



BRIGHTON COUNCIL

2014

ANNUAL REPORT

2015

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ANZAC DAY 2015

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 2014/15 Annual Plan.
- The second part of the Annual Report incorporates the audited financial statements for the financial year.

History

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

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

The Council itself held its first meeting on 19th November 1863. In 1993, some one hundred and thirty years later, there were significant changes as a result of the number of Councils in Tasmania being reduced from forty six to twenty nine. This "amalgamation" of councils saw the "loss" of sixty one percent of rural land. Brighton is now a small council, covering an area of approximately 168 square kilometres.

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

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

Brighton has a population of approximately 16,500 with a median age of 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 15th December 2015. Any person wishing to make a submission should do so by close of business 30th November 2015.

HORTICULTURAL PARTICIPANTS CERTIFICATE PRESENTATIONS



MAYOR'S MESSAGE

Tony Foster, AM OAM JP Mayor of Brighton

After more than two decades as Mayor of Brighton, I thank the community for re-electing me for a further term. I am both humble and proud to lead a progressive, innovative and financially responsible Council.

Perhaps the best measure of continuing success for Brighton Council was the re-election of all councillors in the last October's local government elections.

Our ratepayers had a variety of choices at the election but they determined that they were well-served by their sitting councillors and re-elected everyone to serve for another four years.

I congratulate our new Deputy Mayor, Barbara Curran, who is the first woman to be elected to that role. And I thank the former Deputy Mayor, Geoff Taylor, for his significant contribution in that role. While Geoff did not stand for that position in the recent elections, I am delighted that he is continuing his hard work as a councillor.

I can report with pride that our municipality has never been stronger to resist the unjustified clamour for local government amalgamation.

The more sensible alternative, which Brighton has pioneered, is the Tasmanian Common Services Model. Like-minded councils - Glenorchy, Sorell, Tasman, Huon Valley, Southern Midlands and Central Highlands - have joined with Brighton to provide the best outcomes for ratepayers by sharing services.

Recently, accompanied by Deputy Mayor Barbara Curran and General Manager Ron Sanderson, I attended a meeting of southern municipalities at which Local Government Minister Peter Gutwein proposed voluntary council amalgamations.

While Mr Gutwein stressed that the state government would not force amalgamations, he suggested voluntary amalgamations would allow councils to improve their financial efficiencies and enhance services to ratepayers.

There might be an appetite in some cities for amalgamation because of their higher rates, but there is little support for it among the smaller regional councils, especially those adopting the Common Services Model.

We in Brighton municipality already enjoy the lowest rates of all 29 local governments in Tasmania.

Brighton's financial strength is also enhanced by our provision of specialist services - planning, engineering, asset management, finance and rating - to other councils. Not only does the sharing of our professional services help Brighton's finances, it is also critical to the future of other regional councils.

Our local government software business, Microwise Australia, has clients in Tasmania, on the mainland and in the South Pacific. Microwise is a continuing success story for Brighton Council and we are keen to see the business grow further.

Strong local governments are at the forefront of preserving grass-roots democracy. Amalgamation would weaken what our community cherishes - the right to make those decisions that impact on us.

It is timely to question what would have happened to our community if Tasmania's amalgamation of many local governments in 1993 had resulted in Brighton being swallowed by a neighbouring council.

Would Brighton have the Industrial Estate today? Would Brighton be the site of Tasmania's dynamic new Transport Hub? I doubt that these initiatives would have become reality if our community had lost its independence, its voice and its vision.

Brighton Council has worked tirelessly for almost two decades to create the Industrial Estate and now the Transport Hub in our municipality.

With the recent relocation of both TasRail and Toll Transport, the Brighton Transport Hub is now the thriving focal-point of industrial, transport and economic infrastructure for our island state.



It will grow employment opportunities in the municipality and consolidate Brighton as a significant regional centre, a key participant in the future of Tasmania.

With the continuing growth of Brighton municipality it is important that we show off our civic pride. To this end, Brighton Council is the first local government to forge agreement with the State Government on the roadside maintenance of the East Derwent Highway and major roundabouts.

The roadside mowing, litter removal and planting work was previously the responsibility of the Department of Infrastructure (now the Department of State Growth).

Our outside workforce has taken ownership of the project with enthusiasm. What a difference this team has made!

But now I want the whole community to accept our drive for civic pride and to eliminate litter on our roads.

We can be the tidiest community in Tasmania. Let's all ensure that Brighton municipality is not only the best place to live and work in, but also the cleanest.

On 25 April, as Australia commemorated 100 years since ANZACS landed on the shores of Gallipoli, Brighton celebrated with the official opening of our new Remembrance Park, on the site of the former Brighton Army Camp.

We are hoping for a further round of State and Commonwealth grants to assist Council in some renovations. The project is a key investment in Brighton's future. It will give a reason for tourists to stop and also provide an attractive open space for residents.

Another day of significance for all Australians - Australia Day - saw Gagebrook resident Sonya Williams honoured with Brighton's Citizen of the Year and Volunteer of the Year awards for more than a decade of volunteering for community and advocacy groups.

The awards were part of Brighton municipality's Australia Day awards and citizenship ceremonies. A record number of six residents became Australian citizens.

The community blight that is family violence is being combatted by a group of community members in the municipality.

The Breaking The Silence Advocacy Group, supported by the Red Cross, recently produced a DVD to record the stories of women in the Brighton municipality who have personally experienced family violence.

The DVD was launched by the Minister for Women, Jacque Petrusma, who stated it was a powerful primary prevention strategy. It was gratifying to note that all political parties were represented at the launch.

Educational needs in the community have always been at the forefront of my and Council's priorities.

When the Jordan River Learning Centre school farm's current site was recently placed at risk because of its

non-compliance with Council by-laws, I met with Education Minister Jeremy Rockliff and proposed a Particular Purpose Zone. Council acted swiftly to secure the farm's future by endorsing the new zone for the school farm.

The new zone enables the school farm's operations to comply with all Council's planning and public health requirements, thereby securing the school's future in Brighton.

Beginning in December 2015 Brighton Council will annually award two scholarships to students attending the school farm. The scholarships, each worth \$3000, are in line with Council's 2040 strategic vision to increase education and training standards for local students, particularly in the rural sector.

Also on the educational front, 22 architecture students from two universities - UTAS and Melbourne's Monash - have been spending a



ANZAC DAY 2015

full semester studying the future needs for public buildings and spaces in Brighton's rapidly growing urban and regional areas.

The study is part of the revitalisation plans for our community and the students have been meeting key community stakeholders and looking at the municipality's strategic documents, including Council's 2040 strategic vision.

These architecture students are tomorrow's leaders in improving community facilities.

We anticipate that when we receive some of their concepts they may be incorporated into our plans for the future. The students are providing a valuable contribution which will benefit our municipality.

Finally, I would like to say how delighted I was to officially open modern clubrooms for the Old Beach Cricket Club. It was a major project to transform an old house into the new facility, which is named the Garry Faulks Pavilion in honour of a life member of the club.

The project's catalyst was Brighton's 2040 vision that identified a lack of public facilities in the rapidly growing Old Beach community. The cricket club is now fielding four senior teams and eight junior teams this season.

At work and at play, the future for the 17,000 residents of Brighton municipality looks bright.

We will not be swallowed up by any of the larger city councils because their performances are no match for that of Brighton. Our great municipality can stand alone and be sustainable long into the future.

We move further into the second half of the second century with Brighton Council committed to progressive and innovative programs and fiscal responsibility.

GARRY FAULKS PAVILION OPENING



GENERAL MANAGER'S MESSAGE

Ron Sanderson

Nine out of 10 residents in Brighton municipality this year have given the 'thumbs up' to Council's performance, an achievement to be proud of because we believe no other local government in Tasmania can claim such an endorsement by the community it serves.

In May we commissioned Myriad Research to provide an independent and objective survey of Brighton municipality residents, primarily for their opinions on merger options. The telephone survey of 404 respondents aged 18 and over reflected the demographic profile across the municipality.

The survey revealed that 91.2% of the municipality's residents have given Council a positive rating - up from 83.4% in 2010 and 74.8% in 1997.

Releasing its report, Myriad Research stated: "The survey shows a significant increase in resident perception of Council performance between 2010 and 2015."

The Myriad Research team found that just over half (51%) of the respondents were aware of local government merger discussions.

There was a clear preference for no change - 60% of respondents opted for the status quo (against 53% in 1997).

Residents' endorsement of Council's performance and their support for its stand against local government amalgamation should be seen in the light of the latest Auditor-General's report which has found Brighton Council to be one of the most efficient of the 29 local governments in Tasmania.

The report has identified Brighton Council having:

- the lowest rates per capita;
- the lowest staff ratio as a percentage of population;
- the highest average six-year operating surplus ratio;
- the highest road consumption ratio.

These are impressive statistics, with the highest profit from the lowest rates. As Mayor Tony Foster stated recently in *Brighton Community News* "this is a notable achievement".

Our commercial activities - Microwise, Brighton Industrial & Housing Corporation and provision of services and professional expertise to other councils - earned us \$1.74 million in the past financial year.

For the current year household rates rose by just \$8 - that's 15 cents a week! This is because of Council's continued support of its fair rating policy, featuring a flat rate for residents, that ties rises to no more than the annual CPI increase.

Brighton residents continue to enjoy the lowest municipal rates in Tasmania. This is the 19th consecutive year that Brighton has raised rates at CPI.

Despite the recurring chatter about local government mergers - promoted by pressure groups such as the Property Council - Brighton's fair rating policy and our fiscal achievements are the best way to combat the amalgamation push, thereby keeping strong the voice of democracy at the community level.

In keeping with Council maintaining its integrity and independence, we have become a founding member of the Tasmanian Common Services Model.

The founding members also include the Huon Valley, Southern Midlands, Sorell and Tasman Councils, and more recently Glenorchy and the Central Highlands. Other councils are expected to join our initiative, which will reduce costs, increase efficiencies and enhance services to ratepayers.

There is no additional layer of bureaucracy and the venture is not related to any debate about council amalgamation. To the contrary: this initiative makes each participant a stronger and more efficient local government.

Under the Tasmanian Common Services Model, councils are earning valuable revenue through provision of services and expertise to other councils. This enables them to minimise rate increases, provide improved services for the community and retain skilled professional staff.

Participating councils can be providers as well as users of any service. Payments are made at an agreed fee and small councils, particularly those that are under-resourced, will have a more secure future and provide better outcomes for their ratepayers.

BRIGHTON ARMY CAMP HOSPITAL RESTORATION PARTICIPANTS



It is estimated that in the 2015/16 financial year participating councils will exchange approximately 15,000 hours of common services resulting in an estimated net benefit of \$1,000,000 for participants.

