



Brighton Council

MINUTES OF THE **FINANCE COMMITTEE MEETING**
OF THE BRIGHTON COUNCIL HELD
IN THE COUNCIL CHAMBER, COUNCIL OFFICES
GAGEBROOK AT 5.05 P.M. ON TUESDAY,
9TH OCTOBER, 2012

PRESENT: Cr Foster (Chairperson); Cr Curran; Cr Garlick; Cr Gray and Cr Jeffries.

IN ATTENDANCE: Cr Geard, Cr Owen; Cr Taylor; Cr Williams; Mr G Davoren (Deputy General Manager) and Mrs J Banks (Manager Governance & Human Services).

1. APOLOGIES:

All members were present.

2. QUESTION TIME & DEPUTATIONS:

There was no requirement for public question time.

3. DECLARATION OF INTEREST:

In accordance with Part 5, Section 48 of the *Local Government Act 1993*, the Chairman of a meeting is to request Councillors to indicate whether they have, or are likely to have an interest in any item on the agenda; and

Part 2 Regulation 8 (7) of the *Local Government (Meeting Procedures) Regulations 2005*, the Chairman of a meeting is to request Councillors to indicate whether they have, or are likely to have, a pecuniary interest in any item on the agenda.

Accordingly, Councillors are requested to advise of any interest they may have in respect to any matter appearing on the agenda, or any supplementary item to the agenda, which the Council has resolved to deal with, in accordance with Part 2 Regulation 8 (6) of the *Local Government (Meeting Procedures) Regulations 2005*.

There were no declarations of interest.

4. BUSINESS:

4.1 REQUEST FOR BUILDING AND PLUMBING FEE WAIVER – BRIDGEWATER COMMUNITY CENTRE:

FILE REFERENCE: 0653

AUTHOR: Council Services Officer
(Mrs C Harper)

Background:

Jordan River Services has written to request Council waive the Building and Plumbing fees on an application to place on site at the Bridgewater Community Centre, Bowden Dve, Bridgewater a bulk storage container. They plan to use this storage for equipment required for the community garden project that they are establishing on site in partnership with LINC and Workskills.

Currently this equipment is being stored within the Community Centre building and is obstructing their access and egress as required under their Essential Health and Safety Form 56 requirements. Permit approvals for the Building and Plumbing application have been submitted to Council for the container to be installed which will alleviate this concern.

Jordan River Services provide a wide range of services and run many programs to assist the community and have limited funds to cover the financial costs of them. Their Top Gear Learner Driver Program and the community garden projects have little or no funding and if Jordan River Services can save spending the \$508.00 for these two permits it can be utilised in continuing to provide either of these services.

Consultation:

Helen Manser (Jordan River Services), Scott Ellwood (Bridgewater Community Centre), Janine Banks (Manager Governance & Human Services), Helen Hanson (EDS Officer), Cathy Harper (Council Services Officer).

Risk Implications:

Nil

Financial Implications:

Jordan River Services currently receives financial support from Council in the form of a rent free building (Pete's Shed), a \$5000.00 Community Grant to Pete's Shed this financial year, Gagebrook Community Centre is also to receive \$4250.00 Community Grant for their school holiday program on acquittal of last year's Community grant.

The Grants and Donations budget is fully expended.

Other Issues:

N/A.

Assessment:

N/A

Options:

1. As per the recommendation.
2. That Council not waive the Building and Plumbing permit fees.

RECOMMENDATION:

That Council waive the Building and Plumbing permit fees of \$508.00 for Jordan River Services as requested, and that it be recognised as a donation and recorded in the annual report.

DECISION:

Cr Gray moved, Cr Jeffries seconded that the recommendation be adopted.

CARRIED

VOTING RECORD

In favour	Against
Cr Curran	
Cr Foster	
Cr Garlick	
Cr Gray	
Cr Jeffries	

4.2 HOBART CAT CENTRE – REQUEST FOR FUNDS:

FILE REFERENCE: Grants 2012/13

AUTHOR: Manager Governance & Human Services
(Mrs J Banks)

Background:

The General Manger of the Hobart Cat Centre has written to Council seeking a regular annual contribution to the Centre.

