



Brighton Council

ANNUAL REPORT 2005 - 2006

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INTRODUCTION

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

- **The first part includes the Mayor and General Manager's reports, together with reports from the various functional Council Departments setting out their performance for the year against their respective objectives and action plans.**
- **The second part of the Annual Report incorporates the audited financial statements for the financial year.**

History

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

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

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

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

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

Brighton has a population of approximately 14,500 with a median age of 29 years and 95% of the population are under 65 years of age.

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

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

VISION

A commitment that together Council and the community plan a balanced social, commercial and residential environment to enhance the quality of life in the Municipality.

MISSION

The Brighton Council exists to protect and develop the unique qualities of the Municipality in a responsive, friendly and caring way.

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 5.30pm on Tuesday 12th December 2006. Any person wishing to make a submission should do so by close of business Monday 4th December 2006.



MAYOR'S REPORT



I would like to pay tribute to several long serving Brighton Councillors who sadly passed away during the year.

Deputy Mayor Ted Jeffries passed away at the age of 59 and is sorely missed by us all. Ted made a great contribution to council during his 12 years as a councillor. He was a great advocate for the local community at large and served his constituents well.

Brighton icon and Tasmanian local government legend Doug von Stieglitz died in Melbourne at the age of 100. Doug joined Brighton Council as Council Clerk during World War 2 and after 3 years of retirement was elected to council in 1974. He became Warden in 1983 and held the position for 5 years.

Bill Gunn was a dedicated and greatly admired councillor for 28 years from 1960 until 1988. He was Deputy Warden for 10 years and Warden for 4 years. Bill was a real gentleman and was a former president of the Royal Agricultural Society of Tasmania and a member of the Brighton Jockey Club. Bill was 91.

Linton Burge was a councillor for 11 years and Warden for 3 years from 1980 to 1983. Linton was a lateral thinker whose views were very beneficial during a major growth period. He was credited with the decision to build the new council chambers at Gagebrook in 1982.

Geoff Clayton was a councillor for 13 years during the period of 1975 to 1993. Geoff was a president of the Brighton Bowls and RSL clubs. He died after a long illness at the age of 80.

Stage 2 of the Brighton Industrial Estate development was launched by Premier Paul Lennon in May 2006. The growth of this area has been a priority of Council for many years; Premier Tony Rundle launched stage 1 of the Estate in 1997. Council has provided water, sewerage and road infrastructure to the area and it is an attractive location for new businesses and those wishing to relocate. Two prime examples are Toll Transport who are planning to move from the Port of Hobart and Stramit Building Products who are relocating from Glenorchy.

Elections were held in October and I thank residents for their confidence by re-electing me as Mayor. I congratulate newcomers Leigh Gray of Brighton and Sonya Williams of Gagebrook on their election to council. Kate Fitzpatrick moved out of the area and resigned from council after representing Bridgewater/Gagebrook for 3 years. We welcomed new Councillor Heather Price of Bridgewater.

Perhaps the highlight of the year that bodes well for the future of Brighton was the formation of a strong alliance with our neighbouring councils. Brighton, Derwent Valley, Southern Midlands and Central Highlands councils formed a sub regional group for the mutual benefit of all. This group was built on the joint efforts to progress the Bridgewater Bridge and Brighton Bypass projects with the State and Commonwealth governments. We are working together to share resources and I look forward to many positive outcomes in the future.

Tony Foster
Mayor of Brighton



GENERAL MANAGER'S REPORT



This year was one of consolidation and planning for the future.

A new community group, Brighton Alive, was formed to help streamline services in the community. Brighton Alive acts as a coordinating body for a wide range of services, maintains a database and website of community information and helps promote activities in the area. It assists in non-duplication of services, improved communication among various groups, providing networking opportunities and a more coordinated approach to seeking grant funds. All in all, this is a very worthwhile initiative.

Work began in earnest to update our strategic plan. We adopted the path undertaken by the Albury/Wodonga Development Corporation. This began with a workshop of councillors and senior staff to look into the future and develop possible scenarios of what Brighton would look like in the year 2040. From this, a preferred future was developed. Representatives of the community, including business, youth and government sectors, participated in a two-day workshop to evaluate these scenarios, identify elements of the preferred future and develop strategies to achieve them. The outcomes of this work will form the basis for our new strategic plan.

Marketing of Council's software took a new step this year with considerable interest by councils in Western Australia. Our joint venture company, Council Manager Pty Ltd, was successful in obtaining a grant from the Commonwealth Government to develop a new suite of local government applications in the dot NET architecture. This has also enhanced our relationship with the Microsoft business solution for local government on a national basis. I look forward to reporting many sales in the future.

We are building our skills capabilities as we face a future with many challenges. We see the solution as providing service delivery on a regional level and governance on a local level. Our size and location provide us with many opportunities to work closely with other small councils to gain the benefits of working together.

On behalf of all staff I express sadness at the passing of our Deputy Mayor Ted Jeffries. We miss his dedication and genuine caring for the community he so loved. I will always remember his humour, honour and decency.

Ron Sanderson
General Manager



COUNCILLORS AS AT 30TH JUNE 2006

Cr Tony Foster (Mayor)

Councillor for almost 18 years,
Mayor since 1993

Committee Representation:-

- Finance Committee (Chairperson)
- Parks & Recreation Committee
- Planning Committee

Council Representative:-

- Southern Tasmanian Councils Association
- Southern Waste Strategy Board Joint Authority
- Emergency Management Advisory Committee



Cr Barbara Curran

Councillor for almost 10 years.

Committee Representation:-

- Parks & Recreation Committee
- Pontville Special Committee
- Planning Committee
- Brighton Primary School Council
- Waste Management Committee



Cr Ted Jeffries (Deputy Mayor) – until Nov 2005

Councillor for just over 13 years,
Deputy Mayor 1996-2005

Committee Representation:-

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

Council Representative:-

- Southern Tasmanian Waste Management Authority
- Southern Waste Strategy Board Joint Authority
- Southern Tasmanian Councils Association (Proxy)



Cr Kate Fitzpatrick – until May 2006

Councillor for 3 years.

Committee Representation:-

- Parks & Recreation Committee
- Gagebrook Primary School Committee
- Bridgewater High School Council
- Brighton Junior Council
- Bridgewater/Brighton On-line Access Centre Advisory Committee (Proxy)



Cr Wayne Garlick (July – October) (from December)

Councillor for 3 years.

Committee Representation:-

- Parks & Recreation Committee (Proxy)
- Finance Committee (Proxy)
- Planning Committee
- Bridgewater/Brighton On-line Access Centre Advisory Committee (Chairperson)



Cr Geoff Taylor (Deputy Mayor) – from Dec 2005

Councillor for 21 years,
Deputy Mayor 7 months.

Committee Representation:-

- Waste Management Committee (Chairperson)
- Planning Committee



Cr Peter Geard

Councillor for just over 18 years.

Committee Representation:-

- Pontville Special Committee (Chairperson)
- Parks & Recreation Committee (Chairperson)
- Brighton Senior Citizens Management Committee (Chairperson)
- Waste Management Committee



Council Representative:-

- Local State Emergency Services Co-ordinator
- Cycling South
- Bicycle Users Group
- Southern Waste Strategy Board Joint Authority (Proxy)
- Hobart Regional Water Board Joint Authority (Proxy)
- Jordan River Fire Management Committee

Cr Leigh Gray (from November 2005)

Councillor for eight months.

Committee Representation:-

- Finance Committee
- Parks & Recreation Committee



Cr Philip Owen

Councillor for just over 16 years.

Committee Representation:-

- Brighton Planning Committee (Chairperson)
- Finance Committee
- Waste Management Committee



Council Representative:-

- Hobart Regional Water Board Joint Authority
- Cycling South (Proxy)

Cr Heather Price (from June 2006)

Councillor for one month.

Committee Representation:-

- Parks & Recreation Committee
- Planning Committee
- Brighton Junior Council
- Bridgewater High School Council
- Bridgewater/Brighton On-line Access Centre Advisory Committee (proxy)



Cr Sonya Williams (from November 2005)

Councillor for eight months.

Committee Representation:-

- Brighton Junior Council
- Bridgewater High School Council
- Gagebrook Primary School Council





OPERATIONAL HIGHLIGHTS

ENVIRONMENT & DEVELOPMENT

Land use planning & Building

Objective

- To ensure Brighton is an attractive municipality providing for the sustainable objectives of the Act
- To assess application for compliance with the necessary planning, building and health regulations and Council's strategic and operational plans
- To deliver a high quality level of customer service to meet community expectations and statutory deadlines.

Performance

Further amendments to the Brighton Planning Scheme 2000 have been initiated in order to improve the operation and effectiveness of land use planning. These include changes to the definitions and use tables to bring the Planning Scheme into general conformity with the Resource Planning and Development Commission Planning Directive 1, and have resulted in the Brighton Planning Scheme 2000 being one of the more compliant planning schemes in the State.

Council continued to maintain a low incidence of appeals against planning decisions during the year.

Development applications processed during the year reduced from 412 in 2004/05 to 352 with an average processing time of 18 days for permitted applications and 36 days for discretionary applications.

Subdivision applications processed during the year reduced slightly from 41 in 2004/05 to 40, with an average processing time of 26 days. Applications consisted of 27 subdivisions and 13 stratum subdivisions. A total of 72 new building lots were approved for the period.

Despite a reduction in building permits processed by Council's Permit Authority from 382 in the 2004 - 2005 period to 338, the dollar value has increased from \$33.9 million in the 2004-2005 period to \$36.1 million. This reflects a sustained upwards trend for the value of building approvals within the Municipality. This period has seen the Bridgewater Industrial Zone continue to grow with some large-scale projects commencing during this period as well as a large number of residential approvals throughout the Municipality.

Animal Control

Objective

- to provide the community with an effective and efficient ranger service;
- to educate dog owners to be responsible and caring for their animals; and
- to continue to administer Council's Dog Management Policy and the Dog Control Act 2000.

Performance

During 2005-2006 there has been a decrease in the number of dogs registered from 3240 to 2984.

The number of complaints in relation to stray dogs and nuisances has increased from 250 (2003-2004); 300 (2004-2005) to 501 (2005-2006). This still represents a large decrease from 729 in 2002-2003.

A total of 361 dogs were taken to the Dogs Home of which 91 were reclaimed by their owners in comparison to last years figures of 545 and 143 respectively. An additional 47 dogs were adopted in comparison to 56 during 2004-2005.

An overall average of 45 dogs/month were impounded with 33% of these being euthanased and 26% reclaimed.

Kennel licences have remained steady at 32 whilst the number of dangerous dogs decreased to 10 (this includes 7 guard dogs).



OPERATIONAL HIGHLIGHTS

Environment & Public Health

Objective

- To maintain sustainability of the environment and improve public health;
- Recognition for the need to implement measures for reducing health risk and extending environmental monitoring programs;
- To monitor the manufacture and sale of food in the municipality, such that it does not pose a risk to public health; and
- To respond promptly to all nuisances that impact on the health and safety of the community.

