

BRIGHTON COUNCIL

2012–

ANNUAL REPORT

2013



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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 2012/13 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 16,100 with a median age of 33 years and 86% 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 10th December 2013. Any person wishing to make a submission should do so by close of business 29th November 2013.





TONY FOSTER OAM JP
MAYOR OF
BRIGHTON

● MAYOR'S MESSAGE

I was elected Mayor of Brighton Municipality just two decades ago. It is with an equal share of pride and humility that I can report this year, as in years past in the 21st century, that the performance of our municipality is the envy of the other 28 local governments across our island state.

We are progressing with confidence deeper into the 21st century, with some challenges yet unforeseen. But the ongoing development of the municipality is nothing short of breath-taking.

We are the fastest-growing municipality in the state. Significantly, we have the youngest demographic of all local governments in Tasmania. And no other municipality in Tasmania is as financially robust as Brighton.

Brighton Council has a vision – our municipality is where our children shall be stimulated by educational challenges, where there is productive employment, where we live in harmony and fulfilment. We should be proud to call Brighton Municipality our home.

There is 100 per cent commitment within the community to achieving that vision – thanks to your energetic councillors, your very professional council staff and your key stakeholders.

WHAT HAS BRIGHTON COUNCIL ALREADY ACHIEVED THIS CENTURY AND WHAT ARE ITS GOALS?

LOOK with pride at the residential land development on the old Army site and elsewhere within our boundaries. And be proud of our newly-structured Brighton Industrial and Housing Corporation, which is making home ownership a reality for those caught in the rent trap. This program will deliver a \$300 million boost to the Tasmanian economy and will result in the construction of 400 new affordable homes.

LOOK at the employment opportunities! that will be created by the Transport Hub. In March, Australia's largest mover of freight, Toll Transport, committed to joining the Hub. The investment is significant and it will bring economic activity and employment to the region. Tasmania now has the highest unemployment in Australia – but Brighton Council is playing a leading role in combatting this statistic.

LOOK how the recently-opened Brighton Bypass allows Brighton Township residents for the first time to become a community undivided by the Midland Highway – the bitumen strip that not so long ago separated neighbour from neighbour. Your council is committed to reinvigorating the township.



LOOK with satisfaction at how the residents of Tea Tree are now empowered, thanks to the council, to develop their local hall so that, in this 21st century, it is truly becoming the heart of this historic community on our eastern flank.

LOOK at an exciting development in the south of the municipality. Residents of Old Beach will be delighted with Council's recent purchase of a large property on Jetty Road, adjacent to the Lennox Park Oval. This purchase can meet a number of needs of the local community, giving it a focus on recreational and community activities, as well as becoming a meeting place.

LOOK at how Brighton Council achieved better access to GPs and allied health professionals with the signing of agreements to establish and upgrade medical clinics in the region.

HOW IS BRIGHTON COUNCIL ACHIEVING THESE MILESTONES? WHAT ARE COUNCIL'S CREDENTIALS THAT EMPOWER IT TO COMMIT TO THIS VISION?

The latest report on local government authorities by the Auditor-General states that Brighton Council has the: LOWEST municipal rates per capita. The 'fair rating' system is a winner.

HIGHEST average six-year operating surplus ratio of all local governments in Tasmania.

ONE of only six Tasmanian councils operating above the asset sustainability ratio on average over the past six years. HIGHEST asset renewal funding ratio in Tasmania.

LOWEST FTEs per population among the 29 local governments in Tasmania. Cynics may question our claim that Brighton Municipality is punching well above its weight. We are totally confident to make that claim because Council is recognised as an Australian leader in external income generation, specifically:

- Brighton Council sells financial and accounting services and other expertise to other local governments in Tasmania. This is a key source of income.
- Brighton Council, through its Microwise venture (the first such enterprise established and owned by a local government in Australia) is selling local government software packages both within Australia and now in the Pacific. This is a key source of income.

Also, Brighton Council nurtures its staff. Senior staff members are encouraged to pursue tertiary education courses and take on new challenges. There is, in consequence, a high degree of staff loyalty – which results in the lowest attrition rate among the 29 local governments in Tasmania.

Brighton Municipality in November will celebrate its 150th birthday. This is a proud achievement for our community, which geographically has spread out in those 15 decades from the shores of Herdsmans Cove ... to Pontville in the north, to Tea Tree in the east, to Old Beach in the south.

But before we talk of European settlement, let us consider the unique cultural contribution of the indigenous community – those people who were caring for this land centuries and centuries ago. We of European heritage intruded on their land, and interrupted their style of life. We are forever thankful and appreciative of their stewardship of the land and their unique and proud culture.

Also, consider for a moment the endeavours of our forebears as they struggled to cross the Derwent at Bridgewater.

Consider the settlement in colonial Pontville, then administrative capital of the region. Consider the talk of making Brighton Township the capital of Tasmania. Consider the courage of colonial farming forbears; five generations on they are still with us, especially in the Tea Tree district.

Consider the affordable housing projects in Gagebrook and Bridgewater in the 1970s as Brighton, a hitherto farming community, welcomed those of a more urban persuasion.

Consider the Kosovar refugees who we nurtured in our community, and more recently those refugees who have arrived by boats from Asia, to be housed at Pontville. As they move away from our municipality, they leave a legacy of humanity.

We are truly a diverse community – ageing farming dynasties, young single mums, enterprising families, remnants of a proud civilization, refugees from Europe and Asia – but we are one.

Together we make up the community that thrives, the community that is Brighton municipality. In this, Brighton's 150th year as a municipality, let us rejoice in our differences and in our togetherness!

● GENERAL MANAGER'S MESSAGE

It would be remiss of me not to begin my annual report without paying tribute to Mayor Tony Foster, now celebrating two decades as Mayor of our thriving municipality. What an historic achievement! Tony Foster has been an inspiration to all of us employed at Brighton Council. He is always accessible, he listens, he makes comments, gently but persuasively. He is passionate about the community in which he lives, the community he serves.

He and his fellow councillors speak as one – they are united in promoting the welfare and betterment of our community. On this historic occasion – two, in fact: Tony's two decades as Mayor and also Brighton Council's November celebration of 150 years as a local government – I would like to emerge from behind my desk to confirm that Brighton Municipality has never been in better hands.

The Local Government Association of Tasmania recently presented Tony Foster with a Life Member's Award For Meritorious Service. Tony, and indeed the municipality, should be proud of receiving the award. Under Tony's leadership and guidance – and with the commitment and professionalism of Brighton Council staff – much has been achieved in the past financial year. We have fought the good fight against the proponents of local government amalgamation. Why should Brighton Council, which is debt-free and is efficient, have to absorb the debts of poorly performing neighbouring councils?

Professor Brian Dollery, a local government expert from NSW contracted by Brighton Council, conducted research into the Property Council's campaign. He questioned "exaggerated claims" and asked: "Who will pay for the proposed amalgamation program: 'Tasmanian taxpayers or Tasmanian ratepayers?' "

As part of Brighton Council's responsible attitude to finances, the annual rate rise has been kept, to CPI increases, with the general rate to go up by \$16 per household next year – that's just 31 cents per week! And the garbage collection rises by just \$4 per year.

As Cr Foster announced to households in July: "According to the Auditor-General's latest report, Brighton Council has the



RON SANDERSON
GENERAL
MANAGER

lowest rates per capita, yet the highest operating surplus in Tasmania."

Brighton Council's 'fair rating' model makes us the model for other local governments to follow.

A key initiative by Council this year has been the affordable housing program. The project is the initiative of the newly formed Brighton Industrial and Housing Corporation (BIHC), a not-for-profit company owned by Brighton Council.

The Brighton Transport Hub and Brighton Industrial Estate are progressing well, especially following Toll Transport's decision in March to relocate from Hobart to Brighton. I take note of the recent comment of Toll Transport executive Paul Ebsworth: "We see this as a long-term investment in Tasmania's freight future, which has obvious flow-on economic benefits for the state." The completed Brighton Bypass will be the catalyst for further growth and development in the community. The bypass was opened in November and has already reduced traffic by one-third. The communities of Pontville and Brighton now have the opportunity to become attractive regional townships.

Another major boost to the municipality is the new medical centre in Brighton Township, jointly funded by the Council and the Federal Government. The new health care facility is providing for GPs, nurses, dentists and allied health professionals – a much-needed facility in our fast-growing area.

Brighton Council also has an enviable track record of commitment to the disadvantaged in the community – and especially to the younger demographic. Tasmanian Olympic athlete Tristan Thomas – who recently competed in the world athletics championship in Russia – has been recruited by Brighton Council to promote athletics and other healthy pursuits. Tristan is a great role model for the youth of the municipality.

Tristan has also joined the Uncle Chris project – a mailout four times a year – which encourages households to buy better, eat better and to exercise.



• COUNCILLORS AS AT 30TH JUNE 2013

CR TONY FOSTER (MAYOR)

Councillor for 23 years, 2 months
– Mayor since 1993.

Committee Representation:

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

Council Representative:

- Southern Tasmanian Councils Association
- Emergency Management Advisory Committee



CR GEOFF TAYLOR (DEPUTY MAYOR)

Councillor for 13 years, 2 months
– Deputy Mayor 5 years.

Committee Representation:

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

Council Representative:

- Emergency Management Advisory Committee (Deputy Rep)



CR BARBARA CURRAN



Councillor for 16 years,
7 months.

Committee Representation:

- Finance (Deputy Chairperson)
- Heritage & Environment (Chairperson)
- Waste Management

Council Representative:

- Brighton Primary School Council

CR PETER GEARD



Councillor for 16 years,
1 month.

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 WAYNE GARLICK



Councillor for 8 years,
6 months.

Committee Representation:

- Finance
- Parks & Recreation (Deputy Chairperson)
- Planning (Proxy)

CR LEIGH GRAY



Councillor for 7 years,
7 months.

Committee Representation:

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

Council Representative:

- Southern Waste Strategy Board Joint Authority (Deputy rep)

CR MOYA JEFFRIES



Councillor for 5 years,
7 months.

Committee Representation:

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

Council Representative:

- Jordan River Learning Federation
School Council

CR PHILIP OWEN



Councillor for 24 years,
2 months.

Committee
Representation:

- Heritage
& Environment
- Planning
- Waste Management

CR SONYA WILLIAMS



Councillor for 7 years,
7 months.