Council believes the model will achieve much more significant financial outcomes in future years as it is embraced by local governments throughout Tasmania and beyond.

The Tasmanian Common Services Model has been enthusiastically endorsed by Australia's leading expert in local government reform, Professor Brian Dollery of the University of New England.

He says changing council processes, not council structures, is the best way to achieve real and sustainable local government reform.

In his recent report, *Stimulating Council Collaboration - A Common Service Model for Tasmanian Local Government*, Professor Dollery states that forced council amalgamation proposals put forward by what he terms "vested interests" would show that nothing had been learned from recent mergers in Queensland and NSW.

"Forced amalgamation...has repeatedly failed to generate financial sustainability," he writes.

"The Tasmanian Common Service Model... is significantly superior to an antagonistic, destructive and expensive cycle of forced amalgamation."

As Brighton municipality expands - it is one of the fastest growing communities in Tasmania - we see dramatic shifts in the demographic profile. This is how our population percentages have shifted in two decades (based on ABS Census 2011 and 1991):

	2011	1991
Brighton	23.3%	18.8%
Pontville/Tea Tree/Dromedary	10.1%	2.8%
Old Beach/Honeywood	21.1%	4.2%
Bridgewater	27.5%	42.6%
Gagebrook/Herdsman's Cove	18.0%	31.6%

Interesting statistics for demographers. Exciting times for Brighton Council as the population has grown significantly since 2011.



COUNCILLORS AS AT 30TH JUNE 2015



Cr Tony Foster (Mayor)

Terms as Councillor
1985-1988
1990-2015

Terms as Mayor
1993-2015

Committee Representation:

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

Council Representative:

- Civic Pride Consultative Group
- Emergency Management Advisory Committee
- Remembrance Park Complex Consultative Group
- Southern Tasmanian Councils Association
- Taswater (Owner Representative)



Cr Peter Geard

Terms as Councillor
1984-1993
1997-2015

Committee Representation:

- Heritage & Environment (Deputy Chairperson)
- Parks & Recreation (Chairperson)
- Planning

Council Representative:

- Civic Pride Consultative Group
- Emergency Management Advisory Committee
- Hobart Fire Management Area Committee
- Old Council Chambers User Group (Chairperson)
- Remembrance Park Complex Consultative Group



Cr Barbara Curran (Deputy Mayor)

Terms as Councillor
1996-2015

Term as Deputy Mayor
2014-2015

Committee Representation:

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

Council Representative:

- Brighton Primary School Council
- Civic Pride Consultative Group
- Remembrance Park Complex Consultative Group
- Southern Tasmanian Councils Association (Alt Rep)
- Southern Waste Strategy Board Joint Authority (Alt Rep)
- Taswater (Deputy Rep)



Cr Leigh Gray

Terms as Councillor
2005-2015

Committee Representation:

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

Council Representative:

- Cycling South
- Southern Waste Strategy Board Joint Authority (Deputy rep)



Cr Wayne Garlick

Terms as Councillor
1999-2000
2003-2005
2007-2015

Committee Representation:

- Finance
- Heritage & Environment
- Planning
- Waste Management





Cr Moya Jeffries
Terms as Councillor
2007–2015

- Committee Representation:
- Parks & Recreation
 - Planning
- Council Representative:
- Jordan River Learning Federation Senior School Council



Cr Philip Owen
Terms as Councillor
1989–2015

- Committee Representation:
- Finance
 - Heritage & Environment
 - Planning
 - Waste Management



Cr Geoff Taylor
Terms as Councillor
1972–1977
1987–1996
1999–2015
Terms as Deputy Mayor
2005–2014

- Committee Representation:
- Finance
 - Parks & Recreation
 - Planning
 - Waste Management (Chairperson)



Cr Sonya Williams
Terms as Councillor
2005–2015

- Council Representative:
- Heritage & Environment
 - Parks & Recreation
 - Planning
- Committee Representation:
- Gagebrook Primary School Council
 - Jordan River Learning Federation Senior School Council

OVERVIEW AND HIGHLIGHTS

1. Manage and influence population growth with appropriate land use planning

We have:

- Continued to implement key strategic directions, including; the Brighton Structure Plan, Bridgewater Local Area Plan, Brighton Local Area Plan and the Brighton Open Space Strategy
- Continued to develop strategies for BIHC (Brighton Industrial and Housing Corporation) land
- Prepared a master plan for surplus Boral land and are pursuing rezoning
- Undertaken an urban design project with Monash/UTas architecture departments
- Implemented the draft Interim Brighton Planning Scheme
- Pursued maximum community benefit from Council owned land, including sales and purchases when strategically appropriate
- Begun implementing a master plan for the former army camp parade ground and hospital, including construction of the Brighton Remembrance Park
- Completed construction of the Brighton Remembrance Park, planted an avenue of trees in the parade ground and started maintaining the parade ground.

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
- Provided affordable housing on vacant council and state government land
- Explored/developed a strategy(s) to ensure appropriate government assistance and ongoing input of resources
- Explored/developed strategy(s) to ensure appropriate assistance and ongoing input of resources from corporate and non-profit organizations
- Developed and submitted to the Tasmanian Planning Commission a new particular purpose zone for the Brighton School Farm
- Developed a strategic plan for an expanded shared services model with other councils
- Established a formal agreement with the State Government for Council to maintain the roadside of the East Derwent Highway and major highway roundabouts with both parties contributing funds for the work



MONASH UTAS PROJECT

3. Communication and interaction between residents, community groups and businesses

We have:

- Supported the Brighton Alive 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 to provide *Brighton Community News* and Uncle Chris publications to residents
- Committed to assist the Brighton Bowls and Community Club to renovate and expand its facilities and services.

4. Establish the Brighton identity

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

We have:

- Promoted the Brighton "brand"
- Completed streetscape projects in Brighton Road (the old Midland Highway) including the installation of a roundabout at Andrew Street and Brighton Road intersection
- Completed Brighton Remembrance Park, planted an avenue of trees in the parade ground and continued to implement the former army camp master plan, including maintaining the parade ground
- Continued the public relations campaign in the *Brighton Community News*, LGAT Magazine and the Tasmanian Business Reporter
- Actively promoted Council's fair rating system and sound financial performance
- Engaged with the community on the 'Brighton Tomorrow' visions for the future.

5. Provide needed infrastructure

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

We have:

- Reconstructed Briggs Road between Cove Hill Road and Plymouth Road, Gagebrook to improve the road condition and safety
- Worked with Metro to improve bus routes including the alteration of the Bridgewater service from McShane Road to Thompson Crescent that has resulted in a consistent service that is safer, easier for users and reduces travel time
- Lobbied the Department of State Growth to extend the Metro bus service to Pontville
- Undertaken major streetscape works in the Brighton township and constructed a new roundabout at the intersection of Brighton Road and Andrew Street
- Commenced design of the refurbishment of Elderslie Road and Cove Hill Road bridges

6. Promoting industrial, business and employment growth

We have:

- Prepared a master plan for surplus Boral land and are pursuing rezoning
- Supported the new medical centre and dental clinic in Brighton
- Undertaken an extensive industrial marketing campaign for the Brighton Industrial Estate and general commercial area
- Supported continued Green Point and Cove Hill redevelopment
- Commenced implementing land use rezoning and urban planning for commercial and industrial growth and competition
- Engaged with business and commercial organisations

7. Education and training opportunities

We have:

- Continued to work closely with the Commonwealth and State Governments, the Jordan River Learning Federation and the LINC project in developing further education facilities at Bridgewater
- Supported the provision of expanded education facilities in the Brighton township area
- Worked with NGOs and local schools to provide learning opportunities at council's nursery at Bridgewater
- Worked with the Learning Federation Principal to improve educational opportunities and outcomes at the Brighton School Farm

8. Public Health

Council 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.

9. Risk Management

Council have:

- Continued to keep risk exposure to a minimum by helping reduce injuries and potential loss. Management practices involving 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.



BRIDGEWATER COMMUNITY CENTRE - BLITZ



HERDSMANS COVE PRIMARY SCHOOL - BLITZ

PERFORMANCE STATISTICS – ENVIRONMENT AND DEVELOPMENT

	2015	2014
ANIMAL CONTROL		
Total number of dogs registered with Council	3,414	3,291
Number of dogs taken to Hobart Dogs Home	233	217

LAND USE PLANNING AND BUILDING		
Number of Development Applications processed	302	225
Number of Subdivision Applications processed	23	18
Total number of new lots created	28 LAND + 20 STRATA LOTS	132 LAND + 16 STRATA LOTS
Number of Building Permits processed (Inc. 170 new dwellings)	224	229
Value of Building Approvals	\$36.6 MILLION	\$47.4 MILLION

ENVIRONMENTAL HEALTH		
Number of Vaccinations	463	539
Number of Food Premises Registered	75	71
Number of complaints	170	154
Number of Food Samples taken	14	11
Number of On-site Wastewater Applications	54	40
Total Expenditure on Public Health	\$15,000	\$14,000

*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 2014/15 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 Governance Manager 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 2014 - 30 June 2015 was \$173,245.

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 2014/15 financial year.

Public Tenders – Local Government (General) Regulations 2015

Regulation 29(1) of *Local Government (General) Regulations 2015* requires that Council reports any contract for the supply or provision of goods and services valued at or exceeding \$250,000 (excluding GST) during the financial year.

- There were no tenders for contracts over \$250,000

Regulation 29(2) of *Local Government (General) Regulations 2015* requires that Council reports any contract for the supply or provision of goods and services valued at or above \$250,000 (excluding GST) granted in extenuating circumstances during the financial year.

- There were no contracts awarded under Regulation 27(a) or (i)

Regulation 29(3) of *Local Government (General) Regulations 2015* requires that Council reports any contract for the supply or provision of goods and services valued at or exceeding \$100,000 (excluding GST) during the financial year.

- One tender was called and awarded during the 2014/15 financial year:
 - Reseal Tender – the value of the contract works was \$246,938.45 and was awarded to Roadways (Ian Harrington Group), PO Box 303, Glenorchy, Tasmania 7010

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 staff continues to invest considerable time and effort in implementing Council's Risk Management Strategy.

