



**BRIGHTON
COUNCIL**

2017

**ANNUAL
REPORT**

2018

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REMEMBRANCE PARK

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 2017/18 Annual Plan.
- The second part of the Annual Report incorporates the audited financial statements for the financial year.

History

Before European arrival, the land to the east of the Jordan River formed part of the Oyster Bay Tribe territory and the land to the west was part of the Big River Tribe territory. Aboriginal fire management and hunting practices formed the grassland valley still visible today from Bagdad to the Derwent River.

The area was patrolled 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 *Tasmanian Mail* of 10 January 1885 described the Brighton district as an open hand. Bridgewater was the end of the wrist, Brighton Plains the palm, Dromedary the thumb, and Broadmarsh, Bagdad Valley, Tea Tree and Old Beach formed the four fingers. The hand still remains today, albeit with a few more lines on the 'skin'.

Brighton Council held its first meeting on 19th November 1863. In 1993, one hundred and thirty years later, the number of Councils in Tasmania being reduced from forty-six to twenty-nine. Under this reform Brighton lost over half of its rural land. Brighton is now a small area, 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 the industrial estate and around the transport hub, which is consequently increasing the number of local jobs. Brighton township and the suburb of Old Beach are growing particularly quickly and in recognition of this a high school is now proposed for Brighton.

Brighton has a population of over 17,000 with a median age of 34 years and 87% of the population are under 65 years of age.

Brighton Council continues to be a progressive, sustainable and efficient council.

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 11th December 2018. Any person wishing to make a submission should do so by close of business 30th November 2018.



OFFICIAL OPENING
BRIGHTON BOWLS
AND COMMUNITY
CLUB



BRIGHTON BOWLS CLUB GREENS



2018 ELECTED REPRESENTATIVES

MAYOR'S MESSAGE

Tony Foster AM OAM JP Mayor of Brighton

Brighton Council is on the cusp of an exciting period with exciting new education advances, more industries attracted to the municipality and significant upgrades in social amenities.

We are determined to maintain the momentum. But Brighton Council -- along with other local councils across Tasmania -- has recently started down the State Government's campaign for a hostile takeover of TasWater, the state's water and sewerage facility owned by Tasmania's 29 local governments.

In my 26 years as mayor of Brighton Council -- and I mention with humility that I am the longest serving mayor in our great state -- this was one of the toughest battles local governments have faced in this state. Brighton was at the forefront of fighting the planned takeover of TasWater by the Hodgman Government.

If the councils had lost, there would have been a heavier financial burden on the third tier of government.

In the case of Brighton municipality, it would have jeopardised Council's fair-rating system that keeps rate increases at or below CPI rises and it would have negatively impacted on our ability to further enhance the community in which we live.

In a letter to the Brighton community in August 2017, I stated that TasWater had made significant progress since its formation in 2013 and that there was no crisis in the state's water and sewerage services.

"We will not let our ratepayers become victims of the State Government's political game."

And indeed we have not let our ratepayers down! The Government has backed down and will now inject \$200 million into TasWater.

If the State Government had won the fight, it would have placed our finances under significant pressure, including threatening the viability of our fair-rating system.

In a recent comprehensive survey of Brighton residents, the fair-rating system and financial management received the strongest positive responses.



For the 23rd year in succession Brighton Council will keep its rate increases in line with inflation. The general rate rise will be pegged to the CPI for 2018/19.

The rise in the new financial year will be just two per cent, or \$17 a year for all residential households.

We are particularly proud of this achievement. We've been able to do this with other sources of revenue, despite reduction or disappearance of many State and Commonwealth Government grants.

Indeed, our budget for 2018/19 has been framed after accepting a 33 per cent reduction in Brighton's dividend from TasWater, a situation confronting all councils to improve TasWater's capacity to address statewide water and sewerage upgrades.

It is encouraging to note that Brighton Council's fair-rating system is regularly applauded by the Auditor-General, whose reports show that Brighton continues to have the lowest rates in Tasmania.

Over the five years to 2016/17 Brighton's rates rose by a total of just 6 per cent -- well below the average of all Tasmanian councils of 14 per cent, with two councils increasing their rates by 24 per cent and 28 per cent over the same period.

Brighton Council also has the lowest per capita number of staff and employee costs as a percentage of annual operating revenue at 23.1 per cent are a full 10 points below the average of all councils of 33.1 per cent.

Operational efficiencies, sound financial management, the continuing success of our MicroWise business and Brighton's leading role in sharing services with like-minded councils enable us to undertake a range of community improvement projects over 2018/19.



BRIDGEWATER PARK

Key projects include more street tree planting following positive community support for Council's efforts to date, and a significant investment to provide female-friendly change-rooms at sporting facilities as a result of greater focus on sports participation by women and girls.

Improved educational resourcing has always been high on my agenda and I look back with some pride at the creation of the Jordan River Learning Federation.

Now I am pleased to report that a second secondary education facility will be constructed, this time in Brighton Township. The State Government decision was announced by the Education and Training Minister, Jeremy Rockliff, when the current State Government held its first regional meeting in Brighton in April.

Brighton Council has been promoting the project for many years to cater for our population growth and to support the good work being done at the Federation.

Jeremy Rockliff has been a long-time supporter of the project and we worked with him to expedite plans. A new Brighton high school, to cater for students from years seven to 12, was a key election promise by the Liberals.

The \$30 million school will include state-of-the-art facilities to cater specifically for year 11 and 12 students from within the municipality and the southern Midlands area.

Demographic research shows that Brighton will be the fastest growing local government area in the state over the next decade, so the need for a new high school is paramount.

Brighton Primary, with its enrolment approaching 700, is already one of the largest primary schools in the state, yet when they finish grade six virtually every student travels to Glenorchy or Hobart to attend high school.



The Jordan River Learning Federation caters very well for children in Bridgewater, Gagebrook and Herdsmans Cove, however the active promotion of JRLF to Brighton students and families over many years has failed.

The Council believes that improving education outcomes in the municipality could play a major role in enhancing social and community outcomes.

One issue which certainly does not enhance social and community outcomes is the current proliferation of EGMs (electronic gaming machines) – pokies – the scourge of Tasmanian families, especially those living in lower socio-economic communities.

At its December meeting, Brighton Council became the first Tasmanian council to vote for the removal of poker machines from the state's hotels and clubs.

Council stressed that it was supporting a policy, not politics. Both the Labor and Greens parties want pokies removed from pubs and clubs, while the Liberals want the current numbers of pokies to remain. Labor and the Greens would still allow pokies in Tasmania's two casinos, but their capacity to do harm to our communities would be reduced.

Those interests promoting poker machines say Tasmanians should not be told where they can and cannot play the pokies: people, they insist, should be free to choose, no matter the harm caused to them and their families.

The scare campaign for status quo with the pokies will be directed and funded by the very few vested interests who profit significantly from the misery caused as a result of the losses on these EGMs.

These vested interests are Federal Hotels, a small number of hotel owners, their misguided industry association and employees who are being pressured by threats of job losses.

Brighton Council's strong position is that pokies should be limited to the two casinos. Research released in early 2017 demonstrates that this view is shared by the majority of Tasmanians.

The same research indicated that each pokie machine in Brighton takes \$37,225 from the community each year. In total, the annual losses from poker machines in

Brighton municipality totals \$2.23 million a year.

Some 226 out of 238 countries do not allow poker machines in clubs and hotels. Tasmania has more pokies than India, Italy and the Netherlands combined!

On a lighter note, I endorse the successful conversion of the Brighton Bowls Club as a valuable new community space for locals to meet, socialise and host events.

Brighton, like other regional communities, has suffered from a lack of community meeting spaces.

The project was funded by \$400,000 from the Commonwealth Government,

\$400,000 from Brighton Council and \$35,000 from the Brighton Bowls and Community Club.

The community centre will provide social and health benefits to the more senior members of our community. Best of all, the centre is pokies free!

At the recent Australia Day awards, this year's Brighton Council citizen of the year was named: Fiona Kingston, who established the Girl Guides program, when her daughter wanted to join the Guides 11 years ago. Fiona is a strong community advocate.

Other recipients were:

Volunteer of the year: Michael Gordon, who does a lot of community work in the Tea Tree area.

Young citizen of the year: Larissa Hall, who lived on the streets as a teenager, now works with the youth of Tasmania in various community roles.

Community event of the year: the Campervan and Motorhome Club of Australia's annual rally, which was held in Brighton early last year.

Finally, on behalf of the elected members of Brighton Council, I would like to express our appreciation of the great ongoing contribution by general manager Ron Sanderson and his team.

They ensure that Brighton Council shines the light for the other 28 local governments in Tasmania, providing the template for successful communities advancing further into the 21st century.

GENERAL MANAGER'S MESSAGE

Ron Sanderson General Manager

The Director of Local Government has published a comparison of council rates across Tasmania entitled Rates Snapshot 2016/17. It's shown to be a Brighton Council success story.

The report has vindicated the strong budget policy position held by Brighton Council for many years - in fact 23 years. The following figures taken from the Director's report are very telling in how a mid-sized council can hold its annual rate rise to CPI for 23 years and still achieve such positive results.

In the comparative table of rates for all Tasmanian councils for 2016/17, Brighton Council was a standout in the average rate categories:

Average rate per head of population

- Brighton ranked first with the lowest average rate per head of population
- Brighton = \$504
- The average for all Tasmanian councils = \$1018

Average rate per rateable property

- Brighton Council had second lowest average rate per property
- Brighton = \$1087 which was lower than all other councils except Central Highlands
- The average for all Tasmanian councils = \$1516

Councils were grouped under five council classifications, based on population size and density in accordance with the *Australian Classification of Local Governments*. Brighton fits in the Urban Small Councils classification (population up to 30,000) comprising the following councils: Brighton, Burnie, Central Coast, Devonport and West Tamar.

Following are comparisons for these five Urban Small Councils:

	Average rate per rateable property	Average rate per head of population	Operating cost per property
Brighton	\$1087	\$504	\$1864
Burnie	\$2318	\$1169	\$3748
Central Coast	\$1344	\$666	\$2309
Devonport	\$2223	\$1082	\$3135
West Tamar	\$1453	\$716	\$1940



Brighton Council has consistently applied the following principles in setting its annual estimates:

- Keep general rate increases to Hobart CPI increases
- Fund depreciation
- Maintain an operating surplus
- Maintain positive cash flow

We can keep to these principles in part because of the following:

- We are growing with new dwellings, commercial and industrial developments
- We keep our administration costs to an acceptable bare minimum
- We raise external funding:
 - Microwise software sales income
 - Brighton Industrial and Housing Corporation
 - Provision of professional services to other councils

A major leap into the 21st century undertaken by Brighton Council was to go serverless, joining a growing wave of innovative businesses around Australia committing to cloud-based software.

Brighton is the first of Tasmania's 29 local governments to completely embrace cloud technology.



OLD BEACH CRICKET OVAL

All Council business - including rates, financials, asset management, and GIS mapping - is now on the Microsoft Azure cloud platform.

Brighton Council is no stranger to innovation in technology. It has a 20-year history of selling local government software packages that it has developed internally. It now has 32 clients in Australia.

Council's technology business was successful in reaching the finals of this year's prestigious Victorian Municipal Association Australian Technology Awards for Excellence.

Being an award finalist was a significant achievement for CouncilWise, which was only established in 2017, and recognised the platform as a leader in local government technology and support throughout Australia and the South Pacific.

Through our CouncilWise business our partnership with Microsoft can be the way of the future for local government around Australia.

Brighton Council regularly seeks endorsement from the community we serve of our plans for the future.

This year our community survey received a great input from the community. The respondents covered a wide range of age groups, from teenagers to residents over 70. They included homeowners, buyers and renters.

Residents responded positively to the survey, providing a range of suggestions and input to assist Council in the future development of the municipality as well as helping it formulate the new Brighton Structure Plan.

Roads, footpaths, parks, recreation facilities and waste management were listed as the most valuable Council services.

Health and medical services, while not strictly a local government responsibility, are clearly the most valued services for Brighton residents. Council continues to be actively involved in improving these services, including the promotion of medical and dental facilities in the municipality.

Looking to affordable housing, Council continues to pursue a range of re-zonings and master plans across the municipality to ensure there is always more than an adequate supply of a range of options for housing, from medium-density apartments to rural living options.

Council is also working with Centacare Evolve Housing on its project to deliver around 440 new dwellings within the municipality.

Council has released its own surplus land for affordable housing projects and will continue to do so.

Council actively seeks to attract potential employers to the municipality. Recently, Barwick's Landscape Materials, a family company with 40 employees, moved to Brighton's Industrial Estate after more than 40 years in Granton.



Barwick's, as well as supplying landscaping material to Brighton and its neighbouring municipalities, has also developed a new business shredding old tyres for recycling for road surfacing, sporting fields, playgrounds, building insulation, asbestos-free vehicle brake pads and even new tyres.

It processes 30,000 tyres a month – a much better fate for them than in landfill!

Council is also working closely with education, training and employment providers and a range of government departments to optimise the opportunities for the community.

The school-based apprenticeships/traineeships program at Jordan River Learning Federation is achieving great results.