Performance

Immunisation

Immunisation continues to be promoted to the wider community in an effort to maintain and increase vaccination coverage rates. Council still provides a vaccine subsidy scheme, however the demand for this has reduced as more and more people become vaccinated.

A total of 1065 individual vaccinations were administered in 2005-2006. Of these, (525) were administered at the Brighton & Community Health Centre during Council's monthly immunisation clinics. The remainder (540) were administered as part of the school program. Total numbers of individual vaccinations are lower than last year (1482), as newly introduced multivalent vaccines have been approved for use in the National Immunisation Program.

In addition to the normal scheduled vaccines for school aged children, chicken pox vaccinations were introduced this year for Grade 6 students. These will continue for approximately 10 years, at which time children entering Grade 6 will have already been vaccinated during their primary schedule.

Food Premises

The basis for registration of food premises is on an assessment of perceived risk, the purpose of which is to determine the frequency of inspection. During 2005-2006 there were 52 registrable food premises requiring in excess of 115 inspections. These resulted in the issue of 1 improvement notice and 1 infringement notice (2 less than last year for each) under the Food Act 2003.

Food Handler Training

The education and training of food handling continues to be a high priority for Council's Environmental Health Officers. The cornerstone of this is the promotion and implementation of the "FoodSafe" training package developed by the Australian Institute of Environmental Health.

Food businesses are encouraged to continually improve the food safety management within their premises. The completion of 'FoodSafe' is considered to be the minimum benchmark to demonstrate adequate food safety management. Two food premises have successfully gained 'FoodSafe' and 'Cool Canteen' accreditations this year.

Council also promotes the Healthy Options Tasmania program to encourage food outlets to offer healthy choices in food for sale to the public.

Food Sampling

Council continues to closely monitor the quality of food in the municipality as part of both State and regional food sampling programs. Random samples of pre-determined foodstuffs are analysed to ensure compliance with the Food Act 2003 and Food Standards Code.

In the 2005-2006 period, 11 food samples (either samples or environmental swabs) were analysed. All analysis results passed guidelines.

Potable Water Quality

Following on from changes made in the sampling regime last year (new testing sites and increased frequency) a total of 151 samples were taken for analysis with 9 failing to meet NH&MRC guidelines.



OPERATIONAL HIGHLIGHTS

The failures were a significant increase on last year's results and were indicative of organic growth in large diameter distribution mains with low water usage. Standard scouring and disinfection techniques improved water quality immediately.

A scouring program for the offending mains has been established. Furthermore Council was successful in obtaining a government grant for the construction of a reservoir roof (Brighton Reservoir). Reservoir roofing will improve water quality by reducing the amount of windblown contaminants able to enter it and by slowing down the breakdown of chlorine due to UV radiation.

Complaints

The number of complaints received by Council represented an increase of almost 20% (a total of approximately 100) as compared with last year.

Noise issues remain the most common cause of complaints and represent some of the increases. Additional noise complaints were a direct result of machinery used in conjunction with natural gas reticulation in the Bridgewater and Gagebrook areas. Once again, with public education and partnership with Tasmania Police and Housing Services, the vast majority of these complaints were satisfactorily resolved. Other complaints include smoke (wood heater and backyard burning), which were also up from last years figures, and visual amenity and odour.

On-site Domestic Wastewater Management

Council's Environmental Health Officers continue to support innovation and best practice in On-site Domestic Wastewater Management. Septic tank applications slightly increased from 55 in 2004-2005 to 64 in 2005-2006. The introduction of private certification of on-site waste disposal systems has proven challenging. The quality of applications and the provision of certificates of installation are the two main factors that require further refinement.

Council's Environmental Health Officer is still required by the Building Act 2000 and Plumbing Regulations 2004 to approve privately certified systems.

PHYSICAL SERVICES

Roads

Objective

- To maintain the road network to a standard that is acceptable and safe for the travelling public and other road users.

Action Plan

- Maintain all roads within the road network to a level that is the same or equal with their importance within the network.
- Ensure that all roads are in a safe and trafficable condition for vehicles and pedestrians at all times.
- Ensure that Council allocates sufficient funds to maintain the road infrastructure asset at a level that will not diminish that asset.
- Ensure that the road network is user friendly.

Performance

As well as routine maintenance and reconstruction works in achieving the above general action plan the following works were undertaken:

- New construction of a section of Perrymore Rd, Dromedary
- Continued reseal program for urban and rural sealed roads
- Kerb and Channel works and footpath Bedford St, Brighton
- Footpath installation Morrisby Rd to Purdon St, Old Beach
- Reconstruction works at Scott Rd, Bridgewater, Baskerville Rd, Honeywood, Jetty Rd, Old Beach and Back Tea Tree Rd, Tea Tree
- Cartwright Street reseal and roundabout and Rowe Street seal





OPERATIONAL HIGHLIGHTS

Bridges

Objective

- To maintain all bridges, culverts and pedestrian underpasses that are part of the road network, to a standard that is acceptable and safe for the travelling public and other users.

Action Plan

- Maintain all bridges, culverts and pedestrian underpasses at a level that provides essential vehicle access to all affected properties.
- Ensure that all bridges, culverts and pedestrian underpasses are safe for all users.
- Ensure that Council allocates sufficient funds to maintain the existing bridges, culverts and pedestrian underpasses at a level that will not diminish the asset.
- Undertake a condition assessment to determine the desired preventative maintenance requirements of the bridge network.

Performance

Routine maintenance works and condition assessments were undertaken during the year as well as:

- Construction of a footbridge at Boyer Road, Dromedary
- Asphalt sealing of Jetty Road jetty car park
- Installation of guardrail at Cove Hill Road Bridge, Bridgewater, Baskerville Road culvert, Old Beach as part of the guardrail replacement program

Water Supply

Objective

- To maintain the water supply storage reservoirs and reticulation system at a standard that will supply potable water to all existing consumers with minimal interruption.

Action Plan

- Maintain all water storage reservoirs and water mains at a standard that will ensure the supply of potable water to all consumers is within the accepted health standards.
- Ensure that adequate supply and pressure are preserved for both domestic and emergency use.
- Ensure that Council allocates sufficient funds to maintain the water supply system at a standard that will not diminish the asset.

Performance

As well as routine maintenance works in achieving the above general action plan the following works were undertaken:

- Extension of water line at the southern end of Baskerville Road, Old Beach
- Installation of pressure pump to upgrade Tea Tree supply
- Removal of water tower in Brighton





OPERATIONAL HIGHLIGHTS

Sewerage

Objective

- To maintain the sewerage system to a standard that will adequately convey effluent to the sewage treatment plant without adverse effect to the environment.
- To treat effluent to standards required by the Department of Primary Industry, Water and Environment.
- Encourage the reuse of sewerage effluent

Action Plan

- Ensure that all sewage pump stations are maintained at a level that does not create a health hazard, pollute the environment or create a nuisance.
- Operate the sewage treatment plants to the requirements of the Department of Primary Industry, Water and Environment and not create a nuisance to the surrounding properties.
- Ensure that Council allocates sufficient funds to maintain the sewerage system to a standard that does not reduce the value of the asset.
- Ensure that the preventative maintenance program for the sewage treatment plant and pump stations are carried out as per the program schedule.

Performance

As well as routine maintenance works in achieving the above general action plan the following works were undertaken:

- Continuation of the sewerage reticulation upgrade – Old Main Road, Bridgewater
- Disposal site and bin modification for biosolids
- Monitoring of re-use bores
- Telemetry works at the treatment plant
- Telemetry works at various pump stations
- Purchase and alterations to provide a standby generator on a trailer
- Switchboard replacement at Esplanade pump station, Bridgewater
- Purchase of spare pump for Gagebrook pump station
- Pump replacement at Old Beach No. 1





OPERATIONAL HIGHLIGHTS

Waste Management

Objective

- Maintain a waste management system that promotes a healthy environment and a level of service equivalent to community expectations.

Action Plan

- Maintain a high level of service for the kerbside collection of garbage and recyclable material.
- Maximise reduction of waste to landfill.
- Ensure the efficient operation of the Bridgewater waste transfer station.
- Ensure that Collex Waste Management operates an efficient and effective domestic garbage collection service.
- Ensure that Collex Waste Management operates an efficient and effective domestic recycling collection service.

Performance

Ensured that the transfer station operation and kerbside rubbish and recycling collection services were undertaken in an efficient and effective manner.

- Continued participation in the Southern Waste Strategy Board
- Continued operation of Waste Transfer Station by Council Staff

Public Buildings

Objective

- To maintain all public buildings to a standard that protects the asset and encourages use by community groups and the general public.

Action Plan

- Maintain public buildings to a level that is commensurate with the use, location and patronage.
- Encourage the use of all buildings to sporting groups and the general public.
- Ensure that Council allocates sufficient funds to maintain the asset at a level that will not diminish the assets.

Performance

As well as routine maintenance works in achieving the above general action plan the following works were undertaken:

- Depot roof repairs
- Construction of Radio tower access road
- Pontville Hall toilets upgrade
- Pontville Grandstand repairs and refurbishment



OPERATIONAL HIGHLIGHTS

Reserves

Objective

- To maintain all passive and active recreational areas to a standard that is acceptable, safe and accommodates the needs of all sporting groups.

Action Plan

- Ensure that all passive recreational areas are maintained at a level that is commensurate with their importance, use and location in the residential areas.
- Ensure that all playgrounds are accepted by and safe for all users.
- Ensure that all active recreational areas (which included the playing area and support facilities) are maintained at a level which is acceptable and safe for all sport players and spectators.
- Promote the use of all recreational facilities to sporting groups and the general public.
- Ensure that the preventative maintenance program for all playgrounds is carried out as per Standards Australia guidelines.



Performance

As well as routine maintenance works in achieving the above general action plan the following works were undertaken:

- Foreshore walking track from Old Beach Jetty to Churinga Waters Drive, Old Beach
- Construction of Cris Fitzpatrick Park cricket pitch
- Landscaping at Brighton skate park and play area
- Extension of concrete walkway along Jordan River
- Beautification Program – Planting and retaining wall in front of the SES and fire brigade Midland Highway, Brighton



OPERATIONAL HIGHLIGHTS

Emergency Management

Objective

- To have coordinated plans, procedures and infrastructure for the prevention of, preparation for and response to hazards or occurrences that present risk to public safety in the municipal area.

Action Plan

- Compliance with requirements of the Emergency Services Act 1976.
- Maintain, review and update Brighton Emergency Management Plan.
- Ensure that operational centre is adequately resourced and functional.

Performance

The Tasmanian Emergency Risk Management Plan for the Brighton Municipality was reviewed and updated.

The Emergency Management Plan was reviewed, rewritten and submitted to the State Emergency Service for approval.

CHILDREN'S SERVICES

Objective

- To provide a range of accredited child care services that meet the diverse needs of the community.
- To offer professional, safe, appropriate care through the auspices of a home-based care type known as Family Day Care [FDC], and Outside School Hours Care [OSHC] types known as After School Care and Vacation Care.
- To ensure that all programs are administered and regulated according to local, state and commonwealth government guidelines.