The Hobart Cat Centre Inc., is a self-funded, apolitical, non-profit organisation that exists to shelter and humanely deal with unwanted kittens and cats and to work with and educate the Tasmanian community on methods and benefits of responsible cat ownership.

The Hobart Cat Centre is recognised as a charitable institution by the Australian Taxation Office.

The Hobart Cat Centre's original functions have expanded to include a range of services, including trapping, boarding and adoption of healthy, wormed, de-sexed and temperament tested cats and kittens

Brighton together with Hobart, Glenorchy, Clarence, Derwent Valley, Kingborough and Sorell Councils signed a five year agreement back in 2003 to collectively contribute \$70,000 annually subject to the State Government contributing \$30,000 per annum. This agreement is no longer in place and Brighton have not contribute to the Centre since 08/09. The State Government do not financially contribute to the Cat Centre and neither does Hobart or Glenorchy.

Consultation:

General Manager, (Hobart Cat Centre); Deputy General Manager,

Risk Implications:

None foreseen.

Financial Implications:

Council's annual grants and donations budget has already been allocated.

Other Issues:

Council's Animal Control Officer does not deal with cats, any enquiries are referred to the Cat Centre. Last financial year the Cat Centre accepted 2620 cats, with 426 coming from Brighton. Glenorchy Council had the highest number with Brighton second to Glenorchy.

Although the Cat Management Act 2009 came into effect on 1st July 2012, Councils do not have an obligation under the Act to manage cats as they do dogs.

Assessment:

Councils that currently make a donation to the Centre include Clarence, Sorell, Kingborough and Derwent Valley. Hobart City Council assists through the provision of their site and facilities (now at Selfs Point). This financial year they will receive from those Councils approximately \$13,000.

Council has previously contributed to the Hobart Cat Centre from 2003 to 2008, in the order of \$7,500 pa.

Options:

1. As per the recommendation.
2. That Council not contribute to the Hobart Cat Centre.

RECOMMENDATION:

Submitted for direction by Committee.

DECISION:

Resolved that the Manager Governance & Human Services write to the Hobart Cat Centre suggesting that they apply for funding through Councils annual Grants & Donations process for 2013/14.

CARRIED

VOTING RECORD

In favour	Against
Cr Curran	
Cr Foster	
Cr Garlick	
Cr Gray	
Cr Jeffries	

4.3 MONTHLY FINANCE REPORT AS AT 30 SEPTEMBER 2012:

FILE REFERENCE: 0103

AUTHOR: Deputy General Manager
(Mr G Davoren)

Background:

The finance reports were submitted for consideration.

They comprised the summarised financial position and revenue and expenses of the Council for the first three months of the 2012/13 financial year.

Consultation:

Nil

Risk Implications:

Nil

Financial Implications:

Not Applicable

Other Issues:

Nil

Assessment:

Nil

Options:

1. As per the recommendation.
 2. Not receive the reports.
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RECOMMENDATION:

That the reports be received.

DECISION:

Cr Jeffries moved, Cr Garlick seconded that the reports be received.

CARRIED

VOTING RECORD

In favour	Against
Cr Curran	
Cr Foster	
Cr Garlick	
Cr Gray	
Cr Jeffries	

4.4 COMPLETE SET FINANCIAL STATEMENTS 2011/12:

FILE REFERENCE: 0103

AUTHOR: Deputy General Manager
(Mr G Davoren)

The Complete set of Financial Statements for the year ending 2011/12 is formally submitted for consideration.

The Tasmanian Audit Office has given its opinion that the Financial Statements presents fairly, in all material respects, the financial position of Brighton Council as at 30 June 2012, and of its financial performance, cash flows, and changes in equity for the year ended. The report is in accordance with the Local Government Act 1993 and Australian Accounting Standards.

The Financial Statements have again been passed without any qualifications by the Tasmanian Audit Office.

The Tasmanian Audit Office is now responsible for the report to be completed in accordance with section 84(3) of the Local Government Act 1993.

The report format also complies with the Australian Equivalent to International Reporting Standards (AIFRS). The format is not generally user friendly due to its compliance to these standards so a summary has been provided below.

Highlights of the General Purpose Financial Report include:

Statement of Comprehensive Income (P/L)

Unqualified Audit Opinion by the Tasmanian Audit Office for Brighton Council including Microwise Australia Pty Ltd.

