

Stronger Councils, Stronger Region

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Cradle Coast Authority
ANNUAL REPORT

ACKNOWLEDGEMENT OF COUNTRY

We pay respect to and acknowledge the traditional owners of lutruwita (Tasmania); the palawa/pakana people.

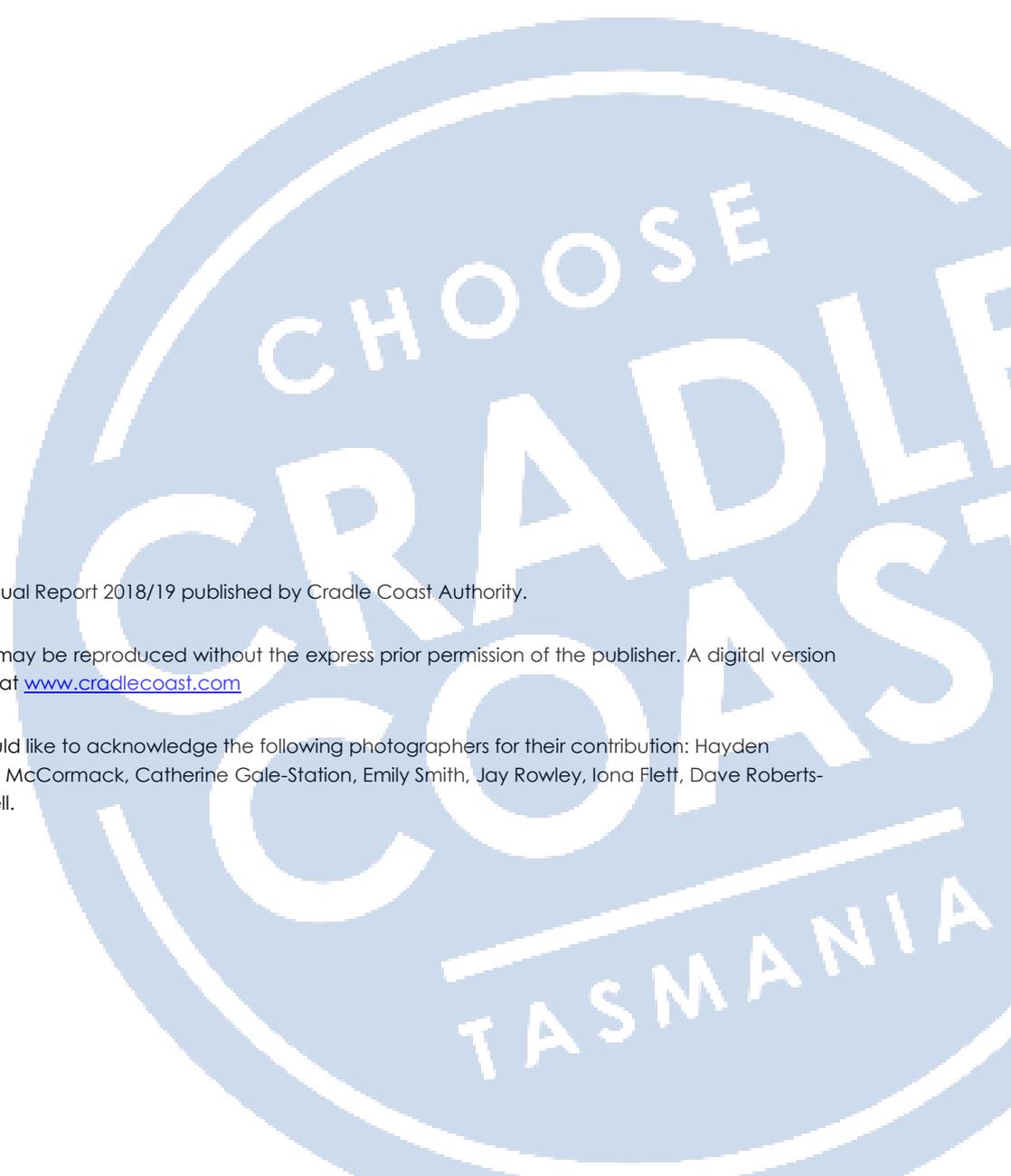
We acknowledge the North-West Nation, including eight clans; Tommeginer, Parperloihener, Pennemukeer, Pendowte, Peerapper, Manegin, Tarkinener and the Peteridic, the South-West Nation, including four clans; Mimegin, Lowreenne, Ninene and Needwonnee, and two clans of the North Nation; Noeteeler and Plairhekehillerplue as the traditional owners of the lands within the Cradle Coast region.

We recognise and celebrate the Tasmanian Aboriginal peoples' survival and continual connection with the land, spanning more than 60,000 years. This is a very important part of our region's story.

Cradle Coast Authority Annual Report 2018/19 published by Cradle Coast Authority.

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Cradle Coast Authority would like to acknowledge the following photographers for their contribution: Hayden Griffith, Henry Brydon, Dave McCormack, Catherine Gale-Station, Emily Smith, Jay Rowley, Iona Flett, Dave Roberts-Thompson and Emily Presnell.



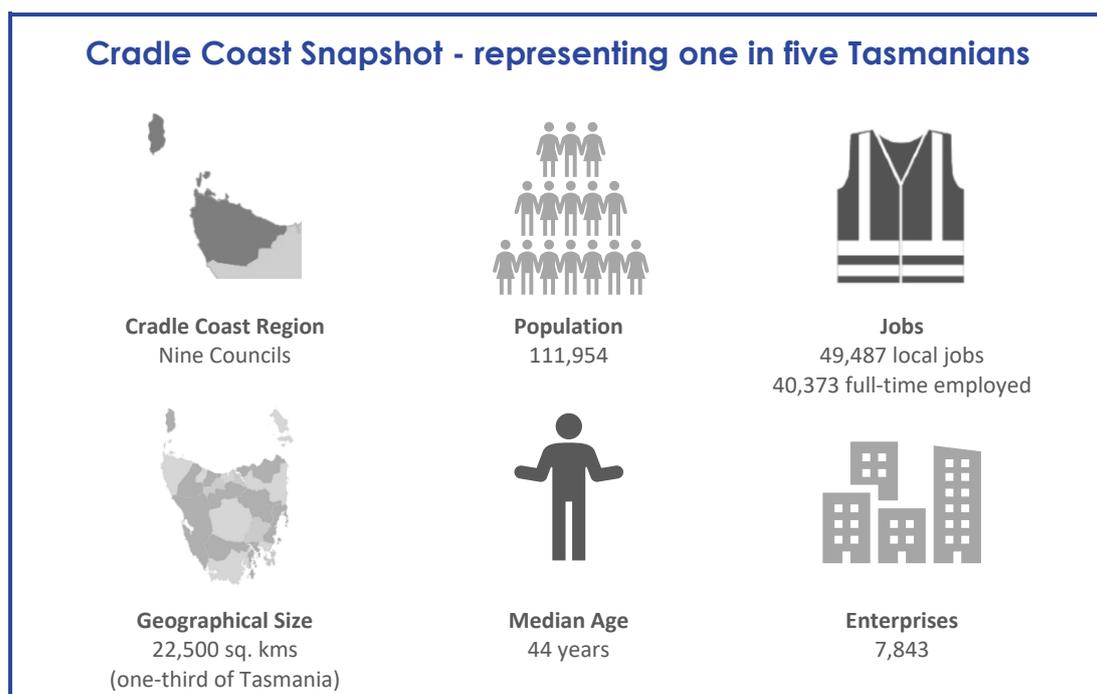


INTRODUCTION

The Cradle Coast Authority (CCA) 2018/19 Annual Report outlines the organisation's achievements and financial performance.

The Cradle Coast is a vibrant and diverse region of Tasmania, with beautiful coastlines, rich agriculture lands and awe-inspiring national park areas. Almost 112,000 people call this region home. The region incorporates the nine municipalities of Burnie City, Central Coast, Circular Head, Devonport City, Kentish, King Island, Latrobe, Waratah Wynyard and West Coast. Established in 1999 and jointly owned by the region's nine Councils, CCA exists to help them achieve regional outcomes and maintain strong local government by working together.

Our three business units are regional development, natural resource management and strategic services, the latter of which is a new function that is all about pursuing partnerships and opportunities that benefit our business, our owners and our region. The long-term sustainability and future prosperity of the region is at the heart of everything we do.





MESSAGE FROM THE CHIEF REPRESENTATIVE

The past year has been one of change and evolution, and we have emerged with greater unity, purpose, direction and a renewed sense of ownership and pride. Our owner Council Representatives have worked closely together with the Board and management throughout the year and together we have overcome many great difficulties. These issues have been both time consuming and challenging, however a lot of goodwill has seen us achieve positive reform. Our Natural Resource Management Committee is able to continue their valuable work in our region, and while the outcome regarding the Regional Tourism Organisation wasn't what we hoped for, we can be extremely proud of the role we have played in advancing tourism over a number of years. Of course, CCA will continue to take a keen interest in regional tourism given our vital new coordination role laid out in the Regional Futures Plan, which has received widespread support and enthusiasm.

In December we said farewell to Brett Smith. I thank him for his contribution to our region and wish him well in his new role. In his place we welcomed the appointment of Daryl Connelly as CEO. Daryl is committed to helping our Councils achieve regional outcomes and is working closely with Council management and staff around several areas particularly in economic development, local government workforce development and events. Daryl and his team are also committed to finding other ways for Councils to work together, to maintain strong, efficient local government. Both Daryl and Chairman Sid Sidebottom have engaged with individual Councils and have been well received by our Councillors who want to understand the regional picture and stay informed on the activities of our regional body. Councillors were invited to visit the Cradle Coast offices to see firsthand the work being undertaken and meet with staff from all areas. It is important that our Representatives encourage their Councillors to think regionally and continue to engage them in the business and activities of our region as we move forward.

The power of nine Councils working together should never be underestimated, especially when advocating for the Cradle Coast region. We are recognised by industry, state and federal government, as providing leadership through clear priorities and strong advocacy. This has been evidenced through grant funding received towards the Coastal Pathways project, farm vehicle washdown and effluent dumping facilities and discussions with both state and federal governments on the importance of the Bass Highway. Upgrades to the highway are essential for not only the efficiency of our businesses and industries but also the safety of our community and the many tourists enjoying our region. CCA has taken on project

management of the Coastal Pathway project which will see construction being completed on sections of the pathway between Latrobe, Devonport, Leith, Ulverstone, Penguin and Sulphur Creek in the coming year. This is a massive project which will result in substantial economic value to our region.

We are fortunate to live within a region that is developing a growing and diverse economy. Together with industry leaders, educators, our Board, Council Representatives and staff we have developed our Regional Futures Plan, setting a clear path forward. This is to be seen as not only a plan for CCA but a plan for the Region. The plan will help us build on the region's current strategies and strengths while identifying priorities and actions to support future economic growth. While it is early days, it is exciting to see industries and Councils now working cohesively on a clear set of priorities for our future to ensure the Cradle Coast becomes a stronger and more resilient region.

Finally, I would like to thank Deputy Chief Representative, Mayor Peter Freshney who has worked closely with me as we have taken an active leadership role on many of the issues which have arisen during the year. Thank you to Sid, the Board, Daryl and his staff who have turned the business inside out and upside down to emerge with a regional body we are proud to own. I look forward to working with you all in the year ahead.