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	12	100%
Cr G Taylor (Deputy Mayor) up to Oct 2014	12	11	92%
Cr B Curran (Deputy Mayor) from Nov 2014	12	11	92%
Cr W Garlick	12	8	67%
Cr P Geard	12	8	67%
Cr L Gray	12	11	92%
Cr M Jeffries	12	8	67%
Cr P Owen	12	12	100%
Cr S Williams	12	10	83%

ANNUAL GENERAL MEETING

Name	No. of Meetings Held	Attended	%
Cr T Foster (Mayor)	1	1	100%
Cr G Taylor (Deputy Mayor) up to Oct 2014	1	0	0%
Cr B Curran (Deputy Mayor) from Nov 2014	1	1	100%
Cr W Garlick	1	1	100%
Cr P Geard	1	1	100%
Cr L Gray	1	0	0%
Cr M Jeffries	1	1	100%
Cr P Owen	1	1	100%
Cr S Williams	1	1	100%

FINANCE

Name	No. of Meetings Held	Attended	%
MEMBERS			
Cr T Foster (Chairperson)	1	1	100%
Cr B Curran (Deputy Chairperson)	1	1	100%
Cr W Garlick	1	1	100%
Cr L Gray	1	1	100%
Cr P Owen from Nov 2014	1	1	100%
Cr G Taylor from Nov 2014	1	1	100%

IN ATTENDANCE

Cr P Geard	1
Cr M Jeffries	1
Cr S Williams	1

PLANNING

Name	No. of Meetings Held	Attended	%
Cr L Gray (Chairperson)	8	7	88%
Cr G Taylor (Deputy Chairperson)	8	5	63%
Cr T Foster	8	6	75%
Cr P Geard	8	5	63%
Cr P Owen	8	7	88%
Cr B Curran @ Nov 2014	6	6	100%
Cr W Garlick @ Nov 2014	6	6	100%
Cr M Jeffries @ Nov 2014	6	4	67%
Cr S Williams @ Nov 2014	6	5	83%

IN ATTENDANCE

Cr B Curran	1
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DEPUTY MAYOR
REMEMBRANCE PARK - TURNING
FIRST SOD



COMMUNITY BLITZ - SERVICE RECOGNITION AWARDS



BRIGHTON COUNCIL

FINANCIAL REPORT

2014

2015

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Independent Auditor's Report

To the Councillors of Brighton Council

Consolidated Financial Report for the Year Ended 30 June 2015

Report on the Consolidated Financial Report

I have audited the accompanying consolidated financial report (the financial report) of Brighton Council (Council), which comprises the statement of financial position as at 30 June 2015 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement on the consolidated entity comprising the 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 entity's financial position as at 30 June 2015 and financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

The Responsibility of the General Manager for the Financial Report

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

Auditor's Responsibility

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

...1 of 2

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the General Manager's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Manager, as well as evaluating the overall presentation of the financial report.

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information or the asset renewal funding ratio 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
- 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

Sara K Dean
**Assistant Auditor-General Financial Audit
Delegate of the Auditor-General**

Hobart
21 September 2015

...2 of 2

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BRIGHTON COUNCIL

Certification of the Financial Report

The financial report presents fairly the financial position of Brighton Council as at 30 June 2015 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.

Ron Sanderson
General Manager



14th August 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2015

	Notes	Budget 2015 \$	Actual 2015 \$	Actual 2014 \$
INCOME FROM CONTINUING OPERATIONS				
Recurrent Income				
Rate Revenues	3(a)(i)	7,673,403	7,837,451	7,356,143
Grants Recurrent	3(a)(iv)	2,454,206	2,588,303	838,879
User Charges	3(a)(v)	231,000	218,834	216,577
Fees and Charges		965,726	803,862	745,188
Contributions - Cash	3(a)(vi)	100,000	101,224	608,800
Interest	3(a)(ii)	100,000	107,309	124,199
Commercial Activities	3(a)(vii)	1,527,510	1,741,483	876,918
Distribution from Water Corporation		924,000	924,000	1,013,480
		13,975,845	14,322,466	11,780,184
Capital Income				
Capital grants specifically for new or upgraded assets	3(a)(iv)	155,197	159,387	635,199
Contributions - non-monetary assets	3(a)(vi)	3,285,000	3,300,537	5,421,128
Contributions - non-monetary assets previously overstated		(405,000)	(405,733)	0
Assets taken up - Land under roads	3(a)(viii)	0	0	12,289,924
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	3(a)(iii)	10,000	(13,459)	(176,282)
		3,045,197	3,040,732	18,169,969
Total income from continuing operations		17,021,042	17,363,198	29,950,153
EXPENSES FROM CONTINUING OPERATIONS				
Materials/Contracts and Other	3(b)(iv)	4,552,792	5,040,468	4,802,659
Depreciation and Amortisation	3(b)(ii)	2,706,266	2,958,010	2,920,810
Employee Costs	3(b)(i)	3,012,678	2,939,642	3,062,881
Contributions	3(b)(iii)	832,503	855,108	895,613
Commercial Activities	3(b)(v)	807,699	834,793	500,651
Donations and Grants	4	125,000	192,589	228,547
Aldermanic Allowances		166,260	170,803	166,637
Total expenses from continuing operations		12,203,198	12,991,413	12,577,798
Operating result from continuing operations		4,817,844	4,371,785	17,372,355
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to surplus or deficit				
Net asset revaluation increment(decrement) reversals	25	(1,286,174)	(1,286,174)	(18,968,815)
Items that may be reclassified subsequently to surplus or deficit				
Financial assets available for sale reserve				
Fair Value adjustment on Available for Sale Assets	20	361,328	361,328	(11,295,057)
Total Other Comprehensive Income		(924,846)	(924,846)	(30,263,872)
Comprehensive result		3,892,998	3,446,939	(12,891,517)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

ASSETS	Notes	2015	2014
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	5	5,007,604	2,788,314
Receivables - Rates	6	24,366	40,980
Receivables - Other	6	378,825	315,088
Other	7	1,136,564	1,216,237
Total Current Assets		6,547,360	4,360,619
NON CURRENT ASSETS			
Roads	18	75,403,662	74,025,817
Buildings	15	12,218,147	12,147,502
Drainage	17	21,438,815	21,707,218
Land	9	7,659,317	7,416,317
Land under roads	10	12,289,924	12,289,924
Bridges	16	1,615,013	1,838,075
Plant and Vehicles	11	990,767	941,777
Furniture and Equipment	13	136,462	211,834
Loans	8	250,000	250,000
Intangibles	14	41,624	28,470
Small Machinery	12	30,778	41,785
Investment in Water Corporation	20	45,366,831	45,005,503
Total Non Current Assets		177,441,340	175,904,222
Total Assets		183,988,700	180,264,841
LIABILITIES			
CURRENT LIABILITIES			
Payables	21	896,476	685,335
Provisions	23	894,715	925,359
Other	24	132,346	32,163
Total Current Liabilities		1,923,537	1,642,857
NON CURRENT LIABILITIES			
Provisions	23	104,698	108,458
Total Non Current Liabilities		104,698	108,458
Total Liabilities		2,028,235	1,751,315
NET ASSETS		181,960,465	178,513,526
EQUITY			
Ratepayers Equity		130,844,437	126,472,652
Reserves	25	51,116,028	52,040,874
TOTAL EQUITY		181,960,465	178,513,526

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2015

Notes	Ratepayers' Equity		Asset Revaluation Reserve		Fair Value Reserve		Total
	2015	2014	2015	2014	2015	2014	
	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of the Financial Year	126,472,652	109,100,297	58,426,242	77,395,057	4,909,689	178,513,526	191,405,043
Surplus / (deficit) for the year	4,371,785	17,372,355				4,371,785	17,372,355
Other Comprehensive Income:							
Financial assets available for sale reserve							
- Fair Value adjustment on Available for Sale Assets					361,328	(11,295,057)	(11,295,057)
Net asset revaluation increments / (decrements)			(1,286,174)	(18,968,815)		(1,286,174)	(18,968,815)
Balance at the end of the Financial Year	130,844,437	126,472,652	57,140,068	58,426,242	(6,385,368)	181,960,465	178,513,526

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Ratepayers, Fees & Charges (inc GST)		12,399,201	10,813,230
Interest Received		107,309	124,199
Government Grants		2,683,953	1,423,069
		<u>15,190,462</u>	<u>12,360,498</u>
Payments			
Payments to Suppliers and Employees (inc GST)		(10,432,543)	(11,209,321)
		<u>(10,432,543)</u>	<u>(11,209,321)</u>
Net Cash Flows from Operating Activities	29	4,757,919	1,151,177
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Sale of Land & Buildings		257,000	488,000
Sale of Plant and Equipment Assets		45,245	101,772
		<u>302,245</u>	<u>589,772</u>
Payments			
Purchase of Buildings		(325,277)	(945,034)
Purchase of Land		(500,000)	0
Purchase of Plant, Vehicles & Machinery		(313,354)	(449,871)
Purchase of Intangible		(32,911)	3,548
Purchase of Roads, Bridges & Drainage Assets		(1,624,899)	(1,313,852)
Purchase of Furniture and Equipment		(44,430)	28,048
		<u>(2,840,871)</u>	<u>(2,677,161)</u>
Net Cash Flows used in Investing Activities		(2,538,626)	(2,087,389)
CASH FLOWS FROM FINANCING ACTIVITIES			
		0	0
Net Cash Flows used in Financing Activities		0	0
Net increase/(decrease) in Cash and Cash Equivalents		2,219,293	(936,212)
Cash at the Beginning of the Financial Year		2,788,317	3,724,528
Cash and Cash Equivalents at the End of the Financial Year	5	5,007,610	2,788,317

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 2015

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2015

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.

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.

STATEMENT OF COMPLIANCE

These financial statements are a general purpose financial report that consists of a Statement of Profit and Loss and Other Comprehensive Income, Financial Position, Statement of Changes in Equity, Statement of 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, the Local Government Act 1993 (LGA1993) (as amended).

1. SIGNIFICANT ACCOUNTING POLICIES

(a) 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 Corporation. Full provision to accommodate AASB 10 Consolidated Financial Statements has not been applied due to immateriality.

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 and Brighton Industrial Housing Corporation. Both are 100% owned subsidiaries 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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 28.

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

Investment in Water Corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed below and in note 20.

(b) Adoption of new and amended accounting standards

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and Joint Ventures and the relevant amending standards, AASB 2013-8 Amendments to Australian Accounting Standards- Australian Implementation Guidance for Not-for-Profit Entities - Control Structured Entities, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards, AASB 1012-10 Amendments to Australian Accounting Standards - Transition Guidance and other amendments (effective from 1 January 2014)

This suite of five new and amended standards address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

(i) AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation - Special Purpose Entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard

introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. Council has undertaken an assessment and no material changes to the composition of Council's accounts are anticipated from the application of the new standard.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. Council is still assessing the impact of these amendments.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 2013-8 Amendments to Australian Accounting Standards- Australian Implementation Guidance for Not-for-Profit Entities - Control Structured Entities adds guidance to AASB 10 regarding criteria for determining whether one entity controls another entity from the perspective of not-for-profit entities.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards gives effect to many consequential changes to a number of standards arising from the issuance of the new consolidation and joint arrangements standard.

