reserves	
	2012 $	2011 $	2012 $	2011 $	2012 $	2011 $	2012	2011	2012 $	2011 $
Balance at beginning of the financial year	143,193,759	114,532,595	89,213,579	88,447,012	53,790,536	26,085,58	103,428		86,216	
Surplus before comprehensive income	4,574,127	917,714	2,731,282	917,714	1,842,845					
Financial assets available for sale reserve – Fair Value initial adjustment on Final Treasurer's Allocation Order		(64,931)		(64,931)						
– Fair Value adjustment on Available for Sale Assets	23,800	103,428		-			23,800	103,428		
Transfers to (from) accumulated surplus			(26,940)	(86,216)					26,940	86,216
Net asset revaluation increment/(decrement) in relation to assets disposed										
Net asset revaluation increment/(decrement)		27,704,953				27,704,953				

Balance at end of the year	**147,791,686**	**143,193,759**	**91,917,921**	**89,213,579**	**55,633,381**	**53,790,536**	**127,228**	**103,428**	**113,156**	**86,216**
	147,791,686	143,193,759	91,917,921	89,213,579	55,633,381	53,790,536	127,228	103,428	113,156	86,216
	-	-	-	-	-	-	-	-	-	-

Statement of Cash Flows For year ended 30 June 2012

	Note	2012 $	2011 $
Cash flows from operating activities			
Cash Used			
Employee costs		(3,947,319)	(3,837,360)
Materials and contracts (inclusive of GST)		(4,667,260)	(4,231,729)
Interest paid		(132,073)	(28,308)
Other supplier payments (inclusive of GST)		(2,454,275)	(1,984,532)
		(11,200,927)	**(10,081,929)**
Cash Received			
Rate revenue		6,473,010	6,126,066
Other including reimbursements and user charges (inclusive of GST)		2,530,537	2,466,269
Grants		3,520,684	2,680,557
GST recovered from tax authority		441,393	564,266
Interest received		587,040	589,850
		13,552,664	**12,427,008**
Net Cash provided by operating activities	**37**	**2,351,737**	**2,345,079**
Cash flows from investing activities			
Cash Used			
Payments for property, plant and equipment (Inclusive of GST)		(2,966,607)	(3,703,857)
		(2,966,607)	**(3,703,857)**
Cash Received			
Proceeds from sale of property, plant and equipment		64,599	319,371
Capital grants		2,767,616	346,864
Cradle Mountain Water Investment Returns		530,718	520,174
Proceeds from investment maturity		-	500,000
		3,362,933	**1,686,409**
Net cash provided by (used in) investing activities		**396,326**	**(2,017,448)**
Cash flows from financing activities			
Cash Used			
Proceeds from borrowing		-	1,800,000
Repayment of borrowings		(361,224)	(99,970)
		(361,224)	**1,700,030**
Net cash provided by (used in) financing activities		**(361,224)**	**1,700,030**
Net Increase (decrease) in cash and cash equivalents		2,386,839	2,027,661
Cash and cash equivalents at beginning of the financial year		8,951,287	6,923,626
Cash and cash equivalents at end of the financial year	**14**	**11,338,126**	**8,951,287**
		11,338,126	

NOTES TO FINANCIAL STATEMENTS

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 promote appropriate business and employment opportunities;
- to ensure that services and facilities provided by the Council are accessible and equitable;
- to ensure the equitable imposition of rates and charges; and
- to ensure transparency and accountability in Council decision making.

This financial report is a general purpose financial report that consists of the Statement's 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).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

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

Judgements and Assumptions

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

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

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

Employee entitlements

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

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 33.

Fair value of property, plant & equipment

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

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in Cradle Mountain Water are discussed in note 1(g) and in note 42.

(B) STATEMENT OF COMPLIANCE

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

Standard / Interpretation	*Summary*	*Applicable for annual reporting periods beginning or ending on*	*Impact on Local Government financial statements*
AASB 9: Financial Instruments	These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include: * simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; * removing the tainting rules associated with held-to-maturity assets; * simplifying the requirements for embedded derivatives; * removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; * allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and b. the characteristics of the contractual cash flows.	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments.
AASB 13: Fair Value Measurement	This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.	Applicable for annual reporting periods commencing on or after 1 January 2013.	No financial impact.
AASB 119: Employee Benefits	This Standard supersedes AASB 119 *Employee Benefits*, introducing a number of changes to accounting treatments. This Standard was issued in September 2011.	Applicable for annual reporting periods commencing on or after 1 January 2013.	Council has not yet determined the application or the potential impact of the Standard.
AASB 1053: Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. This Standard is not expected to impact Council. However, it may affect disclosures if reduced disclosure requirements apply.	Applicable for annual reporting periods commencing on or after 1 July 2013.	These amendments are not expected to impact Council.

AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9AASB 1, 3, 4, 5, 7, 101, 102, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and int 10 & 12]	[Modified by AASB 2010-7]	Applicable for annual reporting periods commencing on or after 1 July 2013.	Council has not yet determined the application or the potential impact of the Standard.
AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and int 2, 5, 10, 12, 19 & 127]	This Standard makes consequential amendments to other Australian Accounting Standards and interpretations as a result of issuing AASB 9 in December 2010.	Applicable for annual reporting periods commencing on or after 1 January 2013.	Council has not yet determined the application or the potential impact of the Standard.
AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]	This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures.*	Applicable for annual reporting periods commencing on or after 1 January 2013.	Council has not yet determined the application or the potential impact of the Standard.

AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and int 2, 4, 12 , 13, 14, 17, 19, 131, 132]	This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.	Applicable for annual reporting periods commencing on or after 1 January 2013.	No financial impact.
AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and int 14]	The Standard makes amendments to other Australian Accounting Standards and interpretations as a result of issuing AASB 119 Employee Benefits in September 2011.	Applicable for annual reporting periods commencing on or after 1 January 2013.	Council has not yet determined the application or the potential impact of the Standard.

(C) LOCAL GOVERNMENT REPORTING ENTITY

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.

In the process of reporting for the Council as a single unit, all transactions and balances between Council and Special Committees (e.g. loans and transfers) have been eliminated. The recording of transactions and balances for internal borrowing has also been eliminated. The financial reports of the Council incorporate only those items over which the Council has control.

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.