Working together for Stronger Councils, Stronger Region.



Mayor Jan Bonde

Chief Representative



MESSAGE FROM THE CHAIRMAN

2018/19 has seen CCA continue to renew itself, more extensively engage with our nine owners and regional, state, and national stakeholders, as well as begin to implement the Regional Futures Plan. The Board wishes to thank everyone involved in making this happen. A significant and successful restructure of the organisation and its finances has taken place over the last few months, ably led and managed by our new CEO Daryl Connelly. These are outlined in the CEO's Report.

The Board wishes to thank former Directors Tony Moore (Regional NRM Committee Chair), Rod Stendrup (Regional Tourism Committee Chair), and Duncan McFie (Mayoral representative) for their invaluable contributions during their term as Directors.

In the meantime, we have welcomed new members to the Board; Kathy Schaefer PSM (independent member); Phil Vickers (Mayoral representative); Peter Voller PSM (Regional NRM Committee Chair) and Sheree Vertigan AM (Regional Economic Development Steering Group Chair). Peter has played a significant leadership role alongside our CEO and NRM staff in securing Australian Government funding for regional NRM projects and brings a wealth of experience in public administration and delivering environmental projects. Sheree comes to the CCA with an impressive record in public administration, educational leadership, and organisational reform, as well as small business experience. Phil has a distinguished and extensive background in local government and tourism management.

I would like to thank my other fellow Directors for their invaluable support, positive contribution and wise counsel during this year of further organisational change and consolidation of purpose; Annette Rockliff (Mayoral representative), Malcolm Wells (independent member), and General Manager representative Andrew Wardlaw. Each of these Directors have also taken on additional roles in support of the CCA and I thank them for this. I would also like to acknowledge the long standing, invaluable role of Steve Allen on the Audit and Risk Committee. The leadership team of CCA also includes the Chief and Deputy Chief Representatives, Mayors Jan Bonde, and Peter Freshney. I wish to greatly thank them for their support, professionalism, and active engagement within and outside Representatives' Meetings.

CCA has a new CEO in Daryl Connelly. Daryl has led the organisation through its recent renewal and is to be congratulated for his undoubted professionalism and skilful management

of both people, resources, and processes during this challenging time. The Board wishes to thank Daryl and his team for their dedicated, professional, and hard work during the year and we look forward to working with them to further the good work of the CCA in our region.

The Board wishes to thank former CEO Brett Smith for his years of dedicated service to CCA and our region and to wish him well. Likewise, we wish to sincerely thank parting members of staff as they take on new ventures in their careers, and we warmly welcome our new staff.

With repurposed committees, more emphasis on regional economic development activities, greater engagement with our owners, building substantive strategic relationships with wider stakeholder groups and organisations, continuing to secure diverse funding sources, and maintaining an enthusiastic, efficient, and professional workforce will see CCA consolidate the recent changes and challenges it has faced.

The Board's next task is to take stock of where CCA is as an organisation and to prepare it for the next five years. In short, to build on the positive changes achieved in the last few years, and to make CCA ready, willing, and able to lead and appropriately respond to the ever-changing needs of our region and its people.

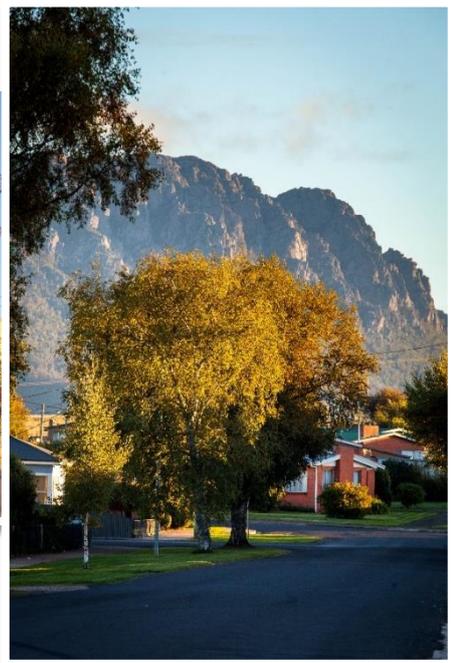
Finally, the Board wishes to thank our nine Member Councils, the Representatives, State and National government agencies and parliamentarians, and our numerous regional stakeholders for their ongoing support and positive engagement. We look forward to working together to make the Cradle Coast region a better place in which to live, work, invest, recreate, learn, and to visit.

With thanks,



The Hon. Sid Sidebottom

Chairman





CHIEF EXECUTIVE OFFICER'S REPORT

It is my great pleasure to present this Annual Report for a business that I am extremely proud to be a part of. It's a very different business to the one that existed at the start of the financial year, and it will be a different and even stronger business by this time next year.

Throughout 2018/19, our people – my staff, the Board, Committee Members and Representatives – have turned this business around and set it on a positive trajectory. This includes of course, those who served on our former Tourism Committee during the transition to a new Regional Tourism Organisation, and those who served on our NRM Committee during a very difficult time. I am confident and determined that by this time next year, Councillors and others will no longer ask “What does CCA do?”; instead, they will view CCA as a vital public institution, the kind of business that more organisations want to partner with and more people aspire to work for.

While the 2018/19 financial year can accurately be considered in two halves – a period of crisis, followed by a period of reform – our people continued to do the kind of work that makes our region an even better place to live, work, visit and invest. They have done this since well before my time, and the project summaries in this Annual Report illustrate that.

The period from June to December saw the continuation of calls for organisational reform from Member Councils, State and Federal Government, our own Natural Resource Management (NRM) Committee and tourism stakeholders. While tourism didn't go our way, our successful reform has been widely acknowledged. Tangible evidence of this includes significant new state and federal government funding, a leaner organisational structure, cost reductions and numerous examples of good cooperation between Member Councils and CCA.

While total employee numbers have remained roughly the same at around 16 FTEs and continue to fluctuate as we secure NRM and other funding, the business has undergone a significant restructure. Management roles have been replaced with economic development roles, and more of those roles are externally funded. Adjusted to remove tourism staff, this time last year 8.4 FTEs were funded by Council contributions, and today, that figure is 5.7 FTEs. When I commenced the CEO role in December, we had one dedicated economic development team member at 0.8 FTEs, and today we have 4.4 FTEs in the economic development team, plus a significant share of my time. Some roles have been made redundant, and some staff opted to pursue new opportunities. Importantly, those who have joined the team or decided

to stay, have been fully aware of, excited by and have already made a major contribution to, our change agenda.

Other key changes include:

- Streamlined processes
- Fewer, shorter meetings
- Overhead cost reductions
- Simpler, more transparent reporting
- Repairing the relationship between our NRM Committee and CCA more broadly
- Getting the Regional Futures Plan “back on track”, and making good progress vis-à-vis leading this ambitious new approach to regional economic development

The most important reform of all however, is a much sharper focus on and commitment to our purpose – helping Councils achieve regional outcomes and maintain strong local government, by working together. Far from being just a tagline, “stronger councils, stronger region” has and will continue to guide, everything we do. We exist within and for, local government - the layer of government that is closest to the people – and we should never lose sight of that. Developing a list of regional election priorities and securing \$4m in the lead-up to the federal election, is just one of many examples of what can be achieved when we work together.

The end of the financial year was marked by the formal adoption of our 2019-20 Annual Plan and Budget by the Representatives in June. This Annual Plan clearly spells out what our owners have agreed that CCA should be working on this year. It's ambitious and exciting, and includes new ground for CCA, such as playing a role in shared services. Anybody who is interested can monitor our progress on our website, where we will report against it quarterly, in a strong show of our commitment to our Vision, Purpose and Values.

I would like to thank all of the Councillors and other people who have given CCA a second chance. We now have a track record of successfully pulling together in adversity, and that is what provides me with the utmost confidence that we can make the Cradle Coast Authority everything that it can and should be, particularly for the sake of the one in five Tasmanians who call this corner of the island “home”.

Best wishes,



Daryl Connelly MBAus

Chief Executive Officer



Daryl Connelly, Chief Executive Officer and The Hon. Mark Shelton MP, Minister for Local Government

COUNCIL REPRESENTATIVES

Our nine Member Councils appoint two Representatives, usually the Mayor and General Manager of each Member Council unless either are appointed to the Board, in which case the Deputy Mayor will be appointed as a Representative instead. During 2018/19 there were several changes of Representatives due to Local Government elections in October 2018.

Council Representatives at 30 June 2019:

Burnie City Council

Mayor Steve Kons

Deputy Mayor Giovanna Simpson

Central Coast Council

Mayor Jan Bonde ¹

Sandra Ayton, General Manager

Circular Head Council

Mayor Daryl Quilliam

Scott Riley, General Manager

Devonport City Council

Deputy Mayor, Alison Jarman

Paul West, General Manager

Kentish Council

Mayor Tim Wilson

Deputy Mayor Don Thwaites

King Island Council

Mayor, Julie Arnold

Kate Mauric, Acting General Manager

Latrobe Council

Mayor Peter Freshney ²

Gerald Monson, General Manager

Waratah Wynyard Council

Mayor Robby Walsh

Shane Crawford, General Manager

West Coast Council

Deputy Mayor Shane Pitt

David Midson, General Manager

We would also like to thank the following people who served as Representatives at other times during the 2018/19 financial year;

Former Mayor Alwyvn Boyd (Burnie City Council)

Former Deputy Mayor Sandra French (Burnie City Council)

Former Acting Deputy Mayor Leon Perry (Devonport City Council)

Former Mayor David Munday (King Island Council)

Former Deputy Mayor Jim Cooper (King Island Council)

Troy Brice, former General Manager (King Island Council)

Former Deputy Mayor Shane Pitt (West Coast Council)

Mayor Phil Vickers (West Coast Council)

Dirk Dowling, former General Manager (West Coast Council)

¹ Chief Representative

² Deputy Chief Representative



BOARD OF DIRECTORS

In 2018/19 CCA had a 10-member Board of Directors, appointed by the Representatives. The Board is responsible for the CCA's strategic direction, financial management, appointment of advisory committees and other fiduciary duties. Membership of the Board is skills-based along with one General Manager and two Mayoral Representatives.