AASB 1012-10 Amendments to Australian Accounting Standards - Transition Guidance and other amendments provides guidance on amendments to AASB 10, AASB 11, and AASB 12 to simplify transition and provide relief from the disclosures in respect of unconsolidated structure entities on transition to the suite of consolidation standards. Also, provides guidance on the additional amendments to AASB 10 and related standards to revise their application paragraphs, so that they apply mandatorily to not-for-profit entities.

(ii) AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective 1 January 2014)

(iii) AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets (effective from 1 January 2014)

This standard amends the disclosure requirements of AASB 136. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The adoption of this standard will not impact Council's accounting policies but may result in changes to information disclosed in the financial statements.

(iv) AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (Part A - Conceptual Framework effective from 20 December

2013; Part B - Materiality effective from 1 January 2014; Part C - Financial Instruments effective from 1 January 2015)

Part A of this standard updates references to the Framework for the Preparation and Presentation of Financial Statements in other standards as a consequence of the issue of AASB CF 2013-1 in December 2013.

Part B of this standard deletes references to AASB 1031 Materiality in various other standards. Once all references to AASB 1031 have been deleted from all Australian Accounting Standards, AASB 1031 will be withdrawn.

Part C of this standard amends AASB 9 Financial Instruments to add Chapter 6 Hedge Accounting and makes consequential amendments to AASB 9 and numerous other standards. Part C also amends the effective date of AASB 9 to annual reporting periods beginning on or after 1 January 2017, instead of 1 January 2015.

The adoption of this standard will not impact Council's accounting policies.

(v) Interpretation 21 Levies

This Interpretation provides clarity that a liability to pay government imposed levies, other than income taxes, is deferred until thresholds are exceeded.

The adoption of this standard will not impact Council's accounting policies.

(c) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments and the relevant amending standards (effective from 1 January 2017)

AASB 9 is one of a series of amendments that are expected to replace AASB 139 Financial Instruments: Recognition and Measurement. The main impact of the standard is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

categories of financial assets in AASB 139 will be replaced with two measurement categories: fair value and amortised cost.

Amortised cost is to be used for assets with contractual terms giving rise to principal and interest payments.

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

When adopted, the standard will affect, in particular, Council's accounting for its available-for-sale financial assets. Currently, Council recognises changes in the fair value of its available-for-sale assets through other comprehensive income. Under AASB 9 fair value gains and losses on available-for-sale assets will have to be recognised directly in profit or loss.

However, investments in equity instruments can be designated as 'fair value through other comprehensive income' assets. This designation is irrevocable. Council is likely to designate its investment in TasWater as 'fair value through other comprehensive income' and therefore the adoption of this standard will not impact the way movements in the fair value are accounted for.

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

(ii) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations (effective from 1 January 2016)

Under AASB 2014-3 business combination accounting is required to be applied to acquisitions of interests in a joint operation that meets the definition of a 'business' under AASB 3 Business Combinations.

2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-For-Profit Public Sector Entities (AASB 13) - The objective of this standard is to make amendments to ASB 13 Fair Value Measurement to relieve not-for-profit public sector entities from certain disclosure applying to assets within the scope of AASB 116 Property, Plant and Equipment whose future economic benefits are not primarily dependent on the assets ability to generate future net cash flows. There will be no material financial impact

(iii) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation (effective from 1 January 2016)

This amendment introduces a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. In addition to this, there is limited opportunity for presumption to be overcome and clarifies that revenue-based depreciation for property, plant and equipment cannot be used.

(iv) AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 (effective from 1 January 2016).

The amendments to AASB 101 do not require any significant change to current practice, but should facilitate improved reporting, including emphasis on only including material disclosures, clarity on the aggregation and disaggregation of line items, the presentation of subtotals, the ordering of notes and the identification of significant accounting policies.

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

The amendments extend the scope to AASB 124 Related Party Disclosures to include not-for-profit public sector entities.

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

**1. SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

(vi) AASB 15 Revenue from Contracts with Customers, and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 (effective from 1 January 2017)

Under the new standard, a single model that applies to contracts with customers and two approaches to recognising revenue, at a point in time or over time is proposed. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The new standard will apply to contracts of not-for-profit entities that are exchange contracts. AASB 1004 Contributions will continue to apply to non-exchange transactions until the Income from Transactions of Not-for-Profit Entities project is completed.

(d) 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 7. 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

Unreceived contributions over which Council has control are recognised as receivables.

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.

User fees and statutory fees and fines

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.

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

**1. SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

(e) 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.

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 remaining values and a separate depreciation rate is determined for each component.

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

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 2015**

**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.

(f) Recognition and measurement of assets

Acquisition and recognition

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

Property, infrastructure, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

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 9-18. 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 \$'000
LAND	
land	10
land under roads	10
land improvements	10
BUILDINGS	
buildings	10
building improvements	10
heritage buildings	10
PLANT AND EQUIPMENT	
plant, machinery and equipment	5
fixtures, fittings and furniture	5
computers and telecommunications	5
leased plant and equipment	5
ROADS	
road pavements and seals	10
road substructure	10
road formation and earthworks	10
road kerb, channel and minor culverts	10
BRIDGES	
bridges deck	10
bridges substructure	10
OTHER INFRASTRUCTURE	
footpaths and cycleways	10
drainage	10
recreational, leisure and community facilities	10
waste management	10
parks, open space and streetscapes	10
off street car parks	10
INTANGIBLE ASSETS	
intangible assets	5

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

**1. SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Revaluation

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

Land	fair value
Plant and machinery	cost
Furniture, fittings and office equipment	cost
Stormwater and drainage infrastructure	fair value
Roads and streets infrastructure	fair value
Bridges	fair value
Buildings	fair value
Intangibles	cost
Parks, recreation facilities and community amenities	cost
Heritage	cost
Investment in water corporation	fair value

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment are measured at their fair value in accordance with AASB 116 Property, Plant & Equipment and AASB 13 Fair Value Measurement. 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 on a regular basis to ensure valuations represent fair value. The valuation is performed either by experienced Council officers or independent experts.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 30, Financial Instruments.

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

Council recognised the value of land under roads it controls at fair value.

(g) 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.

(h) 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.

(i) Financial assets

Managed funds are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(j) 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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Investments in Water Corporation

Council's investment in TasWater is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2015, Council held a 2.93% (2014 2.93%) ownership interest in TasWater which is based on schedule 2 of the Corporations Constitution which reflects the council's voting rights the corporation. Any unrealised gains and losses on holdings at balance date are recognised through the Statement of Comprehensive Income to a Fair Value Reserve each year. (refer note 20)

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.

(l) Investments

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

(m) Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in Council's share of the net assets of the entities. Council's share of the financial result of the entities is recognised in the Statement of Profit or Loss and Comprehensive Income.

(m) Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The

liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

(iii) 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.

(iv) Defined benefit plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the statement of financial position, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans i.e as an expense when it becomes payable.

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund, which is a sub fund of the Quadrant Superannuation Scheme. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 30(a) of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

(n) Leases

Operating leases as lessee

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

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

Lease income from operating leases where Council is a lessor is recognised in income on a straight-line basis over the lease term.

(o) 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.

(p) 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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) 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 Profit or Loss and 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.

(r) Rounding

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

(s) 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.

(t) Investment Property

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally

assessed performance of the asset will flow to Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the Statement of Profit or Loss and Comprehensive Income in the period that they arise. Rental income from the leasing of investment properties is recognised in the Statement of Comprehensive Income on a straight line basis over the lease term.

(u) 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.

(v) Budget

The estimated revenue and expense amounts in the Statement of Profit or Loss and 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 2015

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	Total Expenditure		Grants		Other Revenue		Total Revenue		Increase in Operating Capacity		Assets	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Corporate Services	2,041,750	1,866,897	0	0	427,911	359,835	427,911	359,835	(\$1,613,839)	(\$1,507,062)	0	0
Tas Water	0	0	0	0	924,317	1,013,480	924,317	1,013,480	\$924,317	\$1,013,480	45,366,831	45,005,503
Parks and Recreation	1,124,836	963,838	18,000	100,000	795,787	675,873	813,787	775,873	(\$311,049)	(\$187,965)	7,659,317	7,416,317
Planning & Building	976,694	785,825	0	0	178,679	216,234	178,679	216,234	(\$798,015)	(\$569,591)	0	0
Buildings	754,729	689,701	0	0	107,931	567,463	107,931	567,463	(\$646,798)	(\$122,238)	12,147,502	12,147,502
Roads/Bridges	4,235,010	4,159,361	159,387	155,199	2,535,553	4,785,761	2,694,940	4,940,960	(\$1,540,070)	\$781,599	98,457,491	97,571,114
Community Services	397,136	435,885	150,000	445,304	(128,801)	0	21,199	445,304	(\$375,937)	\$9,419	0	0
Environmental Health	292,947	436,883	0	0	184,114	160,021	184,114	160,021	(\$108,833)	(\$276,862)	0	0
Waste Management	1,118,234	1,027,541	0	0	1,140,244	1,075,892	1,140,244	1,075,892	\$22,010	\$48,351	0	0
Unallocated Services	2,050,077	2,211,867	2,420,303	773,575	8,449,773	19,621,516	10,870,076	20,395,091	\$8,819,999	\$18,183,224	\$20,286,914	18,124,405
TOTAL	\$12,991,413	\$12,577,798	\$2,747,690	\$1,474,078	\$14,615,508	\$28,476,075	\$17,363,198	\$29,950,153	\$4,371,785	\$17,372,355	\$183,988,700	\$180,264,841

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

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

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

	2015	2014
	\$	\$
Current Assets	6,547,360	4,360,619
Non Current Assets	177,441,340	175,904,222
	<u>\$183,988,700</u>	<u>\$180,264,841</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

TasWater

Council owns a 2.93% stake in TasWater.

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 2015**

3. REVENUES AND EXPENSES

	2015	2014
	\$	\$
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	6,187,493	5,814,534
Garbage	917,310	868,038
Fire Levy	707,779	650,990
Penalties	24,869	22,581
	<u>7,837,451</u>	<u>7,356,143</u>
The date of the latest general revaluation of land for rating purposes within the municipality was 1 July 2012, and the valuation was first applied in the rating year commencing 1 July 2013.		
(ii) Interest		
Interest received or due and receivable from:		
Investments	107,309	124,199
	<u>107,309</u>	<u>124,199</u>
(iii) Net gain/(Loss) on Asset Disposal		
Proceeds from Disposal	45,245	101,772
less written down current cost	(58,704)	(278,054)
Gain/(Loss) on Disposal	<u>(13,459)</u>	<u>(176,282)</u>
(iv) Grants Recurrent		
Commonwealth Financial Assistance	2,418,303	773,575
Tasmanian Medicare Local	150,000	50,000
Dept of Veterans Affairs	18,000	0
Skills Tasmania		13,304
Tasmanian Risk Mitigation Program	2,000	0
Unions Tasmania	0	2,000
Total Recurrent Grants	<u>2,588,303</u>	<u>838,879</u>

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2012-13 the Commonwealth made early payment of the two quarterly instalments for the 2013-14 year. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. In the 2014-15 Budget the Commonwealth announced it would resume the approach of prepaying instalments. Subsequently the Commonwealth made early payment of the two quarterly instalments for the 2014-15 year.