In recent months students in years 11 and 12 have been taking up the offer from local businesses and industries to help ensure their future career pathways.

The students are paid for two days on-the-job employment and also embark on a vocational course that relates to the company they work for. This should lead to them obtaining their Tasmanian Certificate of Education (TCE).

Brighton Council has taken on two students – Ethan and Cody, who are keen to have careers in horticulture.

As Brighton develops as the fastest-growing municipality in Tasmania, the community will benefit from major project investments as a result of recent significant successes in Federal and State Government grant applications.

Government funds are being matched by Council which means that more than \$6 million worth of projects is currently being spread throughout the community.

Successful grant projects are:

Brighton streetscape

The Federal Government has committed \$800,000 to completing the project.

The owners of the approved supermarket development have provided \$80,000.

Council has contributed \$858,000, but also provided more money during early stages of the upgrade.

Bridgewater parkland

PlayStreet and Council developed a detailed master plan for the foreshore area of Bridgewater in consultation with the local community. Council has received a \$430,000 Commonwealth grant. LINC Centacare Evolve Housing has committed \$150,000 to stage 1, and Council is committing \$300,000 plus \$70,000 in in-kind support.

Pathways and shelters

Under the State Government Community Infrastructure Grant round, \$262,000 has been allocated to upgrading the pathways linking Gagebrook, Herdsmans Cove and Bridgewater.

Centacare Evolve has committed \$30,000 to the project. Council is contributing \$348,000.

Cove Hill Bridge

Council and the Commonwealth each contributed \$800,000 towards the replacement of the Cove Hill Bridge, which is under construction.

Brighton Bowls and Community Club

The club received a \$400,000 commitment in a joint application with Council from the Federal Government towards the redevelopment. Council committed a further \$400,000 with \$100,000 contributed by the club.

Old Beach jetty

Under a Marine and Safety Tasmania (MAST) funding program, Council has obtained a \$168,000 grant to replace the old jetty. Council is contributing a further \$120,000.

The successful grants do not take into account Council-only projects, such as Old Beach park.

Finally, I would like to thank my colleagues – whether they are outside in the unpredictable weather or work at a desk – for their ongoing enthusiasm, professionalism and dedication. They, with the total support of the Mayor and Councillors, continue to ensure that Brighton is financially the strongest local government in Tasmania. And the most innovative.

We encourage other local governments in Tasmania and on the mainland to follow our lead.

COUNCILLORS AS AT 30TH JUNE 2018



Cr Tony Foster (Mayor)

Terms as Councillor
1985-1988
1990-2018

Terms as Mayor
1993-2018

Committee Representation:

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

Council Representative:

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



Cr Barbara Curran (Deputy Mayor)

Terms as Councillor
1996-2018

Term as Deputy Mayor
2014-2018

Committee Representation:

- Environment & Heritage (Chairperson)
- Finance (Deputy Chairperson)
- Parks & Recreation (Deputy Chairperson)
- Planning Authority
- 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)
 - Waste Strategy South (Alt Rep)
 - Taswater (Deputy Rep)
-



Cr Wayne Garlick

Terms as Councillor
1999-2000
2003-2005
2007-2018

Committee Representation:

- Environment & Heritage
- Finance
- Planning
- Waste Management



Cr Peter Geard

**Terms as Councillor
1984-1993
1997-2018**

Committee Representation:

- Environment & Heritage (Deputy Chairperson)
- Parks & Recreation (Chairperson)
- Planning
- Waste Management Committee (from May)

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 Leigh Gray

**Terms as Councillor
2005-2018**

Committee Representation:

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

Council Representative:

- Cycling South
- Waste Strategy South (Rep)



Cr Keith Higgins

**Terms as Councillor
2016-2018**

Committee Representation:

- Environment & Heritage
- Parks & Recreation
- Planning



Cr Moya Jeffries

**Terms as Councillor
2007-2018**

Committee Representation:

- Environment & Heritage
- Finance
- Parks & Recreation
- Planning

Council Representative:

- Jordan River Learning Federation Senior School Council



Cr Philip Owen

**Terms as Councillor
1989-2018**

Committee Representation:

- Finance
- Heritage & Environment
- Planning (Deputy Chair from Nov)
- Waste Management (Chairperson from Nov)



Cr Sonya Williams

**Terms as Councillor
2005-2018**

Council Representative:

- Environment & Heritage
- Parks & Recreation
- Planning

Committee Representation:

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

OVERVIEW AND HIGHLIGHTS

1. Provide sustainable and responsible financial management of council resources

We have:

- Kept the general rate increase to Hobart CPI.
- Achieved above benchmark results for all financial sustainability indicators on a trend basis.
- Achieved underlying operating statement surpluses (excludes nonoperational items such as granted assets and capital income).
- Provided expanded professional services in Tasmania, the mainland and overseas through its participation in the Local Government Shared Services Venture.
- Optimised the return on its investments including Microwise from the ownership of its Bridgewater Investment property leased by the Hobart Gymnastics Club.

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

We have:

- Continued investing in public realm and open space improvements with the completion of the Brighton Bowls and Community club and the commencement of the Bridgewater Parklands off Cheswick Crescent.
- Prepared and endorsed the Brighton Structure Plan 2018.
- Promoted investment in the industrial hub.
- Prepared major analysis of strategic residential growth areas.
- Worked with Centacare Evolve to facilitate the implementation of the Holmes Dyer Master Plan for Bridgewater, Gagebrook and Herdsmans Cove.
- Prepared and submitted Brighton's provisions for the statewide planning scheme.
- Optimised community benefit from Council owned land and infrastructure, including sales and purchases when strategically appropriate.



PATHWAY BRIDGEWATER



PATHWAY BRIDGEWATER



3. Promote sustainable practices throughout council, local businesses and the community

We have:

- Completed the Brighton Bowls and Community Club building redevelopment for community purposes.
- Continued to support the Brighton Alive administration.
- Continued improving Council's sustainability and reducing Council's ecological footprint.
- Pursued and supported relevant grant opportunities.

4. Promoting Brighton as a great place to visit and live

We have:

- Substantially commenced Stage 1 of the Bridgewater Parkland development.
- Completed the Child's Drive Park in Old Beach.
- Substantially commenced the walkway and shelters upgrade for Gagebrook, Herdsmans Cove and Bridgewater.
- Continued implementing the Greening Brighton Strategy including new street trees along the East Derwent Highway, Paice Street and Hurst Street.
- Completed the Brighton Streetscape Plan.
- Continue improving disability access and an aged friendly community with improvements to footpaths and kerb ramps.
- Promoted Council's fair rating system and sound financial management.
- Continued to promote the Brighton "brand".
- Promoted education outcomes and secured funding for a major school farm upgrade and a new high school.
- Prepared the augmented reality visitor experience for Brighton - Pontville.

5. Facilitate provision of better transport systems

We have:

- Lobbied Metro Tasmania and the Department of State Growth to improve access to public transport.
- Promoted strategic public transport opportunities such as light rail, ferries and park and ride.

6. Maintain at a high level and improve our physical infrastructure

We have:

- Continued working with Cricket Tasmania to develop Pontville Park into a first-class venue for local, regional and state-wide events.
- Reconstructed the Cove Hill Road bridge.
- Reconstructed 500m of Thompson Crescent and Croydon Place in Bridgewater.
- Completed asphalt reseal and two coat seals for various Bridgewater and Old Beach roads.
- Completed streetscaping on Brighton Road.
- Reconstructed Old Beach Jetty.
- Commenced works on Bridgewater Parkland Stage 1.
- Commenced works on the Gagebrook - Herdsmans Cove walkways.

7. Promoting industrial, business and employment growth

We have:

- Facilitated and encouraged strategic developments.
- Facilitated population growth via development strategies and rezonings.

Public Health

We have:

- Conducted monthly immunisation clinics, annual school immunisations and promote 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.

Risk Management

We have:

- Continued to keep risk exposure to a minimum by helping reduce injuries and potential loss. Management practices have involved identifying risks, analysing and treating by taking appropriate action.
- Continued to be proactive in inspections and reviews of roads, footpaths, written agreements with clubs/user groups, building & financial services, town planning and recreation functions.
- Educated community groups on importance and activities involved with risk management.



OPENING OF THE BRIGHTON BOWLS AND COMMUNITY CLUB

PERFORMANCE STATISTICS – ENVIRONMENT AND DEVELOPMENT

	2018	2017
ANIMAL CONTROL		
Total number of dogs registered with Council	3152	3530
Number of complaints	376	
Number of dogs taken to Hobart Dog Home	134	144

LAND USE PLANNING AND BUILDING		
Number of Development Applications processed	310	279
Number of Subdivision Applications processed	42	33
Total number of new lots created	57 LAND + 72 STRATA LOTS	42 LAND + 42 STRATA LOTS
Number of Building Permits processed	260	206
Value of Building Approvals	\$38.3 MILLION	\$23.2 MILLION

ENVIRONMENTAL HEALTH		
Number of Vaccinations	391	328
Number of Food Premises Registered	100	84
Number of complaints	210	200
Number of Food Samples taken	4*	0**
Number of On-site Wastewater Applications	56	49
Total Expenditure on Public Health	\$11,000	\$11,000

* Food sampling was based more on operator compliance and knowledge of the Food Safety Standards & EHO observation of this.

**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

Under the *Public Interest Disclosures Act 2002* (the Act), Brighton Council is required to report on any disclosures about improper conduct by its public officers or Brighton Council. In accordance with the requirements of Section 86 of the Act Brighton Council advises that:

- a) Brighton Council's procedures under the Act are available on the Council website at www.brighton.tas.gov.au;
- b) Brighton Council did not receive any disclosures under the Act during the year;
- c) No public interest disclosures were investigated by Brighton Council during the year;
- d) No disclosed matters were referred to Brighton Council during the year by the Ombudsman;
- e) No disclosed matters were referred during the year by Brighton Council to the Ombudsman to investigate;
- f) No investigations of disclosed matters were taken over by the Ombudsman from Brighton Council during the year;
- g) There were no disclosed matters that Brighton Council decided not to investigate during the year;
- h) There were no disclosed matters that were substantiated on investigation as there were no disclosed matters; and
- i) The Ombudsman made no recommendations under the Act that relate to Brighton Council

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 2017/18 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.

Four tenders were called and awarded during the 2017/18 financial year:

- East Derwent Highway Footpath Upgrade Works (24/5/2018), Kelly's Civil Contracting, Unit 15 Runway Place, Cambridge TAS 7170 - \$329,667.
- Thompson Place Rehabilitation (20/9/2017), Andrew Walter Constructions, 4 Whitestone Drive, Granton TAS 7030, \$292,054.
- Kerbside Waste Management Services (22/12/2017), J.J Richards Pty Ltd, 3 Grant Street, Cleveland QLD 4163, \$310,088. (5 year + optional 1 year + 1 year).
- 2017-2018 Brighton Reseal Program (17/8/2017), Roadways, 28 Jackson Street, Glenorchy TAS 7010, \$628,066.

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) but less than \$250 000 during the financial year

- Bridgewater Parkland, Specialised Landscaping Services, 14-16 Hale Street, Derwent Park TAS 7009, \$194,730.
- Old Beach Jetty, ASD Diving, 44 Napoleon Street, Battery Point TAS 7004, \$217,110.

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.

Local Government Shared Services

Brighton Professional Services experienced a slight decline during 2017/18 when compared to the previous years. Brighton Council continues to play a lead role in the development of the Local Government Shared Services (LGSS) initiative with membership having grown to 14 Councils in the past; which now includes councils from the Northern Territory.

During 2017/18, over 13,080 hours (2016/17 13,600 hours) of shared services were exchanged by participating member/non-member councils delivering a net benefit to the group of over \$1.16 million (2017/17 \$1.05M).

Code of Conduct – complaints – Section 72(1)(ba) - Local Government Act 1993

In accordance with Section 72(1)(ba) of the *Local Government Act 1993*, it is reported that there were 2 Code of Conduct determinations during 2017-18 financial year.

Code of Conduct – costs – Section 72(1)(bb) - Local Government Act 1993

In accordance with Section 72(1)(bb) of the *Local Government Act 1993*, it is reported that the total cost met by the Council in respect of the code of conduct complaints was \$6734.66

Enterprise Powers – statement of activities – Section 72(1)(ca) – Local Government Act 1993

In accordance with Section 72(1)(ca) of the *Local Government Act 1993*, it is reported that Council formed a corporation, CouncilWise Pty Ltd, to market local government software.



