

Brighton Council

ANNUAL REPORT 2006 - 2007



Introduction

Mayor's Message

General Manager's Message

Councillors as at 30th June 2007

Operational Highlights

Environment & Development

Land Use Planning & Building

Animal Control

Environment & Public Health

Physical Services

Roads

Bridges

Water Supply

Sewerage

Waste Management

Public Buildings

Passive And Active Recreation

Emergency Management

Children's Services

Corporate Services

Administration And Finance

Human Resources, Plant & Equipment

Governance

Councillor Attendance

Financial Report





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 11th December 2007. Any person wishing to make a submission should do so by close of business Monday 3rd December 2007.



MAYOR'S MESSAGE

In my role as mayor I often find myself reflecting on how things were in our municipality when I first came on to the Council in 1985; to see how much we have progressed during that time never ceases to amaze me. This is particularly so when I see new developments in the Brighton Industrial Estate, the new shopping centre and Centrelink complex at Green Point, the community centre at Old Beach and commitment for a new civic centre at Bridgewater. The construction of new dwellings in Brighton continues at a record pace. Our new walking tracks and landscaping program uplift the area as a great place to live.

Our volunteers and community workers continue to go about their business in the most unassuming way in our communities. While so many of these unsung heroes deserve a mention, I will highlight winners of the Pride of Australia Awards. Of the ten awards, two winners came from Brighton. The mate-ship award went to Pete's Community Workshed at Bridgewater and the role model award went to Stuart Cordwell, manager of the Bridgewater High School farm.

The results of the 2006 census offer a couple of interesting facts about Brighton. Our population has increased by 62% from a total of 8,678 in 1996 to 14,122 in 2006. This population grew across all age groups but particularly in the 0-14 year age group (there was a 133% increase in this period). Brighton is Tasmania's youngest local government area and is predicted to remain the youngest in 2021. Brighton's household income has also increased to near the average for the State, with the largest increase in the proportion with \$1,000 - \$1,999 per week up from 19.1% in 2001 to 30% in 2006.

I am proud to present this annual report as one of a prosperous and positive year. The success of this year and our strategic plan bodes well for our future.



Tony Foster OAM JP
Mayor of Brighton



GENERAL MANAGER'S MESSAGE

Several things this year have demonstrated the maturing of Brighton Council.

The development of a sub-region land use strategy with our neighbouring rural councils is a first for the state and will greatly assist in "getting our land use planning right"; which is one of our strategic focus areas. Our long term financial and asset management plans confirm that the future looks bright for Brighton. This was reinforced by our high ranking in the financial sustainability review of Tasmanian councils undertaken by Access Economics.

Our venture into resource sharing has been very successful with Brighton providing a range of professional services to seven other councils, as far flung as Flinders Island. This has formed strategic alliances with other councils as well as providing professional development opportunities and a new revenue stream for Brighton Council.

Brighton Alive continues to go from strength to strength with too many successes to mention here. The new information headquarters at Bridgewater (the combined library and online access centre) has provided improved access to community education. A substantial history book, *Brighton and Surrounds*, written by noted historian Dr. Alison Alexander has been very well received by the community.

In my opinion the highlight for the year was the rating policy developed by Council to minimise the effects of land revaluation on ratepayers. While many councils struggled with large rate swings, Brighton managed to soften the blow by applying a combination of differential rating and a "flat rate" for residential dwellings. To our knowledge this is a first in Australia and has been welcomed by residents as a fair and equitable way of paying for services provided by Council.

Ron Sanderson
General Manager





COUNCILLORS AS AT 30TH JUNE 2007

CR TONY FOSTER OAM JP **(MAYOR)**

Councillor for almost 19 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 WAYNE GARLICK

Councillor for 4 years

Committee Representation:-

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



CR GEOFF TAYLOR **(DEPUTY MAYOR)**

Councillor for 22 years,
Deputy Mayor 19 months.