Council Representative:

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

Committee Representation:

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

● OVERVIEW AND HIGHLIGHTS



1. MANAGE AND INFLUENCE POPULATION GROWTH WITH APPROPRIATE LAND USE PLANNING

We have:

Adopted and implemented the Brighton Local Area Plan

Commenced the draft of the new Brighton Planning Scheme

Undertaken extensive public consultation on the Draft Planning Scheme and, amend accordingly

Continued implementing key strategic directions, including; the Brighton Structure Plan, Bridgewater Local Area Plan, Brighton Local Area Plan and the Brighton Open Space Strategy

Prepared the master plans and development strategies for BIHC (Brighton Industrial and Housing Corporation) land



2. FOSTERING 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**

We have:

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

Expanded existing services to Flinders, Tasman and Glamorgan-Spring Bay Councils to include asset management planning

Established relationships with asset management, financial and cloud based application companies

Established a housing development corporation to provide affordable housing on vacant council and state government land

Worked with St Vincent de Paul and Able Australia to provide services to schools and the community at council's Green Point Nursery



3. COMMUNICATION AND INTERACTION BETWEEN RESIDENTS, COMMUNITY GROUPS AND BUSINESSES

We have:

Supported the Brighton Alive website upgrade and administration

Worked with NGOs such as the Heart Foundation and St Vincent de Paul to promote healthy living and lifestyles

Continued working with Cricket Tasmania to develop Pontville Park into a first class venue for local, regional and state-wide events

Maintained council's policy of not charging youth for using council grounds and facilities

Continued providing Brighton Community News and Uncle Chris publications to residents

Developed an overall open space strategy

4. ESTABLISH THE BRIGHTON IDENTITY

- **Promoting Brighton as a great place to be**
- **Social and community collaboration on community events**

We have:

Completed streetscape projects in Brighton on the Midland Highway when the bypass was opened

Continued the public relations campaign in the Brighton Community News, LGAT Magazine and the Tasmanian Business Reporter

Completed the Bridgewater Urban Renewal Project along the East Derwent Highway

Actively promoted Council's fair rating system and sound financial performance

5. PROVIDE NEEDED INFRASTRUCTURE

- **Facilitate provision of better transport services**
- **Maintain and improve our physical infrastructure**

We have:

Undertaken safety improvements and reconstruction works on Back Tea Tree Road, Tea Tree

Undertaken reconstruction works on Racecourse Road, Brighton

Installed new kerb, footpath and parking bays on Elderslie Road, Brighton

Continued the Greening Brighton/Landscaping Project

Continued improvements to council's asset management systems

Made improvements to walking tracks in flood prone areas of Pontville

Constructed a new foreshore walkway at Stanfield Drive, Old Beach

Resealed Scott Road with an asphalt overlay

Installed a new guard rail in Baskerville Road

Replaced the footpath in Paice Street, Bridgewater

6. PROMOTING INDUSTRIAL, BUSINESS AND EMPLOYMENT GROWTH

We have:

Supported the doctor's surgery in Brighton and started construction on a new medical centre utilising funds from a Commonwealth Infrastructure Grant

Undertaken an extensive industrial marketing campaign for the Brighton Industrial Estate and general commercial area once the Transport Hub and Brighton Bypass were opened

Supported continued Green Point and Cove Hill redevelopment

Engaged with business and commercial organisations

7. EDUCATION AND TRAINING OPPORTUNITIES

We have:

Worked with NGOs and local schools to provide learning opportunities at council's nursery at Bridgewater



8. 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, food premises, public health risk activities and water carters to ensure compliance with relevant legislation.

Promptly investigated environmental health complaints.

Maintained an effective analysis program for food, recreational waters and general complaints.

Secured Council's annual environmental health budget of \$15,000 for 2012/13 (not including EHO salaries and on-costs).

9. RISK MANAGEMENT

We have:

Continued to keep risk exposure to a minimum by helping reduce injuries and potential loss. Management practices have involved identifying risks, analysing and treating by taking appropriate action.

Continued to be proactive in inspections and reviews of roads, footpaths, written agreements with clubs/user groups, building & financial services, town planning and recreation functions.

Educated community groups on importance and activities involved with risk management.

● PERFORMANCE STATISTICS - ENVIRONMENT AND DEVELOPMENT

| | 2013 | 2012 |
|--|-------------|--------------|
| ANIMAL CONTROL | | |
| Total number of dogs registered with Council | 3391 | 3,332 |
| Number of complaints | 133 | 140 |
| Number of dogs taken to Hobart Dogs Home | 229 | 315 |

| | | |
|--|--|--|
| LAND USE PLANNING AND BUILDING | | |
| Number of Development Applications processed | 187 | 196 |
| Number of Subdivision Applications processed | 38 | 41 |
| Total number of new lots created | 157 LAND + 20 STRATA LOTS | 166 LAND + 70 STRATA LOTS |
| Number of Building Permits processed | 181 | 206 |
| Value of Building Approvals | \$18.8 MILLION | \$30.3 MILLION |

| | | |
|---|-----------------|-----------------|
| ENVIRONMENTAL HEALTH | | |
| Number of Vaccinations | 600* | 804 |
| Number of Food Premises Registered | 72 | 69 |
| Number of complaints | 124 | 93 |
| Number of Food Samples taken | 3** | 10 |
| Number of On-site Wastewater Applications | 38 | 41 |
| Total Expenditure on Public Health | \$17,000 | \$15,000 |

*Hep B School program ended

**Many products required to be sampled are not sold in Brighton e.g. sushi, raw egg and mayonnaise etc.

● 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 2012/13 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 2012 - 30 June 2013 was \$166,400.

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 2012/13 was between \$230-\$250,000. 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. It is reported that no land was donated during the 2012/13 financial year.

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.

One tender was called and awarded during the 2012/13 financial year:

- Reseal Tender – the value of the contract works was \$125,989 and was awarded to Downer EDI, 3 Whitestone Drive, Austins Ferry, Tasmania 7011

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 continued to make significant improvements in all areas of risk management over the past twelve months and general work practices now involve risk assessments at all levels.

Council is actively committed to the prevention and control of risks throughout the municipality in order to maintain and enhance quality of living for its employees, contractors, residents and visitors.

● COUNCILLOR ATTENDANCE

| ORDINARY COUNCIL MEETING | | | |
|----------------------------|----------------------|----------|------|
| Name | No. of Meetings Held | Attended | % |
| Cr T Foster (Mayor) | 12 | 10 | 83% |
| Cr G Taylor (Deputy Mayor) | 12 | 8 | 67% |
| Cr B Curran | 12 | 11 | 92% |
| Cr W Garlick | 12 | 10 | 83% |
| Cr P Geard | 12 | 9 | 75% |
| Cr L Gray | 12 | 12 | 100% |
| Cr M Jeffries | 12 | 12 | 100% |
| Cr P Owen | 12 | 12 | 100% |
| Cr S Williams | 12 | 11 | 92% |

| ANNUAL GENERAL MEETING | | | |
|----------------------------|----------------------|----------|------|
| Name | No. of Meetings Held | Attended | % |
| Cr T Foster (Mayor) | 1 | 1 | 100% |
| 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 | 1 | 100% |
| Cr S Williams | 1 | 1 | 100% |

| SPECIAL COUNCIL MEETING | | | |
|----------------------------|----------------------|----------|------|
| Name | No. of Meetings Held | Attended | % |
| Cr T Foster (Mayor) | 1 | 1 | 100% |
| 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 | 0 | 0% |
| Cr M Jeffries | 1 | 1 | 100% |
| Cr P Owen | 1 | 1 | 100% |
| Cr S Williams | 1 | 1 | 100% |

| PARKS AND RECREATION | | | |
|-----------------------------------|----------------------|----------|------|
| Name | No. of Meetings Held | Attended | % |
| MEMBERS | | | |
| Cr P Geard (Chairperson) | 1 | 2 | 100% |
| Cr W Garlick (Deputy Chairperson) | 1 | 2 | 100% |
| Cr L Gray | 1 | 2 | 100% |
| Cr M Jeffries (Proxy) | 1 | | |
| Cr G Taylor | 1 | 2 | 100% |
| Cr S Williams | 1 | 2 | 100% |
| IN ATTENDANCE | | | |
| Cr B Curran | | 2 | |
| Cr P Owen | | 2 | |

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

| FINANCE | | | |
|----------------------------------|----------------------|----------|------|
| Name | No. of Meetings Held | Attended | % |
| MEMBERS | | | |
| Cr T Foster (Chairperson) | 4 | 3 | 75% |
| Cr B Curran (Deputy Chairperson) | 4 | 4 | 100% |
| Cr W Garlick | 4 | 4 | 100% |
| Cr L Gray | 4 | 3 | 75% |
| Cr M Jeffries | 4 | 4 | 100% |
| Cr S Williams (Proxy) | 4 | 3 | 75% |
| IN ATTENDANCE | | | |
| Cr P Geard | | 2 | |
| Cr O Owen | | 4 | |
| Cr G Taylor | | 4 | |

| PLANNING | | | |
|----------------------------------|----------------------|----------|------|
| Name | No. of Meetings Held | Attended | % |
| Cr L Gray (Chairperson) | 7 | 6 | 86% |
| Cr G Taylor (Deputy Chairperson) | 7 | 7 | 100% |
| Cr T Foster | 7 | 5 | 71% |
| Cr W Garlick (Proxy) | 5 | 5 | 100% |
| Cr P Geard | 7 | 4 | 57% |
| Cr P Owen | 7 | 5 | 71% |
| IN ATTENDANCE | | | |
| Cr B Curran | | 6 | |
| Cr W Garlick | | 2 | |
| Cr M Jeffries | | 5 | |
| Cr P Owen | | 3 | |
| Cr S Williams | | 4 | |

BRIGHTON
COUNCIL

2012-

FINANCIAL
REPORT

2013

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Independent Auditor's Report

To the Councillors of Brighton Council

Financial Report for the Year Ended 30 June 2013

Report on the Financial Report

I have audited the accompanying consolidated financial report of Brighton Council (Council), which comprises the statement of financial position as at 30 June 2013 and the statements of comprehensive income, 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 Acting General Manager's statement of the consolidated entity comprising Council and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, the consolidated entities' financial position as at 30 June 2013 and its 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 Acting General Manager for the Financial Report

The Acting 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.

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

Strive | Lead | Excel | To Make a Difference

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 Acting 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 Acting 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



Jara K Dean
General Manager Financial Audit Services
Delegate of the Auditor-General

Hobart
19 September 2013

...2 of 2

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

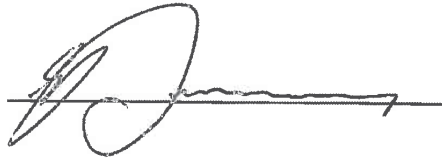
Strive | Lead | Excel | To Make a Difference

BRIGHTON COUNCIL

Certification of the Financial Report

The financial report presents fairly the financial position of Brighton Council as at 30 June 2013 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 requirements.