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

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

	Notes	2015 \$	2014 \$
3(A) OPERATING REVENUES (CONTINUED)			
Capital Grants			
Roads to Recovery		159,387	155,199
Dept of Health & Ageing		0	375,000
Dept of Infrastructure, Energy & Resources		0	50,000
Dept of Economic Development		0	50,000
Dept of Premier & Cabinet		0	5,000
Total Capital Grants		159,387	635,199
(v) User Charges			
Plant Hire		0	14,201
Community Newsletter		17,759	23,082
Refuse Site Entrance Fees		201,075	179,294
		218,834	216,577
(vi) Contributions			
Infrastructure Contributions Cash		101,224	608,800
infrastructure Contributions Non Cash		3,300,537	5,421,128
infrastructure Contributions Non Cash overstated in previous year		(405,733)	0
		2,996,028	6,029,928
(vii) Commercial Activities			
Professional Services & Private Works		665,071	435,082
Brighton Industrial & Housing Corporation	32	719,727	95,455
Microwise Australia	31	356,685	346,381
		1,741,483	876,918
Professional Services - income from technical & administrative assistance to other Local Government entities			
(viii) Assets Taken Up			
Land under Roads recognised		0	12,289,924
		0	12,289,924

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

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

	Notes	2015 \$	2014 \$
3(B) OPERATING EXPENSES			
(i) Employee Costs			
Wages and Salaries		2,340,466	2,364,745
Superannuation		317,462	298,103
Other Employee Related Expenses		281,714	400,033
		2,939,642	3,062,881
Actual Wages & Salaries for 2015 were \$3,487,701, (\$3,369,448 for 2014) according to the taxation summary.			
Wages & Salaries costed to contracting or capital improvements were \$1,147,235 (\$1,004,703 for 2014).			
(ii) Depreciation and Amortisation			
Plant and Vehicles		205,660	184,525
Buildings		254,632	212,087
Intangibles		19,757	21,208
Small Machinery		11,007	19,667
Bridges		86,534	108,781
Drainage Assets		327,344	312,899
Road Assets		1,933,274	1,917,883
Furniture and Equipment		119,802	143,760
		2,958,010	2,920,810
(iii) Contributions			
State Fire Commission Levy		691,065	648,156
Tasmanian Canine Defence League Contribution		46,262	68,456
Local Govt. Association of Tasmania		46,350	40,949
Derwent Estuary Contribution		14,008	13,546
Brighton Training Facility		0	60,000
Valuation Charges		47,783	55,128
Southern Tasmanian Councils Association		9,640	9,378
		855,108	895,613
(iv) Materials/Contracts and Other			
Bank Fees		29,339	27,802
Building Maintenance		263,732	266,848
Collection Fees		24,342	28,271
Community Newsletter		129,714	95,059
Contract Recycling		176,026	168,026
Fire Abatement		10,479	11,625
GIS CAD CVS and other Software		106,262	124,929
Internal Contractors		216,126	110,985
Land Tax		27,970	23,807
Other Materials & Contracts		395,109	816,664

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

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

	Notes	2015 \$	2014 \$
3(B) OPERATING EXPENSES (CONTINUED)			
(iv) Materials/Contracts and Other (continued)			
Community Liasion		168,449	99,079
Insurance Premiums		203,118	44,106
Refuse Collection		150,670	143,341
Youth Support		50,000	40,000
Weed Control		55,405	57,904
Planning		40,276	130,333
Building Overheads		151,604	141,068
Reserve Maintenance		849,652	731,046
Road & Bridge Maintenance		961,255	840,695
Southern Tas Waste Management		16,443	14,778
Street Lighting		240,106	185,234
Waste Bin Replacements		49,560	39,320
Waste Transfer Station & Tipping Expense		724,831	661,739
		5,040,468	4,802,659
(v) Commercial Activities			
Professional Services and Private Works		337,137	251,001
Brighton Industrial & Housing Corporation	32	434,950	83,787
Microwise Australia	31	62,706	165,863
		834,793	500,651
Professional Services - Expense from technical & administrative assistance to other Local Government entities			

4. DONATIONS AND GRANTS

		2015 \$	2014 \$
GRANTS AND BENEFITS REGISTER - SECTION 77 LOCAL GOVERNMENT ACT 1993			
Brighton Football Club	Halls & Grounds	23324	23,385
Brighton Junior Football Club	Halls & Grounds	12080	11,780
St Vincent De Paul	Halls & Grounds	11000	5,000
Red Cross	Halls & Grounds	10000	0
Brighton Junior Soccer Club	Halls & Grounds	9600	6,080
Bridgewater/Brighton St Johns Ambulance	Halls & Grounds	8320	8,112
Brighton Playcentre/Playgroup	Halls & Grounds	8320	8,112
Pete's Community Workshed	Community Grant	8320	0
St Vincent De Paul	WTS Entry	8320	1,128
Brighton Agricultural Society	Halls & Grounds	8275	8,050
Brighton Football Club	Community Grant	7636	0
Pete's Community Workshed	Halls & Grounds	5280	8,112
Brighton CWA	Halls & Grounds	5200	4,992
Old Beach Volunteer Fire Brigade	Community Grant	4725	0

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

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

		2015 \$	2014 \$
GRANTS AND BENEFITS REGISTER - SECTION 77 LOCAL GOVERNMENT ACT 1993			
East Derwent Primary School	Citizenship Prize	4488	100
Old Beach Cricket Club	Community Grant	4360	775
Brighton Girl Guides	Halls & Grounds	4200	4,032
Salvation Army	Halls & Grounds	3480	460
Derwent United Soccer Club	Halls & Grounds	3200	2,660
Old Beach Cricket Club	Halls & Grounds	3200	10,061
Bridgewater PCYC	Community Grant	3000	0
Old Beach Family Day Care Playgroup	Halls & Grounds	2996	2,016
Community Transportation	Donation	2193	3,083
Able Australia	Community Grant	2129	0
Hayden Allen	Education Bursary	2100	100
Old Beach Playgroup	Halls & Grounds	2100	2,016
Old Beach Scouts Group	Halls & Grounds	2100	4,536
Shelbie Kelly	Education Bursary	2100	250
Brighton Senior Citizens	Halls & Grounds	1950	1,872
St Vincent De Paul	Donation	1590	1,000
Old Beach/Brighton Junior Cricket Club	Halls & Grounds	1500	4,636
Thomas Kline	Sporting Achiever	1465	100
Australian Breast Feeding Association	Community Grant	1000	0
Brighton Playcentre/Playgroup	Community Grant	864	0
Derwent United Football Club	Community Grant	800	4,950
Northern Suburbs Christian School	Citizenship Prize	800	513
Bugeido Karate	Halls & Grounds	788	1,008
Pontville Family Day Care Playgroup	Halls & Grounds	782	2,016
Brighton Heritage Association	Community Grant	694	906
Rabbit Breeders Association	Halls & Grounds	656	345
Glasglow Rangers Tasmanian Supporters	Halls & Grounds	525	288
Brighton Agricultural Society	Annual Grant	500	1,044
Brighton Senior Citizens	Community Grant	500	416
Hobart Gymnastics Academy	Halls & Grounds	409	290
Joshua Smith	Sporting Achiever	370	100
Red Cross	Donation	350	0
Department of Justice (Community Corrections)	WTS Entry	300	136
Hobart United Soccer Club	Halls & Grounds	260	495
Brittany Shearing	Education Bursary	250	0
Chloe O'Neil	Education Bursary	250	0
Hayden Smith	Sporting Achiever	250	0
Mia Williams	Sporting Achiever	250	0
Northern Revellers Basketball	Community Grant	250	0
Liam Wakefield	Sporting Achiever	200	100
Samuel Lewis-Johnson	Sporting Achiever	165	100
St Paul's Primary School	Citizenship Prize	142	100
Dogs Home of Tasmania	Community Grant	125	440
Brighton Kennel Club	Halls & Grounds	117	58

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

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

		2015	2014
		\$	\$
GRANTS AND BENEFITS REGISTER - SECTION 77 LOCAL GOVERNMENT ACT 1993			
Roscoe Gearman	Sporting Achiever	106	100
Austin Hollingsworth	Sporting Achiever	100	0
Aynee Williams	Sporting Achiever	100	0
Bayley Campbell	Sporting Achiever	100	0
Brighton Primary School	Citizenship Prize	100	1,000
Casey Lees	Sporting Achiever	100	0
D Jones	Donation	100	0
Ellen Batge	Sporting Achiever	100	0
Friends of Country Music Club	Halls & Grounds	100	58
George Drew	Sporting Achiever	100	0
GKR Karate	Halls & Grounds	100	504
Hobart Cavy Club	Halls & Grounds	100	115
Jacob Gentile	Sporting Achiever	100	100
Jarvis Hyland	Sporting Achiever	100	0
Jed Morgan	Sporting Achiever	100	0
Jordan River Learning	WTS Entry	100	0
Jordan River Services Inc	Community Grant	100	6,488
Kahli Hyland	Sporting Achiever	100	100
Madeleine White	Sporting Achiever	100	100
N Holmes	Sporting Achiever	100	0
Natasha Bantick	Education Bursary	100	250
Northern Suburbs Christian School	Donation	100	100
St Vincent De Paul	Community Grant	100	8,112
Jordan River Learning Federation	Citizenship Prize	80	100
East Derwent Little Athletics	Halls & Grounds	38	3,382
Veteran Car Club	Halls & Grounds	20	58
Brighton SES	Community Grant	0	8,720
Bridgewater PCYC	Contribution to Wages	0	5,000
Ryukyu Karate	Halls & Grounds	0	4,350
Brighton Girl Guides	Community Grant	0	4,000
Anglican Parish of Brighton	Community Grant	0	3,000
Cycling South	Community Grant	0	3,000
Brighton Boxing Club	Community Grant	0	2,500
Northern Suburbs Junior Soccer Association	Halls & Grounds	0	1,520
Good Beginnings Playgroup Pontville	Halls & Grounds	0	1,512
Brighton/Southern Midlands Pony Club	Community Grant	0	1,350
Pulse Dance School	Halls & Grounds	0	1,260
Housing Tasmania	Development Fees	0	508
Brighton Agricultural Society	Annual Grant	0	500
Community Base Support (South)	Halls & Grounds	0	376
Tasmanian Boxing League	Halls & Grounds	0	307
Jordan Rivers Services (Helping Hands)	WTS Entry	0	304

