

# BRIGHTON COUNCIL ANNUAL REPORT

2010 ~ 2011





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## ● INTRODUCTION

Brighton Council's Annual Report is comprised of two key parts:

- The first part includes the Mayor and General Manager's reports, together with reports on the major strategies set out in the 2010/11 Annual Plan.
- The second part of the Annual Report incorporates the audited financial statements for the financial year.

### **History**

The Brighton Council area is very rich historically with what we now know as Pontville being first penetrated by early Royal Marine patrols soon after the arrival of Governor David Collins at Sullivans Cove on 21st February 1804.

In 1821, Governor Lachlan Macquarie toured the island and selected sites for five townships, one of which was Brighton, being so called in honour of the favourite place of residence of King George IV. As early as 1822, twelve months after Macquarie's visit, Brighton was being spoken of as the future capital of Tasmania. Although considered again in 1824 and 1825, the proposal was dropped and in 1826 became a military post on the main Launceston to Hobart road.

The Council itself held its first meeting on 19th November 1863. In 1993, some one hundred and thirty years later, there were significant changes as a result of the number of Councils in Tasmania being reduced from forty six to twenty nine. This "amalgamation" of councils saw the "loss" of sixty one percent of rural land.

Brighton is now a small council, covering an area of approximately 168 square kilometres. Brighton is located approximately 25 kilometres from Hobart and forms the northern urban suburb of the Hobart metropolitan region. Prior to the early 1970's, Brighton was principally a rural municipality. The establishment of the large public housing estates in Bridgewater and Gagebrook in the 1970's and private development in the late 1980's and early 1990's, changed the municipality into more of an urban residential area.

In recent years, commercial and industrial development is increasing in our industrial estate, the largest in the south of the state.

Brighton has a population of approximately 16,500 with a median age of 29 years and 95% of the population are under 65 years of age.

Brighton Council continues to set new standards of achievement in local government in Tasmania, and has shown what can be achieved by the local community and council working together.

If you would like further information, or wish to comment on any aspect of this report please contact Council on 6268 7000.

### **Invitation for submissions**

Members of the community are invited to make submissions on the Annual Report for discussion at Council's Annual General Meeting, which will be held at 5.00pm on Tuesday 13th December 2011. Any person wishing to make a submission should do so by close of business 30th November 2011.



**TONY FOSTER** OAM JP  
MAYOR OF  
BRIGHTON

## ● **MAYOR'S MESSAGE**

A major effort this year was the defense of our unique "fair rating system".

A report by Access Economics, commissioned by the State Government, recommended that the Government legislate to prevent Brighton, or any other council, from adopting a general flat rate system.

Brighton Council has employed its fair rating methodology for the past four years, having first introduced it in the 2007-2008 financial year. The system comprises a fixed component (a flat rate) for services that are enjoyed equally by all ratepayers and includes a differential based on locality that recognises capacity to pay.

This, with efficient Council management has enabled Brighton to keep rate rises at or below the rate of increases in the Consumer Price Index (CPI). In fact, Brighton has been able to hold rate rises at or below the rate of inflation for the past 15 years. Council is committed to maintaining this policy into the future.

Brighton's rating methodology is strongly supported by the community and indeed enjoys wide ratepayer support across Tasmania. A ratepayer survey across Greater Hobart conducted by Myriad Research in the first half of this year showed that 80 percent of Brighton's ratepayers were satisfied with their current rating system, compared with 30 percent satisfaction recorded by other ratepayers in greater Hobart for their systems. In fact, a majority of ratepayers in other Greater Hobart regions expressed a preference for Brighton's flat rating—user pays rating methodology, although they had no experience under such a system.

During consideration of the Local Government Amendment Bill 2011 earlier this year, the State Government provided an undertaking to introduce further legislation to clear up any doubts that may have existed with Brighton's rating arrangements.

During debate on the Bill in the Legislative Council, the Leader for the Government Hon. Doug Parkinson MLC advised the Upper House as follows:

*"I reiterate the commitment of the Government to address Brighton Council's concerns. I have to re-state the Government supports the outcomes of Brighton's rating policies for their community, but wants to make sure that it is placed on a firm legislative foundation. This amendment does not do that, but the bill we bring back before the end of the year will."*

This was a tremendous result for all Brighton ratepayers as we will be able to continue with our very popular fair rating system.

With this system and sound financial management Council achieved the following results for the year:

- Keeping the general rate increase to just \$20 per residential property; approximately 38 cents per week per dwelling.
- A rate increase of 2.9% for non-residential properties; the lowest increase in the State.
- A 66% increase in new capital road expenditure.
- Replacing recycling crates with new recycling wheelie bins at no extra cost to ratepayers.
- Using our cash reserves to pay off all outstanding loans; meaning your council is debt free.

Brighton continues to be a hive of activity with the bypass construction, new businesses moving to the area and our population growing at the fastest rate in the State. I commend our elected councillors and all of our staff for their efforts in working collectively toward a positive future for our community.

## ● GENERAL MANAGER'S MESSAGE

During the past year, a major activity for Council was the updating of its strategic plan. Many key focus areas of the existing Strategic Plan 2006 – 2016 had been substantially progressed and Brighton has been undergoing major population and business growth. It was timely to revisit our strategy for the future. A workshop was held to *involve key stakeholders to develop strategies to achieve the best outcome for the Brighton Municipal Area.*

The key focus areas of the new strategic plan are to:

- Manage and influence population growth with appropriate land use planning.
- Foster cooperation between relevant public and private organisations:
  - Forming alliances to take projects and strategies forward.
  - Housing innovation and development.
  - Coordination of Council, State Government, Federal Government and NGO service providers.
- Enhance communication and interaction between residents, community groups and businesses.
- Establish the Brighton identity:
  - Promoting Brighton as a great place to live and enjoy.
  - Social and community collaboration on community events.
- Provide needed infrastructure:
  - Facilitate provision of better transport systems.
  - Maintain and improve our physical infrastructure.



RON SANDERSON  
GENERAL  
MANAGER

- Promote industrial, business and employment growth.
- Enhance education and training opportunities.

Council's software development company, Microwise Australia Pty Ltd, had another profitable year. It won a tender to provide a billing and land information system to Rous Water in NSW, the regional water authority servicing Lismore, Ballina, Byron and Richmond Valley. Rous Water has approximately 35,000 connections and serves a population of around 95,000.

Microwise continued its support of Onstream to distribute water and sewerage bills to more than 200,000 properties throughout the State. This support comprised the use of Council's Propertywise software and professional services of Council staff until Onstream was able to commission its new billing system.

Brighton Council continued its strong financial performance with the following achievements:

- A net operating profit
- Rate increase kept to CPI
- Maintaining a cash surplus
- Fully funding depreciation of its assets
- Increased capital expenditure
- Lowest rates per capita in the state
- Lowest staff ratio in the state

Local government in Tasmania is undergoing increased scrutiny from business groups and the general public with some strenuously calling for council amalgamations. Brighton Council will endeavour to maintain its strong financial position, demonstrating efficiency and community support to remain a separate council to best serve our community. We will work on the key focus areas listed above and strengthen our resource sharing with other councils to achieve this.



Cr Tony Foster (Mayor) – absent

• **COUNCILLORS AS AT 30TH JUNE 2011**

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CR TONY FOSTER (MAYOR)

---



Councillor for 23 years,  
Mayor since 1993.

Committee Representation:

- Finance (Chairperson)
- Heritage & Environment (proxy)
- Planning

Council Representative:

- Southern Tasmanian Councils Association
- Emergency Management Advisory Committee
- Local Government Association of Tasmania
- Owners Representative – Southern Water Corporation

---

CR GEOFF TAYLOR (DEPUTY MAYOR)

---



Councillor for 26 years,  
Deputy Mayor 4 years.

Committee Representation:

- Parks & Recreation
- Planning
- Waste Management (Chairperson)

Council Representative:

- Emergency Management Advisory Committee (Deputy Rep)

---

CR BARBARA CURRAN

---



Councillor for 15 years.

Committee Representation:

- Finance
- Heritage & Environment (Chairperson)
- Planning (Proxy)
- Waste Management

Council Representative:

- Brighton Primary School Council

---

CR WAYNE GARLICK

---



Councillor for 8 years.

Committee Representation:

- Finance
- Parks & Recreation
- Planning

Council Representative:

- Bridgewater/Brighton On-line Access Centre Advisory (Chairperson)

---

CR PETER GEARD

---



Councillor for 23 years.

Committee Representation:

- Heritage & Environment
- Parks & Recreation (Chairperson)
- Planning
- Waste Management

Council Representative:

- Brighton Senior Citizens Management (Chairperson)
- Local State Emergency Services Co-ordinator
- Southern Waste Strategy Board Joint Authority
- Jordan River Fire Management
- Cycling South

---

CR LEIGH GRAY

---



Councillor for 5 years.

Committee Representation:

- Finance
- Parks & Recreation
- Planning (Chairperson)
- Waste Management

Council Representative:

- Southern Waste Strategy Board Joint Authority (Deputy rep)

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CR MOYA JEFFRIES

---



Councillor for 4 years.

Committee Representation:

- Finance
- Heritage & Environment
- Parks & Recreation (Proxy)

Council Representative:

- Brighton Junior Council
- Jordan River Learning Federation School Council
- Bridgewater/Brighton On-line Access Centre Advisory (proxy)

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CR PHILIP OWEN

---



Councillor for 21 years.

Committee Representation:

- Heritage & Environment
- Waste Management

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CR SONYA WILLIAMS

---



Councillor for 5 years.

Council Representative:

- Finance (proxy)
- Heritage & Environment
- Parks & Recreation

Committee Representation:

- Brighton Junior Council
- Jordan River Learning Federation School Council
- Gagebrook Primary School Council

## ● OVERVIEW AND HIGHLIGHTS

To attain its 2040 vision, Brighton developed a 10-year Strategic Plan identifying eight major objectives to drive Council's planning towards 2016. Council's Annual Plan also incorporates these objectives.

These objectives are to:

- promote Brighton as a great place to be.
- improve land-use planning by developing a land use and development strategy.
- maintain and improve the physical infrastructure of the region.
- promote industrial and business growth.
- form alliances to take projects and strategies forward.
- improve communication and interaction between residents, community groups and businesses.
- improve education and training opportunities.
- ensure provision of improved transport systems.

A great deal was achieved in the past 12 months to meet these 10-year objectives of the 2040 vision. We've ticked a number of boxes against all eight of these objectives.

### **Promote Brighton as a great place to be.**

*We have...*

---

...had significant positive press coverage about the region's collective and individual achievements.

---

...undertaken a public relations campaign in the *Brighton Community News*, *LGAT Magazine* and the *Tasmanian Business Reporter*.