The Hon. Sid Sidebottom (Chairman)

Mr. Andrew Wardlaw (General Manager Representative)

Mayor Annette Rockliff (Mayoral Representative)

Former Mayor Duncan McFie (Mayoral Representative) *ceased November 2018*

Ms. Kathy Schaefer ^{PSM} (independent member) *commenced October 2018*

Mr. Malcolm Wells (Audit and Risk Committee Chair and independent member)

Mr. Rod Stendrup (Former Regional Tourism Committee Chair) *ceased February 2019*

Mr. Peter Voller ^{PSM} (Regional NRM Committee Chair) *commenced February 2019*

Mayor Phil Vickers (Mayoral Representative) *commenced May 2019*

Mr. Tony Moore (Former Regional NRM Committee Chair) *ceased February 2019*

STAFF

As at June 30, 2019



Daryl Connelly
Chief Executive Officer



Lauren Clarke
Executive Assistant



Jemma O'Neill
Corporate Services Coordinator



Claire Smith
Director Strategic Services



Nani Clark
Regional Economic
Development Officer



Kate Sims
Regional Economic
Development Officer



Kat Sayer
Administration Support Officer



Carolyn Watson-Paul
Regional Economic
Development Officer
(Employment)



Mary Roddy
Regional Economic
Development Officer
(Coastal Pathway)



Spencer Gibbs
Regional NRM Manager



Anna Wind
Coastal Coordinator



Tom O'Malley
Regional Landcare Facilitator



Jay Rowley
Biodiversity Coordinator



Iona Flett
Project Officer, NRM

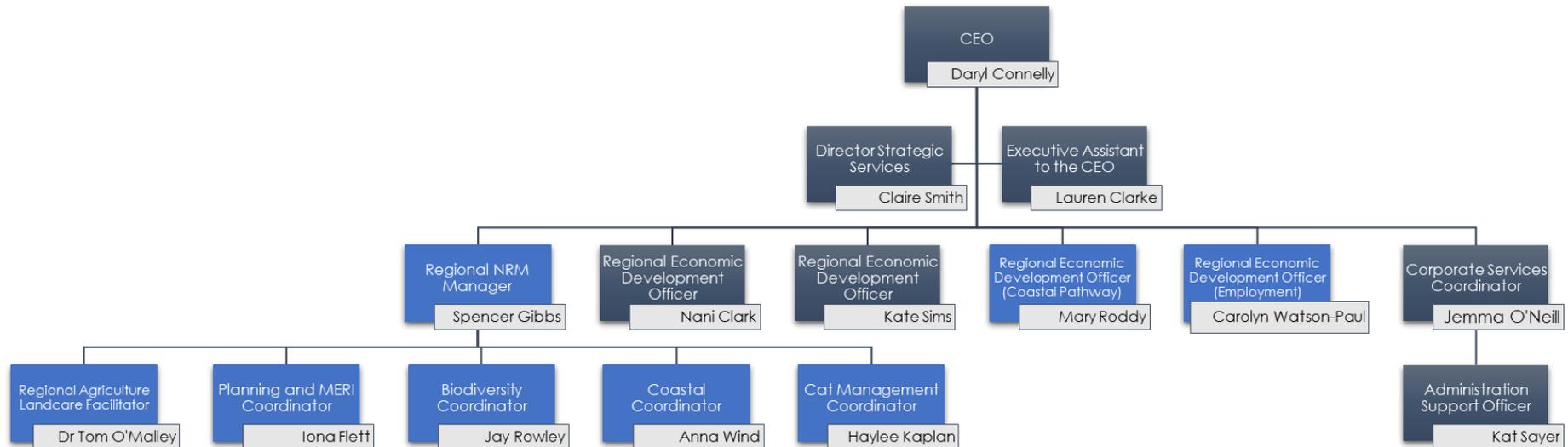


Haylee Kaplan
Regional Coordinator, Cat
Management

We would also like to thank the following people who were employed at other times during the 2018/19 financial year; Brett Smith, Teresa Lord, Peter Murden, Chelsea Bell, Catherine Gale-Stanton, Mark Wisniewski and Julie Mills.

ORGANISATIONAL CHART

As at June 30, 2019



- Reflects lines of reporting only, not level of responsibility or seniority
- MERI = Monitoring, Evaluation, Reporting and Improvements
- Bright blue shaded positions are predominately funded via State and/or Federal project funding

REGIONAL NRM COMMITTEE CHAIRMAN'S REPORT

Report on NRM Operations

The 2018/19 Financial Year has been a major period of review and reform for NRM program delivery by Cradle Coast NRM, as part of the CCA. The failure of our first tender for ongoing funding under the Commonwealth Government Regional Land Partnerships Program was a critical trigger for a comprehensive review of organisational arrangements and terms.

This review was completed with constructive and valuable input from the State Government, the Board and staff and the NRM Regional Committee members. The Committee has resolved to work closely with the Board to consolidate the integrated business model that is at the foundation of the CCA. This resolution has resulted in a close and cohesive relationship forming between the Committee and the Board.

Completion of our organisational reform process also preceded a second tender for funding by the Commonwealth in November 2018. CCA was successful in the second tender, and we have secured the role of NRM service provider for the National Landcare Program until June 2023. This is a great result achieved through the efforts of NRM staff and Committee.

CCA has a significant and critical role to play at local, state and national levels in achieving positive actions for sustainable natural resource management. This was demonstrated during the year with Cradle Coast NRM entering into new project partnerships with the State Government and supported by the Commonwealth Government, to assist in the development and delivery of three high priority NRM projects. Assessments have been completed of the population and distribution of feral cats on Three Hummock Island and of the King Island Scrubtit and King Island Brown Thornbill, two of Australia's most endangered but least known birds, endemic to King Island. This has led to a better understanding of management requirements in both cases and provides the basis for future important work of national significance. A Little Penguin conservation project continues, aimed at evaluating the Tasmanian population and considering key threats and mitigation measures.

The State Government supported project to implement the Tasmanian Cat Management Plan has also been highly successful in its first full year in increasing community awareness, participation and commitment to responsible cat ownership.

The region includes the core range of globally important ecosystems, including alpine blanket bogs, pristine temperate rainforest, and extensive saltmarsh and wetland systems critical for migratory and resident native fauna. We are also a powerhouse for agriculture and forestry industries and a key part of Tasmania's growing ecotourism market. The Committee and the projects and strategies we are delivering for the region under a revised and strengthened partnership with the State and Commonwealth Governments and with the nine Councils in the region has the potential to result in strong and tangible outcomes for sustainable agriculture and for biodiversity conservation in this beautiful and important part of the world.

Peter Voller PSM

Regional NRM Committee Chair



REGIONAL ECONOMIC DEVELOPMENT

PROJECT HIGHLIGHTS AND SUMMARY OF PROGRESS

Cradle Coast Regional Futures Plan

Overview

The period June 2018 – June 2019 saw continuation of the Regional Futures Plan project. Commencing in 2017 under the guidance of Peter Murden, Daryl Connelly began working closely with Peter in June 2018, to help bring the development and planning stage to a close.

The Futures Plan was published in November 2018, providing the blueprint for an ambitious new approach to regional economic development, with three key components:

- A regional economic development governance framework
- A regional investment framework
- A list of priority projects and initiatives

Member Councils have endorsed the Plan and tasked CCA with implementing it on behalf of the region. It has been widely embraced as the overarching economic development framework for the region, and has received strong support from industry, all tiers of government and the university sector. The Tasmanian Government funded additional implementation support commencing June 2019, and we are currently shifting from “planning” to “doing”.

Outcomes

- Cradle Coast Regional Future Plan; a blueprint for a new way of doing regional economic development, backed by industry, government and the university sector.
- This has already led to new, funded economic development roles within CCA, and has increased industry and government engagement with and respect for CCA and our Member Councils.
- Agreement between CCA and all Member Councils to sign an MOU which will see Council economic development staff working on regional projects.

Partners

- Australian Government
- Member Councils
- More than one hundred other individuals
- Refer to the Cradle Coast Regional Futures Plan for more contributor details

PROJECT HIGHLIGHTS AND SUMMARY OF PROGRESS

Cradle to Coast Tasting Trail

At the end of 2018/19, Cradle to Coast Tasting Trail has 32 producer members and 22 associate members offering a range of tourism food and beverage experiences throughout the region.

With the final touches to the new website completed early in 2018 and a small operator-supported investment in social media as well as support from the Cradle Coast Authority, member businesses reported that some visitors has been finding the Cradle Coast Tasting Trail online during their planning stages. There were 45,746 visitors to the website and more than 3,000 Facebook likes. This is great news for Trail members and indicates that the new website and social media activities are producing positive results. The Tasting Trail map continues to be the most effective marketing tool, reaching visitors already in Tasmania. The map was reprinted twice during the year and 45,000 copies were distributed across the region and beyond.

During the year the Steering Committee advocated for State Growth funds for a part-time project officer to bring membership levels up to support a fully sustainable, self-sufficient marketing body. They have also attended industry development activities including the Cluster Development Masterclass with Ifor-Ffowcs Williams hosted by the Cradle Coast Authority.

During 2018/19 Steering Committee Members were;

- Catherine Stark, Seven Sheds Brewery (Chairman)
- Ben Pyka, 41 South Salmon Farm (Deputy Chairman)
- Igor Van Gerwen, Anvers Chocolate Factory (Treasurer)
- Alicia Peardon, Ghost Rock Winery
- Anne Bennett, Ashgrove Cheese
- Craig Morris, Turners Beach Berry Patch
- Lindi Dornauf, Christmas Hills Raspberry Farm Café
- Michelle Distill, Spreyton Cider



PROJECT HIGHLIGHTS AND SUMMARY OF PROGRESS

Coastal Pathway

Overview

Funded through federal, state and local government the 2019 Coastal Pathway project will see construction of 21km of shared pathway between Latrobe and Surplus Creek. This will be delivered over four sections; Latrobe to Ambleside; Don to Leith, West Ulverstone and Penguin to Surplus Creek.

When complete the four sections will contribute to the 110km of pathway planned in the Coastal Pathway Plan 2010.

The four sections under the current project will be constructed in the Central Coast, Devonport and Latrobe LGA's. Design was completed during 2018/19 for two of the sections (Latrobe to Ambleside and Sulphur Creek to Penguin) with ongoing stakeholder engagement.

Mary Roddy joined the team in April to manage the delivery of the project. Alongside this project, additional work is being undertaken within CCA led by Kate Sims to progress the overall pathway plan.

Outcomes

- The provision of a major piece of infrastructure to the region.
- Increased Tourism opportunities within the Cradle Coast Region.
- Promotion of health and wellbeing for residents and visitors to the region.
- Increase economic opportunities along the route.

Partners

- Australian Government
- Member Councils
- Tasmanian Government





PROJECT HIGHLIGHTS AND SUMMARY OF PROGRESS

Cluster Week

Overview

In September, we brought New Zealand based internationally renowned cluster expert, Ifor Ffowcs-Williams to the region, to increase the region's capacity to develop clusters, or collaborative business models. Generally bringing together industry, government and universities. Clusters can help businesses achieve economies of scope and scale, and help a region develop and maintain a competitive advantage in key areas. While business owners generally accept the potential offered through collaboration small businesses, often struggle to find the resources to lead that process, and this is where organisations like ours can play a role – supporting, coordinating and facilitating.

Over the course of the week, Ifor delivered a Cluster Development Masterclass for economic development practitioners, and worked with the following groups:

- Manufacturing businesses
- Tasmanian Fruit and Vegetable Export Facilitation Group
- Cradle to Coast Tasting Trail Committee
- Education stakeholders
- Industry and government leaders

Outcomes

- Increased understanding of the how and why of cluster facilitation, among businesses and economic development stakeholders.
- Inclusion of cluster development as a centre stage economic development strategy, underpinning the Regional Futures Plan.