Committee Representation:-

- Waste Management Committee (Chairperson)
- Planning Committee



CR PETER GEARD

Councillor for just over 19 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
- Bicycle Users Group
- Southern Waste Strategy Board Joint Authority (Proxy)
- Hobart Regional Water Board Joint Authority (Proxy)
- Jordan River Fire Management Committee

CR BARBARA CURRAN

Councillor for almost 11 years

Committee Representation:-

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



CR LEIGH GRAY

Councillor for 20 months.

Committee Representation:-

- Finance Committee
- Parks & Recreation Committee



CR PHILIP OWEN

- Councillor for just over 17 years

Committee Representation:-

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

Council Representative:-

- Hobart Regional Water Board Joint Authority



CR HEATHER PRICE

Councillor for 1 year.

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

Councillor for 20 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 annual 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 Directives.

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

Development applications processed during the year increased from 352 in 2005/06 to 405 in 2006/07 with an average processing time of 33 days for permitted applications and 41 days for discretionary applications.

Subdivision applications processed during the year increased from 40 in 2005/06 to 67 in 2006/07. A total of 338 new building lots were approved for the period.

Despite a small reduction in building permits processed by Council's Permit Authority from 338 in the 2005/06 to 332 in 2006/07, the dollar value has increased from \$36.1 million in 2005/06 to \$44.3 million in 2006/07. This period has seen a number of large scale projects including the retail/commercial development in Green Point Road, a number of industrial developments in the Brighton Industrial Estate and considerable activity in the residential sector.

ANIMAL CONTROL

OBJECTIVE

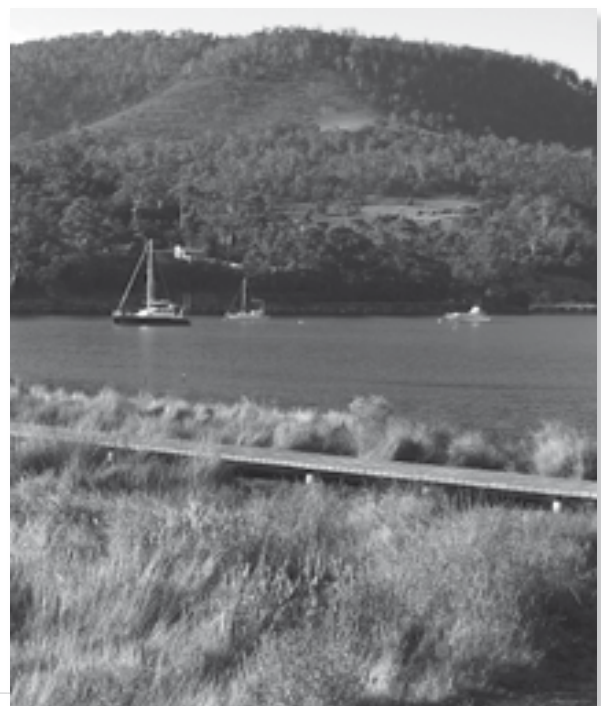
- *To provide the community with an effective and efficient ranger service;*
- *To educate dog owners to be responsible and caring for their animals; and*
- *To continue to administer Council's Dog Management Policy and the Dog Control Act 2000.*

PERFORMANCE

During 2006/07 2825 dogs were registered with the Council.

The number of complaints in relation to stray dogs and nuisances increased from 501 in 2005/06 to 607 in 2006/07.

A total of 342 dogs were taken to the Dogs Home of which 133 were reclaimed by their owners. An additional 54 dogs were adopted.





ENVIRONMENT & PUBLIC HEALTH

OBJECTIVES

- *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 a priority public health intervention for Council. There have been a number of changes to Council's program over the last 12 months accommodating the release of new vaccines onto the Australian Standard Vaccination Schedule and the National Immunisation Program.

For the 2006-2007 period a total of 1171 individual vaccinations were administered, 639 of these administered through the school vaccination program and the remainder administered through Council's monthly immunisation clinics.

The major change to this year's program was the introduction of a vaccine for cervical cancer (Gardasil). This vaccine was made available for all females between the ages of 12 yrs and 29 yrs requiring significant changes to Council's school immunisation program.