---

...completed streetscape projects in Brighton on the Midland Highway and Elderslie Road.

---

...substantially completed the Bridgewater Urban Renewal Project i.e. landscaping and beautification of East Derwent Highway at Bridgewater.

---

### **Improve Land Use planning by developing a land use planning and development strategy.**

*We have...*

---

...rezoned land in accordance with the recommendations of the Brighton Structure Plan.

---

...developed a Bridgewater Local Area Structure Plan.

---

...commenced implementation of the Bridgewater Local Area Structure Plan into the Brighton Planning Scheme.

---

...continued to be involved in the Southern Tasmanian Regional Planning Project.

---



**Maintain and improve the physical infrastructure of the region.**

*We have...*

---

...improved the Midland Highway streetscape and installed a new footpath between Bedford and Butler Streets, Brighton.

---

...resealed 3km of Briggs Road, Brighton.

---

...resealed 3.6km Elderslie Road, Brighton.

---

...resealed Honeywood Drive, Pegasus Drive, Harris Road, Redside Drive, Melinda Court and Kanangra Court.

---

...reconstructed sections of Strong Street and Crooked Billet Road at the Brighton Industrial Estate.

---

...undertaken road widening, kerb and gutter and footpath along eastern side of Augustus Street, Brighton.

---

...installed 600m of stormwater pipework to improve drainage at Cartwright Street, Brighton.

---

...constructed a parking bay at Killarney Road for improved access to the Greenpoint walkway, Bridgewater.

---

...made improvements to the pedestrian walkways in Gagebrook.

---

---

...undertaken landscaping and pathways improvement works along the East Derwent Highway, Bridgewater.

---

...installed new play equipment at Lennox Park, Old Beach.

---

...constructed new change-rooms and kiosk facilities for the third oval at Pontville Park, Pontville.

---

...repaired the roof at Pontville Hall, Pontville.

---

...improved access to the Coronation Hall toilets, Bridgewater.

---

...extended the store room at the Brighton Civic Centre, Bridgewater.

---

...implemented a new Asset Management system.

---



**Promote industrial and business growth.**

*We have...*

---

...continued to support the Greenpoint redevelopment.

---

...supported the construction of the Brighton Bypass.

---

...engaged a consultancy to identify development opportunities in the Brighton area.

---

**Form alliances to take projects and strategies forward.**

*We have...*

---

...continued to work closely with Glamorgan-Spring Bay; Central Highlands; Tasman; Southern Midlands and Flinders Island Councils.

---

...provided in excess of 3950 hours of professional local government services to a number of Tasmanian local councils.

---

...expanded service provision with Microwise Pty Ltd

---

...continued an alliance with Suva City Council (Fiji).

---

...further planned and developed the provision of Brighton Council professional services in Tasmania, mainland and overseas.

---

**Improve communications and interaction between residents, community groups and businesses.**

*We have...*

---

...reviewed and continued Brighton Alive, a community forum to enhance communication about Brighton within the community through a dedicated website.

---

...increased the issue of positive stories to the general media.

---

...employed a Leader – Community Development in partnership with Colony 47 and the Jordan River Learning Federation.

---

...improved waste collection services by providing residents with new recycling wheelie bins at no additional cost.

---





**Improve education and training opportunities.**

*We have...*

---

...continued to work closely with the State Government on the construction of the Bridgewater and Southern Midlands Learning Federation project.

---

...supported the State Government in the planning of the LINC in Bridgewater.

---

...been involved in the proposed Commonwealth funded Children and Family Centre.

---

...continued to work closely with school principals in the municipality to push for improved education programs and opportunities for its community.

---

**Ensure provision of improved transport systems.**

*We have...*

---

...supported the State and Commonwealth Governments with the construction of the Midland Highway Brighton bypass.

---

...constructed 4000m of walkway along the Gagebrook foreshore.

---

...constructed a concrete extension of the Jordan River walkway.

---

...constructed new footpaths in Elderslie Road, Sorell Street, Munday Street, Cobbs Hill Road and Gagebrook streets.

---

**Public Health.**

*We have...*

---

...conducted monthly immunisation clinics, annual school immunisations and promoted the need for immunisation.

---

...ensured proper provision of on-site effluent disposal in compliance with relevant standards.

---

...undertaken routine inspection of places of public assembly, to ensure compliance with relevant legislation.

---

...promptly investigated environmental health complaints.

---

...maintained an effective analysis program for food and general complaints.

---

...Council's annual environmental health budget for 2010/11 was \$13,000 (not including EHO salaries).

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● **PERFORMANCE STATISTICS – ENVIRONMENT AND DEVELOPMENT**

	<b>2011</b>	2010
ANIMAL CONTROL		
Total number of dogs registered with Council	<b>3,396</b>	3,258
Number of Complaints	<b>357</b>	493
Number of dogs taken to Hobart Dogs Home	<b>300</b>	385

LAND USE PLANNING AND BUILDING		
Number of Development Applications processed	<b>300</b>	310
Number of Subdivision Applications processed	<b>60</b>	61
Total number of new lots created	<b>100 land + 6 Strata lots</b>	113 land + 101 strata lots
Number of Building Permits processed	<b>244</b>	280
Value of Building Approvals	<b>\$78.2 million</b>	\$50.9 million

ENVIRONMENTAL HEALTH		
Number of Vaccinations	<b>1179</b>	1389
Number of Food Premises Registered	<b>64</b>	64
Number of complaints	<b>85</b>	137
Number of Food Samples Taken	<b>8</b>	4
Number of On-site Wastewater Applications	<b>35</b>	46
Total Expenditure on Public Health	<b>\$13,000</b>	\$17,000

## ● GOVERNANCE

### **Public Interest Disclosure Act 2002**

This report is made pursuant to Section 86 of the *Public Interest Disclosures Act 2002*. No public interest disclosures were made during the 2010/11 year. A copy of Council's Policy on Public Interest Disclosures, adopted by Council under Part 7 of the Act can be obtained by contacting Council's Manager Governance & Human Services on 6268 7027.

### **Councillors Allowances – Section 72(1)(cb) – Local Government Act 1993**

Total amount paid to Councillors, Mayor and Deputy Mayor for allowances, travel and miscellaneous reimbursements for the period 1 July 2010–30 June 2011 was \$154,010.

### **Senior Position – Section 72(1)(cd) – Local Government Act 1993**

In accordance with Section 72(1)(cd) of the *Local Government Act 1993*, Council identified the General Manager as holding a senior position. The General Manager's total annual remuneration as specified in subsection (5) of the Act for the financial year 2010/11 was between \$210-\$230,000. This amount includes salary; employer superannuation; value of the use of motor vehicle and value of allowances and/or benefits provided.

### **Donation of Land Statement – Section 177 – Local Government Act 1993**

Section 177 of the *Local Government Act 1993*, requires Council to report on any land donated by Council during the year. Council has not resolved to donate any land in accordance with the Act.

### **Public Tenders – Local Government (General) Regulations 2005**

The *Local Government (General) Regulations 2005* requires that Council reports any contract for the supply or provision of goods and services valued at or above \$100,000 (excluding GST) during the financial year.

Three tenders were called and awarded during the 2010/11 financial year:

- Domestic refuse collection service – contract is for 5 years. The value of the contract works was \$124,035 and was awarded to Veolia Environmental Services, 75 Mornington Road, Mornington, Tas, 7018.
- Supply and Install London Plane Trees – The value of the contract works was \$232,610 and was awarded to Parkway Enterprises, PO Box 680, Derwent Park, Tas, 7009.
- Reseal tender – The value of the contract works was \$309,839 and was awarded to Venarchie Contracting Pty Ltd, PO Box 395, Mowbray Heights, Launceston, Tas, 7248.



## Partnership Agreement with State Government

Council's second partnership agreement with the State Government expired in December 2010. A number of initiatives were acted upon and they were:

- East Derwent Highway revitalization \$1 million received through Urban Renewal and Heritage Fund grant.
- Continued with Community Road Safety Partnership Program;
- Community safety strategies;
- Promoting Health Communities;
- Improvements to educational opportunities and outcomes for young people in the community;
- Naming of new school i.e. Jordan River Learning Federation;
- Participation in the Child and Family Centre to be constructed at Bridgewater.
- Developed a master-plan for the Brighton central area.

## Risk Management

Risk Management is an integral part of Brighton Council's management practice. Our aim is to keep risk exposure to a minimum by helping to reduce injuries and potential loss. This process involves identifying potential risks, analysing their potential damage and treating the risks by taking appropriate action.

Our Risk Management Policy and Plan covers areas such as proactive inspections of roads and footpaths, written agreements with clubs/ user groups, building and financial services and town planning.

Council engaged a dedicated Risk Management contractor to develop and improve Council's practices and procedures. Council made significant improvements in all areas of risk management over the past twelve months and general work practices now involve risk assessments at all levels.



● **COUNCILLOR ATTENDANCE**

ORDINARY COUNCIL MEETING			
Name	No. of Meetings Held	Attended	%
Cr T Foster (Mayor)	12	9	75%
Cr G Taylor (Deputy Mayor)	12	12	100%
Cr B Curran	12	9	75%
Cr W Garlick	12	11	92%
Cr P Geard	12	9	75%
Cr L Gray	12	12	100%
Cr M Jeffries	12	11	92%
Cr P Owen	12	10	83%
Cr S Williams	12	12	100%

ANNUAL GENERAL MEETING			
Name	No. of Meetings Held	Attended	%
Cr S Foster (Mayor)	1	0	0%
Cr G Taylor (Deputy Mayor)	1	1	100%
Cr B Curran	1	1	100%
Cr W Garlick	1	1	100%
Cr L Gray	1	1	100%
Cr P Geard	1	1	100%
Cr M Jeffries	1	1	100%
Cr P Owen	1	0	0%
Cr S Williams	1	1	100%

PARKS AND RECREATION			
Name	No. of Meetings Held	Attended	%
MEMBERS			
Cr P Geard (Chairperson)	4	2	50%
Cr W Garlick	4	1	25%
Cr L Gray	4	2	50%
Cr G Taylor	4	2	50%
Cr S Williams	4	2	50%
Cr M Jeffries (Proxy)	4	0	0%
IN ATTENDANCE			
Cr B Curran		1	
Cr M Jeffries		2	
Cr P Owen		0	

HERITAGE AND ENVIRONMENT			
Name	No. of Meetings Held	Attended	%
MEMBERS			
Cr B Curran (Chairperson)	1	0	0%
Cr P Geard	1	1	100%
Cr M Jeffries (Deputy Chairperson)	1	1	100%
Cr P Owen	1	0	0%
Cr S Williams	1	1	100%
Cr T Foster (Proxy)			
IN ATTENDANCE			
Cr L Gray		1	
Cr G Taylor		1	