SUNSET AT PONTVILLE PARK

COUNCILLOR ATTENDANCE



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

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

SPECIAL COUNCIL MEETING			
Name	No. of Meetings Held	Attended	%
MEMBERS			
Cr T Foster (Chairperson)	2	2	100%
Cr B Curran	2	2	100%
Cr W Garlick	2	1	50%
Cr L Gray	2	2	100%
Cr K Higgins	2	2	100%
Cr M Jeffries	2	2	100%
Cr P Owen	2	2	100%
Cr S Williams	2	2	100%
Cr P Geard	2	2	100%

PARKS AND RECREATION

Name	No. of Meetings Held	Attended	%
MEMBERS			
Cr P Geard (Chairperson)	3	3	100%
Cr B Curran (Deputy Chairperson)	3	3	100%
Cr L Gray	3	3	100%
Cr K Higgins	3	3	100%
Cr M Jeffries	3	1	33%
Cr S Williams	3	2	67%
IN ATTENDANCE			
Cr T Foster		3	
Cr W Garlick		2	
Cr P Owen		3	

FINANCE

Name	No. of Meetings Held	Attended	%
MEMBERS			
Cr T Foster (Chairperson)	6	6	100%
Cr B Curran (Deputy Chairperson)	6	5	83%
Cr W Garlick	6	4	67%
Cr L Gray	6	5	83%
Cr M Jeffries	6	4	67%
Cr P Owen	6	6	100%
IN ATTENDANCE			
Cr P Geard		6	
Cr K Higgins		6	
Cr S Williams		3	

PLANNING

Name	No. of Meetings Held	Attended	%
MEMBERS			
Cr L Gray (Chairperson)	8	7	88%
Cr P Owen (Deputy Chairperson)	8	8	100%
Cr B Curran	8	6	75%
Cr T Foster	8	8	100%
Cr W Garlick	8	4	50%
Cr P Geard	8	7	88%
Cr K Higgins	8	8	100%
Cr M Jeffries	8	5	63%
Cr S Williams	8	4	50%

WASTE MANAGEMENT

Name	No. of Meetings Held	Attended	%
MEMBERS			
Cr P Owen (Chairperson)	1	1	100%
Cr B Curran	1	1	100%
Cr T Foster	1	1	100%
Cr W Garlick	1	0	0%
Cr P Geard	1	0	0%
Cr L Gray	1	1	100%
IN ATTENDANCE			
Cr Higgins		1	
Cr Williams		1	
Cr Geard		1	
Cr Jeffries		1	



BRIGHTON COUNCIL

2017

FINANCIAL REPORT

2018

Brighton
going places

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INDEPENDENT AUDIT REPORT



Independent Auditor's Report

To the Councillors of Brighton Council

Report on the Audit of the Consolidated Financial Report

Opinion

I have audited the financial report of Brighton Council (Council) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018 and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, the Group's financial position as at 30 June 2018 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

My audit responsibility does not extend to the budget figures included in the statement of comprehensive income and the asset renewal funding ratio disclosed in note 14 to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the

...1 of 3

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General Manager's determination that Council did not have any Significant Business Activities for inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

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

Responsibilities 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 the *Local Government Act 1993* and for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the General Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council is to be dissolved by an Act of Parliament or the Councillors intend to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager.
- Conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability

...2 of 3

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to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate with the General Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Stephen Morrison
Assistant Auditor-General Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

10 October 2018
Hobart

...3 of 3

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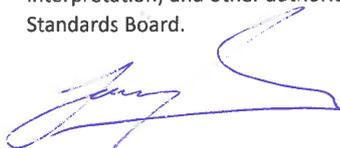
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STATEMENT BY THE GENERAL MANAGER

Brighton Council
2017-18 Financial Report

Certification of the Financial Report

The financial report presents fairly the financial position of the Brighton Council as at 30 June 2018, 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 interpretation) and other authoritative pronouncements issued by the Australian Accounting Standards Board.



James Dryburgh
Acting General Manager

Date: 14/08/2018

MANAGEMENT LETTER



Level 8, 144 Macquarie Street, Hobart, Tasmania, 7000
Postal Address: GPO Box 851, Hobart, Tasmania, 7001
Phone: 03 6173 0900 | Fax: 03 6173 0999
Email: admin@audit.tas.gov.au
Web: www.audit.tas.gov.au

10 October 2018

Cr T Foster
Mayor
Brighton Council
1 Tivoli Road
OLD BEACH TAS 7017

Issued by email only

Dear Cr Foster

Brighton Council — Final Management Letter — Audit of Financial Report for the Year Ended 30 June 2018

The audit of the financial report for Brighton Council (Council) has been completed in accordance with the agreed client strategy. I have issued my audit report, a copy of which is enclosed.

Audit Findings

No matters came to my attention during the audit. You will appreciate that my normal audit procedures are designed primarily to enable me to form an opinion on the financial report as a whole and therefore do not necessarily bring to light at each audit all the weaknesses in internal control or accounting practice which a special investigation might do.

I have prepared this letter solely for the use of Council. As you know, this report forms part of a continuing dialogue between Council and the Auditor General and, therefore, it is not intended to include every matter, whether large or small, that has come to my attention. For this reason I believe that it would be inappropriate for this letter to be made available to third parties and, if such a third party were to obtain a copy without my prior written consent, I would not accept any responsibility for any reliance that they might place on it.

...1 of 2

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Auditor-General's Report

Draft commentary for inclusion in the Auditor-General's Report to Parliament scheduled for completion and tabling in late November 2018, will be prepared in due course and then forwarded to you for formal comment.

Review of the Annual Report

Please forward me a copy of the final draft of Council's annual report for review by my staff prior to its publication. This review will be conducted in accordance with Auditing Standard ASA 720 *The Auditor's Responsibilities Relating to Other Information* to identify any material inconsistencies between the financial report and other information disclosed in the annual report.

Appreciation is expressed for the assistance and co-operation provided to my staff during the course of the audit.

Please note that a copy of this letter together with the audit report will be provided to the Minister for Planning and Local Government, The Hon P Gutwein MP in accordance with section 19(2) of the *Audit Act 2008*.

If you have any queries regarding the audit or any other matters, please contact me or Alex Irwin on 6173 0900.

Yours sincerely



Stephen Morrison
Assistant Auditor-General Financial Audit Services

Encl.

Copy for:
Mr R Sanderson, General Manager
Mr G Dodge, Chair of Audit Panel

...2 of 2

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STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2018

	Note	Budget 2018 \$	Actual 2018 \$	Actual 2017 \$
INCOME FROM CONTINUING OPERATIONS				
Recurrent Income				
Rates and charges	2.1	8,864,742	8,931,355	8,364,457
Statutory fees and fines	2.2	484,500	672,557	579,607
User fees	2.3	655,250	733,510	967,983
Grants	2.4	1,780,403	1,815,535	2,338,574
Contributions – cash	2.5	250,000	103,360	30,533
Interest	2.6	120,075	136,224	126,457
Commercial income	2.7	781,644	1,284,464	1,819,685
Investment revenue from water corporation	2.9,4.1	924,000	924,000	924,000
		13,860,614	14,601,003	15,151,295
Capital Income				
Capital grants received specifically for new or upgraded assets	2.4	1,235,000	2,353,208	1,279,884
Contributions – non-monetary assets	2.5	–	490,000	1,343,243
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.8	165,000	(634,918)	(103,000)
		1,400,000	2,208,290	2,520,127
Total income from continuing operations		15,260,614	16,809,294	17,671,422
EXPENSES FROM CONTINUING OPERATIONS				
Employee benefits	3.1	(3,811,023)	(4,582,321)	(4,493,587)
Materials and services	3.2	(5,345,532)	(4,751,964)	(4,663,723)
Contributions	3.3	(1,084,594)	(987,736)	(922,825)
Depreciation and amortisation	3.4	(2,435,903)	(3,250,202)	(3,148,771)
Commercial Activities	3.5	(24,000)	(393,967)	(688,108)
Other expenses	3.6	(374,800)	(1,151,590)	(329,372)
Total expenses from continuing operations		(13,075,852)	(15,117,779)	(14,246,386)
Result from continuing operations		2,184,762	1,691,515	3,425,036
Result from discontinued operations		–	–	–
Net result for the year		2,184,762	1,691,515	3,425,036
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to surplus or deficit				
Fair value adjustments for financial assets at fair value		–	–	–
Net asset revaluation increment (decrement)	8.1	–	5,407,964	2,228,920
Actuarial gain/loss on defined benefits plans		–	–	–
		–	5,407,964	2,228,920
Items that may be reclassified subsequently to surplus or deficit				
Financial assets available for sale reserve		–	–	–
Fair Value adjustment on Available for Sale Assets	8.1	–	602,766	302,693
		–	602,766	302,693
Total Other Comprehensive Income		–	6,010,730	2,531,613
Total Comprehensive result		2,184,762	7,702,245	5,956,649

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

STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

ASSETS	Note	2018	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	5.1,8.3	6,380,784	6,847,578
Trade and other receivables	5.2	479,008	397,061
Other assets	5.3	470,977	122,916
Land held for resale	5.4	643,883	657,763
Total Current Assets		7,974,652	8,025,319
NON CURRENT ASSETS			
Trade and other receivables	5.2	300,000	300,000
Investment in water corporation	4.1	47,044,521	46,441,755
Property, plant and equipment and infrastructure	6.1	136,802,549	129,597,441
Investment property	6.2	625,000	625,000
Intangible assets	6.3	–	9,150
Total Non Current Assets		184,772,070	176,973,346
Total Assets		192,746,722	184,998,665
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7.1	447,534	461,931
Trust funds and deposits	7.2	218,126	148,579
Provisions	7.3	1,126,932	1,093,433
Total Current Liabilities		1,792,593	1,703,943
NON CURRENT LIABILITIES			
Provisions	7.3	94,742	137,580
Total Non Current Liabilities		94,742	137,580
Total Liabilities		1,887,334	1,841,522
NET ASSETS		190,859,387	183,157,142
EQUITY			
Accumulated surplus		136,246,121	134,554,606
Reserves	8.1	54,613,266	48,602,536
TOTAL EQUITY		190,859,387	183,157,142

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

STATEMENT OF CASH FLOWS

for the year ended 30 June 2018

	Note	2018 \$ Inflows/ (Outflows)	2017 \$ Inflows/ (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates		8,900,860	8,332,033
Statutory fees and fines		672,557	864,163
User charges and other fines (inclusive of GST)		1,090,063	1,022,250
Grants (inclusive of GST)		1,815,535	2,338,574
Developer contributions (inclusive of GST)		103,360	30,533
Interest		136,224	126,457
Commercial Income (inclusive of GST)		1,284,464	2,074,193
Dividends		569,772	599,261
Investment revenue from water corporation		354,228	324,739
Payments to suppliers (inclusive of GST)		(4,351,372)	(4,160,095)
Payments to employees (including redundancies)		(4,526,074)	(5,016,229)
Commercial Expenses (inclusive of GST)		(240,287)	(250,112)
Other payments		(3,515,766)	(2,179,732)
Net cash provided by (used in) operating activities	8.2	2,293,562	4,106,035
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, infrastructure, plant and equipment		(5,328,117)	(2,451,759)
Proceeds from sale of property, infrastructure, plant and equipment		145,004	64,996
Capital grants (inclusive of GST)		2,353,208	1,279,884
Net cash provided by (used in) investing activities		(2,829,905)	(1,106,879)
CASH FLOWS FROM FINANCING ACTIVITIES			
Trust funds and deposits		69,547	10,684
Net cash provided by (used in) financing activities		69,547	10,684
Net increase (decrease) in cash and cash equivalents		(466,796)	3,009,840
Cash and cash equivalents at the beginning of the financial year		6,847,579	3,837,741
Cash and cash equivalents at the end of the financial year	8.3	6,380,784	6,847,581

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2018

2018	Note	Total 2018	Accumu- -lated Surplus 2018	Asset Revaluation Reserve 2018	Fair Value Reserve 2018
Balance at beginning of the financial year		183,157,145	134,554,606	53,551,655	(4,949,116)
Adjustment due to compliance with revised accounting standard		-	-	-	-
Adjustment on change in accounting policy		-	-	-	-
Surplus / (deficit) for the year		1,691,515	1,691,515	-	-
Other Comprehensive Income:					
Fair value adjustments for financial assets at fair value		-	-	-	-
Financial assets available for sale reserve					
— Fair Value adjustment on Available for Sale Assets	4.1	602,766	-	-	602,766
Net asset revaluation increment/(decrement)	8.1	5,407,964	-	5,407,964	-
Actuarial gain/loss on defined benefits plans		-	-	-	-
Share of other comprehensive income of associates & joint ventures accounted for by the equity method		-	-	-	-
Transfers between reserves		-	-	-	-
Balance at end of the financial year		190,859,390	136,246,121	58,959,619	(4,346,350)
2017	Note	Total 2017	Accumu- -lated Surplus 2017	Asset Revaluation Reserve 2017	Fair Value Reserve 2017
Balance at beginning of the financial year		177,200,496	131,129,570	51,322,735	(5,251,809)
Adjustment due to compliance with revised accounting standard		-	-	-	-
Adjustment on change in accounting policy		-	-	-	-
Surplus / (deficit) for the year		3,425,036	3,425,036	-	-
Other Comprehensive Income:		-	-	-	-
Fair value adjustments for financial assets at fair value		302,693	-	-	302,693
Financial assets available for sale reserve					
— Fair Value adjustment on Available for Sale Assets	4.1	-	-	-	-
Net asset revaluation increment/(decrement)	8.1	2,228,920	-	2,228,920	-
Actuarial gain/loss on defined benefits plans		-	-	-	-
Share of other comprehensive income of associates & joint ventures accounted for by the equity method		-	-	-	-
Transfers between reserves		-	-	-	-
Balance at end of the financial year		183,157,145	134,554,606	53,551,655	(4,949,116)

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

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

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NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

NOTE 1: OVERVIEW

1.1: REPORTING ENTITY

- (a) 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 Road, Old Beach.
- (b) The purpose of the Council is to:
- provide for health, safety and welfare of the community;
 - to represent and promote the interests of the community;
 - provide for the peace, order and good government in the municipality.

