



CIRCULAR HEAD COUNCIL



ANNUAL REPORT



Photo by Peter Bellingham

ADOPTED BY COUNCIL 16 NOVEMBER 2017

2016/17

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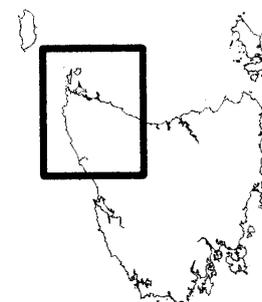
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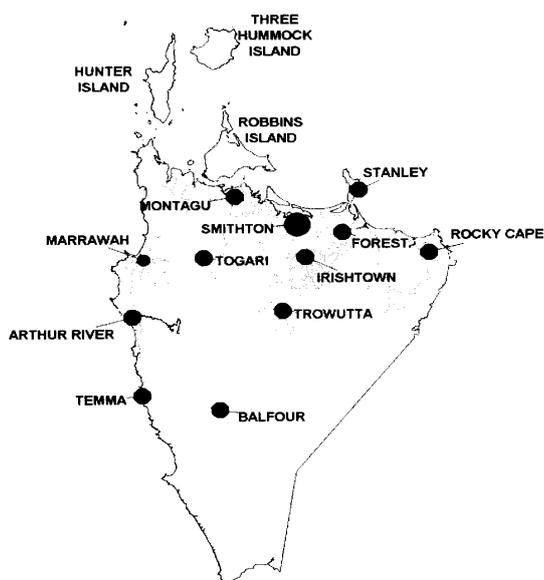
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SNAPSHOT OF CIRCULAR HEAD

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



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



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

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

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

VISION AND MISSION STATEMENTS

COUNCIL'S MISSION



COUNCIL'S VISION

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

COUNCIL'S VALUES



INVITATION FOR SUBMISSIONS

Members of the community are invited to make submissions on the Annual Report for discussion at the Annual General Meeting, which is to occur on Thursday 16 November 2017 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 9 November 2017, for inclusion on the agenda for the meeting.



Targa Tasmania in Stanley
Photo compliments of Aerial Photography Tasmania

MAYOR'S MESSAGE

It has certainly been another big year for the Circular Head community as we move forward with a number of projects. We may have lost one of our icons with the demolition of the old Circular Head War Memorial Swimming Pool, but we are set to begin a new chapter with the construction of the Circular Head Community Wellbeing Centre. With State and Federal funding received for this project, we can expect to see it start to take shape in the next 12 months, which is going to be very exciting for the community.

Once again we have shown our ability to overcome adversity with the response to the floods of 2016. Funding supplied to Council in the form of Roads to Recovery and Financial Assistance Grants has allowed Council to rebuild bridges and fix other infrastructure in our municipality.

The announcement of Murray Goulburn's plans to close their milk processing facility at Edith Creek was a big hit to the community. While this has had a significant impact, Circular Head has always found a way to regroup and I believe this will be the case again. The State Government has reacted quickly to set up a task force committee to work on the recovery, which is a positive sign moving forward.

As an organisation it has been pleasing to see Council has made steady progress on the journey of Continuous Improvement to date. LEAN was introduced to our Council two years ago and has had an effect on staff to varying degrees. The two sides of the LEAN coin (Culture and Tools) are now being utilised in various ways throughout the organisation. The tools have enabled us to identify improvements, make changes and build customer value, and the cultural side of the coin is at the forefront of decision making.

While we have been presented with a number of challenges, I believe the Council and the Circular Head community are moving towards a positive future, which is fantastic to see. I'd like to take this opportunity to thank management, staff and Councillors for their continued support throughout the year.

D. H. Quilliam

Daryl Quilliam
MAYOR



GENERAL MANAGER'S MESSAGE

Welcome to the Council's 2016/17 Annual Report that will provide you with a snap shot of Council's operations and financial position. As General Manager I would like to focus on three main elements within my message being the Circular Head Wellbeing Centre, Council's Corporate Strategic Plan and the future direction of the Council.

Following on with the excellent news in October that the Council was successful in receiving funding of \$3.8M from round three of the National Stronger Regions Funding towards the Circular Head Community Wellbeing Centre, Council received further good news from the Tasmanian Government announcing \$3.5M toward our community project, allowing planning for stages 1 and 2 to be completed together.

It is an exciting time ahead for the community as this project unfolds from the turning of the soil on site to watching in anticipation the construction take shape. This is one of the largest single projects that the Council has undertaken for many years and I would like to express my sincere appreciation to the dedicated team of people who have been toiling away with me for many months with a vision that should make our community proud of when completed.

This of course would not have happened without the excellent support from the Australian and Tasmanian Governments and on behalf of the Council and community I express our grateful appreciation for their assistance and commitment to the ongoing health and wellbeing of our community.

In December the Council embraced the new 2017-2027 Circular Head Council Corporate Strategic Plan. In considering the commencement of drafting the plan, I felt the timing was right to provide the whole of the organisation the opportunity to be involved in the participatory planning and this proved to be very successful. This occurred with a diverse gathering of Council staff and employees taking part in a series of facilitated planning workshops to produce a set of thematic goals and desired outcomes then presenting back to the Elected Members with their input for the Council Mission, Vision and Values.

The Council has a living document that has not only been developed by its people, but, owned by them as well. The method in which we developed the plan is being recognised by many as a leader in bringing our people together through the planning process of the organisation.

The challenge for the Council in its course of pursuing the best possible outcomes for its community is to uphold their Mission, Vision and Values and stay true to the direction embedded in plan.

At the time of preparing my message I find myself and the Council in a transition period as my appointment as the General Manager is due to expire.

I am not sure what the future holds at this point, however, reflecting on my term as the General Manager I am extremely proud with Council's growing reputation, respect and the overall community satisfaction of Council. This is not only reflected within the 2016 Community Satisfaction Survey results but word of mouth from across the wider community and beyond.

The Council is committed to further developing its capability and serving its community.

We have introduced an ongoing Continuous Improvement program across the organisation that will continue to grow and provide guiding principles and practices assisting in the delivery of services for the community.

The undertaking of an organisational review resulted in significant structural change, completed a process of defining strategic frameworks at the regional and local levels and initiated work on defining service levels. As stated in the Corporate Strategic Plan - all of this work *“embodies the aspirations of our community and is the product of the ingenuity, hard work and collective expertise of our staff”*.

We have also introduced a leadership capability and cultural development program that further develops our capacity as leaders, but more importantly, ensures we are able to be effective leaders, within a constructive workplace culture, that underpins future success of the Council and community.

In closing, I would like to pass on my sincere appreciation to all my staff, employees, volunteers of the Council as well as my community for the continued support and encouragement for me in my role as General Manager.



Tony Smart
GENERAL MANAGER



MAYOR AND COUNCILLORS



MAYOR DARYL QUILLIAM

Phone 0408 543 927
PO Box 593, Smithton 7330
Term expires: October 2018



DEPUTY MAYOR JAN BISHOP

Phone 0427 561 212
623 Irishtown Road, Irishtown 7330
Term expires: October 2018



CR NORMAN BERECHREE

Phone 0429 470 325
20 Honey Richea Road, Hellyer 7321
Term expires: October 2018



CR BETTY KAY

Phone 0418 144 991
C/- 65 Emmett Street, Smithton 7330
Term expires: October 2018



CR JOHN OLDAKER

Phone 0419 311 053
PO Box 609, Smithton 7330
Term expires: October 2018



CR ASHLEY POPOWSKI

Phone 0429 407 636
101 Trowutta Road, Smithton 7330
Term expires: October 2018



CR NAKORE POPOWSKI

Phone 0457 911 292
9 Ida Scott Crescent, Smithton 7330
Term expires: October 2018



CR TREVOR SPINKS

Phone 0418 141 155
PO Box 282 Smithton 7330
Term expires: October 2018



CR DAVID WOODWARD

Phone 0428 753 765
121 Emmett Street, Smithton 7330
Term expires: October 2018

COUNCIL

Circular Head Council has nine Councillors, elected by the community each for a term of four years. The current term ends for all Councillors in 2018. The role of the Council is focused 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.

Councillor Attendance at Meetings 2016/17

	Meetings	Special Meetings	Workshops
Mayor Daryl Quilliam	11	1	22
Deputy Mayor Jan Bishop	11	1	27
Cr Norman Berechree	12	1	27
Cr Betty Kay	11	0	18
Cr John Oldaker	13	1	27
Cr Ashley Popowski	11	1	26
Cr Nakore Popowski	12	1	24
Cr Trevor Spinks	9	1	21
Cr David Woodward	11	1	16

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

Special Meetings - total held for year = 1

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

Workshops - total held for year = 28

Mayor, Deputy Mayor and Councillor Allowances and Expenses

In accordance with Section 72(1)(cb) of the *Local Government Act 1993*, the total allowances and expenses paid to the Mayor, Deputy Mayor and Councillors are documented in Note 26 of the Notes to Financial Statements.

Councillor Representation on Committees

Council Committees	Membership 2017
General Manager's Review Special Committee	Mayor Quilliam, Deputy Mayor Bishop
Resource Sharing Committee	Mayor Quilliam, Deputy Mayor Bishop, Cr Spinks, with Cr Oldaker and Cr A Popowski as proxies
Resource Shared Audit Panel	Cr Ashley Popowski
Special Committees	
Central Indoor Area Management Committee	Non Operational
Central Outdoor Area Management Committee	Cr Oldaker, Cr Woodward as proxy
CH Heritage Centre	Non-Operational
Northern Area Management Committee (Stanley Recreation Ground)	Cr Berechree, Cr Woodward as proxy
Southern Area Management Committee (Trowutta)	Non Operational
Stanley Town Hall Committee	Cr Berechree, Cr N Popowski as proxy
Western Area Management Committee (Marrawah/Redpa)	Cr Oldaker, Cr A Popowski as proxy
Circular Head Education and Training Consultative Committee	Deputy Mayor Bishop, Cr A Popowski as proxy
Circular Head Recreation Advisory Committee	Mayor Quilliam and Cr Woodward
Hunter Island Advisory Group	Mayor Quilliam
Health and Welfare Reference Group	Non operational
Community Committees	
Circular Head Senior Citizens Centre	Cr Oldaker
Western Emergency Management Committee	Mayor Quilliam, Cr A Popowski as proxy
SPAN (Service Providers Access Network)	Deputy Mayor Bishop, Cr Spinks as proxy
Circular Head Community and Recreation Centre Management Committee	Cr A Popowski, Cr Kay as proxy
Community Events Committee	Mayor Quilliam and Cr N Popowski
Working Parties	
Australia Day Awards Working Party	Mayor Quilliam, Cr Spinks, Cr Bishop and Cr Kay
Representatives	
CH Tourism Association	Cr Kay, Cr A Popowski as proxy
Cradle Coast Authority Representatives	Mayor Quilliam, General Manager and Deputy Mayor Bishop as proxy
TasWater	Deputy Mayor Bishop, Mayor Quilliam as proxy
Local Government Association of Tasmania	Mayor Quilliam and Deputy Mayor Bishop
Smithton High School Council	Cr Berechree, Cr Woodward as proxy
Smithton Primary School Council	Cr Woodward, Cr Berechree as proxy
Circular Head Youth Leaders (CHYL)	Cr N Popowski, Cr Berechree as proxy
Cradle Coast Coastal Pathways Steering Committee	Cr Berechree

FAST FACTS – CIRCULAR HEAD

		2016/17	2015/16	2014/15
Population	Municipal area	7,926 (2016 Census)	8,301 (2014 ABS statistic)	7,977 (2011 Census)
Area (km ²)	Municipal area	4,917	4,917	4,917
	Smithton	11.18	11.18	11.18
	Stanley	1.87	1.87	1.87
Road length (km)	Municipal area	768	768	768
	Sealed	294	294	294
	Unsealed	474	474	474
Bridges maintained	Municipal area	121	121	121
	Timber	41	43	46
	Other	80	78	75
Footpath length (km)	Municipal area	30.3	30	30
Stormwater maintained (km)	Municipal area	33.03	33.03	33.03
Kerb and channelling (km)	Municipal area	60.50	60	60
Total properties	Municipal area	5,250	5,101	5,065
Rateable properties	Municipal area	5,086	4,938	4,822
Valuation	Assessed annual value	96,432,946	88,790,166	88,287,620
	Capital value	1,910,978.950	1,894,742,450	1,878,070,900

KEY ACTIVITIES STATISTICS

	2016/17	2015/16	2014/15	2013/14	2012/13
Tonnes of waste deposited at Port Latta Landfill site	11,377	10,930	11,187	11,888	12,827
Tonnes of waste collected – urban	1,320	1,315	1,306	1,321	1,319
Tonnes of waste collected – rural	982	965	967	951	1,026
Waste coupons redeemed	16,071	16,012	18,894	14,586	14,198
Recycling urban bin collection	25,536	25,195	25,017	24,588	24,684
Road grading – km	181	228	159	251	280
Road patching – tonnes	372	620	701	678	883
Building permits issued	79	116	119	79	118
Planning permits issued	86	85	87	76	98
Plumbing permits issued*	82	116	90		
Dogs registered	1,247	1,025	1,000	957	896
Dogs impounded	29	45	69	78	70
Burials at Council cemeteries	48	48	41	39	48
Special Plumbing permits issued	12	33	31	20	35
Food premises inspections carried out	48	49	68	66	50
Dairies inspected	2	1	1	1	10
Section 337 certificates issued	262	220	187	156	194
Section 132 certificates issued	371	337	298	241	318
Staff training (numbers attending)	333	374	357	148	268
Councillor training (numbers attending)	16	14	8	13	5
Documents registered in ECM	15,687	16,274	17,856	17,773	23,434
Customer Service System (CSS) events lodged	732	566	624	766	754
Patrons at pool		**4,717	25,697	***23,061	27,353

* 2014/15 first year reported figures

** Figures from 1/07/15 to 9/10/15. Pool permanently closed after this date

*** Pool closed between 16/10/13 – 31/10/14 Heat Exchanger replacement

ORGANISATION AND MANAGEMENT STRUCTURE

The executive team as at 30 June 2017



Tony Smart
General Manager



Tracey Bradley
Director Community Services



Rachel Mallinson
Director Corporate Services



Matthew Saward
Director Strategic Governance



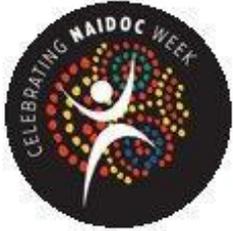
Daniel Summers
Director Infrastructure and Development Services

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 for Senior Staff	
Annual Remuneration Range	No of Employees
80,000 – 100,000	4
100,000 – 120,000	2
120,000 – 140,000	4
140,000 – 160,000	-
160,000 – 180,000	1
180,000 – 200,000	1