FINANCE			
Name	No. of Meetings Held	Attended	%
MEMBERS			
Cr T Foster (Chairperson)	8	3	38%
Cr B Curran (Deputy Chairperson)	8	6	75%
Cr W Garlick	8	7	88%
Cr L Gray	8	8	100%
Cr M Jeffries	8	8	100%
Cr S Williams (Proxy)	5	5	100%
IN ATTENDANCE			
Cr P Geard		5	
Cr L Gray		1	
Cr O Owen		2	
Cr G Taylor		8	
Cr Williams		2	

PLANNING			
Name	No. of Meetings Held	Attended	%
Cr T Foster	11	7	64%
Cr L Gray (Chairperson)	11	11	100%
Cr B Curran (Proxy from Oct 10)	11	4	36%
Cr W Garlick (proxy until Oct 10)	11	10	91%
Cr P Geard	11	9	82%
Cr P Owen (until Sept 10)	11	1	9%
Cr G Taylor	11	11	100%
IN ATTENDANCE			
Cr B Curran		3	
Cr M Jeffries		11	
Cr S Williams		9	
Cr P Owen		4	

WASTE MANAGEMENT			
Name	No. of Meetings Held	Attended	%
Cr G Taylor (Chairperson)	2	2	100%
Cr B Curran	2	2	100%
Cr P Geard	2	1	50%
Cr L Gray	2	2	100%
Cr P Owen	2	2	100%
IN ATTENDANCE			
Cr W Garlick		2	
Cr M Jeffries		1	
Cr S Williams		2	



# **BRIGHTON COUNCIL FINANCIAL REPORT**

2010 ~ 2011

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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Councillors of Brighton Council**

### **Financial Report for the Year Ended 30 June 2011**

I have audited the accompanying financial report of Brighton Council (Council), which comprises the statement of financial position as at 30 June 2011, the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

#### **Auditor's Opinion**

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2011, and financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

#### *The Responsibility of the General Manager for the Financial Report*

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

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the General Manager's preparation and fair

presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Manager, as well as evaluating the overall presentation of the financial report.

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

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

### **Independence**

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

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

### **TASMANIAN AUDIT OFFICE**



E R De Santi  
**DEPUTY AUDITOR-GENERAL**  
**Delegate of the Auditor-General**

HOBART  
16 September 2011

## **BRIGHTON COUNCIL**

### **Certification of the Financial Report**

---

The financial report presents fairly the financial position of Brighton Council as at 30 June 2011 the results of its operations for the year then ended and the cash flows of the Council in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards including Interpretations and other mandatory professional reporting.

**Greg Davoren**  
**Acting General Manager**

A handwritten signature in black ink, appearing to read 'G. Davoren', written over a horizontal line.

**15 August 2011**

• **Statement of Comprehensive Income for the year ended 30 June 2011**

	Notes	Budget 2011 \$	Actual 2011 \$	Actual 2010 \$
<b>REVENUES</b>				
<b>Revenues from transactions</b>				
Rate Revenues	3(a)(i)	6,254,861	6,469,950	6,094,723
Grants	3(a)(iv)	2,309,546	2,344,699	2,470,906
User Charges	3(a)(v)	135,000	148,272	147,008
Contributions	3(a)(vi)	700,000	713,200	1,522,117
Fees and Charges		987,850	788,161	763,528
Interest	3(a)(ii)	240,000	312,482	294,176
Other	3(a)(vii)	468,000	506,401	753,571
Professional Services/ Private Works		398,026	355,463	496,889
Distribution from Southern Water		1,070,000	1,025,542	953,008
Gain on Asset Disposal	3(a)(iii)	10,000	42,902	308,304
<b>Total revenues from transactions</b>		<b>12,573,283</b>	<b>12,707,072</b>	<b>13,804,230</b>
<b>EXPENSES</b>				
<b>Expenses from transactions</b>				
Materials/Contracts and Other	3(b)(v)	4,218,990	4,107,308	4,099,526
Depreciation and Amortisation	3(b)(ii)	2,308,435	2,459,091	2,429,259
Employee Costs	3(b)(i)	2,578,513	2,490,859	2,748,098
Contributions	3(b)(iv)	790,961	815,550	812,784
Borrowing Costs	3(b)(iii)	61,616	27,931	77,412
Professional Services/ Private Works		206,000	220,428	309,351
Donations	4	115,000	130,310	170,991
Aldermanic Allowances		146,000	151,228	199,346
<b>Total expenses from operations</b>		<b>10,425,515</b>	<b>10,402,705</b>	<b>10,846,767</b>
<b>Net result from Transactions</b>		<b>2,147,768</b>	<b>2,304,367</b>	<b>2,957,463</b>
<b>Other Comprehensive Income</b>				
Adjustment to value of Investment in Southern Water	20	0	322,446	4,474,879
Net PP&E revaluation increments / (decrements)	27	0	1,708,667	10,428,980
<b>Comprehensive Result</b>		<b>2,147,768</b>	<b>4,335,480</b>	<b>17,861,322</b>

*The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*

● **Statement of Financial Position as at 30 June 2011**

ASSETS	Notes	2011	2010
<b>CURRENT ASSETS</b>		<b>\$</b>	<b>\$</b>
Cash and Cash Equivalents	5	4,202,446	5,138,561
Receivables – Rates	6	99,592	103,415
Receivables – Other	6	168,988	475,604
Financial Assets	7	0	4,211
Other	8	259,798	278,825
<b>Total Current Assets</b>	2(b)	<b>4,730,824</b>	<b>6,000,616</b>
<b>NON CURRENT ASSETS</b>			
Roads	17	61,384,698	59,648,813
Buildings	14	15,032,643	14,396,801
Drainage	16	19,091,103	18,328,782
Investment in Southern Water	20	56,188,198	55,865,753
Land	9	8,297,380	8,083,617
Bridges	15	1,972,466	2,052,196
Plant and Vehicles	10	835,067	750,521
Furniture and Equipment	12	479,858	235,777
Intangibles	13	94,601	11,046
Small Machinery	11	32,104	31,129
Other Financial Assets	19	0	12,069
<b>Total Non Current Assets</b>	2(b)	<b>163,408,118</b>	<b>159,416,504</b>
<b>Total Assets</b>		<b>168,138,942</b>	<b>165,417,120</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	21	668,503	1,196,401
Financial Liabilities	22	0	296,329
Provisions	23	677,617	662,667
Other	24	116,630	162,001
<b>Total Current Liabilities</b>		<b>1,462,750</b>	<b>2,317,398</b>
<b>NON CURRENT LIABILITIES</b>			
Financial Liabilities	25	0	764,618
Provisions	26	98,618	93,010
<b>Total Non Current Liabilities</b>		<b>98,618</b>	<b>857,628</b>
<b>Total Liabilities</b>		<b>1,561,368</b>	<b>3,175,026</b>
<b>NET ASSETS</b>		<b>166,577,574</b>	<b>162,242,094</b>
<b>EQUITY</b>			
Ratepayers Equity		100,599,284	98,294,917
Reserves		65,978,290	63,947,177
<b>TOTAL EQUITY</b>	27	<b>166,577,574</b>	<b>162,242,094</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

● **Statement of Changes in Equity for the year ended 30 June 2011**

	Ratepayers Equity		Asset Revaluation Reserve		Fair Value Reserve		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of the Financial Year	98,294,917	73,168,399	59,472,300	71,212,373	4,474,877	0	162,242,094	144,380,772
Comp-rehensive Result	2,304,367	2,957,463	1,708,667	10,428,982	322,446	4,474,877	4,335,480	17,861,322
Transfer Direct to Equity	0	22,169,055	0	(22,169,055)	0	0	0	0
Balance at the end of the Financial Year	<u>100,599,284</u>	<u>98,294,917</u>	<u>61,180,967</u>	<u>59,472,300</u>	<u>4,797,323</u>	<u>4,474,877</u>	<u>166,577,574</u>	<u>162,242,094</u>

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

● **Statement of Cash Flows for the year ended 30 June 2011**

	Notes	2011 \$	2010 \$
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Receipts from Ratepayers, Fees & Charges		10,582,095	10,872,726
Interest Received		312,482	294,176
Government Grants		2,344,699	2,470,906
		<u>13,239,276</u>	<u>13,637,808</u>
<b>Payments</b>			
Payments to Suppliers and Employees		(9,423,023)	(9,375,783)
Borrowing Costs		(27,931)	(77,412)
		<u>(9,450,954)</u>	<u>(9,453,195)</u>
<b>Net Cash Flows from Operating Activities</b>	31	<u>3,788,322</u>	<u>4,184,613</u>
<b>Cash Flows from Investing Activities</b>			
<b>Receipts</b>			
Public Bodies Loan repayments		12,069	4,211
Sale of Land & Buildings		694,504	388,250
Sale of Plant and Equipment Assets		98,805	132,050
		<u>805,378</u>	<u>524,511</u>
<b>Payments</b>			
Purchase of Buildings		(482,301)	(801,658)
Purchase of Land		(685,414)	(19,946)
Purchase of Plant and Vehicles & Machinery		(191,719)	(159,431)
Purchase of Intangible		(96,423)	(3,098)
Purchase of Roads, Bridges & Drainage Assets		(2,566,694)	(2,397,425)
Purchase of Furniture and Equipment		(446,317)	(209,795)
		<u>(4,468,868)</u>	<u>(3,591,353)</u>
<b>Net Cash Flows used in Investing Activities</b>		<u>(3,663,490)</u>	<u>(3,066,842)</u>
<b>Cash Flows from Financing Activities</b>			
Repayment of Borrowings		(1,060,947)	(442,911)
<b>Net Cash Flows used in Financing Activities</b>		<u>(1,060,947)</u>	<u>(442,911)</u>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>		(936,115)	674,860
Cash at the Beginning of the Financial Year		5,138,561	4,463,701
<b>Cash and Cash Equivalents at the End of the Financial Year</b>	5	<u>4,202,446</u>	<u>5,138,561</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

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- **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

## **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The significant policies which have been adopted in the preparation of this Financial Report are:

### **Statement of Compliance**

This general purpose financial report of the Brighton Council has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Local Government Act 1993* (as amended).

Compliance with the Australian Accounting Standards (AASBs and AASs) may not result in compliance with international Financial Reporting Standards (IFRS), as the AASBs and AASs include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Council is considered to be not-for-profit and has adopted some accounting policies under AASBs and AASs that do not comply with IFRS. The final report has been prepared as a going concern on an accrual basis.

### **Judgments and Assumptions**

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

#### *Fair Value of Property Plant & Equipment*

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in notes 9-17 and in note 1.