Action Plan

- To continue to market and promote Children's Services so that the community has a greater awareness and understanding of its role and capabilities.
- To be successfully accredited in both FDC and OSHC by the National Childcare Accreditation Council of Australia
- To be re-licensed by the Dept of Education in both programs
- To set up a Before School Hours Care program at Brighton School to complement the current After School and Vacation Care programs
- To explore the possibilities, in consultation with Brighton School, of transferring the OSHC program to a private operator
- To review all current children's services programs and formulate a "future visions" plan.



OPERATIONAL HIGHLIGHTS

Performance

Family Day Care

This has been a challenging year in Family Day Care – not only at a local level but also at state and national levels. With the federal government’s changes to funding and the difficulty in recruiting new carers the Scheme had to implement a carer admin levy [Brighton were the only scheme not to have a carer levy] and change the existing flat rate parent admin levy to a user pays system. Both of these decisions were business based and not lightly undertaken. In May, the Minister, Mal Brough, announced that not only would the funding method be altered but that the existing scheme boundaries would be removed, allowing carers to “shop around” for best deals.

Through the Manager Children’s Services, Mrs Paula Stone’s involvement as a Director with Family Day Care Australia, Mrs Stone is aware that many issues are being faced by the majority of FDC Schemes throughout Australia. The recruitment of new carers is also a national issue of great concern and all states and territories are working collaboratively to try to find some solutions. In December, Brighton FDC was asked to be part of a national DEWR/FaCSIA/FDCA Recruitment

Pilot Project. This involved the scheme plus one from Campbell Town in NSW and Ipswich in Queensland. At this stage it is difficult to gauge it’s success, but if it provides a better or additional method of recruitment for the industry then it will be worthwhile.

There are many changes and challenges ahead for FDC but change can be embraced to move forward in different and more beneficial directions as long as we remember our focus is the well being of children and their families.

The advantages that FDC has provided to the community over many years have been very substantial – economically and socially – and must be maintained.

Outside School Hours Care & Vacation:

This year saw the introduction of an additional program – Before School Hours Care, and also realised the successful accreditation of the entire program as well as re-licensing with the Department of Education.

Sadly, it is becoming more and more difficult to continue administering the program and no longer possible to continue propping it up with financial assistance from Family Day Care. We had been approached by an experienced private child care operator to take over the

A photographic ‘glimpse’ of Brighton Family Day Care





OPERATIONAL HIGHLIGHTS

administration of the program but this doesn't appear as though it will come into fruition and Children's Services is currently working with the Brighton Primary School for them to administer these programs next financial year. This will not affect the parents and children as the program will continue to be staffed by the existing staff.

Once again, the Co-ordinator of the program, Sue Argee, and her band of part time and/or casual assistants has provided an outstanding service. With the Government removing the restriction of funded places to bring Outside School Hours Care in line with child care centre funding, we had been able to increase our capacity to 40 places – a great advantage especially in the Vacation Program where the care needs are highest.

We wish the program well as it enters a new era and we are confident it will continue to meet the needs of the community as it has done since its inception.





OPERATIONAL HIGHLIGHTS

CORPORATE SERVICES

Administration and Finance

Objective

- Provide high quality administrative support to all Council departments, elected members and external stakeholders.
- To manage Council finances, administrative processes and co-ordinate Council resources in an efficient and responsible manner.
- Provide information and record management to meet the needs of Council decision-making process and policy formulation.

Action Plan

- Develop and maintain a sustainable and understandable budgetary system and to incorporate an associated reporting system, to satisfy both internal and external reporting requirements.
- Maximise the use of any available grant funding, through the active pursuit and lobbying of State and Commonwealth Governments.
- Develop a fair and equitable rating policy that can be contained within Councils existing financial framework.
- Minimise Council level of debt write-offs.
- Maximise the return on Council investments within an acceptable risk profile.
- Implement a financial model that will satisfy the specific needs identified in the Strategic Plan.
- Collect the various levies imposed by Government agencies and remit these accordingly.
- Encourage staff development and professional learning.
- Pursue effective cost of service delivery.
- Ensure equality in treatment of all classes of residents.

Performance

The Financial Management of Brighton Council continued to improve with favourable key financial indicators during 2005 – 2006. Brighton Council's percentage of Debt to Revenue decreased during the financial year thanks to responsible financial management by staff and Councillors. For 12 years now, Council's debt ratio has been steadily falling and will continue to fall with no new loan requirements expected for the financial year ending in June 2007.

Council's financial position again improved during the year with an increase in equity of \$3,155,654. This increase was represented by an operating result of \$3,088,485 (includes \$1,840,993 in infrastructure donations) and the equity adjustment for accounting for Hobart Water under the new International Accounting Standards of \$67,169. Cash and Cash Equivalents increased by \$107,620. Cash at bank is at its highest level on record and with our loan debt the lowest in over 12 years, Brighton Council is in very good shape financially.

Against the trend of many Tasmanian Councils, Brighton Council again managed to hold its rate increase to less than CPI. This noteworthy on-going financial performance has enabled Brighton Council to achieve the lowest average total rates per Capita over the last 5-year period in Tasmania. The Australian Bureau of Statistics also recognises Brighton Council as having the greatest percentage population growth rate in all of Tasmania.

Significant offsets were made against Corporate Services staff salaries by providing consulting services to Microwise Australia Pty Ltd. Other achievements of the year include providing our ratepayers with a greater range of payment options such as Australia Post and Bill Express. This ratepayer convenience partly contributed to achieving our lowest percentage of outstanding rates on record.

We successfully applied all new accounting standards including implementation of the International Accounting Standards for the first time. Brighton Council is now fully compliant with these new accounting standards.



OPERATIONAL HIGHLIGHTS

HUMAN RESOURCES, PLANT AND EQUIPMENT

Objective

- To ensure that the employment practices of the Council are progressive, innovative and monitored regularly.
- To manage plant and equipment resources in an efficient and responsible manner.

Action Plan

- To provide commitment to continual development based on the premise of equality and measurable productivity improvement.
- Continue to increase and monitor work place training and development for Council's workforce, particularly in relation to the training packages and tertiary education.
- Management and operation of council plant and equipment in an efficient and effective manner.
- Maximise the economic use of the fleet.
- Develop and implement resource sharing of the major plant items and staff with other councils.

Performance

Policies, procedures and programs continue to be updated in line with operational and legislative changes.

Council employees continue to update their skills and professional development in line with Council Policies and their roles within Council.

Council's Workplace Agreement expired on the 30th June. The Workplace Agreement Consultative Committee commenced compilation of the 2006 Draft agreement in line with the new Industrial Relations Act guidelines.

Council continues to increase and revise its Human Resource and Occupational Health & Safety Policies through the assistance of the Senior Management Team and Occupational Health & Safety Committee.

Mr Ron Sanderson commenced his appointment as General Manager in July after the retirement of Geoff Dodge.



There have been a number of appointments during the year:-

Community Liaison Officer - John Klug

Manager Business Services – David Doyle

Technical Officer/Project Engineer – Simon Pulford

Animal Control Officer (part-time) – Katrina Phillips

Sports Trainee – Ben Curley (Partnership with Greenpoint Primary & Bridgewater High Schools)

The continued growth within the Municipality has placed a heavy workload on Council staff. This applies in particular to the regulatory areas of land use planning and associated engineering assessments, which in turn flows through to building and plumbing approvals and inspections. Additional resources had been applied when necessary to these areas to ensure a satisfactory level of service was provided.

The Local Government sector is facing serious staff shortages in a number of specialist areas. Council has been particularly fortunate in that we have been able to retain and where necessary recruit quality staff.



GOVERNANCE

Public Interest Disclosure Act 2002

This report is made pursuant to Section 86 of the *Public Interest Disclosures Act 2002*. No public interest disclosures were made during the 2005/06 year. A copy of Council's Policy on Public Interest Disclosures, adopted by Council under Part 7 of the Act can be obtained by contacting Council's Manager Governance & Human Services on 6268 7027.

Water Supply – Regulation 36(a) – Local Government (General) Regulations 2005

Council will continue to purchase water from Hobart Water and reticulate it to residents through its two part tariff. All properties in the municipality with water are currently metered.

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

Total amount paid to Councillors, Mayor and Deputy Mayor for allowances, travel and miscellaneous reimbursements for the period 1 July 2005–30 June 2006 was \$91,332.85.

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

In accordance with Section 72(1)(cd) of the *Local Government Act 1993*, Council identified the General Manager as holding a senior position. The General Manager's total annual remuneration as specified in subsection (5) of the Act for the financial year 2005/06 was between \$140,000 - \$160,000. This amount includes salary; employer superannuation; value of the use of motor vehicle and value of allowances and/or benefits provided.

Donation of Land Statement – Section 72(1)(da) – Local Government Act 1993

Section 72(da) of the *Local Government Act 1993*, requires Council to report on any land donated by Council during the year.

Council donated back to Housing Tasmania a block of land in Birubi Place, Gagebrook. The value of the land was \$7,000.

Public Tenders – Local Government (General) Regulations 2005

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

Only one contract was called and awarded for the supply of a centrifuge for the sludge dewatering upgrade at Council's Greenpoint Wastewater Treatment Plant. The period of the contract will be from 17/7/06 – 30/6/07. The value of the contract is \$179,800 and was awarded to GEA Westfalia Separator Environmental Systems of 47 Northgate Drive, Thomastown, Victoria.

Partnership Agreement with State Government

Council and the State Government have continued to work through a number of matters to achieve the outcomes of the partnership agreement which has now been in place for over a year. The agreement provides for outcomes over a number of operational areas including economic development; environment and land management; community health, well-being, education and safety; financial arrangements and information technology.