EVENTS CALENDAR

<p>JULY</p> <ul style="list-style-type: none"> • NAIDOC Week 	<p>AUGUST</p> <ul style="list-style-type: none"> • Science Gig • Long Tan 50th Anniversary, Vietnam Veterans Day 	<p>SEPTEMBER</p> <ul style="list-style-type: none"> • CHARTSibald Portrait Prize on display • Art About Town art competition • Art About Town in Focus Photography competition • Street Art Project • On Fire Art Project 
<p>OCTOBER</p> <ul style="list-style-type: none"> • Seniors Week 	<p>NOVEMBER</p> <ul style="list-style-type: none"> • Lighting of the Christmas Tree • Women's TRY-athlon Fun Run • Two Trains Documentary Launch 	<p>DECEMBER</p> <ul style="list-style-type: none"> • Christmas Parades • Christmas in the Park (Christmas Carols) • Circular Head Agricultural Show
<p>JANUARY</p> <ul style="list-style-type: none"> • Australia Day • Mayor's Education Fund • Launch of Tunnerminnerwait Project • Citroen National Car Club event 	<p>FEBRUARY</p> <ul style="list-style-type: none"> • Devil Country Muster • Gone Nuts Adventure Race 	<p>MARCH</p> <ul style="list-style-type: none"> • International Women's Day • Youth Fest  <p><small>An Australian, State, Territory and Local Government Initiative</small></p>
<p>APRIL</p> <ul style="list-style-type: none"> • ANZAC Day • Youth Week Events • UTAS Rural Clinical School visit • Targa Tasmania • Tasmanian Rotary Conference 	<p>MAY</p> <ul style="list-style-type: none"> • National Volunteers Week • Million Paws Walk • Health and Wellbeing Expo • Minutes in May • Keep Australia Beautiful National Awards • Unsung Heroes musical and history performance • Embrace movie screening 	<p>JUNE</p> <ul style="list-style-type: none"> • Keep Australia Beautiful Judging 

LEADERSHIP AND GOVERNANCE

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

	Governance 15/16	Governance 16/17
Expenses	2,364,725	2,338,791
Income	15,990,275 *	9,404,500
Net result	13,625,550	7,065,709

* Includes \$7.0 million for the recognition of Land under Roads Assets.

GOVERNANCE

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

Corporate Strategic Plan

The 10 year Corporate Strategic Plan was adopted in December 2016. It ties in with the Strategic Murchison Plan 2040 which serves as the regional community plan. Council's Strategic Plan is focused on areas which Council has responsibility for delivering for its community. The plan is in 7 themes, Leadership and Governance, Organisational Support, Connected Communities, Community Recreation and Wellbeing, Economic Prosperity, Transport and Access, and Environment.

Policy Framework

A policy framework was developed and adopted in November 2016. This framework is shared with the Waratah-Wynyard Council and will be used to guide the review and development of policies and guide the administration process to ensure a level of coordination of content to ensure consistency.

State Government Review – Shared Services Feasibility

Council was a participant along with all Cradle Coast Councils in a shared services feasibility study. The resultant study will be considered by Councils and presented to the Minister in late 2017.

Audit Panel

The Audit Panel concluded their first 2 year term in 2017. All were reappointed, except Paul McCormick who retired. Council resolved to reduce the membership from 5 to 4 members for the next 2 year term. Independent members are Paul Arnold (Chair), John Howard and Lisa Dixon. The sitting Councillor is Ashley Popowski. The Audit Panel met 4 times during the year and made suggestions where controls, governance and reporting arrangements from Council Management could be improved. Actions taken as a result of these suggestions have been reported back to the panel. No formal recommendations were made to the Council.

COMPLIANCE (STATUTORY REQUIREMENTS)

Animal Control and Compliance

This year we have seen an increase in dog registration from 1025 to 1247. This has been achieved through active inspection and education correspondence. It is hoped that we will see further improvement in responsible ownership during the coming year as officers continue with a push on inspection and education activities for dog owners. Fire abatement inspections and follow up was carried out in October and will continue at this time even though we are advised that last season and next are expected to be a more normal season.

Building Control

Building and Plumbing approvals have continued to be processed within the legislated time frames, with the new *Building Act 2016* coming into force on 1/1/17. The new system of low to high risk work has caused some confusion in the industry, however officers have worked with building practitioners and State Government officers responsible for the new legislation to keep any delay or misinformation to a minimum.

Code of Conduct Complaints

As required to report under Section 72 (1)(ba) of the *Local Government Act 1993* there were no Code of Conducts complaints received for the 2016/17 financial year.

Environmental Health and Regulatory

Environmental health services have continued to be delivered through a contract basis, with Burnie City Council providing school immunisation service, food business inspection and licencing. This will continue to be delivered through a contract service.

Several dairy farms in the area have been assessing the management of dairy farm effluent and working closely with Council officers to ensure that the outcomes are the best for industry and environment.

Contracts for the Supply or Provision of Goods or Services

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

Successful Contractor	Description of Contract	Period of Contract	\$ Value of Tender/ Contract (excluding GST)
Hardings Hotmix PO Box 709 ULVERSTONE 7315	Provision of bitumen surfacing services 2016/17	03/11/16 - 31/03/17	593,062
Civilscape Contracting Tasmania PO Box 63 RIDGLEY 7321	Demolition of Circular Head War Memorial Swimming Pool	23/03/17 - 31/07/17	135,771
RJ and CM Dennison RA 422 Montagu Road SMITHTON 7330	Provision of street and toilet cleaning services	08/08/16 - 08/08/18	182,664
Mr. Kerry J. Blake 74 King Street SMITHTON 7330	Provision of Waste Transfer Station services	01/07/17 - 30/06/20	255,528
GNFP (Geoff Nannes Fong and Partners P/L) 68-70 Crown Street WOOLLOMOOLOO NSW 2011	Aquatic engineering design - Circular Head Community Wellbeing Centre	01/12/16 - 31/10/18	122,600
Engineering Solutions Tasmania (EST) 100 Cameron Street LAUNCESTON TAS 7250	Building services design- Circular Head Community Wellbeing Centre	01/01/17 - 31/10/18	130,625
GHD Woodhead 10 Columar Court BURNIE TAS 7320	Architectural services- Circular Head Community Wellbeing Centre	13/01/17 - 31/10/18	221,020

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	2016/2017	2015/16	2014/15	2013/14	2012/13
	\$239,126	\$252,217	\$272,087	\$221,663	\$223,533

Community Grants Round One	\$	Community Grants Round One	\$
Circular Head Arts	2,500	Circular Head Little Athletics	4,000
Circular Head Senior Citizens Club	1,200	The Tunnerminnerwait Project	3,500
Smithton Girl Guides	2,200	Wyndarra Centre Inc.	3,899
Smithton RSL Sub Branch	2,500		

Community Grants Round Two	\$	Community Grants Round Two	\$
Smithton Turf Inc.	1,000	Tasmanian Multisports Adventures	5,000
Smithton Rotary Club	3,000	Multiple Sclerosis Ltd	1,800
Circular Head Pony Club	3,000	Forest Stanley Cricket Club	4,000
Forest Primary School	4,970	Smithton Basketball Club	3,900
Circular Head Garden Club	4,000		

Benefits	\$	Benefits	\$
Community groups yearly room hire	13,222	DHHS (Wheelie Bins)	195
Magic Show passes	327	SES	544
Volunteering TAS	350	Rural Support Road Show	336
Wyndarra Christmas Hampers	750	TARGA	680
RSL 50 th Anniversary LongTan	102	Pool Fundraising Committee	45
Dairy Farmers Social Recovery event	241	Tourism information session	110
Care Flight	150	Community Vests	26
NAIDOC Week (schools)	400	Volunteer Week	554
Tidy Towns event	1,406	Oceania Games	500
Kids Holiday Club	250		

Other Contributions	\$	Other Contributions	\$
Circular Head Tourism Association	122,437	Circular Head Progress Group	30,000
Circular Head Education and Training Consultative Committee	16,031		

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
Soroptimist International of Circular Head	Smithton Lions Club
Circular Head Agricultural Society	Seven-Up Youth Centre
Smithton LINC	Wyndarra Centre Inc.
Stanley Town Hall	State Emergency Service

Circular Head Business Group	Circular Head Education and Training Consultative Committee
Circular Head Football Association	Circular Head Indoor Bias Bowls Association
Service Providers Access Network	Circular Head Child Care Centre
Circular Head Garden Club	Circular Head Aboriginal Corporation
Circular Head Progress Group	Forest Primary School
Circular Head Youth Network	Circular Head Youth Leaders
Emmerton Park Inc.	Circular Head Community Bank Steering Committee
Arthur Pieman Conservation Area Management Committee	Seventh Day Adventist Church
Volunteering TAS	Red Cross
Circular Head Little Athletics	Parks and Wildlife Service
Dairy Image Building Group	Secrets of Prophecy
Child Protection Services	Swimming Pool Fundraising Group
Smithton Court	Royal Flying Doctor Service
Rotary Club of Smithton	Rural Clinical School
Hunter Island Advisory Group	

Land Donation

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

Ombudsman's Investigations

No formal investigations were commenced in 2016/17 financial year.

Public Interest Disclosure Statement

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

Information as to how persons may obtain or access copies of the current procedures established by the public body under Part 7	Available from Council's website or from the Council office.
The number and types of disclosures made to the public body during the year and the number of those disclosures that the public body determines to be public interest disclosures	Nil
The number of disclosures determined by the public body to be public interest disclosures that it investigated during the year	Nil
The number and types of disclosed matters referred to the public body during the year by the Ombudsman	Nil
The number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate	Nil

The number and types of disclosed matters that the public body has decided not to investigate during the year	Nil
The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation	Nil
Any recommendations of the Ombudsman under this Act that relate to the public body.	Nil

Joint Authorities

Under Section 30 (1) *Local Government Act 1993* Circular Head Council participates in a joint authority with the Cradle Coast Authority. The following report provides a summary of activities, budget and performance of Cradle Coast Authority during the 2016/17 financial year.

CEO Cradle Coast Authority Report 2016/17

The Cradle Coast Authority (CCA) was created by the nine north-west Tasmanian councils to connect communities, business and government to work together for the good of the Cradle Coast Region. The CCA and the councils are building a vibrant, capable and resilient Cradle Coast region through effective collective action.

In 2016/17, Circular Head Council invested \$62,728 into the CCA which in turn has been matched by co-investments of \$777,024 from local government - for regional and economic development, \$327,500 from State Government - for the development of the region's visitor economy; and \$1,746,686 from the Commonwealth and State Governments - for natural resource management. The CCA has also been able to secure \$871,994 in government grants for the region.

Regional and economic development activities in 2016/17 included the development of the Cradle Mountain Master Plan. As the region's largest visitor attraction, the CCA secured \$1M to undertake the detailed investigations required to build the business case for the reimagining of the Cradle Mountain visitor experience. The CCA completed the Coastal Pathway Investment Prospectus which has been used to attract government co-investment in the infrastructure required to build a pedestrian pathway connecting communities between Latrobe and Wynyard. The Regional Futures Plan is being developed as a foundation for a long-term partnership with State and Commonwealth Governments for collaboration and investment in the region on important social and economic infrastructure and initiatives.

The CCA has invested \$2,062,828 in natural resource management projects within the region during 2016/17. Key projects included managing the region's response to the June 2016 floods which devastated parts of the region's agriculture assets and infrastructure. NRM officers worked closely with Government to help landowners recover. Other projects delivered during the year included; the Macquarie Harbour clean-up, in April 2017 – which saw a 5-day clean-up effort of unprecedented proportions across 80kms of shoreline along Tasmania's West Coast; the Clean Rivers project, which in conjunction with Dairy Tas, provided funding to help protect waterways impacted by the dairy industry; and the many projects which assist the ongoing protection endangered species such as the Giant Freshwater Lobster and the Tasmanian Devil.

The visitor economy is an increasingly significant contributor to the region's prosperity representing around 5% of the regional economic activity including more than 3,800 jobs. The visitor economy

supports traditional business within accommodation and hospitality but also more broadly services that support visitors including retail, health and automotive service business. During 2016-17, the CCA invested \$627,411 in projects and initiatives designed to support and stimulate the visitor economy.

During 2016/17, the CCA and its representatives reviewed the organisation's governance model resulting in changes to improve its relationship with the region. The councils now have two Mayors and a General Manager as directors on the CCA Board. The CCA's Rules are being amended to clarify and reinforce the roles and responsibilities of the CCA. In August 2017, a new Corporate Plan was approved which provides the CCA with a clear and focused suite of activities to address current and emerging issues and gaps that have been barriers to the betterment of the region's economic and social prosperity.

Throughout 2016/17, the CCA has been working closely with councils in preparation for the 16th Australian Masters Games. To be held in October 2017, the AMG will attract more than 5,000 visitors to the region with an expected financial benefit in excess of \$12M into the region's economy.

In July, Mr Sid Sidebottom was appointed as the new Chairperson of the CCA. Mr Sidebottom brings a wealth of experience representing the region. The CCA thanks Mrs Cheryl Bell-Chambers who stepped down as the Chairperson and director in June. Mr Ian Waller stepped down as the Manager, Regional Tourism after 15 years of tireless and dedicated service to the region.

Brett Smith
CEO Cradle Coast Authority

Progress on Major Projects in Leadership and Governance

	Status
Service level development	In Progress
CH Council Chambers - carpet renewal, first floor	Completed
CH Council Chambers - painting and general maintenance	Completed
Works Plus Depot - energy initiative, retrofit lighting	Completed
Works Plus Depot - security upgrade	Completed
Education and training of staff in legislative change and legal precedence	Completed
Review Resource Sharing activities for continuous improvement	Completed
To be prepared to negotiate partnership arrangements with State Government and its agencies	Completed
Develop inclusive framework for community engagement	Completed
Upgrade fire panel and detectors in Council Chambers	Completed
Development and implementation of staff Intranet	In Progress
Website upgrade	Completed
Review of Public Land Register	Not Started
Policy Manual review	In Progress
Sustainable Murchison Community Plan	Completed
Completion of 10 year Strategic Plan	Completed
Stanley Caravan Park lease	In Progress
On-site business and community visits with elected members	Completed

Implement and refine the Corporate Communications and Social Media Strategy including marketing, engagement, consultation and other communication activities	Completed
Develop and utilise a key stakeholder database	In Progress
Action all resolutions of Council 2016/17	In Progress
Present professional development opportunities to elected members	Completed
Action projects from Strategic Plan	Completed
Business Continuity Plan testing and revision	Completed
Re-induct all contractors	In Progress
Community survey	Completed

ORGANISATIONAL SUPPORT

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

	Organisational support 15/16	Organisational support 16/17
Expenses	4,682,770	4,221,159
Income	905,914	950,577
Net result	(3,776,856)	(3,270,582)

Council provides the following internal services:

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

CORPORATE SERVICES

Risk Management

The Operational Risk Register was reviewed this year by the Risk Management Committee, Senior Management team and Directors. There were additional risks identified and some existing risks had their ratings changed as a result of this review.