#### *Defined benefit superannuation fund obligations*

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 30.

#### *Employee entitlements*

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 23 and note 26.

### **Basis of Preparation**

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

This report has been prepared under the historical cost convention, except for land and buildings, infrastructure assets and financial assets that have been measured at fair value.

The financial statements include the results and balances of Microwise Pty Ltd a 100% owned subsidiary of Council. The requirements of AASB 127 *Consolidated and Separate Financial Statements* have not been applied by the Council on the basis that resultant additional disclosures are not material to the reading and understanding of these financial statements.

• **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**The Local Government Reporting Entity**

Council prepares a general purpose financial report that encompasses all business and non-business operations which Council controls, either directly or through the operation of controlled entities. These reports will detail all funds, assets and liabilities over which Council exercises or may exercise control.

**Pending Accounting Standards**

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

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning or ending on</i>	<i>Impact on Local Government financial statements</i>
AASB 124: Related Party Disclosures	This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard.	Applicable for annual reporting periods commencing on or after 1 January 2011.	Although this standard does not strictly apply to Local Government it is often used as guidance, as such there will be greater clarity on the disclosure of inter government transactions.
AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	Introduces reduced disclosure requirements for certain types of entities.	Applicable for annual reporting periods commencing on or after 1 January 2013.	This standard is not expected to have a financial impact.

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning or ending on</i>	<i>Impact on Local Government financial statements</i>
AASB 9: Financial Instruments, AASB 2009-11 and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> <li>* simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;</li> <li>* removing the tainting rules associated with held-to-maturity assets;</li> <li>* simplifying the requirements for embedded derivatives;</li> <li>* removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;</li> <li>* allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and</li> <li>* reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: <ul style="list-style-type: none"> <li>a. the objective of the entity's business model for managing the financial assets; and</li> <li>b. the characteristics of the contractual cash flows.</li> </ul> </li> </ul>	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments.
AASB 2009-14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council.
AASB 2010-5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (October 2010).	This Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Report. There is no financial impact resulting from the application of this revised Standard.	Applicable for annual reporting periods commencing on or after 1 Jan 2011.	These amendments are not expected to impact Council.
AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7].	This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.	Applicable for annual reporting periods commencing on or after 1 July 2011.	These amendments are not expected to impact Council.
AASB 1053: Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. This Standard is not expected to impact Council. However, it may affect disclosures if reduced disclosure requirements apply.	Applicable for annual reporting periods commencing on or after 1 January 2013.	These amendments are not expected to impact Council.
AASB 1054: Australian Additional Disclosures	This Standard sets out the specific disclosures for entities that have adopted Australian Accounting Standards that are additional to the requirements under International Reporting Standards, including disclosures relating to the nature of the financial report, audit fees and the reconciliation of net operating cash flows to net result.	Applicable for annual reporting periods commencing on or after 1 Jan 2011.	This standard is not expected to have a financial impact.

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Rates Revenues, Grants and Contributions*

Rates, grants, donations and other contributions (including developer contributions) are recognised as revenues when Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. A provision for doubtful debts on rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured.

Grants, donations and other contributions are brought to account as revenue upon their receipt or when the conditions for control of the funds have been met. Where the grant relates to an asset the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

Unreceived contributions over which Council has control are recognised as receivables. Donations and other contributions that are not subject to accompanying conditions that they be expended in a particular manner or for a particular purpose are recognised as revenue in the reporting period when Council obtains control over the assets comprising the contributions and donations.

**Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

*Dividend revenue*

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

*User Charges, Fees and Charges and Private Works Sales Proceeds and Other*

Income is recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs. Debts are impaired when collection in full is no longer probable.

*Gain on asset disposal*

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

*Interest*

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

**Acquisition of Assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given as consideration, including architects fees and engineering design fees and all other costs incurred in getting the assets ready for use.

- **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Non-monetary assets received in the form of grants and donations are recognised as assets and revenues at their fair value at the date of receipt. Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

**Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For non-cash generating assets of the Council such as roads, drains, public buildings and the like, value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

**Revaluation of Non Current Assets**

At balance date, the Council reviews the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the Statement of Financial Position unless it reverses a revaluation decrease of the same asset previously recognised in the Statement of Comprehensive Income. In addition Council undertakes a formal revaluation of asset classes measured on the fair value basis on a regular basis. Acquisitions and capital works during the year are treated as being recorded at their fair value.

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

**Bridges**

The Council has adopted a fair value based upon current replacement cost for Bridges based on a valuation prepared by Tas Span Pty Ltd at 30 June 2010. Revaluations occur every 5 years.

**Drainage**

The Council has adopted a fair value based upon current replacement cost for Drainage based upon replacement costs determined by Council engineering staff at 30 June 2010. Revaluations occur every 5 years.

**Land and Buildings**

The Council has adopted a fair value basis for Land and Buildings based upon the valuation provided by the Valuer-General. Valuations occur every 6 years with indices applied in intervening years. The last valuation was provided at June 2007.

**Roads**

The Council has adopted a fair value based upon current replacement cost for roads as determined by Pitt and Sherry at 30 June 2008. Land under roads is not included in the carrying value of assets.

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Furniture and Fittings, Plant and Equipment and Small Machinery & Tools**

Furniture and Equipment, Plant and Vehicles and Small Machinery are recorded on a cost basis. Improvements are charged to the Income Statement.

**Depreciation and Amortisation of Non Current Assets**

All non current assets, excluding land, are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

Depreciation is recognised on a straight line basis over the effective life of the asset, using rates reviewed annually and as determined by Council Officers.

Non current assets are those assets, which provide a benefit to Council extending beyond twelve months. The current applicable rates of depreciation are:

• Bridges	10-80 years	• Hotmix	20-30 years
• Buildings	50 years	• Intangibles	3-5 years
• Culverts	80 years	• Kerb	60-80 years
• Drainage	15-100 years	• Pavement	60-100 years
• Earthworks	Infinite	• Plant	
• Flush	15-30 years	and vehicles	5-10 years
• Footpath	20-50 years	• Poles	30 years
• Furniture		• Roads	48 years on average
and Equipment	5-10 years	• Small machinery	3-8 years
• Gravel	3-10 years	• Table Drains	3-15 years

**Maintenance and Repairs**

Maintenance and repair costs are expensed when incurred. If the maintenance costs significantly increase the economic life of an asset or the total value exceeds the written down carrying value, and the costs are consistent with the asset acquisition limits, then the costs will be capitalised.

**Asset Recognition Thresholds**

The asset threshold adopted by Council is as detailed below. Assets acquired at a cost of less than stated are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

• land	nil
• buildings	\$5,000
• small machinery and tools	\$1,000
• equipment and furniture	\$1,000
• roads	\$5,000
• drainage	\$2,500
• bridges	\$10,000

- **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Receivables**

Unreceived contributions over which Council has control are recognised as receivables. All rates and charges, and costs incurred by Council in the abatement of statutory nuisances are charges on the land, and are recoverable from the owner or occupier, or on transfer of ownership of that land. In extreme circumstances the *Local Government Act Tasmania 1993* grants power for the compulsory sale of such land to recover outstanding amounts. As a result, all amounts of uncollected rates and charges are considered collectable.

Settlement of rates receivable is by equal 4 instalments throughout the year on specific dates detailed on the initial rate notice sent to ratepayers in July. Interest applies on overdue rates. Sundry receivables are payable within 30 days of issue of the account but no interest is added to overdue sundry receivables.

**Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flow on a gross basis. The GST components of cash flow arising from investing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**Cash and cash equivalents**

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

**Employee Benefits**

Employee benefits are accrued for items such as wages and salaries, annual leave and long service leave in respect of services provided by employees up to the reporting date. Liabilities for employee entitlements are assessed as at each reporting date.

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date and are measured at the amount expected to be paid, including appropriate oncosts, when the accrued obligation is settled. Amounts expected to be settled beyond 12 months have not been inflated and discounted to their present value in accordance with AASB 119 *Employee Benefits* as the impact has been assessed as immaterial.

Liabilities for long service leave are measured at the present value of the estimated future cash outflows to be made by the Council in respect of services provided by employees up to the reporting date. The interest rates attaching, as at the reporting date, to Commonwealth Government guaranteed securities are used to discount the estimated future cash outflows to their present value.

There is no liability for sick leave as sick leave is non-vesting.

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The superannuation expense for the reporting period is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees. Refer to Note 32 for greater detail.

**Allocation between Current and Non-Current**

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

**Investments**

Investments are brought to account at cost. Interest revenues are recognised as they accrue.

**Payables**

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Council. These amounts are usually paid within 30 days of recognition.

**Financial Liabilities – Interest-bearing loans and borrowings**

Council has no loans.

Outlined below are the relevant accounting policies for interest-bearing loans and borrowings applicable for the years ended 30 June 2011 and 30 June 2010.

The borrowing capacity of Council is limited by the *Local Government Act 1993*. Loans were recognised in the financial statements as the principle outstanding as at balance date, which would be repayable in the ordinary course of business and in accordance with the existing terms of each loan. Interest expense was accrued at the contracted rate as incurred and included in accrued expenses.

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

**Leases**

Council has no finance leases.

Operating leases, where the leaser effectively retains substantially all the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

Refer to Note 29 (d) for further information.