COUNCILLOR ATTENDANCE

Councillors attendance at Council or Council Committee meetings in accordance with Section 72(1)(cc) of the *Local Government Act 1993*

Ordinary Council Meetings

MEMBERS	No. of Meetings Attended		%
Cr S Foster (Mayor)	12	11	92%
Cr T Jeffries (Deputy Mayor)			
– July to Nov	4	3	75%
Cr B Curran	12	12	100%
Cr K Fitzpatrick	11	8	73%
Cr W Garlick	11	11	100%
Cr P Geard	12	10	83%
Cr L Gray	8	8	100%
Cr P Owen	12	12	100%
Cr H Price	1	1	100%
Cr G Taylor (Deputy Mayor)			
– Dec to June	12	10	83%
Cr S Williams	8	7	83%

Annual General Meeting

Cr S Foster (Mayor)	1	1	100%
Cr B Curran	1	1	100%
Cr K Fitzpatrick	1	1	100%
Cr W Garlick	1	1	100%
Cr P Geard	1	1	100%
Cr L Gray	1	1	100%
Cr P Owen	1	1	100%
Cr G Taylor	1	1	100%
Cr S Williams	1	1	100%

Special Council Meeting

Cr S Foster (Mayor)	1	1	100%
Cr B Curran	1	1	100%
Cr K Fitzpatrick	1	1	100%
Cr W Garlick	1	1	100%
Cr P Geard	1	1	100%
Cr L Gray	1	1	100%
Cr P Owen	1	1	100%
Cr G Taylor	1	1	100%

Parks & Recreation Committee

MEMBERS	No. of Meetings Attended		%
Cr T Jeffries (Chairperson)			
– July to Oct	3	3	100%
Cr P Geard (Chairperson)			
– Dec to June	8	7	88%
Cr B Curran	8	6	75%
Cr K Fitzpatrick – July to May	7	4	57%
Cr S Foster – Dec to June	5	5	100%
Cr W Garlick – Dec to June	5	5	100%
Cr L Gray – Dec to June	5	4	80%

NON-MEMBERS

Cr P Owen	2
Cr G Taylor	5
Cr W Garlick	3

Finance Committee

MEMBERS	No. of Meetings Attended		%
Cr S Foster (Chairperson)	8	7	88%
Cr B Curran – Dec to June	4	3	75%
Cr T Jeffries – July to Oct	4	4	100%
Cr P Owen	8	8	100%
Cr P Geard (proxy)	6	6	100%
Cr W Garlick (proxy)	3	3	100%

NON-MEMBERS

Cr B Curran	3
Cr K Fitzpatrick	2
Cr W Garlick	4
Cr P Geard	2
Cr L Gray	4
Cr G Taylor	7



COUNCILLOR ATTENDANCE

Planning Committee

MEMBERS	No. of		
	Meetings	Attended	%
Cr P Owen (Chairperson)	9	9	100%
Cr S Foster	9	7	78%
Cr T Jeffries – July to Oct	4	3	75%
Cr B Curran	9	9	100%
Cr K Fitzpatrick – July to May	7	3	43%
Cr W Garlick	8	8	100%
Cr L Gray	5	5	100%
Cr G Taylor	9	9	100%

NON-MEMBERS

Cr W Garlick	1
Cr P Geard	3
Cr S Williams	1

Waste Management Committee

MEMBERS	No. of		
	Meetings	Attended	%
Cr G Taylor (Chairperson)	2	1	50%
Cr B Curran	2	1	50%
Cr P Geard	2	2	100%
Cr P J Owen	2	1	50%

Brighton Senior Citizens Management Committee

MEMBERS	No. of		
	Meetings	Attended	%
Cr P Geard (Chairperson)	1	1	100%

Pontville Special Committee

MEMBERS	No. of		
	Meetings	Attended	%
Cr P Geard (Chairperson)	2	2	100%
Cr B Curran	0	0	0%

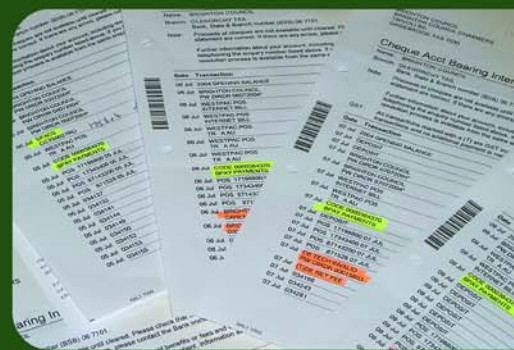


Brighton Council

FINANCIAL REPORT

2005 - 2006

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Tasmanian Audit Office

INDEPENDENT AUDIT REPORT

To the Councilors of the Brighton Council

Financial Report for the Year Ended 30 June 2006

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report published in both the annual report and on the website of the Brighton Council (the Council) for the year ended 30 June 2006. The Council's General Manager is responsible for the integrity of both the annual report and the website.

The audit report refers only to the financial statements and notes named below. It does not provide an opinion on any other information, which may have been hyperlinked to/from the audited financial report.

If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report in the Council's annual report.

Scope

The financial report and the General Manager's responsibilities

The financial report comprises the income statement, balance sheet, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the General Manager's declaration for the year ended 30 June 2006.

The General Manager is responsible for the preparation and true and fair presentation of the financial report in accordance with Section 84 of the *Local Government Act 1993*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

I conducted an independent audit in order to express an opinion to the Councilors. My audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Local Government Act 1993*, Accounting Standards and other mandatory financial reporting requirements in

Australia, a view which is consistent with my understanding of the Council's financial position, and of its performance as represented by the results of its operations, cash flows and changes in equity.

I formed my audit opinion on the basis of these procedures, which included:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the General Manager.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls.

The Audit Opinion expressed in this report has been formed on the above basis.

Independence

In conducting my audit, I have met applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion the financial report presents fairly, in all material respects, in accordance with the *Local Government Act 1993* and applicable Accounting Standards and other mandatory financial reporting requirements in Australia, the financial position of the Brighton Council as at 30 June 2006, and the results of its operations, cash flows and changes in equity for the year then ended.

TASMANIAN AUDIT OFFICE



H M Blake
AUDITOR-GENERAL

HOBART
6 November 2006



STATEMENT BY GENERAL MANAGER

BRIGHTON COUNCIL

Statement by General Manager

In my opinion:

- (a) the financial report set out on the following pages presents fairly the financial position of BRIGHTON COUNCIL as at 30 June 2006 and the results of its operations and cash flows for the year then ended in accordance with applicable Accounting Standards, Urgent Issues Group Interpretations and applicable legislation; and
- (b) the financial report has been prepared in accordance with the requirements of the *Local Government Act Tasmania 1993*.

Ron Sanderson
General Manager

A handwritten signature in black ink that reads "Ron Sanderson".

October 2006



INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2006

	Notes	Actual 2006 \$	Budget 2006 \$	Actual 2005 \$
REVENUES				
Revenues from operations				
Rate Revenues	3(a)(i)	7,172,229	6,932,527	6,661,690
Interest	3(a)(ii)	167,665	120,000	179,633
Profit on Asset Disposal	3(a)(iii)	33,239	35,000	57,167
Reimbursement of Expenses Incurred	3(a)(iv)	26,510	21,000	25,746
Grants	3(a)(v)	2,422,880	2,468,293	2,364,441
User Charges	3(a)(vi)	1,299,180	1,246,113	1,428,036
Contributions	3(a)(vii)	1,840,993	1,920,000	4,355,862
Other	3(a)(viii)	315,870	343,000	258,579
Fees and Charges		774,047	230,660	652,596
Private Works Sales Proceeds		55,214	30,000	368,168
Share of Profit of Associate		180,077	0	128,216
Total revenues from operations		\$14,287,904	\$13,346,594	\$16,480,134
EXPENSES				
Employee Costs	3(b)(i)	2,214,707	2,238,329	2,027,255
Depreciation	3(b)(ii)	1,818,677	1,769,000	1,738,826
Borrowing Costs	3(b)(iii)	291,058	325,401	352,514
Contributions	3(b)(iv)	531,151	515,000	428,948
Materials/Contracts & Other	3(b)(v)	4,404,161	4,168,002	4,381,376
Loss on Hobart Water revaluation		0	115,000	0
Purchase of Water		1,011,191	1,018,946	959,603
Aldermanic Allowances & Expenses		89,252	149,700	87,719
Family Day Care Fee Relief Subsidy		589,899	850,000	745,182
Donations	4	218,123	140,000	107,073
Private Works Expense		31,200	25,000	255,013
Total expenses from operations		\$11,199,419	\$11,314,378	\$11,083,509
Operating result from operations		\$3,088,485	\$2,032,216	\$5,396,625

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



BALANCE SHEET

AS AT 30 JUNE 2006

ASSETS	Notes	2006	2005
CURRENT ASSETS		\$	\$
Cash and Cash Equivalents	5	2,613,980	2,506,360
Receivables - Rates	6	225,969	260,765
Receivables - Other	6	322,924	877,198
Financial Assets	7	3,318	3,118
Other	8	432,210	201,258
Total Current Assets	2(b)	<u>3,598,401</u>	<u>\$3,848,699</u>
NON CURRENT ASSETS			
Land	9	1,990,264	1,942,264
Plant and Vehicles	10	898,431	700,401
Small Machinery	11	17,194	23,240
Furniture and Equipment	12	210,151	198,157
Intangibles	13	72,483	76,226
Buildings	14	7,775,642	7,578,078
Bridges	15	1,218,238	1,240,759
Sewerage	16	17,904,147	17,612,875
Drainage	17	10,417,715	10,315,567
Water	18	12,721,953	12,489,790
Roads	19	37,138,565	36,152,426
Investment in Associate	22	6,111,207	5,977,046
Other Financial Assets	21	27,394	30,712
Total Non Current Assets	2(b)	<u>\$96,503,384</u>	<u>\$94,337,541</u>
Total Assets		<u>\$100,101,785</u>	<u>\$98,186,240</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables	23	904,242	955,098
Financial Liabilities	24	572,308	526,208
Provisions	25	691,640	542,440
Other	26	414,622	1,174,593
Total Current Liabilities		<u>\$2,582,812</u>	<u>\$3,198,339</u>
NON CURRENT LIABILITIES			
Financial Liabilities	27	3,487,029	4,090,431
Provisions	28	44,889	66,069
Total Non Current Liabilities		<u>\$3,531,918</u>	<u>\$4,156,500</u>
Total Liabilities		<u>\$6,114,730</u>	<u>\$7,354,839</u>
NET ASSETS		<u><u>\$93,987,055</u></u>	<u><u>\$90,831,401</u></u>
EQUITY			
Reserves	29	31,518,059	31,419,004
Ratepayers Equity		62,468,996	59,412,397
TOTAL EQUITY		<u><u>\$93,987,055</u></u>	<u><u>\$90,831,401</u></u>

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



STATEMENT CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
Cash Flows from Operating Activities			
Receipts			
Receipts from Ratepayers, Fees & Charges		10,842,370	12,093,130
Interest Received		159,236	179,633
Government Grants		2,422,880	2,364,441
		<u>13,424,486</u>	<u>14,637,204</u>
Payments			
Payments to Suppliers and Employees		(10,585,410)	(8,747,646)
Borrowing Costs		(315,508)	(265,595)
		<u>(10,900,918)</u>	<u>(9,013,241)</u>
Net Cash Flows from Operating Activities	33	<u>\$2,523,568</u>	<u>\$5,623,963</u>
Cash Flows from Investing Activities			
Receipts			
Public Bodies Loan repayments		3,118	6,871
Sale of Land		0	169,909
Hobart Water Dividends		145,554	119,107
Sale of Plant and Equipment Assets	3(a)(iii)	196,067	172,947
		<u>344,739</u>	<u>468,834</u>
Payments			
Purchase of Buildings		(357,649)	(3,239,119)
Purchase of Land		(55,000)	0
Purchase of Plant and Vehicles & Machinery		(515,671)	(253,519)
Intangible		(24,206)	(58,329)
Purchase of Water Reticulation Assets		(151,937)	(53,794)
Purchase of Roads, Bridges & Drainage Assets		(718,352)	(725,024)
Purchase of Sewerage Assets		(304,232)	(183,521)
Purchase of Furniture and Equipment		(76,338)	(88,398)
		<u>(2,203,385)</u>	<u>(4,601,704)</u>
Net Cash Flows from Investing Activities		<u>(\$1,858,646)</u>	<u>(\$4,132,870)</u>
Cash Flows from Financing Activities			
Repayment of Borrowings		(557,302)	(581,494)
Net Cash Flows from Financing Activities		<u>(557,302)</u>	<u>(581,494)</u>
Net increase/(decrease) in Cash and Cash Equivalents		107,620	909,599
Cash at the Beginning of the Financial Year		2,506,360	1,596,761
Cash and Cash Equivalents at the End of the Financial Year	5	<u>\$2,613,980</u>	<u>\$2,506,360</u>