Food Premises

The number of permanent registrable food premises increased from 52 to 56 for the period. All were inspected according to a frequency determined on a risk assessment basis and there was only 1 infringement notice issued for breaches of the *Food Act 2003*. Generally, the level of compliance with the food safety Standards is good.

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 2006/2007 period, 14 food samples (either samples or environmental swabs) were analysed. In all, 2 samples failed to reach recognised benchmarks for food safety and were subsequently re-sampled. One failure resulted in the cessation of a particular manufacturing process on the recommendation of an independent consultant.

Pandemic Preparedness – Exercise Cumpston

In October 2006, Brighton Council participated in Exercise Cumpston, a National exercise testing Australia's preparedness in responding to pandemic influenza. Council's participation involved identifying and setting up a 'Community Assessment Centre' (CAC). These centres are vital during a pandemic outbreak as they perform many functions such as initial patient screening, triage and assessment, distribution of personal protective equipment, infection control, coordination of home quarantine and the distribution of antivirals. They also provide a centre from which teams of specialist health professionals in particular GPs and nurses can work together in a coordinated way in conjunction with local government staff.

The Centre was staffed by Environmental Health Officers from Brighton Council, Doctors and nurses from the Greenpoint Medical Centre with specialised staff from the SES and the Department of Health and Human Services were also in attendance. For the purposes of the exercise thirty patients presenting with potential influenza-like illnesses were assessed and given advice and protective equipment. Activation of this Community Assessment Centre was a success and showed how integral these centres will be in minimising spread of illness, and helping to protect other parts of the health sector so that our Emergency Department and GPs are not overwhelmed.

Exercise Cumpston was a big success in Tasmania largely due to the major cooperation from across the State Government, Brighton Council, the Greenpoint Medical



service, GP Assist and the Tasmanian Divisions of General Practice. The findings from the Exercise will be used to fine-tune national and state pandemic planning and the Brighton Model is being looked upon as a point of reference from other Councils state wide.



Potable Water Quality

A total of 165 samples were taken for analysis with 6 failing to meet NH&MRC guidelines. Overall, results are an improvement on the previous year and indicate that the implementation of a regular scouring program for various low usage sections of the water supply has been successful.

In March 2007, Council's Drinking Water Quality Management Plan was completed and adopted by Council. The plan adopts a preventive risk management approach that encompasses all parts of a drinking water supply system from the point of collection to the consumer. The plan is a proactive strategy aimed at optimising drinking water quality and minimising the risk of non-potable water being consumed. A number of preventative measures have been adopted in the strategy to minimise identified risks.

Complaints

The number of complaints continues to remain at a significant level (110 this year compared with 100 last year and 85 in the 2005/05 period).

Noise still remains the number 1 reason for complaint followed by smoke emissions from wood heaters and back yard burning. Illegal occupation of caravans and wind blown sand were also significant in the Glen Lea Road areas in Pontville.

It is anticipated that the introduction of new air quality regulations will result in a significant increase in wood heater complaints and therefore staff resources.

On-site Domestic Wastewater Management

Septic tank application numbers were similar to last year totalling 62 for the period (64 for last year). All applications are required to be privately assessed and designers are required to certify each installation. Whilst the quality of applications is slowly improving, there are still a significant proportion of applications that are deficient.

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 safe for the travelling public.*

ACTION PLAN

Maintain all roads within the road network to a level that is the same or equal with their importance within the road 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.