● **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

for the year ended 30 June 2011

**2. FUNCTIONS/ACTIVITIES OF THE COUNCIL**

(a) Revenues, expenses and assets have been attributed to the following functions/activities, descriptions of which are set out in Note 2(c)

Functions	Expenses		Grant Revenue		Other Revenue		Total Revenue		Increase in Operating Capability		Assets Attributed to Function/Activity	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate Services	1,403,022	1,311,321	0	2,000	501,154	460,607	501,154	462,607	(\$901,868)	(\$848,714)	0	0
Southern Water	0	0	0	0	1,027,278	958,544	1,027,278	958,544	\$1,027,278	\$958,544	56,188,196	55,865,750
Parks and Recreation	686,656	673,836	14,000	0	174,630	784,188	188,630	784,188	(\$498,026)	\$110,352	8,297,380	8,083,617
Planning & Building	644,538	617,639	0	0	295,947	268,075	295,947	268,075	(\$348,591)	(\$349,564)	0	0
Buildings	791,422	758,460	0	0	196,741	233,682	196,741	233,682	(\$594,681)	(\$524,778)	15,032,643	14,396,801
Roads/Bridges	3,337,733	3,527,969	660,288	837,468	31,037	(57,556)	691,325	779,912	(\$2,646,408)	(\$2,748,057)	82,448,267	80,029,791
Community Services	335,243	341,671		38,350	491	(38,350)	491	0	(\$334,752)	(\$341,671)	0	0
Environmental Health	278,269	278,470		10,000	116,831	96,922	116,831	106,922	(\$161,438)	(\$171,548)	0	0
Waste Management	893,664	894,674	0	0	904,911	846,218	904,911	846,218	\$11,247	(\$48,456)	0	0
Unallocated Services	2,032,158	2,442,727	1,670,411	1,583,088	7,113,354	7,780,994	8,783,764	9,364,082	\$6,751,606	\$6,921,355	\$6,172,456	7,041,161
<b>TOTAL</b>	<b>\$10,402,705</b>	<b>\$10,846,767</b>	<b>\$2,344,699</b>	<b>\$2,470,906</b>	<b>\$10,362,374</b>	<b>\$11,333,324</b>	<b>\$12,707,072</b>	<b>\$13,804,230</b>	<b>\$2,304,367</b>	<b>\$2,957,463</b>	<b>\$168,138,942</b>	<b>\$165,417,120</b>

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**2. FUNCTIONS/ACTIVITIES OF THE COUNCIL (CONTINUED)**

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

	2011	2010
	\$	\$
Current Assets	4,730,824	6,000,616
Non Current Assets	163,408,118	159,416,504
	\$168,138,942	\$165,417,120

(c) The activities of Council are to be classified into the following functions:

- Corporate Services
  - Operation and maintenance of council chambers, administration offices, maintenance depots and plant and equipment, monitor revenue collections.
- Southern Water
  - Council owns a 6.1% stake in Southern Water.
- Parks and Recreation
  - Development, operation and maintenance of parks, gardens, reserves and sporting facilities.
- Drainage
  - Construction, operation and maintenance of drainage and storm water works.
- Planning and Building Services
  - Administration of the Town Planning Scheme and administration and co-ordination of building applications and monitoring the Building Code.
- Buildings
  - Construction, operation and maintenance of council buildings.
- Roads/Bridges
  - Construction and maintenance of the road and bridge system.
- Community Services
  - Monitor the welfare of the community, youth activities and aged care.
- Environmental Health Services
  - Community health, environmental control, food surveillance, health standards, septic tank applications, pest control, dog and animal control, offensive trades, plumbing, places of public entertainment, caravan licences, complaints and counter disaster.
- Waste Management
  - Operation of the waste transfer station, recycling programmes, monitoring and collection of refuse.
- Unallocated Services
  - Other general services not specifically identifiable.

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**3. REVENUES AND EXPENSES**

3(a) Operating Revenues	Note	2011 \$	2010 \$
<b>(i) Rates Revenues</b>			
General		5,065,205	4,729,778
Garbage		748,233	693,958
Fire Levy		628,597	641,643
Penalties		27,915	29,344
		<u>6,469,950</u>	<u>6,094,723</u>
<b>(ii) Interest</b>			
Interest received or due and receivable from:			
Investments		312,482	294,176
		<u>312,482</u>	<u>294,176</u>
<b>(iii) Profit/(Loss) on Asset Disposal</b>			
Proceeds from Disposal		793,309	4,986,887
less written down current cost		(750,407)	(4,678,583)
Gain/(Loss) on Disposal		<u>42,902</u>	<u>308,304</u>
<b>(iv) Grants</b>			
Commonwealth Tax Sharing		1,653,911	1,540,958
Dept of Health & Human Services		409,090	510,000
Roads to Recovery		155,198	155,198
Dept of Transport & Regional Services		96,000	101,000
Dept of Economic Development		14,000	81,270
Local Government Association of Tasmania		13,000	38,350
Public Works & Engineering Foundation		3,500	32,000
Dept of Infrastructure, Energy & Resources		0	12,130
<b>Total Grants</b>		<u>2,344,699</u>	<u>2,470,906</u>
<b>(v) User Charges</b>			
Plant Hire		18,228	5,888
Refuse Site Entrance Fees		130,044	141,120
		<u>148,272</u>	<u>147,008</u>
<b>(vi) Contributions</b>			
Land and Buildings identified		195,301	904,000
Subdivision Contributions		517,899	618,117
		<u>713,200</u>	<u>1,522,117</u>
<b>(vii) Other</b>			
Community Newsletter		17,912	23,528
Microwise Australia	33	488,489	730,043
		<u>506,401</u>	<u>753,571</u>

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**3. REVENUES AND EXPENSES (CONTINUED)**

	Note	2011 \$	2010 \$
3(b) Operating Expenses			
(i) Employee Costs			
Wages and Salaries		2,051,950	2,301,255
Superannuation		243,595	257,892
Other Employee Related Expenses		195,314	188,951
		<u>2,490,859</u>	<u>2,748,098</u>
Actual Wages & Salaries for 2011 were \$2,829,445 (\$2,717,896 for 2010) according to the taxation summary. Other Wages & Salaries and associated on costs are costed to capital improvements.			
(ii) Depreciation and Amortisation			
Plant and Vehicles		160,484	156,942
Buildings		246,739	294,885
Intangible		12,869	14,230
Small Machinery		11,192	10,125
Bridges		110,187	110,157
Drainage Assets		251,709	238,727
Road Assets		1,560,336	1,546,972
Furniture and Equipment		105,575	57,221
		<u>2,459,091</u>	<u>2,429,259</u>
(iii) Borrowing Costs			
Borrowing cost expense interest on debt		27,931	77,412
		<u>27,931</u>	<u>77,412</u>
(iv) Contributions			
State Fire Commission Levy		619,140	617,237
Tasmanian Canine Defence League Contribution		42,615	34,486
Local Govt. Association of Tasmania		38,866	37,094
Derwent Estuary Contribution		12,500	9,582
Brighton Training Facility		60,000	60,000
Valuation Charges		23,091	45,821
Southern Tasmanian Councils Association		19,338	8,564
		<u>815,550</u>	<u>812,784</u>
(v) Materials/Contracts and Other			
Asset Condition Assessment		24,522	26,563
Bank Fees		21,517	24,389
Building Maintenance		293,193	223,703
Collection Fees		35,813	35,868
Community Newsletter		71,279	84,838
Contract Recycling		144,953	159,821
Fire Abatement		11,889	17,450
GIS CAD & CVS Software		68,625	40,578

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**3. REVENUES AND EXPENSES (CONTINUED)**

		2011	2010
3(b) Operating Expenses (continued)	Note	\$	\$
(v) Materials/Contracts and Other			
Internal Contractors		82,887	59,112
Land Tax		28,677	37,440
Microwise Australia	33	186,164	291,199
Other Materials & Contracts		1,172,809	1,006,847
Public Liability		40,533	38,761
Refuse Collection		137,044	137,844
Reserve Maintenance		513,039	529,121
Road & Bridge Maintenance		539,811	627,120
Southern Tas Waste Management		14,146	11,900
Street Lighting		158,114	192,819
Tipping Fees		222,913	226,000
Waste Bin Replacements		67,296	47,224
Waste Transfer Station		272,084	280,929
		<u>4,107,308</u>	<u>4,099,526</u>

**4. DONATIONS AND GRANTS**

**GRANTS AND BENEFITS REGISTER – SECTION 77 LOCAL GOVERNMENT ACT 1993**

The Premiers			
Disaster Relief Appeal	Donation	50,000	0
Brighton Football Club	Halls & Grounds	21,341	20,911
Brighton Football Club	Donation	19,276	4,500
Campbell Page Ltd	Donation	9,999	0
Old Beach Cricket Club	Halls & Grounds	9,760	9,760
Brighton Agricultural Society	Halls & Grounds	7,800	7,800
Brighton Play centre/Playgroup	Halls & Grounds	7,540	7,332
Pete's Community Work shed	Halls & Grounds	7,540	7,332
Brighton Senior Citizens	Halls & Grounds	7,280	7,280
Brighton Junior Soccer Club	Halls & Grounds	6,000	6,000
East Derwent Little Athletics	Halls & Grounds	5,340	5,340
University of Tasmania	Scholarship	5,150	5,000
Bridgewater PCYC	Contribution	5,000	0
Brighton SES	Community Grant	5,000	10,290
Bridgewater PCYC	Community Grant	4,943	2,500
Adult Literacy	Donation	4,855	0
Brighton CWA	Halls & Grounds	4,160	4,160
Australian Red Cross	Donation	3,245	0
Brighton Junior Youth Football Club			
	Halls & Grounds	3,105	3,105
Brighton Junior Football Club	Halls & Grounds	3,000	3,000
Jordan River Services	Donation	3,000	2,500
Brighton SES	Development Fees	2,721	0

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**4. DONATIONS AND GRANTS (CONTINUED)**

**GRANTS AND BENEFITS REGISTER – SECTION 77 LOCAL GOVERNMENT ACT 1993**

		2011	2010
		\$	\$
Northern Suburbs Junior Soccer Association	Halls & Grounds	2,250	2,250
Cycling South	Community Grant	2,000	2,000
Christmas Pageant	Community Grant	1,500	1,500
Old Beach Cricket Club	Community Grant	1,500	2,500
Community Advertising in the Brighton News	Advertising	1,320	0
Brighton Junior Cricket Club	Halls & Grounds	1,260	1,260
Bugeido Karate	Halls & Grounds	1,176	1,050
Brighton Market	Donation	1,000	0
East Derwent Little Athletics	Donation	1,000	0
Old Beach Scouts Group	Community Grant	1,000	0
St Paul's Primary School	Donation	1,000	0
Ten Days on the Island Limited	Donation	1,000	0
Penguin Club	Community Grant	940	0
Able Australia	Donation	900	0
Brighton Girl Guides	Community Grant	850	2,000
Brighton Heritage Association	Community Grant	750	0
GKR Karate	Halls & Grounds	693	630
Road Safety	Advertising	600	0
Brighton Arts Committee	Halls & Grounds	555	0
Helping Hands	WTS Entry	504	533
Brighton Agricultural Society	Annual Grant	500	500
Brighton Senior Citizens	Ex-Gratia Payment	500	0
St Vincent De Paul	WTS Entry	438	489
Dogs Home of Tasmania	Community Grant	418	418
Local Government Managers Association	Halls & Grounds	412	0
Workskills Inc	Halls & Grounds	378	0
Brighton Arts Committee	Advertising	360	0
Veterans Memorial Centre	WTS Entry	336	341
Cartledge Jarrod	Education Bursary	250	250
Cocker Claudia-Louise	Education Bursary	250	0
Eberhardt Reuben	Education Bursary	250	250
Elies Grace	Education Bursary	250	0
Johnson Sarah-Lee	Education Bursary	250	0
Kennedy Teena	Education Bursary	250	0
Ransley Samantha	Education Bursary	250	0
Old Beach Playgroup	Donation	248	0
Quilters Easter Showcase	Halls & Grounds	243	0
Indigenous Tasmanians Sport	Community Grant	222	0
Camp Quality	Halls & Grounds	210	0