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



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2006

	Ratepayers Equity		Asset Revaluation Reserve		Public Open Space Reserve		Total	
	2006	2005	2006	2005	2006	2005	2006	2005
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of the Financial Year	59,412,397	53,975,702	0	0	35,585	35,585	59,447,982	54,011,287
Buildings	0	0	790,274	790,274	0	0	790,274	790,274
Bridges	0	0	565,345	0	0	0	565,345	0
Water	0	0	4,660,660	3,292,252	0	0	4,660,660	3,292,252
Sewerage	0	0	7,173,772	606,859	0	0	7,173,772	606,859
Drainage	0	0	3,044,336	1,479,017	0	0	3,044,336	1,479,017
Roads	0	0	14,914,818	14,914,818	0	0	14,914,818	14,914,818
Hobart Water	0	0	234,214	0	0	0	234,214	0
Net operating result for the year	3,088,485	5,396,625	0	0	0	0	3,088,485	5,396,625
Transfers to Reserves								
Bridges	0	0	0	565,345	0	0	0	565,345
Water	0	0	0	1,368,408	0	0	0	1,368,408
Sewerage	0	0	0	6,566,913	0	0	0	6,566,913
Drainage	0	0	0	1,565,319	0	0	0	1,565,319
Equity Accounting for Hobart Water								
Equity Share of Direct to Retained Profits Adjustments	(31,886)	40,070	0	0	0	0	(31,886)	40,070
Equity Share of Increase in Asset Revaluation	0	0	99,055	234,214	0	0	99,055	234,214
Balance at the end of the financial year	\$62,468,996	\$59,412,397	\$31,482,474	\$31,383,419	\$35,585	\$35,585	\$93,987,055	\$90,831,401

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



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

Statement of Compliance

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

Brighton Council is required to comply with AAS 27 "Financial Reporting by Local Government" and where AAS 27 conflicts with AIFRS, the requirements of AAS 27 have been applied. Where AAS 27 makes reference to another Australian accounting standard, the new AIFRS will apply.

Except to the extent that these special provisions require, this financial report complies with AIFRS.

These financial statements are the first to be prepared in accordance with AIFRS. AASB 1 "First time Adoption of Australian Equivalents to International Financial Reporting Standards" has been applied when preparing these financial statements.

Except for the revised AASB 119 Employee Benefits (issued December 2005), Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2006.

Reconciliations of AIFRS equity and profit for 30 June 2005 to the balances reported in the 30 June 2005 financial report and at transition to AIFRS are detailed in **note 1 Impact of Adoption of AIFRS**.

Basis of Preparation

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

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

In the application of AIFRS, management 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 circumstance, 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.

Judgements made by management in the application of AIFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

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



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Local Government Reporting Entity

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

Investment in associate

The Group's investment in its associate, Hobart Water, is accounted for under the equity method of accounting in the consolidated financial statements. This is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

The financial statements of the associate are used by the Group to apply the equity method. The reporting dates of the associate and the Group are identical and both use consistent accounting policies.

The investment in the associate is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the associate.

Where there has been a change recognised directly in the associate's equity, the Group recognises its share of any changes and discloses this, when applicable in the consolidated statement of changes in equity.

Revenue Recognition

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

Rates, grants and contributions

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

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

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

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

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

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



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

User Charges, Fees and Private Works Sales and Other

Income is recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs. A provision for doubtful debts is recognised when collection in full is no longer probable.

Profit on asset disposal

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

Interest and rents

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

Acquisition of Assets

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

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

Impairment of Assets

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

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

Revaluation of Non Current Assets

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

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same asset previously recognised in the income statement. In addition Council undertakes a formal revaluation of asset classes measured on the fair value basis on a five-year rolling cycle. Acquisitions and capital works during the year are treated as being recorded at their fair value.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Bridges

The Council has adopted a fair value basis for Bridges based on a valuation prepared by Tas Span Pty Ltd at 30 June 2005. Revaluations occur every 5 years.

Water, Sewerage and Drainage

The Council has adopted a fair value basis for Water, Sewerage and Drainage based upon replacement costs determined by Council engineering staff at 30 June 2005. Revaluations occur every 5 years.

Land and Buildings

The Council has adopted a fair value basis for Land and Buildings based upon the valuation provided by the Valuer General. Valuations occur every 6 years with the last valuation provided at August 1999.

Roads

The Council has adopted a fair value basis for roads based upon replacement cost as determined by Council engineering staff at 30 June 2003. Land under roads is not included in the carrying value of assets. Revaluations occur every 5 years.

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

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

Depreciation of Non Current Assets

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

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

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

* Buildings	50 years
* Plant and vehicles	5-10 years
* Small machinery and tools	3-8 years
* Equipment and furniture	5-10 years
* Roads	48 years on average
* Hotmix	20-30 years
* Flush	15-30 years
* Gravel	3-10 years
* Pavement	60-100 year
* Earthworks	Infinite
* Kerb	60-80 years
* Footpath	20-50 years
* Table Drains	3-15 years
* Culverts	80 years



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

* Poles	30 years
* Lagoons	80 years
* Drainage/sewerage assets	15-100 years
* Water supply assets	15-100 years
* Bridges	10-80 years

Maintenance and Repairs

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

Asset Recognition Thresholds

The following asset acquisition limits will apply; assets acquired with values below these limits will be expensed:

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

Receivables

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

Settlement of rates receivable is by equal 4 instalments throughout the year on specific dates detailed on the initial rate notice sent to ratepayers in July. Interest applies on overdue rates.

Sundry receivables are payable within 30 days of issue of the account but no interest is added to overdue sundry receivables.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

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

Goods and Services Tax

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

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

Cash and cash equivalents

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

Employee Benefits

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

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

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

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

The superannuation expense for the reporting period is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees. Refer to Note 28 for greater detail.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allocation between Current and Non-Current

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

Investments

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

Financial Assets

From 1 July 2004 to 30 June 2005

Council has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 only from 1 July 2005. Council has applied previous AGAAP to the comparative information on financial instruments within the scope of AASB 132 and AASB 139 as required.

(i) Loans and Receivables

This category includes trade receivables, loans and other receivables. These assets are recorded at amortised cost less impairment. They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Council provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date, which are classified as non-current. Loans and receivables are included in receivables in the balance sheet.

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. These assets are recorded at amortised cost using the effective interest method less impairment, with revenue

Payables

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



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Liabilities - Interest-bearing loans and borrowings

The Council has elected to apply the option available under AASB 1 of adopting AASB 132 and AASB 139 from 1 July 2005. Outlined below are the relevant accounting policies for interest-bearing loans and borrowings applicable for the years ended 30 June 2006 and 30 June 2005.

The borrowing capacity of Council is limited by the *Local Government Act Tasmania 1993*. 2005 loans were recognised in the financial statements as the principle outstanding as at balance date, which would be repayable in the ordinary course of business and in accordance with the existing terms of each loan. Interest expense was accrued at the contracted rate as incurred and included in accrued expenses.

Accounting policies applicable for the year ended 30 June 2006

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

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

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

Leases

Council has no finance leases.

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

Refer to Note 31 (d) for further information.

Accruals/Prepayments

Accruals and prepayments are recognised in accordance with relevant accounting standards with materiality a major factor in determining their applicability.

Competitive Neutrality Costs

For its significant business activities, which have deemed to be water and sewerage, Council is required to provide details of the opportunity cost of the capital and competitive neutrality costs. These are provided in Note 33.

Competitive neutrality costs are those net costs. e.g. rates and income tax, which would be payable by an undertaking were the activity not conducted by local government (which is exempt from such costs). Income tax has been calculated at the business rate after allowance for tax deductible items.

The opportunity cost of capital forms the largest part of the competitive neutrality costs. It is an estimate of the return or dividend that would be required by private investors were the net assets of the activity provided from that source.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impact of Adoption of AIFRS

The impacts of adopting AIFRS on the total equity and profit as reported under previous Australian Generally Accepted Accounting Principles (AGAAP) are illustrated below.

(i) Reconciliation of total equity as presented under previous AGAAP to that under AIFRS

	30 June 2005	1 July 2004
	\$	\$
Total Equity under previous AGAAP	91,083,309	75,235,183
Adoption of Equity Accounting for Hobart Water Investment (A)	(140,676)	(140,676)
Equity Share of Hobart Water direct to Retained Profit Adjustments (A)	40,070	-
Equity Share of Hobart Water increase in Asset Revaluation Reserve (A)	234,214	-
Profit Impact on Adoption Equity Accounting	44,261	-
Write back of Recoupment of prior year valuation loss on Hobart Water (A)	<u>(429,777)</u>	-
Total Equity Under AIFRS	<u>90,831,401</u>	<u>75,094,507</u>

(ii) Reconciliation of profit as presented under previous AGAAP to that under AIFRS

	30 June 2005
	\$
Profit as previously reported under AGAAP	5,782,141
Increase in Equity Investment in Hobart Water (A)	35,152
Equity Accounting Hobart Water Profit (A)	128,216
Hobart Water Dividend Paid (A)	(119,107)
Write back of Recoupment of prior year valuation loss on Hobart Water (A)	<u>(429,777)</u>
Total Profit Under AIFRS	<u>5,396,625</u>

(A) The adjustments to 1 July 2004 and 30 June 2005 on the adoption of AIFRS all reflect the adoption of equity accounting for the determination of Brighton Council's investment in Hobart Water and the reversal of the previous fair valuation method of accounting for the investment.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006 2 FUNCTIONS/ACTIVITIES OF THE COUNCIL