(D) ASSETS

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 and Buildings and Transport Infrastructure 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 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
Buildings	Fair Value
Transport Infrastructure	Fair Value
Stormwater and Drainage	Fair Value
Solid Waste Management	Cost
Parks, Reserves and Recreation Facilities	Cost
Plant and Equipment	Cost
Furniture and Computers	Cost

iv) Depreciation of Non-Current Assets

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 generally is not a depreciable asset. 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:

	Useful Life
Buildings	30 - 100 years
Plant and Equipment	3 - 17 years
Transport Infrastructure	14 - 80 years
Stormwater and Drainage	50 - 100 years
Parks, Reserves and Recreational Facilities	10 - 80 years
Furniture and Computers	3 - 25 years
Solid Waste Management	25 - 60 years

Council has determined that it will not depreciate unsealed roads, as these roads are maintained to a standard that the asset neither deteriorates nor improves and the value of the asset remains constant. Earthworks carried out during road construction are considered to be a sunk cost and are therefore expensed in the year in which they are incurred.

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

v) 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:

Transport Infrastructure	
Reseals	Capitalised
Road Shouldering	Expensed
Reconstruction/Construction	Capitalised
Gravel Resheeting	Expensed
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
Clearing of trees	Expensed
Disposal of materials	Expensed
Moving of services (ie Water/Phone)	Expensed
Fencing	Expensed
Landscaping	Expensed

vi) 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 1(d)(v)
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

vii) Land Under Roads

Council has elected not to recognise land under roads prior to 1 July 2008 as an asset in accordance with AASB 1051 Land Under Roads. Land under roads acquired post 1 July 2008 are brought to account at cost and subsequently revalued on a fair value basis.

viii) 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.

(E) EMPLOYEE ENTITLEMENTS

i) Wages and Salaries, rostered days off and banked hours

Liabilities for wages and salaries, rostered days off and banked hours are measured as the amount unpaid at balance date and include appropriate oncosts (superannuation). Council employed a total of 53.80 full time equivalent staff members at the end of the financial year (2011 – 56.00).

ii) Superannuation

The superannuation expense within a reporting period is the amount of the statutory contribution the Council makes to the Quadrant Superannuation Scheme (The Scheme), which provides benefits to employees. It also includes amounts paid by Council to other superannuation funds. Details of those arrangements are set out in Note 30.

iii) Annual Leave

A liability for Annual Leave is accrued on a pro rata basis in respect of services provided by employees up to the reporting date, and is measured at the amount expected to be paid, including appropriate on-costs (superannuation), when the accrued obligation is settled. Amounts expected to be settled beyond 12 months have not been inflated and discounted to their present value in accordance with AASB 119 “Employee Benefits” as the impact has been assessed as immaterial.

iv) Long Service Leave

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

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

accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

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

v) Sick 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.

The present values of employee entitlements not expected to be settled within twelve months of balance date have been calculated using the following weighted averages:

Assumed rate of increase in wage and salary rates	4.00%	4.00%
Discount rate	5.00%	5.00%
Settlement term (years)	10	10
Number of FTE employees at year end	53.80	56.00

(F) 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.

(G) ACCOUNTING FOR INVESTMENTS

i) Investments in water corporations

Investments in water corporations are valued at fair value at balance date. Fair value was determined by using its ownership percentage against the water corporations' net asset value at balance date. Any unrealised gains and loses on holdings at balance date are recognised in the Statement of Comprehensive Income.

ii) Investments

Investments are measured at cost, less impairment losses.

(H) CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(I) FINANCIAL ASSETS

Council classifies its Financial Assets into the following categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables,
- Available for sale financial assets and
- Held to maturity investments

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(J) RATES, GRANTS, DONATIONS AND OTHER CONTRIBUTIONS

Rates, grants, donations and other contributions are recognised as revenues when Council obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or where earlier, upon receipt of the rates.

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.

Income is recognised when Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3. This note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

(K) RECONCILIATION OF CASH

For the purpose of the Statement of Cash Flows, 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.

(L) INVENTORIES

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

(M) ACCRUALS / PREPAYMENTS

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

(N) LEASES

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

(O) BORROWINGS

Financial Liabilities loans are carried in the Statement of Financial Position at their principal amount. Interest expense is accrued at the contracted rate and included in payables

(P) 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

(Q) SIGNIFICANT BUSINESS ACTIVITIES

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.

Council has determined, based upon materiality, that Transport Infrastructure, and Drainage Disposal as outlined in Note 2(c) are considered Council's significant business activities. Further details are disclosed in note 40.

(R) BUDGET INFORMATION

The estimated revenue and expense amounts in Note 2. Functions/Activities of the Council and in the Comprehensive Income Statement represent the original budget figures and are not audited.

(S) ROUNDING

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

(T) EVENTS OCCURING AFTER BALANCE DATE

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

(U) CONTINGENT ASSETS & LIABILITIES

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.

At balance date Council had no contingent assets or liabilities.

(V) FINANCE COSTS

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

Finance costs include interest on bank overdrafts and interest on borrowings.

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)

2011/12 Actual		Transport Infrastructure	Solid Waste Management	Drainage	Parks, Reserves & rec facilities	Social & Communtiy	Civic Governance	Community Development	Advocacy	Other - Not Attributable	Total
Expenses		3,184,698	826,288	90,901	335,777	573,985	250,512	138,257	113,614	7,946,249	13,460,281
	%	23.66%	6.14%	0.68%	2.49%	4.26%	1.86%	1.03%	0.84%	59.03%	100.00%
Revenue											
Grants	$	4,372,190						65,012		1,851,098	6,288,300
Other	$	210,458	1,687,570	163,214	18,498	304,213	-	-	-	7,519,310	9,903,263
Total		4,582,648	1,687,570	163,214	18,498	304,213	-	65,012	-	9,370,408	16,191,563
	%	28.30%	10.42%	1.01%	0.11%	1.88%	0.00%	0.40%	0.00%	57.87%	100.00%
Net Result	$	1,397,950	861,282	72,313	(317,279)	(269,772)	(250,512)	(73,245)	(113,614)	1,424,159	2,731,282
Assets (note 2(b))	$	88,827,953	964,477	4,822,944	12,494,977	889,821	-	906,642	-	42,488,342	151,395,156
Budget 2011/12											
Expenses	$	3,546,113	926,202	177,697	444,833	822,633	309,969	148,019	122,000	6,488,050	12,985,516
	%	27.31%	7.13%	1.37%	3.43%	6.34%	2.39%	1.14%	0.94%	49.96%	100.00%
Revenue											
Grants	$	1,982,121	1,500,000	-	-	-	-	-	-	966,787	4,448,908
Other	$	170,000	1,692,266	61,000	20,000	241,100	-	-	-	7,222,360	9,406,726
Total		2,152,121	3,192,266	61,000	20,000	241,100	-	-	-	8,189,147	13,855,634
	%	15.53%	23.04%	0.44%	0.14%	1.74%	0.00%	0.00%	0.00%	59.10%	100.00%
Net Result	$	(1,393,992)	2,266,064	(116,697)	(424,833)	(581,533)	(309,969)	(148,019)	(122,000)	1,701,097	870,118
2010/11 Actual											
Expenses		4,212,092	1,101,877	296,975	1,138,168	1,588,426	405,470	229,245	190,615	3,058,031	12,220,899
	%	34.47%	9.02%	2.43%	9.31%	13.00%	3.32%	1.88%	1.56%	25.02%	100.00%
Revenue											
Grants	$	1,578,307	-	-	347,445	-	-	3,744	-	751,061	2,680,557
Other	$	243,854	1,376,491	-	157,083	316,046	-	13,743	-	8,350,839	10,458,056
Total		1,822,161	1,376,491	-	504,528	316,046	-	17,487	-	9,101,900	13,138,613
	%	13.87%	10.48%	0.00%	3.84%	2.41%	0.00%	0.13%	0.00%	69.28%	100.00%