1.2: BASIS OF ACCOUNTING

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, and the *Local Government Act 1993 (LGA1993) (as amended)*. Council has determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities.

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

All amounts are presented in Australian dollars and unless stated, have been rounded to the nearest thousand dollars.

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.

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.

1.3: USE OF JUDGEMENTS AND ESTIMATES

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.

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 in note 7.3.

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 8.4.

Fair value of property, plant & equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in note 6.1.

Investment in Water Corporation

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 4.1.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

1.4: FUNCTIONS/ACTIVITIES OF THE COUNCIL

(a) Revenue, expenditure and assets attributable to each function as categorised in (c) below:

	Grants	Other	Total Revenue	Total Expenditure	Surplus/ (Deficit)	Assets
Corporate Services						
2017 – 2018	0	515,159	515,159	2,596,027	-2,080,868	0
2016 – 2017	0	368,871	368,871	2,194,050	-1,825,179	0
Tas Water						
2017 – 2018	0	924,157	924,157	0	924,157	47,044,521
2016 – 2017	0	924,140	924,140	0	924,140	46,441,755
Parks and Recreation						
2017 – 2018	528,363	233,653	762,016	1,134,755	-372,739	7,923,634
2016 – 2017	102,869	48,500	151,369	1,027,194	-875,825	7,604,317
Planning						
2017 – 2018	0	1,106,063	1,106,063	774,209	331,854	0
2016 – 2017	0	329,617	329,617	1,082,211	-752,594	0
Building						
2017 – 2018	400,000	94,325	494,325	1,090,437	-596,112	14,047,509
2016 – 2017	0	114,365	114,365	795,507	-681,142	12,561,000
Roads/Bridges						
2017 – 2018	1,200,845	74,853	1,275,698	3,661,771	-2,386,073	100,985,508
2016 – 2017	1,172,470	1,433,134	2,605,604	4,504,097	-1,898,493	95,424,360
Community Services						
2017 – 2018	295,361	10,090	305,451	1,386,958	-1,081,507	0
2016 – 2017	0	69,831	69,831	500,231	-430,400	0
Environmental Health						
2017 – 2018	0	235,113	235,113	302,672	-67,559	0
2016 – 2017	0	267,395	267,395	312,650	-45,255	0
Waste Management						
2017 – 2018	0	1,463,293	1,463,293	1,536,937	-73,644	0
2016 – 2017	0	1,253,267	1,253,267	1,306,851	-53,584	0
Unallocated Services						
2017 – 2018	1,744,175	7,983,844	9,728,019	2,634,013	7,094,006	22,745,549
2016 – 2017	2,343,119	9,243,844	11,586,963	2,523,595	9,063,368	22,967,233
Total						
2017 – 2018	4,168,744	12,640,550	16,809,294	15,117,779	1,691,515	192,746,722
2016 – 2017	3,618,458	14,052,964	17,671,422	14,246,386	3,425,036	184,998,665

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

1.4: FUNCTIONS/ACTIVITIES OF THE COUNCIL (CONTINUED)

(b) Reconciliation of Assets above with the Statement of Financial Position at 30 June:

	2018	2017
Current assets	7,974,652	8,025,319
Non-current assets	184,772,070	176,973,346
	192,746,722	184,998,665

(c) 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

Maintenance and landscaping of Council parks and reserves.

Drainage

Construction, operation and maintenance of council buildings.

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 and maintenance of the waste transfer facility, kerbside collection and recycling.

Unallocated Services

Other general services not specifically identifiable.

NOTE 2: REVENUE

2.1: RATES AND CHARGES

	2018	2017
General	6,912,540	6,585,460
Garbage charge	1,183,598	1,003,392
Fire Levy	835,217	775,605
Total rates and charges	8,931,355	8,364,457

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2012, and the valuation will be first applied in the rating year commencing 1 July 2013.

Accounting policy

Rates and charges income

Rate income is recognised as revenue when Council obtains control over the assets comprising the receipt. 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.

2.2: STATUTORY FEES AND FINES

	2018	2017
Infringements and costs	81,728	123,053
Town planning fees	268,983	191,729
Land information certificates	159,480	147,648
Permits	162,366	117,178
Total statutory fees and fines	672,557	579,608

Accounting policy

Statutory fee and fine income

Fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

2.3: USER FEES

	2018	2017
Council Fees & Charges	311,715	296,386
Community Newsletter	17,097	19,592
Refuse Site Entry	288,687	245,176
Other Revenue	116,011	406,829
Total user fees	733,510	967,983

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

2.3: USER FEES (CONTINUED)

Accounting policy

User fee income

Fee income is recognised as revenue when the service has been provided, or the payment is received, whichever first occurs.

2.4: GRANTS

Grants were received in respect of the following:

	2018	2017
SUMMARY OF GRANTS		
Federally funded grants	2,734,949	3,037,183
State funded grants	824,704	527,426
Others	609,090	53,849
Total	4,168,743	3,618,458
GRANTS - RECURRENT		
Commonwealth Government Financial Assistance Grants	1,744,175	2,338,574
Primary Health	62,360	–
Skills Tasmania	9000	0
Total recurrent grants	1,815,535	2,338,574

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. In 2017-18 the Commonwealth made early payment of the two quarterly instalments for the following year. In accordance with AASB1004 *Contributions*, Council recognises these grants as revenue when it receives the funds and obtains control. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2017-18 by \$863,350. This has impacted the Statement of Comprehensive Income resulting in the Surplus/(deficit) being higher in 2017-18 by the same amount.

	2018	2017
CAPITAL GRANTS RECEIVED SPECIFICALLY FOR NEW OR UPGRADED ASSETS		
Commonwealth Government – roads to recovery	318,774	526,064
Department of Infrastructure & Regional Development	672,000	168,000
Tasmanian Community Fund	–	53,849
Department of State Growth	585,344	527,426
Department of Prime Minister & Cabinet	–	4,545
Brighton Bowls Club	400,000	–
Tasmanian Independent Retailers	72,727	–
Marine & Safety Tasmania	168,000	–
Centacare Tasmania	136,363	–
Total capital grants	2,353,208	1,279,884

Conditions on grants

Non-reciprocal grants which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

	2018	2017
Unexpended at the close of the previous reporting period	478,106	–
Less: expended during the current period from revenues recognised in previous reporting periods		
Cove Hill Road Bridge	(478,106)	–
	–	–
	–	–
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Cove Hill Road Bridge		478,406
Cheswick Crescent Park	136,364	
East Derwent Highway Pathways	261,750	
	398,114	478,406
Unexpended at the close of this reporting period	398,114	479,406
Net increase (decrease) in non-reciprocal grant revenues for the year:	398,114	478,406

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

2.4: GRANTS (CONTINUED)

Accounting policy

Grant income - operating and capital

Grant income is recognised as revenue when Council obtains control over the assets comprising the receipt.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants recognised as 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 is also disclosed. 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.

2.5: CONTRIBUTIONS

	2018	2017
(A) CASH		
Public Open Space	103,360	30,533
Total	103,360	30,533
(B) NON-MONETARY ASSETS		
Land – Subdivision Donation	490,000	–
Roads – Subdivision Donation	–	1,343,243
Total	490,000	1,343,243
Total contributions	593,360	1,373,776

Accounting policy

Contribution income

Contributions are recognised as revenue when Council obtains control over the assets comprising the receipt.

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.

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

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

2.6: INTEREST

	2018	2017
Interest on financial assets	114,270	104,971
Interest on rates	21,954	21,486
Total	136,224	126,457

Accounting policy

Interest income

Interest is recognised progressively as it is earned.

2.7: COMMERCIAL ACTIVITIES

	2018	2017
Professional Services & Private Works	601,053	600,912
Rental income	125,415	137,441
Brighton Industrial & Housing Corporation	–	515,455
Microwise Australia	557,996	565,877
Total commercial income	1,284,464	1,819,685

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

2.7: COMMERCIAL ACTIVITIES (CONTINUED)

Accounting policy

Rental income

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 prepayment until they are due.

Operating leases as lessor

Council is a lessor and enters into agreements with a number of lessees. These include commercial and non-commercial agreements.

“Where leases are non-commercial agreements, these are generally with not for profit, such as sporting, organisations. In these cases subsidised or peppercorn rents are charged because Council recognises part of its role is community service and community support. In these situations, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.”

Where leases are commercial agreements, but properties leased are part of properties predominantly used by Council for its own purposes, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.

2.8: NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE

	2018	2017
Proceeds of sale	145,004	64,996
Write down value of assets disposed	(779,922)	(167,996)
Total	(634,918)	(103,000)

Accounting policy

Gains and losses on asset disposals

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

2.9: INVESTMENT REVENUE FROM WATER CORPORATION

	2018	2017
Dividend revenue received	569,772	599,262
Tax equivalent received	272,738	278,305
Guarantee fee received	81,489	46,434
Total investment revenue from water corporation	924,000	924,000

Accounting policy

Investment revenue from water corporation

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

NOTE 3: EXPENSES

3.1: EMPLOYEE BENEFITS

	2018	2017
Wages and salaries	3,878,563	3,956,639
Workers compensation	1,050	739
Payroll Tax	170,803	126,617
Superannuation	472,037	351,406
Other Employee Related Expenses	59,868	58,188
Total employee benefits	4,582,321	4,493,587
Total amount of wages that were capitalised	194,833	196,076

Accounting policy

Employee benefits

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

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

Wages and salaries of a maintenance nature have previously been reported in the maintenance expenditure item that they have related to. This has meant that roads, buildings, bridges, reserves, waste and other have been overstated in expenditure by the salary amount. This has been corrected in the current financial year and comparative amounts reflected accordingly.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

3.2: MATERIALS AND SERVICES

	2018	2017
Bank Fees	29,580	29,751
Building Maintenance	122,672	141,998
Collection Fees	36,449	30,307
Community Newsletter	129,206	120,159
Contract Recycling	254,654	240,701
Fire Abatement	10,659	12,343
GIS CAD CVS and other software	96,696	126,820
Internal Contractors	179,506	210,782
Land Tax	30,084	42,430
Community Liasion	61,722	92,746
Insurance Premiums	194,783	174,446
Refuse Collection	162,550	162,571
Youth Support	80,000	80,000
Weed Control	24,400	26,050
Planning	35,269	47,946
Building Overheads	164,576	157,571
Reserve Maintenance	673,313	595,561
Road & Bridge Maintenance	334,823	446,421
Telephones	74,810	75,930
Street Lighting	241,320	227,173
Waste Bin Replacement	55,743	73,919
Waste Transfer Station & Tipping Expense	691,696	710,592
Printing & Stationery	47,145	33,196
Postage	45,549	44,322
Other	974,762	759,990
Total materials and services	4,751,964	4,663,723

Accounting policy

Materials and services expense

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

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. Salaries for maintenance items for roads, bridges, reserves, buildings, waste and other are shown in note 3.1.

3.3: CONTRIBUTIONS

	2018	2017
State Fire Commission Levy	818,762	770,181
Tasmanian Canine Defence League Contribution	51,070	49,896
Local Government Association of Tasmania	45,018	43,823
Derwent Estuary Contribution	14,360	14,218
Valuation Charges	54,900	27,366
Southern Tasmanian Councils Association	3,626	17,341
Total impairment of receivables	987,736	922,825

3.4: DEPRECIATION AND AMORTISATION

	2018	2017
PROPERTY		
Buildings		
Buildings	285,066	259,637
PLANT AND EQUIPMENT		
Plant and Vehicles	223,738	212,247
Furniture and Equipment	24,275	37,697
Small Machinery	11,584	9,564
INFRASTRUCTURE		
Roads	2,257,470	2,202,217
Bridges	96,027	81,867
Drainage	342,892	334,573
INTANGIBLE ASSETS		
Intangible assets	9,150	10,970
Total	3,250,202	3,148,771

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

3.4: DEPRECIATION AND AMORTISATION (CONTINUED)

Accounting policy

Depreciation and amortisation expense

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

Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to 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, artwork and road earthwork assets 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 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	5–40 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

3.5: COMMERCIAL ACTIVITIES

	2018	2017
Professional Services and Private Works	55,822	235,086
Brighton Industrial & Housing Corporation	24,697	336,357
Microwise Australia	313,448	116,665
Total	393,967	688,108

Salaries for professional services are reported in Note 3.1.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

3.6: OTHER EXPENSES

	2018	2017
Grants and Donations	67,846	76,931
Donation to Brighton Bowls Club – Grant received to offset expenditure	830,158	–
External auditors' remuneration (Tasmanian Audit Office)	31,000	29,940
Councillors' allowances and expenses	212,302	212,020
Bad Debt Write off	10,284	10,481
Total	1,151,590	329,372

Accounting policy

Other expenses

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

NOTE 4: INVESTMENTS

4.1: INVESTMENT IN WATER CORPORATION

	2018	2017
Opening Balance	46,441,755	46,139,062
Change in fair value of investment	–	–
Fair Value adjustments on Available-for-Sale Assets	602,766	302,693
Total investment in water corporation	47,044,521	46,441,755

Council has derived returns from the water corporation as disclosed at note 2.9.