Partners

- Australian Government
- Hellyers Road Distillery
- RDA Tasmania
- Tasmanian Minerals and Energy Council





PROJECT HIGHLIGHTS AND SUMMARY OF PROGRESS

King Island Future Leaders Program

Overview

Commencing in June 2019, this project saw seven King Islanders join thirty or so other young Tasmanians who participated in professional development activities at The Coasters' Winter Symposium in Stanley in July. A highlight of the Symposium was site visits to Woolnorth, Tarkine Fresh Oysters and Green Hills Abalone Farm, and the next phase of the project will see King Islanders who attended the Symposium, working with other locals to establish The Coasters on King Island. The project will finish in 2020.

The Coasters is managed by a group of passionate volunteers, hosted by the Cradle Coast Authority and sponsored by the University of Tasmania and CPA Australia

Outcomes

- Establishing The Coasters on King Island, will help attract and retain young people and raise aspirations on the Island, as has been achieved by this initiative in other parts of the Cradle Coast region.
- Valuable professional development and networking for the King Islanders who attended the Symposium and the other "Coasters" who visited King Island as part of the project.

Partners

- Australian Government
- King Island Chamber of Commerce
- King Island Council
- King Island Tourism



PROJECT HIGHLIGHTS AND SUMMARY OF PROGRESS

Regional Investment Prospectus

Overview

After identifying the need for a document to provide potential investors with information about the business opportunities in our region, CCA approached the Office of the Coordinator General (OCG) seeking funding to support the project. We worked with Member Councils to obtain information about available land and contributed case studies and photos to the document. The OCG will print and distribute hard copies and will jointly launch the prospectus with CCA in late 2019.

Outcomes

- A handy document for investors and other stakeholders, that will help local, state and federal government attract new investment to the region.

Partners

- Member Councils
- Office of the Coordinator General



Regional Employment Trials

Overview

Funded through the Australian Government's Regional Employment Trials initiative, this one-year project commenced in May 2019, and has seen Carolyn Watson-Paul join the team to manage the project.

Working with Member Councils and National Job Link, the project involves providing employability skills training to 70 jobseekers, and placing some of those jobseekers in one to two-week work placements with Member Councils. The project will also see member Councils working together to streamline and improve recruitment and selection practices with a view to reducing barriers to employment. The project is scheduled to finish in April 2020.

Outcomes

- Jobseekers provided with new skills, connections and confidence.
- Greater understanding of local government careers among jobseekers and service providers.
- HR improvements among Member Councils.

Partners

- Australian Government
- Member Councils
- National Job Link





PROJECT HIGHLIGHTS AND SUMMARY OF PROGRESS

Little Penguin Conservation

Overview

This project was initiated by DPIPWE to better understand the status of Little Penguins in Tasmania and will continue through to December 2019.

Cradle Coast NRM has been engaged to develop the tools to undertake a consistent and coordinated methodology to community-based surveying and monitoring Little Penguin colonies across Tasmania.

With threats evident to existing populations, there is also a need to establish a threat mitigation approach that engages the community. Cradle Coast NRM aims to develop a structure framework to access and mitigate threats to Little Penguins.

Outcomes (planned)

- Development of tools to support future community-based surveying and monitoring programs to undertake a state-wide census of penguins in Tasmania.
- The Threat Abatement Framework provides a consistent and effective approach to assessing and classifying threats to Little Penguin colonies across Tasmania.

Partners

- DPIPWE
- Tasmanian Penguin Advisory Group



PROJECT HIGHLIGHTS AND SUMMARY OF PROGRESS

Three Hummock Island

Overview

This project was initiated in 2018 by the State Government, with support from the Australian Government, during a transitional period for Cradle Coast NRM between the two phases of the Australian Government's National Landcare Programme.

Three Hummock Island supports several bird species considered to be vulnerable to feral cat predation, including the EPBC-listed Hooded Plover, Fairy Tern and Short-tailed Shearwater. There are also areas of suitable foraging habitat for critically endangered Orange-bellied Parrots, which are likely to stop on the island during their northern migration during March to June.

Cradle Coast NRM worked with staff from the Invasive Species Unit of Biodiversity Tasmania to develop a suitable monitoring methodology and provided a six-month assessment of the status and threats posed by feral cats on Three Hummock Island. Feral cats were detected in each of the monitoring areas, but not in very high numbers.

Outcomes

- A foundation for future cat control activities on the island.
- Design and implementation of an effective monitoring strategy.
- Secured funding for a follow-up project to deliver a low-cost cat control program, with the aim to work towards feral cat eradication to mitigate the main threat to native species on the Island.
- Increased skills and knowledge of Cradle Coast NRM staff in relation to wildlife monitoring and feral cat assessment.
- Strong partnerships between Cradle Coast NRM, Biosecurity Tasmania and Tasmania Parks and Wildlife Service.
- Plenty of other fascinating photos captured of the island's native species.

Partners

- Biosecurity Tasmania
- Tasmania Parks and Wildlife Service



Tom O'Malley downloads data from one of the Cape Rochon cameras during the second field trip.



The Three Hummock Island caretakers help set up a monitoring camera on the Mermaid Bay track.

PROJECT HIGHLIGHTS AND SUMMARY OF PROGRESS

Implementation of the Tasmanian Cat Management Plan

Overview

Domestic cats pose a significant threat to Tasmania's wildlife and agriculture and are a source of Tasmania's feral cat population. However, because cats are also much-loved family pets, the concept of cat management can be highly emotive and polarising, necessitating a strategic community engagement approach.

Over three years the project will engage with stakeholders from local and state government, industry (e.g. vets, RSPCA), and local communities across Tasmania to raise awareness of cat impacts, promote responsible ownership and develop cat management plans and policies.

A local project to engage the community on responsible cat ownership and management around peri-urban reserves was conducted in Stanley. The Stanley Nut Reserve was monitored for cat activity by remote cameras for a 19-week period. The findings will be incorporated into a targeted community education campaign involving the council and Parks and Wildlife.

The Tasmanian Cat Management Plan (TCMP) is supporting councils wishing to engage in cat management by providing advice, assistance with community engagement and a policy and compliance toolkit. The toolkit includes policy and procedure templates for various aspects of cat management, for example, declaring Cat Prohibited Areas, introducing a Council Cat Management Policy, or handling cat-related public queries.

Outcomes

- Launched the TassieCat campaign reaching over 15,000 Tasmanians.
- Nine local councils participated in regional cat management planning.
- Councils are better equipped to engage in cat management.
- Useful partnerships formed between state and local government and industry.

Partners

- Biosecurity Tasmania
- Kingborough Council
- LGAT
- NRM North
- RSPCA
- Ten Lives Cat Centre



RESPONSIBLE CAT OWNERSHIP

1 in 5
Tasmanians own at least one cat.

Be a responsible cat owner
and help keep our cats, community, and wildlife safe.

Cats are instinctive hunters. On average:
1 outdoor pet cat kills 15.6 birds and 14 reptiles a year.

Did you know?
The average outdoor domestic cat roams an area of 2 hectares from its home. Some cats may stray more than 10 km!

Cats who roam freely are at a higher risk of:

- Injury
- Contracting disease (such as Feline AIDS and Toxoplasmosis)
- Getting lost

Here's what you can do:

- Keep your cat safely at home
- Desex your cat to prevent unwanted litters
- Identify your cat as a pet by microchipping, and fitting a collar and tag
- Do not feed a cat that is not your own
- Never dump unwanted cats or kittens
- If you find an unowned stray cat, take it to a rehoming centre.

PROJECT HIGHLIGHTS AND SUMMARY OF PROGRESS

King Island Threatened Bird Surveys

Overview

This joint project between Cradle Coast NRM, the Tasmanian Government and Birdlife Australia was initiated in 2018 to better understand the status of two King Island threatened birds.

Bird surveys were conducted in March 2019 for the King Island Scrubtit and the King Island Brown Thornbill, two endemic birds about the size of a ping pong ball. The surveys sought to address the poor state of knowledge of the distribution and abundance of both bird species whilst surveying habitat potential for them on King Island.

Scientists from ANU conducted more than 600 bird surveys over a three-week period and, by utilising a new survey method conducted the first large-scale survey of the Island's swamps and forests for the tiny birds.



Outcomes

- King Island Scrubtits were found at more than 60 different sites, and King Island Thornbills at more than 20 sites.
- The expansion of the known range of the King Island Brown Thornbill is a breakthrough, as it had been assumed the birds were confined to one forest patch.
- The number of sites where the species were detected has provided hope that populations of both species are larger than previously thought.
- The final report will provide recommendations for appropriate conservation actions that if implemented may avert the real possibility of extinction.

Partners

- BirdLife Australia Preventing Extinctions Program
- Difficult Bird Research Group, Australian Natural University
- DPIPWE Natural and Cultural Heritage Division



REGIONAL TOURISM

PROJECT HIGHLIGHTS AND SUMMARY OF PROGRESS

Australian Regional Tourism Convention

Overview

CCA was pleased to lead a successful bid to have the 2019 Australian Regional Tourism Convention held in our region. The event will be held over three days in October and will see an estimated 150 tourism professionals from across Australia, attend presentations, workshops and networking functions in Devonport and participate in field trips across the region. We secured a \$40,000 commitment from the Tasmanian Government to support our bid.

Outcomes

- The 2019 Australian Regional Tourism Convention will be held in Devonport this year.
- Increased awareness of our region as a tourism destination.
- Convenient and affordable access to an important national convention, for Tasmanian tourism professionals.

Partners

- Business Events Tasmania
- Devonport City Council
- Tasmanian Government



Western Wilds Drive Journey

Overview

A joint initiative of the Tasmanian Government, Destination Southern Tasmania (DST) and CCA, the Western Wilds project aims to promote the west coast as a drive journey destination, by encouraging travellers to visit several "story stops" throughout the region.

2018/19 saw CCA continue to shape the project through Steering Group participation, deciding on branding, designing, attending and promoting workshops and jointly funding an industry liaison role with the Tasmanian Government and DST.

Outcomes

- Launch of the Western Wilds drive journey, including industry activation

Partners

- Tasmanian Government
- Destination Southern Tasmania

PROJECT HIGHLIGHTS AND SUMMARY OF PROGRESS

Regional Events Strategy and Working Group

Overview

With assistance from the Tasmanian Government, CCA engaged expert consultants to produce a Regional Events Strategy. CCA then convened a Regional Events Working Group in November 2018, to progress implementation of a regional events strategy that we funded. Membership of the group includes council events staff and Jane Haley, CEO of Ten Days on The Island. While the group has identified several opportunities ranging from sharing equipment to attracting major events to the region, the first objective was to develop a way of jointly marketing a suite of regional events. This work is well under way, with a new regional events calendar to be launched in late 2019.

Outcomes

- A regional events strategy, providing CCA, Member Councils and other stakeholders with a blueprint for growing events-related visitation within the region.
- An event management resource kit for Member Councils and other event organisers.
- A regional events calendar hosted on the CCA website and supported by a new "Choose Cradle Coast" social media presence.
- Increased cooperation between council events staff and other event organisers.

Partners

- Member Councils
- Tasmanian Government
- Ten Days on The Island

Tasmanian Leaders I-LEAD Scholarships

Overview

Together with the other three regional tourism organisations, we made a successful Building Better Region Fund application which saw 10 scholarships made available for the Tasmanian Leaders I-LEAD program.