PERFORMANCE

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

- Continued reseal program for urban and rural sealed roads
- Asphalt reseals to Jubilee Avenue and William Street
- Reconstruction works at Baskerville, Old Beach, Back Tea Tree Road, Tea Tree and Killarney Road, Bridgewater
- Footpath improvements throughout the Municipality including Racecourse Road, Brighton and Sun Valley Drive, Old Beach
- Grading and resheeting of gravel roads
- Road safety improvement and new seal Merriworth Road, Tea Tree.
- Kerb and Channel works and footpath William Street, Brighton

BRIDGES

OBJECTIVE

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

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:

- Guardrail work to the bridge at Merriworth Road, Tea Tree
- Pier improvement works to Cove Hill Bridge, Bridgewater
- Pedestrian bridge along the foreshore walkway, Old Beach



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:

- Purchase of pipe for the water main extension from Brighton to the Industrial Estate
- Commencement of design for the reservoir roof at Lodge Hill, Brighton
- Marking of the fire hydrants and valves



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, pollutes the environment or creates 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:

- Belt Press Replacement with a centrifuge at the Green Point Treatment Plant
- Pump replacement at Esplanade pump station
- Odour control/bio-filtration facility at the Green Point Treatment Plant
- Continuation of the sewerage reticulation upgrade – Old Main Road, Bridgewater
- Monitoring of re-use bores
- Telemetry works at the treatment plant
- Telemetry works at various pump stations
- Switchboard replacement



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 that the Waste Transfer Station is operated in an efficient and effective manner.

Modify the Waste Transfer Station to be more user friendly for operators and customers.

Ensure that Veolia operates an efficient and effective domestic garbage collection service.

Ensure that Veolia 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.

PERFORMANCE

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

- Commencement of the Old Beach Community Centre, Old Beach
- Repair works to the Pontville Hall roof and floor.
- Construction of a Carport at the Depot



PASSIVE AND ACTIVE RECREATION

OBJECTIVE

- *To maintain 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 playgrounds are safe for all users.

Ensure that active recreational areas (which included the playing area and support facilities) are maintained at a level that is acceptable and safe for all sport players and spectators.

Promote the use of recreational facilities to sporting groups and the general public.

Ensure that the preventative maintenance programs for playgrounds are 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:

- Jordan River willow tree removal
- Extension of concrete walkway along Jordan River
- Contribution towards the Brighton Tennis Court at Brighton Primary School
- Continuation of the shared pathway along the foreshore of Old Beach
- Synthetic Pitch covers for three ovals at Lennox Park, Weily Park and Thompson Oval



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.*

ACTION PLAN

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

Review Brighton Emergency Management Plan annually.

PERFORMANCE

The State Emergency Management Controller approved the Tasmanian Emergency Risk Management Plan for the Brighton Municipality



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.

PERFORMANCE

This had been another challenging year in Family Day Care – not only at a local level but also at state and national levels.

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 FDC Schemes throughout Australia. The recruitment of new carers continues to be a national issue of great concern and all states and territories are working collaboratively to try to find some solutions.

Discussions were held during the year with Council and Brighton Children's Services and it was resolved that the Family Day Care component be transferred to a private operator. This occurred in December 2006 with their operations being relocated to offices in Bridgewater.

The Before School Care and After School Care programs were transferred to Brighton Primary School, together with the Vacation Care Programs.

So there had been 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 even within the private sector.





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.*

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 Council's 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 2006 – 2007. Brighton Council's percentage of Debt to Revenue decreased during the financial year thanks to responsible financial management by staff and Councillors. For 13 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 2008.

Council's financial position again improved during the year with an increase in equity of \$13,870,970, taking Brighton Council's equity to over \$100 million for the first time. This increase was represented by a healthy operating result of \$3,673,726 (includes \$2,281,757 in infrastructure donations). Cash and Cash Equivalents increased by \$1,290,207. Cash at bank is at its highest level on record and with our loan debt the lowest in over 13 years, Brighton Council is in very good shape financially.

The financial sustainability of Brighton Council was confirmed as positive based on the independent study by Access Economics into the overall financial sustainability of Tasmanian Councils. Access Economics recognised Brighton Council as having minimal or practically non-existent infrastructure backlogs. The review concluded that Brighton Council's finances and financial policies were sustainable with a significant margin of comfort.