Accounting policy

Investment assets

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 2018, Council continues to hold a 2.93% ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution which reflects the Council's voting rights. Any unrealised gains and

losses are recognised through the Statement of Comprehensive Income to an Available-for-sale Fair value reserve each year (refer note 8.1).

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. Council's investment is not traded in an active market and is only sensitive to fluctuations in the value of TasWater's net assets.

On 1 May 2018 TasWater and the State Government announced a memorandum of understanding under which the State Government will inject \$20 million per year for the next ten years into TasWater and in return will become a shareholder of TasWater. As a shareholder the State Government will not receive any dividend distributions. The partnership provides for a reduction in forecast price increases, accelerated infrastructure upgrades and a joint focus on major projects. As at the date of these financial statements, the owner councils and the State Government were working together on the nature of the future reforms.

NOTE 5: CURRENT ASSETS

5.1: CASH AND CASH EQUIVALENTS

	2018	2017
Cash on hand	3,295	3,578
Cash at bank	3,703,266	3,919,780
Money market call account	2,674,223	2,924,220
Total cash and cash equivalents	6,380,784	6,847,578

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 7.3)	1,221,674	1,231,013
Conditions on grants (note 2.4)	398,114	478,406
Restricted funds	1,619,788	1,709,419
Total unrestricted cash and cash equivalents	4,760,996	5,138,159

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

5.1: CASH AND CASH EQUIVALENTS (CONTINUED)

Accounting policy

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.

5.2: TRADE AND OTHER RECEIVABLES

	2018	2017
CURRENT		
Rates debtors	(45,364)	(14,869)
Water debtors	1,534	1,377
Infringements	123,252	88,669
Licences	10,788	5,613
Other debtors	400,824	326,053
Provision for impairment – other debtors	(12,025)	(9,782)
Total	479,008	397,061
NON-CURRENT		
Mortgages over land sold	300,000	300,000
Total	300,000	300,000
Total trade and other receivables	779,008	697,061

Accounting policy

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. A provision for impairment on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

5.3: OTHER ASSETS

	2018	2017
Prepayments	52,873	87,041
Accrued income	418,104	35,876
Total	470,977	122,916

5.4: LAND HELD FOR RESALE

	2018	2017
Land held for resale	643,883	657,763
Total	643,883	657,763

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.

Accounting policy

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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

NOTE 6: NON-CURRENT ASSETS

6.1: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE

	2018	2017
SUMMARY		
at cost	3,805,336	3,940,144
Less accumulated depreciation	2,249,364	2,222,304
	1,555,972	1,717,839
at fair value as at 30 June	187,409,858	181,053,891
Less accumulated depreciation	52,163,282	53,174,290
	135,246,575	127,879,601
Total	136,802,549	129,597,441
PROPERTY		
Land		
at fair value as at 30 June	7,923,634	7,604,317
	7,923,634	7,604,317
Land under roads		
at fair value at 30 June	12,289,924	12,289,924
	12,289,924	12,289,924
Total Land	20,213,558	19,894,241
Buildings		
at fair value as at 30 June	15,524,080	13,752,504
Less accumulated depreciation	1,476,570	1,191,504
	14,047,510	12,561,000
Total Buildings	14,047,510	12,561,000
Total Property	34,261,067	32,455,241
PLANT AND EQUIPMENT		
Plant, machinery and equipment		
at cost	2,021,064	2,092,860
Less accumulated depreciation	1,106,742	1,115,541
	914,323	977,319
Furniture and Equipment		
at cost	1,071,981	1,071,981
Less accumulated depreciation	1,030,953	1,006,678
	41,029	65,303
Small Machinery		
at cost	179,616	130,335
Less accumulated amortisation	111,669	100,086
	67,947	30,249
Total Plant and Equipment	1,023,298	1,072,871

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

6.1: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE (CONTINUED)

	2018	2017
INFRASTRUCTURE		
Roads		
at fair value as at 30 June	114,467,520	108,018,914
Less accumulated depreciation	39,338,553	36,599,175
	75,128,967	71,419,739
Bridges		
at fair value as at 30 June	6,171,056	5,697,107
Less accumulated depreciation	2,323,922	3,479,097
	3,847,134	2,218,010
Drainage		
at fair value as at 30 June	31,033,644	33,691,126
Less accumulated depreciation	9,024,237	11,904,515
	22,009,407	21,786,611
Total Infrastructure	100,985,509	95,424,361
WORKS IN PROGRESS		
Buildings at cost	428,187	–
Roads at cost	104,488	644,967
Bridges at cost	–	–
Total Works in progress	532,674	644,967
Total property, plant and equipment and infrastructure	136,802,549	129,597,441

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

6.1: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE (CONTINUED)

Reconciliation of property, plant and equipment and infrastructure

2018	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (Note 8.1)	Depreciation and amortisation (Note 3.4)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
PROPERTY								
land	7,604,317	181,500	137,817	–	–	–	–	7,923,634
land under roads	12,289,924	–	–	–	–	–	–	12,289,924
Total land	19,894,241	181,500	137,817	–	–	–	–	20,213,558
buildings	12,560,999	689,564	1,082,013	285,067	–	–	–	14,047,509
Total buildings	12,560,999	689,564	1,082,013	285,067	–	–	–	14,047,509
Total property	32,455,240	871,064	1,219,830	285,067	–	–	–	34,261,067
PLANT AND EQUIPMENT								
plant and vehicles	977,320	344,325	–	223,738	183,584	–	–	914,323
furniture and equipment	65,304	–	–	24,275	–	–	–	41,029
small machinery	30,249	49,282	–	11,584	–	–	–	67,947
Total plant and equipment	1,072,873	393,607	–	259,596	183,584	–	–	1,023,299
INFRASTRUCTURE								
roads	71,419,740	2,445,163	3,472,120	2,257,470	595,553	–	644,967	75,128,967
bridges	2,218,009	1,560,271	165,666	96,027	785	–	–	3,847,134
drainage	21,786,612	15,338	550,349	342,892	–	–	–	22,009,407
Total infrastructure	95,424,361	4,020,772	4,188,135	2,696,389	596,338	–	644,967	100,985,508
WORKS IN PROGRESS								
buildings	–	428,187	–	–	–	–	–	428,187
roads	644,967	104,488	–	–	–	–	(644,967)	104,488
bridges	–	–	–	–	–	–	–	–
Total works in progress	644,967	532,674	–	–	–	–	(644,967)	532,674
Total property, plant and equipment and infrastructure	129,597,441	5,818,117	5,407,965	3,241,052	779,921	–	–	136,802,549

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

6.1: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE (CONTINUED)

Reconciliation of property, plant and equipment and infrastructure (continued)

2017	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (Note 8.1)	Depreciation and amortisation (Note 3.4)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
PROPERTY								
land	7,640,317	–	(1,000)	–	(45,000)	10,000	–	7,604,317
land under roads	12,289,924	–	–	–	–	–	–	12,289,924
Total land	19,930,241	–	(1,000)	–	(45,000)	10,000	–	19,894,241
buildings	12,446,337	135,931	238,368	(259,637)	–	–	–	12,560,999
Total buildings	12,446,337	135,931	238,368	(259,637)	–	–	–	12,560,999
Total property	32,376,578	135,931	237,368	(259,637)	(45,000)	10,000	–	32,455,240
PLANT AND EQUIPMENT								
plant and vehicles	1,015,636	220,710	–	(212,247)	(46,779)	–	–	977,320
furniture and equipment	70,830	32,171	–	(37,697)	–	–	–	65,304
small machinery	26,530	13,283	–	(9,564)	–	–	–	30,249
Total plant and equipment	1,112,996	266,165	–	(259,508)	(46,779)	–	–	1,072,873
INFRASTRUCTURE								
roads	69,820,907	2,356,394	1,520,873	(2,202,217)	(76,217)	–	–	71,419,740
bridges	2,162,804	93,582	43,490	(81,867)	–	–	–	2,218,009
drainage	21,396,034	297,963	427,188	(334,573)	–	–	–	21,786,612
Total infrastructure	93,379,745	2,747,939	1,991,551	(2,618,657)	(76,217)	–	–	95,424,361
WORKS IN PROGRESS								
buildings	–	–	–	–	–	–	–	–
roads	–	644,967	–	–	–	–	–	644,967
bridges	–	–	–	–	–	–	–	–
Total works in progress	–	644,967	–	–	–	–	–	644,967
Total property, plant and equipment and infrastructure	126,869,319	3,795,002	2,228,919	(3,137,802)	(167,996)	10,000	–	129,597,442

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

6.1: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE (CONTINUED)

Accounting policy

Recognition and measurement of assets

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, plant and equipment and infrastructure 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 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
leasehold 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

	Threshold \$'000
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

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, small machinery and work in progress, 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

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

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.

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.

Impairment of assets

Impairment losses are recognised in the statement of comprehensive income under other expenses. Reversals of impairment losses are recognised in the statement of comprehensive income under other revenue.

Land under roads

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

6.2: INVESTMENT PROPERTY

	2018	2017
Balance at beginning of financial year	625,000	625,000
Acquisitions	–	–
Disposals	–	–
Fair value adjustments	–	–
Balance at end of financial year	625,000	625,000

An independent fair value of investment property was performed as at 30 June 2016. This valuation was performed on the basis of current market value to reflect transaction prices for similar properties.

Accounting policy

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 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.

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

NOTE 26: INTANGIBLE ASSETS

	2018	2017
Software at Cost	168,103	168,103
less accumulated depreciation	(168,103)	158,953
Total intangible assets	–	9,150

Accounting policy

Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The estimated useful lives for current and comparative periods are as follows:

Intangible Asset 5 Years

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

NOTE 7: CURRENT LIABILITIES

7.1: TRADE AND OTHER PAYABLES

	2018	2017
Trade payables	186,379	218,642
Accrued expenses	261,155	243,289
Total trade and other payables	447,534	461,931

7.2: DEPOSITS HELD

	2018	2017
Refundable subdivision bonds	217,976	146,124
Refundable hall booking deposits	150	2,455
Total trust funds and deposits	218,126	148,579

Accounting policy

Deposits Held

Amounts received as subdivision bonds and hall booking deposits are held in respect of damage indemnity, facilities booking and various performance related sureties.

7.3: PROVISIONS

	Annual leave	Long service leave	Total
2018			
Balance at beginning of the financial year	483,325	747,688	1,231,013
Increase/(Decrease) in provisions	(7,651)	(1,688)	(9,339)
Balance at the end of the financial year	475,674	746,000	1,221,674
2017			
Balance at beginning of the financial year	483,904	663,729	1,147,633
Additional provisions	(579)	83,959	83,380
Balance at the end of the financial year	483,325	747,688	1,231,013
		2018	2017
(a) Employee benefits			
(i) Current			
Annual leave		475,674	483,325
Long service leave		651,259	610,108
		1,126,932	1,093,433
(ii) Non-current			
Long service leave		94,742	137,580
		94,742	137,580
Aggregate carrying amount of employee benefits:			
Current		1,126,932	1,093,433
Non-current		94,742	137,580
		1,221,674	1,231,013

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

7.3: PROVISIONS (CONTINUED)

	2018	2017
The following assumptions were adopted in measuring the present value of employee benefits:		
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.		
(iii) Current		
All annual leave and the long service leave entitlements representing 7 or more years of continuous service		
Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	475,674	483,325
Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value"	651,259	610,108
	1,126,932	1,093,433
(iv) Non-current		
Long service leave representing less than 10 years of continuous service measured at present value	94,742	137,580
(v) Employee Numbers		
	61	56

Accounting policy

Employee benefits

i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick 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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

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 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 (the Fund), a sub-fund of the Tasplan Superannuation Fund (Tasplan). 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.

NOTE 8: OTHER FINANCIAL INFORMATION

8.1: RESERVES

	Balance at beginning of reporting year	Increment	(Decrement)	Balance at end of reporting year
(a) Asset revaluation reserve				
2018				
Property				
Land	4,610,935	137,817	–	4,748,752
Buildings	761,006	1,082,013	–	1,843,019
	5,371,941	1,219,830	–	6,591,771
Infrastructure				
Roads	34,716,548	3,472,120	–	38,188,668
Bridges	1,349,415	165,666	–	1,515,081
Drainage	12,113,750	550,348	–	12,664,098
	48,179,713	4,188,134	–	52,367,847
Total asset revaluation reserve	53,551,654	5,407,964	–	58,959,618
2017				
Property				
Land	4,611,935	–	(1,000)	4,610,935
Buildings	522,638	238,368	–	761,006
	5,134,573	238,368	(1,000)	5,371,941
Infrastructure				
Roads	33,195,675	1,520,873	–	34,716,548
Bridges	1,305,924	43,491	–	1,349,415
Drainage	11,686,562	427,188	–	12,113,750
	46,188,161	1,991,552	–	48,179,713
Total asset revaluation reserve	51,322,734	2,229,920	(1,000)	53,551,654

The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of Council's assets.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

8.1: RESERVES (CONTINUED)

	Balance at beginning of reporting year	Increment	(Decrement)	Balance at end of reporting year
(b) Fair value reserve				
2018				
Available—for—sale assets				
Investment in water corporation	(4,949,118)	602,766	–	(4,346,352)
Total fair value reserve	(4,949,118)	602,766	–	(4,346,352)
2017				
Available—for—sale assets				
Investment in water corporation	(5,251,811)	302,693	–	(4,949,118)
Total fair value reserve	(5,251,811)	302,693	–	(4,949,118)

The available—for—sale financial asset reserve was established to capture the fair value movements in Council's water corporation investment.