Risk will continue to be part of our daily operations however demonstrating that we are continually monitoring them and have strategies in place to lower the possible impacts will enable us to minimise any effect on us.

FINANCE

The Comprehensive Income Statement recorded an underlying surplus \$285,000 compared to a deficit of \$127,000 last year.

There were variations in grant income of \$1,577,736 due to the Federal Government paying Financial Assistance Grants in advance.

Cash and cash reserves remained at a positive level. Cash moved from \$10.0 million in 2015/16 to \$17.0 million in 2016/17.

Additional interest free borrowings under the Northern Tasmanian Stimulus Package totalled \$3.9 million. \$3.5 million was for the wellbeing centre and \$400,000 was for the demolition of the old Circular Head War Memorial Swimming Pool.

Council's share in the Water Corporation is 1.58%. Council recorded a net increase on its investment in TasWater of \$163,226 for the year. Council's current investment equates to approximately \$25 million in the regional body.

PEOPLE SERVICES

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

Full Time Equivalent (FTE) by Department				
Department	Number of Staff	FTE	Male	Female
Engineering Services	9	7.01	9	
Development Services	5	4.13	2	3
Animal Control	0			
Civic Governance	2	2.00	1	1
Strategic Governance	5	4.51	2	3
Community Services	2	2.00		2
Corporate Services	10	9.02	3	7
Works Plus	24	23.41	22	2
Total	57	52.09	39	18

Resource Shared Positions				
Staff	Circular Head	Waratah Wynyard	Male	Female
Strategic Advisor	0.20	0.80	1	
Director Community Services	0.30	0.70		1
Director Infrastructure and Development Services	0.45	0.55	1	
Manager Asset Services	0.50	0.50	1	
Manager Community Activation	0.50	0.50		1
Manager Development and Regulatory Services	0.50	0.50	1	
Manager of Engineering and Projects	0.50	0.50	1	
Manager Risk	0.20	0.80		1
Communications Officer	0.50	0.50	1	
Engineering Projects Coordinator	0.50	0.50	1	
Health and Safety Officer	0.50	0.50	1	

Human Resources Coordinator	0.50	0.50		1
Information Technology Coordinator	0.50	0.50	1	
Geographical Information Systems Officer	0.20	0.80	1	
Natural Resource Management Officer	0.50	0.50	1	
Plumbing and Compliance Officer	0.50	0.50	1	
Service Level Officer	0.50	0.50		1
Total	7.35	9.65	12	5

Staff Turnover	
2016/17	11.52%
2015/16	30.80% *
2014/15	17.49%
2013/14	17.52%
2012/13	17.96%
2011/12	17.44%
2010/11	16.00%
2009/10	15.49%
2008/09	11.48%

* Includes closure of Swimming Pool

Continuous Improvement

Council has been involved in a process over the last 3 years of educating its staff on continuous improvement. During the year Council received funding for staff to complete Certificate III in LEAN, Certificate IV in LEAN and the LEAN Leaders Program. The LEAN Leaders Program included 3 days at the Productivity Improvers/Elphinstone site at South Burnie on the SWE (Simulated Work Environment). This training is invaluable to the organisation. Council has applied for additional funding to progress the remainder of staff through the SWE in 2017/18.

Health and Wellbeing Program

During the year Council launched a health and wellbeing program for its staff. Alarming national statistics around mental health illnesses were the impetus for Council to launch the program. A 12 month calendar of topics such as mental health, diabetes and heart health will be the focus each month. A range of activities, events and information are also included in the program. Council intends to partner with other community organisation and include community members in some of the monthly activities.

Leadership Development

Council engaged Dattner Grant to conduct a leadership impact assessment and a cultural survey of staff during the year. From there, Council's leadership group were involved in an intensely open and reflective process whereby collaborative leadership was established and trust was built amongst the group. The organisational cultural assessment work will continue into 2017/18.

General Manager Position

In June 2017 a decision was made to advertise the position of General Manager. The recruitment process will take place in the 2017/18 financial year.

Workforce Development Planning

The Circular Head and Waratah Wynyard Councils, in partnership with the Institute for Public Policy and Governance - University of Technology Sydney (formerly the Australian Centre for Excellence in Local Government), secured funding through Skills Tasmania to fund the development of a suite of Workforce Planning Guidelines for Local Government in Tasmania.

A copy of the guidelines can be viewed on the following website - <https://www.uts.edu.au/research-and-teaching/our-research/public-policy-and-governance/news/workforce-planning-guidelines>

During 2016/17 Council prepared a full implementation plan. Parts of the plan will be progressed in 2017/18.

INFORMATION SERVICES

IT Services Review (Business Improvement Transformation)

Records Management System upgrade and Customer Request System changes were commissioned during the year as a result of identifying actions from the above review.

Council have participated with a consortium of Councils working on the concept of a shared services model for Information Technology Services and commissioned and received a report on options for this.

Progress on Major Projects in Organisational Support

	Status
Review of asset thresholds	Not Completed
Preparation of 2015/16 financial statements by 15 August 2016	Completed
Preparation of 2017/18 budget by 30 June 2017	Completed
Review of Financial Management Strategy	Completed
Sale of properties under <i>Local Government Act</i>	In Progress
Smithton Turf lease	Not Started
Develop and implement HR management processes to ensure the capture of relevant data and statistics for the purposes of tracking and reporting	Completed
Establish training register which includes tracking of licensing and renewal requirements, management of training needs as well as producing up to date and accurate data	Completed
To implement Integrated Risk Management module	Not Completed
Staff survey	Completed
Workforce Development Plan	In Progress

Personnel Evaluation System	Not Completed
Monitor Works Plus operations	Completed
Manager of Engineering and Projects vehicle replacement	Completed
Depot pressure cleaner hose reel	Completed
Vehicle replacement - Development fleet	Completed
Cloud services proof of concept	Not Started
Desktop computer replacement (virtual display)	Completed
Network switch upgrade	Completed
Demographic subscription	Completed
IT Review outcomes	In Progress
Depot radio system	Completed
Mayor vehicle replacement	Completed
General Manager vehicle replacement	Completed
Fleet vehicle replacement	Not Started
Vehicle fleet - Corporate fleet	Completed

CONNECTED COMMUNITIES

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

	Connected Communities 15/16	Connected Communities 16/17
Expenses	413,194	718,478
Income	163,854	197,104
Net result	(249,340)	(521,374)

Activities included:

Service Providers Access Network	International Women’s Day
Youth Advisory Group (Circular Head Youth Leaders)	Seniors Week
Youth Leadership Programs	Australia Day Celebrations
Community Road Safety	Liquor Accord
Social Recovery	Art Week
Municipal Emergency Management	Circular Head Show
Christmas Parades	Education and Training
Christmas in the Park (Christmas Carols)	Keep Australia Beautiful
Lighting of the Christmas Tree Event	

COMMUNITY DEVELOPMENT

Education

Science Gig

The annual Circular Head Science Gig celebrated 10 years of awesome family science fun during National Science Week. The theme for 2016 was ‘Drones, Droids and Robots’ which centred on real-world application of autonomous technologies in areas including agriculture, mining, manufacturing, medicine, space and deep ocean exploration. The focus was on how technology has transformed our day-to-day lives – from robot vacuum cleaners and lawn mowers to automated pool cleaners.



Mayor's Education Fund Scholarship

The 2017 Mayor's Education Scholarship was jointly awarded to Bridget Hofing and Morgan Henderson. Bridget is studying a combined degree – Bachelor of Business (Sports Management) and Exercise Science at Deakin University. Morgan is undertaking a degree in Environmental Engineering at Monash University.

EMERGENCY MANAGEMENT

In August 2016 Burnie, Waratah-Wynyard and Circular Head Councils formed the Western Emergency Management Committee. The Councils are working cooperatively sharing emergency management knowledge and resources. The first combined Emergency Management Plan was produced and approved by the State Controller.

CULTURAL DEVELOPMENT

Art and Culture Month

September became Art and Culture month as 'Art About Town' grew to include a number of activities. A grant through the Australian Government's Drought Assistance Mental Health Package allowed Council to run an art therapy project in acknowledgement of the 2015/16 bushfires. Residents were asked to document their experiences of the bushfires through art. The works were displayed in a pop-up gallery in Emmett Street. A small function was held in Time Out on Emmett recognising the entrants, prizes were awarded and a book will be made from many of the supplied works. Aerosol artists were engaged to paint a large scale mural on McCain wall behind the Smithton Library. The mural depicts two local fire fighters alongside burnt trees, birds and regrowth. The youth art and photography competition also took on the theme of fire with those works being displayed in business windows around town

Results from the On Fire Art competition were

Writing

First prize	Melissa Wells – As the crow flies
Highly commended	Wooldrage Family – Mistral Cottage, The winds of change
Notable mention	Maree Kingston – Wednesday 27 January 2016
Notable mention	Eunice Atkins – We are on our own

Art

First prize	Carrie Dunham – Ember, ashes, evergreen
Highly commended	Roz Heathorn – Aftermath, the Sundown Nelson Bay
Notable mention	Melissa Wells – Wildfire, Tassie on fire

Photography

First prize	Wooldrage Family – Couta Fire
Highly commended	Eunice Atkins – survivor
Notable mention	Phil Wise – Barcoo burn off

Over all public vote winner Wooldrage Family – Couta Fire



Youth art

First Prize	Francesca Backhouse – Regeneration
Highly commended	Rielly Martin – Over the forest
Notable mention	Shari-Louise Turner – Solitary

Youth photography

First Prize	Cassie Casey – Red sky of a night
Highly commended	Jasmine Korpershoek – Portal: print
Notable mention	Brittany Johnston – Beach fire

Overall public vote winner Cassie Casey – Regrowth

Art About Town also included a small classical music concert held at the senior's centre. Approximately 100 people enjoyed an afternoon of music by talented local and coastal musicians.

Other activities during Art About Town month included:

- CHARTchibald portrait prize – on display at Time Out on Emmett
- Smithton High School production – Once upon a rhyme
- Artist retreat at Nelson Bay with June Wilson
- Street Art Project
- Along the Terrace book launch
- Circular Head Christian School junior concert
- Crystal Theatre Movie – Stanley Town Hall

Australia Day Awards and Celebrations

Australia Day Awards 2017 were presented and the recipients were:

Citizens of the Year	Patricia Joyce and Crighton Horton
Young Citizen of the Year	Danyon Saville
Community Event of the Year	Women's TRYathlon event 2016

The annual Twilight on the Duck event attracted a large crowd celebrating being together and living in a great community. The crowd was entertained by local artists, the renowned Navy Band and popular band Agent 99. The spectacular fireworks display was a fitting conclusion to the evening.

National Volunteer Week

Volunteers across Australia were recognised during National Volunteer Week 2017, held between 8-14 May. Council recognised a number of people who volunteer in Circular Head at an event held at the Circular Head Community and Recreation Centre on Wednesday 10 May. These volunteers were nominated by their clubs or community members and presented with Certificates of Appreciation by the Mayor at the event.

Those recognised were:

Joel Kay (7Up Youth Centre)
Lesley Arnold (Ambulance Tasmania)
Tony Smart (Ambulance Tasmania)
Tony Hine (Lions Club of Smithton)
Adie Cole (Central Outdoor Area Management Committee)
Nance Force (Circular Head Heritage Centre)
Trevor Spinks (Ambulance Tasmania)

International Women's Day

Soroptimist International of Circular Head, in conjunction with Council hosted International Women's Day at the Circular Head Community and Recreation Centre on Friday 17 March 2017. At the event the Soroptimist International of Circular Head presented awards to recognise the unsung heroines of our community.

Award recipients were:	Donna Walters
	Elizabeth Deverell
	Jane Ollington
	Kim Kay
	Noelene O'Halloran
	Jodie Saville
	Wendy Palmer
	Patricia Joyce
	Jenny Poke

YOUTH

Seven Up Youth Centre

Seven Up continues to be open three nights per week thanks to a partnership between Council, Rural Health, Circular Head Aboriginal Corporation and Smithton Christian Fellowship. Seven Up has also been hugely supported by the Patricia Dukes Foundation and Treasure Chest.

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

Youth Week events



This year 'Youth Fest' was held at Smithton High School as part of Youth Week Celebrations

Youth Fest is a free, inclusive and energy packed event with a huge range of activities, live music and access to a number of social and health related information and service providers. Year 7-12 students from both local high schools listened to visiting New

Zealand motivational speaker Marcus Akuhata-Brown before being entertained by musician Matthew Garwood.

Youth Art and Photography Competition

The Youth Art and Photography Competition formed part of a new Art and Culture month, now known as Art About Town. The competition attracted a high number of entries which were displayed in businesses around Smithton CBD for three weeks during September 2016.

Youth Leadership – Circular Head Youth Leaders

During 2016 Circular Head Youth Leaders (CHYL) created the ‘CHYL Young achiever’ award recognising the achievements of young people in the community via the Circular Head Chronicle. CHYL members also attended ‘Save a Mate’ training, volunteered at the Art About Town pop up gallery, collected items for Wyndarra’s Christmas hampers, spoke at Senior’s week afternoon tea, attended the Two Trains documentary launch and participated in the Smithton Christmas Parade.



In 2017 a new group of CHYL members were inducted. New CHYL members became representatives on existing council committees including Twilight on the Duck, Community Road Safety Partnership and liquor accord and also alternated attending general Council meetings.

Members of CHYL marched on ANZAC day, completed the annual Winter Woollies campaign and attended the Youth Network of Tasmania Conference. Members of CHYL also attended Rotary Leadership camp – RYPEN.