Net Result	$	(2,389,931)	274,614	(296,975)	(633,640)	(1,272,380)	(405,470)	(211,758)	(190,615)	6,043,869	917,714
Assets (note 2(b))	$	88,909,490	1,047,558	2,797,591	12,733,960	899,669	-	927,096	-	40,068,114	147,383,478

2011/12

Note 2(b) assets									
Land	1,448	163,250		3,121,750	463,050		115,500	3,589,710	7,454,708
Buildings		30,950	-	7,316,631	380,910	-	791,142	-	2,179,942	10,699,575
Roads	88,712,104									88,712,104
Solid Waste		673,925								673,925
Drainage			4,822,944							4,822,944
Parks & Reserves				1,986,378						1,986,378
Plant & Equipment				34,975	45,861				1,826,741	1,907,577
Furniture & Computers									158,822	158,822
Works in Progress	114,401	96,352		35,243					42,903	288,899
Other									-	-
Investment in Associate/Prop Val Fees									22,214,852	22,214,852
Current Assets									12,475,372	12,475,372
Total Assets	88,827,953	964,477	4,822,944	12,494,977	889,821	-	906,642	-	42,488,342	151,395,156

Note 2(b) assets									
Land	1,448	163,250		3,121,750	463,050		115,500	3,589,710	7,454,708
Buildings		31,750		7,412,672	390,758		811,596	1,950,163	10,596,939
Roads	88,845,266								88,845,266
Solid Waste		777,315							777,315
Drainage			2,797,591						2,797,591
Parks & Reserves				1,512,755					1,512,755
Plant & Equipment				34,975	45,861			2,057,900	2,138,736
Furniture & Computers								159,058	159,058
Works in Progress	62,776	75,243		651,808				5,925	795,752
Other								-	-

Investment in Associate/Prop Val Fees									22,191,052	22,191,052
Current Assets									10,114,306	10,114,306
Total Assets	88,909,490	1,047,558	2,797,591	12,733,960	899,669	-	927,096	-	40,068,114	147,383,478

(b) Total assets shown in note 2(a) are reconciled with the amounts shown for assets in the Balance Sheet as follows:

	2012 $	2011 $
Current Assets	12,475,372	10,114,306
Non-current Assets	138,919,784	137,269,172
	151,395,156	147,383,478

(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.

DRAINAGE DISPOSAL
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 - NON ATTRIBUTABLE
General Services and activities not identifiable with the foregoing functions.

3. RATES

	2012	2011
	$	$
General Rates	5,736,853	5,501,796
Waste Collection Rates	776,762	673,273
Rates Penalties	40,617	44,096
TOTAL	**6,554,233**	**6,219,165**

4. GRANTS

	2012	2011
	$	$
Operating Grants	3,520,684	2,680,557
Capital Grants	2,767,616	346,864
TOTAL	**6,288,300**	**3,027,421**

Operating Grants		
Commonwealth Financial Assistance Grant	3,022,283	2,469,222
Department of Infrastructure Energy and Resources (Black Spot) Faheys Lane	-	87,010
Department of Economic Development Tourism and the Arts – Trails and Bikeways Program	-	15,000
Cradle Coast Authority – Broom Control Project	-	3,000
Department of Regional Australia, Regional Development and Local Government – Tatlows Beach Walkway Stanley – Lamp Head Upgrade	-	10,000
Australian Sport Foundation – Development of Sport in the community to enhance quality of life – Circular Head Hall of Fame	-	56,445
Skills Tasmania – Circular Head Education and Training Consultative Committee	15,000	15,000
Cradle Coast Authority – Mawbanna Road Weed Management Project	1,000	-
Cradle Coast Authority – Healthy Communities Initiative Extension Phase 2011/2012 Activities	10,000	
Cradle Coast Authority -Asparagus Fern Control	-	2,000
Department of Premier and Cabinet – Own It Youth Fest	-	1,900

Crown in Right of Tasmania – Natural Disaster Resilience Program Grant	11,000	
Department of Economic Development Tourism and the Arts – Woven in Time Grant	-	6,000
Department of Economic Development Tourism and the Arts – Active Award Tasmania	1,818	-
Tasmanian Community Fund – Stanley Discovery Museum	-	1,844
Department of Premier and Cabinet – War Memorial Repair and Maintenance Grant Program	1,944	-
Department of Education Flexible Provision Community Program Cash Grant	13,750	-
Department of Premier and Cabinet – National Week Community Grants Program	2,000	-
Department of Industry and Innovation Science Research and Tertiary Education – National Science Week Grant 2012	8,500	-
Department of Broadband Communication and Digital Economy – Digital Hubs Program Funding – 1st Payment	189,650	-
Department of Broadband Communication and Digital Economy – Digital Local Government Funding Program	243,740	-
	3,520,684	**2,680,557**
Capital Grants		
Commonwealth Road to Recovery Grant	967,616	-
Department of Regional Australia, Regional Development and Local Government – West Esplanade Foreshore Park Upgrade	-	71,864
Tasmanian Ports Corporation Pty Ltd – Transfer of Smithton Wharf and Marina	250,000	100,000

Department of Infrastructure Transport Regional Development and Local Government Better Regions (Circular Head Community Recreation Centre Project)	-	175,000
Department of Infrastructure Transport	50,000	-
Department Economic Development Tourism and the Arts – Harcus River Road	1,500,000	
	2,767,616	**346,864**

At the end of 2011/12 the following conditional grants remained unspent: $308,576 for Smithton Wharf and Marina Development.