	2018	2017
Total Reserves	54,613,266	48,602,536

8.2: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS (DEFICIT)

	2018	2017
Result from continuing operations	1,691,515	3,425,036
Depreciation/amortisation	3,250,202	3,148,771
(Profit)/loss on disposal of property, plant and equipment, infrastructure	634,918	103,000
Impairment losses	–	(10,000)
Contributions non monetary	(490,000)	(1,343,243)
Capital grants received specifically for new or upgraded assets	(2,353,208)	(1,279,884)
<i>Change in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	(81,947)	(205,004)
Decrease/(increase) in other assets	(334,181)	421,164
Increase/(decrease) in trade and other payables	(14,397)	(237,184)
Increase/(decrease) in provisions	(9,339)	83,379
Net cash provided by/(used in) operating activities	2,293,562	4,106,035

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

8.3: RECONCILIATION OF CASH AND CASH EQUIVALENTS

	2018	2017
Cash and cash equivalents (see note 5.1)	6,380,784	6,847,578
Less bank overdraft	-	-
Total reconciliation of cash and cash equivalents	6,380,784	6,847,578

RECONCILIATION OF TRUST FUNDS & DEPOSITS

	2018	2017
Opening Balance	148,579	137,895
Deposits	104,960	34,398
Withdrawals	(35,413)	(23,714)
Total Reconciliation of trust funds and deposits	218,126	148,579

8.4: SUPERANNUATION

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund), a sub-fund of the Tasplan Superannuation Fund (Tasplan). 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 2018 the Council contributed 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2017. The review disclosed that at that time the net market value of assets available for funding member benefits was \$58,940,000, the value of vested benefits was \$51,170,000, the surplus over vested benefits was \$7,770,000, the value of total accrued benefits was \$50,606,000, and the number of members was 134. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees.

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

- Net Investment Return 7.0% p.a.
- Salary Inflation 4.0% p.a.
- Price Inflation n/a

The actuarial review concluded that:

- The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2017
- The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2017.
- Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2017.

The Actuary recommended that in future the Council contribute 9.5% of salaries in 2017/18 and 0% from 1 July 2018 to 30 June 2021.

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 2020 and is expected to be completed late in 2020.

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 2017 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 consistent with the method used at the previous actuarial review in 2014.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

8.4: SUPERANNUATION (CONTINUED)

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 Rule 27.4 of the Tasplan Trust Deed (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 Rule 27.4 (b) (A). However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.
- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependants in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).

The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.4 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 \$24,388 (2016-17, \$24,658), and the amount paid to accumulation schemes was \$474,189 (2016-17, \$481,736).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$24,997, and the amount to be paid to accumulation schemes is \$486,043.
- As reported on the first page of this note, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2017. Moderate 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 2020.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2017, showed that the Fund had assets of \$58.9 million and members' Vested Benefits were \$51.2 million. These amounts represented 0.7% and 0.6% respectively of the corresponding total amounts for Tasplan.
- As at 30 June 2017 the fund had 134 members and the total employer contributions and member contributions for the year ending 30 June 2017 were \$1,777,084 and \$267,506 respectively.

	2018	2017
FUND		
Defined benefits fund		
Employer contributions to Quadrant	24,388	24,658
	24,388	24,658
Accumulation funds		
Employer contributions to all accumulation funds	474,189	481,736
	474,189	481,736

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

8.5: COMMITMENTS

	2018	2017
CAPITAL EXPENDITURE COMMITMENTS		
Bridges	–	1,282,945
Bridgewater Park	543,518	–
East Derwent Highway Paths	535,263	–
Roads to Recovery	159,387	159,387
Total Capital expenditure commitments	1,238,168	1,442,332
CONTRACTUAL COMMITMENTS		
Contractual commitments at end of financial year but not recognised in the financial report are as follows:		
Property Valuation – revaluation 2018	117,180	–
Collection of household waste and recyclables expires March 2023	1,676,054	86,443
Total contractual commitments	1,793,234	86,443

8.6: OPERATING LEASES

(a) Operating lease commitments

There were no operating lease commitments as at balance date.

8.7: CONTINGENT LIABILITIES

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

8.8: FINANCIAL INSTRUMENTS

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
FINANCIAL ASSETS			
Cash and cash equivalents	5.1	Cash on hand and at bank and money market call accounts are valued at face value. Interest is recognised as it accrues. Investments and bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.	On call deposits returned a floating interest rate of 2.66% (2.63% in 2016–17).
Trade and other receivables			
Other debtors	5.2	Receivables are carried at cost. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	
Available for sale financial assets			
Investment in Water Corporation	4.1	The 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.	Investment in TasWater provided return of 2.93% excluding unrealised gains/losses
FINANCIAL LIABILITIES			
Trade and other payables	7.1	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

8.8: FINANCIAL INSTRUMENTS (CONTINUED)

(b) Interest Rate Risk

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:

2018	Weighted average interest rate	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							
Cash and cash equivalents	2.66%	6,377,489	–	–	–	3,295	6,380,784
Other financial assets	2.30%	–	–	–	–	300,000	300,000
Trade and other receivables	8.72%	(45,364)	–	–	–	524,372	479,008
Investment in water corporation		–	–	–	–	47,044,521	47,044,521
Total financial assets		6,332,125	–	–	–	47,872,188	54,204,313
FINANCIAL LIABILITIES							
Trade and other payables		–	–	–	–	447,534	447,534
Trust funds and deposits		–	–	–	–	218,126	218,126
Total financial liabilities		–	–	–	–	665,660	665,660
Net financial assets (liabilities)		6,332,125	–	–	–	47,206,528	53,538,653
2017	Weighted average interest rate	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							
Cash and cash equivalents	2.63%	6,844,000	–	–	–	3,578	6,847,578
Other financial assets	2.30%	–	–	–	–	300,000	300,000
Trade and other receivables	8.40%	(13,492)	–	–	–	410,553	397,061
Investment in water corporation		–	–	–	–	46,441,755	46,441,755
Total financial assets		6,830,508	–	–	–	47,155,886	53,986,394
FINANCIAL LIABILITIES							
Trade and other payables		–	–	–	–	461,931	461,931
Trust funds and deposits		–	–	–	–	148,579	148,579
Total financial liabilities		–	–	–	–	610,510	610,510
Net financial assets (liabilities)		6,332,125	–	–	–	46,545,376	53,375,884

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

NOTE 8.8: FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair Value

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2018	2017	2018	2017
FINANCIAL ASSETS				
Cash and cash equivalents	6,380,784	6,847,578	6,380,784	6,847,578
Other financial assets	300,000	300,000	300,000	300,000
Trade and other receivables	479,008	397,061	479,008	397,061
Investment in water corporation	47,044,521	46,441,755	47,044,521	46,441,755
Total financial assets	54,204,313	53,986,394	54,204,313	53,986,394
FINANCIAL LIABILITIES				
Trade and other payables	447,534	461,931	447,534	461,931
Trust funds and deposits	218,126	148,579	218,126	148,579
Total financial liabilities	665,660	610,510	665,660	610,510

(d) Credit Risk

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

(e) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Interest rate risk refers to the risk that the

value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Treasury and Finance each year.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

NOTE 8.8: FINANCIAL INSTRUMENTS (CONTINUED)

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1993*. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in our Statement of Financial Position. To help manage this risk:

- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our Investment policy.

Credit risk arises from Council's financial assets, which comprise cash and cash equivalents, and trade and other receivables. Council's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable policy note. Council generally trades with recognised, creditworthy third parties, and as such collateral is generally not requested, nor is it Council's policy to securitise its trade and other receivables. In addition, receivable balance are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in note 8.7.

CREDIT QUALITY OF CONTRACTUAL FINANCIAL ASSETS THAT ARE NEITHER PAST DUE NOR IMPAIRED

	Financial Institutions (AAA credit rating)	Government agencies (BBB credit rating)	Other (min BBB credit rating)	Total
2018				
Cash and cash equivalents	6,377,489	–	–	6,377,489
Trade and other receivables	–	–	–	–
Investments and other financial assets	–	–	–	–
Total contractual financial assets	6,377,489	–	–	6,377,489
2017				
Cash and cash equivalents	6,844,000	–	–	6,844,000
Trade and other receivables	–	–	–	–
Investments and other financial assets	–	–	–	–
Total contractual financial assets	6,844,000	–	–	6,844,000

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

8.8: FINANCIAL INSTRUMENTS (CONTINUED)

Movement in Provisions for Impairment of Trade and Other Receivables	2018	2017
Balance at the beginning of the year	9,782	6,451
New Provisions recognised during the year	2,243	3,331
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	12,025	9,782

Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade and Other Receivables was:

	2018	2017
Current (not yet due)	244,016	146,430
Past due by up to 30 days	63,042	89,621
Past due between 31 and 60 days	6,635	2,215
Past due between 61 and 90 days	11,567	-
Past due by more than 90 days	165,774	168,577
Total Trade & Other Receivables	491,033	406,843

Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial assets at all.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of + 1% and -.5% in market interest rates (AUD) from year-end rates of 4.4%.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

8.8: FINANCIAL INSTRUMENTS (CONTINUED)

The table below discloses the impact on net operating result and equity for each category of financial instruments held by Council at year-end, if the above movements were to occur.

Interest rate risk					
2018					
		-0.5 %		+1 %	
		-50 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	6,377,489	31,887	31,887	63,775	63,775
Trade and other receivables	479,008	2,395	2,395	4,790	4,790
Financial liabilities:					
Interest-bearing loans and borrowings	-	-	-	-	-
2017					
		-2 %		+1 %	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	6,844,000	136,880	136,880	68,440	68,440
Trade and other receivables	397,061	7,941	7,941	3,971	3,971
Financial liabilities:					
Interest-bearing loans and borrowings	-	-	-	-	-

8.9: FAIR VALUE MEASUREMENTS

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

Investment property

Investment in water corporation

Property, infrastructure plant and equipment

- Land
- Buildings, including footpaths and cycleways
- 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 identified surplus land as disclosed in note 5.3. 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'.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

8.9: FAIR VALUE MEASUREMENTS (CONTINUED)

(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	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

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 2018.

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.

AS AT 30 JUNE 2018					
	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment property	6.2	–	625	–	625
Investment in water corporation	4.1	–	–	47,044	47,044
Land	6.1	–	7,923	12,290	20,213
Buildings	6.1	–	–	14,047	14,047
Roads	6.1	–	–	75,128	75,128
Bridges	6.1	–	–	3,847	3,847
Drainage	6.1	–	–	22,009	22,009
		–	8,548	174,365	182,913
Non-recurring fair value measurements					
Assets held for sale	5.3	643	–	–	643
		643	–	–	643
AS AT 30 JUNE 2017					
	Note	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements					
Investment property	6.2	–	625	–	625
Investment in water corporation	4.1	–	–	46,441	46,441
Land	6.1	–	7,640	12,290	19,930
Buildings	6.1	–	–	12,561	12,561
Roads	6.1	–	–	71,419	71,419
Bridges	6.1	–	–	2,218	2,218
Drainage	6.1	–	–	21,786	21,786
		–	8,265	166,715	174,980
Non-recurring fair value measurements					
Assets held for sale	5.3	658	–	–	658
		658	–	–	658

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

8.9: FAIR VALUE MEASUREMENTS (CONTINUED)

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

AASB 13 Fair Value Measurement, requires the fair value of non-financial assets to be calculated based on their "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

Land

Land fair values were determined by a qualified independent valuer Opteon (Tasmania) Pty Ltd effective 1st July 2013. Land is revalued every 5 years.

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 as at 2014 - Land under Roads areas are multiplied by the m2 road data held in Council's asset management system.

Buildings

The fair value of buildings were also determined by a 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. Buildings are revalued every 5 years.

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 gross replacement cost 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.

Gross replacement cost 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 gross replacement cost 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 enter note number ???.

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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

8.9: FAIR VALUE MEASUREMENTS (CONTINUED)

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 are managed in segments from major intersection to major intersection. All road segments are then componentised into formation, pavement, sub-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.

Gross replacement cost 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, gross replacement cost is based on the average of completed similar projects over the last few years. Council engineers undertook a full revaluation for 2016 based on current unit pricing.

Bridges

A full valuation of bridges assets was undertaken by independent valuers, Tasspan, effective 30 June 2015. 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, effective 30 June 2018. 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.

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 5 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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

8.10: EVENTS OCCURRING AFTER BALANCE DATE

There are no events occurring after balance day.