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

Functions	Expenses		Grant Revenue		Other Revenue		Total Revenue		Increase in Operating Capability		Assets Attributed to Function/Activity	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Corporate Services	\$ 959,646	\$ 905,117	\$ 0	\$ 44,423	\$ 60,506	\$ 44,423	\$ 60,506	\$ 44,423	\$ (\$899,140)	\$ (\$860,694)	\$ 0	\$ 0
Water Supply	1,572,348	1,565,072	27,245	2,401,702	2,465,586	2,401,702	2,492,831	2,401,702	\$920,483	\$836,630	12,721,953	12,489,790
Parks and Recreation	549,351	439,214	49,000	2,506,634	200,570	2,506,634	249,570	2,506,634	(\$299,781)	\$2,067,420	1,990,264	1,942,264
Sewerage	1,314,935	1,242,364	0	2,468,357	2,196,421	2,468,357	2,196,421	2,468,357	\$881,486	\$1,225,993	28,321,862	27,928,442
Planning & Building	411,978	431,656	0	223,912	214,025	223,912	214,025	223,912	(\$197,953)	(\$207,744)	0	0
Buildings	500,637	483,557	0	0	0	0	0	0	(\$500,637)	(\$483,557)	7,775,642	7,578,078
Roads/Bridges	2,046,357	2,123,548	130,038	118,993	1,224,603	963,671	1,354,641	1,082,664	(\$691,716)	(\$1,040,884)	38,356,803	37,393,185
Community Services	1,616,198	1,687,028	871,996	1,000,414	51,071	81,291	923,067	1,081,705	(\$693,131)	(\$605,323)	0	0
Environmental Health	501,200	522,100	0	70,506	72,464	70,506	72,464	70,506	(\$428,736)	(\$451,594)	0	0
Waste Management	647,851	794,254	0	596,279	672,311	596,279	672,311	596,279	\$24,460	(\$197,975)	0	0
Unallocated Services	1,196,685	889,599	1,344,601	1,245,034	4,640,475	5,144,434	5,985,076	6,389,468	\$4,788,391	\$5,499,869	10,935,261	11,106,389
TOTAL	\$11,317,186	\$11,083,509	\$2,422,880	\$2,364,441	\$11,798,032	\$14,501,209	\$14,220,912	\$16,865,650	\$2,903,726	\$5,782,141	\$100,101,785	\$98,438,148



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

2. FUNCTIONS/ACTIVITIES of the COUNCIL (continued)

(b) Total assets shown in note 2(a) are reconciled with the amounts shown for assets in the Statement of Financial Position as follows:

	2006	2005
	\$	\$
Current Assets	3,598,401	3,848,699
Non Current Assets	<u>96,503,384</u>	<u>94,337,541</u>
	<u>100,101,785</u>	<u>98,186,240</u>

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

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



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
3 REVENUES AND EXPENSES FROM ORDINARY ACTIVITIES			
(a) Operating Revenues			
(i) Rates Revenues			
General		3,565,836	3,301,634
Garbage		533,698	475,574
Sewerage		1,793,052	1,665,314
Water		831,439	776,905
Fire Levy		401,899	386,955
Penalties		46,305	55,308
		<u>\$7,172,229</u>	<u>\$6,661,690</u>
(ii) Interest			
Interest received or due and receivable from:			
Investments		167,665	179,633
		<u>\$167,665</u>	<u>\$179,633</u>
(iii) Profit on Asset Disposal			
Proceeds from Disposal		196,067	342,856
less written down current cost		(162,828)	(285,689)
Gain on Disposal		<u>\$33,239</u>	<u>\$57,167</u>
(iv) Reimbursements of Expenses Incurred			
Welfare Administration		26,510	25,746
		<u>\$26,510</u>	<u>\$25,746</u>
(v) Grants			
Grants were received in respect of the following:			
Family Day Care		790,215	951,717
School Holiday Program		54,536	48,697
Tax Equivalents		27,245	0
Commonwealth Tax Sharing		1,328,346	1,235,943
Roads to Recovery		130,038	118,993
Dept of Police		0	9,091
Dept Economic Development		49,000	0
Environment & Heritage		4,000	0
Tas Risk Mitigation Programme		39,500	0
Total Grants		<u>\$2,422,880</u>	<u>\$2,364,441</u>
(vi) User Charges			
Water Consumption Charge		988,960	972,355
Headworks		180,639	311,303
Plant Hire		33,904	30,395
Refuse Site Entrance Fees		95,677	113,983
		<u>\$1,299,180</u>	<u>\$1,428,036</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
3 REVENUES AND EXPENSES FROM ORDINARY ACTIVITIES (continued)			
(vii) Contributions			
Brighton Training Facility		0	2,431,595
Infrastructure Assets		1,840,993	1,924,267
		<u>\$1,840,993</u>	<u>\$4,355,862</u>
(viii) Other			
Community Newsletter		4,112	3,599
Microwise Australia	36	209,593	219,828
Increase in Equity Investment in Hobart Water		102,165	35,152
		<u>\$315,870</u>	<u>\$258,579</u>
(b) Operating Expenses			
(i) Employee Costs			
Wages and Salaries		1,848,613	1,740,382
Superannuation		253,505	191,641
Other Employee Related Expenses		112,589	95,232
		<u>\$2,214,707</u>	<u>\$2,027,255</u>
Actual Wages & Salaries for 2006 were \$2,626,377 (\$2,156,357 for 2005) according to the taxation summary. Other Wages & Salaries and associated on costs are costed to capital improvements.			
(ii) Depreciation			
Plant and Vehicles		165,099	162,874
Buildings		160,085	95,302
Intangible		27,949	0
Small Machinery		6,027	5,595
Bridges		57,119	57,120
Sewerage Assets		322,973	330,913
Drainage Assets		135,287	132,318
Water Assets		205,300	201,525
Road Assets		677,761	670,600
Furniture and Equipment		61,077	82,579
		<u>\$1,818,677</u>	<u>\$1,738,826</u>
(iii) Borrowing Costs			
Borrowing cost expense interest on debt		291,058	352,514
		<u>\$291,058</u>	<u>\$352,514</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
3b REVENUES AND EXPENSES FROM ORDINARY ACTIVITIES (continued)			
(iv) Contributions			
State Fire Commission Levy		350,753	319,964
Tas. Canine Defence League Contribution		36,836	30,667
Local Govt. Association of Tasmania		26,474	24,563
Derwent Estuary Contribution		8,200	8,000
Brighton Training Facility		60,000	0
Tas South Tourism		5,891	5,754
Valuation Charges		35,809	33,055
Southern Tasmanian Councils Association		7,188	6,945
		<u>\$531,151</u>	<u>\$428,948</u>
(v) Materials/Contracts & Other			
Street Lighting		125,693	117,770
Fire Abatement		11,748	17,023
Asset Management System		17,967	11,471
GIS		19,830	12,054
Environment Report		59,988	23,896
Waste Transfer Station		350,772	498,392
Contract Recycling		128,255	82,908
Treatment Plant Permit Reports		91,383	25,705
Waste Bin Replacements		20,983	30,376
Tipping Fees		131,618	125,976
Southern Tas Waste Management		8,600	8,500
Microwise Australia	36	148,209	102,630
Community Newsletter		48,072	49,317
Road & Bridge Maintenance		468,244	352,381
Sewerage Maintenance		520,149	446,707
Water Maintenance		172,111	163,446
Reserve Maintenance		332,427	389,936
Building Maintenance		178,432	199,282
Lease Expense		0	15,240
Public Liability		54,921	54,782
Land Tax		9,960	15,013
Bank Fees		23,557	30,023
Internal Contractors		197,751	387,438
Other Materials & Contracts		1,283,491	1,215,374
		<u>\$4,404,161</u>	<u>\$4,375,640</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

		2006	2005
		\$	\$
4 DONATIONS			
GRANTS AND BENEFITS REGISTER -	(SECTION 77 LOCAL GOVERNMENT ACT 1993)		
Australian Red Cross - SA Bushfire Appeal		0	3,000
Australian Red Cross - Asian Tsunami Appeal		0	3,000
Bedelph Tara		0	250
Bird N		75	0
Bowerman Ellen		75	0
Brakey Lauren		0	75
Bridgewater/Brighton Online Access centre	Halls & Grounds	11,000	5,000
Bridgewater High School		1,018	260
Bridgewater Primary School		60	60
Bridgewater High School Farm	Halls & Grounds	0	275
Bridgewater School for Seniors	Halls & Grounds	132	0
Bridgewater United Soccer Club	Halls & Grounds	2,098	2,098
Brighton Agricultural Society		500	500
Brighton Agricultural Society	Halls & Grounds	9,130	3,724
Brighton Bowls Club		2,000	0
Brighton Cricket Club U/12		0	250
Brighton Football Club		3,000	3,000
Brighton Football Club	Halls & Grounds	19,392	2,480
Brighton Garden Club		10,000	0
Brighton Garden Club	Halls & Grounds	11,100	0
Brighton Garden Club	WTS Entry	194	0
Brighton Hotel/Motel		227	0
Brighton Junior Cricket Club	Halls & Grounds	1,344	0
Brighton Junior Football Club	Halls & Grounds	3,200	8,100
Brighton Junior Youth Football Club	Halls & Grounds	3,312	0
Brighton Playcentre		9,000	0
Brighton Playcentre	Halls & Grounds	6,240	0
Brighton Primary School		60	2,260
Brighton Soccer Club	Halls & Grounds	5,280	8,880
Bugeido Karate	Halls & Grounds	3,312	2,070
BURP Inc		20,000	25,000
BURP Inc	WTS Entry	185	0
Button Ashley		0	75
City Corrections	WTS Entry	104	0
Claremont College		50	50
Clark Shannon		75	0
Cleaver Adriana		250	250
Coles Supermarkets		100	0
Community Transportation		6,039	0
Coombes Mary-Anne		0	250
Cranefield Bianca		75	0
Davidson Ian		250	250
Delaney Gareth		0	75
Dilger Richard		0	75
East Derwent Little Athletics	Halls & Grounds	6,030	5,219
East Derwent Knights Soccer Club	Halls & Grounds	6,912	3,720
FDC State Conference		0	300
Fenton Shevenka		250	0
Fielea Sidney		0	75
Ford Tianna		75	0