Progress on Major Projects in Connected Communities

	Status
Old Stanley Cemetery - renew fence, stage 2	Completed
Smithton Landscape Development Strategy 2016/17	Completed
State Emergency Services - energy initiative - insulation to building	Completed
ANZAC Park pre kinder - renew toilet pans and maintenance	Not Started
Training awareness for new building legislation from the Building Regulation review	Completed
Training awareness for the new Statewide Planning Scheme	Completed
Inclusive Ageing Strategy	In Progress
Tasmanian Community Road Safety grant	Completed
Participation and coordination of the Service Providers Access Network (SPAN)	Completed
Coordination of the "Balance Your Life" health and wellbeing program	Completed
Community Grants, round 1	Completed
Community Grants, round 2	Completed
Continued support for youth programs and activities	Completed
Coordination of Circular Head Youth Leaders	Completed
Participation and coordination of Youth Week	Completed

Participation and coordination of Seven Up Youth Centre in conjunction with other service providers	Completed
Youth Policy finalisation	Completed
Partnership with the Circular Head Liquor Accord	Completed
Participation in the Circular Head Community Road Safety Partnerships program	Completed
Coordination of the Christmas Parade	Completed
Identify sources of funding available for recreation and special interest groups and disseminate	Completed
Liaison with local organisations to support community events and special interest groups	Completed
Participation in Australia Day activities	Completed

COMMUNITY RECREATION AND WELLBEING

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

	Community Recreation 15/16	Community Recreation 16/17
Expenses	1,078,782	1,100,102
Income	365,701	125,048
Net result	(713,081)	(975,054)

SPORT FITNESS AND RECREATION

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

Anzac Park	Boat Ramps
King Park	Playgrounds
East Esplanade	Exercise Equipment
West Esplanade	Tennis/Netball Courts
Urban Beautification/Street Tree Planting	Smithton Recreation Ground
Dip Falls	Stanley Recreation Ground
Brickmakers Beach Reserve	Redpa Recreation Ground
Green Point Beach Reserve	Trowutta Recreation Ground
Walking Tracks	Indoor Sports Centre
Skate Park	Hockey Centre
Dog Exercise Areas	Community Recreation Centre
Little athletics	Recreation Advisory Committee

BALANCE YOUR LIFE - HEALTH AND WELLBEING EVENTS



Health and wellbeing activities were held to encourage and promote increased levels of physical activity, healthy eating and general wellbeing. The events aim to inspire community members to make changes towards improving their health regardless of age, shape or size.

A Moderation Movement Workshop was held on 30 April 2017 which focused on enjoyment of healthy eating and exercise and body image.

This was followed by a Health and Wellbeing Expo on 3 May 2017 which offered information and promoted activities and services that are available in Circular Head. Information on healthy eating to improve lifestyles was available. The exhibition attracted more than 40 stall holders and was attended by almost all local primary and high schools.

RECREATION

Health and Wellbeing Centre

Successful funding was received from the National Stronger Regions Grant Scheme, the Federal and State Governments to support Council's financial commitment to build the Health and Wellbeing Centre.

A steering committee was established to provide input during the design phase of the project and ensure community consultation was ongoing.

The Health and Wellbeing Centre project will commence construction in November 2017.



Concept Pool Design

Demolition of Pool

A tender was awarded for the demolition of the Circular Head War Memorial Swimming Pool and works commenced in June 2016 and were largely complete by the end of the financial year. The future use of the site once demolition and rehabilitation works are complete will be guided through the preparation of a Central Area Development Plan being prepared in 2017/18.

Open Space, Sport and Recreation Plan 2017-2027

The draft Open Space, Sport and Recreation Plan 2017-2027 has been received by Council. The draft plan has been prepared to provide leadership in delivering open space, sporting and recreation outcomes to the Circular Head municipal area. The draft plan includes issues papers on the following:

- Off-road trails
- Freedom Camping
- Community Meeting Places/Halls
- Public Toilets
- Occupancy Agreements

Draft master plans have been developed for the Smithton Recreation Ground and the Stanley Recreation Ground.

Goals and principals that underpin the draft plan are in line with Council’s Corporate Strategic Plan. The draft Open Space, Sport and Recreation Plan will be progressed during the 2018/2019 financial year.

Progress on Major Projects in Community Recreation and Wellbeing

	Status
Tier Hill scenic lookout design and geotechnical investigation for viewing	Not Started
West Esplanade - redevelop garden beds	Completed
Wedge Street park - tree trimming and selective removal	Completed
Green Point Park reserve - renew concrete path for DDA approval	In Progress
King Park - replace BBQs and install tables	Completed
Parks furniture replacement	Completed
Montagu Park - selective tree trimming and removal	Completed
Rotaract Park, Nelson Street - playground equipment replacement	Completed
Tatlovs Beach reserve playground	In Progress
Marawah Hall - upgrade to water damaged bar/store room	Completed
Smithton Marina fence upgrade	Completed
CHCRC - paint maintenance contract and general maintenance	Completed
Tennis/Netball - painting and internal toilet maintenance	Completed
Smithton Hockey Centre - painting, plumbing and electrical maintenance	Completed
Smithton Sports Centre - renew stadium court line marking and reseal maintenance contract	Completed
Stanley Recreation Ground – implement shed maintenance	Completed
Redpa Recreation Centre - energy initiative, retrofit lighting	Completed
Redpa Recreation Centre - renew ticket box	Completed
Stanley Town Hall - install concrete path, security grates for windows, wall and floor maintenance	Completed
Stanley Recreation Ground - toilet upgrades	Completed
Scag ride on mower	Completed
Scag ride on mower	Completed
Mower trailer	Completed
Masters Game contribution	Completed
Swimming pool consultation	Completed
Smithton Marina rationalisation	Completed
Identify sources of funding available for recreation and special interest groups and disseminate	Completed
Stanley Discovery Centre contribution	Completed
Art Therapy Project	Completed
Community Recreation Centre – renew workshop	Completed
Participation in the Circular Head Recreation Advisory Committee	Completed
Circular Head Wellbeing Centre	Not Started
Circular Head War Memorial Swimming Pool demolition	In Progress
Open space sport and recreation plan	In Progress
Skate Park camera installation	Completed

ECONOMIC PROSPERITY

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

	Economic Prosperity 15/16	Economic Prosperity 16/17
Expenses	216,777	230,648
Income	280	54,302
Net result	(216,497)	(176,346)

ECONOMIC DEVELOPMENT

Council successfully obtained government grants for the Circular Head Community Wellbeing Centre. This included in round figures \$3.8 million from the Australian Government National Stronger Regions Fund, and \$3.5 million commitment from the State Government. On receipt of these funding commitments designs for the construction of the facility were commissioned.

Council continues to partner with and contribute funds to organisations for economic development in the area including:

- Circular Head Tourism Association (CHTA) Memorandum of Understanding (MOU) and funding for \$122,437 for the promotion of Circular Head Tourism Industry and the promotion of Circular Head as a destination. CHTA were a key player in the development of the Circular Head Destination Action Plan which is a 3 year action plan to building Circular Head as a destination for visitors.
- Circular Head Progress Group (CHPG) Memorandum of Understanding (MOU) for \$30,000 to further development opportunities. A key focus of the actions for the CHPG has been in lobbying government policy which would allow expansion of the agricultural land in Circular Head.
- In 2016/17 Council contributed \$7,406 for the organisation and hosting of the Masters Games to be held on the Cradle Coast in October 2017. The contribution was made on the basis that the event will not only bring people to the Cradle Coast for the games, but will lead to people returning to holiday in the region after the games are held in October 2017 or promoting the area to family and friends. An additional contribution has been budgeted for the 2017/18 year.

The Mayor represented Council on the Regional Economic Stimulus committee set up in May 2017 by the State Government in response to Murray Goulburn's announcement of closure of the Murray Goulburn Processing Plant at Edith Creek.

Progress on Major Projects in Economic Prosperity

	Status
Economic Development consultancy	In Progress
Central area development plans Smithton/Stanley	In Progress
Stanley town centre master plan	In Progress
Actively pursue ongoing communications in relation to obtaining installation of gas pipeline	Completed
Council support for a strong dairy industry	Completed
Circular Head Progress Group contribution	Completed
Economic report - cost/benefit of sealing the Western Explorer	Not Started
Mayors Education Fund	Completed
CHETCC operational delivery of identified activities	Completed
Circular Head Tourism Association contribution	Completed

TRANSPORT AND ACCESS

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

	Transport and Access 15/16	Transport and Access 16/17*
Expenses	4,228,281	4,663,026
Income	2,757,301	5,271,084
Net result	(1,470,980)	608,058

*\$1,577,736 Financial Assistance Grants in advance and an additional \$1.2 million in Roads to Recovery funding

The Circular Head municipality is serviced by approximately 768 km of road network, made up of 294 km of sealed roads and 474 km of unsealed gravel roads.

In addition, 121 bridges and culverts serve the community, of which 41 are of timber construction. There are approximately 30 km of footpaths, 60.5 km of kerb and channel, and numerous associated items such as guardrail, guideposts, signs, culverts, roundabouts, street seating and traffic islands which Council provides and maintains as part of the transport network.

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

TRANSPORT INFRASTRUCTURE

Pelican Lane Sealing Works

Pelican Lane Smithton was upgraded in the 2016/17 financial year to primarily address dust issues. Council carried out road widening works, asphalt sealing and provided kerb and channel to improve drainage.



Gibson Street Reconstruction works

Gibson Street, between Nelson Street and Goldie Street Smithton was upgraded in the 2016/17 financial year to primarily address issues relating to

road and footpath pavement condition. Council undertook full reconstruction of this section of Gibson Street. The existing road pavement was replaced and sealed using asphalt, the kerb and channel was replaced and the footpath replaced in concrete. The existing stormwater system was also improved.

Irishtown Road Rehabilitation Works

Council reconstructed a section of Irishtown Road (1.8km-2.6km) due to the poor condition of road pavement and surface. The road pavement was strengthened, reformed, widened, sealed and line marked to improve the efficiency of this section of Irishtown Road for all traffic including heavy transport vehicles.



Trowutta Road Rehabilitation Works

Council reconstructed and upgraded a 1.7km section of Trowutta Road (Between the two Duck River Bridges) to improve traffic efficiency and asset condition. The existing road pavement was strengthened and regraded, the road formation was widened, sealed and line marked. The intersections of Browns Road and Giddens Road were realigned to improve heavy vehicle access. In addition to this work, road side drainage was also improved.

Bridge Replacements

Council replaced two aging timber bridges with new concrete structures to restore full load carrying capacity for vehicle traffic, one located on Newhaven Road and another on Browns Road.

Progress on Major Projects in Transport and Access

	Status
Rural road safety audit items	Not Started
Rural roads resheeting	Completed
Reseal - Backline Road	Completed
Reseal - Brooks Road	Completed
Reseal - Green Point Road	Completed
Reseal - Irishtown Road	Completed
Reseal - Maguires Road	Completed
Reseal - Mawbanna Road	Completed
Reseal - Montumana Road	Completed
Reseal - Quilliams Road	Completed
Reseal - South Road	Completed
Reseal - Woolnorth Road	Completed
Bridge - Newhaven Road	Completed

Bridge - Browns Road	Completed
Bridge - Montagu Road	Not Started
Reseal - Hellyer Street	Completed
Reseal - King Street	Completed
Reseal - West Esplanade	Completed
Grant Street - parking - crossing - footpath - recreation ground entry upgrade	Completed
Renew kerb and channel Backline Road, Forest	Completed
Febey/Careys Road culvert upgrade	In Progress
Reseal - Trowutta Road between Duck River bridges	Completed
Reseal - Irishtown Road, Pulbeena	Completed
Reseal - Emmett Street	Completed
Reseal - Gibson Street	Completed
Upgrade - Grant Street/Nelson Street pedestrian crossing	Not Started
Upgrade - Sampson Avenue/Goldie Street intersection	Not Started
Arthur River Road car parking	Completed
Sealing - Gardiner Street, Arthur River	Completed
Sealing - Pelican Lane	Completed
Load rite L2150 system w/rotary trigger	Completed
Bridge replacement - Sundown - Temma Creek	Completed
Spion Kop/Mengha Road junction survey	Completed
Rural bus stop upgrade program 2016/17	Completed
Tipper truck	Completed
2 tonne tandem roller	Completed

ENVIRONMENT

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

	Environment 15/16	Environment 16/17
Expenses	977,331	1,006,137
Income	1,853,608	2,024,680
Net result	876,277	1,018,543

Council provides the following Environment services:

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

Progress on Major Projects in Environment

	Status
Monitor weed program in conjunction with Cradle Coast NRM	Completed
Urban drainage bill and stormwater management plans for urban areas	Not Started
Stormwater network audit	Not Started
Urban drainage bill/stormwater management plan	Not Started
Port Latta maintained and operated to contract and licence/EPN requirements	Completed
White Hills Transfer Station maintained and operated to contract conditions	Completed
Port Latta cell wall	In Progress
Manholes upgrade/replacement	In Progress
White Hill quarry - safety improvements	Completed
White Hills Transfer Station reseal	Completed
West Inlet rehabilitation	In Progress
Participation in state planning reform process	Completed
Maintenance of the assessment program for environmentally relevant activities (including Level 1 activities)	Completed
Monitoring of recreational water quality	Completed
Fire abatement inspections and promoting continuous community awareness of fire hazards	Completed
Maintenance of the annual assessment program for premises covered by the Public Health and Food Acts	Completed

THE YEAR AHEAD

-
- General rate revenue increase of 2.00%

 - \$12,000,000 Swimming pool - new facility

 - \$1,900,000 Upgrade Montagu Road - Duck River bridge to Lane Park Road

 - \$ 600,000 Port Latta cell number 5A development

 - \$ 590,000 Renewal of Blackwood/Partridge Road

 - \$ 400,000 Replacement of landfill compactor

 - \$ 395,000 Bridge replacements

 - \$ 300,000 Renewal of Mawbanna Road, stage 1

 - \$ 35,000 Seal outdoor standing area at Smithton Recreation Ground

 - \$ 100,000 Construction of eastern area toilet block

 - \$ 45,000 Resurface of Tatlows Beach car park

 - \$ 14,000 ANZAC Park plan - post demolition of CH War Memorial Swimming Pool

 - \$ 10,000 Develop a municipal economic profile.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT



Independent Auditor's Report

To the Councillors of Circular Head Council

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Circular Head Council (Council), which comprises the statement of financial position as at 30 June 2017 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

In my opinion the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

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

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

...1 of 3

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

Strive | Lead | Excel | To Make a Difference

My audit responsibility does not extend to the budget figures included in the statement of comprehensive income, the asset renewal funding ratio disclosed in the management indicators note (f) nor the Significant Business Activities disclosed in note 30 to the financial report and accordingly, I express no opinion on them.

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

Responsibilities of the General Manager for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager.