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. On 11 May 2012 the Government announced in the Commonwealth Budget following the downturn in the economy that, "to assist local councils with planning for the recovery and to ensure local government has maximum certainty to begin planning their 2012-13 works programs", it would bring forward for payment to all councils in June 2012, the first two instalments of the 2012-13 grant pool. Since 2009-10 the Commonwealth has been making early payment of the first quarterly instalment for the following year. However, the above General Purpose and Roads Financial Assistance Grants for 2011-12 thus include an additional instalment over that received in 2010-11. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. The effects of the early receipt of instalments each year has resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2011-12 by $1,234,533 and 2010-11 by $633,230. This has impacted the Statement of Comprehensive Income resulting in the Net surplus/from continuing operations being higher in both years by these amounts. With fewer instalments due to be received in 2012-13, the reverse effect is expected to occur.

5. USER CHARGES

	2012	**2011**
	$	**$**
Solid Waste Charges – Port Latta	875,152	665,974
Heavy Vehicle Tax	173,955	173,955
Sales – Private Works	114,907	298,105
Sales – Other	44,538	86,731
Property Rental	92,514	92,409
Other User Charges	396,021	434,881
TOTAL	**1,697,087**	**1,752,055**

6. OTHER INCOME

	2012	2011
	$	$
Contributions	49,610	166,525
Road maintenance contribution	22,008	64,619
Other revenue	72,055	86,050
Resource Sharing	369,264	230,794
Subsidies	9,489	3,100
TOTAL	**522,426**	**551,088**

7. CRADLE MOUNTAIN WATER INVESTMENT RETURNS

	2012	2011
	$	$
Dividend – Cradle Mountain Water	0	98,271
Tax Equivalent – Cradle Mountain Water	347,202	270,163
Guarantee fee – Cradle Mountain Water	183,516	151,740
TOTAL	**530,718**	**520,174**

8. GAIN/(LOSS) ON DISPOSAL OF ASSETS

	2012	2011
	$	$
Proceeds from sales	64,599	319,371
Less carrying amounts of assets disposed	(52,839)	(290,977)
TOTAL	**11,760**	**28,394**

9. EMPLOYEE COSTS

	2012	2011
	$	$
Wages, Salaries and Allowances	2,744,013	2,488,588
Superannuation Expenses	331,678	314,095
Leave expenses	559,256	508,567
Payroll Tax	69,573	237,398
Resource Sharing	311,530	373,633
Other Employee Expenses	203,040	159,881
Total Direct Employee Costs	4,219,090	4,082,162
Less Amounts Capitalised	(194,805)	(123,937)
TOTAL	4,024,285	3,958,225

10. MATERIALS AND CONTRACTS

	2012 $	2011 $
Contractors	1,997,836	2,050,540
Fuel	268,541	251,214
Maintenance	337,599	245,383
Materials	477,263	535,070
Other materials and contracts	454,293	526,540
TOTAL	3,535,532	3,608,747

11. DEPRECIATION AND AMORTISATION

	2012 $	2011 $
Depreciation		
Buildings	267,069	236,901
Transport Infrastructure	2,116,539	1,495,656
Stormwater and Drainage	114,067	94,243
Solid Waste Management	103,390	109,647
Parks, Reserves and Recreational Facilities	92,801	99,393
Plant and Equipment	361,222	361,826
Furniture	10,669	8,495
Computers	64,045	127,630
	3,129,802	2,533,791
Amortisation		
Municipal Property Valuation	0	45,552
TOTAL	3,129,802	2,579,343

12. FINANCE COSTS

	2012 $	2011 $
Loan Interest	131,115	32,698

13. OTHER EXPENSES

	2012 $	2011 $
Advertising	46,979	38,021
Audit Fees	26,920	28,760
Bank fees	17,636	17,979
Communication costs	11,119	13,703
Contributions, donations and grants	318,174	305,057
Consultancy fees	551,217	297,098
Councillors allowance	143,776	139,819
Electricity	215,720	191,911
Equipment rental	24,341	23,054
Insurance	107,602	133,006
Land Tax	61,526	58,922
Legal Expenses	32,081	23,278
Licences and permits	25,543	23,197
Memberships	114,487	105,108
Postage	10,297	10,626
Rates discounts	147,590	140,602
Water and sewerage rates	56,326	40,289
Sampling	27,620	26,874
Supplementary valuation fees	19,545	6,864
Telephone	48,841	53,814
Other expenses	446,935	363,904
TOTAL	2,454,275	2,041,886

14. CASH AND CASH EQUIVALENTS

	2012 $	2011 $
Short term deposits	7,100,184	6,753,206
Bonds	0	600
Cash at bank	4,236,592	2,196,131
Petty Cash	1,350	1,350
TOTAL	11,338,126	8,951,287

15. OTHER FINANCIAL ASSETS

	2012 $	2011 $
Collateralised Debt Obligations (CDO's)	1,250,677	2,000,000
Less Allowance for Impairment Loss	(1,154,751)	(1,718,800)
	95,926	281,200

These funds have been designated as financial assets held to maturity.

Net fair value

During 2011/12 a cash loss of $749,323 was incurred. The remaining $1,250,677 has a current estimated fair market valuation of $95,926 as at 30 June 2012. The market valuation is independently determined by the issuer of the investment products and is a good faith estimate of the mid-market price for the investment. The net change in the carrying amount of the investment reduced by $184,274 (2010-11 $271,200) which was expensed.

16. RECEIVABLES

	2012 $	2011 $
Rate Debtors	416,236	352,554
Less Allowance for Impairment Loss	(73,437)	(90,853)
Sundry Debtors	497,907	371,436
Water Debtors	0	118
Other receivables	0	127
TOTAL	840,706	633,382

(i) Credit Risk

The Council does not have any significant exposure to any individual customers or counterparty.

(ii) Net Fair Value

The Council considers that the carrying amount of receivables carried at amortised cost approximate their net fair value.