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

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

		2015	2014
		\$	\$
GRANTS AND BENEFITS REGISTER - SECTION 77 LOCAL GOVERNMENT ACT 1993			
Brighton Boxing Club	Halls & Grounds	0	260
Brighton Primary School	Community Grant	0	250
Callum Percy	Education Bursary	0	250
Darren Watkins	Education Bursary	0	250
Kailee Griggs	Education Bursary	0	250
Laura Thorne	Education Bursary	0	250
Nathanial Paine	Education Bursary	0	250
Andrea Coppleman	Sporting Achiever	0	200
Brody Wylie	Sporting Achiever	0	200
Kate Jones	Sporting Achiever	0	200
Southern Poultry Club	Halls & Grounds	0	115
Ainsleigh Gray	Sporting Achiever	0	100
Bradly Hyland	Sporting Achiever	0	100
Brighton Primary School	Citizenship Prize	0	100
Clara Montalvo	Sporting Achiever	0	100
Connor Walker	Sporting Achiever	0	100
Dale Evans	Sporting Achiever	0	100
Gagebrook Primary School	Citizenship Prize	0	100
Herdsmans Cove Primary School	Citizenship Prize	0	100
Jye Menzie	Sporting Achiever	0	100
Katlen Stone	Sporting Achiever	0	100
Lily Seymour	Sporting Achiever	0	100
Mark Mann	Sporting Achiever	0	100
Sophie Leszcynski	Sporting Achiever	0	100
Tasmanian Special Child Christmas Party	Donation	0	68
Brighton Equestrian Club	Halls & Grounds	0	58
Claremont College	Citizenship Prize	0	50
Uniting Church	WTS Entry	0	40
Community Blitz	WTS Entry	0	24
Choose Employment	WTS Entry	0	8
		192,589	228,547
Financial Donations		53,742	89,511
Donations in kind - Represent services provided without payment		138,847	139,036
		192,589	228,547

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

	2015 \$	2014 \$
5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS		
Cash at Bank	2,892,024	695,525
Cash on Hand	3,578	3,578
Term Deposits	2,112,003	2,089,211
	<u>5,007,604</u>	<u>2,788,314</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 22,23)	999,413	1,033,817
Total unrestricted funds	<u>4,008,191</u>	<u>1,754,497</u>

6. CURRENT ASSETS - RECEIVABLES

Rates Receivables	24,366	40,980
Other Receivables		
Water Consumption	2,707	3,270
Infringements	4,130	1,910
Licences	8,618	0
Other Debtors	374,608	319,493
Less Provision for Impaired Debts	(11,238)	(9,585)
	<u>378,825</u>	<u>315,088</u>

7. CURRENT ASSETS - OTHER

Accrued Revenue	93,002	154,924
Land Held for Resale	998,132	1,008,072
Prepayments	45,430	53,241
	<u>1,136,564</u>	<u>1,216,237</u>

Council has decided to sell land that is no longer required. It has been placed with real estate agents and is expected to be sold within one year. The land is valued at the lower of carrying value and fair value less cost to sell.

8. NON CURRENT ASSETS - LOANS

Mortgages over land sold	<u>250,000</u>	<u>250,000</u>
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9. NON CURRENT ASSETS - LAND

Land at Fair Value	<u>7,659,317</u>	<u>7,416,317</u>
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Fair Value based valuation provided by Valuer General as at 30 June 2013 and indices applied each year since.

10. NON CURRENT ASSETS - LAND UNDER ROADS

Land at Fair Value	<u>12,289,924</u>	<u>12,289,924</u>
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Council recognised the value of land under roads it controls at fair value for the first time at 30 June 2014

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

	2015 \$	2014 \$
11. NON CURRENT ASSETS - PLANT AND VEHICLES		
Plant and Vehicles at Cost	1,940,022	1,762,296
less Accumulated Depreciation	(949,255)	(820,519)
	<u>990,767</u>	<u>941,777</u>

12. NON CURRENT ASSETS - SMALL MACHINERY

Small Machinery at Cost	109,911	109,911
less Accumulated Depreciation	(79,133)	(68,126)
	<u>30,778</u>	<u>41,785</u>

13. NON CURRENT ASSETS - FURNITURE AND EQUIPMENT

Furniture and Equipment at Cost	1,039,810	995,380
less Accumulated Depreciation	(903,348)	(783,546)
	<u>136,462</u>	<u>211,834</u>

14. NON CURRENT ASSETS - INTANGIBLES

Software at Cost	168,103	135,192
less Accumulated Depreciation	(126,479)	(106,722)
	<u>41,624</u>	<u>28,470</u>

15. NON CURRENT ASSETS - BUILDINGS

Buildings at Fair Value	12,894,246	12,568,969
less Accumulated Depreciation	(676,099)	(421,467)
	<u>12,218,147</u>	<u>12,147,502</u>

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

16. NON CURRENT ASSETS - BRIDGES

Bridges at Fair Value	5,679,528	5,614,523
less Accumulated Depreciation	(4,064,516)	(3,776,448)
	<u>1,615,013</u>	<u>1,838,075</u>

Fair value based on Council revaluation as at 30 June 2012

17. NON CURRENT ASSETS - DRAINAGE

Drainage Assets at Fair Value	32,355,380	32,227,585
less Accumulated Depreciation	(10,916,565)	(10,520,367)
	<u>21,438,815</u>	<u>21,707,218</u>

Fair value based on Council revaluation as at 30 June 2012

18. NON CURRENT ASSETS - ROADS

Road Assets at Fair Value	93,703,727	88,351,974
less Accumulated Depreciation	(18,300,063)	(14,326,153)
	<u>75,403,664</u>	<u>74,025,821</u>

Fair value based on Council revaluation as at 30 June 2014

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

	2015 \$	2014 \$
19. FIXED ASSETS RECONCILIATION		
Land		
Carrying amount at the beginning of the year	7,416,317	7,794,317
Additions	500,000	110,000
Disposals	(257,000)	(488,000)
Adjustment due to revaluation	0	0
Carrying amount at the end of the year	<u>7,659,317</u>	<u>7,416,317</u>
Land under roads		
Carrying amount at the beginning of the year	12,289,924	0
Additions	0	12,289,924
Carrying amount at the end of the year	<u>12,289,924</u>	<u>12,289,924</u>
Plant and Vehicles		
Carrying amount at the beginning of the year	941,777	945,620
Additions	313,354	231,029
Disposals	(58,704)	(50,347)
Depreciation	(205,660)	(184,525)
Carrying amount at the end of the year	<u>990,767</u>	<u>941,777</u>
Small Machinery		
Carrying amount at the beginning of the year	41,785	70,318
Additions	0	7,574
Disposals	0	(16,440)
Depreciation	(11,007)	(19,667)
Carrying amount at the end of the year	<u>30,778</u>	<u>41,785</u>
Furniture and Equipment		
Carrying amount at the beginning of the year	211,834	383,642
Additions	44,430	33,495
Disposals	0	(61,543)
Depreciation	(119,802)	(143,760)
Carrying amount at the end of the year	<u>136,462</u>	<u>211,834</u>
Intangibles		
Carrying amount at the beginning of the year	28,470	53,226
Additions	32,911	2,866
Disposals	0	(6,414)
Depreciation	(19,757)	(21,208)
Carrying amount at the end of the year	<u>41,624</u>	<u>28,470</u>

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

	2015 \$	2014 \$
19. FIXED ASSETS RECONCILIATION (CONTINUED)		
Buildings		
Carrying amount at the beginning of the year	12,147,502	11,005,158
Additions	325,278	1,297,047
Disposals	0	(2,013)
Depreciation	(254,632)	(212,087)
Adjustment due to revaluation	0	59,397
Carrying amount at the end of the year	<u>12,218,148</u>	<u>12,147,502</u>
Bridges		
Carrying amount at the beginning of the year	1,838,075	1,847,086
Additions	87,384	56,690
Depreciation	(86,534)	(108,781)
Adjustment due to revaluation	(223,912)	43,080
Carrying amount at the end of the year	<u>1,615,013</u>	<u>1,838,075</u>
Drainage		
Carrying amount at the beginning of the year	21,707,217	20,053,984
Additions	104,864	1,457,369
Disposals	0	0
Depreciation	(327,344)	(312,899)
Adjustment due to revaluation	(45,922)	508,763
Carrying amount at the end of the year	<u>21,438,815</u>	<u>21,707,217</u>
Roads		
Carrying amount at the beginning of the year	74,025,817	90,762,832
Additions	4,327,459	4,904,233
Disposals	0	(143,310)
Depreciation	(1,933,274)	(1,917,883)
Adjustment due to revaluation	(1,016,340)	(19,580,055)
Carrying amount at the end of the year	<u>75,403,662</u>	<u>74,025,817</u>
20. INVESTMENT IN WATER CORPORATION		
Opening Balance	45,005,503	56,300,560
Fair Value adjustments on Available-for-Sale Assets	361,328	(11,295,057)
Total investment in water corporation	<u>45,366,831</u>	<u>45,005,503</u>
21. CURRENT LIABILITIES - PAYABLES		
Trade Creditors	373,901	347,728
Accrued Expenses	522,575	337,607
	<u>896,476</u>	<u>685,335</u>

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

22. EMPLOYEE LEAVE ENTITLEMENTS PROVISIONS

2015	Annual Leave	Long Service Leave	Total
Balance at Beginning of the financial year	370,119	663,698	1,033,817
Additional Provisions	34,008	(68,412)	(34,404)
Balance at the end of the financial year	404,127	595,286	999,413

2014	Annual Leave	Long Service Leave	Total
Balance at Beginning of the financial year	354,415	480,067	834,482
Additional Provisions	15,704	183,631	199,335
Balance at the end of the financial year	370,119	663,698	1,033,817

23(A) EMPLOYEE BENEFITS

	2015	2014
	\$	\$
(i) Current		
Annual Leave	404,127	370,119
Long Service Leave	490,588	555,240
	894,715	925,359
(ii) Non-Current		
Long Service Leave	104,698	108,458

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. CURRENT LIABILITIES - OTHER

Deposits held in trust	132,346	32,163
	132,346	32,163

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 2015**

25. RESERVES

	2015	2014
	\$	\$
Bridges Revaluation	1,288,759	1,512,671
Building Revaluation	289,630	289,630
Drainage Revaluation	11,516,752	11,562,674
Land Revaluation	4,630,935	4,630,935
Road Revaluation	39,413,993	40,430,333
Investment in TasWater	(6,024,042)	(6,385,370)
	51,116,027	52,040,873