Designed in close collaboration with industry experts, I-LEAD inspires small to medium enterprises to grow and secure winning results for their business and the people they serve. It delivers proven benefits across two, two-day content-rich residential sessions combined with a premiere mentoring program, effectively strengthening skills in three key success areas: people, business and leadership.

Outcomes

- 10 tourism professionals able to participate in leadership development.

Partners

- Australian Government
- Destination Southern Tasmania
- East Coast Regional Tourism Organisation
- Tourism Northern Tasmania



PROJECT HIGHLIGHTS AND PROGRESS SUMMARY



Destination Marketing

Overview

2018/19 saw the continued implementation of our strategic marketing plan, which saw the creation of sophisticated marketing campaigns targeting 'ideal customer personas' identified by our tourism staff and Regional Tourism Committee. 'Ideal customer personas' represent theoretical, high value potential visitors. These fresh campaigns communicated the right stories and brand messages to the right visitors, on the right platforms, at the right time. During the reporting period, our region continued to lead the state in visitation growth.

Outcomes

- Roam Local (staycation)
- Taste the Local
- Short Walks

Partners

- Merrell Australia
- Spirit of Tasmania
- Tasting Trail



Cradle Coast encourages 'staycations'





FINANCIAL REPORT

Comprehensive Result

The 2019 Independent Audit Report and audited Financial Statements are presented in the following pages. The statements represent the overall financial position of CCA inclusive of Core Operations, Natural Resource Management (NRM), Regional Tourism and Regional Economic Development functions.

CCA reported an underlying deficit of (\$436k) against a budgeted deficit of (\$67k), representing a decrease in project reserves held at 30 June 2019. This is comprised predominately of grant funding drawn down in relation to NRM operations and funding received on behalf of the Cradle Coast Waste Management Group recognised as a liability at year-end. The operating result before depreciation and amortisation was a deficit of (\$362k) (2018: (\$324k) deficit).

After accounting for outstanding creditors, leave provisions and other payables, CCA held net assets of \$1.27 million at 30 June 2019 (30 June 2018: \$1.7 million), of net assets \$646k represents unexpended grant funds held in accordance with grant funding conditions and/or project commitments. See note 16 of the audited Financial Statements for details of areas these funds are committed.

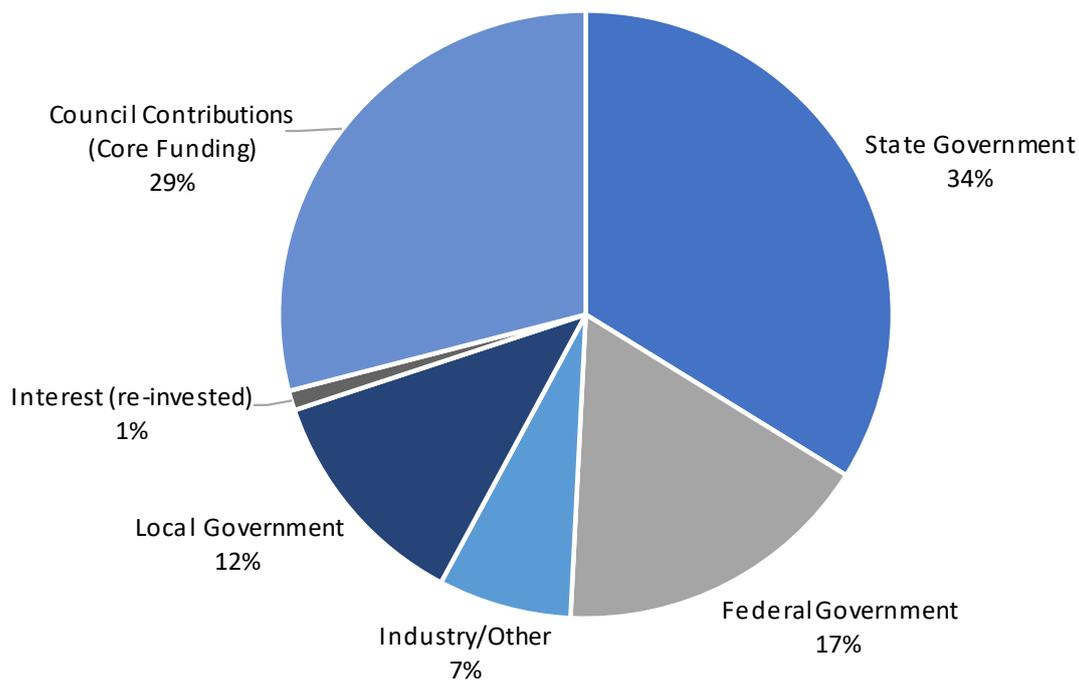
Financial Result	2019	2018
	\$	\$
Surplus/(deficit) and comprehensive result	(436,690)	(405,203)
Cash assets	1,617,809	1,991,783
Net assets	1,272,399	1,709,089
Project reserves	646,134	1,239,739

FINANCIAL REPORT

Contributions received for Projects and Operations

Income	2019		2018	
	\$	%	\$	%
State Government	1,013,699	34	815,575	20
Australian Government	506,498	17	1,474,320	36
Local government	361,564	12	858,646	20
Industry/other	210,303	7	68,735	2
Interest (re-invested)	31,419	1	46,333	1
Member contributions				
Council contributions (core funding)	869,388	29	852,344	21
Total	2,992,872		4,115,953	100

Figure 1: 2018/19 Member Council contributions represented 29% of revenue



FINANCIAL REPORT

Core Operations Performance

'Core Operations' reflects operating overhead expenses incurred on behalf of the organisation to deliver corporate services support. During 2018/19, projects and business units contributed \$803,376 towards operating costs and internal support services, reported as 'project contributions' below.

In 2018/19, Core Operations reported gross income of \$1,767,756 and gross expenditure of \$1,815,321 inclusive of contributions made to projects and business unit activities.

Consolidated Income Statement ³

For the year ended 30 June 2019

Income	2019		2018	
	\$	%	\$	%
Council Contributions	869,388	49	852,344	40
Project Contributions	803,376	46	1,209,773	57
Other Income	94,992	5	73,301	3
Total Income	1,767,756		2,135,418	100
Expenses				
Expenses from Ordinary Activities	384,571	2	967,336	46
Employee Expenses	607,860	34	575,616	29
Project Expenses	822,890		459,791	23
Total Expenses	1,815,321		2,002,743	100
Net Surplus/(Deficit)	(47,565)		132,675	

The Core Operating result for the year ended 30 June 2019 before depreciation and amortisation expenses, was a surplus/(deficit) of (\$47,565) (2018 surplus: \$132,675).

Core Operating income and expenditure for 2018/19 included non-reoccurring contract payments of \$124k in relation to Cultivate Productions. Other project expenditure reported relates to contributions towards external service delivery business functions and project activities.

³ The Financial Report presented has been compiled from audited financial information in relation to 'Core Operations'.

FINANCIAL REPORT

Regional NRM Operations

'NRM' is a business unit of CCA delivering Regional NRM services on behalf of the state and federal governments. During 2018/19 NRM funding contributed \$458,000 towards overhead costs and internal corporate support services.

In 2018/19, CCA reported income of \$773,923 and expenditure of \$1,140,480 for Regional NRM, the statement below represents the consolidated performance of Regional NRM activities. This year's deficit of (\$366,480) represents a decrease in project reserves at 30 June 2019, comprising predominantly of State Government funding being drawn down to support regional NRM operations between the two phases of the Australian Government's National Landcare Programme.

Consolidated Income Statement ⁴

For the year ended 30 June 2019

	2019		2018	
Income	\$	%	\$	%
State Government	645,695	83	372,667	20
Australian Government	74,046	10	1,474,320	78
Other Income	54,182	7	51,541	3
Total Income	773,923	100	1,898,528	100
Expenses				
Employee Expenses	597,385	52	701,311	31
Project Delivery Expenses	137,520	12	977,776	43
Other Operating Expenses	405,498	36	582,533	26
Total Expenses	1,140,402	100	2,261,620	100
Net surplus/(deficit)	(366,480)		(363,092)	
Comprehensive Result				
		2019		2018
		\$		\$
Opening Reserves		628,372		991,465
Surplus/(Deficit)		(366,480)		(363,092)
Closing Reserves		261,893		628,372

After accounting for outstanding creditors and leave provisions, CCA held consolidated reserves of \$261,893. Total reserves held include: State Support for Regional NRM \$83,479 (2018: \$458,489), Implementation of the TCMP \$118,018 (2018: \$114,348) and other standalone State Government projects \$53,192 (2018: Nil)

⁴ The Financial Report presented has been compiled from audited financial information in relation to funding received for Natural Resource Management.

FINANCIAL REPORT

Review of Financial Performance

Council contributions In 2018, CCA applied a 2 per cent increase in member council contributions, 0.42 per cent lower than the council cost indexation. The small increase was applied to sustain activities and to provide for annual increases in uncontrollable fixed costs.

Cost control The major focus of 2018/19 was organisational reform and consolidation, with a focus on delivering effective and efficient governance practices.

There was significant effort reviewing how business was conducted at both an organisational and business unit level with the objective of reducing overhead costs, streamlining processes and delivering greater transparency. This work is ongoing and will create sustainable value and deliver a stronger focus on project and resource management.

Operating Expenses (OPEX) Between 2015 and 2018, OPEX decreased considerably by 22 per cent. OPEX expenses during 2019 were reduced by a further 25 per cent compared to 2018 actual expenditure, and were 36 per cent under budget, largely due to reduced operating capacity.

Processes continued to be streamlined to deliver further reductions in operating expenditure in line with organisational reform initiatives.

Employee expenses With several changes in staff during 2018/19 and a number of vacant roles, employee expenses were \$455k under budget.

An annual CPI increase was not applied to employee benefits across the organisation due to significant organisational reform and restructuring.



Claire Smith CPA

Director Strategic Services

AUDIT REPORT



Independent Auditor's Report

To the Members of the Cradle Coast Authority

Cradle Coast Authority

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Cradle Coast Authority (the Authority), which comprises the statement of financial position as at 30 June 2019 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 and the statement of certification by the directors.

In my opinion the accompanying financial report:

- (a) presents fairly, in all material respects, Council's financial position as at 30 June 2019 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Authority 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.

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

...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

AUDIT REPORT

Responsibilities of the Management and the Directors for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the financial reporting requirements of 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, management is responsible for assessing the Authority'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 they either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Authority's financial reporting process.

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 the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 the Authority'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 the Authority to cease to continue as a going concern.

...2 of 3

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AUDIT REPORT

- 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 directors 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.



Rob Luciani
Director Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

1 October 2019
Hobart

...3 of 3

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
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FINANCIAL STATEMENTS

Statement of Comprehensive Income

For the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Income			
Government Grants	3	1,480,197	2,261,312
Council Contributions	4	869,388	852,344
Interest Received		31,419	46,333
Other Income	5	611,870	983,556
Total Income		2,992,874	4,143,545
Expenses			
Employee Benefits	6	1,500,691	1,741,509
Project Materials and Services	7	1,405,308	2,135,171
Depreciation and Amortisation	8	73,817	80,770
Other Operating Expenses	9	433,303	573,002
Loss on Disposal of Fixed Assets		1,069	-
Interest on Borrowings		15,376	18,296
Total Expenses		3,429,564	4,548,748
Net result from transactions (net operating balance)		(436,690)	(405,203)

This Statement of Comprehensive Income should be read in conjunction with accompanying notes.