17. INVENTORIES

	2012 $	2011 $
Gravel	152,632	181,946

18. OTHER CURRENT ASSETS

	2012 $	2011 $
Prepayments	32,015	28,576
Revenue Accrual	15,967	37,915
TOTAL	47,982	66,491

Net Fair Value

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

19. LAND

	2012 $	2011 $
Gross Carrying Amount		
Opening Balance at Fair Value	7,453,260	7,004,673
Additions	0	49,721
Revaluation Adjustment	0	418,866
Disposals	0	(20,000)
TOTAL	7,453,260	7,453,260

Valuation of land was determined by the Office of the Valuer-General. These assets were revalued on 30 June 2011.

20. LAND UNDER ROADS

	2012 $	2011 $
Gross Carrying Amount		
Opening Balance at Fair Value	1,448	0
Additions	0	1,448
TOTAL	1,448	1,448

Valuation of land Under Roads was determined by using the land valuations supplied by the Office of the Valuer-General as at 30 June 2011 (note 1 (d)vii).

21. BUILDINGS

	2012 $	2011 $
Gross Carrying Amount		
Opening Balance at Fair Value	10,596,939	9,484,827
Additions	142,603	730,888
Transfer	227,102	0
Revaluation Adjustment	0	452,624
Disposals	0	(71,400)
Closing Balance	10,966,644	10,596,939
Accumulated Depreciation		
Opening Balance	0	608,257
Depreciation for the Year	267,069	236,901
Revaluation Adjustment	0	(845,158)
Disposal	0	0
Closing Balance	267,069	0
TOTAL	10,699,575	10,596,939

Valuation of buildings was determined by the Office of the Valuer General. These assets were revalued on 30 June 2011.

22. TRANSPORT INFRASTRUCTURE

	2012 $	2011 $
Gross Carrying Amount		
Opening Balance at Fair Value	151,424,927	108,335,431
Additions	2,110,114	1,429,167
Transfer	(82,451)	28,714
Revaluation Adjustment	(44,286)	41,631,615
Closing Balance	153,408,304	151,424,927
Accumulated Depreciation		
Opening Balance	62,579,661	45,440,694
Transfer	0	479
Depreciation for the Year	2,116,539	1,495,177
Revaluation Adjustment	0	15,643,311
Closing Balance	64,696,200	62,579,661
Closing Balance at Fair Value	88,712,104	88,845,266

The transport infrastructure class of asset was revalued on 30 June 2011 by Council's Engineer. Transport infrastructure assets have been valued at written down replacement cost.

23. STORMWATER AND DRAINAGE

	2012 $	2011 $
Gross Carrying Amount		
Opening Balance at Cost	5,809,141	5,803,005
Revaluation	3,917,738	0
Transfer	145,227	(28,714)
Additions	107,060	34,850
Closing Balance	9,979,166	5,809,141
Accumulated Depreciation		
Opening Balance	3,011,550	2,917,307
Revaluation	2,030,605	0
Transfer	0	(479)
Depreciation for the Year	114,067	94,722
Closing Balance	5,156,222	3,011,550
TOTAL	4,822,944	2,797,591

The stormwater and drainage class of asset was indexed on 31 March 2012 by Council's Engineer. Stormwater and drainage assets have been valued at written down replacement cost.

24. SOLID WASTE MANAGEMENT

	2012 $	2011 $
Gross Carrying Amount		
Opening Balance at Cost	1,392,204	1,443,697
Additions	0	57,636
Disposals	0	(109,129)
Closing Balance	1,392,204	1,392,204
Accumulated Depreciation		
Opening Balance	614,889	614,371
Depreciation for the Year	103,390	109,647
Disposals	0	(109,129)
Closing Balance	718,279	614,889
TOTAL	673,925	777,315

25. PARKS, RESERVES AND RECREATION FACILITIES

	2012 $	2011 $
Gross Carrying Amount		
Opening Balance at Cost	3,005,159	3,177,181
Additions	144,655	97,583
Transfer	421,769	0
Disposals	0	(269,605)
Closing Balance	3,571,583	3,005,159
Accumulated Depreciation		
Opening Balance	1,492,404	1,662,616
Depreciation for the Year	92,801	99,393
Disposals	0	(269,605)
Closing Balance	1,585,205	1,492,404
TOTAL	1,986.378	1,512,755

26. PLANT AND EQUIPMENT

	2012 $	2011 $
Gross Carrying Amount		
Opening Balance at Cost	3,656,372	3,928,861
Additions	150,063	655,717
Disposals	(50,642)	(928,206)
Closing Balance	3,755,793	3,656,372
Accumulated Depreciation		
Opening Balance	1,517,636	1,884,438
Disposals	(30,642)	(728,628)
Depreciation for the Year	361.222	361,826
Closing Balance	1,848,216	1,517,636
TOTAL	1,907,577	2,138,736

27. FURNITURE

	2012 $	2011 $
Gross Carrying Amount		
Opening Balance at Cost	100,340	378,083
Additions	0	0
Disposals	0	(277,743)
Closing Balance	100,340	100,340
Accumulated Depreciation		
Opening Balance	64,409	333,657
Disposals	0	(277,743)
Depreciation for the Year	10,669	8,495
Closing Balance	75,078	64,409
TOTAL	25,262	35,931

28. COMPUTERS

	2012 $	2011 $
Gross Carrying Amount		
Opening Balance at Cost	268,760	953,374
Additions	74,478	30,364
Disposals	0	(714,978)
Closing Balance	343,238	268,760
Accumulated Depreciation		
Opening Balance	145,633	732,980
Disposals	0	(714,977)
Depreciation for the Year	64,045	127,630
Closing Balance	209,678	145,633
TOTAL	133,560	123,127

29. WORKS IN PROGRESS

	2012 $	2011 $
Gross Carrying Amount		
Opening Balance at Cost	795,752	0
Additions	204,794	795,752
Transfers	(711,647)	0
TOTAL	288,899	795,752

30. PAYABLES

	2012 $	2011 $
Current		
Accrued Wages	52,222	47,451
Accrued Interest	4,673	5,631
Trade Creditors	845,877	1,146,912
TOTAL	902,772	1,199,994

(i) Significant Terms and Conditions

Trade creditors are generally settled within specified trading terms or 30 days whichever is the earlier.