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**4. DONATIONS AND GRANTS (CONTINUED)**

**GRANTS AND BENEFITS REGISTER – SECTION 77 LOCAL GOVERNMENT ACT 1993**

		2011	2010
		\$	\$
Department of Justice	WTS Entry	192	305
Mount Carmel College	Halls & Grounds	143	0
Australian Red Cross	Halls & Grounds	115	0
The Smith Family	Halls & Grounds	112	0
Kemp Kabe	Sporting Achiever	100	0
Booth Kyle	Sporting Donation	75	0
Campbell Ashley	Sporting Achiever	75	0
Hayden Brady	Sporting Achiever	75	0
Bridgewater High School	Citizenship Prize	60	60
Brighton Primary School	Citizenship Prize	60	60
East Derwent Primary School	Citizenship Prize	60	60
Gagebrook Primary School	Citizenship Prize	60	60
Herdsmans Cove Primary School	Citizenship Prize	60	60
Northern Suburbs Christian School	Citizenship Prize	60	60
St Paul's Primary School	Citizenship Prize	60	60
Tas Special Child Xmas Party	Donation	57	0
Claremont College	Citizenship Prize	50	50
Uniting Church	WTS Entry	42	0
Volunteering Tasmania	Halls & Grounds	24	0
Riverside Nursery	Halls & Grounds	0	7,332
Tea Tree Community Assoc Inc	Community Grant	0	6,000
Brighton Bowls Club	Community Grant	0	5,000
Tas Centre of Global Learning Inc	Community Grant	0	4,000
Whitelion Inc	Community Grant	0	4,000
St Vincent De Paul	Community Grant	0	3,000
Old Beach Fire Brigade	Community Grant	0	2,925
Brighton Agricultural Society	Community Grant	0	2,580
Hobart Gymnastics Academy	Community Grant	0	2,500
Brighton Fire Brigade	Community Grant	0	1,900
Bridgewater Volunteer Ambulance Unit	Community Grant	0	1,149
Brighton CWA	Community Grant	0	1,000
Early Years Program	Community Grant	0	1,000
School for Seniors	Community Grant	0	1,000
Old Beach Community Group	Community Grant	0	874
Bridgewater High School	Community Grant	0	750
Sth Tas Quarter Horse Association	Community Grant	0	750
Brighton Rural Youth	Community Grant	0	350

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**4. DONATIONS AND GRANTS (CONTINUED)**

**GRANTS AND BENEFITS REGISTER – SECTION 77 LOCAL GOVERNMENT ACT 1993**

		2011	2010
		\$	\$
Burns Laura	Education Bursary	0	250
Oakley Julie	Education Bursary	0	250
White Braydon	Sporting Achiever	0	250
Nichols Zoe	Sporting Achiever	0	175
Marshall Thomas	Sporting Achiever	0	100
Jones Kate	Sporting Achiever	0	75
Saville Sophie	Sporting Achiever	0	75
Smith Hayley	Sporting Achiever	0	75
Targett Hollie	Sporting Achiever	0	75
		<u>225,348</u>	<u>170,991</u>
Financial Donations		130,310	74,781
Donations in kind		95,038	96,210
		<u>225,348</u>	<u>170,991</u>

**5. CURRENT ASSETS – CASH AND CASH EQUIVALENTS**

Cash at Bank	905,327	198,033
Cash on Hand	3,572	3,789
Term Deposits	3,293,547	4,936,739
	<u>4,202,446</u>	<u>5,138,561</u>

For the purposes of the Statement of Cash Flows, cash includes cash on hand, in bank and investments in money market accounts or short term deposits with an original maturity of three months or less, net of any outstanding bank overdrafts.

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

**6. CURRENT ASSETS – RECEIVABLES**

Rates Receivables	<u>99,592</u>	<u>103,415</u>
Other Receivables		
Water Consumption	13,984	29,299
Other Debtors	159,798	460,127
Less Provision for Impaired Debts	(4,794)	(13,822)
	<u>168,988</u>	<u>475,604</u>

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**7. FINANCIAL ASSETS**

	2011	2010
	\$	\$
Loans and Advances	0	4,211

**8. CURRENT ASSETS – OTHER**

Accrued Revenue	191,023	227,412
Work In Progress	13,821	791
Prepayments	54,954	50,622
	<u>259,798</u>	<u>278,825</u>

**9. NON CURRENT ASSETS – LAND**

Land at Fair Value	<u>8,297,380</u>	<u>8,083,617</u>
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Fair Value based valuation provided by Valuer General as at 30 June 2007 and indices applied each year since.

**10. NON CURRENT ASSETS – PLANT AND VEHICLES**

Plant and Vehicles at Cost	1,468,386	1,336,571
less Accumulated Depreciation	(633,319)	(586,050)
	<u>835,067</u>	<u>750,521</u>

**11. NON CURRENT ASSETS – SMALL MACHINERY**

Small Machinery at Cost	150,084	137,917
less Accumulated Depreciation	(117,980)	(106,788)
	<u>32,104</u>	<u>31,129</u>

**12. NON CURRENT ASSETS – FURNITURE AND EQUIPMENT**

Furniture and Equipment at Cost	1,479,937	1,130,890
less Accumulated Depreciation	(1,000,079)	(895,113)
	<u>479,858</u>	<u>235,777</u>

**13. NON CURRENT ASSETS – INTANGIBLE**

Software at Cost	281,168	184,744
less Accumulated Amortisation	(186,567)	(173,698)
	<u>94,601</u>	<u>11,046</u>

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**14. NON CURRENT ASSETS – BUILDINGS**

	2011	2010
	\$	\$
Buildings at Fair Value	15,879,899	15,145,087
less Accumulated Depreciation	(847,256)	(748,286)
	<u>15,032,643</u>	<u>14,396,801</u>

Valuation provided by Valuer-General as at June 2007 and indices applied each year since.

**15. NON CURRENT ASSETS – BRIDGES**

Bridges at Fair Value	5,205,112	5,126,912
less Accumulated Depreciation	(3,232,646)	(3,074,716)
	<u>1,972,466</u>	<u>2,052,196</u>

Fair value based on valuation prepared by Tas Span Pty Ltd as at 30 June 2010.

**16. NON CURRENT ASSETS – DRAINAGE**

Drainage Assets at Fair Value	25,244,377	23,989,548
less Accumulated Depreciation	(6,153,274)	(5,660,766)
	<u>19,091,103</u>	<u>18,328,782</u>

Fair value based on valuation prepared by Pitt & Sherry Consulting Engineers as at 30 June 2010.

**17. NON CURRENT ASSETS – ROADS**

Road Assets at Fair Value	91,131,519	87,520,254
less Accumulated Depreciation	(29,746,821)	(27,871,441)
	<u>61,384,698</u>	<u>59,648,813</u>

Fair value based on valuations prepared by Pitt & Sherry Consulting Engineers as at 30 June 2008 and indices applied each year since.

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**18. FIXED ASSETS RECONCILIATION**

	2011	2010
	\$	\$
<b>Land</b>		
Carrying amount at the beginning of the year	8,083,617	6,201,982
Additions	46,450	704,000
Disposals	(30,000)	(611,450)
Adjustment due to revaluation	197,313	1,789,085
Carrying amount at the end of the year	<u>8,297,380</u>	<u>8,083,617</u>
<b>Plant and Vehicles</b>		
Carrying amount at the beginning of the year	750,521	851,831
Additions	277,220	295,005
Disposals	(32,190)	(239,373)
Depreciation	(160,484)	(156,942)
Carrying amount at the end of the year	<u>835,067</u>	<u>750,521</u>
<b>Small Machinery</b>		
Carrying amount at the beginning of the year	31,129	24,835
Additions	12,167	16,420
Depreciation	(11,192)	(10,126)
Carrying amount at the end of the year	<u>32,104</u>	<u>31,129</u>
<b>Furniture and Equipment</b>		
Carrying amount at the beginning of the year	235,777	215,253
Additions	350,729	77,745
Disposals	(1,073)	0
Depreciation	(105,575)	(57,221)
Carrying amount at the end of the year	<u>479,858</u>	<u>235,777</u>
<b>Intangible</b>		
Carrying amount at the beginning of the year	11,046	22,176
Additions	96,424	3,100
Depreciation	(12,869)	(14,230)
Carrying amount at the end of the year	<u>94,601</u>	<u>11,046</u>
<b>Buildings</b>		
Carrying amount at the beginning of the year	14,396,801	15,334,330
Additions	645,152	1,001,658
Disposals	(14,000)	(3,827,760)
Depreciation	(246,739)	(294,885)
Adjustment due to revaluation	251,429	2,183,458
Carrying amount at the end of the year	<u>15,032,643</u>	<u>14,396,801</u>

• **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**18. FIXED ASSETS RECONCILIATION (CONTINUED)**

	2011	2010
	\$	\$
<b>Bridges</b>		
Carrying amount at the beginning of the year	2,052,196	1,377,612
Additions	1,499	12,960
Depreciation	(110,187)	(110,157)
Adjustment due to revaluation	28,958	771,781
Carrying amount at the end of the year	<u>1,972,466</u>	<u>2,052,196</u>
<b>Drainage</b>		
Carrying amount at the beginning of the year	18,328,782	12,086,099
Additions	731,895	476,808
Depreciation	(251,709)	(238,727)
Adjustment due to revaluation	282,135	6,004,602
Carrying amount at the end of the year	<u>19,091,103</u>	<u>18,328,782</u>
<b>Roads</b>		
Carrying amount at the beginning of the year	59,648,813	58,989,957
Additions	3,020,533	2,525,774
Disposals	(673,144)	0
Depreciation	(1,560,336)	(1,546,972)
Adjustment due to revaluation	948,832	(319,945)
Carrying amount at the end of the year	<u>61,384,698</u>	<u>59,648,813</u>

**19. NON CURRENT ASSETS – OTHER FINANCIAL ASSETS**

Loans and Advances	<u>0</u>	12,069
	<u>0</u>	<u>12,069</u>

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**20. NON CURRENT ASSET INVESTMENT IN WATER AUTHORITY**

	2011	2010
	\$	\$
Investment in Southern Water	<u>56,188,198</u>	<u>55,865,752</u>

Council has an ownership interest of 6.1% as provided by Southern Water. Council does not have significant influence to allow it to use the equity method to account for this interest. Council has classified this asset as an Available-for-Sale financial asset as defined in AAB 139 Financial Instruments: Recognition and Measurement and has followed AASB 132 Financial Instruments: Presentation and AASB 7 Financial Instruments: Disclosures to value and present the asset in the financial statements.