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 in Tasmania. This is despite the fact that 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 and other Tasmanian Councils. Other achievements of the year include providing our ratepayers with a greater variety of payment options to pay rates. This ratepayer convenience partly contributed to achieving our lowest percentage of outstanding rates on record. Total rates outstanding at year-end were just 1.6% compared to a high of 11.52% just 7 years prior. A full revaluation of all land and buildings within the Brighton municipality was also completed during the financial year.

We successfully applied all new accounting standards and are now fully compliant with the new International Accounting Standards.



HUMAN RESOURCES, PLANT & EQUIPMENT

OBJECTIVE

- *Optimise the utilisation of Council's existing staff.*

ACTION PLAN

Develop and implement appropriate training programs for all staff members.

Devise and apply relevant performance and appraisal standards.

Develop and complete 2006 Workplace Agreement.

Maintain existing staffing levels.

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.

The 2006 Workplace Agreement was approved in line with the new Industrial Relations Act guidelines. The Agreement is for the maximum period of five years.

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

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

Manager Business Services – David Doyle

Municipal Worker – Nick Slater

Municipal Worker – Todd Knight

Waste Transfer Station Operator – Michael Sproule

Manager Environment & Development Services
– Graeme Todd

Project Engineer – Oliver Heyward

Environmental Health Officer – Brent Basstian

Planning Officer – Selena Dixon

Manager Resource Services – Robert Higgins

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 have been applied when necessary to these areas to ensure a satisfactory level of service is provided.

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

Due to local government staff shortages Brighton has been providing professional officer resource sharing arrangements with a number of Councils within the state.





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 2006/07 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 2006–30 June 2007 was \$96,551.

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 2006/07 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 177 – Local Government Act 1993

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

Public Tenders – Local Government (General) Regulations 2005

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

Two contracts were called and rewarded during the 2006/07 financial year.

Reservoir roof for the Lodge Hill Reservoir, Brighton. The period of the contract will be from 12/9/07 to 1/5/08. The value of the contract works was \$228,061 and was awarded to Grant Mawer Engineering, 95 Clark Street, Mowbray Tasmania 7248.

Old Beach Community Centre – the period of the contract will be from 19/4/07 to 23/10/07. The value of the contract works was \$357,500 and was awarded to Lindsey Rolle Building and Design, Unit 6/10 Lampton Avenue, Derwent Park Tasmania 7009.

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 that has now been in place for over 2 years. 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.

Risk Management

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

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

Council has made significant improvements in all areas of risk management over the past twelve months, by implementing a new recording system at our Council Depot, the establishment of a Risk Management Team and general work practices now involve risk assessments at all levels.



COUNCILLOR ATTENDANCE

ORDINARY COUNCIL MEETINGS

Members	No. of Meetings	Attended	%
Cr T Foster (Mayor)	12	11	92%
Cr G Taylor (Deputy Mayor)	12	12	100%
Cr B Curran	12	11	92%
Cr W Garlick	12	12	100%
Cr L Gray	12	12	100%
Cr P Geard	12	9	75%
Cr P Owen	12	12	100%
Cr H Price	12	11	92%
Cr S Williams	12	10	83%

SPECIAL COUNCIL MEETING

Members	No. of Meetings	Attended	%
Cr T Foster (Mayor)	1	1	100%
Cr G Taylor (Deputy Mayor)	1	1	100%
Cr B Curran	1	1	100%
Cr W Garlick	1	1	100%
Cr P Geard	1	1	100%
Cr L Gray	1	1	100%
Cr P Owen	1	1	100%
Cr H Price	1	1	100%
Cr S Williams	1	1	100%

ANNUAL GENERAL MEETING

Members	No. of Meetings	Attended	%
Cr T Foster (Mayor)	1	1	100%
Cr G Taylor (Deputy Mayor)	1	1	100%
Cr B Curran	1	1	100%
Cr W Garlick	1	1	100%
Cr P Geard	1	1	100%
Cr L Gray	1	1	100%
Cr P Owen	1	1	100%
Cr H Price	1	1	100%
Cr S Williams	1	1	100%