(ii) Net Fair Value

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

31. PROVISIONS

	2012 $	2011 $
Current Liability		
Annual leave	380,319	362,265
Long service leave	277,473	243,144
Rostered days off and banked hours	46,860	47,523
	704,651	652,932
Non-Current Liability		
Long service leave	162,073	141,596
	162,073	141,596
TOTAL	866,724	794,528

32. BORROWINGS

	2012 $	2011 $
Current Liabilities		
Loans	384,280	361,223
	384,280	361,223
Non-Current Liabilities		
Loans	1,449,694	1,833,974
	1,449,694	1,833,974
TOTAL	1,833,974	2,195,197

Net Fair Value

The approximate net fair value of Council's loans was $1,881,428 (2010/11 $2,629,263) compared to the actual value of $1,833,974 (2010/11, $2,195,197).

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.

The current annual capital repayments of loans by Council equate to 2.91% of the revenue of the preceding financial year. Total instalments including interest equates to 3.73% of revenue from the previous year (2010/11, 3.97%).

33. SUPERANNUATION

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

At the present time Council contributes 9.0% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

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

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

Net Investment Return	0% p.a. for 2011/12 and 7.0% p.a. thereafter
Salary Inflation	4.0% pa
Price Inflation	n/a

The actuarial review concluded that:
The value of assets of the Quadrant Defined Benefit Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2011. The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2011.

Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2014.

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

The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2014 and is expected to be completed late in 2014 or early in 2015. Council also contributes to other accumulation schemes on behalf of a number of employees, however the Council has no ongoing responsibility to make good any deficiencies that may occur in those schemes.

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

During the reporting period the amount of contributions paid to defined benefits schemes was $10,719 (2010-11, $10,424), and the amount paid to accumulation schemes was $472,218 (2010-11, $440,029).

34. COMMITMENTS FOR EXPENDITURE

(a) Operating Lease Commitments

Commitments under non-cancellable operating leases at the reporting date are payable as follows:-

2012	**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**
Photocopying Lease	8,818	7,685	3,801	-	20,304
Total	**8,818**	**7,685**	**3,801**	**-**	**20,304**

2011					
Photocopying Lease	5,909	4,532	3,399	-	13,840
Total	**5,909**	**4,532**	**3,399**	**-**	**13,840**

(b) Finance Lease Commitments

Council had no Finance Lease commitments in 2012.

(c) Capital Commitments

	2012	**2011**
Bridges	-	304,349
Total	**-**	**304,349**

(d) Other operating Commitments

2012	**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**
Street Cleaning	175,617	103,200	-	-	278,817
Animal Control	54,908	54,908	51,212	-	161,028
Information Technology Services	24,887	24,887	2,400	-	52,174
Waste Transfer Station Management	93,769	-	-	-	93,769
Cleaning Services	12,165	-	-	-	12,165
Total	**361,346**	**182,995**	**53,612**	**-**	**597,953**
2011					
Street Cleaning	88,717	88,717	-	-	177,434
Animal Control	50,904	50,904	50,904	-	152,712
Information Technology Services	24,887	24,887	3,600	-	53,374
Waste Transfer Station Management	56,575	-	-	-	56,575
Cleaning Services	65,196	-	-	-	65,196
Security Services	15,561	-	-	-	15,561
Total	**301,840**	**164,508**	**54,504**	**-**	**520,852**

35. SPECIAL COMMITTEES

Committee	2012 Revenue $	2012 Expenditure $	2012 Funds held by Council $	2011 Revenue $	2011 Expenditure $	2011 Funds held by Council $
Circular Head Heritage Centre	16,748	16,750	(596)	24,913	28,631	(594)
Marrawah/Redpa Special Committee	11,484	18,045	6,309	13,499	5,251	12,870
Stanley Town Hall	13,833	15,406	7,361	23,083	28,318	8,934
Smithton Rec Ground	9,825	17,306	27,994	10,777	7,458	35,475
Indoor Sports Centre	51,523	63,363	(2,641)	51,355	39,702	9,199
Stanley Caravan Park Committee	-	-	39,140	-	-	39,140
Stanley Rec Ground	25,928	25,443	3,239	20,397	22,336	2,754
Trowutta Rec Ground	3,918	3,593	(286)	10,393	11,776	(612)
	133,259	159,906	80,520	154,417	143,472	107,166

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.

36. RELATED PARTY DISCLOSURE

(a) Allowances and Reimbursements

	2012 $	2011 $
Councillor Allowances and Reimbursements	143,776	137,519

(b) Register of interests

Interest of Councillors notified to the General Manager in respect of any body or organisation with which the Council has major financial dealings with during the financial year ending 30 June 2012.

Councillor & Position	**Interest**
Clr TJ Berechree	No interest declared
Clr Jeanie Murrell	No interest declared
Clr John Oldaker	No interest declared
Clr Daryl Quilliam, Mayor	No interest declared
Clr Graham Wells	Member Circular Head Tourism Association
Clr Heather Grey	No interest declared
Clr Trevor Spinks	No interest declared
Clr Jan Bishop	No interest declared
Clr Betty Kay	No interest declared
Clr Ashley Popowski	No interest declared
Clr David Woodward	No interest declared
Clr Rodney Hardy	No interest declared

37. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2012 $	2011 $
Surplus for the year	2,731,282	917,714
Depreciation and amortisation expense	3,129,802	2,579,343
Recognition of assets	0	(179,268)
Doubtful debts	(17,417)	34,874
Net (gain) loss on disposal of plant & equipment	(11,760)	(28,394)
	3,100,625	2,406,555
Non operating income		
Capital grants	(2,767,616)	(346,864)
Cradle Mountain Water Investment Returns	(530,718)	(520,174)
	(3,298,334)	(867,038)
Change in assets and liabilities		
(Increase) Decrease in receivables	(189,306)	(148,260)
(Increase) Decrease in other assets	47,214	(10,386)
(Increase) Decrease in financial assets	185,272	(271,200)
Increase (Decrease) in creditors	(267,334)	170,902
Increase (Decrease) in other liabilities	(29,877)	38,703
Increase (Decrease) in provisions	72,195	108,089
	(181,836)	(112,152)
Net cash provided by (used in) Operating Activities	2,351,737	2,345,079