NOTE 9: OTHER MATTERS

9.1: RELATED PARTY TRANSACTIONS

(i) Responsible Persons

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

Councillors

- Mayor Tony Foster
- Deputy Mayor Barbara Curran
- Councillor Wayne Garlick
- Councillor Peter Geard
- Councillor Leigh Gray
- Councillor Moya Jeffries
- Councillor Philip Owen
- Councillor Sonya Williams
- Councillor Keith Higgins

General Manager

- Ron Sanderson

(ii) Councillor Remuneration

	Short term employee benefits		Post employment benefits		Microwise ³	Expenses ⁴	Total allowances and expenses section 72
	Allowances	Vehicles ²	Super-annuation ¹	Total Compensation AASB 124			
2018							
Mayor	51,389	–	–	51,389	14,000	1,230	66,619
Deputy Mayor	28,631	–	–	28,631	–	–	28,631
Councillors	102,783	–	–	102,783	–	–	102,783
Total	182,803	–	0	182,803	14,000	1,230	198,033
2017							
Mayor	50,314	–	–	50,314	14,000	841	65,155
Deputy Mayor	28,031	–	–	28,031	–	–	28,031
Councillors	99,907	–	–	99,907	–	126	100,033
Total	178,252	–	–	178,252	14,000	967	193,219

¹ Superannuation means the contribution to the superannuation fund of the individual.

² Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

³ Microwise includes directors fees payable

⁴ Section 72(1)cb of the Local Government Act 1993 requires the disclosure of expenses paid to Councillors.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

9.1: RELATED PARTY TRANSACTIONS (CONTINUED)

Remuneration band	Number of employees	Short term employee benefits		Post employment benefits			Total				
		Salary ¹	Incentive Payments ²	Short-term Vehicles ³	Other Allowances and Benefits ⁴	Microwise ⁷		Super-annuation ⁵	Other Long-term monetary Benefits ⁶	Non-monetary Benefits ⁸	
2018											
\$280 001 – \$300 000	1	185,939	-	10,925	-	70,020	24,170	-	-	5,610	296,665
Total		185,939	-	10,925	-	70,020	24,170	-	-	5,610	296,665
2017											
\$280 001 – \$300 000	1	188,669	-	12,177	-	65,860	24,525	-	-	7,548	298,779
Total		188,669	-	12,177	-	65,860	24,525	-	-	7,548	298,779

¹Gross Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.

²Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. These payments are capped at 15% of base salary. [This includes such items as retention bonuses in culmination with termination.]

³Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

⁴Other benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.

⁵Superannuation means the contribution to the superannuation fund of the individual.

⁶Other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation; other non-monetary benefits (such as housing, subsidised goods or services etc).

⁷Microwise includes remuneration from General Managers role.

⁸Other non-monetary benefits include annual and long service leave movements.

(iv) Remuneration Principles

Councillors

Councillors do not receive any superannuation, vehicles or any other monetary or non monetary benefits.

Executives

General Manager

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

9.1: RELATED PARTY TRANSACTIONS (CONTINUED)

The performance of each senior executive, including the General Manager, is reviewed annually which includes a review of their remuneration package. The terms of employment of each senior executive, including the General Manager, contain a termination clause that requires the senior executive or Council to provide a minimum notice period prior to termination of the contract. Whilst not automatic, contracts can be extended.

In accordance with s84(2)(b) of the Local Government Act 1993, no interests have been notified to the General Manager in respect of any body or organisation with which the Council has major financial dealings.

(v) Transactions with related parties

In accordance with s84(2)(b) of the *Local Government Act 1993*, no interests have been notified to the General Manager in respect of any body or organisation with which the Council has major financial dealings.

NOTE 10: 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 \$30,397 (2017 - \$26,215) in licence fees during the 2018 financial year.
- Microwise paid Council \$191,351 (2017 - \$239,914) in fees/consultancy during the 2018 financial year.
- Directors Fees of \$28,000 (2017 - \$28,000) were paid during the 2018 financial year.

	2018	2017
Financial Performance	\$	\$
Revenue	484,005	565,877
Expenditure	313,107	116,664
	170,898	449,213
Brighton Council Equity	1,416,942	1,406,997

The financial performance excludes and internal transactions with Brighton Council.

Microwise has been consolidated in the current year financial year statements.

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

The financial statements only identify the consolidated revenue and expenditure under notes 2.7 and 3.5 respectively due to immateriality.

The directors of Microwise Australia are:

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

Mr Ron 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.

NOTE 11: 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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

NOTE 11: BRIGHTON INDUSTRIAL & HOUSING CORPORATION (CONTINUED)

Financial Performance	2018 \$	2017 \$
Revenue	0	515,455
Expenditure	(24,697)	336,357
Profit	(24,697)	179,098
Brighton Council Equity	897,781	922,478

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 the Tasmanian Audit Office.

The financial statements only identify the consolidated revenue and expenditure under notes 2.7 and 3.5 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 Greg 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.

NOTE 12: OTHER SIGNIFICANT ACCOUNTING POLICIES AND PENDING ACCOUNTING STANDARDS

(a) 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.

(b) 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 Other Comprehensive Income, unless the asset is carried at the 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.

(c) 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.

(d) Financial guarantees

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value,

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

NOTE 12: OTHER SIGNIFICANT ACCOUNTING POLICIES AND PENDING ACCOUNTING STANDARDS (CONTINUED)

consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

(e) 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.

(f) Budget

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

(g) Adoption of new and amended accounting standards

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

(i) *AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*

This standard is applicable to annual reporting periods beginning on or after 1 January 2017.

Amendments to AASB 107 require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities. Council has included a reconciliation of liabilities arising from financing activities in the Statement of Cash Flows at note 8.3

Council has adopted the amendment to AASB 107. Council's assessment of the impact of adoption is nil as at reporting date there were no financing liabilities.

(h) Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods. Council's assessment of the impact of the relevant new standards and interpretations is set out below.

(i) *AASB 9 Financial Instruments*

This standard is applicable to annual reporting periods beginning on or after 1 January 2018.

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

The amortised cost model is available for debt assets meeting both a business model and cash flow characteristics tests. Amortised cost is to be used for assets with contractual terms giving rise to principal and interest payments. Where the business model is achieved by both collecting the contractual cash flows and from selling the financial asset, it may be classified as fair value through other comprehensive income. Any financial asset not held in either of these classifications, or where designated, will be classified as fair value through profit or loss. 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, where the financial asset is an equity instrument not held for trading, and an irrevocable election is made to present all movements in other comprehensive income.

When adopted, the standard requires Council to reclassify all financial assets. This includes Council's classification and accounting for its significant investment in TasWater which is an available-for-sale financial asset. Council currently recognises changes in the fair value of its available-for-sale assets through other comprehensive income. Under AASB9 Council will make an irrevocable election for its equity investment in TasWater as 'fair value through other comprehensive income' and therefore the adoption

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

of this standard will not impact the way movements in the fair value are accounted for.

The standard also introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. Based on assessments to date, Council expects no change to any impairment losses, however the standard is not expected to have a material impact overall.

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.

Council will apply the standard from 1 July 2018 using a retrospective approach with cumulative catch-up. This does not require Council to restate comparative figures, but will require a reconciliation of changes in classification of financial assets and financial liabilities.

(ii) *AASB 15 Revenue from Contracts with Customers*

The standard is applicable to annual reporting periods beginning on or after 1 January 2019.

AASB 15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contract costs and contracts which contain a financing element.

Council has analysed the new revenue recognition requirements noting that future impacts include:

- Depending on the respective contractual terms, the new requirements of AASB 15 may result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred as a liability to a later reporting period to the extent that

Council has received cash, but has not met its associated performance obligations, (a promise to transfer a good or service).

- Grants received to construct non-financial assets controlled by Council will be recognised as a liability, and subsequently recognised progressively as revenue as Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific.
- Grants that are not enforceable and/or not sufficiently specific, will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants for which there are no sufficiently specific performance obligations, for example the Commonwealth Financial Assistance Grants. These grants are will continue being recognised as revenue upfront assuming no change to the current grant arrangements.

For Council there will be a significant effect in the treatment of all grants with sufficiently specific performance obligations, but where the conditions have yet to be fulfilled at year end. Council currently presents unexpended grant income received in note 2.4. Council's assessment is that the majority of the amounts received unexpended for the year, \$398113.64, will be deferred as a liability under AASB15 and progressively recorded as income as performance obligations are fulfilled.

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption.

(iii) *AASB 1058 Income of Not-for-Profit Entities*

This standard is applicable to annual reporting periods beginning on or after 1 January 2019.

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

Contributions. The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received.

AASB 1058 applies when Council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the asset is principally to enable Council to further its objectives. In cases where Council enters into other transactions, Council recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 *Property, Plant and Equipment*).

If the transaction is a transfer of a financial asset to enable Council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), Council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above.

Where the asset acquired is leased at a "Peppercorn" rate, Council is required to recognise the leased asset at its fair value, the remaining lease liability and the balance as income. These leased right-of-use assets have not previously been recognised. Council will undertake an audit of such leased assets and apply the standard accordingly.

AASB 1058 also encompasses non-contractual statutory income such as rates, taxes and fines. Council currently recognises income when received. Under AASB 1058, income is recognised when the taxable event has occurred. An impact for Council is that prepaid rates received prior to the beginning of a rating period, will now be recognised as a financial liability until the commencement of that rating period. The impact to Council will be that revenue recognised when received from *Rates and charges* in advance as disclosed in note 2.1, will now be recorded as a liability, with revenue deferred until the commencement of the applicable rating period.

AASB 1058 requires the recognition of Volunteer services where they would

have been purchased if not donated and the fair value of those services can be reliably measured. Council has assessed these requirements and determined that there will be no effect.

Council will apply the standard from 1 July 2019 using a retrospective approach with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption.

(iv) AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

AASB 16 will result in most of Council's operating leases being brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low-value assets which may remain off the balance sheet. Councils currently does not have any operating lease commitments.

The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and increases in lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease. Rent expense will no longer be shown. The profit and loss impact of the leases will be through amortisation and interest charges. Council's does not currently incur any operating lease expenditure. In the Statement of Cash Flows lease payments will be shown as cash flows from financing activities instead of operating activities.

Lessor accounting under AASB 16 remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

Council will apply the standard from 1 July 2019 using a retrospective approach

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

with cumulative catch-up with an adjustment to Accumulated surpluses for the difference in accounting treatment on initial adoption.

- (v) *AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB10 and AASB12 and AASB 2017-5 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

This standard is applicable to annual reporting periods beginning on or after 1 January 2022.

The amendments address an acknowledged inconsistency between the requirements in AASB10, and those in AASB128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

AASB 2017-5 defers the effective date of AASB 2014-10 to 1 January 2022

All other Australian accounting standards and interpretations with future effective dates are either not applicable to Council's activities, or have no material impact.

NOTE 13: SIGNIFICANT BUSINESS ACTIVITIES

Council is required to report the operating, capital and competitive neutrality costs in respect of each significant business activity undertaken by the Council. Council has determined that Council does not consider any of its activities are deemed as significant business activities.

NOTE 14: MANAGEMENT INDICATORS

	Benchmark	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
(a) Underlying surplus or deficit					
Recurrent income*		14,532	14,359	13,875	13,522
less recurrent expenditure		14,923	14,923	13,950	13,003
Underlying surplus/deficit	0	-391	10	-75	519

The intent of the underlying result is to show the outcome of a council's normal or usual day to day operations.

(b) Underlying surplus ratio					
Underlying surplus or deficit		-391	10	-75	519
Recurrent income*		14,532	14,359	13,875	13,522
Underlying surplus ratio %	0%	-2.7%	0%	-1%	4%

This ratio serves as an overall measure of financial operating effectiveness.

(c) Net financial liabilities					
Liquid assets less		6,859	7,244	4,080	5,504
total liabilities		1,887	1,841	1,985	2,028
Net financial liabilities	0	4,972	5,403	2,095	3,476

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.

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

NOTE 14: MANAGEMENT INDICATORS (CONTINUED)

	2018	2017	2016	2015	
	\$'000	\$'000	\$'000	\$'000	
(d) Net financial liabilities ratio					
Net financial liabilities	4,972	5,403	2,095	3,476	
Recurrent income*	13,738	14,290	13,875	13,522	
Net financial liabilities ratio %	0% – (50%)	36%	38%	15%	26%
This ratio indicates the net financial obligations of Council compared to its recurrent income. Council consistently exceeds benchmark.					
(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	78,976	73,637	71,984	77,019	
Current replacement cost	120,638	113,716	109,446	99,383	
Asset consumption ratio %	65%	65%	66%	77%	
Buildings					
Depreciated replacement cost	14,047	12,561	12,446	12,218	
Current replacement cost	15,524	13,752	13,378	12,894	
Asset consumption ratio %	90%	91%	93%	95%	
Drainage					
Depreciated replacement cost	22,010	21,786	21,396	21,439	
Current replacement cost	31,034	33,691	32,733	32,355	
Asset consumption ratio %	71%	65%	65%	66%	
This ratio indicates the level of service potential available in Council's existing asset base. Council is tracking as per the asset management plan and long term financial plan.					
(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 Infrastructure					
Projected capital funding outlays**	18,751	19,749	23,853	23,163	
Projected capital expenditure funding***	18,751	19,749	23,853	23,163	
Asset renewal funding ratio %	90–100%	100%	100%	100%	
Buildings					
Projected capital funding outlays**	531	462	521	325	
Projected capital expenditure funding***	531	462	521	224	
Asset renewal funding ratio %	90–100%	100%	100%	145%	

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

NOTE 14: MANAGEMENT INDICATORS (CONTINUED)

	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000
(g) Asset sustainability ratio				
Capex on replacement/renewal of existing assets	4,403	1,389	2,521	2,827
Annual depreciation expense	3,258	3,148	2,982	2,958
Asset sustainability ratio %	100%	135%	44%	85%
This ratio calculates the extent to which Council is maintaining operating capacity through renewal of their existing asset base.				