...2 of 3

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- Conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Jara K Dean
Assistant Auditor-General Financial Audit
Delegate of the Auditor-General

Tasmanian Audit Office

28 September 2017
Hobart

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COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

		Actual	Budget	Actual
		2017	2017	2016
	Note	\$	\$	\$
Recurrent Income				
Rates	3	7,874,226	7,797,143	7,595,186
Interest		256,597	196,000	235,431
Grants	4	4,700,886	3,052,522	1,579,770
User charges	5	1,844,457	1,484,088	1,614,922
Investment Revenue from Water Corporation	6	474,000	474,000	474,000
Other income	7	550,098	488,425	622,446
Total Recurrent Income		15,700,264	13,492,178	12,121,755
Recurrent Expenses				
Loss on disposal of assets	8	63,000	(78,000)	333,918
Employee costs	9	4,457,093	4,437,927	4,512,945
Materials and contracts	10	2,958,584	2,780,200	2,346,270
Depreciation and amortisation	11	4,439,842	4,109,676	4,250,410
Finance costs	12	15,672	15,672	36,831
Other expenses	13	1,956,512	2,226,629	2,295,759
Total Recurrent Expenses		13,890,703	13,492,104	13,776,133
		1,809,561	74	(1,654,378)
Capital Income				
Recognition of assets		(162,826)	-	7,007,675
Recovery on investment	19	25,946	-	949,490
Grants	4	2,076,273	1,787,284	1,772,286
Total Capital Income		1,939,393	1,787,284	9,729,451
Total Income		18,027,295	15,639,462	22,036,933
Surplus (Deficit)		3,748,954	1,787,358	8,075,073
Other comprehensive income				
Items that will not be reclassified to surplus or deficit				
Recognition of assets				
Asset Revaluations	33	4,292	-	
		4,292	-	
Items that may be reclassified subsequently to surplus or deficit				
Financial Assets available for sale reserve				
- Fair value adjustment on available for sale assets	32	163,226	-	416,425
Comprehensive Result		3,916,472	1,787,358	8,491,498

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

		Actual	Actual
		2017	2016
	Note	\$	\$
Current Assets			
Cash and cash equivalents	14	16,915,095	10,041,445
Receivables	15	578,495	513,216
Inventories	16	89,834	41,086
Other current assets	17	135,778	93,758
Total Current Assets		17,719,202	10,689,505
Infrastructure, property, plant and equipment	18	163,252,199	162,835,832
Investment Water Corporation	32	25,043,676	24,880,450
Total Non Current Assets		188,295,875	187,716,282
TOTAL ASSETS		206,015,077	198,405,787
Current Liabilities			
Payables	20	1,276,801	1,174,640
Provisions	21	1,191,198	1,167,995
Borrowings	23	-	327,454
Total Current Liabilities		2,467,999	2,670,089
Non Current Liabilities			
Provisions	21	112,721	96,825
Borrowings	23	3,900,000	20,988
Total Non Current Liabilities		4,012,721	117,813
TOTAL LIABILITIES		6,480,720	2,787,902
NET ASSETS		199,534,357	195,617,885
Equity			
Accumulated surplus		131,188,233	127,439,279
Reserves	33	68,346,124	68,178,606
TOTAL EQUITY		199,534,357	195,617,885

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2017

	Total		Accumulated Surplus		Asset Revaluation Reserve		Fair Value Reserve		Other Reserves	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Balance at beginning of the financial year	195,617,885	187,126,387	127,439,279	119,364,206	65,272,625	65,272,625	2,792,825	2,376,400	113,156	113,156
Surplus before comprehensive income	3,748,954	8,075,073	3,748,954	8,075,073						
Financial assets available for sale reserve										
– Fair Value initial adjustment on Final Treasurer's Allocation Order										
– Fair Value adjustment on Available for Sale Assets	163,226	416,425					163,226	416,425		
Transfers to (from) accumulated surplus										
Net asset revaluation increment/(decrement)	4,292	-			4,292	-				
Net asset revaluation increment/(decrement)										
Balance at end of the year	199,534,357	195,617,885	131,188,233	127,439,279	65,276,917	65,272,625	2,956,051	2,792,825	113,156	113,156

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2017

		2017	2016
	Note	\$	\$
Cash flows from operating activities			
Cash Used			
Employee costs		(4,389,187)	(4,329,760)
Materials and contracts		(3,928,557)	(3,144,912)
Interest paid		(16,576)	(37,563)
Other supplier payments		(1,956,836)	(2,291,778)
		(10,291,156)	(9,804,013)
Cash Received			
Rate revenue		7,835,556	7,653,648
Other revenue and user charges		2,571,044	2,368,985
Grants		4,700,886	1,579,770
GST recovered from tax authority		750,690	710,146
Interest received		256,597	235,431
Water Corporation Investment Returns		474,000	474,000
		16,588,773	13,021,980
Net Cash provided by operating activities	27	6,297,617	3,217,967
Cash flows from investing activities			
Cash Used			
Payments for property, plant and equipment		(5,465,382)	(5,063,994)
		(5,465,382)	(5,063,994)
Cash Received			
Proceeds from sale of property, plant and equipment		387,638	185,727
Capital grants		2,076,273	1,772,286
Proceeds from investment maturity		25,946	949,490
		2,489,857	2,907,503
Net cash provided by (used in) investing activities		(2,975,525)	(2,156,491)
Cash flows from financing activities			
Cash Received			
Proceeds from loans		3,900,000	-
		3,900,000	
Cash Used			
Repayment of borrowings		(348,442)	(327,455)
		(348,442)	(327,455)
Net cash provided by (used in) financing activities		3,551,558	(327,455)
Net Increase (decrease) in cash and cash equivalents		6,873,650	734,021
Cash and cash equivalents at beginning of the financial year		10,041,445	9,307,424
Cash and cash equivalents at end of the financial year	14	16,915,095	10,041,445

NOTES TO FINANCIAL STATEMENTS

MANAGEMENT INDICATORS

	2017	2016	2015	2014
	\$	\$	\$	\$
Underlying surplus or deficit reconciliation				
Surplus (Deficit)	3,748,954	8,075,073	26,415,673	(3,154,023)
Add fire damaged bridge WDV	53,319	47,962	-	-
Less financial assistance grants in advance	(1,577,736)	-	(1,479,754)	-
Recognition/(Derecognition) of assets	162,826	(7,007,675)	(24,247,083)	-
Less Recovery on investment	(25,946)	(949,490)	-	-
Less Capital grants	(2,076,273)	(1,772,286)	(813,324)	(793,354)
Add financial assistance grants	-	1,479,754	-	1,423,377
Underlying surplus/deficit	285,144	(126,662)	(124,488)	(2,524,000)

	Benchmark	2017	2016	2015	2014
		\$'000	\$'000	\$'000	\$'000
(a) Underlying surplus or deficit					
Recurrent income*					
less		14,123	13,601	13,736	13,131
recurrent expenditure		13,837	13,728	13,860	13,668
Underlying surplus/deficit	>0	285	(127)	(124)	(2,524)

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

Council reported an underlying deficit in 3 out of the 4 years identified. The 2013/14 deficit was exacerbated by a large operational project for the installation of underground power in Circular Head. The income for this was recorded in previous years.

	Benchmark	2017	2016	2015	2014
		\$'000	\$'000	\$'000	\$'000
(b) Underlying surplus ratio					
<u>Underlying surplus/deficit</u>		285	(127)	(124)	(2,524)
Recurrent income*		14,123	13,601	13,736	13,096
Underlying surplus ratio %	>0	2.02%	(0.9%)	(0.9%)	(19.3%)

This ratio serves as an overall measure of operating effectiveness.

Council did not achieve the benchmark in 3 of the last 4 financial years however the underlying deficit has decreased to a surplus this year.

	Benchmark	2017	2016	2015	2014
		\$'000	\$'000	\$'000	\$'000
(c) Net financial liabilities					
Liquid assets less		17,494	10,555	9,797	8,050
Total liabilities		6,481	2,788	2,883	3,054
Net financial liabilities		11,013	7,767	6,914	4,996

	Benchmark	2017	2016	2015	2014
		\$'000	\$'000	\$'000	\$'000
(d) Net financial liabilities ratio					
<u>Net financial liabilities</u>		11,013	7,767	6,914	4,996
Recurrent income*		14,123	13,601	13,736	13,096
Net financial liabilities ratio %	0 - (50%)	78.0%	57.1%	50.3%	38.20%

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

Council recorded results above the benchmark in each of the years.

	Benchmark	2017	2016	2015	2014
		\$'000	\$'000	\$'000	\$'000
(e) Asset consumption ratio					
Transport Infrastructure					
<u>Depreciated replacement cost</u>		122,037	121,545	120,785	97,799
Current replacement cost		197,182	194,621	192,374	170,473
Asset consumption ratio %	40-60%	61.9%	62.5%	62.8%	57.4%
Stormwater and Drainage					
<u>Depreciated replacement cost</u>		7,521	7,592	7,683	10,483
Current replacement cost		13,451	13,364	13,299	17,979
Asset consumption ratio %	40-60%	55.9%	56.8%	57.8%	58.3%
Solid waste management					
<u>Depreciated replacement cost</u>		1,509	1,713	1,835	597
Current replacement cost		2,723	2,723	2,664	1,392
Asset consumption ratio %	40-60%	55.4%	62.9%	68.9%	42.9%
Parks, Reserves and Recreation facilities					
<u>Depreciated replacement cost</u>		3,662	3,775	3,747	3,439
Current replacement cost		5,974	5,925	5,708	5,538
Asset consumption ratio %	40-60%	61.3%	63.7%	65.6%	65.7%

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

	Benchmark	2017	2016	2015	2014
		\$'000	\$'000	\$'000	\$'000
(f) Asset renewal funding ratio					
<u>Capital outlay - LTFP</u>		21,453	17,419	NA	NA
Capital outlay – SAMP		21,453	17,419	NA	NA
Asset renewal funding ratio %	100%	100%	100%	NA	NA

	Benchmark	2017	2016	2015	2014
		\$'000	\$'000	\$'000	\$'000
(g) Asset sustainability ratio					
<u>Capex on replacement/renewal of existing assets</u>		3,929	4,648	5,444	4,367
Annual depreciation expense*		4,440	4,250	3,937	4,121
Asset sustainability ratio %	>95%	88.5%	109.4%	138.3%	106.0%

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

Council have exceeded the benchmark in the years identified.

(g) Asset sustainability ratio continued			
	Capital renewal expenditure	Capital new /upgrade expenditure	Total Capital Expenditure
By asset class	\$'000	\$'000	\$'000
Buildings	81	143	224
Transport Infrastructure	3,349	601	3,950
Stormwater	90	11	101
Solid Waste	-	-	-
Parks and Reserves	39	9	48
Plant and equipment	370	60	430
Furniture	-	-	-
Computers	-	37	37
Total	3,929	861	4,790

INTRODUCTION

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

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

The purpose of the Council is to:

- provide for the peace, order and good government in the municipality;
- to promote the social, economic and environmental viability and sustainability of the municipal area;
- to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;

- to improve the overall quality of life of people in the local community;
- to ensure that services and facilities provided by the Council are accessible and equitable;
- to ensure the equitable imposition of rates and charges; and
- to ensure transparency and accountability in Council decision making.

1. BASIS OF ACCOUNTING

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

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

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

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

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

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

2. USE OF JUDGEMENTS AND ESTIMATES

Judgements and Assumptions

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

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

Council has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Judgements made by Council that have significant effects on the financial report are disclosed in the relevant notes as follows:

Employee entitlements

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 21.

Defined benefit superannuation fund obligations

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 22.

Fair value of property, plant and equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in notes 18 and 34.

Investment in Water Corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 32.

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)

2016/17 Actual	Transport Infrastructure	Solid Waste Management	Drainage	Parks, Reserves & rec facilities	Social & Community	Civic Governance	Community Development	Advocacy	Other - Not Attributable	Total
Expenses	4,804,976	1,153,460	267,902	1,351,016	1,213,670	766,244	603,537	195,408	3,534,490	13,890,703
%	34.59%	8.30%	1.93%	9.73%	8.74%	5.52%	4.34%	1.41%	25.45%	100.00%
Revenue										
Grants	\$ 4,983,832	-	-	45,064	-	-	88,829	-	1,659,434	6,777,159
Other	\$ 287,177	1,793,669	226,511	143,085	253,471	43,636	-	-	8,114,949	10,862,498
Total	5,271,009	1,793,669	226,511	188,149	253,471	43,636	88,829	-	9,774,383	17,639,657
%	29.88%	10.17%	1.28%	1.07%	1.44%	0.25%	0.50%	0.00%	55.41%	100.00%
Net Result	\$ 466,033	640,209	(41,391)	(1,162,867)	(960,199)	(722,608)	(514,708)	(195,408)	6,239,893	3,748,954
Assets (note 2(b))	\$ 129,210,593	1,906,645	7,520,508	13,602,079	806,423	-	841,984	-	52,126,845	206,015,077
2016/17 Budget										
Expenses	\$ 4,548,430	1,263,356	314,511	1,353,817	1,258,443	642,452	443,450	259,761	3,407,884	13,492,104
%	33.71%	9.36%	2.33%	10.03%	9.33%	4.76%	3.29%	1.93%	25.26%	100.00%
Revenue										
Grants	\$ 3,695,110	-	-	-	-	-	-	-	1,144,696	4,839,806
Other	\$ 196,414	1,733,408	222,800	176,372	197,700	-	61,490	-	7,851,472	10,439,656
Total	3,891,524	1,733,408	222,800	176,372	197,700	-	61,490	-	8,996,168	15,279,462
%	25.47%	11.34%	1.46%	1.15%	1.29%	0.00%	0.40%	0.00%	58.88%	100.00%
Net Result	\$ (656,906)	470,052	(91,711)	(1,177,445)	(1,060,743)	(642,452)	(381,960)	(259,761)	5,588,284	1,787,358
2015/16 Actual										
Expenses	4,521,966	1,128,359	321,920	1,305,185	1,704,012	862,697	413,386	228,938	3,289,670	13,776,133
%	32.82%	8.19%	2.34%	9.47%	12.37%	6.26%	3.00%	1.66%	23.88%	100.00%
Revenue										
Grants	\$ 2,530,267	-	-	225,000	-	-	2,000	-	594,789	3,352,056
Other	\$ 226,601	1,746,557	96,551	178,090	268,293	-	32,138	-	15,950,920	18,499,150
Total	2,756,868	1,746,557	96,551	403,090	268,293	-	34,138	-	16,545,709	21,851,206
%	12.62%	7.99%	0.44%	1.84%	1.23%	0.00%	0.16%	0.00%	75.72%	100.00%
Net Result	\$ (1,765,098)	618,198	(225,369)	(902,095)	(1,435,719)	(862,697)	(379,248)	(228,938)	13,256,039	8,075,073
Assets (note 2(b))	\$ 128,664,322	1,967,382	7,592,012	13,235,906	806,423	-	841,984	-	45,297,758	198,405,787

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

	2017	2016
	\$	\$
Current Assets	17,719,202	10,689,505
Non-current Assets	188,295,875	187,716,282
	206,015,077	198,405,787

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

Transport Infrastructure

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

Solid Waste Management

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

Stormwater and Drainage

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

Parks, Reserves and Recreation Facilities

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

Social and Community

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

Civic Governance

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

Community Development

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

Advocacy

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

Other – not attributable

General Services and activities not identifiable with the foregoing functions.