FINANCIAL STATEMENTS

Statement of Financial Position

As at 30 June 2019

	Notes	2019 \$	2018 \$
Assets			
Current Assets			
Cash	10	1,617,809	1,991,783
Receivables	11	288,858	81,056
Prepayments		7,118	3,272
Total Current Assets		1,913,785	2,076,111
Non-Current Assets			
Plant and Equipment	12	144,711	158,858
Leasehold Improvements	12	200,863	253,267
Intangible Assets (Work in Progress)	12	124,875	-
Total Non-Current Assets	12	470,449	412,125
Total Assets		2,384,234	2,488,236
Liabilities			
Current Liabilities			
Payables	13	776,923	233,743
Provisions	14	66,245	210,891
Borrowing	15	58,888	55,953
Total Current Liabilities		902,056	500,587
Non-Current Liabilities			
Provisions	14	14,322	24,346
Borrowings	15	195,458	254,214
Total Non-Current Liabilities		209,780	278,560
Total Liabilities		1,111,836	779,147
Net Assets		1,272,399	1,709,089
Equity			
Project Reserves	16	646,134	1,239,739
Accumulated Surplus		626,265	469,350
Total Equity		1,272,399	1,709,089

This Statement of Financial Position should be read in conjunction with accompanying notes.

FINANCIAL STATEMENTS

Statement of Cashflows

As at 30 June 2019

	Notes	2019 \$	2018 \$
		Inflows (Outflows)	Inflows (Outflows)
Cash Flows from Operating Activities			
Grant Funding and Other Receipts		2,728,740	4,378,365
Payments to Contractors and Suppliers		(1,299,276)	(3,549,631)
Payments to Employees		(1,655,319)	(1,794,207)
Interest on Borrowings		(15,376)	(18,296)
GST Refunded/(Remitted)		24,913	7,423
Interest Received		31,419	46,333
Net Cash Provided / Used in Operating Activities	17	(184,899)	(930,013)
Cash Flows from Investing Activities			
Proceeds from Sale of Plant and Equipment		-	241
Acquisition of Plant & Equipment		(8,379)	(8,096)
Acquisition of Intangible Assets		(124,875)	-
Net Cash Used in Investing Activities		(133,254)	(7,855)
Cash Flows from Financing Activities			
Repayment of Borrowings		(55,821)	(52,900)
Net Cash Provided by Financing Activities		(55,821)	(52,900)
Net Increase / (Decrease) in Cash Held		(373,974)	(990,768)
Cash at Beginning of Financial Year		1,991,783	2,982,551
Cash at End of Financial Year	10	1,617,809	1,991,783

This Statement of Cash Flows should be read in conjunction with accompanying notes

FINANCIAL STATEMENTS

Statement of Changes in Equity

As at 30 June 2019

	Unexpended Grant Reserves	Retained Surplus	Total Equity
	\$	\$	\$
2019			
Balance as at 1 July 2018	1,239,739	469,350	1,709,089
Net Surplus / (Deficit)		(436,690)	(436,690)
Transfer to / from Reserves	(593,605)	593,605	-
Balance as at 30 June 2019	646,134	626,265	1,272,399
2018	\$	\$	\$
Balance as at 1 July 2017	1,832,961	281,331	2,114,292
Net Surplus / (Deficit)	-	(405,203)	(405,203)
Transfer to / from Reserves	(593,222)	593,222	-
Balance as at 30 June 2018	1,239,739	469,350	1,709,089

This Statement of Changes in Equity should be read in conjunction with accompanying notes

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 1 Significant Accounting Policies

1A General Information

The Cradle Coast Authority (CCA) is a Joint Authority established under Section 38 of the Local Government Act 1993 (as amended) with participating Councils being Burnie City, Central Coast, Circular Head, Devonport City, Kentish, King Island, Latrobe, Waratah Wynyard, and West Coast.

The purpose of CCA is to:

Deliver regional economic development, tourism and NRM.

Advocate by providing a strong, regional voice on important issues.

Enable cooperation by being a conduit for regional engagement and council collaboration.

Ensure coordination by supporting and directing strategic regional functions, projects and plans.

1B Basis of Accounting

These financial statements are a general purpose financial report that consists of a Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and Notes accompanying the Financial Statements.

The general purpose financial report complies with applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Local Government Act 1993 (as amended).

CCA had determined that it does not have profit generation as a prime objective. Consequently, where appropriate, CCA has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities.

This financial report has been prepared under the historical cost convention (except where specifically stated) and on the accrual and going concern basis. Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to conform with current presentation, and disclosure has been made of any material changes to comparatives.

All amounts presented in the financial statements are expressed in Australian Dollars and have been rounded off to the nearest dollar.

1C Accounting Estimates and Judgements

In the application of Australian Accounting Standards, CCA is required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. 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.

CCA 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.

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 1 Significant Accounting Policies

Key Judgements

Assumptions are utilised in the determination of CCA's employee entitlements provisions. These assumptions are discussed in Note 1N. Assumption and judgements are utilised in determining the value of CCA's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in Note 1F.

1D Revenue

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

Interest revenue is recognised on an accrual basis as earned using the effective interest rate.

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

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

All revenue is stated net of the amount of Goods and Services Tax (GST)

1E Borrowings

The borrowing capacity of CCA is limited by the rules of CCA. Borrowings 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 Statement of Comprehensive Income over the period of the liability using the effective interest method.

1F Property, Plant and Equipment and Leasehold Improvements

Plant and equipment is measured at historical cost less accumulated depreciation and impairment. Leasehold improvements are recognised at cost and are amortised over the unexpired period of the ten-year lease period.

Depreciation is calculated on a diminishing value basis over the useful lives of the assets, commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable asset are listed below and are consistent with the prior year.

Plant and Equipment:	7.5 - 60%
Leasehold Improvements:	10%

Depreciation rates and methods are reviewed annually, and residual values and useful lives are adjusted if appropriate at the end of each reporting period. Items of plant and equipment are derecognised upon disposal or when there is no future economic benefits to CCA.

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 1 Significant Accounting Policies

1G Intangible Assets

Intangible assets with finite lives are carried at cost less accumulated amortisation and accumulated impairment losses in accordance with AASB138. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method will be reviewed at the end of each reporting period.

1H Impairment

At the end of each reporting period, CCA reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. Impairment losses are recognised in the Statement of Comprehensive Income under expenses. Reversals of impairment losses are recognised under income. For non-cash generating assets of CCA, carrying value is presented by the depreciated value of the asset approximated by the written down replacement cost.

1I Leases

Lease payments for operating leases, where substantially all the risk and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

1J Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with financial institutions, and other short-term highly liquid investments with the original maturities of two months or less.

1K Receivables

Receivables are carried at amortised cost using the effective interest rate method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred.

Debtors are required to settle their accounts within 14 days of the invoice being issued. CCA does not have any concerns regarding payment of outstanding debt.

1L Payables

Payables represent the liability outstanding at the end of the reporting period for goods and services received by CCA during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition.

1M Taxation

CCA is exempt from all forms of taxation except Fringe Benefit Tax, Payroll Tax, and Goods and Services Tax.

Goods and Services Tax (GST)

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

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

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 1 Significant Accounting Policies

1N Employee Benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, personal leave, long service leave, superannuation and any other post-employment benefits. Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to decrease in asset or an increase in a liability has arisen that can be measured reliably.

Short-Term Obligations

Liabilities for wages and salaries, annual leave, and long service leave expected to be settled within 12 months of the end of the reporting period are measured at the amounts expected to be paid when the liabilities are settled.

Long-Term 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 reporting period in which the employee renders the related services is recognised in the provision of employee benefits and measured as the present value of expected future payments to be made in respect to services provided by employees up to the end of the reporting period. 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 cashflows.

Personal Leave Benefits

No accrual is made for personal leave as experience indicates that, on average, personal leave taken in each reporting period is less than the entitlement accruing in that period, and this is expected to recur in future reporting periods. CCA does not make payment for any untaken personal leave entitlements.

Superannuation

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

1O Allocation Between Current and Non-Current

In 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, or if CCA does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

1P Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods. CCA's assessment of the impact of relevant new standards and interpretations is set out below.

Standards are applicable to reporting periods beginning on or after the effective date stated.

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 1 Significant Accounting Policies

Impact of new and revised Accounting Standards yet to be applied

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

- AASB 9 Financial Instruments - This standard replaces the existing standard, AASB139: Financial Instruments: Recognition and Measurement and revises classification, measurement and disclosure of financial assets and liabilities. It reduces the number of categories for financial assets and simplifies the measurement choices, including the removal of impairment testing of assets measured at fair value. Classification of financial assets is determined by CCA's business model for holding the particular asset and its contractual cash flows.

The following applicable Standards have been issued by the AASB and are yet to be applied:

- AASB 15 Revenue from Contracts with Customers - The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount timing an uncertainty of revenue and cashflows arising from a contract with a customer. In accordance with 2016-7 Amendments to Australian Accounting Standards - Effective Date of AASB 15, for not for profit entities this Standard applies to annual reporting periods beginning on or after 1 January 2019. CCA will apply the standard from 1 July 2019 using retrospective approach with cumulative catch-up and adjustment to Accumulated Surplus for the difference in accounting treatment on initial adoption if necessary. The new standard may have the following impacts:
 - a) Depending on the retrospective contractual terms, some revenue may need to be deferred as a liability to a later reporting period;
 - b) Grants received in advance may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, if the associated performance obligations are enforceable and sufficiently specific;
 - c) There will be an effect in the treatment of all grants with sufficiently specific performance obligations where the conditions have yet to be fulfilled at year end. CCA currently presents unexpended grant income received in its Statement of Financial Position. CCA's assessment is that the majority of the amounts received will not be required to be disclosed as a deferred liability and progressively recorded as income as performance obligations are fulfilled. However, further assessment will be required for grant revenue received in 2019/20 year under new terms and conditions associated with Australian Government Grant Deeds.
- AASB 16 Leases - The objective of this Standard is to introduce a single lease accounting model and require 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. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is to enhance disclosure in relation to leases. CCA will apply the standard from 1 July 2019 using a retrospective approach with cumulating catch-up with an adjustment to Accumulated Surpluses for the difference in accounting treatment on initial adoption. CCA's existing lease commitments are disclosed in note 18. There will be an effect in the treatment of right-of-use assets (office lease) to be recognised as an asset and liability for leases with a term of more than 12 months. All other operating leases are of low value or have a term of less than 12 months.

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements For the year ended 30 June 2019

Note 1 Significant Accounting Policies

- AASB 1058 Income of Not-for-Profit Entities - The objective of this Standard is to establish principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives, and the receipt of volunteer services. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to income of not-for-profit entities. The potential financial impact of the Standard has not yet been determined. However, CCA's initial assessment is that there will be no material impact on CCA accounting for income under AASB 1058. CCA does not engage material volunteer services for operations. CCA does not have any 'peppercorn leases'. CCA will apply the standard from 1 July 2019 where applicable.