There is no active market for the investment and so it is valued at Council's share of total equity as at each balance date. Changes in the fair value are recognised as revenue or expense in the Comprehensive Income Statement each year. Council's investment is disclosed on the face of the Statement of Financial Position with the value being determined as disclosed above. Dividends received from Southern Water are brought to account as income is received.

Council's share of the Corporation's net assets at 30 June 2011 is \$56,188,198 (2010 is \$55,865,752)

Carrying amount at the beginning of the year	55,865,750	51,390,873
Change in fair value of investment	322,446	4,474,877
Total investment in water corporation	<u>56,188,196</u>	<u>55,865,750</u>

**21. CURRENT LIABILITIES – PAYABLES**

Trade Creditors	183,820	232,052
Accrued Expenses	484,683	964,349
	<u>668,503</u>	<u>1,196,401</u>

**22. CURRENT LIABILITIES – FINANCIAL LIABILITIES**

Secured		
Loans	<u>0</u>	<u>296,329</u>

**23. CURRENT LIABILITIES – PROVISIONS**

Employee Leave Entitlements Provisions		
Annual Leave	310,680	331,650
Long Service Leave	366,937	331,017
	<u>677,617</u>	<u>662,667</u>

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**24. CURRENT LIABILITIES – OTHER**

	2011	2010
	\$	\$
Deposits Held in Trust	94,186	156,227
Revenue Received in Advance	22,444	5,774
	<u>116,630</u>	<u>162,001</u>

Deposits includes monies held in respect of damage indemnity, facilities booking and various performance related sureties.

**25. NON CURRENT LIABILITIES – FINANCIAL LIABILITIES**

Secured

Loans	<u>0</u>	<u>764,618</u>
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**Security for Borrowings**

The loans are secured over the general rates of the Council.

**Financing Arrangements**

Council does not currently utilise access to any overdraft facilities.  
Council has corporate credit cards with a combined limit of \$10,000.  
The current policy of Council is to minimise all borrowings

**26. NON CURRENT LIABILITIES – PROVISIONS**

**Employee Leave Entitlements Provisions**

Long Service Leave	<u>98,618</u>	<u>93,010</u>
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The provision for long service leave is established at a level sufficient to cover the liability due to employees for leave due in the current financial year plus accrued entitlements due. An inflation factor of 2.9% has been applied where applicable.

• **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**27. RESERVES**

	2011	2010
	\$	\$
Bridges Revaluation	1,519,782	1,490,824
Building Revaluation	6,743,536	6,492,107
Drainage Revaluation	10,729,634	10,447,499
Land Revaluation	5,917,117	5,719,804
Road Revaluation	36,270,898	35,322,066
Adjustment to value of Investment in Southern water	4,797,323	4,474,877
	<u>65,978,290</u>	<u>63,947,177</u>
<i>Movements during the year</i>		
<b>Bridge Revaluation</b>		
Balance at beginning of year	1,490,824	719,043
Revaluation Increment	28,958	771,781
Balance at end of year	<u>1,519,782</u>	<u>1,490,824</u>
<b>Building Revaluation</b>		
Balance at beginning of year	6,492,107	4,308,649
Revaluation Increment	251,429	2,183,458
Balance at end of year	<u>6,743,536</u>	<u>6,492,107</u>
<b>Drainage Revaluation</b>		
Balance at beginning of year	10,447,499	4,442,897
Revaluation Increment	282,135	6,004,602
Balance at end of year	<u>10,729,634</u>	<u>10,447,499</u>
<b>Land Revaluation</b>		
Balance at beginning of year	5,719,804	3,930,719
Revaluation Increment	197,313	1,789,085
Balance at end of year	<u>5,917,117</u>	<u>5,719,804</u>
<b>Public Open Space</b>		
Balance at beginning of year	0	35,585
Transfer to Ratepayers Equity	0	(35,585)
Balance at end of year	<u>0</u>	<u>0</u>
<b>Road Revaluation</b>		
Balance at beginning of year	35,322,064	35,642,010
Revaluation Increment	948,832	(319,946)
Balance at end of year	<u>36,270,896</u>	<u>35,322,064</u>
<b>Sewerage Revaluation</b>		
Balance at beginning of year	0	9,573,491
Revaluation Increment	0	0
Transfer to Ratepayers Equity	0	(9,573,491)
Balance at end of year	<u>0</u>	<u>0</u>

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**27. RESERVES (CONTINUED)**

	2011	2010
	\$	\$
<b>Share in associates</b>		
Balance at beginning of year	0	6,102,323
Increase in Equity	0	0
Transfer to Ratepayers Equity	0	(6,102,323)
Balance at end of year	<u>0</u>	<u>0</u>
<b>Water Revaluation</b>		
Balance at beginning of year	0	6,457,656
Revaluation Increment	0	0
Transfer to Ratepayers Equity	0	(6,457,656)
Balance at end of year	<u>0</u>	<u>0</u>
<b>Adjustment to value of Investment in Southern water</b>		
Balance at beginning of year	4,474,877	0
Revaluation Increment	322,446	4,474,877
Balance at end of year	<u>4,797,323</u>	<u>4,474,877</u>
<b>Total movements during the year</b>		
Balance at beginning of year	63,947,177	71,212,373
Transfer to Ratepayers Equity	0	(22,169,055)
Revaluations	1,708,667	10,428,980
Adjustment to value of Investment in Southern water	322,446	4,474,877
Balance at end of year	<u>65,978,290</u>	<u>63,947,177</u>

*Nature and purpose of reserves*

**Asset Revaluation**

The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of non-current assets in accordance with AASB116.

**Equity Reconciliation**

Total equity at beginning of year	162,242,094	144,380,772
Result from operations	2,304,367	2,957,463
Adjustment to value of Investment in Southern water	322,446	4,474,877
Change in net assets recognised Direct to Equity	0	22,169,055
Net increase in asset revaluation reserve	1,708,667	(11,740,073)
	<u>166,577,574</u>	<u>162,242,094</u>

**28. CONTINGENCIES**

There are currently no claims against the Council, its Councillors or any officers which are likely to result in any material liability against Council.

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**29. COMMITMENTS FOR EXPENDITURE**

	2011	2010
	\$	\$
(a) Capital Commitments		
There are no capital expenditure commitments as at balance date.		
(b) Operating Commitments		
There are no operating expenditure commitments as at balance date.		
(c) Finance Lease Commitments		
There were no items of expenditure contracted under finance lease at balance date.		
(d) Operating Lease Commitments		
Future operating lease commitments not provided for in the financial statements and payable:		
Within one year	0	4,350
One year or later and no later than five years	0	0
	0	4,350
	0	4,350

**30. SUPERANNUATION**

Brighton Council makes Superannuation contributions for a number of its employees to the Quadrant Defined Benefit Fund, which is a sub fund of the Quadrant Superannuation Scheme. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 32(b) of AASB119, Council does not use defined benefit accounting for these contributions.

At the present time Council contributes 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Bendzulla Actuarial Pty Ltd undertook the last actuarial review of the Scheme at 30 June 2008. The review disclosed as that time the net market value of assets available for funding member benefits was \$84,786,241, the value of vested benefits was \$81,398,000. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Scheme's financial statements for Council employees.

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

Net Investment Return	-17.0 % pa for 2008/09 and 7.0% p.a. Thereafter
Salary Inflation	4.0% pa
Price Inflation	n/a

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**30. SUPERANNUATION (CONTINUED)**

In the opinion of the Actuary, the Quadrant Defined Benefit Fund was adequately funded in that assets were sufficient to cover the vested benefits of all members at the review date and the actuarial value of accrued past service benefits.

At 30 June 2009, the net market value of assets available for funding member benefits had fallen to \$58,450,000 largely due to the poor investment returns that were experienced during the 2009 financial year. The value of vested benefits at that date was \$64,350,000 resulting in a shortfall of \$5,900,000. When the Fund's assets are below the vested benefits, superannuation law defines this as an "unsatisfactory financial position". As a result of the Fund moving into an unsatisfactory financial position the Quadrant Trustee prepared a plan to restore the financial position within a reasonable time frame. The plan noted the improved investment returns since 30 June 2009 and confirmed that the 9.5% contribution rate remained appropriate.

At 30 June 2010 the Quadrant Defined Benefits Fund had returned to a "satisfactory financial position" with the net market value of assets available for funding member benefits of \$57,230,000 being greater than the value of vested benefits of \$56,180,000. The surplus at that date was \$1,050,000. The Quadrant Trustee again reviewed the employer contribution rate and confirmed that the 9.5% contribution rate remained appropriate.

The next full triennial actuarial review of the Fund will have an effective date of 30 June 2011 and is expected to be completed late in 2011 or early in 2012.

Council also contributes to other accumulation schemes on behalf of a number of employees, however the Council has no ongoing responsibility to make good any deficiencies that may occur in those schemes.

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

During the reporting period the amount of contributions paid to defined benefits schemes was \$29,638 (2009-10 \$31,796) and the amount paid to accumulation schemes was \$302,071 (2009-10 \$296,533).

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**31. RECONCILIATION OF NET RESULT FROM TRANSACTIONS  
TO CASH PROVIDED FROM OPERATING ACTIVITIES**

	2011	2010
	\$	\$
Net result from Transactions – Statement of Comprehensive Income	<u>2,304,367</u>	<u>2,957,463</u>
Items Not Involving Cash		
Non Cash Contributions	(713,200)	(1,522,117)
Depreciation and Amortisation Expense	<u>2,459,091</u>	<u>2,429,259</u>
	<u>1,745,891</u>	<u>907,142</u>
Investing Activity		
Net (Gain)/loss on Disposal of Plant and Equipment	<u>(42,902)</u>	<u>(308,304)</u>
	<u>(42,902)</u>	<u>(308,304)</u>
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Rates Receivables	3,823	60,846
(Increase)/Decrease in Other Receivables	306,616	404,820
(Increase)/Decrease in Other Assets	23,238	212,833
Increase/(Decrease) in Payables	(527,898)	12,305
Increase/(Decrease) in Provisions	<u>20,558</u>	<u>(47,992)</u>
Increase/(Decrease) in Other Liabilities	<u>(45,371)</u>	<u>(14,500)</u>
	<u>(219,034)</u>	<u>628,312</u>
Net Cash Flow from Operating Activities	<u>3,788,322</u>	<u>4,184,613</u>

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**32. FINANCIAL INSTRUMENTS**

**Financial Risk Management and Risk Exposures**

*Risk Management policies and processes*

Council has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk

The general Manager has overall responsibility for the establishment and oversight of Council's risk management framework. Risk management policies are established to identify and analyse risks faced by Council, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Council's Liability Insurer Civic Mutual Plus, have provided a Public Liability & professional Liability Report as at December 7, 2009. Council achieved an overall score of 67%.