3. RATES

	2017	2016
	\$	\$
General Rates	6,676,714	6,491,827
Waste Collection Rates	933,029	970,589
Stormwater Rates	226,511	96,551
Rates Penalties	37,972	36,219
TOTAL	7,874,226	7,595,186

Accounting Policy

Rates and charges income

Rates income is recognised as revenue when Council obtains control over the assets comprising these receipts.

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

4. GRANTS

	2017	2016
	\$	\$
Operating Grants	4,700,886	1,579,770
Capital Grants	2,076,273	1,772,286
TOTAL	6,777,159	3,352,056

Grants – Recurrent

Commonwealth financial assistance grants	4,645,507	1,572,770
Department of Premier and Cabinet – Australia Day Great Idea	1,818	0
Department of Premier and Cabinet – National Youth Week 2017	2,000	2,000
LGAT – Community health and wellbeing plan	0	5,000
Department of State Growth – Smithton Landscape	49,181	0
Tasmanian Community Road Safety – Look Out Think Ahead Bus Signage	2,380	0
TOTAL	4,700,886	1,579,770

Grants - Capital

Commonwealth Roads to Recovery	1,787,284	1,547,286
Department of State Growth – Rural Bus Stop Upgrade	40,092	0
Natural disaster relief funding – bridges	203,833	0
Department of State Growth – Henry Hellyer Reserve	45,064	0
Department of Infrastructure and Regional Development – Smithton Recreation Area improvement project	0	225,000
TOTAL	2,076,273	1,772,286

The Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In accordance with AASB1004 Contributions, Council recognises the grants as revenue when it receives the funds and obtains control.

In 2016/17, an amount of \$1,577,736 was paid in advance by the Commonwealth. This will impact the Statement of Comprehensive Income by increasing Council's surplus for the year.

Accounting Policy

Grant income – operational and capital

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

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

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

Un-received contributions over which Council has control are recognised as receivables.

5. USER CHARGES

	2017	2016
	\$	\$
Solid Waste Charges – Port Latta	853,224	765,605
Heavy Vehicle Tax	279,552	213,996
Sales – Private Works	179,700	41,346
Sales – Other	7,362	11,097
Property Rental	117,095	109,847
Rate certificate fees	62,231	65,843
Development application fees	83,181	60,509
Dog registration fees	25,786	32,156
Other User Charges	236,326	314,523
TOTAL	1,844,457	1,614,922

Accounting Policy

User fees

Fee income is recognised as revenue when the service has been provided, or the payment is received, whichever first occurs. A provision for impairment is recognised when collection in full is no longer probable.

Operating lease as lessor

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

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

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

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

6. INVESTMENT REVENUE FROM WATER CORPORATION

	2017	2016
	\$	\$
Dividend	307,413	321,253
Tax Equivalent	142,767	114,429
Guarantee Fee	23,820	38,318
TOTAL	474,000	474,000

Accounting Policy

Investment revenue

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

7. OTHER INCOME

	2017	2016
	\$	\$
Contributions	0	1,311
Road maintenance contribution	7,625	5,601
Other revenue	84,991	164,977
Resource Sharing	452,509	437,496
Subsidies	4,973	13,061
TOTAL	550,098	622,446

Accounting Policy

Contributions

Revenue is recognised when Council obtains the right to receive the contribution and the amount of the contribution can be measured reliably.

Resource Sharing

Council has a Resource Sharing agreement entered into with Waratah Wynyard Council. Resource Sharing income is recognised in arrears of services been received on an accruals basis.

8. GAIN/(LOSS) ON DISPOSAL OF ASSETS

	2017	2016
	\$	\$
Proceeds from sales	387,638	185,727
Less carrying amounts of assets disposed	(450,638)	(519,645)
TOTAL	(63,000)	(333,918)

Accounting Policy

Gains and losses on asset disposals

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

9. EMPLOYEE COSTS

	2017	2016
	\$	\$
Wages, Salaries and Allowances	2,965,072	2,942,336
Superannuation Expenses	396,253	386,808
Leave expenses	710,300	824,777
Payroll Tax	180,604	197,496
Resource Sharing	423,935	330,788
Other Employee Expenses	179,424	120,193
Total Direct Employee Costs	4,855,588	4,802,398
Less Amounts Capitalised	(398,495)	(289,453)
TOTAL	4,457,093	4,512,945

Accounting Policy

Employee benefits

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

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

10. MATERIALS AND CONTRACTS

	2017	2016
	\$	\$
Contractors	1,813,917	1,466,815
Fuel	172,552	208,076
Maintenance	66,226	100,317
Materials	252,318	72,614
Software and licences	147,071	100,535
Operational costs of capital works	226,946	96,830
Other materials and contracts	279,554	301,083
TOTAL	2,958,584	2,346,270

Accounting Policy

Materials and contracts

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

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the

capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

11. DEPRECIATION AND AMORTISATION

	2017	2016
	\$	\$
Buildings	288,869	281,6888
Transport Infrastructure	3,067,219	2,896,195
Stormwater and Drainage	166,934	166,584
Solid Waste Management	203,663	180,742
Parks, Reserves and Recreational Facilities	161,223	189,137
Plant and Equipment	389,155	367,743
Furniture	3,528	5,153
Computers	159,251	163,168
TOTAL	4,439,842	4,250,410

Accounting Policy

Depreciation and amortisation expense

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

The current schedule of rates for depreciation is:

Classification	Useful Life
Buildings	30 - 100 years
Plant and Equipment	3 - 17 years
Transport Infrastructure	8 - 150 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

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

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

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

12. FINANCE COSTS

	2017	2016
	\$	\$
Loan Interest	15,672	36,831

Accounting Policy

Finance expenses

Finance costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Where specific borrowings are obtained for 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.

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

13. OTHER EXPENSES

	2017	2016
	\$	\$
Advertising	48,170	37,668
Audit Fees*	40,690	37,430
Bank fees	17,622	20,446
Communication costs	8,834	9,532
Contributions, donations and grants	246,145	260,551
Consultancy fees	90,181	190,640
Councillors allowance	158,071	158,966
Electricity	163,360	184,585
Property rental	8,031	7,114
Insurance	118,115	142,356
Land Tax	71,227	72,927
Legal Expenses	41,173	48,248
Licences and permits	32,180	36,640
Memberships	107,298	109,629
Postage	10,727	11,491
Rates discounts	179,698	187,351
Water and sewerage rates	78,904	71,152
Sampling	21,929	24,503
Supplementary valuation fees	15,877	26,419
Telephone	40,933	57,025
Harcus River Rd Power project	0	144,003
Other expenses	457,347	457,083
TOTAL	1,956,512	2,295,759

*Additional information regarding audit fees are disclosed in note 31.

Accounting Policy

Other expenses

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

Leases

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

Council leases several parcels of Crown land under lease agreements with the State Government. These leases, in general, do not reflect commercial arrangements, are long-term and have minimal lease payments. Crown land is recognised as an asset in the Statement of Financial Position and carried at fair value when Council establishes that (i) it has control over the land and (ii) it will derive economic benefits from it.

14. CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Short term deposits	11,620,504	9,561,867
Cash at bank	5,293,291	478,278
Petty Cash	1,300	1,300
TOTAL	16,915,095	10,041,445

Accounting Policy

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts. Council considers cash to include cash on hand and in banks (including Special Committee accounts).

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

15. RECEIVABLES

	2017	2016
	\$	\$
Rate Debtors	345,072	301,296
Less allowance for impairment loss	(101,325)	(94,408)
Sundry debtors	315,814	289,528
Other receivables	18,934	16,800
TOTAL	578,495	513,216

Accounting Policy

Trade and other receivables

Receivables are carried at amortised cost, which reflect their net fair value. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred.

16. INVENTORIES

	2017	2016
	\$	\$
Gravel	89,834	41,086

Accounting Policy

Inventories

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

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

17. OTHER CURRENT ASSETS

	2017	2016
	\$	\$
Prepayments	98,989	82,732
Revenue Accrual	36,789	11,026
TOTAL	135,778	93,758

Accounting Policy

Revenue accruals and prepayments

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

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

18. INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

Land

	2017	2016
	\$	\$
<u>Gross Carrying Amount</u>		
Opening Balance at Fair Value	8,826,486	8,850,111
Additions	0	0
Revaluation Adjustment	4,292	-
Disposals	(143,865)	(23,625)
TOTAL	8,686,913	8,826,486

Land Under Roads

	2017	2016
	\$	\$
<u>Gross Carrying Amount</u>		
Opening Balance at Fair Value	7,016,411	1,422
Additions	0	7,014,989
TOTAL	7,016,411	7,016,411

Buildings

	2017	2016
	\$	\$
<u>Gross Carrying Amount</u>		
Opening Balance at Fair Value	10,524,094	10,417,138
Additions	223,648	106,956
Closing Balance	10,747,742	10,524,094
<u>Accumulated Depreciation</u>		
Opening Balance	837,982	556,294
Depreciation for the Year	288,869	281,688
Closing Balance	1,126,851	837,982
TOTAL	9,620,891	9,686,112

A review of land and capital values was undertaken in 2016/17 from the current Office of Valuer General adjustment factors, and the movement was not materially different than the carrying amount therefore a revaluation was not undertaken.

Transport Infrastructure

	2017	2016
	\$	\$
Gross Carrying Amount		
Opening Balance at Fair Value	194,620,629	192,374,162
Additions	3,949,641	3,860,773
Recognition/(Derecognition)	(184,112)	44,338
Revaluation Adjustment	0	0
Disposal	(1,204,639)	(1,658,644)
Closing Balance	197,181,519	194,620,629
Accumulated Depreciation		
Opening Balance	73,075,822	71,588,690
Depreciation for the Year	3,067,219	2,896,195
Revaluation Adjustment	0	0
Recognition/(Derecognition)	(21,286)	51,652
Disposal	(977,166)	(1,460,715)
Closing Balance	75,144,589	73,075,822
Closing Balance at Fair Value	122,036,930	121,544,807

The transport infrastructure class of asset was revalued on 1 July 2014 by Council's Engineer. Additionally bridges were valued by TasSpan on 1 July 2013. Transport infrastructure assets have been valued at written down replacement cost.

Stormwater and Drainage

	2017	2016
	\$	\$
Gross Carrying Amount		
Opening Balance at Cost	13,364,029	13,299,396
Revaluation	0	0
Disposal	(13,791)	(42,270)
Additions	101,160	106,903
Closing Balance	13,451,398	13,364,029
Accumulated Depreciation		
Opening Balance	5,772,017	5,616,42
Revaluation	0	0
Disposal	(8,061)	(11,209)
Depreciation for the Year	166,934	166,584
Closing Balance	5,930,890	5,772,017
TOTAL	7,520,508	7,592,012

The stormwater and drainage class of asset was revalued on 1 July 2014 by Council's Engineer. Stormwater and drainage assets have been valued at written down replacement cost.

Solid Waste Management

	2017	2016
	\$	\$
<u>Gross Carrying Amount</u>		
Opening Balance at Cost	2,722,954	2,664,830
Additions	0	58,124
Closing Balance	2,722,954	2,722,954
<u>Accumulated Depreciation</u>		
Opening Balance	1,010,370	829,628
Depreciation for the Year	203,663	180,742
Closing Balance	1,214,033	1,010,370
TOTAL	1,508,921	1,712,584

Parks, Reserves and Recreation Facilities

	2017	2016
	\$	\$
<u>Gross Carrying Amount</u>		
Opening Balance at Cost	5,925,521	5,708,553
Additions	48,026	216,968
Closing Balance	5,973,547	5,925,521
<u>Accumulated Depreciation</u>		
Opening Balance	2,150,667	1,961,530
Depreciation for the Year	161,223	189,137
Disposals	0	0
Closing Balance	2,311,890	2,150,667
TOTAL	3,661,657	3,774,854

Plant and Equipment

	2017	2016
	\$	\$
<u>Gross Carrying Amount</u>		
Opening Balance at Cost	4,634,053	4,691,740
Additions	429,764	515,322
Disposals	(587,916)	(573,009)
Closing Balance	4,475,901	4,634,053
<u>Accumulated Depreciation</u>		
Opening Balance	2,518,205	2,456,441
Disposals	(514,346)	(305,979)
Depreciation for the Year	389,155	367,743
Closing Balance	2,393,014	2,518,205
TOTAL	2,082,887	2,115,848

Furniture

	2017	2016
	\$	\$
<u>Gross Carrying Amount</u>		
Opening Balance at Cost	114,855	114,855
Additions	0	0
Closing Balance	114,855	114,855
<u>Accumulated Depreciation</u>		
Opening Balance	95,388	90,235
Depreciation for the Year	3,528	5,153
Closing Balance	98,916	95,388
TOTAL	15,939	19,467

Computers

	2017	2016
	\$	\$
<u>Gross Carrying Amount</u>		
Opening Balance at Cost	1,068,396	934,924
Additions	36,698	133,472
Closing Balance	1,105,094	1,068,396
<u>Accumulated Depreciation</u>		
Opening Balance	688,621	525,453
Depreciation for the Year	159,251	163,168
Closing Balance	847,872	688,621
TOTAL	257,222	379,775

Works in Progress

	2017	2016
	\$	\$
<u>Gross Carrying Amount</u>		
Opening Balance at Cost	167,476	102,000
Additions	843,920	167,476
Transfers	(167,476)	(102,000)
TOTAL	843,920	167,476

Summary Table: Infrastructure, Property, Plant and Equipment

2017	Balance at beginning of financial year	Acquisition of assets	Recognition / (Derecognition) of assets	Revaluation increments/ (decrements) Note 33	Written down value of disposals	Depreciation and amortisation Note 11	Recognition / (Derecognition) of assets	Disposal of assets	Transfers	Balance at end of financial year
Land	8,826,486	-	-	4,292	143,865	-	-	-	-	8,686,913
Land under roads	7,016,411	-	-	-	-	-	-	-	-	7,016,411
Buildings	9,686,112	223,648	-	-	-	288,869	-	-	-	9,620,891
Transport infrastructure	121,544,807	3,949,641	(184,112)	-	1,204,639	3,067,219	(21,286)	977,166	-	122,036,930
Stormwater and drainage	7,592,012	101,160	-	-	13,791	166,934	-	8,061	-	7,520,508
Solid waste management	1,712,584	-	-	-	-	203,663	-	-	-	1,508,921
Parks, reserves and recreation facilities	3,774,854	48,026	-	-	-	161,223	-	-	-	3,661,657
Plant and equipment	2,115,848	429,764	-	-	587,916	389,155	-	514,346	-	2,082,887
Furniture	19,467	-	-	-	-	3,528	-	-	-	15,939
Computers	379,775	36,698	-	-	-	159,251	-	-	-	257,222
Works in progress	167,476	843,920	-	-	-	-	-	-	167,476	843,920
TOTAL	162,835,832	5,632,857	(184,112)	4,292	1,950,211	4,439,842	(21,286)	1,499,573	167,476	163,252,199