PARKS & RECREATION

Members	No. of Meetings	Attended	%
Cr P Geard (Chairperson)	2	2	100%
Cr B Curran	2	1	50%
Cr T Foster	2	1	50%
Cr L Gray	2	2	100%
Cr H Price	2	2	100%
Cr W Garlick (Proxy)			
In Attendance			
Cr W Garlick		2	
Cr P Owen		1	
Cr G Taylor		2	



FINANCE			
Members	No. of Meetings	Attended	%
Cr T Foster (Chairperson)	6	6	100%
Cr B Curran	6	6	100%
Cr P Geard	6	6	100%
Cr P Owen	6	6	100%
Cr W Garlick (proxy)			
In Attendance			
Cr W Garlick		4	
Cr L Gray		5	
Cr H Price		5	
Cr G Taylor		4	

PLANNING			
Members	No. of Meetings	Attended	%
Cr P Owen (Chairperson)	3	3	100%
Cr B Curran	3	3	100%
Cr T Foster	3	3	100%
Cr W Garlick	3	3	100%
Cr L Gray	3	3	100%
Cr H Price	3	3	100%
Cr G Taylor	3	3	100%
In Attendance			
Cr P Geard		1	

PONTVILLE SPECIAL			
Members	No. of Meetings	Attended	%
Cr P Geard (Chairperson)	1	1	100%
In Attendance			
Cr H Price		1	

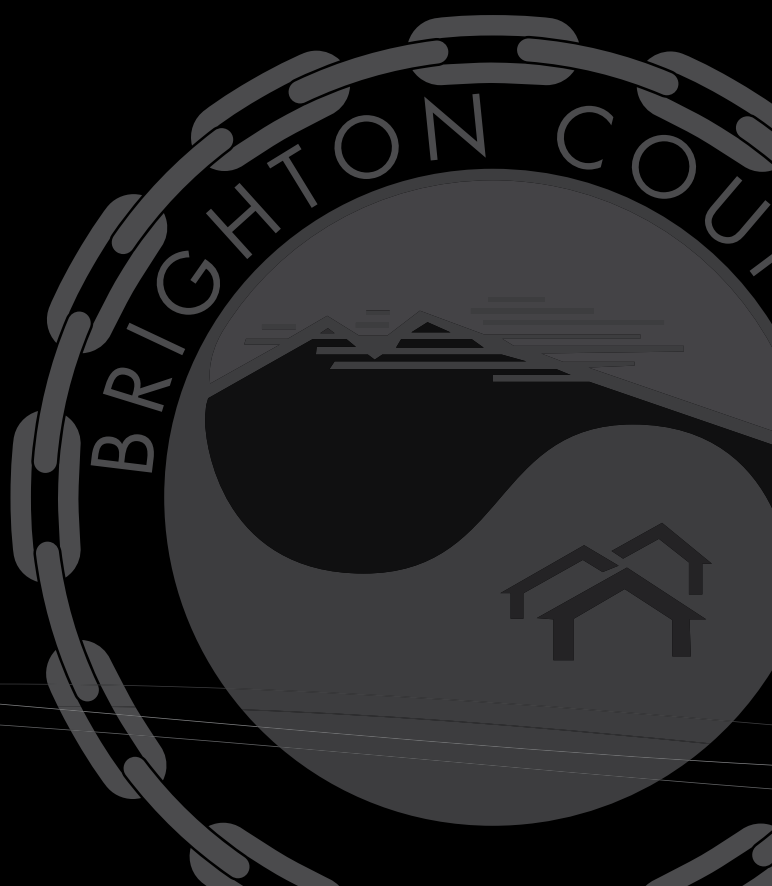
WASTE MANAGEMENT			
Members	No. of Meetings	Attended	%
Cr G Taylor (Chairperson)	1	1	100%
Cr B Curran	1	1	100%
Cr P Geard	1	1	100%
Cr P J Owen	1	0	0%

Brighton Council

ANNUAL REPORT 2006 - 2007



Audit Report	1
Statement by General Manager	3
Income Statement	4
Balance Sheet	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Accounts	8-38





Tasmanian Audit Office

INDEPENDENT AUDIT REPORT To the Councillors of Brighton Council

Financial Report for the Year Ended 30 June 2007

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 Brighton Council (Council) for the year ended 30 June 2007. 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 report 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 Council's annual report.