- Total Revenue from Operations \$12,413,797. In addition, Non Operating Revenue from Transactions includes a large amount of \$3,836,296 from infrastructure asset contributions such as roads and \$204,500 of additional land identified. Other items of comprehensive income include an increase in the value of our investment in Southern Water of \$123,222 and revaluation of our infrastructure assets for \$20,395,504. These items are not cash.

The total comprehensive income therefore was actually \$36,973,319 compared to our operating income of \$12,413,797. Operating income in the previous financial year was \$11,993,872. An increase in operating revenue came from an increase in revenue such as rates linked to CPI, municipal growth and the brought forward Federal Assistance Grants which will have an effect of reduced income in the next financial statement. Microwise Australia external revenue dropped from \$488,489 to \$276,468 due to the finalisation of a large contract.

- Total Operating Expenditure was \$11,050,408, up from \$10,402,705 last year. Expenditure includes: \$2,399,999 in depreciation. The increase in expenditure predominately reflects a CPI increase and the growth of our community.
- A positive surplus representing the operating income less operating expenses of Council of 1,363,391 compared to \$1,548,265 for the previous financial year. This is a very positive result, confirming Brighton Council is operating within its financial means. The operating surplus represents one of the Auditor General's key sustainability indicators and we have consistently succeeded the benchmark.
- Microwise Australia paid \$128,192 last financial year to Brighton Council by way of consultancy and fees. This amount was used to reduce Brighton Council wages, admin and IT expenditure. Brighton Council paid Microwise \$22,074 by way of software licence fees. Microwise Australia produced \$276,468 of external revenue with external expenditure of \$60,495. This represents an external profit of \$215,973 for the financial year ending June 2012. Brighton Council's total equity in Microwise Australia has risen to \$773,839
- Our professional Service which supports other Councils provided a revenue stream of \$319,725 with expenditure of \$148,421. This equates to a profit to Brighton Council of \$171,304 up from \$150,200 in the previous financial year. The financial benefit of this service does not include the direct labour savings to Brighton Council. Significant savings in Brighton Council wages are achieved when Brighton staff consults to other Councils.

Statement of Financial Position (Balance Sheet)

All our key economic indicators are in superb shape. The following balance sheet statistics provide an excellent overall picture of our financial position at year end.

- Our current assets are 330% of our current liabilities. The benchmark recognised by the Auditor General is >100%
- Our total assets have increased from \$168,138,942 to \$194,066,150. A significant increase mainly due to increase value of our infrastructure assets.
- Our total liabilities are relatively steady now that we are debt free and have barely increased from \$1,561,388 to \$1,572,140
- Our total equity has increased from \$166,577,574 to \$192,494,010 during the financial year. This equity increase represents the profit discussed earlier as well as an increase from asset revaluations.

- Our total cash held at the end of the year increased from \$4,202,446 to \$4,492,399. Council budgeted for an increase in cash reserves to cover future bridge replacements and a brought forward Federal assistant grant contributed to the increase in cash. The total increase was offset by the purchase of land in Old Beach.

In summary, the report outlines a strong continual improvement in the key financial management ratios of Brighton Council.

Council is now recognised as a state leader in financial performance thanks to responsible Councillors who recognise the benefits that flow from long term sustainability and sound financial management. Our rates have now been pegged to CPI for 16 years and Brighton Council sits at the top of many of the key state financial sustainability ratios

Consultation:

Tasmanian Audit Office

Risk Implications:

Nil

Financial Implications:

As stated

Other Issues:

Not applicable

Assessment:

Not applicable

Options:

1. As per the recommendation.
2. That Council not receive the report.

RECOMMENDATION:

That the report be received.

DECISION:

Cr Jeffries moved, Cr Curran seconded that the report be received.

CARRIED

VOTING RECORD

In favour	Against
Cr Curran	
Cr Foster	
Cr Garlick	
Cr Gray	
Cr Jeffries	

The Deputy General Manager presented and discussed the Auditor-Generals Management letter to Councillors.

The meeting closed at 5.25 p.m.

Confirmed: _____
(Mayor)

Date: _____
16th October 2012