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

		2006 \$	2005 \$
4 DONATIONS (continued)			
Gagebrook Primary School		60	60
GKR Karate	Halls & Grounds	1,656	1,035
Greenpoint Primary School		60	223
Griffiths & Galloway - Compliance		3,150	3,150
Hall Nathan		250	0
Hannaford Isabella		75	0
Heart Foundation		500	0
Herdsmen Cove Primary School		15,060	10,060
Hill Daniel		0	75
Hill Jason		0	75
Howlett Braden		75	0
Jordan River Fitness		0	656
Jordan River Fitness	Halls & Grounds	4,968	1,795
Jordan River Services		12,000	0
Jordan River Services	WTS Entry	216	0
Kenyi Emmanueli		200	0
Kyle's Transport		132	0
Lang Steven		0	250
Liddell Sally		0	250
McIntosh Katie		250	0
Northern Suburbs Christian School		60	60
Northern Suburbs Junior Soccer Association	Halls & Grounds	2,400	2,400
Old Beach Cricket Club	Halls & Grounds	6,702	2,013
Old Beach Cricket Club		1,000	0
Pete's Community Workshed	Halls & Grounds	6,240	0
Pouwelse Jodie		250	0
Relay For Life Cancer Council		288	240
Robison Kate		250	250
Rock Eisteddfod Bridgewater High		0	1,000
R.S.P.C.A		3,377	0
Scott Liam		0	75
SES		8,727	0
Smith Rebecca		0	250
Staff Christmas Function		0	200
St Marks Church		5,000	0
St Paul's Primary School		60	60
St Vincent De Paul		549	0
St Vincent De Paul	WTS Entry	52	0
Tasmania Special Children's Christmas Party		0	200
Tasmanian Canine Defence League		380	380
Tas Crabbet Horse Club	Halls & Grounds	100	0
Tasmanian Environmental Home expo		0	500
Tasmanian Masters Athletics		500	0
Tea Tree Community Association		1,000	1,000
Tea Tree Red Cross	Halls & Grounds	60	0
Theatre Royal Hotel		200	0
Uniting Church	WTS Entry	59	0
Uniting Church Op Shop - Street Blades		0	195
Wood Daniel		75	0
		<u>\$218,123</u>	<u>\$107,073</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
5 CURRENT ASSETS - CASH AND CASH EQUIVALENTS		
Cash at Bank	821,461	457,392
Cash on Hand	4,217	4,214
Investments	1,788,302	2,044,754
	<u>\$2,613,980</u>	<u>\$2,506,360</u>
<p>For the purposes of the Statement of Cash Flows, cash includes cash on hand, in bank and investments in money market accounts or short term deposits with an original maturity of three months or less, net of any outstanding bank overdrafts.</p> <p>Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related item in the Balance Sheet as above.</p>		
6 CURRENT ASSETS - RECEIVABLES		
Rates Receivables	<u>\$225,969</u>	<u>\$260,765</u>
Other Receivables		
Water Consumption	169,451	206,222
Other Debtors	158,220	795,131
Less Provision for Doubtful Debts	<u>(4,747)</u>	<u>(124,155)</u>
	<u>\$322,924</u>	<u>\$877,198</u>
7 FINANCIAL ASSETS		
Loans and Advances	<u>\$3,318</u>	<u>\$3,118</u>
8 CURRENT ASSETS - OTHER		
Accrued Revenue	334,297	132,004
Work In Progress	32,363	0
Prepayments	65,550	69,254
	<u>\$432,210</u>	<u>\$201,258</u>
9 NON CURRENT ASSETS - LAND		
Land at Valuation	<u>\$1,990,264</u>	<u>\$1,942,264</u>
Valuation provided by Valuer General August 1999		
10 NON CURRENT ASSETS - PLANT AND VEHICLES		
Plant and Vehicles at Cost	1,308,287	1,174,130
less Accumulated Depreciation	<u>(409,856)</u>	<u>(473,729)</u>
	<u>\$898,431</u>	<u>\$700,401</u>
11 NON CURRENT ASSETS - SMALL MACHINERY		
Small Machinery at Cost	86,007	103,877
less Accumulated Depreciation	<u>(68,813)</u>	<u>(80,637)</u>
	<u>\$17,194</u>	<u>\$23,240</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
12 NON CURRENT ASSETS - FURNITURE AND EQUIPMENT		
Furniture and Equipment at Cost	891,245	901,377
less Accumulated Depreciation	<u>(681,094)</u>	<u>(703,220)</u>
	<u>\$210,151</u>	<u>\$198,157</u>
13 NON CURRENT ASSETS - INTANGIBLE		
Software at Cost	163,270	139,065
less Accumulated Depreciation	<u>(90,787)</u>	<u>(62,839)</u>
	<u>\$72,483</u>	<u>\$76,226</u>
14 NON CURRENT ASSETS - BUILDINGS		
Buildings at Fair Value	8,361,883	8,004,234
less Accumulated Depreciation	<u>(586,241)</u>	<u>(426,156)</u>
	<u>\$7,775,642</u>	<u>\$7,578,078</u>
Valuation provided by Valuer General as at August 1999.		
15 NON CURRENT ASSETS - BRIDGES		
Bridges at Fair Value	2,741,720	2,707,122
less Accumulated Depreciation	<u>(1,523,482)</u>	<u>(1,466,363)</u>
	<u>\$1,218,238</u>	<u>\$1,240,759</u>
Fair value based on valuation prepared by Tas Span Pty Ltd as at 30 June 2005.		
16 NON CURRENT ASSETS - SEWERAGE		
Sewerage Assets at Fair Value	25,006,268	24,392,023
less Accumulated Depreciation	<u>(7,102,121)</u>	<u>(6,779,148)</u>
	<u>\$17,904,147</u>	<u>\$17,612,875</u>
Fair value based on valuation prepared by Council Engineering Officer as at 30 June 2005.		
17 NON CURRENT ASSETS - DRAINAGE		
Drainage Assets at Fair Value	13,469,323	13,231,888
less Accumulated Depreciation	<u>(3,051,608)</u>	<u>(2,916,321)</u>
	<u>\$10,417,715</u>	<u>\$10,315,567</u>
Fair value based on valuation prepared by Council Engineering Officer as at 30 June 2005.		
18 NON CURRENT ASSETS - WATER RETICULATION		
Water Reticulation Assets at Fair Value	16,888,833	16,451,370
less Accumulated Depreciation	<u>(4,166,880)</u>	<u>(3,961,580)</u>
	<u>\$12,721,953</u>	<u>\$12,489,790</u>
Fair value based on valuation prepared by Council Engineering Officer as at 30 June 2005.		
19 NON CURRENT ASSETS - ROADS		
Road Assets at Fair Value	45,037,215	43,373,316
less Accumulated Depreciation	<u>(7,898,650)</u>	<u>(7,220,890)</u>
	<u>\$37,138,565</u>	<u>\$36,152,426</u>
Fair value based on valuations prepared by the Council Engineering Officer in association with Pitt & Sherry as at June 2003.		



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
20 FIXED ASSETS RECONCILIATION		
Land		
Carrying amount at the beginning of the year	1,942,264	1,942,264
Additions	55,000	0
Disposals	(7,000)	0
Carrying amount at the end of the year	<u>\$1,990,264</u>	<u>\$1,942,264</u>
Plant and Vehicles		
Carrying amount at the beginning of the year	700,401	730,836
Additions	513,853	243,492
Disposals	(150,724)	(111,053)
Depreciation	(165,099)	(162,874)
Carrying amount at the end of the year	<u>\$898,431</u>	<u>\$700,401</u>
Small Machinery		
Carrying amount at the beginning of the year	23,240	18,808
Additions	1,818	10,027
Disposals	(1,837)	0
Depreciation	(6,027)	(5,595)
Carrying amount at the end of the year	<u>\$17,194</u>	<u>\$23,240</u>
Furniture and Equipment		
Carrying amount at the beginning of the year	198,157	190,680
Additions	76,338	88,398
Disposals	(3,267)	(15,633)
Depreciation	(61,077)	(65,288)
Carrying amount at the end of the year	<u>\$210,151</u>	<u>\$198,157</u>
Intangible		
Carrying amount at the beginning of the year	76,226	35,188
Additions	24,206	58,329
Depreciation	(27,949)	(17,291)
Carrying amount at the end of the year	<u>\$72,483</u>	<u>\$76,226</u>
Buildings		
Carrying amount at the beginning of the year	7,578,078	4,434,261
Additions	357,649	3,239,119
Depreciation	(160,085)	(95,302)
Carrying amount at the end of the year	<u>\$7,775,642</u>	<u>\$7,578,078</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
20 FIXED ASSETS RECONCILIATION (continued)		
Bridges		
Carrying amount at the beginning of the year	1,240,758	682,873
Additions	34,599	49,660
Depreciation	(57,119)	(57,120)
Adjustment due to revaluation	0	565,345
Carrying amount at the end of the year	<u>\$1,218,238</u>	<u>\$1,240,758</u>
Sewerage		
Carrying amount at the beginning of the year	17,612,875	10,939,511
Additions	614,245	437,364
Depreciation	(322,973)	(330,913)
Adjustment due to revaluation	0	6,566,913
Carrying amount at the end of the year	<u>\$17,904,147</u>	<u>\$17,612,875</u>
Drainage		
Carrying amount at the beginning of the year	10,315,567	8,464,621
Additions	237,435	417,945
Depreciation	(135,287)	(132,318)
Adjustment due to revaluation	0	1,565,319
Carrying amount at the end of the year	<u>\$10,417,715</u>	<u>\$10,315,567</u>
Water Reticulation		
Carrying amount at the beginning of the year	12,489,790	10,976,330
Additions	437,463	346,577
Depreciation	(205,300)	(201,525)
Adjustment due to revaluation	0	1,368,408
Carrying amount at the end of the year	<u>\$12,721,953</u>	<u>\$12,489,790</u>
Roads		
Carrying amount at the beginning of the year	36,152,426	35,187,967
Additions	1,663,900	1,635,059
Depreciation	(677,761)	(670,600)
Carrying amount at the end of the year	<u>\$37,138,565</u>	<u>\$36,152,426</u>
21 NON CURRENT ASSETS - OTHER		
Loans and Advances	<u>27,394</u>	<u>30,712</u>
	<u>\$27,394</u>	<u>\$30,712</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
22 INVESTMENT IN ASSOCIATE			
Investment in Associate		<u>\$6,111,207</u>	<u>\$5,977,046</u>
<p>Brighton Council has a 4.356% (4.281% 2005) interest in Hobart Water. The Council's interest in Hobart Water is determined annually by Hobart Water and reflects the proportion of water consumed by the municipality as a percentage of the total water consumed by the other shareholders of Hobart Water.</p> <p>The Council's interest in Hobart Water is brought to account in accordance with equity accounting requirements. The value ascribed to the Council's interest equates to their percentage holding against the total equity of Hobart Water.</p>			
Share in Associates Equity			
Retained Profits		9,961,000	11,559,000
General Reserve		5,974,000	5,974,000
Asset Revaluation Reserve		<u>124,359,000</u>	<u>122,085,000</u>
		<u>140,294,000</u>	<u>139,618,000</u>
Brighton Council's Interest in Associate		4.356%	4.281%
Brighton Council's Equity Interest in Hobart Water		<u>6,111,207</u>	<u>5,977,046</u>
23 CURRENT LIABILITIES - PAYABLES			
Trade Creditors		495,610	245,837
Accrued Expenses		<u>408,632</u>	<u>709,261</u>
		<u>\$904,242</u>	<u>\$955,098</u>
24 CURRENT LIABILITIES - FINANCIAL LIABILITIES			
Secured			
Loans		<u>\$572,308</u>	<u>\$526,208</u>
25 CURRENT LIABILITIES - PROVISIONS			
Employee Leave Entitlements Provisions			
Annual Leave		338,815	247,929
Long Service Leave		<u>352,825</u>	<u>294,511</u>
		<u>\$691,640</u>	<u>\$542,440</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
26 CURRENT LIABILITIES - OTHER		
Deposits Held in Trust	174,575	1,106,607
Revenue Received in advance	240,047	67,986
	<u>\$414,622</u>	<u>\$1,174,593</u>

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

27 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES

Secured

Loans	<u>\$3,487,029</u>	<u>\$4,090,431</u>
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Security for Borrowings

The loans are secured over the general rates of the Council.	<u>4,059,337</u>	<u>4,616,639</u>
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Financing Arrangements

Council does not currently utilise access to any overdraft facilities.

Council has corporate credit cards with a combined limit of \$10,000.

The current policy of Council is to minimise all borrowings and reduce existing debt.

28 NON CURRENT LIABILITIES - PROVISIONS

Employee Leave Entitlements Provisions		
Long Service Leave	<u>\$44,889</u>	<u>\$66,069</u>

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 4.5% has been applied where applicable.