Gregory Davoren
Acting General Manager

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

9th August 2013

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2013

| | Notes | Budget 2013 \$ | Actual 2013 \$ | Actual 2012 \$ |
|--|-----------|----------------------|----------------------|----------------------|
| CONTINUING OPERATIONS | | | | |
| INCOME | | | | |
| Recurrent Income | | | | |
| Rate Revenues | 3(a)(i) | 7,074,061 | 7,087,702 | 6,872,763 |
| Grants | 3(a)(iv) | 1,715,260 | 1,808,398 | 2,151,403 |
| User Charges | 3(a)(v) | 175,000 | 215,672 | 194,214 |
| Fees and Charges | | 947,900 | 771,317 | 979,158 |
| Interest | 3(a)(ii) | 270,000 | 181,559 | 262,599 |
| Commercial Activities | 3(a)(vii) | 1,396,724 | 1,463,860 | 596,193 |
| Distribution from Southern Water | | 1,070,000 | 1,069,999 | 1,065,906 |
| Capital Income | | | | |
| Capital grants specifically for new or upgraded assets | 3(a)(iv) | 630,197 | 630,197 | 291,561 |
| Contributions – non-monetary assets | 3(a)(vi) | 2,200,000 | 2,183,841 | 4,040,796 |
| Net gain/(loss) on disposal of property, infrastructure, plant and equipment | 3(a)(iii) | 10000 | (8,764) | (6,477) |
| Fair value adjustments for investment property | | | | |
| Total Income | | 15,489,142 | 15,403,781 | 16,448,116 |
| EXPENSES | | | | |
| Materials/Contracts and Other | 3(b)(v) | 4,462,344 | 4,532,672 | 4,682,715 |
| Depreciation and Amortisation | 3(b)(ii) | 2,822,000 | 2,799,755 | 2,399,999 |
| Employee Costs | 3(b)(i) | 2,846,881 | 2,774,333 | 2,697,252 |
| Contributions | 3(b)(iv) | 832,424 | 941,636 | 837,419 |
| Commercial Activities | 3(b)(vi) | 971,495 | 966,191 | 208,916 |
| Donations | 4 | 116,450 | 123,497 | 68,086 |
| Aldermanic Allowances | | 163,000 | 162,393 | 156,019 |
| Total Expenses | | 12,214,594 | 12,300,477 | 11,050,406 |
| SURPLUS/DEFICIT | | 3,274,548 | 3,103,304 | 5,397,710 |
| OTHER COMPREHENSIVE INCOME | | | | |
| Items that will not be reclassified to surplus or deficit | | | | |
| Net asset revaluation increment(decrement) reversals | 24 | (4,181,413) | (4,181,413) | 20,395,504 |
| Actuarial gain/loss on defined benefits plans | | | | |
| Items that may be reclassified subsequently to surplus or deficit | | | | |
| Financial assets available for sale reserve | | | | |
| Fair Value adjustment on Available for Sale Assets | 19 | (10,858) | (10,858) | 123,222 |
| Total Other Comprehensive Income | | (4,192,271) | (4,192,271) | 20,518,726 |
| Comprehensive Result | | (917,723) | (1,088,967) | 25,916,436 |

● **STATEMENT OF FINANCIAL POSITION**
as at 30 June 2013

| | Notes | 2013 \$ | 2012 \$ |
|----------------------------------|-------|--------------------|--------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | 5 | 3,724,528 | 4,492,399 |
| Receivables – Rates | 6 | 91,499 | 91,342 |
| Receivables – Other | 6 | 264,079 | 183,537 |
| Other | 7 | 274,983 | 196,424 |
| Total Current Assets | | 4,355,089 | 4,963,702 |
| NON CURRENT ASSETS | | | |
| Roads | 17 | 90,762,832 | 85,936,125 |
| Buildings | 14 | 11,005,158 | 15,366,742 |
| Drainage | 16 | 20,053,984 | 19,562,543 |
| Land | 9 | 7,794,317 | 8,628,381 |
| Bridges | 15 | 1,847,086 | 1,829,913 |
| Plant and Vehicles | 10 | 945,620 | 885,943 |
| Furniture and Equipment | 12 | 383,642 | 443,049 |
| Loans | 8 | 250,000 | 0 |
| Intangibles | 13 | 53,226 | 74,960 |
| Small Machinery | 11 | 70,318 | 63,374 |
| Investment in Southern Water | 19 | 56,300,560 | 56,311,418 |
| Total Non Current Assets | | 189,466,743 | 189,102,448 |
| Total Assets | | 193,821,832 | 194,066,150 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Payables | 20 | 1,529,334 | 680,285 |
| Provisions | 21 | 761,596 | 761,626 |
| Other | 22 | 52,973 | 62,618 |
| Total Current Liabilities | | 2,343,903 | 1,504,529 |
| NON CURRENT LIABILITIES | | | |
| Provisions | 23 | 72,886 | 67,611 |
| Total Non Current Liabilities | | 72,886 | 67,611 |
| Total Liabilities | | 2,416,789 | 1,572,140 |
| NET ASSETS | | 191,405,043 | 192,494,010 |
| EQUITY | | | |
| Ratepayers Equity | | 109,100,297 | 105,996,993 |
| Reserves | | 82,304,746 | 86,497,017 |
| TOTAL EQUITY | | 191,405,043 | 192,494,010 |

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2013

| | Ratepayers Equity | | Asset Revaluation Reserve | | Fair Value Reserve | | Total | |
|--|----------------------|--------------------|---------------------------------|-------------------|--------------------------|------------------|--------------------|--------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Notes | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at the beginning of the Financial Year | 105,996,993 | 100,599,283 | 81,576,470 | 61,180,966 | 4,920,547 | 4,797,325 | 192,494,010 | 166,577,574 |
| Surplus/(deficit) for the year | 3,103,304 | 5,397,710 | | | | | 3,103,304 | 5,397,710 |
| Other Comprehensive Income: Financial assets available for sale reserve | | | | | | | | |
| - Fair Value adjustment on Available for Sale Assets | | 18 | | | (10,858) | 123,222 | (10,858) | 123,222 |
| Net asset revaluation increments/(decrements) | | 24 | (4,181,413) | 20,395,504 | | | (4,181,413) | 20,395,504 |
| Balance at the end of the Financial Year | 109,100,297 | 105,996,993 | 77,395,057 | 81,576,470 | 4,909,689 | 4,920,547 | 191,405,043 | 192,494,010 |

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

● **STATEMENT OF CASH FLOWS**
for the year ended 30 June 2013

| | Notes | 2013 \$ | 2012 \$ |
|---|-------|--------------------|--------------------|
| Cash Flows from Operating Activities | | | |
| Receipts | | | |
| Receipts from Ratepayers, Fees & Charges | | 10,660,983 | 10,502,091 |
| Interest Received | | 181,559 | 262,599 |
| Government Grants | | 2,358,053 | 2,442,964 |
| | | <u>13,200,595</u> | <u>13,207,654</u> |
| Payments | | | |
| Payments to Suppliers and Employees | | (9,037,222) | (9,376,417) |
| | | <u>(9,037,222)</u> | <u>(9,376,417)</u> |
| Net Cash Flows from Operating Activities | 28 | <u>4,163,373</u> | <u>3,831,237</u> |
| Cash Flows from Investing Activities | | | |
| Receipts | | | |
| Sale of Land & Buildings | | 78,000 | (6,477) |
| Sale of Plant and Equipment Assets | | 83,273 | 0 |
| | | <u>161,273</u> | <u>(6,477)</u> |
| Payments | | | |
| Purchase of Buildings | | (2,361,098) | (591,719) |
| Purchase of Land | | (138,000) | (251,119) |
| Purchase of Plant, Vehicles & Machinery | | (354,313) | (262,891) |
| Purchase of Intangible | | 0 | (4,209) |
| Purchase of Roads, Bridges & Drainage Assets | | (2,143,432) | (2,323,851) |
| Purchase of Furniture and Equipment | | (95,675) | (101,018) |
| | | <u>(5,092,518)</u> | <u>(3,534,807)</u> |
| Net Cash Flows used in Investing Activities | | <u>(4,931,245)</u> | <u>(3,541,284)</u> |
| Cash Flows from Financing Activities | | | |
| Repayment of Borrowings | | 0 | 0 |
| Net Cash Flows used in Financing Activities | | <u>0</u> | <u>0</u> |
| Net increase/(decrease) in Cash and Cash Equivalents | | <u>(767,871)</u> | <u>289,953</u> |
| Cash at the Beginning of the Financial Year | | 4,492,399 | 4,202,446 |
| Cash and Cash Equivalents at the End of the Financial Year | 5 | <u>3,724,528</u> | <u>4,492,399</u> |

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

● **NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013**

| CONTENTS of the Notes to the Financial statements | Note Number |
|--|-------------|
| Significant Accounting Policies | 1 |
| Functions/Activities of the Council | 2 |
| Revenues and Expenses | 3 |
| Donations and Grants | 4 |
| Current Assets | |
| Cash and Cash Equivalents | 5 |
| Receivables | 6 |
| Other | 7 |
| Non Current Assets | |
| Loans | 8 |
| Land | 9 |
| Plant and Vehicles | 10 |
| Small Machinery | 11 |
| Furniture and Equipment | 12 |
| Intangible | 13 |
| Buildings | 14 |
| Bridges | 15 |
| Drainage | 16 |
| Roads | 17 |
| Fixed Assets Reconciliation | 18 |
| Investment in Southern Water | 19 |
| Current Liabilities | |
| Payables | 20 |
| Provisions | 21 |
| Other | 22 |
| Non Current Liabilities | |
| Provisions | 23 |
| Reserves | 24 |
| Contingencies | 25 |
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| Reconciliation of Net Operating result to Cash Provided from Operating Activities | 28 |
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| Microwise Australia Pty Ltd | 30 |
| Brighton Industrial & Housing Corporation | 31 |
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● **NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013**

INTRODUCTION

The Brighton Council was established in 1863 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 1 Tivoli Rd, Old Beach.

PURPOSE

The purpose of the Council is to:

- provide for health, safety and welfare of the community;
- to represent and promote the interests of the community;
- provide for the peace, order and good government in the municipality.

1. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

This financial report is a general purpose financial report that consists of the Statements of Comprehensive Income, Financial Position, Changes in Equity, Cash Flows, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the Local Government Act 1993 (LGA1993) (as amended). Council has determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities. As a result this financial report does not comply with International Financial Reporting Standards.

BASIS OF ACCOUNTING

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

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

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

CONSOLIDATED

This financial report has been prepared as a consolidated report to include all external transactions for Microwise Australia Pty Ltd and the Brighton Industrial and Housing Corporations. Full provision to accommodate AASB 10 Consolidated Financial Statements has not been applied due to immateriality.

● NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

JUDGMENTS AND ASSUMPTIONS

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

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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.

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

EMPLOYEE ENTITLEMENTS

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

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 26.

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 below

IMPAIRMENT OF ASSETS

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

INVESTMENT IN WATER CORPORATION

Assumptions utilised in the determination of Council's valuation of its investment in Southern Water are discussed below and in note 19.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION

RATES, GRANTS AND CONTRIBUTIONS

Rates, grants and 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 year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates. A provision for impairment on rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

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

NON-MONETARY CONTRIBUTIONS

Non-monetary contributions (including developer contributions) with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Non-monetary contributions below the thresholds are recorded as revenue and expenses.

USER FEES AND STATUTORY FEES AND FINES

Fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs. A provision for impairment is recognised when collection in full is no longer probable.

SALE OF PROPERTY, PLANT, EQUIPMENT AND INFRASTRUCTURE

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

RENT

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a revenue received in advance until they are due.

INTEREST

Interest is recognised progressively as it is earned.

DIVIDENDS

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

EXPENSE RECOGNITION

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

EMPLOYEE BENEFITS

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEPRECIATION AND AMORTISATION OF PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE AND INTANGIBLES

Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Artworks and Land are not depreciated.

Straight line depreciation is charged based on the residual useful life as determined each year.

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

| | Period |
|--|--------------|
| Land | N/A |
| Land improvements | 50 years |
| BUILDINGS | |
| buildings | 50 years |
| building improvements | 50 years |
| PLANT AND EQUIPMENT | |
| plant, machinery and equipment | 5-10 years |
| fixtures, fittings and furniture | 5-10 years |
| computers and telecommunications | 5-10 years |
| leased plant and equipment | 5-10 years |
| ROADS | |
| road pavements and seals | 3-30 years |
| road substructure | 70-100 years |
| road formation and earthworks | 100 years |
| road kerb, channel and minor culverts | 50-60 years |
| BRIDGES | |
| bridges deck | 20-80 years |
| bridges substructure | 20-80 years |
| OTHER INFRASTRUCTURE | |
| footpaths and cycleways | 15-40 years |
| drainage | 80-100 years |
| recreational, leisure and community facilities | 80 years |
| waste management | 50 years |
| parks, open space and streetscapes | 50 years |
| INTANGIBLE ASSETS | |
| intangible assets | 3-10 years |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REPAIRS AND MAINTENANCE

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

FINANCE COSTS

Finance costs are expensed as incurred using the effective interest method. Borrowing costs include interest on bank overdrafts, interest on borrowings, unwinding of discounts, and finance lease charges.