2016	Balance at beginning of financial year	Acquisition of assets	Recognition / (Derecognition) of assets	Revaluation increments/ (decrements) Note 33	Written down value of disposals	Depreciation and amortisation Note 11	Recognition / (Derecognition) of assets	Revaluation increments/ (decrements)	Disposal of assets	Transfers	Balance at end of financial year
Land	8,850,111	-	-	-	23,625	-	-	-	-	-	8,826,486
Land under roads	1,422	-	7,014,989	-	-	-	-	-	-	-	7,016,411
Buildings	9,860,844	106,956	-	-	-	281,688	-	-	-	-	9,686,112
Transport infrastructure	120,785,472	3,949,641	44,338	-	1,658,644	2,896,195	51,652	-	1,460,715	-	121,544,807
Stormwater and drainage	7,682,754	106,903	-	-	42,270	166,584	-	-	11,209	-	7,592,012
Solid waste management	1,835,202	58,124	-	-	-	180,742	-	-	-	-	1,712,584
Parks, reserves and recreation facilities	3,747,023	216,968	-	-	-	189,137	-	-	-	-	3,774,854
Plant and equipment	2,235,299	515,322	-	-	573,009	367,743	-	-	305,979	-	2,115,848
Furniture	24,620	-	-	-	-	5,153	-	-	-	-	19,467
Computers	409,471	133,472	-	-	-	163,168	-	-	-	-	379,775
Works in progress	102,000	167,476	-	-	-	-	-	-	-	102,000	167,476
	155,534,218	5,165,994	7,059,327	-	2,297,548	4,250,410	51,652	-	1,777,903	102,000	162,835,832

Accounting Policy

i) Acquisition of Assets

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

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

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

Non-Current Assets Constructed by Council

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

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

ii) Classification and Valuation of Non-Current Assets

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

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

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

iii) Revaluation Policy

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

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

Land	Fair Value
Land under roads	Fair Value
Buildings	Fair Value
Transport Infrastructure	Fair Value
Stormwater and Drainage	Fair Value

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

iv) Maintenance vs. Capitalisation

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

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

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

v) Threshold for Recognising a New Asset

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

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

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

vi) Land Under Roads

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

vii) Impairment of assets

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

viii) Unsealed Road Pavement Depreciation

Council adopted to depreciate Unsealed Road Pavement and Unsealed Road Surfaces. Unsealed Gravel Pavement will be depreciated with a useful life of 150 years, Unsealed Road Surfaces will be capitalised at year end and depreciated with a useful life of 6 years. Useful life for asset classes has been calculated using current Unsealed Road Network practises.

A review of sealed road pavement useful lives will be undertaken in the 2017/18 financial year.

ix) Earthworks Recognition

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

19. RECOVERY ON INVESTMENT

	2017	2016
	\$	\$
Recovery on investment	25,946	949,490
TOTAL	25,946	949,490

Council previously owned three securities that incurred significant capital losses, during the terms that the securities were held.

These securities currently form the basis of a Class Action that Council was a member party to. Legal action recovered a portion of the capital losses.

20. PAYABLES

	2017	2016
	\$	\$
Current		
Accrued Wages	153,670	124,863
Accrued Interest	0	904
Trade and other creditors	1,123,131	1,048,873
TOTAL	1,276,801	1,174,640

Accounting Policy

Trade and other payables

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

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

21. PROVISIONS

	2017	2016
	\$	\$
Current Liability		
Annual leave	502,881	477,887
Long service leave	612,939	613,921
Rostered days off and banked hours	75,378	76,187
	1,191,198	1,167,995
Non-Current Liability		
Long service leave	112,721	96,825
	112,721	96,825
TOTAL	1,303,919	1,264,820

Accounting Policy

Employee benefits

i) Employee Benefits – Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave, rostered days off and banked hours that are expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period, and are measured at the amounts expected to be paid when the liabilities are settled including appropriate oncosts (superannuation, payroll tax, workers compensation). Council employed a total of 52.09 full time equivalent staff members at the end of the financial year (2015/16 – 51.95).

ii) Employee Benefits – Other long term employee benefit obligations

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

is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

iii) Employee Benefits – Retirement benefit obligations

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

Defined benefit plans

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

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

Defined contribution plans

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

iv) Employee Benefits – 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.

v) Allocation between Current and Non-Current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as long service leave, the liability is classified as current even if not expected to be settled within the next 12 months.

22. SUPERANNUATION

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund). The Fund was a sub fund of the Quadrant Superannuation Scheme (the Scheme) up to 30 November 2015. At this date the Quadrant Superannuation Scheme merged (via a Successor Fund Transfer) into the Tasplan Super and the Quadrant Defined Benefits Fund became a sub fund of Tasplan Super (Tasplan) from that date. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 *Employee Benefits*, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2017 the Council contributed 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Rice warner undertook the last actuarial review of the Fund at 30 June 2014. The review disclosed that at that time the net market value of assets available for funding member benefits was \$66,310,000, the value of vested benefits was \$57,475,000, the surplus over vested benefits was \$8,835,000, the value of total accrued benefits was \$58,093,000, and the number of members was 187. 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	7.0% p.a.
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 2014.
- 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 2014.

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 2017.

The Actuary recommended that in future the Council contribute 11.0% of salaries in 2014/15 and 9.5% of salaries thereafter.

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 2017 and is expected to be completed late in 2017. 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 Nil (2015/16, Nil), and the amount paid to accumulation schemes (including employee contributions) was \$532,666, (2015/16, \$529,123).

23. BORROWINGS

	2017	2016
	\$	\$
Current Liabilities		
Loans	0	327,454
	0	327,454
Non-Current Liabilities		
Loans	3,900,000	20,988
	3,900,000	20,988
TOTAL	3,900,000	348,442

Accounting Policy

Loans and borrowings

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

The fair value of Council's loans was considered to approximate the respective carrying value of \$3,900,000 (2015/16 \$358,560). The loans were drawn down in May 2017 and no interest is payable, therefore they are deemed to be at their net fair value.

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

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

Council received loan funding through the State Government's Northern Tasmanian stimulation package (\$400,000 for the demolition of the old war memorial swimming pool and \$3,500,000 for the construction of the new wellbeing centre). No repayments of principal are required, therefore both loans have been deemed as non-current.

The current annual capital repayments of loans by Council equate to 0.00% of the revenue of the preceding financial year. Total instalments including interest equates to 0.00% of revenue from the previous year (2015/16, 2.00%).

24. COMMITMENTS FOR EXPENDITURE

(a) Operating Lease Commitments

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

2017	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	6,075	4,346	8,692	-	19,113
TOTAL	6,075	4,346	8,692	-	19,113
2016					
Photocopying Lease	9,239	1,728	-		10,967
TOTAL	9,239	1,728	-	-	10,967

(b) Finance Lease Commitments

Council had no Finance Lease commitments in 2016/17.

(c) Capital Commitments

Council had a capital commitment of \$149,348 as at 30 June 2017 for the demolition of the Circular Head War memorial Swimming Pool.

(d) Other operating Commitments

2017	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
Maintenance	10,105	-	-	-	10,105
Green Point Reserve	4,263	-	-	-	4,263
Waste Transfer Station Management	85,176	85,176	85,176	-	255,528
Cleaning Services Works Plus	7,488	-	-	-	7,488
Cleaning Services Sports Centre	18,720	-	-	-	18,720
Cleaning Services Council Office	18,720	-	-	-	18,720
Street Cleaning	91,332	9,759	-	-	101,091
ML Security	1,805	-	-	-	1,805
Total Lock and Alarms	2,190	-	-	-	2,190
Total	239,799	94,935	85,176	-	419,910
2016					
Maintenance	10,105	10,105	-	-	20,210
Green Point Reserve	15,506	4,263	-	-	19,769
Waste Transfer Station Management	84,084	-	-	-	84,084
Cleaning Services Works Plus	7,488	7,488	-	-	14,976
Cleaning Services Sports Centre	18,720	18,720	-	-	37,440
Cleaning Services Council Office	18,720	18,720	-	-	37,440
Street Cleaning	81,573	91,332	9,759	-	182,664
Total	236,196	150,628	9,759	-	396,583

25. SPECIAL COMMITTEES

Committee	2017			2016		
	Revenue \$	Expenditure \$	Funds held by Council \$	Revenue \$	Expenditure \$	Funds held by Council \$
Circular Head Heritage Centre	17,110	12,344	18,819	25,712	23,032	14,053
Marawah/Redpa Special Committee	5,745	10,188	2,828	8,108	12,391	7,271
Stanley Town Hall	23,063	11,724	34,105	23,118	16,990	22,766
Smithton Rec Ground	9,305	9,109	31,164	10,377	11,082	30,968
Indoor Sports Centre	7,975	6,001	6,310	11,675	14,224	4,336
Stanley Caravan Park Committee	-	-	39,140	-	-	39,140
Stanley Rec Ground	29,221	24,213	5,623	25,860	23,775	615
Trowutta Rec Ground	-	330	10,673	-	-	11,003
	92,419	73,909	148,662	104,850	101,494	130,152

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

26. RELATED PARTY DISCLOSURE

(a) Key Management Personnel Remuneration – Elected Members

	2017	2016
	\$	\$
Councillor Allowances and Reimbursements	158,765	158,966

2017 ²	Short Term Employee Benefits		Post Employment Benefits	Total Compensation AASB124	Expenses	Total Allowances and expenses
	Allowances \$	Travel \$	Superannuation ¹ \$	\$		\$
Mayor	42,078	-	-	42,078	930	43,008
Deputy Mayor	23,516	-	-	23,516	1,624	25,140
Councillors	84,107	-	-	84,107	6,510	90,617
Total	149,701	0	0	149,701	9,064	158,765

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

² The table is presented to meet the disclosure requirements of AASB 124 *Related Party Disclosures* and the annual reporting requirements of section 72 of the *Local Government Act 1993*)

(b) Key Management Personnel Remuneration – Executives

Employee	# Employees	Short term employee benefits		Post Employment benefits	Other long term benefits	TOTAL
		Salary ¹	Vehicles ²	Superannuation ³	Leave entitlements ⁴	
\$120,001 - \$140,000	1	113,366	-	10,770	11,597	135,733
\$140,001 - \$160,000	1	106,748	14,332	10,141	10,791	142,012
\$200,001 - \$220,000	2	306,336	31,679	35,685	29,645	403,345
		526,450	46,011	56,596	52,033	681,090

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

² Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables and maintenance costs.

³ Superannuation means the contribution to the superannuation fund of the individual.

⁴ Includes annual leave and long service leave yearly provisions.

(c) Remuneration Principles

Elected Members

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

Executives

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

(d) Transactions with related parties

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

Transaction type	2017
Purchase of earthwork equipment services from entities controlled by key management personnel close family members.	197,416
Provision of commissions paid to entity controlled by key management personnel.	7,820

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

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

- Payment of rates on a primary residence
- Dog registration

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

27. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2017	2016
	\$	\$
Surplus for the year	3,748,954	8,075,073
Depreciation and amortisation expense	4,439,842	4,250,410
Recognition of assets	162,826	(7,007,675)
Net (gain) loss on disposal of plant and equipment	63,000	333,918
	4,665,668	(2,423,347)
Non-operating income		
Capital grants	(2,076,273)	(1,772,286)
	(2,076,273)	(1,772,286)
(Increase) Decrease in receivables	(64,956)	(23,212)
(Increase) Decrease in other assets	(91,092)	78,971
(Increase) Decrease in financial assets	(25,946)	(949,490)
Increase (Decrease) in creditors	102,163	77,829
Increase (Decrease) in provisions	39,099	154,429
	(40,732)	(661,473)
Net cash provided by (used in) Operating Activities	6,297,617	3,217,967

28. CREDIT STANDBY ARRANGEMENTS

	2017	2016
	\$	\$
Bank overdraft limit	500,000	500,000

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

29. FINANCIAL INSTRUMENTS

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting policy	
Financial assets			
Cash and cash equivalents	14	Cash on hand, at bank and in cash management accounts are valued at face value.	
		Interest is recognised as it accrues. Investments are held to maximise interest returns of surplus cash.	
Receivables	15	An impairment loss is not recognised on rates receivable.	
		A provision for impairment is recognised on other debtors when there is objective evidence that an impairment loss has occurred.	
		Collectability of overdue accounts is assessed on an ongoing basis.	
Financial liabilities			
Trade and other payables	20	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	23	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt.	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.	

(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:

2017	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
		One year or less	Over 1 to 5 years	More than 5 years		
Financial assets						
Cash & cash equiv	5,293,291	11,620,504	-	-	1,300	16,915,095
Trade and other receivables	-	-	-	-	578,495	578,495
Accrued revenue	-	-	-	-	36,789	36,789
Investment in water corp.	-	-	-	-	25,043,676	25,043,676
Total financial assets	5,293,291	11,620,504	-	-	25,660,260	42,574,055
Financial liabilities						
Trade and other payables	-	-	-	-	1,276,801	1,276,801
Interest-bearing loans and borrowings	-	-	3,900,000	-	-	3,900,000
Total financial liabilities	-	-	3,900,000	-	1,276,801	5,176,801
Net financial assets (liabilities)	5,293,291	11,620,504	(3,900,000)	-	24,383,459	37,397,254

2016	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
		One year or less	Over 1 to 5 years	More than 5 years		
Financial assets						
Cash & cash equiv	478,278	9,561,867	-	-	1,300	10,041,445
Trade and other receivables					513,216	513,216
Accrued revenue					11,026	11,026
Investment in water corp.					24,880,450	24,880,450
Total financial assets	478,278	9,561,867	-	-	25,405,992	35,446,137
Financial liabilities						
Trade and other payables	-	-	-	-	1,174,640	1,174,640
Interest-bearing loans and borrowings	-	327,454	20,988	-	-	348,442
Total financial liabilities	-	327,454	(20,988)	-	1,174,640	1,523,082
Net financial assets (liabilities)	478,278	9,234,413	(20,988)	-	24,231,352	33,923,055

(c) Net Fair Values

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

Financial Instruments	30 June 2017		30 June 2016	
	Carrying amount \$	Fair Value \$	Carrying amount \$	Fair Value \$
Financial assets				
Cash and cash equivalents				
Cash at bank and on hand	5,294,591	5,294,591	479,578	479,578
Short Term Deposits	11,620,504	11,620,504	9,561,867	9,561,867
Receivables	578,495	578,495	513,216	513,216
Accrued revenue	36,789	36,789	11,026	11,026
Investment in Water Corporation	25,043,676	25,043,676	24,880,450	24,880,450
	42,574,055	42,574,055	34,446,137	34,446,137
Financial liabilities				
Payables	1,276,801	1,276,801	1,174,640	1,174,640
Financial Liabilities	3,900,000	3,907,884	348,442	358,560
	5,176,801	5,184,685	1,523,082	1,533,200
Net financial assets	37,397,254	37,389,370	33,923,055	32,912,937

(d) Credit Risk

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

(e) Risks and Mitigation

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

Market Risk

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

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

Interest Rate Risk

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

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

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

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

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

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

Credit Risk

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

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

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

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

Rate Debtors

Rates and charges are required to be paid in full by 30 September, but in order to receive a discount the rates and charges must be paid in full by 31 August. Ratepayers may apply to the council to pay rates and charges by instalments, subject to approved terms and conditions.