MOVEMENTS DURING THE YEAR

Bridge Revaluation

Balance at beginning of year	1,512,671	1,469,591
Revaluation Increment / (Decrement)	(223,912)	43,080
Balance at end of year	1,288,759	1,512,671

Building Revaluation

Balance at beginning of year	289,630	230,233
Revaluation Increment	0	59,397
Balance at end of year	289,630	289,630

Drainage Revaluation

Balance at beginning of year	11,562,674	11,053,911
Revaluation Increment / (Decrement)	(45,922)	508,763
Balance at end of year	11,516,752	11,562,674

Land Revaluation

Balance at beginning of year	4,630,935	4,630,935
Revaluation Increment / (Decrement)	0	0
Balance at end of year	4,630,935	4,630,935

Road Revaluation

Balance at beginning of year	40,430,331	60,010,386
Revaluation Increment	(1,016,340)	(19,580,055)
Balance at end of year	39,413,991	40,430,331

Adjustment to value of Investment in Water Corporation

Balance at beginning of year	(6,385,370)	4,909,687
Revaluation Increment	361,328	(11,295,057)
Balance at end of year	(6,024,042)	(6,385,370)

Total movements during the year

Balance at beginning of year	52,040,873	82,304,745
Revaluations	(1,286,174)	(18,968,815)
Adjustment to value of Investment in Southern water	361,328	(11,295,057)
Balance at end of year	51,116,027	52,040,873

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

25. RESERVES (CONTINUED)

	2015	2014
	\$	\$
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	178,513,526	191,405,043
Result from operations	4,371,785	17,372,355
Adjustment to value of fair value reserve	361,328	(11,295,057)
Net decrease in asset revaluation reserve	(1,286,174)	(18,968,815)
	181,960,465	178,513,526

26. 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.

27. 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.

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

28. SUPERANNUATION

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund), which is a sub fund of the Quadrant Superannuation Scheme (the 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 34 of AASB 119 Employee Benefits, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2015 the Council contributed 11.0% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2014. The review disclosed that at that time the net market value of assets available for funding member benefits was \$66,310,000, the value of vested benefits was \$57,475,000, the surplus over vested benefits was \$8,835,000 and the value of total accrued benefits was \$58,093,000. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Scheme's financial statements for Council employees. The financial assumptions used to calculate the Accrued Benefits for the Fund were:

Net Investment Return	7% per annum
Salary Inflation	4.0% per annum
Price Inflation	n/a

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

The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2017 and is expected to be completed late in 2017.

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

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

As required in terms of paragraph 148 of AASB 119 Employee Benefits, Council discloses the following details:

- The 2014 actuarial review used the "aggregate" funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is different from the method used at the previous actuarial review in 2011.
- Under the aggregate funding method of financing the benefits, the stability of the Councils' contributions over time depends on how closely the Fund's actual experience matches the expected experience. If the actual experience differs from that expected, the Councils' contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members' benefits.
- In terms of Clause 1.9.2 of the Scheme Trust Deed, there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Clause 1.9.2(b). However in terms of Clause 1.9.2 (d), the only contributions that can be sought from the Employer and its employee Members are any arrears of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Clause 1.22.2(a) requiring the Employer to make good any shortfall before the cessation of participation is approved

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

28. SUPERANNUATION (CONTINUED)

- Clause 1.22.2(b) specifically provides that employers participating in the Fund will not be liable for the obligations of other Employers in other funds within the Scheme.
- The application of Fund assets on the Fund or the Scheme being wound-up is set out in Clause 1.21.3. This Clause provides that expenses, pensions in payment and the Superannuation Guarantee benefits of other members should have first call on the available assets. Additional assets will initially be applied proportionately to providing Member's benefits in respect of completed service. If additional assets are available they are applied to increasing members' benefits.
- The Trust Deed does not contemplate the Fund withdrawing from the Scheme. However it is likely that Clause 1.9.2 would be applied in this case (as detailed above).
- The Fund is a defined benefit Fund.
- 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. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.

During the reporting period the amount of contributions paid to defined benefits schemes was \$25,827 (2013-14, \$29,638), and the amount paid to accumulation schemes was \$170,334 (2013-14, \$156,058).

During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$26,000, and the amount to be paid to accumulation schemes is \$175,000.

As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June

2014. Favourable investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2017.

An analysis of the assets and vested benefits of Funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2014, showed that the Fund had assets of \$66.3 million and members' Vested Benefits were \$57.5 million. These amounts represented 8.4% and 7.5% respectively of the corresponding total amounts for the Scheme.

In terms of Clause 1.9.2 of the Scheme Trust Deed, there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Clause 1.9.2(b). However in terms of Clause 1.9.2 (d), the only contributions that can be sought from the Employer and its employee Members are any arrears of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Clause 1.22.2(a) requiring the Employer to make good any shortfall before the cessation of participation is approved.

Clause 1.22.2(b) specifically provides that employers participating in the Fund will not be liable for the obligations of other Employers in other funds within the Scheme.

	2015	2014
	\$	\$
Defined benefits fund		
Employer contributions to Quadrant	25,827	29,638
Accumulation funds		
Employer contributions to all accumulation funds	291,635	407,443

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

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

	2015	2014
	\$	\$
Surplus / (Deficit) Statement of Comprehensive Income	4,371,785	17,372,355
Items Not Involving Cash		
Non Cash Contributions	(2,894,804)	(17,711,052)
Depreciation and Amortisation Expense	2,958,010	2,920,810
	63,206	(14,790,242)
Investing Activity		
Net (Gain)/loss on Disposal of Plant and Equipment	13,459	176,282
	13,459	176,282
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Rates Receivables	16,614	50,519
(Increase)/Decrease in Other Receivables	(63,737)	(51,009)
(Increase)/Decrease in Other Assets	79,673	(941,254)
Increase/(Decrease) in Payables	211,141	(843,999)
Increase/(Decrease) in Provisions	(34,404)	199,335
Increase/(Decrease) in Other Liabilities	100,183	(20,810)
	309,469	(1,607,218)
Net Cash Flow from Operating Activities	4,757,919	1,151,177

30. 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 MAV Insurance, 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 charge in its exposure to or management of this risk since the previous period.

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

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

**30. FINANCIAL INSTRUMENTS
(CONTINUED)**

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.

	2015	2014
	\$	\$
TRADE RECEIVABLES		
Past due 0-30 days	304,321	200,828
Past due 31-60 days	14,580	4,285
Past due 61-90 days	1,758	23,397
More than 90 days	53,949	90,983
More than 90 days - Rates	24,366	40,980
More than 90 days - Water consumption	2,707	3,270
Total	401,681	363,743

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 2015.

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.

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

**30. FINANCIAL INSTRUMENTS
(CONTINUED)**

Maturity analysis for financial liabilities

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

	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 2015							
Cash and Cash Equivalents	5	5,004,027	0	0	0	3,578	5,007,604
Loans	8	0	0	0	250,000	0	250,000
Receivables	6	27,074	0	0	0	376,118	403,192
		<u>\$5,031,101</u>	<u>\$0</u>	<u>\$0</u>	<u>\$250,000</u>	<u>\$379,696</u>	<u>\$5,660,796</u>
Weighted avg. interest		2.10%	0.00%	0.00%	2.50%		
Financial liabilities 2015							
Current Liabilities	23	0	0	0	0	132,346	132,163
Payables	21	0	0	0	0	896,476	896,476
		<u>\$0</u>	<u>0</u>	<u>0</u>	<u>\$0</u>	<u>\$717,498</u>	<u>\$717,498</u>
Weighted avg. interest		0.00%	0.00%	0.00%	0.00%		
Financial assets 2014							
Cash and Cash Equivalents	5	2,784,736	0	0	0	3,578	2,788,314
Loans	8	0	0	0	250,000	0	250,000
Receivables	6	44,250	0	0	0	311,818	356,068
		<u>\$2,828,986</u>	<u>\$0</u>	<u>\$0</u>	<u>\$250,000</u>	<u>\$315,396</u>	<u>\$3,394,382</u>
Weighted avg. Interest		3.35%	0.00%	0.00%	2.50%		
Financial liabilities 2014							
Current Liabilities	23	0	0	0	0	32,163	32,163
Payables	21	0	0	0	0	685,335	685,335
		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$717,498</u>	<u>\$717,498</u>
Weighted avg. interest		0.00%	0.00%	0.00%			

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

**30. FINANCIAL INSTRUMENTS
(CONTINUED)**

(c) Market risk

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

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

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

	2015	2014
	\$	\$
FINANCIAL ASSETS		
Loans and Receivables	653,192	606,068
Cash and Cash equivalents	5,007,604	2,788,314

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 2013.

At 30 June 2014, 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	
	2015	2014	2015	2014
	\$	\$	\$	\$
+ 200 basis points	100,622	56,580	100,622	56,580
- 200 basis points	(100,622)	(56,580)	(100,622)	(56,580)

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 2015**

**30. 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 2015		30 June 2014	
	Carrying amount	Net Fair Value	Carrying amount	Net Fair Value
Fair Values				
<i>Financial assets</i>				
Cash and cash equivalents	5,007,604	5,007,604	2,788,314	2,788,314
Loans	250,000	250,000	250,000	250,000
Receivables	403,192	403,192	356,068	356,068
Investment in Southern Water	45,366,831	45,366,831	45,005,505	45,005,505
	51,027,627	51,027,627	48,399,885	48,399,885
<i>Financial liabilities</i>				
Deposits held in trust	132,346	132,346	32,163	32,163
Payables	896,476	896,476	685,335	685,335
	1,028,822	1,028,822	717,498	717,498
Net financial assets	49,998,805	49,998,805	47,682,387	47,682,387
Carrying amounts classified as:			30 June 2015	30 June 2014
<i>Financial assets</i>				
Cash and cash equivalents			5,007,604	2,788,314
Loans and Receivables			653,192	606,068
Available for sale financial assets			45,366,831	45,005,503
			51,027,627	48,399,885
<i>Financial liabilities</i>				
Financial liabilities measured at amortised cost			1,028,822	717,498
			1,028,822	717,498
Net financial assets/(liabilities)			49,998,805	47,682,387

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

**30. 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 2015	Level 1	Level 2	Level 3	Total
Available for sale financial assets	0	0	45,366,831	45,366,831

(f) Reconciliation of Level 3 Fair Value Movements

	30 June 2015	30 June 2014
Opening balance	45,005,503	56,300,560
<i>Gains (losses) recognised in other comprehensive income</i>		
Change in fair value of investment in Tas Water	361,328	(11,295,057)
Closing balance	45,366,831	45,005,503

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

31. 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 \$26,383 (2014 - \$22,988) in licence fees during the 2015 financial year.
- Microwise paid Council \$153,620 (2014 - \$129,412) in fees/ consultancy during the 2015 financial year.
- Directors Fees of \$28,000 (2014 - \$28,000) were paid during the 2015 financial year.