38. CREDIT STANDBY ARRANGEMENTS

	2012 $	2011 $
Bank overdraft limit	500,000	500,000

(a) Credit standby arrangements

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

39. FINANCIAL INSTRUMENTS

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting policy	Terms and conditions
Financial assets			
Cash and cash equivalents	11	Cash on hand, at bank and in cash management accounts are valued at face value.	The weighted average interest rate return on operating accounts at 30 June 2012 was 3.78% (4.50% in 2010/11).
		Interest is recognised as it accrues. Investments are held to maximise interest returns of surplus cash.	The weighted average interest rate return on term deposit investments at 30 June 2012 was 3.84% (5.61% in 2010/11).
Receivables	13	An impairment loss is not recognised on rates receivable.	Unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.
		A provision for impairment is recognised on other debtors when there is objective evidence that an impairment loss has occurred.	General debtors are unsecured and arrears do not attract interest.
		Collectability of overdue accounts is assessed on an ongoing basis.	
Other Financial Assets	12	An impairment loss is recognised on other financial assets and is expensed in the year the impairment occurs.	
Financial liabilities			
Trade and other payables	27	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	29	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt.	Borrowings are secured by way of mortgages over the general rates of the Council.
		Interest is accrued over the period it becomes due and recognised as part of payables.	The weighted average interest rate on borrowings is 6.27% (6.35% in 2010/11).

(b) Interest Rate Risk

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

2012	WAIR	Floating interest rate	Fixed interest maturing in: One year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
Financial assets							
Cash and cash equivalents	3.82%	4,236,592	7,100,184	-	-	1,350	11,338,126
Trade and other receivables		-	-	-	-	840,706	840,706
Other financial assets	5.14%	-	-	95,926	-	95,926	95,926
Accrued revenue		-	-	-	-	15,967	15,967
Investment in water corporation		-	-	-	-	22,214,852	22,214,852
Total financial assets		**4,236,592**	**7,100,184**	**95,926**	**-**	**23,168,801**	**34,505,577**
Financial liabilities							
Trade and other payables		-	-	-	-	902,772	902,772
Interest-bearing loans and borrowings	6.27%	-	361,223	1,472,751	-	-	1,833,974
Total financial liabilities		**-**	**361,223**	**1,472,751**	**-**	**902,772**	**2,736,746**
Net financial assets (liabilities)		**4,236,592**	**6,738,961**	**(1,376,825)**	**-**	**22,266,029**	**31,768,831**

2011	WAIR	Floating interest rate	Fixed interest maturing in: One year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
Financial assets							
Cash and cash equivalents	5.34%	2,196,131	6,753,206	-	-	1,950	8,951,287
Trade and other receivables		-	-	-	-	633,382	633,382
Other financial assets	6.23%	-	-	281,200	-	-	281,200
Accrued revenue		-	-	-	-	37,915	37,915
Investment in water corporation		-	-	-	-	22,191,052	22,191,052
Total financial assets		**2,196,131**	**6,753,206**	**281,200**	**-**	**22,864,299**	**32,094,836**
Financial liabilities							
Trade and other payables		-	-	-	-	1,199,994	1,199,994
Interest-bearing loans and borrowings	6.34%	-	361,223	1,485,531	348,443	-	2,195,197
Total financial liabilities		**-**	**361,223**	**1,485,531**	**348,443**	**1,199,994**	**3,395,191**
Net financial assets (liabilities)		**2,196,131**	**6,391,983**	**(1,204,331)**	**(348,443)**	**21,664,305**	**28,699,645**

(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:

	30 June 2012		30 June 2011	
Financial Instruments	**Carrying amount**	**Fair Value**	**Carrying amount**	**Fair Value**
	$	**$**	**$**	**$**
Financial assets				
Cash and cash equivalents				
Cash at bank and on hand	4,237,942	4,237,942	2,198,081	2,198,081
Short Term Deposits	7,100,184	7,100,184	6,753,206	6,753,206
Receivables	840,706	840,706	633,382	633,382
Other financial assets	95,926	95,926	281,200	281,200
Accrued revenue	15,967	15,967	37,915	37,915
Investment in Water Corporation	22,214,852	22,214,852	22,191,052	22,191,052
	34,505,577	**34,505,577**	**32,094,836**	**32,094,836**
Financial liabilities				
Payables	902,772	902,772	1,199,994	1,199,994
Financial Liabilities	1,833,974	1,881,428	2,195,197	2,629,263
	2,736,746	**2,784,200**	**3,395,191**	**3,829,257**
Net financial assets	**31,768,831**	**31,721,377**	**28,699,645**	**28,265,579**

(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.

The primary market risk that the Council is exposed to is fluctuations in the fair value of its Collateralised Debt Obligations.

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.

The majority 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. Reference should be made to Notes 15 and 16 for the carrying amounts of the Council's financial assets at reporting date.

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.

Other Financial Assets

The credit risk of financial investments is managed in accordance with Council's investment policy. This policy includes the condition that Council is to only enter into investments that have a Standard and Poors credit rating of AA- or greater.

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

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

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when Council provides a guarantee for another party. Details of contingent liabilities are disclosed in Note 40.

Impairment Losses

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

	30 June 2012		30 June 2011	
Trade receivables	**Gross**	**Impairment**	**Gross**	**Impairment**
	$	**$**	**$**	**$**
Not past due	401,765	-	303,557	-
Past due 0-30 days	13,135	-	4,939	-
Past due 31-60 days	16,199	-	863	-
Past due 61-90 days	933	-	1,392	-
More than 90 days	65,065	-	60,685	-
Total trade receivables	**497,907**	**-**	**371,436**	**-**
Water receivables	-	-	118	-
Rates receivable	416,236	73,437	352,554	90,853
Other Receivable	-	-	127	-
Total receivables as per the Statement of Financial Position	**914,143**	**73,437**	**724,235**	**90,853**

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 2012-08-15.

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 can not 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 (eg 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 sufficient 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. 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:

	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
	$	$	$	$	$
30 June 2012					
Payables	902,772	-	-	902,772	902,772
Borrowings	361,223	1,472,751	-	1,833,974	1,833,974
Total	**1,263,995**	**1,472,751**	**-**	**2,736,746**	**2,736,746**
30 June 2011					
Payables	1,199,994	-	-	1,199,994	1,199,994
Borrowings	361,223	1,485,531	348,443	2,195,197	2,195,197
Total	**1,561,217**	**1,485,531**	**348,443**	**3,395,191**	**3,395,191**

The Council has not defaulted on or breached the conditions of any loans 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 2010.