** Current value of projected capital funding outlays for an asset identified in Council's long-term financial plan.

This ratio measures Council's capacity to fund future asset replacement requirements.

*** Value of projected capital expenditure funding for an asset identified in Council's long-term strategic asset management plan.

Council exceeds benchmark on a total asset trend basis.

2018	Capital renewal expenditure \$'000	Capital new /upgrade expenditure \$'000	Total Capital Expenditure \$'000
By asset class			
Land	–	–	–
Buildings	417	–	–
Plant & vehicles	344	–	–
Furniture and equipment	0	–	–
Small machinery	49	–	–
Roads	2,411	–	–
Bridges	1,560	–	–
Drainage	15	–	–
WIP	532	–	–
Total	5,328	–	–

2017	Capital renewal expenditure \$'000	Capital new /upgrade expenditure \$'000	Total Capital Expenditure \$'000
By asset class			
Land	–	–	–
Buildings	136	–	136
Plant & vehicles	221	–	221
Furniture and equipment	32	–	32
Small machinery	13	–	13
Roads	1,140	152	1,292
Bridges	94	–	94
Drainage	19	–	19
WIP	645	–	645
Total	2,300	152	2,452

NOTES TO THE FINANCIAL REPORT

for the year ended 30 June 2018

14.1: MATERIAL BUDGET VARIATIONS

Council's original budget was adopted by the Council on **19th June 2018**. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity, the weather, and by decisions made by the Council. Material variations of more than 10% are explained below:

Revenues

1 Statutory Fees and Fines

Statutory fees and fines revenue was above budget by 38% due to an increase in development within the municipality. This has resulted in an increase in Town Planning Fees and Permit fees received.

2 User fees

There was a slight increase of 11% of actual to budget for user fees. This was predominately due to conservative estimates in the budget for the sale of steel at the waste transfer station.

3 Grants

There was an increase of capital works projects that were funded by the State or Federal Government or other areas that were undertaken in this financial year. When the budget was adopted it was not known whether these grants were approved or not so a conservative estimate was made.

4 Commercial Income and Expenditure

Commercial income offsets the commercial expenditure. Conservative estimates are made as revenue and expenditure is dependent on third parties.

Expenses

1 Depreciation and Amortisation

The increase in depreciation by 33% was due to conservative estimates being budgeted for some components of our asset inventory. This will be addressed in the coming year.

2 Other Expenses

The contribution to the bowls club of \$830,158 saw an increase in other expenses. The revenue of \$400,000 that was received from the bowls club is accounted for under note 2.4 grants.

GRANTS AND DONATIONS

GRANTS AND BENEFITS REGISTER SECTION 77 LOCAL GOVERNMENT ACT 1993		2018	2017
Brighton Agricultural Society	Annual Grant	500	500
Rotary Club of Hobart Incorporated	Building Fees	1,604.36	
Brighton Primary School	Citizenship Prize	100	100
East Derwent Primary School	Citizenship Prize	100	100
Gagebrook Primary School	Citizenship Prize	100	100
Herdsmans Cove Primary School	Citizenship Prize	100	100
Jordan River Learning Federation	Citizenship Prize	100	100
Northern Suburbs Christian School	Citizenship Prize	100	100
St Paul's Primary School	Citizenship Prize	100	100
Brighton Fire Brigade	Community Grant		1,500
Brighton Boxing Club	Community Grant	3,000.00	2,000
Brighton Football Club	Community Grant	4,332.06	3,000
Brighton Girl Guides	Community Grant	969.05	
Brighton Heritage Association	Community Grant	865	752
Brighton Meals on Wheels	Community Grant	800	
Brighton Playcentre/Playgroup	Community Grant	1,834.00	2,000
Brighton Senior Citizens Club	Community Grant	454	500
Brighton Storm Soccer Club	Community Grant	4,843.00	
Brighton/Sth Midland Pony Club	Community Grant	787.6	
Centacare Evolve Houseing	Community Grant	7,000.00	
Crime Stoppers Tasmania	Community Grant	5,000.00	
Derwent Valley Country Music Club	Community Grant	9,436.07	4,000
Hobart Gymnastics Academy	Community Grant		1,500
Jordan River Services Inc	Community Grant	1,298.11	

GRANTS AND DONATIONS (CONTINUED)

GRANTS AND BENEFITS REGISTER SECTION 77 LOCAL GOVERNMENT ACT 1993		2018	2017
Jordan River Services Inc	Community Grant		7,350
Lions Club of Brighton	Community Grant		2,000
Old Beach Cricket Club	Community Grant	2,000.00	
Penguin Club of Australia (Tas)	Community Grant	970	
Pete's Community Workshed	Community Grant		3,390
Salvation Army	Community Grant		5,500
St Vincent De Paul Society	Community Grant	6,000.00	6,000
The Lions Club of Brighton	Community Grant	2,000.00	
Under One Rainbow	Community Grant	1,044.79	
Womensport & Recreation Tasmania	Community Grant	2,100.00	
Community Transportation	Community Transportation	\$1,018.18	
Brighton Agricultural Show Society	Contribution to Wages & Plant		320
Vetrans Memorial Club	Contribution to Wages & Plant		129
Brighton Agricultural Society	Donation	492	
Claremont College	Donation	50	50
Gunn Oliver	Donation	200	
Landcare Tasmania Inc	Donation	118.18	
Tas Canine Defence League	Donation	125	125
Windeward Bound Trust	Donation	245	
Youth Network of Tasmania	Donation		130
Adams Jack	Education Bursary	250	
Bree Ridgers	Education Bursary		250
Jason Birch	Education Bursary		250
Jemimah Whiteway	Education Bursary		250
Jordan River Learning Federation	Education Bursary	6,000.00	
Nikki Kelly	Education Bursary		250
Richardson Paige	Education Bursary	250	
Ridgers Bree	Education Bursary	250	
Scrimshaw Phillip Bennett	Education Bursary	250	
Shyanne Devine	Education Bursary		250
Turner Alysha	Education Bursary	250	
Zachary Triffett	Education Bursary		250
Able Australia	Halls & Grounds	\$1,598.00	
Australian Red Cross	Halls & Grounds	\$58.75	
Bridgewater/Brighton St John Ambulance	Halls & Grounds	\$4,407.00	8,616
Brighton & Southern Midlands Pony Club	Halls & Grounds		45
Brighton Agricultural Show Society	Halls & Grounds	\$15,800.00	13,800
Brighton Agricultural Society	Halls & Grounds	\$54.00	
Brighton Boxing Club	Halls & Grounds	\$47.00	300
Brighton CWA	Halls & Grounds		5,616
Brighton Eagles Junior Cricket Club	Halls & Grounds	\$2,400.00	900
Brighton Football Club	Halls & Grounds	\$24,489.00	24,489
Brighton Girl Guides	Halls & Grounds	\$3,969.00	4,617
Brighton Junior Football Club	Halls & Grounds	\$18,120.00	18,120
Brighton Junior Soccer Club	Halls & Grounds	\$14,400.00	14,562
Brighton Kennel Club	Halls & Grounds	\$200.00	100
Brighton Lions Club	Halls & Grounds	\$100.00	
Brighton Penguin Club	Halls & Grounds	\$648.00	648
Brighton Playgroup/Playcentre	Halls & Grounds	\$8,814.52	8,616
Brighton Senior Citizens	Halls & Grounds	\$1,404.00	2,808
Bugeido Karate	Halls & Grounds	\$2,268.00	2,835
Catholic Care Tasmania	Halls & Grounds		406
Derwent United Junior Soccer Club	Halls & Grounds		4,800
Derwent United Soccer	Halls & Grounds	\$225.00	149
East Derwent Little Athletics	Halls & Grounds	\$4,340.00	4,630
Flying Paws	Halls & Grounds		175
GKR Karate	Halls & Grounds	\$1,134.00	1,134
Hobart Cavy Club	Halls & Grounds	810	810
Hobart Gymnastics Academy	Halls & Grounds	\$300.00	300
Hobart United Soccer Club	Halls & Grounds	\$540.00	600
Impact Communities	Halls & Grounds	\$305.50	
Jordan River Services	Halls & Grounds	\$164.50	
MacKillop College	Halls & Grounds	\$1,800.00	780

GRANTS AND DONATIONS (CONTINUED)

GRANTS AND BENEFITS REGISTER SECTION 77 LOCAL GOVERNMENT ACT 1993		2018	2017
Northern Suburbs Junior Soccer Association	Halls & Grounds		2,400
Oak Possibility Services	Halls & Grounds		195
Old Beach Community Playgroup	Halls & Grounds	\$2,268.00	
Old Beach Cricket Club	Halls & Grounds	\$5,215.27	7,105
Old Beach Family Day Care Playgroup	Halls & Grounds	\$2,268.00	2,268
Old Beach Junior Cricket Club	Halls & Grounds	\$6,240.00	7,920
Old Beach Playgroup	Halls & Grounds		2,268
Old Beach Scouts	Halls & Grounds	\$5,670.00	5,670
Pete's Community Workshed	Halls & Grounds	\$8,814.52	8,616
Rabbit Breeders Association	Halls & Grounds	720	630
Ryukyu Karate	Halls & Grounds	\$6,318.00	4,212
Salvation Army (Communities for Children)	Halls & Grounds	\$233.50	50
Southern Poultry Club	Halls & Grounds	400	300
St Vincent De Paul	Halls & Grounds	\$16,614.52	8,616
Tasmanian Boxing League Inc (Brighton)	Halls & Grounds	\$3,900.00	3,900
Tasmanian Crabbet Arabian Group	Halls & Grounds	\$100.00	100
Veteran Car Club	Halls & Grounds	\$100.00	100
Womensport & Rec Tasmania	Halls & Grounds	\$162.50	
Workskills Inc/Impact Communities	Halls & Grounds		376
Jordan River Learning Federation on behalf of Danielle Chandler	Scholarship		3,000
Jordan River Learning Federation on behalf of Jacob Swan	Scholarship		3,000
Jordan River Services Inc	Sponsorship		26,690
Alexander Lockwood	Sporting Achiever		100
Barton-Kitchin Tiffany	Sporting Achiever	100	
Blowfield Callum	Sporting Achiever	100	
Brady Watson	Sporting Achiever		100
Hannah Stone	Sporting Achiever		100
Howard Noah	Sporting Achiever	100	
Jack Lewis	Sporting Achiever		100
Jake French	Sporting Achiever		100
Jake Pullen	Sporting Achiever		300
Jemma Webster	Sporting Achiever		100
Johnson Beau	Sporting Achiever	100	
Leszczynski Natalie	Sporting Achiever	100	
McCulloch Madison	Sporting Achiever	100	
Newton Thomas	Sporting Achiever	100	
Samuel Walker	Sporting Achiever		300
Smith Anne	Sporting Achiever	200	
Talia Atkinson	Sporting Achiever		100
Walker Susan	Sporting Achiever	100	
Woods Peta	Sporting Achiever	100	
Bridgewater Anglers Association	WTS Entry		12
Bridgewater/Gagebrook Clean Up Group	WTS Entry		72
Department of Justice (Community Corrections)	WTS Entry		180
Friends of the School Farm	WTS Entry		298
Jordan River Learning Federation	WTS Entry		48
Jordan Rivers Services (Helping Hands)	WTS Entry		382
St Vincent De Paul	WTS Entry		911
WTS - Bridgewater Anglers Association	WTS Entry	\$15.00	
WTS - Bridgewater/Gagebrook Clean Up Group	WTS Entry	\$321.00	
WTS - Dept of Justice (Community Corrections)	WTS Entry	\$161.00	
WTS - Friends of the School Farm	WTS Entry	\$302.00	
WTS - Jordan River Learning Federation	WTS Entry	\$540.00	
WTS - Jordan River Services (Helping Hands)	WTS Entry	\$0.00	
WTS - St Vincent de Paul	WTS Entry	\$849.00	
WTS - Uniting Church	WTS Entry	\$57.00	
Financial Donations		\$67,118	
Donations In Kind		\$170,684	237,802 253,420

Brighton Council

1 Tivoli Road, Old Beach Tasmania 7017

Phone: (03) 6268 7000

Fax: (03) 6268 7013

Email: admin@brighton.tas.gov.au

Website: www.brighton.tas.gov.au

Brighton
going places