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 2 Events after Reporting Date

There have been no events subsequent to balance date which would have a material effect of the Cradle Coast Authority's Financial Statements as at 30 June 2019.

Note 3 Government Grants

	2019	2018
	\$	\$
Dept. Primary Industry, Parks, Water & Environment (State)	645,695	366,667
Dept. Environment (Cwth)	-	1,474,320
Events Tasmania (State)	74,046	50,000
Tourism Tasmania (State)	270,504	243,325
Dept. Justice (State)	-	105,000
Dept. Police & Emergency Management (State)	-	6,000
Dept. Infrastructure, Innovation & Science	116,000	-
Dept Infrastructure, Regional Development and Cities	316,452	-
Dept. of State Growth	57,500	16,000
Total	1,480,197	2,261,312

Note 4 Council Contributions

	2019	2018
	\$	\$
Burnie City Council	156,316	153,252
Central Coast Council	168,661	165,354
Circular Head Council	64,944	63,672
Devonport City Council	197,438	193,568
Kentish Council	47,294	46,368
King Island Council	13,475	13,212
Latrobe Council	70,508	69,123
Waratah Wynyard Council	109,717	107,563
West Coast Council	41,035	40,232
Total	869,388	852,344

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 5 Other Income

	2019	2018
	\$	\$
Project Contributions	421,564	848,236
Fees and Charges	125,408	70,528
Sponsorship	5,364	7,245
Other Contributions	59,534	57,547
Total	611,870	983,556

Note 6 Employee Benefits

	2019	2018
	\$	\$
Wages and Salaries	1,477,997	1,601,416
Workers Compensation	7,975	12,067
Annual and Long Service Leave	(154,670)	(52,697)
Superannuation	123,543	141,869
Payroll Tax	15,432	33,852
Fringe Benefits Tax	1,440	5,002
Redundancy	28,974	-
Total	1,500,691	1,741,509

Note 7 Project Materials and Services

	2019	2018
	\$	\$
Advertising and Marketing	44,405	95,475
Consultants and Contract Payments	657,072	1,571,568
Project Contributions (Including Devolved Grants)	138,899	209,944
Project Materials, Workshops and Events	19,489	198,184
References and Subscriptions	64,250	60,000
Transfer/Refund of Project Funding	481,193	-
Total	1,405,308	2,135,171

Transfers/refunds of project reserves recorded as project materials/services payable at year end are included as liabilities in the Statement of Financial Position, see Note 13 for details in relation to these payables.

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 8 Depreciation and Amortisation

	2019	2018
	\$	\$
Plant and Equipment	21,413	28,366
Leasehold Improvements	52,404	52,404
Total	73,817	80,770

Note 9 Other Operating Expenses

	2019	2018
	\$	\$
External Auditors' Remuneration (Tasmanian Audit Office)	14,074	11,140
Audit Fees - Projects	1,300	1,750
Bank Charges	911	2,131
Consultancy Fees	20,072	30,442
Corporate Communications and Branding	6,772	7,052
Directors' Remuneration	69,785	76,168
Insurance	12,890	9,084
IT Expenses	56,435	50,537
Leasing Charges	33,909	51,749
Legal Advice	8,629	59,137
Meeting and Seminar Expenses	34,068	68,564
Office Costs	24,164	28,445
Printing and Stationary	7,863	14,680
Recruitment and Relocation Expenses	15,479	5,274
Rent	65,172	64,148
Sundry Expenses	13,391	22,969
Telephone	18,784	23,143
Travel and Accommodation	29,606	46,589
Total	433,303	573,002

Note 10 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash on Hand	400	400
Cash at Bank	1,617,409	1,991,383
Total	1,617,809	1,991,783

Some of CCA's cash and cash equivalents are subject to external funding restrictions or are held for specific business activities, this limits the amounts available for future discretionary use. These funds are held as future project reserves in relation to relevant conditions/commitments, see Note 16 for details of areas these funds are committed.

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 11 Receivables

	Note	2019 \$	2018 \$
Debtors	19	280,945	46,727
Accrued Interest	19	2,007	3,510
Net GST Receivable	19	5,906	30,819
Total		288,858	81,056

Note 12 Property, Plant and Equipment

	2019 \$	2018 \$
Plant and Equipment	613,279	615,993
Less Accumulated Depreciation	(468,568)	(457,135)
Plant and Equipment at Written Down Value	144,711	158,858
Leasehold Improvements	524,021	524,021
Less Accumulated Amortisation	(323,158)	(270,754)
Leasehold Improvements at Written Down Value	200,863	253,267
Intangible Assets (Work in Progress)	124,875	-
Total	470,449	412,125

Movements in Carrying Amounts

Plant and Equipment		
Balance as at Beginning of Year	158,858	179,128
Additions	8,379	8,096
Disposals	(1,113)	-
Depreciation Expense	(21,413)	(28,366)
Balance as at End of Year	144,711	158,858
Leasehold Improvements		
Balance at Beginning of Year	253,267	305,671
Amortisation Expense	(52,404)	(52,404)
Balance at End of Year	200,863	253,267

Intangible assets (work in progress) held represent the amount of contract payments made for the acquisition of intangible assets other than internally generated intangible assets. Work in progress is currently recognised at cost until all payments are made, once complete the intangible asset will be fully recognised and will be amortised over the estimated useful life.

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 13 Payables

	Note	2019 \$	2018 \$
Creditors	19	253,929	201,953
Other Payables	19	522,994	31,790
Total		776,923	233,743

At balance date, CCA recognised the following liabilities included as Other Payables above:

- \$406,193 in relation to the Waste Management Levy Collection agreement transferrable to the Cradle Coast Waste Management Group.
- \$75,000 in relation to a portion of unspent Tourism funding estimated to be returned to Tourism Tasmania at year end following CCA ceasing to provide regional tourism services as of 1 July 2019.

Note 14 Provisions

	2019 \$	2018 \$
Current		
Annual Leave	61,066	135,143
Long Service leave	4,379	46,686
On Costs - Superannuation	416	13,345
On Costs - Other	384	15,717
Total	66,245	210,891
Non-Current		
Long Service Leave	14,322	23,057
On Costs - Superannuation	-	1,289
Total	14,322	24,346

Note 15 Borrowings

	2019 \$	2018 \$
Current		
Borrowing - Secured	58,888	55,953
Non-Current		
Borrowing - Secured	195,458	254,214
Total	254,346	310,167
Borrowings Secured by a Deed of Charge Over the CCA's Assets		
Not Later than One Year	58,888	55,953
Later than One and Not Later than Five Years	195,458	185,696
Later Than Five Years	-	68,518
Total	254,346	310,167

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 16 Reserves

	Opening Balance	Funding Received	Expended	Closing Balance
2019	\$	\$	\$	\$
National Landcare Programme	48,004	29	(48,033)	-
Regional NRM - Regional Land Partnerships	-	74,046	(71,209)	2,837
Regional NRM - Standalone & State	580,368	699,848	(1,021,160)	259,056
Regional Tourism	52,378	601,386	(579,017)	74,747
Regional Economic Development	558,989	869,317	(1,118,812)	309,494
Total	1,239,739	2,244,626	(2,838,231)	646,134
2018	\$	\$	\$	\$
National Landcare Programme	559,652	1,488,652	(2,000,300)	48,004
Regional NRM - Standalone & State	431,813	409,875	(261,320)	580,368
Regional Tourism	220,744	493,381	(661,747)	52,378
Regional Economic Development	620,753	1,083,073	(1,144,837)	558,989
Total	1,832,962	3,474,981	(4,068,204)	1,239,739

CCA received grant funding from the State Government for the provision and support of NRM functions and projects, some of these reserves are conditional and held for specific activities.

Regional Economic Development reserves held relate primarily to individually funded standalone projects or residual unallocated project reserves.

Note 17 Cash Flow Information

	2019 \$	2018 \$
Reconciliation of cash flows from operating activities to surplus / (deficit)		
Result from continuing operations	(436,690)	(405,203)
Depreciation/amortisation	73,817	80,770
(Profit)/loss on disposal of property, plant and equipment	1,111	(240)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	(211,648)	1,277
Increase/(decrease) in trade and other payables	543,180	(52,698)
Increase/(decrease) in provisions	(154,670)	(553,918)
Net cash provided by/(used in) operating activities	(184,899)	(930,013)

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 18 Commitments

	2019	2018
	\$	\$
Operating lease commitments		
At the reporting date, CCA had the following obligations under non-cancellable operating leases for assets/equipment for use within CCA's activities. These operating lease commitments are not recognised as liabilities.		
Payable		
Not Later than One Year	50,111	10,452
Later than One and Not Later than Five Years	138,329	164,393
Later Than Five Years	-	44,082
	188,440	218,927

Note 19 Financial Instruments

a) Accounting Policies and Processes

CCA has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse risks faced by the CCA, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and business activities.

CCA has an Audit and Risk Sub-Committee, with the purpose being to report to the Board and provide appropriate advice and recommendations to assist the Board discharge its corporate governance responsibilities. It also provides a liaison between CCA and external auditor.

The Sub-Committee is responsible for reviewing and reporting to the Board on the following matters:

- The effectiveness of internal controls established by management to safeguard the operations, including fraud prevention, of the CCA.
- Whether accounting procedures and policies comply with statutory requirements including the Local Government Act 1993 (as amended) and relevant Accounting Standards.
- The accuracy, reliability and timeliness of financial information, including monthly reports, quarterly financials and annual financial statements, provided to the Board and Representatives.

b) Categories of Financial Assets

	2019	2018
	\$	\$
Financial assets (amortised cost)		
Cash and cash equivalents	1,617,809	1,991,783
Receivables	288,858	81,056
Total financial assets	1,906,667	2,072,839
Financial liabilities (amortised cost)		
Payables	(776,923)	(233,743)
Borrowings	(254,346)	(310,167)
Total financial liabilities	(1,031,269)	(543,910)
Net financial assets/liabilities	875,398	1,528,929

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 19 Financial Instruments

c) Fair Value

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

	Total carrying amount as per Statement of Financial Position		Aggregate net fair value	
	2019 \$	2018 \$	2019 \$	2018 \$
Financial assets				
Cash and cash equivalents	1,617,809	1,991,783	1,617,809	1,991,783
Receivables	288,858	81,056	288,858	81,056
Total financial assets	1,906,667	2,072,839	1,906,667	2,072,839
Financial liabilities				
Payables	(776,923)	(233,743)	(776,923)	(233,743)
Borrowings	(254,346)	(310,167)	(272,328)	(324,494)
Total financial liabilities	(1,031,269)	(543,910)	(1,049,251)	(558,237)

d) Credit Risk

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

e) Risk and Mitigation

Market Risk

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

Interest Rate Risk

CCA has no borrowings subject to interest rate risk at the balance date but does hold investments which are subject to interest rate fluctuation. CCA does not consider that the risk has an adverse effect on the performance of the business because any interest received is additional income to the funds received under funding arrangements. Only when the interest is received does it become available to invest further in the projects to which the grant deed and funding agreements apply.

Credit Risk

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

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 19 Financial Instruments

e) Risk and mitigation continued.

Credit risk continued.