RECOGNITION AND MEASUREMENT OF ASSETS

ACQUISITION

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

The asset capitalisation threshold adopted by Council are disclosed in the following table. Assets valued at less than \$1,000 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).

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

The following classes of assets have been recognised in note 17. In accordance with Council's policy, the threshold limits detailed below have applied when

recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

| | Threshold |
|--|-----------|
| Land | 1,000 |
| Land improvements | 5,000 |
| BUILDINGS | |
| buildings | 5,000 |
| building improvements | 5,000 |
| heritage buildings | 5,000 |
| PLANT AND EQUIPMENT | |
| plant, machinery and equipment | 1,000 |
| fixtures, fittings and furniture | 1,000 |
| computers and telecommunications | 1,000 |
| leased plant and equipment | 1,000 |
| ROADS | |
| road pavements and seals | 10,000 |
| road substructure | 10,000 |
| road formation and earthworks | 10,000 |
| road kerb, channel and minor culverts | 10,000 |
| BRIDGES | |
| bridges deck | 10,000 |
| bridges substructure | 10,000 |
| OTHER INFRASTRUCTURE | |
| footpaths and cycleways | 10,000 |
| drainage | 10,000 |
| recreational, leisure and community facilities | 10,000 |
| waste management | 10,000 |
| parks, open space and streetscapes | 10,000 |
| off street car parks | 10,000 |
| INTANGIBLE ASSETS | |
| intangible assets | 1,000 |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECOGNITION AND MEASUREMENT OF ASSETS

REVALUATION

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value. Fair value is represented by the deprival value of the asset approximated by its written down replacement cost. At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset class materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets with sufficient regularity to ensure valuations represent fair value. The valuation is performed either by experienced Council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation surplus for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

LAND UNDER ROADS

Land under roads acquired after 30 June 2008 is brought to account at cost and subsequently revalued on a fair value basis. Council does not recognise land under roads that it controlled prior to that period.

CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

TRADE AND OTHER RECEIVABLES

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

INVENTORIES

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value.

INVESTMENTS IN WATER CORPORATION

Council's investment in Southern Water is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date based on Final Treasurer's Allocation Order in 2011. Council has an ownership interest 6.1% in the corporation. Any unrealised gains and losses on holdings at balance date are recognised through the Statement of Comprehensive Income to a Financial assets available for sale Reserve each year. (refer note 19)

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

INVESTMENTS

Investments, other than investments in associates and property, are measured at cost.

EMPLOYEE BENEFITS

WAGES AND SALARIES

Liabilities for wages and salaries and rostered days off are recognised and measured as the amount unpaid at balance.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

date and include appropriate oncosts such as workers compensation and payroll costs.

ANNUAL LEAVE

Annual leave entitlements are accrued on a pro-rata basis in respect of services provided by employees up to balance date. Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

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

LONG SERVICE LEAVE

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

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

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

SICK LEAVE

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

CLASSIFICATION OF EMPLOYEE BENEFITS

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This includes all annual leave and unconditional long service leave entitlements.

INTEREST BEARING LIABILITIES

The borrowing capacity of Council is limited by the Local Government Act 1993. Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition these liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the liability using the effective interest method. Currently Council has no interest bearing liabilities.

LEASES

FINANCE LEASES

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to Council where it is likely that Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Council currently has no finance leases.

• **NOTES TO AND FORMING PART OF THE FINANCIAL REPORT** for the year ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OPERATING LEASES

Lease payments for operating leases are required by the Australian accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred. Council currently has no Operating leases.

LEASEHOLD IMPROVEMENTS

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date Council has no leasehold improvements.

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 twelve months, being Council's operational cycle, or if Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

TAXATION

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

GOODS AND SERVICES TAX (GST)

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

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

IMPAIRMENT OF ASSETS

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

NON-CURRENT ASSETS HELD FOR SALE

A non-current asset held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and is not subject to depreciation. Non-current assets, disposal groups and related liabilities are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification. Currently Council has no assets held for sale.

ROUNDING

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars

● **NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

| Standard/ Interpretation | Summary | Applicable for annual reporting periods beginning or ending on | Impact on Local Government financial statements |
|---|--|--|--|
| AASB 9: Financial Instruments | These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include: | 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. |
| | * simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; | | |
| | * removing the tainting rules associated with held-to-maturity assets; | | |
| | * simplifying the requirements for embedded derivatives; | | |
| | * removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; | | |
| | * allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and | | |
| | * reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: | | |
| | a. the objective of the entity's business model for managing the financial assets; and | | |
| | b. the characteristics of the contractual cash flows. | | |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

| Standard/ Interpretation | Summary | Applicable for annual reporting periods beginning or ending on | Impact on Local Government financial statements |
|---|---|--|---|
| AASB 10: Consolidated Financial Statements | This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements and Int 112 Consolidation - Special Purpose Entities</i> , introducing a number of changes to accounting treatments. The Standard was issued in August 2011. | Applicable for annual reporting periods commencing on or after 1 January 2013. | Council has not yet determined the application or the potential impact of the Standard. |
| AASB 11: Joint Arrangements | This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i> , introducing a number of changes to accounting treatments. This Standard was issued in August 2011. | Applicable for annual reporting periods commencing on or after 1 January 2013. | Council has not yet determined the application or the potential impact of the Standard. |
| AASB 12: Disclosure of Interests in Other Entities | This Standard supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i> and AASB 131 <i>Interests in Joint Ventures</i> . This Standard was issued in August 2011. | Applicable for annual reporting periods commencing on or after 1 January 2013. | Council has not yet determined the application or the potential impact of the Standard. |
| AASB 13: Fair Value Measurement | This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact. | Applicable for annual reporting periods commencing on or after 1 January 2013. | No financial impact. |
| AASB 119: Employee Benefits | This Standard supersedes AASB 119 <i>Employee Benefits</i> , introducing a number of changes to accounting treatments. This Standard was issued in September 2011. | Applicable for annual reporting periods commencing on or after 1 January 2013. | Council has not yet determined the application or the potential impact of the Standard. |
| AASB 127: Separate Financial Statements | This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> , introducing a number of changes to accounting treatments. This Standard was issued in August 2011. | Applicable for annual reporting periods commencing on or after 1 January 2013. | Council has not yet determined the application or the potential impact of the Standard. |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

| Standard/ Interpretation | Summary | Applicable for annual reporting periods beginning or ending on | Impact on Local Government financial statements |
|---|--|--|---|
| AASB 128: Investments in Associates and Joint Ventures | This Standard supersedes AASB 128 <i>Investments in Associates</i> , introducing a number of changes to accounting treatments. This Standard was issued in August 2011. | Applicable for annual reporting periods commencing on or after 1 January 2013. | Council has not yet determined the application or the potential impact of the Standard. |
| AASB 1053: Application of Tiers of Australian Accounting Standards | This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. This Standard is not expected to impact Council. However, it may affect disclosures if reduced disclosure requirements apply. | Applicable for annual reporting periods commencing on or after 1 July 2013. | These amendments are not expected to impact Council. |
| AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and int 10 & 12] | [Modified by AASB 2010-7] | Applicable for annual reporting periods commencing on or after 1 July 2013. | Council has not yet determined the application or the potential impact of the Standard. |
| AASB 2010-2: 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 July 2013. | This standard is not expected to have a financial impact. |
| AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and int 2, 5, 10, 12, 19 & 127] | This Standard makes consequential amendments to other Australian Accounting Standards and interpretations as a result of issuing AASB 9 in December 2010. | Applicable for annual reporting periods commencing on or after 1 January 2013. | Council has not yet determined the application or the potential impact of the Standard. |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

| Standard/ Interpretation | Summary | Applicable for annual reporting periods beginning or ending on | Impact on Local Government financial statements |
|---|---|--|---|
| AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements [AASB 101 & 1054] | This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact. | Applicable for annual reporting periods commencing on or after 1 July 2013. | No financial impact. |
| AASB 2011-6: Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127, 128 & 131] | This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards - Reduced Disclosure Requirements. There is no financial impact. | Applicable for annual reporting periods commencing on or after 1 July 2013. | No financial impact. |
| AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17] | This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> . | Applicable for annual reporting periods commencing on or after 1 January 2013. | Council has not yet determined the application or the potential impact of the Standard. |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

| Standard/ Interpretation | Summary | Applicable for annual reporting periods beginning or ending on | Impact on Local Government financial statements |
|---|---|--|---|
| AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and int 2, 4, 12, 13, 14, 17, 19, 131, 132] | This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact. | Applicable for annual reporting periods commencing on or after 1 January 2013. | No financial impact. |
| AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] | This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). | Applicable for annual reporting periods commencing on or after 1 July 2013. | Council has not yet determined the application or the potential impact of the Standard. |
| AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and int 14] | The Standard makes amendments to other Australian Accounting Standards and interpretations as a result of issuing AASB 119 Employee Benefits in September 2011. | Applicable for annual reporting periods commencing on or after 1 January 2013. | Council has not yet determined the application or the potential impact of the Standard. |
| AASB 2011-11: Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements | This Standard gives effect to Australian Accounting Standards - Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact. | Applicable for annual reporting periods commencing on or after 1 January 2013. | No financial impact. |
| AASB 2012-1: Amendments to Australian Accounting Standards - Fair value measurement - arising from Reduced Disclosure Requirements [AASB 3, 7, 13 & 140] | This Standard amends Reduced Disclosure Requirements arising from AASB13 Fair Value Measurement and consequential amendments implemented through AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB13</i> . | Applicable for annual reporting periods commencing on or after 1 January 2013. | Council has not yet determined the application or the potential impact of the Standard. |

● **NOTES TO AND FORMING PART OF THE FINANCIAL REPORT** for the year ended 30 June 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONTINGENT ASSETS, CONTINGENT LIABILITIES AND COMMITMENTS

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively. Commitments are not recognised in the Statement of Financial Position. Commitments are disclosed at their nominal value inclusive of the GST payable. Refer note 24 and 25.