Report on the Financial Report

I have audited the accompanying financial report of Council, which comprise the balance sheet as at 30 June 2007, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's declaration of Council.

The Responsibility of General Manager for the Financial Report

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

Auditor's Responsibility

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

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

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

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

Independence

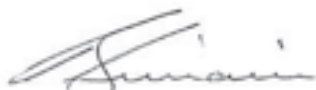
In conducting my audit, I have met applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In my opinion the financial report of Brighton Council:

- (a) presents fairly, in all material respects, the financial position of Brighton Council as at 30 June 2007, and of its financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards (including Australian Accounting Interpretations).

TASMANIAN AUDIT OFFICE



R Luciani

MANAGER QUALITY ASSURANCE

Delegate of the Auditor-General

HOBART

13 November 2007



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 2007 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*.

Greg Davoren
Acting General Manager

September 2007



INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Actual 2007 \$	Budget 2007 \$	Actual 2006 \$
REVENUES				
Revenues from operations				
Rate Revenues	3(a)(i)	7,653,420	7,477,795	7,172,229
Interest	3(a)(ii)	290,708	140,000	167,665
Profit on Asset Disposal	3(a)(iii)	84,176	35,000	33,239
Reimbursement of Expenses Incurred	3(a)(iv)	8,243	21,000	26,510
Grants	3(a)(v)	2,055,644	2,612,172	2,422,880
User Charges	3(a)(vi)	1,554,720	1,225,771	1,299,180
Contributions	3(a)(vii)	2,281,757	2,200,000	1,840,993
Other	3(a)(viii)	182,410	364,500	315,870
Fees and Charges		723,195	422,960	774,047
Private Works Sales Proceeds		237,445	230,000	55,214
Share of Profit of Associate		156,979	0	180,077
Total revenues from operations		\$15,228,697	\$14,729,198	\$14,287,904
EXPENSES				
Employee Costs	3(b)(i)	2,110,134	2,346,471	2,214,707
Depreciation	3(b)(ii)	1,855,580	1,769,000	1,818,677
Borrowing Costs	3(b)(iii)	259,166	264,251	291,058
Contributions	3(b)(iv)	889,052	573,929	531,151
Materials/Contracts & Other	3(b)(v)	4,486,594	4,195,235	4,404,161
Purchase of Water		1,117,188	1,007,348	1,011,191
Aldermanic Allowances & Expenses		96,551	132,353	89,252
Family Day Care Fee Relief Subsidy		332,589	750,000	589,899
Donations	4	193,576	148,500	218,123
Private Works Expense		214,541	215,000	31,200
Total expenses from operations		\$11,554,971	\$11,402,087	\$11,199,419
Result from operations		\$3,673,726	\$3,327,111	\$3,088,485