**(a) Credit Risk**

Credit risk is the risk of financial loss to Council if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other receivables and cash investments.

The amount of any credit risk associated with financial assets is the carrying amount net of any provision for doubtful debts. Such a risk crystallises when one party to the transactions fails to discharge their obligations. Council's financial assets comprise receivables and cash and cash equivalents.

There is no significant concentration of credit risk with any single debtor or group of debtors. The amount of the debt written off in any one year is immaterial.

Council's credit risk is therefore immaterial. There has been no change in its exposure to or management of this risk since the previous period.

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

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

*Rate Debtors*

Rates and charges are required to be paid in full by August and may receive a discount of 1.3%. Ratepayers may choose to pay rates and charges by instalments, subject to approved terms and conditions. Should amounts remain unpaid outside of approved payment options, Council will instigate collection proceedings. Rates and charges outstanding past three years may be recouped through sale of property under the Local Government Act.

*Other debtors (including loans and advances)*

Debtors are required to settle within 30 days of issue of the account. Debtors may apply to Council to pay accounts by instalments, subject to approved terms and conditions. Should amounts remain unpaid outside approval payment options, Council will instigate collection proceedings.

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**32. FINANCIAL INSTRUMENTS (CONTINUED)**

*Impairment Losses*

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

Trade Receivables	30/6/2011	30/6/2010
Not past due	29,405	290,806
Not past due – Water consumption	1,577	2,646
Past due 0-30 days	24,266	9,304
Past due 31-60 days	2,852	34,320
Past due 61-90 days	12,359	14,397
More than 90 days	90,916	111,299
More than 90 days – Rates	99,592	103,415
More than 90 days – Water consumption	12,407	26,653
	<b>273,374</b>	<b>592,839</b>

A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. No allowance for impairment in respect of trade receivables has been recognised at 30 June 2011.

All rates receivable are in excess of 90 days. No allowance for impairment loss is recognised for rates or water consumption as unpaid amounts represent a charge against the rateable property that will be received when the property is next sold.

**(b) Liquidity Risk**

Liquidity risk is the risk that Council will not be able to meet its financial obligations as they fall due. Council's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Any debenture loans of Council are secured by trust deed and the total loan borrowings are limited to borrowings approved by Treasury. In accordance with Section 80 of the Local Government Act 1993 (as amended) the borrowing capacity of Council is limited as follows:

Except with the approval of the Minister, a Council may not borrow additional money for any purpose if the annual payments required to service the total borrowings would exceed 30% of its revenue of the preceding financial year.

Grants made to Council for specific purposes are to be excluded in calculating 30% of the revenue of Council.

The current annual payments of loans by Council equate to 0% (2010 – 7.87%) of the revenue of the preceding financial year.

• **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**32. FINANCIAL INSTRUMENTS (CONTINUED)**

**Maturity analysis for financial liabilities**

The following tables detail the undisclosed cash flows payable by Council by remaining contractual maturity for its financial liabilities.

	Note	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	TOTAL
			1 year or less	Over 1 to 5 years	More than 5 years		
		\$	\$	\$	\$	\$	
<b>Financial assets 2011</b>							
Cash and Cash							
Equivalents	5	4,202,446	0	0	0	4,202,446	
Financial Assets	7	0	0	0	0	0	
Receivables	6	113,576	0	0	155,004	268,580	
		\$4,316,022	\$0	\$0	\$0	\$155,004	\$4,471,026
Weighted avg. interest		5.86%	0.00%	0.00%	0.00%		

<b>Financial liabilities 2011</b>							
Loans	22,25	0	0	0	0	0	
Deposits held in trust	24	0	0	0	94,186	94,186	
Accounts Payable	21	0	0	0	668,503	668,503	
		\$0	\$0	\$0	\$0	\$762,689	\$762,689
Weighted avg. interest		0.00%	0.00%	0.00%	0.00%		

<b>Financial assets 2010</b>							
Cash and Cash							
Equivalents	5	5,138,561	0	0	0	5,138,561	
Financial Assets	7	0	4,211	12,069	0	16,280	
Receivables	6	132,714	0	0	446,305	579,019	
		\$5,271,275	\$4,211	\$12,069	\$0	\$446,305	\$5,733,860
Weighted avg. interest		5.41%	7.89%	7.89%	7.89%		

<b>Financial liabilities 2010</b>							
Loans	22,25	0	296,329	764,618	0	1,060,947	
Deposits held in trust	24	0	0	0	156,227	156,227	
Accounts Payable	21	0	0	0	1,170,990	1,170,990	
		\$0	\$296,329	\$764,618	\$0	\$1,327,217	\$2,388,164
Weighted avg. interest		0.00%	5.83%	6.28%	0.00%		

Council has not defaulted on or breached the conditions of any loans payable recognised at balance date.

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**32. FINANCIAL INSTRUMENTS (CONTINUED)**

(c) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices. The objective of market risk management is to manage and control market risk within acceptable parameters, while optimising the return to Council.

The primary market risk that Council is exposed to is interest rate risk.

At the reporting date Council had the following mix of financial assets and liabilities exposed to variable interest rate risk:

	2011	2010
	\$	\$
<b>Financial Assets</b>		
Loans and Receivables	268,580	595,299
Cash and Cash equivalents	4,202,446	5,138,561
<b>Financial Liabilities</b>		
Interest bearing liabilities	0	1,060,947

**Sensitivity Analysis of Council's Exposure to possible changes in interest rates**

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The analysis assumes all other variables remain constant and was performed on the same basis for 2009.

At 30 June 2011, if interest rates had moved, as illustrated in the table below, profit and equity would have been affected as follows:

Sensitivity Analysis

	Surplus / (Loss)		Equity	
	2011	2010	2011	2010
	\$	\$	\$	\$
+ 200 basis points	86,320	105,426	86,320	105,426
- 200 basis points	(86,320)	(105,426)	(86,320)	(105,426)

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

• **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**32. FINANCIAL INSTRUMENTS (CONTINUED)**

(d) **Net Fair values**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position are as follows:

Fair Values	30-Jun-11		30-Jun-10	
	Carrying amount	Net Fair Value	Carrying amount	Net Fair Value
<i>Financial assets</i>				
Cash and cash equivalents	4,202,446	4,202,446	5,138,561	5,138,561
Loans	0	0	16,280	16,280
Receivables	268,580	268,580	579,019	579,019
Investment in Southern Water	56,188,198	56,188,198	55865753	55865753
	60,659,224	60,659,224	61,599,613	61,599,613
<i>Financial liabilities</i>				
Loans	0	0	1,060,947	1,078,353
Deposits held in trust	94,186	94,186	156,227	156,227
Payables	668,503	668,503	1,196,401	1,196,401
	762,689	762,689	2,413,575	2,430,981
Net financial assets	59,896,535	59,896,535	59,186,038	59,168,632
Carrying amounts classified as:				
		30-Jun-11		30-Jun-10
<i>Financial assets</i>				
Cash and cash equivalents		4,202,446		5,138,561
Loans and Receivables		268,580		595,580
Available for sale financial assets		56,188,198		55,865,753
		60,659,224		61,599,894
<i>Financial liabilities</i>				
Financial liabilities measured at amortised cost		762,689		762,689
		762,689		762,689
Net financial assets / (liabilities)		59,896,535		60,837,205

• **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**32. Financial Instruments (continued)**

(e) Fair value Hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)
- Level 3 – inputs for the assets or liability that are not based on observable market data.

30 June 2011	Level 1	Level 2	Level 3	Total
Available for sale financial assets	0	0	56,188,198	56,188,198

(f) Reconciliation of Level 3 Fair Value Movements

	30 June 2011	30 June 2010
Opening balance	55,865,753	0
Investment on transfer of net assets	0	51,390,876
<i>Gains (losses) recognised in other comprehensive income</i>		
Change in fair value of investment in Southern Water	322,446	4,474,877
Closing balance	56,188,198	55,865,753

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**33. MICROWISE AUSTRALIA PTY LTD**

Microwise is an incorporated entity that has been formed by Brighton Council to:

- Own and manage the intellectual property contained in the PropertyWise software product.
- Create and develop new software products to meet the identified needs of existing and potential customers within local government and other public and private sectors.
- Provide software maintenance and technical support to existing customers.
- Provide upgrades and enhancements to a portfolio of products.
- Manage the relationship with marketing organisations to achieve market coverage and representation.
- The Council paid Microwise \$21,369 (2010 - \$20,767) in licence fees during the 2011 financial year.
- Directors Fees of \$28,000 (2010 - \$28,000) were paid during the 2010 financial year.

	2011	2010
<b>Financial Performance</b>	<b>\$</b>	<b>\$</b>
Revenue	488,489	730,043
Expenditure	186,164	291,199
Profit	<u>302,325</u>	<u>438,844</u>
<b>Brighton Council Equity</b>	<u><u>\$663,985</u></u>	<u><u>\$482,506</u></u>

The financial performance excludes any internal transactions with Brighton Council.

Microwise has been consolidated in the current year financial statements.

Microwise has separate financial statements that are audited by Tasmania Audit Office.

The financial statements only identify the consolidated revenue and expenditure under notes 3(a) and 3(b)-(v) respectively due to immateriality.

The directors of Microwise Australia are:

- Clr. Tony Foster
- Mr. Geoff Dodge
- Mr. Gregory Davoren

Mr R Sanderson, Brighton Council's General Manager, is also the General Manager of Microwise. As Microwise is a subsidiary of Brighton Council, all remuneration relating to this role is included and disclosed as part of the total remuneration within the Annual Report.

● **Notes to and Forming Part of the Financial Statements  
for the year ended 30 June 2011**

**34. RELATED PARTY TRANSACTIONS**

No interests have been notified to the General Manager by any Councillor in respect of any body or organisation with which the Council has major financial dealings.

The Councillors are:

Cr Tony Foster (Mayor)  
Cr Geoff Taylor (Deputy Mayor)  
Cr Barbara Curran  
Cr Wayne Garlick  
Cr Peter Geard  
Cr Leigh Gray  
Cr Moya Jeffries  
Cr Philip Owen  
Cr Sonya Williams

The usual nature of the transactions between them and Council is:

- to pay rates and other charges;
- to recoup expenses and allowances owing;
- to meet the costs of attendance at various Council events, seminars or functions.

All of these were normal transactions. Where transactions between Council and the Councillors are of a commercial nature, they are conducted on a normal arms length basis.

**35. AUDIT DISCLOSURE**

	2011	2010
Audit Remuneration:	\$23,820	\$15,970
	<u>                    </u>	<u>                    </u>

**36. SUBSEQUENT EVENTS**

Council has no significant events occurring after reporting date.







**Brighton Council**

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