BUDGET

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

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 | |
|-----------------------|---------------------|---------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|----------------------------------|--------------------|--|----------------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Corporate Services | 1,898,268 | 1,737,375 | 0 | 0 | 369,848 | 489,531 | 369,848 | 489,531 | (\$1,528,419) | (\$1,247,844) | 0 | 0 |
| Tas Water | 0 | 0 | 0 | 0 | 1,069,999 | 1,065,906 | 1,069,999 | 1,065,906 | \$1,069,999 | \$1,065,906 | 56,300,560 | 56,311,418 |
| Parks and Recreation | 828,302 | 869,200 | 108,636 | 15,560 | 204,463 | 392,564 | 313,099 | 408,124 | (\$515,203) | (\$461,076) | 7,794,317 | 8,628,381 |
| Planning & Building | 756,384 | 887,316 | 0 | 0 | 211,229 | 193,541 | 211,229 | 193,541 | (\$545,155) | (\$693,775) | 0 | 0 |
| Buildings | 641,762 | 764,920 | 0 | 0 | 306,464 | 40,883 | 306,464 | 40,883 | (\$335,298) | (\$724,037) | 11,005,158 | 15,366,742 |
| Roads/Bridges | 3,785,910 | 3,227,785 | 155,197 | 291,561 | 1,937,235 | 3,996,061 | 2,092,432 | 4,287,622 | (\$1,693,478) | \$1,059,837 | 112,663,902 | 107,328,581 |
| Community Services | 393,262 | 240,907 | 475,000 | 80,108 | 108 | 0 | 475,108 | 80,108 | \$81,846 | (\$160,799) | 0 | 0 |
| Environ-mental Health | 394,193 | 375,137 | 0 | 0 | 140,051 | 134,096 | 140,051 | 134,096 | (\$254,142) | (\$241,041) | 0 | 0 |
| Waste Management | 938,723 | 900,432 | 0 | 0 | 1,035,949 | 963,140 | 1,035,949 | 963,140 | \$97,226 | \$62,708 | 0 | 0 |
| Unallocated Services | 2,663,674 | 2,047,334 | 1,699,762 | 2,055,735 | 7,689,840 | 6,729,430 | 9,389,602 | 8,785,165 | \$6,725,928 | \$6,737,831 | \$6,057,895 | 6,431,028 |
| TOTAL | \$12,300,477 | \$11,050,406 | \$2,438,595 | \$2,442,964 | \$12,965,186 | \$14,005,152 | \$15,403,781 | \$16,448,116 | \$3,103,304 | \$5,397,710 | \$193,821,832 | \$194,066,150 |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

2. FUNCTIONS/ACTIVITIES OF THE COUNCIL (CONTINUED)

(b) Reconciliation of Assets from note 2(a) with the Statement of Financial Position at 30 June:

| | 2013 | 2012 |
|--------------------|----------------------|----------------------|
| | \$ | \$ |
| Current Assets | 4,355,089 | 4,963,702 |
| Non Current Assets | 189,471,603 | 189,102,448 |
| | <u>\$193,832,692</u> | <u>\$194,066,150</u> |

(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 REPORT for the year ended 30 June 2013

3. REVENUES AND EXPENSES

| | 2013 \$ | 2012 \$ |
|--|------------------|------------------|
| 3(a) Operating Revenues | | |
| Council uses a flat residential rate and an AAV based rate as the basis of valuation of all commercial properties within the municipality. | | |
| (i) Rates Revenues | | |
| General | 5,603,749 | 5,418,325 |
| Garbage | 830,953 | 792,233 |
| Fire Levy | 628,674 | 631,178 |
| Penalties | 24,326 | 31,027 |
| | <u>7,087,702</u> | <u>6,872,763</u> |
| The date of the latest general revaluation of land for rating purposes within the municipality was 1 July 2012, and the valuation will be first applied in the rating year commencing 1 July 2013. | | |
| (ii) Interest | | |
| Interest received or due and receivable from: | | |
| Investments | 181,559 | 262,599 |
| | <u>181,559</u> | <u>262,599</u> |
| (iii) Profit/(Loss) on Asset Disposal | | |
| Proceeds from Disposal | 83,273 | 112,746 |
| less written down current cost | (92,037) | (119,223) |
| Gain/(Loss) on Disposal | <u>(8,764)</u> | <u>(6,477)</u> |
| (iv) Grants | | |
| Commonwealth Financial Assistance | 1,607,262 | 2,055,735 |
| Tasmanian Community Fund | 105,000 | 78,258 |
| Dept. of Economic Development | 87,900 | 15,560 |
| Cricket Tasmania | 3,636 | 0 |
| NRM South | 3,100 | 0 |
| Tas Risk Mitigation Program | 1,500 | 0 |
| Dept. of Premier & Cabinet | 0 | 1,850 |
| Total Grants | <u>1,808,398</u> | <u>2,151,403</u> |
| Capital Grants | | |
| Dept. of Health & Aging | 475,000 | 0 |
| Roads to Recovery | 155,197 | 155,197 |
| Dept. of Health & Human Services | 0 | 136,364 |
| | <u>630,197</u> | <u>291,561</u> |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

3. REVENUES AND EXPENSES (CONTINUED)

| | | 2013 | 2012 |
|--|-------|------------------|------------------|
| | Notes | \$ | \$ |
| 3(a) Operating Revenues (continued) | | | |
| <p>Since 2009-10 the Commonwealth has been making early payment of the first quarterly instalment for the following year. In the 2013-14 Budget the Commonwealth announced it would continue this approach and included the first two instalments of the 2013-14 grant pool. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. The effects of the early receipt of instalments each year has resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2012-13 by \$834,276 and 2011-12 by \$830,616. This has impacted the Statement of Comprehensive Income resulting in the Net surplus/(deficit) from continuing operations being higher in both years by these amounts. With fewer instalments due to be received in 2013-14, the reverse effect is expected to occur, however future payments remain at the Commonwealth's discretion.</p> | | | |
| (v) User Charges | | | |
| Plant Hire | | 20,894 | 31,080 |
| Community Newsletter | | 18,851 | 17,473 |
| Refuse Site Entrance Fees | | 175,927 | 145,661 |
| | | <u>215,672</u> | <u>194,214</u> |
| (vi) Contributions | | | |
| Land and Buildings identified | | 267,500 | 204,500 |
| Subdivision Contributions | | 1,916,341 | 3,836,296 |
| | | <u>2,183,841</u> | <u>4,040,796</u> |
| (vii) Commercial Activities | | | |
| Professional Services | | 320,339 | 319,725 |
| Brighton Industrial & Housing Corporation | 30 | 855,164 | 0 |
| Microwise Australia | 29 | <u>288,357</u> | <u>276,468</u> |
| | | <u>1,463,860</u> | <u>596,193</u> |
| Professional Services – income from technical & administrative assistance to other Local Government entities | | | |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

3. REVENUES AND EXPENSES (CONTINUED)

| | 2013 | 2012 |
|--|------------------|------------------|
| | \$ | \$ |
| 3(b) Operating Expenses | | |
| (i) Employee Costs | | |
| Wages and Salaries | 2,312,311 | 2,203,439 |
| Superannuation | 273,899 | 256,752 |
| Other Employee Related Expenses | 188,123 | 237,061 |
| | <u>2,774,333</u> | <u>2,697,252</u> |
| Actual Wages & Salaries for 2013 were \$3,275,798, (\$3,090,305 for 2012) according to the taxation summary. Wages & Salaries costed to contracting or capital improvements were \$417,091 (\$393,053 for 2012). | | |
| (ii) Depreciation and Amortisation | | |
| Plant and Vehicles | 176,097 | 163,710 |
| Buildings | 209,379 | 257,620 |
| Intangibles | 21,734 | 23,851 |
| Small Machinery | 19,557 | 17,035 |
| Bridges | 115,517 | 108,251 |
| Drainage Assets | 294,020 | 254,145 |
| Road Assets | 1,808,369 | 1,437,560 |
| Furniture and Equipment | 155,082 | 137,827 |
| | <u>2,799,755</u> | <u>2,399,999</u> |
| (iii) Contributions | | |
| State Fire Commission Levy | 623,695 | 612,407 |
| Tasmanian Canine Defence League Contribution | 70,628 | 40,125 |
| Local Govt. Association of Tasmania | 43,203 | 46,237 |
| Derwent Estuary Contribution | 13,229 | 12,875 |
| Brighton Training Facility | 60,000 | 60,000 |
| Valuation Charges | 115,119 | 56,681 |
| Southern Tasmanian Councils Association | 15,762 | 9,094 |
| | <u>941,636</u> | <u>837,419</u> |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

3. REVENUES AND EXPENSES (CONTINUED)

| | Notes | 2013 \$ | 2012 \$ |
|--|-------|------------------|------------------|
| 3(b) Operating Expenses (continued) | | | |
| (iv) Materials/Contracts and Other | | | |
| Asset Condition Assessment | | 15,706 | 20,656 |
| Bank Fees | | 25,663 | 24,483 |
| Building Maintenance | | 270,868 | 321,503 |
| Collection Fees | | 32,954 | 40,653 |
| Community Newsletter | | 112,275 | 97,599 |
| Contract Recycling | | 162,860 | 168,425 |
| Fire Abatement | | 10,424 | 8,255 |
| GIS CAD & CVS Software | | 56,661 | 55,624 |
| Internal Contractors | | 137,191 | 305,805 |
| Land Tax | | 20,058 | 48,082 |
| Brighton Industrial & Housing Corporation | 30 | 638,908 | 0 |
| Microwise Australia | 29 | 120,708 | 60,495 |
| Other Materials & Contracts | | 650,742 | 1,389,561 |
| Public Liability | | 42,006 | 42,559 |
| Refuse Collection | | 140,796 | 133,829 |
| Reserve Maintenance | | 672,260 | 653,339 |
| Road & Bridge Maintenance | | 593,966 | 550,139 |
| Southern Tas Waste Management | | 14,554 | 16,040 |
| Street Lighting | | 243,214 | 224,413 |
| Waste Bin Replacements | | 9,950 | 13,520 |
| Waste Transfer Station & Tipping Expense | | 560,908 | 568,230 |
| | | <u>4,532,672</u> | <u>4,743,210</u> |
| (v) Commercial Activities | | | |
| Professional Services* | | 206,575 | 148,421 |
| Brighton Industrial & Housing Corporation | 30 | 638,908 | 0 |
| Microwise Australia | 29 | 120,708 | 60,495 |
| | | <u>966,191</u> | <u>208,916</u> |

*Expense from technical and administrative assistance to other Local Government entities

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

4. DONATIONS AND GRANTS

| | | 2013 | 2012 |
|--|-----------------------|--------|--------|
| | | \$ | \$ |
| GRANTS AND BENEFITS REGISTER - SECTION 77 LOCAL GOVERNMENT ACT 1993 | | | |
| Tea Tree Community Association | Community Grant | 73,801 | 0 |
| Brighton Football Club | Halls & Grounds | 22,774 | 22,101 |
| Brighton Playcentre/Playgroup | Halls & Grounds | 11,404 | 7,696 |
| Brighton Junior Football Club | Halls & Grounds | 11,160 | 10,540 |
| Old Beach Cricket Club | Halls & Grounds | 9,593 | 9,098 |
| Brighton Agricultural Society | Halls & Grounds | 8,760 | 8,760 |
| Tasman Council | Donation | 8,048 | 0 |
| Bridgewater/Brighton St Johns Ambulance | Halls & Grounds | 7,904 | 6,409 |
| Pete's Community Workshed | Halls & Grounds | 7,904 | 7,696 |
| St Vincent De Paul | Halls & Grounds | 7,904 | 1,776 |
| Brighton SES | Community Grant | 5,765 | 9,527 |
| Brighton Junior Soccer Club | Halls & Grounds | 5,760 | 5,440 |
| St Vincent De Paul | Community Grant | 5,000 | 9,500 |
| Bridgewater PCYC | Contribution to Wages | 5,000 | 5,000 |
| Pete's Community Workshed | Halls & Grounds | 5,000 | 0 |
| Brighton CWA | Halls & Grounds | 4,784 | 4,576 |
| Old Beach/Brighton Junior Cricket Club | Halls & Grounds | 4,392 | 4,148 |
| Old Beach Scouts Group | Halls & Grounds | 4,347 | 4,158 |
| Jordan River Services Inc | Community Grant | 4,250 | 5,000 |
| Lions Club of Brighton | Community Grant | 4,000 | 0 |
| Brighton Girl Guides | Halls & Grounds | 3,864 | 3,696 |
| Community Transportation | Donation | 3,473 | 1,967 |
| Brighton Senior Citizens | Donation | 3,227 | 500 |
| East Derwent Little Athletics | Halls & Grounds | 3,204 | 3,026 |
| Hobart Gymnastics Academy | Community Grant | 3,165 | 0 |
| Ryukyu Karate | Halls & Grounds | 3,024 | 0 |
| Cycling South | Community Grant | 3,000 | 2,000 |
| Derwent United Soccer Club | Halls & Grounds | 2,520 | 2,380 |
| Vikings Futsal Association | Community Grant | 2,005 | 0 |
| Brighton Bowls Club | Community Grant | 2,000 | 0 |
| Old Beach Family Day Care Playgroup | Halls & Grounds | 1,932 | 1,848 |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