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	
2012		+1% (100 basis points)	-0.5% (50 basis points)	+1% (100 basis points)	-0.5% (50 basis points)
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	11,338,126	113,381	56,691	113,381	56,691
Trade and other receivables	840,706	-	-	-	-
Financial Liabilities					
Interest bearing loans and borrowings	1,833,974	(18,340)	(9,170)	(18,340)	(9,170)
Trade and other payables	902,772	-	-	-	-

Interest rate risk		Surplus or deficit		Equity	
2011		+1% (100 basis points)	-0.5% (50 basis points)	+1% (100 basis points)	-0.5% (50 basis points)
	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	8,951,287	89,512	44,756	89,512	44,756
Trade and other receivables	633,382	-	-	-	-
Financial Liabilities					
Interest bearing loans and borrowings	2,195,197	(21,952)	(10,976)	(21,952)	(10,976)
Trade and other payables	1,199,994				

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

(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 2012	Level 1	Level 2	Level 3	Total
Financial assets at fair value through the comprehensive income statement	95,926	-	-	95,926
ailable for sale financial assets	-	-	22,214,852	22,214,852
TOTAL	95,926	-	22,214,852	22,310,778

30 June 2011	Level 1	Level 2	Level 3	Total
Financial assets at fair value through the comprehensive income statement	281,200	-	-	281,200
ailable for sale financial assets	-	-	22,191,052	22,191,052
TOTAL	281,200	-	22,191,052	22,472,252

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

Reconciliation of Level 1 Fair Value Movements

	2012	2011
	$	$
Opening Balance	281,200	510,000
Gains (losses) recognised in other comprehensive income:		
Maturity of investment	-	(500,000)
Impairment of investment	(185,274)	-
Reversal of impairment on investment	-	271,200
Closing Balance	95,926	281,200

Reconciliation of Level 3 Fair Value Movements

	2012	2011
	$	$
Opening Balance	22,191,052	22,152,555
Investment on transfer of net assets	-	-
Gains (losses) recognised in other comprehensive income:		
-Fair value initial adjustment on available for sale assets	-	(64,931)
-Fair value adjustment on available for sale assets	23,800	103,428
Closing Balance	22,214,852	22,191,052

40. SIGNIFICANT BUSINESS ACTIVITIES

	TRANSPORT INFRASTRUCTURE $		STORMWATER & DRAINAGE* $	
	2012	**2011**	**2012**	**2011**
Revenue				
Rates	-	-	-	-
User Charges	173,555	173,555	-	-
Grants	1,854,574	1,578,307	-	-
Other	36,903	22,331	-	-
Total Revenue	**2,065,032**	**1,822,161**	**-**	**-**
Expenses				
Direct				
Labour & Materials	1,556,553	2,131,058	16,625	153,802
Borrowing Costs	-	-	-	-
Other	117,158	226,611	31,327	-
Indirect				
Engineering and Administration	176,376	146,374	79,181	143,173
Total Expenses	**1,850,087**	**2,504,043**	**127,133**	**296,975**
Capital Costs				
Depreciation	2,116,539	1,495,655	114,067	94,243
Opportunity Cost of Capital	7,993,912	5,031,076	342,607	171,064
Total Capital Costs	**10,110,451**	**6,526,731**	**456,674**	**265,307**
Competitive Neutrality Costs	**-**	**-**	**-**	**-**

41. AUDITOR'S REMUNERATION

	2012 $	**2011** $
Audit fee external audit – Tasmanian Audit Office	24,185	27,360
Fees for other audit services	2,735	1,400
TOTAL	26,920	28,760

42. INVESTMENT IN WATER CORPORATION

In February of 2008 State and Local Government reached agreement to establish three Local Government owned, vertically integrated businesses providing bulk, distribution and retail water and sewerage services, and a common service provider subsidiary company. The Water and Sewerage Corporations Act 2008 (Corporations Act) was subsequently enacted and received Royal Assent on 13 June 2008.

Full transfer of water and sewerage assets, liabilities and staff to the new corporations took place on 1 July 2009. From that date, responsibility for the provision of water and sewerage services moved from local councils to the three new regional water and

sewerage corporations (trading as Cradle Mountain Water, Ben Lomond Water and Southern Water). A fourth company provides common services and support to the three regional corporations (trading as Onstream).

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

There is no active market for the investment and so it is valued at Council's share of total equity as at each balance date. Changes in the fair value are recognised through the Comprehensive n Income Statement each year.

Council has an ownership interest of 6.8% in 2012 Cradle Mountain Water based on the Final Treasurer's Allocation Order in 2011. Council's initial ownership interest based on the Treasurer's initial draft order was 6.82%. The difference between the draft and final orders has been treated as an adjusting entry on initial transfer. Council does not have significant influence to allow it to use equity

	2012	2011
		$
Opening balance	22,191,052	22,152,555
Fair Value initial adjustment on assets held for resale	0	(64,931)
Fair Value adjustment on assets held for resale	23,800	103,428
Total investment in water corporation	**22,214,852**	**22,191,052**

43. RESERVES

	2012 $	2011 $
Asset Revaluation Reserve:		
Balance at beginning of financial year	53,790,536	26,085,584
Revaluation adjustment:		
Land	-	418,866
Buildings	-	1,297,782
Transport infrastructure	(44,288)	25,988,304
Stormwater	1,887,133	-
Balance at end of financial year	55,633,381	53,790,536
Closing balance		
Land	4,378,934	4,378,934
Buildings	2,255,447	2,255,447
Transport infrastructure	47,111,867	47,156,155
Stormwater	1,887,133	-
	55,633,381	53,790,536

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

	2012 $	2011 $
Financial Assets available for Sale Reserve		
Balance at the beginning of the financial year	103,428	0
Fair Value Adjustment	23,800	103,428
Balance at the end of the financial year	127,228	103,428

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

Public Open Space Reserve		
Balance at beginning of financial year	86,216	0
Transfer from retained surplus	26,940	181,216
Expenditure of funds on capital works	-	(95,000)
Balance at end of financial year	113,156	86,216
TOTAL	**55,873,765**	**53,980,180**

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.

CIRCULAR HEAD COUNCIL

Certification of the Financial Report

for the financial year ended 30/06/2012

I Gregory Allan Winton certify that in my opinion:-

1. the financial report fairly represents:

(a) the financial position of the Council; and

(b) the results of the Council's operations; and

(c) the cash flows of the Council.

2. the financial report has been prepared in accordance with the requirements of the Local Government Act 1993 (as amended), Australian Accounting Standards, and other mandatory professional reporting requirements.

Gregory Allan Winton
GENERAL MANAGER

Dated at Smithton this 27th day of September 2012