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. Gregory Davoren
- Mr. Geoff Dodge

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.

	2015	2014
	\$	\$

Financial Performance

Revenue	356,685	346,381
Expenditure	62,706	165,863
Profit	293,979	180,518

Brighton Council Equity	\$1,079,007	\$912,265
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**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

**32. BRIGHTON INDUSTRIAL &
HOUSING CORPORATION**

Brighton Industrial & Housing Corporation commenced in July 2012. 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 use of 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.

	2015	2014
	\$	\$
Financial Performance		
Revenue	719,727	94,455
Expenditure	434,950	83,787
Profit	<u>284,777</u>	<u>10,668</u>
Brighton Council Equity	<u>\$480,893</u>	<u>\$196,115</u>

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.

**33. EVENTS OCCURRING AFTER
BALANCE DATE**

Nil

34. RELATED PARTY TRANSACTIONS

Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors

- Clr Tony Foster (Mayor)
- C/r Barbara Curran (Deputy Mayor)
- Clr Wayne Garlick
- Clr Peter Geard
- Clr Leigh Gray
- Clr Moya Jeffries
- Clr Phillip Owen
- Clr Geoff Taylor
- Clr Sonya Williams

General Manager

- Ron Sanderson

Total Remuneration for the reporting year for General Manager amounted to:

Microwise Australia Pty Ltd	64,576
Brighton Council Salary	175,521
Brighton Council Superannuation	21,971
Provision of Vehicle	10,000
	<u>272,068</u>

35. AUDIT DISCLOSURE

	2015	2014
Audit Remuneration:	<u>\$27,920</u>	<u>\$24,920</u>

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

36. MANAGEMENT INDICATORS

Benchmark	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
(a) Underlying surplus or deficit				
Recurrent income* less	13,522	12,167	12,906	11,846
recurrent expenditure	13,003	12,753	12,309	11,055
Underlying surplus/deficit	0	519	(586)	597
* Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature.				
Council consistently exceeds benchmark. 2014 Deficit due to timing of Federal Grant \$834,000.				

(b) Underlying surplus ratio				
Underlying surplus or deficit	519	(586)	597	791
Recurrent income*	13,522	12,167	12,906	11,846
Underlying surplus ratio %	4%	-5%	5%	7%
This ratio serves as an overall measure of financial operating effectiveness.				
Council consistently exceeds benchmark. 2014 Deficit due to timing of Federal Grant \$834,000.				

(c) Net financial liabilities				
Liquid assets less	5,504	3,299	4,272	4,914
total liabilities	2,028	1,751	2,416	1,573
Net financial liabilities	3,476	1,548	1,856	3,341
This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets means that, if all liabilities fell due at once, additional revenue would be needed to fund the shortfall.				
Council consistently exceeds benchmark.				

(d) Net financial liabilities ratio				
Net financial liabilities	3,476	1,548	1,856	3,341
Recurrent Income	13,522	12,167	12,906	11,846
Net financial liabilities ratio %	0% - (50%)	26%	13%	14%
This ratio indicates the net financial obligations of Council compared to its recurrent income.				
Council consistently exceeds benchmark.				

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

**36. MANAGEMENT INDICATORS
(CONTINUED)**

	Benchmark	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
(e) Asset consumption ratio					
An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.					
Transport Infrastructure					
Depreciated replacement cost		77,019	75,864	92,610	87,766
Current replacement cost		99,383	93,966	113,846	106,704
Asset consumption ratio %	60%	77%	81%	81%	82%
Buildings					
Depreciated replacement cost		12,218	12,148	11,005	15,367
Current replacement cost		12,894	12,569	11,215	16,472
Asset consumption ratio %	60%	95%	97%	98%	93%
Drainage					
Depreciated replacement cost		21,439	21,707	20,054	19,563
Current replacement cost		32,355	32,228	30,015	28,923
Asset consumption ratio %	60%	66%	67%	67%	68%
This ratio indicates the level of service potential available in Council's existing asset base. Council consistently exceeds benchmark.					

(f) Asset renewal funding ratio					
An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.					
Transport and Drainage Infrastructure					
Projected capital funding outlays**		23,163	N/A	N/A	N/A
Projected capital expenditure funding***		21,673	N/A	N/A	N/A
Asset renewal funding ratio %	90-100%	107%			
Buildings					
Projected capital funding outlays**		3,569	N/A	N/A	N/A
Projected capital expenditure funding***		3,221	N/A	N/A	N/A
Asset renewal funding ratio %	90-100%	111%			
** Current value of projected capital funding outlays for an asset identified in Council's long-term financial plan.					
*** Value of projected capital expenditure funding for an asset identified in Council's long-term strategic asset management plan.					
This ratio measures Council's capacity to fund future asset replacement requirements. Council exceeds benchmark on a total asset trend basis.					

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

**36. MANAGEMENT INDICATORS
(CONTINUED)**

	Benchmark	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
(g) Asset sustainability ratio					
<i>Capex on replacement/ renewal of existing assets</i>					
Annual depreciation expense		2,827	2,036	4,225	3,403
		2,958	2,921	2,800	2,400
Asset sustainability ratio %	100%	96%	70%	151%	142%
This ratio calculates the extent to which Council is maintaining operating capacity through renewal of their existing asset base. Council consistently exceeds benchmark over any 5 year period.					

37. FAIR VALUE MEASUREMENTS

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

- Investment in water corporation
- Property, infrastructure plant and equipment
- Land
- Buildings
- Roads
- Bridges
- Drainage

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

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale. These comprise of various parcels of vacant land as disclosed in note 7. A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading 'Land held for sale).

(a) Fair Value Hierarchy

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

Level 1: 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 (ie prices) or indirectly (ie derived from prices.)

Level 3: Inputs for the asset or liability that are not based on observable market data.

The table below shows the assigned level for each asset and liability held at fair value by the Council. The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2015.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3.

This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

37. FAIR VALUE MEASUREMENTS (CONTINUED)

		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
AS AT 30 JUNE 2015					
Recurring fair value measurements					
Land	9,10	-	\$7,659	\$12,290	\$19,949
Buildings	15	-	-	\$12,218	\$12,218
Roads	18	-	-	\$75,404	\$75,404
Bridges	16	-	-	\$1,615	\$1,615
Drainage	17	-	-	\$21,439	\$21,439
		\$0	\$7,659	\$122,966	\$130,625
Non-recurring fair value measurements					
Assets held for sale	7	-	\$998	-	\$998
		-	\$998	-	\$998
AS AT 30 JUNE 2014					
Recurring fair value measurements					
Land	9,10	-	\$7,416	\$12,290	\$19,706
Buildings	15	-	-	\$12,148	\$12,148
Roads	18	-	-	\$74,026	\$74,026
Bridges	16	-	-	\$1,838	\$1,838
Drainage	17	-	-	\$21,707	\$21,707
		\$0	\$7,416	\$122,009	\$129,425
Non-recurring fair value measurements					
Assets held for sale	7	-	1,008	-	\$1,008
		-	1,008	-	\$1,008

Transfers between levels of the hierarchy

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

(b) Highest and best use

A number of Council assets are not being used for their highest and best use. This is mainly in relation to a number of Council buildings that are leased to community groups on a user pays system. A number of parcels of vacant land are also used throughout the municipality for parklands and sporting grounds. Council has identified that community groups require a place to meet and operate from at a minimal cost to their organisation which in turn contributes to a sense of community within the municipality. Council also sees that it has a commitment to the health and wellbeing of the ratepayers to provide adequate sporting grounds and recreational walking tracks.

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

Council adopted AASB 13 Fair Value Measurement for the first time this financial year and has reviewed each valuation to ensure compliance with the requirements of the new standard. There have been no changes in valuation techniques as a result of this review.

**NOTES TO AND FORMING PART
OF THE FINANCIAL REPORT for the year ended 30 June 2015**

**37. FAIR VALUE MEASUREMENTS
(CONTINUED)**

Land

Land fair values were determined by a qualified independent valuer Opteon (Tasmania) Pty Ltd valued at 1st July 2012 but effective 1st July 2013.

Land held for sale

Council identified land that is no longer required and listed it with a real estate agent within the reporting period. Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification.

Land under roads

The valuation of Land under roads is based on the unit rate given by the Valuer General - Land under Roads 2014 areas multiplied by the m2 road data held in Councils asset management system.

Buildings

The fair value of buildings were also determined by qualified independent valuer Opteon (Tasmania) Pty Ltd valued at 1st July 2012 but effective 1st July 2013. Indexation has occurred for these buildings based on the ABS Producer Price Index for the March quarter. This index takes into account the movement in construction costs for Hobart and is multiplied by the total building value.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, residual value at the time the asset is considered to be no longer available for use.

Infrastructure assets

All Council infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. The resulting valuation reflects the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output.

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on the modern equivalent cost of replacement with a new asset including components that may not need to be replaced, such as earthworks.

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in Note 1(e).

The calculation of Depreciated Replacement Cost involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation. The table at (d) below summarises the effect that changes in the most significant unobservable inputs would have on the valuation.

The methods for calculating CRC are described under individual asset categories below.

Roads, including footpaths & cycleways

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT for the year ended 30 June 2015

37. FAIR VALUE MEASUREMENTS (CONTINUED)

CRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. Council assumes that pavements are constructed to depths of 250mm on sealed roads and 100mm on unsealed roads. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's Enterprise Bargaining Agreement (EBA). Where construction is outsourced, CRC is based on the average of completed similar projects over the last few years.

Bridges

A full valuation of bridges assets was undertaken by independent valuers, Tasspan effective 30 June 2012. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

Drainage

A full valuation of drainage infrastructure was undertaken by Council's Engineer Stornoway, effective 30 June 2012. Similar to roads, drainage assets are managed in segments; pits and pipes being the major components.

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

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

Other Infrastructure

Other infrastructure is not deemed to be significant in terms of Council's Statement of Financial Position.

(e) Valuation processes

Revaluation of Council assets is undertaken on a regular basis. Valuation of roads, drainage and bridges are undertaken every 5 years and land and buildings every 6 years by independent valuers. At the end of each financial year a review of all assets is undertaken to make sure that assets are still current and have a future economic benefit. Indexation of Council assets by independent sources is undertaken in between revaluation years. These independent sources are the Producer Price Index, the Valuer General Adjustment index and the Consumer Price Index.

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

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

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

Brighton Council

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Brighton
going places