4. DONATIONS AND GRANTS

(CONTINUED)

| | | 2013 | 2012 |
|--|-------------------|-------|-------|
| | | \$ | \$ |
| GRANTS AND BENEFITS REGISTER - SECTION 77 LOCAL GOVERNMENT ACT 1993 | | | |
| Old Beach Playgroup | Halls & Grounds | 1,932 | 1,848 |
| Pontville Family Day Care Playgroup | Halls & Grounds | 1,932 | 1,848 |
| Old Beach Cricket Club | Community Grant | 1,800 | 0 |
| Brighton Senior Citizens | Halls & Grounds | 1,794 | 1,716 |
| South Eastern Home Nursing | Community Grant | 1,761 | 0 |
| Old Beach Volunteer Fire Brigade | Community Grant | 1,650 | 0 |
| Good Beginnings Playgroup Pontville | Halls & Grounds | 1,449 | 1,386 |
| Derwent United Soccer Club | Community Grant | 1,445 | 0 |
| Northern Suburbs Junior Soccer Association | Halls & Grounds | 1,440 | 1,360 |
| St Vincent De Paul | WTS Entry | 1,398 | 893 |
| Pulse Dance School | Halls & Grounds | 1,207 | 1,155 |
| Bugeido Karate | Halls & Grounds | 1,104 | 1,386 |
| ABLE AUSTRALIA | Community Grant | 1,050 | 0 |
| Old Beach Scouts Group | Community Grant | 1,050 | 0 |
| Basketball Tasmania | Community Grant | 1,000 | 1,000 |
| Sth Tas Qtr Horse Association | Community Grant | 1,000 | 0 |
| Tagari Lia | Community Grant | 1,000 | 0 |
| Northern Revellers Basketball | Sporting Achiever | 1,000 | 0 |
| Old Beach Junior Fire Brigade | Community Grant | 958 | 0 |
| Brighton Heritage Association | Community Grant | 836 | 800 |
| Brighton Agricultural Society | Annual Grant | 500 | 500 |
| Royal Flying Doctors | Donation | 500 | 0 |
| GKR Karate | Halls & Grounds | 483 | 462 |
| Salvation Army | Halls & Grounds | 476 | 1,152 |
| Dogs Home of Tasmania | Community Grant | 440 | 440 |
| Anglican Parish of Brighton | Community Grant | 387 | 3,990 |
| Helping Hands | WTS Entry | 368 | 434 |
| Veterans Memorial Centre | WTS Entry | 344 | 329 |
| Bridgewater PCYC | Halls & Grounds | 315 | 0 |
| Bantick Natasha | Education Bursary | 250 | 0 |
| Fisher Nathan | Education Bursary | 250 | 250 |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

4. DONATIONS AND GRANTS

(CONTINUED)

| | | 2013 | 2012 |
|--|-------------------|------|-------|
| | | \$ | \$ |
| GRANTS AND BENEFITS REGISTER - SECTION 77 LOCAL GOVERNMENT ACT 1993 | | | |
| Kelly Shelbie | Education Bursary | 250 | 0 |
| Percey Callum | Education Bursary | 250 | 0 |
| Sturzaker Shannon | Education Bursary | 250 | 250 |
| Vucica Dylan | Education Bursary | 250 | 0 |
| Yani Sophia | Education Bursary | 250 | 250 |
| Department of Justice | WTS Entry | 216 | 217 |
| Old Beach Scouts Group | Donation | 200 | 0 |
| Weeding Claire | Sporting Achiever | 200 | 0 |
| Uniting Church | WTS Entry | 168 | 96 |
| Rabbit Breeders Association | Halls & Grounds | 112 | 0 |
| Brighton Primary School | Citizenship Prize | 100 | 100 |
| East Derwent Primary School | Citizenship Prize | 100 | 100 |
| Gagebrook Primary School | Citizenship Prize | 100 | 100 |
| Herdsmans Cove Primary School | Citizenship Prize | 100 | 100 |
| Jordan River Learning Federation | Citizenship Prize | 100 | 100 |
| Northern Suburbs Christian School | Citizenship Prize | 100 | 100 |
| St Paul's Primary School | Citizenship Prize | 100 | 100 |
| Bonorong Wildlife park | Community Grant | 100 | 0 |
| Clemments Jessie | Sporting Achiever | 100 | 0 |
| Grotaers Jemma | Sporting Achiever | 100 | 0 |
| Hey Ashlee | Sporting Achiever | 100 | 0 |
| Hickey Ellen-Jane | Sporting Achiever | 100 | 0 |
| Moody Zack | Sporting Achiever | 100 | 0 |
| Randall Alice | Sporting Achiever | 100 | 0 |
| Walker Mitchell | Sporting Achiever | 100 | 0 |
| Wherrett Nathan | Sporting Achiever | 100 | 0 |
| Williams Hugh | Sporting Achiever | 100 | 0 |
| Choose Employment | WTS Entry | 96 | 63 |
| Anzac Day Ceremony | Donation | 86 | 0 |
| Claremont College | Citizenship Prize | 50 | 50 |
| Campbell Page Ltd | Community Grant | 0 | 9,857 |
| Pete's Community Workshed | Donation | 0 | 5,810 |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

4. DONATIONS AND GRANTS

(CONTINUED)

| | | 2013 | 2012 |
|--|-------------------|---------|---------|
| | | \$ | \$ |
| GRANTS AND BENEFITS REGISTER - SECTION 77 LOCAL GOVERNMENT ACT 1993 | | | |
| Senior Citizens | Donation | 0 | 1,660 |
| Adult Literacy | Donation | 0 | 1,500 |
| Workskills Inc | Halls & Grounds | 0 | 1,100 |
| Anglicare | Community Grant | 0 | 1,000 |
| Brighton Playcentre/Playgroup | Community Grant | 0 | 1,000 |
| Derwent Valley Country Music | Community Grant | 0 | 1,000 |
| Jordan River Learning Federation | Donation | 0 | 1,000 |
| Able Australia | Donation | 0 | 900 |
| St Paul's Primary School | Donation | 0 | 900 |
| Australian Red Cross | Halls & Grounds | 0 | 726 |
| The Smith Family | Halls & Grounds | 0 | 724 |
| Bridgewater Volunteer Ambulance Unit | Community Grant | 0 | 560 |
| Tagari Lia | Halls & Grounds | 0 | 275 |
| Kennedy Teena | Education Bursary | 0 | 250 |
| Thornton Jayden | Education Bursary | 0 | 250 |
| Hobart Gymnastics Academy | Halls & Grounds | 0 | 243 |
| The Australian Childhood Foundation | Halls & Grounds | 0 | 216 |
| Southern Poultry Club | Halls & Grounds | 0 | 169 |
| Discovery Early Learning Centre | Halls & Grounds | 0 | 165 |
| Long Steps Ballroom Dancing | Donation | 0 | 150 |
| Bridgewater Nursery | WTS Entry | 0 | 126 |
| Blowfield Madison | Community Grant | 0 | 100 |
| Maddy Scott | Donation | 0 | 100 |
| McGinniss Tyler | Sporting Achiever | 0 | 100 |
| Jones Angus | Sporting Achiever | 0 | 75 |
| Bridgewater Community House | Donation | 0 | 50 |
| Davey Veronika | Donation | 0 | 50 |
| Gagebrook Primary School | Donation | 0 | 50 |
| Southern Foster Carers Association of Tasmania | Halls & Grounds | 0 | 44 |
| Daffodil Fundraiser | Halls & Grounds | 0 | 33 |
| | | 284,161 | 189,567 |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

| | 2013 | 2012 |
|--|------|------|
| | \$ | \$ |

4. DONATIONS AND GRANTS (CONTINUED)

| | | |
|---------------------|----------------|----------------|
| Financial Donations | 123,497 | 68,086 |
| Donations in kind | 160,664 | 121,514 |
| | <u>284,161</u> | <u>189,600</u> |

5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

| | | |
|---------------|------------------|------------------|
| Cash at Bank | 917,876 | 655,252 |
| Cash on Hand | 3,577 | 3,572 |
| Term Deposits | 2,803,075 | 3,833,575 |
| | <u>3,724,528</u> | <u>4,492,399</u> |

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

| | | |
|----------------------------------|------------------|------------------|
| Leave provisions (note 20,32) | 834,482 | 829,237 |
| Microwise Australia (note 29) | 866,988 | 773,839 |
| Restricted Funds | <u>1,701,470</u> | <u>1,603,076</u> |
| Total unrestricted funds | <u>2,023,058</u> | <u>2,889,323</u> |

6. CURRENT ASSETS - RECEIVABLES

| | | |
|-----------------------------------|----------------|----------------|
| Rates Receivables | <u>91,499</u> | <u>91,342</u> |
| Other Receivables | | |
| Water Consumption | 4,175 | 7,641 |
| Other Debtors | 267,484 | 181,336 |
| Less Provision for Impaired Debts | (7,580) | (5,440) |
| | <u>264,079</u> | <u>183,537</u> |

7. CURRENT ASSETS - OTHER

| | | |
|----------------------|----------------|----------------|
| Accrued Revenue | 193,429 | 147,274 |
| Work In Progress | 1,708 | 0 |
| Land Held for Resale | 74,580 | 0 |
| Prepayments | 5,266 | 49,150 |
| | <u>274,983</u> | <u>196,424</u> |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

| | 2013 | 2012 |
|--|------|------|
| | \$ | \$ |

8. NON CURRENT ASSETS - LOANS

| | | |
|--------------------------|---------|---|
| Mortgages over land sold | 250,000 | 0 |
|--------------------------|---------|---|

9. NON CURRENT ASSETS - LAND

| | | |
|--------------------|-----------|-----------|
| Land at Fair Value | 7,794,317 | 8,628,381 |
|--------------------|-----------|-----------|

Fair Value based valuation provided by Valuer General as at 30 June 2013 and indices applied each year since.