Should amounts remain unpaid outside of approved payment options the Council will instigate collection proceedings.

Other Debtors (including loans and advances)

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

Impairment Losses

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

Trade receivables	30 June 2017		30 June 2016	
	Gross \$	Impairment \$	Gross \$	Impairment \$
Not past due	264,450	-	258,957	
Past due 0-30 days	23,456	-	358	
Past due 31-60 days	2,838	-	4,305	
Past due 61-90 days	216	-	601	
More than 90 days	24,854	-	25,306	
Total trade receivables	315,814	-	289,528	
Rates receivable	345,072	101,352	301,296	94,408
Other Receivable	18,961	-	16,800	-
Total receivables as per the Statement of Financial Position	679,847	101,352	513,216	94,408

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 2017.

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

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

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

Liquidity Risk

Liquidity risk is the risk that the Council will not be able to meet its financial obligations as they fall due. The Council's approach to managing liquidity is to ensure that it will always have 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 2017					
Payables	1,276,801	-	-	1,276,801	1,276,801
Borrowings	-	3,907,584	-	3,907,584	3,900,000
Total	1,276,801	3,907,584	-	5,184,385	5,176,801
30 June 2016					
Payables	1,174,640	-	-	1,174,640	1,174,640
Borrowings	336,963	21,597	-	358,560	348,442
Total	1,511,603	21,597	-	1,533,200	1,523,082

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 2016.

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	
2017	\$	+1% (100 basis points) \$	-0.5% (50 basis points) \$	+1% (100 basis points) \$	-0.5% (50 basis points) \$
Financial Assets					
Cash and cash equivalents	16,915,095	169,151	(84,575)	169,151	(84,575)
Trade and other receivables	578,495	-	-	-	-
Financial Liabilities					
Interest bearing loans and borrowings	3,900,000	-	-	-	-
Trade and other payables	1,276,801	-	-	-	-

Interest rate risk		Surplus or deficit		Equity	
2016	\$	+1% (100 basis points) \$	-0.5% (50 basis points) \$	+1% (100 basis points) \$	-0.5% (50 basis points) \$
Financial Assets					
Cash and cash equivalents	10,041,445	100,414	(50,207)	100,414	(50,207)
Trade and other receivables	513,216	-	-	-	-
Financial Liabilities					
Interest bearing loans and borrowings	348,442	-	-	-	-
Trade and other payables	1,174,640	-	-	-	-

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

30. SIGNIFICANT BUSINESS ACTIVITIES

	Camping and Recreational Vehicles \$		Port Latta Solid Waste \$	
	2017	2016	2017	2016
Revenue				
Rates	-	-	-	-
User Charges	35,541	33,581	851,297	762,880
Grants	-	-	-	-
Other	54,007	54,008	140,196	196,909
Total Revenue	89,548	87,589	991,493	959,789
Expenses				
<i>Direct</i>				
Labour and Materials	33,890	33,475	332,754	331,799
Borrowing Costs	-	-	15,672	36,831
Other	5,071	3,983	61,430	55,159
<i>Indirect</i>				
Engineering and Administration	23,117	24,555	62,188	84,740
Total Expenses	62,078	62,014	472,044	508,530
Capital Costs				
Depreciation	24,492	26,274	188,305	164,782
Opportunity Cost of Capital	22,946	24,939	36,197	5,644
Total Capital Costs	47,438	51,213	224,502	170,426
Competitive Neutrality Costs	-	-	521	521
Calculated surplus/(deficit)	2,978	(209)	330,623	285,957
Income Tax Equivalent 30%	893	0	99,187	85,787
Total Fully Attributed Costs	110,410	113,227	796,253	765,264

Accounting Policy

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

31. AUDITOR'S REMUNERATION

	2017 \$	2016 \$
Audit fee external audit – Tasmanian Audit Office	40,690	37,430
TOTAL	40,690	37,430

Includes acquittal and travel disbursement costs.
Base audit fee \$25,790 (2015/16 \$25,280)

32. INVESTMENT IN WATER CORPORATION

At 30 June 2017, Council held a 1.58% ownership interest in TasWater.

Council does not have significant influence to allow it to use the equity method to account for this interest.

	2017 \$	2016 \$
Opening balance	24,880,450	24,464,025
Fair Value adjustment on assets held for resale	163,226	416,425
Total investment in water corporation	25,043,676	24,880,450

Accounting Policy

(i) Investments in water corporations

Council's investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2017, Council held a 1.58% (2016: 1.58%) ownership interest in TasWater which is based on schedule 2 of the Corporations Constitution which reflects the council's voting rights. Any unrealised gains and losses are recognised through the Comprehensive Income Statement to a Financial assets available for sale Reserve each year.

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

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

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

33. RESERVES

	2017 \$	2016 \$
Asset Revaluation Reserve:		
Balance at beginning of financial year	65,272,625	65,272,625
Revaluation adjustment:		
Land	4,292	0
Buildings	0	0
Transport infrastructure	0	0
Stormwater	0	0
	0	0
Balance at end of financial year	65,276,917	65,272,625
Closing balance		
Land	5,613,737	5,609,445
Buildings	2,065,641	2,065,641
Transport infrastructure	55,011,756	55,011,756
Stormwater	2,585,783	2,585,783
	65,276,917	65,272,625

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

	2017 \$	2016 \$
Financial Assets available for Sale Reserve		
Balance at the beginning of the financial year	2,792,825	2,376,400
Fair Value Adjustment	163,226	416,425
Balance at the end of the financial year	2,956,051	2,792,825

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	113,156	113,156
Transfer from retained surplus	-	-
Expenditure of funds on capital works	-	-
Balance at end of financial year	113,156	113,156
TOTAL	68,346,124	68,178,606

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.

34. FAIR VALUE MEASUREMENTS

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

- Land
- Land Under Roads
- Buildings
- Transport Infrastructure
- Stormwater

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

(a) Fair Value Hierarchy

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

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

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

Level 3 - Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2017.

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

As at 30 June 2017

Recurring fair value measurements	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	18	-	8,686,913	-	8,686,913
Land under roads	18	-	7,016,411	-	7,016,411
Buildings	18	-	9,620,891	-	9,620,891
Transport Infrastructure	18	-	-	122,036,930	122,036,930
Stormwater	18	-	-	7,520,508	7,520,508
Total		-	25,324,215	129,557,438	154,881,653

As at 30 June 2016

Recurring fair value measurements	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	18	-	8,826,486	-	8,826,486
Land under roads	18	-	7,016,411	-	7,016,411
Buildings	18	-	9,686,112	-	9,686,112
Transport Infrastructure	18	-	-	121,544,807	121,544,807
Stormwater	18	-	-	7,592,012	7,592,012
Total		-	25,529,009	129,136,819	154,665,828

Transfers between levels of the hierarchy

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

(b) Highest and best use

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

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

The 2014/15 financial year saw Council use benchmark data to complete the revaluation. This was deemed a more reflective valuation technique as a wide amount of data is available. The valuation was conducted in house by Council's engineer.

(d) Changes in recurring level 3 fair value measurements

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

(e) Valuation processes

Council's current policies for the valuation of property, infrastructure, plant and equipment and investment in Water Corporation (recurring fair value measurements) are set out in notes 18 and 32 respectively.

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

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

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes (refer note 23).

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

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

(g) Fair Value Hierarchy

Land

Land fair values were determined by the State Valuer General effective 30 June 2013. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

A review of adjusted values was undertaken from the current Valuation Department adjustment factors, and the movement was not materially different than the carry amount therefore a revaluation was not undertaken in the 2016/17 financial year. Council will reassess again in 2018/19 when the next revaluation is conducted.

Land under roads

Council recognised Land Under Roads for assets held prior to 2008 for the first time in 2015/16. Valuation of land Under Roads was determined by using the land valuations supplied by the Office of the Valuer-General as at 30 June 2016. The most significant input into this valuation approach is price per square metre, derived by Valuer General from analysis of market sales of different classes of property and locality.

Buildings

The fair values of buildings were also determined by the State Valuer General effective 30 June 2013. Where there is a market for Council building assets, fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant input into this valuation approach was price per square metre.

In determining the level of accumulated depreciation, an average useful life of 40 years has been applied to the written down value.

While the unit rates based on square metres can be supported by market evidence (level 2).

A review of adjusted values was undertaken from the current Valuation Department adjustment factors, and the movement was not materially different than the carry amount therefore a revaluation was not undertaken in the 2016/17 financial year.

Council will reassess again in 2018/19 when the next revaluation is conducted.

Transport infrastructure

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

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

A full valuation of bridges assets was undertaken by independent valuers, AusSpan effective 1 July 2013. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

A revaluation of roads was carried out as at 1 July 2014.

The replacement costs of other road asset subclasses were reviewed by reference to the movement in the ABS Producer Price Index Number 3101 Roads and bridge construction Victoria. Movement from 01/07/2014 (last revaluation date) to 30/06/2017 was -2.0%. This was not considered material and so no other changes were made to the unit rates for road assets.

Stormwater

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

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

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

A revaluation was undertaken on 1 July 2014. Benchmark data was used for the unit prices in the revaluation as Council had very few capital projects as evidence for using its own unit rates. The revaluation was undertaken in house by Council's engineers.

35. EVENTS OCCURRING AFTER BALANCE DATE

Council previously owned three securities that incurred significant capital losses, during the terms that the securities were held.

These securities currently form the basis of a Class Action that Council is a member party to. Legal action to recover capital losses and related expenses was continuing at the release date of Financial Statements.

36. CONTINGENT ASSETS AND LIABILITIES

Bank Guarantee

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

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

Accounting Policy

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

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

37. OTHER SIGNIFICANT ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS

(A) LEASES

Leasehold improvement

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

(B) TAXATION

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

Goods and Services Tax (GST)

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

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

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

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

(C) BUDGET INFORMATION

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

(D) TRUST FUNDS

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

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

(E) ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

(i) AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not for Profit Public Sector Entities (effective from 1 July 2016).

Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. The standard further extends that required under the LGA 1993. This information is presented in Note 26.

(F) PENDING ACCOUNTING STANDARDS

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below. (Note: standards are applicable to reporting periods beginning on or after to effective date referred to below).

(i) AASB 9 Financial Instruments and 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) (effective from 1 January 2018)

The main impacts of these standards on Council are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the Council's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. Amortised cost is to be used for assets with contractual terms giving rise to principal and interest payments.

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

When adopted, the standard will affect, in particular, Council's accounting for its investment in TasWater which is an available-for-sale financial assets. Currently, Council recognises changes in the fair value of its available-for-sale assets through other comprehensive income. Council is likely to make an irrevocable election for its investment in TasWater as 'fair value through other

comprehensive income' and therefore the adoption of this standard will not impact the way movements in the fair value are accounted for.

Another impact of AASB 9 relates to calculating impairment losses for Council's receivables. Assuming no substantial change in the nature of receivables, as they don't include a significant financing component, impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, Council will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised and also factor in any future changes or events.

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

(ii) AASB 16 Leases (effective from 1 January 2019)

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

AASB 16 will result in most of Council's operating leases being brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low-value assets which may remain off the balance sheet. Councils existing lease commitments are disclosed in Note 24. The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and increases in lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease. Rent expense will no longer be shown. The profit and loss impact of the leases will be through amortisation and interest charges. Councils current operating lease expenditure is shown at Note 24. In the Statement of Cash Flows lease payments will be shown as cash flows from financing activities instead of operating activities.

Lessor accounting under AASB 16 remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

(iii) AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 (effective from 1 January 2017)

Amendments to AASB 107 will require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures will include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities and be disclosed by way of a reconciliation in the notes to the Statement of Cash Flows.

(iv) AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB10 and AASB128 (effective 1 January 2018)

The amendments address an acknowledged inconsistency between the requirements in AASB10, and those in AASB128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. AASB 2015-10 has delayed the effective date of the amendments to 1 January 2018. i.e. councils' financial statements for year ended 30 June 2019.

The standard has no impact on Council's financial statements.

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

(iv) AASB 1058 Income of Not-for-Profit Entities, AASB 15 Revenue from Contracts with Customers, and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities. AASB 2015-8 Amendments to Australian Accounting Standards arising from AASB 15 provides for an effective of application from 1 January 2019.

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 Contributions. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

Council has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report include:

Grants received to construct non-financial assets controlled by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.

Under the new standards, other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. At present, such grants are recognised as revenue upfront. When the new standard becomes effective, Council will evaluate all grant agreements in place at that time to determine whether revenue from those grants could be deferred under the new requirements.

Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants for which there are no sufficiently specific performance obligations, for example the Commonwealth Financial Assistance Grants. These grants are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

Rates received in advance, which are currently required to be recognised as revenue when received will be deferred under the new requirements until the commencement of the rating period to which they relate.

Volunteer services and transactions where the consideration is significantly less than the fair value of that asset acquired, or no consideration is provided (for example below market leases) will be required to be recognised when certain recognition criteria are met. Council has not yet fully determined the impact of these requirements on its financial statements.

Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred to a later reporting period to the extent that Council has received cash, but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime Council is yet to fully complete its analysis of existing arrangements for sale of its goods and services and the impact on revenue recognition has not yet been fully determined.



Certification of the Financial Report

for the financial year ended 30/06/2017

The financial report presents fairly the financial position of the Circular Head Council as at 30 June 2017, the results of its operations for the year then ended and the cash flows of the Council, in accordance with the Local Government Act 1993 (as amended), Australian Accounting Standards (including interpretations) and other authoritative pronouncements issued by the Australian Accounting Standards Board.

A handwritten signature in black ink, appearing to read 'Tony Smart', with a long horizontal flourish underneath.

Tony Smart
GENERAL MANAGER

Dated at Smithton this 28th day of September 2017