Credit risk arises from the CCA's financial assets, which comprise cash and cash equivalents, and trade and other receivables. The majority of debtors are member councils and government entities where instalments are received in accordance with payment schedules contained in the grant deeds and funding agreements. The grant deeds and funding agreements also contain clauses that should funds be required to be returned to the respective government entity, the amount to be returned is net of legally committed contractual arrangements. To minimise the credit risk, each grant deed or funding agreement is assessed before executing to ensure CCA has adequate resources to perform the obligations under any deeds or agreements.

	2019 Gross	2019 Impairment	2018 Gross	2018 Impairment
	\$	\$	\$	\$
Aged Debtors Analysis				
Current (not yet due)	40,736	-	45,626	-
Past due by up to 30 days	240,209	-	-	-
Past due from 31 to 60 days	-	-	1,101	-
Past due more than 60 days	-	-	-	-
Total Receivables	280,945	-	46,727	-

Liquidity Risk

Liquidity risk is the risk that CCA will not be able to meet its financial obligations as they fall due. The CCA's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the CCA's reputation.

Typically, CCA ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, CCA has access to a line of credit with its financial institution to enable it to meet unexpected payments.

The following table lists the contractual maturities for Financial Liabilities. Contractual cash flows are based on the undiscounted total payment, including both principal and interest, on the earliest possible date on which CCA may be required to pay.

	2019	2018
	\$	\$
Within one year	835,811	289,696
1 to 5 years	195,458	254,214
5 to 10 years	-	-
Total Financial Liabilities	1,031,269	543,910

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 19 Financial Instruments

f) Sensitivity disclosure analysis

Considering past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, CCA believes a parallel shift +1% and -1% in marketing interest rates (AUD) from year-end rates are 'reasonably possible' over the next 12 months.

The table below discloses the impact on net operating result and equity if the above movements were to occur.

	-1%	1%
2019		
Change in surplus	(16,177)	16,177
Change in equity	(16,177)	16,177
2018		
Change in surplus	(19,918)	19,918
Change of equity	(19,918)	19,918

Note 20 Material Budget Variations

CCA's 2018/19 budget was adopted by the Board and endorsed by the Representatives in May 2018. The original projections have been affected by several factors, these include State and Federal Government decisions around new grant programs, changing economic activity, and decisions made by the CCA. Material variations of more than +10% and -10% are explained below.

Income

Income received was down \$1.6m on budget (35%) due mainly to:

- ✓ Government grants were down \$1.7m (53%) on budget primarily due to Federal funding in relation to the National Landcare Program.
- ✓ Other income received was up \$115k on budget (23%) in relation to waste levy charges for the Cradle Coast Waste Management Group (CCWMG) not included in budget estimates.
- ✓ Interest received was down \$13k on budget (30%) due to funding reserves held

Expenses

Expenses were down \$1.2m on budget (25%) due mainly to:

- ✓ Employee benefits were down \$455k (23%) on budget due to reduced resourcing levels throughout the year
- ✓ Project management expenses were down \$1.23m (26%) on budget due to the timing of the delivery of government funded projects
- ✓ Other operating expenses were down \$240k (36%) on budget due to cost savings achieved across a range of expenditure categories and reduced operating capacity
- ✓ Interest on borrowings was down \$3k (18%) due to market variations

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements For the year ended 30 June 2019

Note 21 Related Parties Transactions

a) Responsible Persons

Persons holding the position of a Responsible Person at CCA at any time during the year were:

Director	Mr. Andrew Wardlaw
Director	Ms. Annette Rockliff
Director	Mr. Duncan McFie (ceased November 2018)
Director	Ms. Kathy Schaefer (commenced October 2018)
Director	Mr. Malcolm Wells
Director	Mr. Rod Stendrup (ceased February 2019)
Director	Mr. Peter Voller (commenced February 2019)
Chairman	The Hon. Sid Sidebottom
Director	Mr. Phil Vickers (commenced February 2019)
Director	Mr. Tony Moore (ceased February 2019)
Chief Executive Officer	Mr. Brett Smith (ceased December 2018)
Chief Executive Officer	Mr. Daryl Connelly (commenced December 2018)
Director Strategic Services	Ms. Claire Smith
Manager, Regional Tourism	Ms. Theresa Lord (ceased July 2018)
Regional Economic Development Manager	Mr. Daryl Connelly (commenced July 2018)
Regional NRM Manager	Mr. Spencer Gibbs

CCA conducts business with all Directors on the same terms and conditions as those entered into with other individuals and organisations. During the Financial Year there were no financial transactions with Directors other than the Remuneration disclosed below.

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the entity. Representatives are elected to represent each council and have been identified as KMP. However, do not receive remuneration and therefore, are not included in the KMP remuneration disclosure below.

Termination benefits for KMP include payments during the year representing the balance of accrued annual and long service leave entitlements payable.

Transactions with Related Parties disclosed include transactions with Related Parties controlled or jointly controlled by KMP. Details of transactions that occurred, including the nature of the terms and conditions relating to the transaction and the aggregate amount of each type of transaction are provided below.

b) Key Management Personnel Remuneration

KMP include Directors, Chief Executive Officer and Business Unit Managers.

	2019	2018
	\$	\$
Short-term employee benefits	492,235	364,366
Post-employment benefits	51,347	34,607
Other long-term employment benefits	(9,090)	(85,030)
Termination benefits	135,838	96,353
Total	670,330	410,296

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements For the year ended 30 June 2019

Note 21 Related Parties Transactions

c) Transactions with Related Parties

Details of transactions between CCA and other related parties are disclosed below:

	Reference	2019 \$	2018 \$
Contributions received from related entities	i.	869,388	852,344
Fees and charges received from entities controlled by KMP		-	-
Purchase of materials and services from entities controlled by KMP		-	-
Purchase of materials and services from related entities	ii.	731,251	127,720
Materials and services purchased by related entities	iii.	6,335	29,637
Other contributions from related entities	iv.	432,654	795,336
Contributions to related entities	v.	495,331	398,242

i. Contributions received from related parties were in accordance with the CCA's approved annual budget adopted by the Representatives in May 2018. Details of these contributions are disclosed in **Note 3 Council Contributions**.

ii. CCA purchased services from related entities in accordance with approved services agreements and contracts. All purchases were at arm's length and were in the normal course of the CCA's operations. The total disclosure includes:

- Rental of an office building, under a 10-year lease agreement with the Burnie City Council (BCC).
- IT services, provided in accordance with a three-year service level agreement with TasCom, an entity controlled by BCC.
- Contract payments under an agreement with Cultivate Productions identified as a related entity through KMP declarations.

iii. Related entities purchased materials and services from CCA in accordance with approved arrangements. The total disclosure includes:

- Services provided by related parties under shared services arrangements.
- Charges for various workshops attended by local government staff.

iv. CCA made contributions to related entities jointly controlled by KMP. The total disclosure includes the below transactions of material significance:

- CCWMG Waste Levies of \$360,190 collected from Dulverton Waste Management.

v. CCA made contributions to related entities jointly controlled by KMP. The total disclosure includes the below transactions of material significance:

- Project expenses of \$386,921 paid to Dulverton Waste Management on behalf of the Cradle Coast Waste Management Group.

Contributions were made in the normal course of the CCA's operations.

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

FINANCIAL STATEMENTS

Notes to and forming part of the General Purpose Financial Statements

For the year ended 30 June 2019

Note 21 Related Parties Transactions

In accordance with s84(2)(b) of the *Local Government Act 1993*, no interests have been notified to the Chief Executive Officer, in respect of anybody or organisation with which CCA has major financial dealings. Other than related entities, being member councils identified and disclosed above.

d) Outstanding balances, including commitments to/from related parties

As at 30 June 2019, CCA owed the following balances to related parties:

- Dulverton Waste Management \$151,611
- King Island Council \$180
- Waratah Wynyard Council \$1,100

As at 30 June 2019, the following balances were receivable from related parties:

- Central Coast Council \$3,343
- Circular Head Council \$8,826
- Dulverton Waste Management \$23,869

CCA has no commitments in existence at reporting date that have been made, guaranteed or secured by CCA to a related party.

e) Transactions with related parties that have not been disclosed

All transactions with related parties have been disclosed, either in aggregate or detail where determined to be of material significance.

FINANCIAL STATEMENTS

Statement by Directors

For the year ended 30 June 2019

The accompanying general purpose financial statements of Cradle Coast Authority for the year ended 30 June 2019:

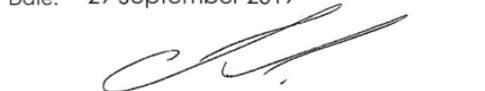
- Presents fairly the financial position of the CCA, financial performance and cash flows.
- Complies with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board and the Local Governments Act 1993 (Tasmania).
- Been prepared based on properly maintained financial records.

This statement is made in accordance with a resolution of the Board and is signed for on and behalf of the Board by:



The Hon. Sid Sidebottom
Chairman

Date: 29 September 2019



Andrew Wardlaw
Director

Date: 29 September 2019

DIRECTORS' REPORT

For the year ended 30 June 2019

The Directors present their report on CCA for the financial year ended 30 June 2019. The Directors in office during the year were;

The Hon. Sid Sidebottom (*Chairperson*)
Mr. Andrew Wardlaw
Mayor Annette Rockliff
Former Mayor Duncan McFie (*ceased Nov 2018*)
Mr. Kathy Schaefer (*commenced Oct 2018*)
Mr. Malcolm Wells
Mr. Rodney Stendrup (*ceased Feb 2019*)
Mr. Peter Voller (*commenced Feb 2019*)
Mayor Phil Vickers (*commenced Feb 2019*)

Unless otherwise stated the Directors have been in office since the start of the financial year to the date of this report.

Operating Result

The CCA reported an operating (\$436,690) (deficit) for the financial year; 2018 (deficit) (\$405,203).

Significant changes in state of affairs

In December 2018, the Board appointed a new Chief Executive Officer to oversee a period of significant organisational reform.

As of 30 June 2019, CCA ceased providing Regional Tourism Services on behalf of the State Government.

Review of operations

The 2019 financial year was defined by the delivery of the Cradle Coast Region Futures Plan, the appointment of a new CEO and organisational reform.

The major regional projects CCA pursued in 2018-19, through its core roles and functions included:

- Cradle Coast Regional Futures Plan
- Establishment of the Regional Economic Development Steering Group
- Visitor Economy Marketing
- Coastal Pathway
- Regional Landcare Partnership Tender

Meetings of Directors

There were 10 meetings of Directors, plus 16 Board Committee meetings held during the year. The attendance by each Director during the year was as follows:

Director	Number of eligible to attend	Number attended
A. Wardlaw	14	12
A. Rockliff	10	8
D. McFie	4	3
K. Schaefer	6	6
M. Wells	14	13
P. Voller	8	7
P. Vickers	4	3
R. Stendrup	9	9
S. Sidebottom	10	10
T. Moore	8	6

CCA has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of CCA or a related body corporate;

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceeding; or
- Paid or agreed to pay a premium in respect to a contract insuring against liability incurred as an officer for the costs or expenses to defend legal proceedings.

CCA has paid premiums to insure all the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a Director of CCA, other than conduct involving a wilful breach of duty in relation to CCA.



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CENTRAL COAST COUNCIL