29 RESERVES

Building Revaluation	790,274	790,274
Water Revaluation	4,660,660	4,660,660
Sewerage Revaluation	7,173,772	7,173,772
Drainage Revaluation	3,044,336	3,044,336
Road Revaluation	14,914,818	14,914,818
Bridges Revaluation	565,345	565,345
Public Open Space	35,585	35,585
	<u>\$31,184,790</u>	<u>\$31,184,790</u>

Movements during the year

(a) Building Revaluation

Balance at beginning of year	790,274	790,274
Balance at end of year	<u>\$790,274</u>	<u>\$790,274</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
29 RESERVES (continued)		
(b) Water Revaluation		
Balance at beginning of year	4,660,660	3,292,252
Revaluation Increment	0	1,368,408
Balance at end of year	<u>\$4,660,660</u>	<u>\$4,660,660</u>
(c) Sewerage Revaluation		
Balance at beginning of year	7,173,772	606,859
Revaluation Increment	0	6,566,913
Balance at end of year	<u>\$7,173,772</u>	<u>\$7,173,772</u>
(d) Drainage Revaluation		
Balance at beginning of year	3,044,336	1,479,017
Revaluation Increment	0	1,565,319
Balance at end of year	<u>\$3,044,336</u>	<u>\$3,044,336</u>
(e) Road Revaluation		
Balance at beginning of year	14,914,818	14,914,818
Balance at end of year	<u>\$14,914,818</u>	<u>\$14,914,818</u>
(f) Bridge Revaluation		
Balance at beginning of year	565,345	0
Revaluation increment	0	565,345
Balance at end of year	<u>\$565,345</u>	<u>\$565,345</u>
(g) Public Open Space		
Balance at beginning of year	35,585	35,585
Balance at end of year	<u>\$35,585</u>	<u>\$35,585</u>
Total movements during the year		
Balance at beginning of year	31,184,790	21,118,805
Revaluation increment	0	10,065,985
Balance at end of year	<u>\$31,184,790</u>	<u>\$31,184,790</u>

Nature and purpose of reserves

Asset Revaluation

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

Public Open Space

Section 117 of the *Local Government (Building and Miscellaneous Provisions) Act 1993* requires Council to hold money raised as cash in lieu of public open space on trust.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
29 RESERVES (continued)		
Equity Reconciliation		
Total equity at beginning of year	90,831,401	75,094,507
Change in net assets recognised in the Income Statement	3,088,485	5,396,625
Change in net assets recognised Direct to Equity	(\$31,886)	40,070
Net increase in asset revaluation reserve	99,055	10,300,199
	<u>\$93,987,055</u>	<u>\$90,831,401</u>

30 CONTINGENCIES

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

31 COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

There are no capital expenditure commitments as at balance date.

(b) Operating Commitments

There are no operating expenditure commitments as at balance date.

(c) Finance Lease Commitments

There were no items of expenditure contracted under finance lease at balance date.

(d) Operating Lease Commitments

Future operating lease commitments not provided for in the financial statements and payable:

Within one year	17,398	15,240
One year or later and no later than five years	56,545	17,780
	<u>\$73,943</u>	<u>\$33,020</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

32 SUPERANNUATION

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

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

Benzulla Actuarial Pty Ltd undertook the last actuarial review of the Scheme at 30 June 2005. The review disclosed that at that time the net market value of assets available for funding member benefits was \$64,804,407, the value of vested benefits was \$58,913,097, the surplus was \$5,891,310, and the value of total accrued benefits was \$61,267,000. These amounts relate to all members of the fund at the date of valuation and no asset of liability is recorded in the Quadrant Superannuation Scheme's financial statement for Council employees.

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

Net Investment Return	7.0% pa
Salary Inflation	4.0% pa
Price Inflation	n/a

In the opinion of the Actuary, the Quadrant Defined Benefit Fund was adequately funded in that assets were sufficient to cover the vested benefit of all members at the review date and the actuarial value of accrued past service benefits. The next full triennial review is scheduled for 30 June 2008.

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

During the year Council made required superannuation contributions for all eligible employees to an appropriate complying superannuation fund as required by the .

During the reporting period the amount of contributions paid to defined benefits schemes was \$41,073 (2004-05 \$51,511) and the amount paid to accumulation schemes was \$261,096 (2004-05 \$140,130).



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
33 RECONCILIATION OF NET OPERATING RESULT TO CASH PROVIDED FROM OPERATING ACTIVITIES.		
Net operating result from Income Statement	<u>3,088,485</u>	<u>5,396,625</u>
Items Not Involving Cash		
Non Cash Contributions	(1,813,120)	(1,924,268)
Depreciation Expense	1,818,677	1,738,826
Increase in Hobart Water Investment	(102,165)	(35,152)
Associate Share of Profit	<u>(180,077)</u>	<u>(128,216)</u>
	<u>(276,685)</u>	<u>(348,810)</u>
Investing Activity		
Net Profit on Disposal of Plant and Equipment	<u>(33,239)</u>	<u>(57,167)</u>
	<u>(33,239)</u>	<u>(57,167)</u>
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Rates Receivables	34,796	79,168
(Increase)/Decrease in Other Debtors	554,274	(574,362)
(Increase)/Decrease in Other Assets	(161,256)	(25,709)
Increase/(Decrease) in Creditors	(50,856)	308,091
Increase/(Decrease) in Provision for Employee Entitlements	128,020	53,309
Increase/(Decrease) in Other Liabilities	<u>(759,971)</u>	<u>792,818</u>
	<u>(254,993)</u>	<u>633,315</u>
Net Cash Outflow from Operating Activities	<u>\$2,523,568</u>	<u>\$5,623,963</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

34 FINANCIAL INSTRUMENTS:

(a) Interest Rate Risk:

The Council's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

Note	Fixed interest maturing in:					TOTAL \$
	Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non-interest bearing \$	
Financial assets 2006						
Cash at bank/on hand	5	825,678	0	0	0	825,678
Loans and Advances	7	0	3,318	20,059	7,335	30,712
Receivables	6	395,420	0	0	153,473	548,893
Investments	5	1,788,302	0	0	0	1,788,302
		\$3,009,400	\$3,318	\$20,059	\$7,335	\$153,473
Weighted avg. interest		6.48%	6.30%	6.30%	6.30%	0.00%

Financial liabilities 2006

Loans	24,27	0	572,308	3,035,437	451,592	0	4,059,337
Deposits held in trust	26	0	0	0	0	174,575	174,575
Accounts payable	23	0	0	0	0	904,242	904,242
		\$0	\$572,308	\$3,035,437	\$451,592	\$1,078,817	\$5,138,154
Weighted avg. interest			6.76%	6.87%	6.82%	0.00%	

Financial assets 2005

Cash at bank/on hand	5	461,606	0	0	0	0	461,606
Loans and Advances	7	0	3,118	18,853	11,859	0	33,830
Receivables	6	466,987	0	0	0	670,976	1,137,963
Investments	5	2,044,754	0	0	0	0	2,044,754
		\$2,973,347	\$3,118	\$18,853	\$11,859	\$670,976	\$3,678,153
Weighted avg. interest		6.50%	6.30%	6.30%	6.30%	0.00%	

Financial liabilities 2005

Loans	24,27	0	526,208	3,118,768	971,663	0	4,616,639
Deposits held in trust	26	0	0	0	0	1,106,607	1,106,607
Accounts payable	23	0	0	0	0	955,098	955,098
		\$0	\$526,208	\$3,118,768	\$971,663	\$2,061,705	\$6,678,344
Weighted avg. interest			7.19%	7.00%	7.67%	0.00%	

(b) Net Fair Values of Financial Assets and Liabilities:

The carrying amounts of cash, accounts receivable, investments and accounts payable approximate net fair value. The loan portfolio owed by Council has been reviewed by Tascorp effective 30 June 2006. Following this review, it was determined that, having regard to the fixed rate of interest applicable for the remaining life of each loan, the approximate net fair value (which equates to current market value) is \$4,193,594 compared to the actual value of \$4,059,337.

(c) Credit Risk:

Council undertakes dealings with a large number of customers, none of which are materially significant. Debtors for rates and annual charges are secured by a charge over the saleable property to which it relates.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

35 STATEMENT OF SIGNIFICANT BUSINESS ACTIVITIES OF COUNCIL

Brighton Council has classified its Water and Sewerage maintenance and construction as Significant Business Activities as provided by section 84(2)(da) of the *Local Government Act 1993*.

Statement of Cost of Operations for the year ending 30 June 2006

Revenue	Water		Sewerage	
	2006	2005	2006	2005
Rates & Interest	845,682	776,905	1,793,052	1,665,314
User Charges	1,361,623	1,332,015	93,354	131,253
Contributions	285,526	292,783	310,013	671,790
Total Revenue	\$2,492,831	\$2,401,703	\$2,196,419	\$2,468,357
Expenditure				
Employee Costs	75,662	62,011	59,751	48,970
Materials, Contracts & Other	1,246,562	1,244,356	869,001	794,783
Interest	44,825	57,180	63,211	67,698
Capital Costs				
Depreciation	205,300	201,525	322,973	330,913
Opportunity Cost of Capital	1,153,881	1,132,824	1,623,906	1,597,488
Indirect				
Engineering & Admin	103,620	101,142	109,051	102,854
Competitive Neutrality Costs				
Council Rates	2,331	2,331	2,231	2,231
Loan Guarantee Fee	3,267	3,267	3,868	3,868
Notional Income Tax	243,380	218,967	229,901	335,112
Total Expenditure	\$3,078,828	\$3,023,603	\$3,283,893	\$3,283,917

Competitive Neutrality costs are shown to give an indication of the costs council would have to meet if the significant business activities as detailed, operated within the private sector.

In preparing the information disclosed in relation to significant business activities, the following assumptions have applied:

- * The notional opportunity cost capital was calculated by an interest rate of 9% which Council has determined as an appropriate interest rate adjusted for a risk margin.
- * Fringe benefit tax is applied to actual costs where applicable.
- * Council rates are applied directly to applicable properties currently exempt.
- * Loan guarantee fees are calculated on the loan outstanding for each activity multiplied by a rate of .45% as determined by Treasury.
- * Income tax equivalents were calculated by an applicable taxation rate of 30% applied to the notional accounting profit.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

36 MICROWISE AUSTRALIA PTY LTD

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

- Own and manage the intellectual property contained in the PropertyWise software product.
- Own a 50% share of Council Manager Pty Ltd.
- 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 \$17,250 in licence fees during the 2006 financial year.
- Directors Fees of \$28,000 (2005 - \$28,000) were paid during the 2006 financial year.

	2006	2005
Financial Performance	\$	\$
Revenue	209,593	219,828
Expenditure	148,209	73,582
Profit	<u>\$61,384</u>	<u>\$146,246</u>
Brighton Council Equity	<u>\$228,905</u>	<u>\$189,769</u>

The financial performance excludes any internal transactions with Brighton Council.

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

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

The directors of Microwise Australia are:

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

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



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

37 RELATED PARTY TRANSACTIONS

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

The Councillors are:

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

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

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

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

38 AUDIT DISCLOSURE

Audit services:

2006	2005
\$18,495	\$12,230