10. NON CURRENT ASSETS - PLANT AND VEHICLES

| | | |
|-------------------------------|-----------|-----------|
| Plant and Vehicles at Cost | 1,659,099 | 1,505,615 |
| less Accumulated Depreciation | (713,479) | (619,672) |
| | 945,620 | 885,943 |

11. NON CURRENT ASSETS - SMALL MACHINERY

| | | |
|-------------------------------|-----------|-----------|
| Small Machinery at Cost | 224,889 | 198,388 |
| less Accumulated Depreciation | (154,571) | (135,014) |
| | 70,318 | 63,374 |

12. NON CURRENT ASSETS - FURNITURE AND EQUIPMENT

| | | |
|---------------------------------|-------------|-------------|
| Furniture and Equipment at Cost | 1,676,327 | 1,580,955 |
| less Accumulated Depreciation | (1,292,685) | (1,137,906) |
| | 383,642 | 443,049 |

13. NON CURRENT ASSETS - INTANGIBLES

| | | |
|-------------------------------|-----------|-----------|
| Software at Cost | 285,378 | 285,378 |
| less Accumulated Amortisation | (232,152) | (210,418) |
| | 53,226 | 74,960 |

14. NON CURRENT ASSETS - BUILDINGS

| | | |
|-------------------------------|------------|-------------|
| Buildings at Fair Value | 11,214,537 | 16,471,618 |
| less Accumulated Depreciation | (209,379) | (1,104,876) |
| | 11,005,158 | 15,366,742 |

Valuation provided by Valuer-General as at June 2013 and indices applied each year since.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

| | 2013 | 2012 |
|--|------|------|
| | \$ | \$ |

15. NON CURRENT ASSETS - BRIDGES

| | | |
|-------------------------------|------------------|------------------|
| Bridges at Fair Value | 5,426,243 | 5,194,274 |
| less Accumulated Depreciation | (3,579,157) | (3,364,361) |
| | <u>1,847,086</u> | <u>1,829,913</u> |

Fair value based on Council revaluation as at 30 June 2012.

16. NON CURRENT ASSETS - DRAINAGE

| | | |
|-------------------------------|-------------------|-------------------|
| Drainage Assets at Fair Value | 30,014,881 | 28,922,730 |
| less Accumulated Depreciation | (9,960,897) | (9,360,187) |
| | <u>20,053,984</u> | <u>19,562,543</u> |

Fair value based on Council revaluation as at 30 June 2012.

17. NON CURRENT ASSETS - ROADS

| | | |
|-------------------------------|-------------------|-------------------|
| Road Assets at Fair Value | 108,419,657 | 101,510,002 |
| less Accumulated Depreciation | (17,656,825) | (15,573,877) |
| | <u>90,762,832</u> | <u>85,936,125</u> |

Fair value based on Council revaluation as at 30 June 2012.

18. FIXED ASSETS RECONCILIATION

LAND

| | | |
|--|------------------|------------------|
| Carrying amount at the beginning of the year | 8,628,381 | 8,297,380 |
| Additions | 405,500 | 560,619 |
| Disposals | (78,000) | (105,000) |
| Adjustment due to revaluation | (1,161,564) | (124,618) |
| Carrying amount at the end of the year | <u>7,794,317</u> | <u>8,628,381</u> |

PLANT AND VEHICLES

| | | |
|--|----------------|----------------|
| Carrying amount at the beginning of the year | 885,943 | 835,067 |
| Additions | 299,182 | 333,810 |
| Disposals | (63,408) | (119,224) |
| Depreciation | (176,097) | (163,710) |
| Carrying amount at the end of the year | <u>945,620</u> | <u>885,943</u> |

SMALL MACHINERY

| | | |
|--|---------------|---------------|
| Carrying amount at the beginning of the year | 63,374 | 32,104 |
| Additions | 26,501 | 48,304 |
| Depreciation | (19,557) | (17,034) |
| Carrying amount at the end of the year | <u>70,318</u> | <u>63,374</u> |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

| | 2013 | 2012 |
|--|------|------|
| | \$ | \$ |

18. FIXED ASSETS RECONCILIATION (CONTINUED)

FURNITURE AND EQUIPMENT

| | | |
|--|----------------|----------------|
| Carrying amount at the beginning of the year | 443,049 | 479,858 |
| Additions | 96,304 | 101,018 |
| Disposals | (629) | 0 |
| Depreciation | (155,082) | (137,827) |
| Carrying amount at the end of the year | <u>383,642</u> | <u>443,049</u> |

INTANGIBLES

| | | |
|--|---------------|---------------|
| Carrying amount at the beginning of the year | 74,960 | 94,601 |
| Additions | 0 | 4,210 |
| Depreciation | (21,734) | (23,851) |
| Carrying amount at the end of the year | <u>53,226</u> | <u>74,960</u> |

BUILDINGS

| | | |
|--|-------------------|-------------------|
| Carrying amount at the beginning of the year | 15,366,742 | 15,032,643 |
| Additions | 2,361,098 | 591,719 |
| Depreciation | (209,379) | (257,620) |
| Adjustment due to revaluation | (6,513,303) | 0 |
| Carrying amount at the end of the year | <u>11,005,158</u> | <u>15,366,742</u> |

BRIDGES

| | | |
|--|------------------|------------------|
| Carrying amount at the beginning of the year | 1,829,913 | 1,972,466 |
| Additions | 75,416 | 73,163 |
| Depreciation | (115,517) | (108,251) |
| Adjustment due to revaluation | 57,274 | (107,465) |
| Carrying amount at the end of the year | <u>1,847,086</u> | <u>1,829,913</u> |

DRAINAGE

| | | |
|--|-------------------|-------------------|
| Carrying amount at the beginning of the year | 19,562,543 | 19,091,103 |
| Additions | 169,338 | 1,023,137 |
| Disposals | (5,706) | 0 |
| Depreciation | (294,020) | (254,145) |
| Adjustment due to revaluation | 621,829 | (297,552) |
| Carrying amount at the end of the year | <u>20,053,984</u> | <u>19,562,543</u> |

ROADS

| | | |
|--|-------------------|-------------------|
| Carrying amount at the beginning of the year | 85,936,125 | 61,384,698 |
| Additions | 3,820,725 | 5,063,848 |
| Disposals | 0 | 0 |
| Depreciation | (1,808,369) | (1,437,560) |
| Adjustment due to revaluation | 2,814,351 | 20,925,139 |
| Carrying amount at the end of the year | <u>90,762,832</u> | <u>85,936,125</u> |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

| | 2013 | 2012 |
|--|------|------|
| | \$ | \$ |

19. AVAILABLE FOR SALE ASSETS

| | | |
|------------------------------|------------|------------|
| Investment in Southern Water | 56,300,560 | 56,311,418 |
|------------------------------|------------|------------|

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 2013 is \$56,300,560 (2012 is \$56,311,418)

| | | |
|--|------------|------------|
| Carrying amount at the beginning of the year | 56,311,418 | 56,188,196 |
| Change in fair value of investment | (10,858) | 123,222 |
| Total fair value reserve | 56,300,560 | 56,311,418 |

20. CURRENT LIABILITIES - PAYABLES

| | | |
|------------------|-----------|---------|
| Trade Creditors | 252,592 | 119,450 |
| Accrued Expenses | 1,276,742 | 560,835 |
| | 1,529,334 | 680,285 |

21. CURRENT LIABILITIES - PROVISIONS

| | | |
|--|---------|---------|
| Employee Leave Entitlements Provisions | | |
| Annual Leave | 354,415 | 350,763 |
| Long Service Leave | 407,181 | 410,863 |
| | 761,596 | 761,626 |

22. CURRENT LIABILITIES - OTHER

| | | |
|-----------------------------|--------|--------|
| Deposits held in trust | 52,973 | 62,618 |
| Revenue Received in Advance | 0 | 0 |
| | 52,973 | 62,618 |

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

| | 2013 | 2012 |
|--|------|------|
| | \$ | \$ |

23. NON CURRENT LIABILITIES – PROVISIONS

| | | |
|--|--------|--------|
| Employee Leave Entitlements Provisions | | |
| Long Service Leave | 72,886 | 67,611 |

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 2.5% has been applied where applicable.

24. RESERVES

| | | |
|------------------------------|------------|------------|
| Bridges Revaluation | 1,469,591 | 1,412,317 |
| Building Revaluation | 230,233 | 6,743,536 |
| Drainage Revaluation | 11,053,911 | 10,432,082 |
| Land Revaluation | 4,630,935 | 5,792,499 |
| Road Revaluation | 60,010,388 | 57,196,037 |
| Investment in Southern Water | 4,909,687 | 4,920,545 |
| | 82,304,745 | 86,497,016 |

MOVEMENTS DURING THE YEAR

Bridge Revaluation

| | | |
|-------------------------------------|-----------|-----------|
| Balance at beginning of year | 1,412,317 | 1,519,782 |
| Revaluation Increment / (Decrement) | 57,274 | (107,465) |
| Balance at end of year | 1,469,591 | 1,412,317 |

Building Revaluation

| | | |
|------------------------------|-------------|-----------|
| Balance at beginning of year | 6,743,536 | 6,743,536 |
| Revaluation Increment | (6,513,303) | 0 |
| Balance at end of year | 230,233 | 6,743,536 |

Drainage Revaluation

| | | |
|-------------------------------------|------------|------------|
| Balance at beginning of year | 10,432,082 | 10,729,634 |
| Revaluation Increment / (Decrement) | 621,829 | (297,552) |
| Balance at end of year | 11,053,911 | 10,432,082 |

Land Revaluation

| | | |
|-------------------------------------|-------------|-----------|
| Balance at beginning of year | 5,792,499 | 5,917,117 |
| Revaluation Increment / (Decrement) | (1,161,564) | (124,618) |
| Balance at end of year | 4,630,935 | 5,792,499 |

Road Revaluation

| | | |
|------------------------------|------------|------------|
| Balance at beginning of year | 57,196,035 | 36,270,896 |
| Revaluation Increment | 2,814,351 | 20,925,139 |
| Balance at end of year | 60,010,386 | 57,196,035 |

● **NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013**

| | 2013 | 2012 |
|--|------|------|
| | \$ | \$ |

24. RESERVES (CONTINUED)

Adjustment to value of Investment in Southern water

| | | |
|------------------------------|-----------|-----------|
| Balance at beginning of year | 4,920,545 | 4,797,323 |
| Revaluation Increment | (10,858) | 123,222 |
| Balance at end of year | 4,909,687 | 4,920,545 |

Total movements during the year

| | | |
|---|-------------|------------|
| Balance at beginning of year | 86,497,016 | 65,978,290 |
| Revaluations | (4,181,413) | 20,395,504 |
| Adjustment to value of Investment in Southern water | (10,858) | 123,222 |
| Balance at end of year | 82,304,745 | 86,497,016 |

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 | 192,494,010 | 166,577,574 |
| Result from operations | 3,103,304 | 5,397,710 |
| Adjustment to value of fair value reserve | (10,858) | 123,222 |
| Net increase in asset revaluation reserve | (4,181,413) | 20,395,504 |
| | 191,405,043 | 192,494,010 |

● NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

25. 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.

26. COMMITMENTS FOR EXPENDITURE

(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

There are no operating lease commitments as at balance date.

27. 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.

For the year ended 30 June 2013 the Council contributed 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

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

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

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

The actuarial review concluded that:

1. The value of assets of the Quadrant Defined Benefit Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2011.
2. The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2011.
3. Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2014.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

27. SUPERANNUATION (CONTINUED)

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

The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2014 and is expected to be completed late in 2014 or early in 2015.

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

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

During the reporting period the amount of contributions paid to defined benefits schemes was \$28,515 (2011-12 \$30,480) and the amount paid to accumulation schemes was \$359,984 (2011-12 \$361,025).

| | 2013 | 2012 |
|--|------|------|
| | \$ | \$ |

28. RECONCILIATION OF SURPLUS / DEFICIT TO NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES

Surplus/(Deficit) Statement of Comprehensive Income

| | | |
|--|-------------|-------------|
| | 3,103,304 | 5,397,710 |
| Items Not Involving Cash | | |
| Non Cash Contributions | (2,183,841) | (4,040,796) |
| Mortgages held | (250,000) | |
| Depreciation and Amortisation Expense | 2,799,755 | 2,399,999 |
| | 365,914 | (1,640,797) |
| Investing Activity | | |
| Net (Gain)/loss on Disposal of Plant and Equipment | 8,764 | 6,477 |
| | 8,764 | 6,477 |
| Change in Operating Assets and Liabilities | | |
| (Increase)/Decrease in Rates Receivables | (157) | 8,250 |
| (Increase)/Decrease in Other Receivables | (80,542) | (14,549) |
| (Increase)/Decrease in Other Assets | (78,559) | 63,374 |
| Increase/(Decrease) in Payables | 849,049 | 11,782 |
| Increase/(Decrease) in Provisions | 5,245 | 53,002 |
| Increase/(Decrease) in Other Liabilities | (9,645) | (54,012) |
| | 685,391 | 67,847 |
| Net Cash Flow from Operating Activities | 4,163,373 | 3,831,237 |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

29. 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 Progress Review Report as at March 25, 2013. Council achieved an overall score of 93%.

(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.

IMPAIRMENT LOSSES

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

| | 2013 \$ | 2012 \$ |
|---------------------------------------|----------------|----------------|
| TRADE RECEIVABLES | | |
| Past due 0-30 days | 70,668 | 100,819 |
| Past due 31-60 days | 22,321 | 4,545 |
| Past due 61-90 days | 104,248 | 39 |
| More than 90 days | 70,248 | 76,555 |
| More than 90 days – Rates | 91,499 | 91,342 |
| More than 90 days – Water consumption | 4,175 | 7,019 |
| | 363,159 | 280,319 |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

29. FINANCIAL INSTRUMENTS (CONTINUED)

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 2013.

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.

Council does not currently have any loans.

MATURITY ANALYSIS FOR FINANCIAL LIABILITIES

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

| | Notes | Floating interest rate | Fixed interest maturing in: | | | Non- interest bearing | TOTAL |
|-----------------------------------|-------|------------------------------|-----------------------------|-------------------------|-------------------------|-----------------------------|-------------|
| | | | 1 year or less | Over 1 to 5 years | More than 5 years | | |
| | | \$ | \$ | \$ | \$ | \$ | \$ |
| FINANCIAL ASSETS 2013 | | | | | | | |
| Cash and Cash Equivalents | 5 | 3,720,951 | 0 | 0 | 0 | 3,577 | 3,724,528 |
| Loans | 8 | 0 | 0 | 0 | 250,000 | 0 | 250,000 |
| Receivables | 6 | 95,674 | 0 | 0 | 0 | 259,904 | 355,578 |
| | | \$3,816,625 | \$0 | \$0 | \$250,000 | \$263,481 | \$4,330,106 |
| Weighted avg. interest | | 3.49% | 0.00% | 0.00% | 2.50% | | |
| FINANCIAL LIABILITIES 2013 | | | | | | | |
| Current Liabilities | 22 | 0 | 0 | 0 | 0 | 52,973 | 52,973 |
| Payables | 20 | 0 | 0 | 0 | 0 | 1,529,334 | 1,529,334 |
| | | \$0 | \$0 | \$0 | \$0 | \$1,582,307 | \$1,582,307 |
| Weighted avg. interest | | 0.00% | 0.00% | 0.00% | 0.00% | | |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

29. FINANCIAL INSTRUMENTS (CONTINUED)

| | Notes | Floating interest rate | Fixed interest maturing in: | | | Non- interest bearing | TOTAL |
|------------------------------|-------|------------------------------|-----------------------------|-------------------------|-------------------------|-----------------------------|-------------|
| | | | 1 year or less | Over 1 to 5 years | More than 5 years | | |
| | | | \$ | \$ | \$ | | |
| FINANCIAL ASSETS 2012 | | | | | | | |
| Cash and Cash Equivalents | 5 | 4,488,827 | 0 | 0 | 0 | 3,572 | 4,492,399 |
| Receivables | 6 | 98,983 | 0 | 0 | 0 | 175,896 | 274,879 |
| | | \$4,587,810 | \$0 | \$0 | \$0 | \$179,468 | \$4,767,278 |
| Weighted avg. interest | | 5.86% | 0.00% | 0.00% | 0.00% | | |
| FINANCIAL LIABILITIES 2012 | | | | | | | |
| Current Liabilities | 22 | 0 | 0 | 0 | 0 | 62,618 | 62,618 |
| Payables | 20 | 0 | 0 | 0 | 0 | 680,285 | 680,285 |
| | | \$0 | \$0 | \$0 | \$0 | \$742,903 | \$742,903 |
| Weighted avg. interest | | 0.00% | 0.00% | 0.00% | 0.00% | | |

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:

| | 2013 \$ | 2012 \$ |
|---------------------------|------------|------------|
| FINANCIAL ASSETS | | |
| Loans and Receivables | 605,578 | 274,879 |
| Cash and Cash equivalents | 3,724,528 | 4,492,399 |

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 2012.

At 30 June 2013, 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 | |
|--------------------|----------------|------------|------------|------------|
| | 2013 \$ | 2012 \$ | 2013 \$ | 2012 \$ |
| + 200 basis points | 76,333 | 91,756 | 76,333 | 91,756 |
| - 200 basis points | (76,333) | (91,756) | (76,333) | (91,756) |

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 REPORT for the year ended 30 June 2013

29. 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:

| | 30 June 2013 | | 30 June 2012 | |
|--|-----------------|----------------|-----------------|----------------|
| | Carrying amount | Net Fair Value | Carrying amount | Net Fair Value |
| Fair Values | | | | |
| <i>Financial assets</i> | | | | |
| Cash and cash equivalents | 3,724,528 | 3,724,528 | 4,492,399 | 4,492,399 |
| Loans | 250,000 | 250,000 | | |
| Receivables | 355,578 | 355,578 | 274,879 | 274,879 |
| Investment in Southern Water | 56,300,560 | 56,300,560 | 56,311,418 | 56,311,418 |
| | 60,630,066 | 60,630,066 | 61,078,696 | 61,078,696 |
| <i>Financial liabilities</i> | | | | |
| Deposits held in trust | 52,973 | 52,973 | 62,618 | 62,618 |
| Payables | 1,529,334 | 1,529,334 | 680,285 | 680,285 |
| | 1,582,307 | 1,582,307 | 742,903 | 742,903 |
| Net financial assets | 59,048,359 | 59,048,359 | 60,335,793 | 60,335,793 |
| Carrying amounts classified as: | | | 30 June 2013 | 30 June 2012 |
| <i>Financial assets</i> | | | | |
| Cash and cash equivalents | | | 3,724,528 | 4,492,399 |
| Loans and Receivables | | | 605,578 | 274,879 |
| Available for sale financial assets | | | 56,300,560 | 56,311,418 |
| | | | 60,630,066 | 61,078,696 |
| <i>Financial liabilities</i> | | | | |
| Financial liabilities measured at amortised cost | | | 1,582,307 | 742,903 |
| | | | 1,582,307 | 742,903 |
| Net financial assets/(liabilities) | | | 59,048,359 | 60,335,793 |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

29. 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 2013 | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------|---------|---------|------------|------------|
| Available for sale financial assets | 0 | 0 | 56,300,560 | 56,300,560 |

(f) Reconciliation of Level 3 Fair Value Movements

| | 30 June 2013 | 30 June 2012 |
|--|--------------|--------------|
| Opening balance | 56,311,418 | 56,188,198 |
| <i>Gains (losses) recognised in other comprehensive income</i> | | |
| Change in fair value of investment in Southern Water | (10,858) | 123,222 |
| Closing balance | 56,300,560 | 56,311,418 |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

30. MICROWISE AUSTRALIA PTY LTD

Microwise is a 100% owned incorporated entity of Brighton Council that has been formed 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 \$22,427 (2012 - \$22,074) in licence fees during the 2013 financial year.
- Directors Fees of \$28,000 (2012 - \$28,000) were paid during the 2013 financial year.

| | 2013 \$ | 2012 \$ |
|------------------------------|------------|------------|
| Financial Performance | | |
| Revenue | 288,357 | 276,468 |
| Expenditure | 120,708 | 60,495 |
| Profit | 167,649 | 215,973 |

| | | |
|--------------------------------|-----------|-----------|
| Brighton Council Equity | \$838,308 | \$773,839 |
|--------------------------------|-----------|-----------|

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)-(vii) 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.

31. BRIGHTON INDUSTRIAL & HOUSING CORPORATION

Brighton Industrial & Housing Corporation commenced in July 2012. As these are the first financial statements of the corporation, no prior year comparative information is presented. The corporation is a 100% owned incorporated entity of Brighton Council that has been formed to

- Develop affordable residential dwellings for homebuyers through the strategic allocation and Council owned land so as to provide a financial return to the Council and to add to the social and cultural amenity of the municipality,
- Develop Council's industrial land for commercial and retail users, providing a strong return for the Council and additional employment opportunities for local residents.
- No directors fees were paid.

| | 2013 \$ | 2012 \$ |
|--------------------------------|------------|------------|
| Financial Performance | | |
| Revenue | 855,164 | 0 |
| Expenditure | 638,908 | 0 |
| Profit | 216,256 | 0 |
| Brighton Council Equity | \$184,767 | \$0 |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2013

31. BRIGHTON INDUSTRIAL & HOUSING CORPORATION (CONTINUED)

The financial performance excludes any internal transactions with Brighton Council. Brighton Industrial & Housing Corporation is consolidated in the current year financial statements.

Brighton Industrial & Housing Corporation 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)-(vii) and 3(b)-(v) respectively due to immateriality.

The directors of Brighton Industrial & Housing Corporation are:

Clr. Tony Foster
Clr. Leigh Gray
Mr Ron Sanderson
Mr. Gregory Davoren

Mr G Davoren, Brighton Council's Deputy General Manager, is also the Chief Executive Officer of Brighton Industrial & Housing Corporation. As Brighton Industrial & Housing Corporation 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.

32. EVENTS OCCURRING AFTER BALANCE DATE

NEW WATER CORPORATION

From 1 July 2013 a new State-wide water and sewerage corporation trading as Tas Water, commenced in accordance with the *Water and Sewerage Corporation Act 2012*. TasWater will take over the water and sewerage services and assets currently operated by Ben Lomond Water, Cradle Mountain Water and Southern Water. It will also manage the billing, IT and payroll functions currently managed by the industry's service firm, Onstream.

Council holds an equal representation with all other councils. No change is expected to current investment treatment, with

Council receiving a proportional share in the new corporation. Council will continue to derive returns in the form of dividends, guarantee fees and tax equivalents. Any changes to Council's investment in "Tas Water" will be treated as a non-adjusting event and accounted for in the next financial year.

33. 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 material 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.

34. AUDIT DISCLOSURE

| | 2013 | 2012 |
|---------------------|----------|----------|
| Audit | | |
| Remuneration | \$26,820 | \$20,470 |



Brighton Council

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