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



BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2007

ASSETS	Notes	2007	2006
CURRENT ASSETS		\$	\$
Cash and Cash Equivalents	5	3,904,217	2,613,980
Receivables - Rates	6	128,569	225,969
Receivables - Other	6	410,210	322,924
Financial Assets	7	3,530	3,318
Other	8	319,910	432,210
Total Current Assets	2(b)	4,766,436	\$3,598,401
NON CURRENT ASSETS			
Land	9	5,641,700	1,990,264
Plant and Vehicles	10	927,762	898,431
Small Machinery	11	25,259	17,194
Furniture and Equipment	12	194,772	210,151
Intangibles	13	63,815	72,483
Buildings	14	10,176,480	7,775,642
Bridges	15	1,195,911	1,218,238
Sewerage	16	18,237,286	17,904,147
Drainage	17	10,524,516	10,417,715
Water	18	13,045,938	12,721,953
Roads	19	45,905,660	37,138,565
Investment in Associate	22	10,086,274	6,111,207
Other Financial Assets	21	23,864	27,394
Total Non Current Assets	2(b)	\$116,049,237	\$96,503,384
Total Assets		\$120,815,673	\$100,101,785
LIABILITIES			
CURRENT LIABILITIES			
Payables	23	905,568	904,242
Financial Liabilities	24	612,290	572,308
Provisions	25	675,484	691,640
Other	26	397,421	414,622
Total Current Liabilities		\$2,590,763	\$2,582,812
NON CURRENT LIABILITIES			
Financial Liabilities	27	2,874,738	3,487,029
Provisions	28	52,377	44,889
Total Non Current Liabilities		\$2,927,115	\$3,531,918
Total Liabilities		\$5,517,878	\$6,114,730
NET ASSETS		\$115,297,795	\$93,987,055
EQUITY			
Reserves	29	49,053,911	31,518,059
Ratepayers Equity		66,243,884	62,468,996
TOTAL EQUITY		\$115,297,795	\$93,987,055

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2007



Note	Ratepayers Equity		Asset Revaluation Reserve		Public Open Space Reserve		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning 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
Net operating result for the year	3,673,726	3,088,485	0	0	0	0	3,673,726	3,088,485
Transfers to Reserves								
Buildings			2,658,479	0			2,658,479	0
Land			3,546,437	0			3,546,437	0
Roads			7,439,770	0			7,439,770	0
Equity Accounting for Hobart Water								
Equity Share of Direct to Retained Profits Adjustments	101,162	(31,886)	0	0	0	0	101,162	(31,886)
Equity Share of Increase in Asset Revaluation	0	0	3,891,166	99,055	0	0	3,891,166	99,055
Balance at the end of the financial year	\$66,243,884	\$62,468,996	\$49,018,326	\$31,482,474	\$35,585	\$35,585	\$115,297,795	\$93,987,055

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



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
Cash Flows from Operating Activities			
Receipts			
Receipts from Ratepayers, Fees & Charges		11,063,981	10,842,370
Interest Received		290,708	159,236
Government Grants		2,055,644	2,422,880
		<u>13,410,333</u>	<u>13,424,486</u>
Payments			
Payments to Suppliers and Employees		(10,047,114)	(10,585,410)
Borrowing Costs		(259,166)	(315,508)
		<u>(10,306,280)</u>	<u>(10,900,918)</u>
Net Cash Flows from Operating Activities	33	<u>\$3,104,053</u>	<u>\$2,523,568</u>
Cash Flows from Investing Activities			
Receipts			
Public Bodies Loan repayments		3,530	3,118
Sale of Land & Buildings		822,000	0
Hobart Water Dividends		174,240	145,554
Sale of Plant and Equipment Assets	3(a)(iii)	236,219	196,067
		<u>1,235,989</u>	<u>344,739</u>
Payments			
Purchase of Buildings		(591,904)	(357,649)
Purchase of Land		(170,000)	(55,000)
Purchase of Plant and Vehicles & Machinery		(449,037)	(515,671)
Intangible		(15,039)	(24,206)
Purchase of Water Reticulation Assets		(100,140)	(151,937)
Purchase of Roads, Bridges & Drainage Assets		(700,821)	(718,352)
Purchase of Sewerage Assets		(405,467)	(304,232)
Purchase of Furniture and Equipment		(45,088)	(76,338)
		<u>(2,477,496)</u>	<u>(2,203,385)</u>
Net Cash Flows from Investing Activities		<u>(\$1,241,507)</u>	<u>(\$1,858,646)</u>
Cash Flows from Financing Activities			
Repayment of Borrowings		(572,309)	(557,302)
Net Cash Flows from Financing Activities		<u>(572,309)</u>	<u>(557,302)</u>
Net increase/(decrease) in Cash and Cash Equivalents		1,290,237	107,620
Cash at the Beginning of the Financial Year		2,613,980	2,506,360
Cash and Cash Equivalents at the End of the Financial Year	5	<u>\$3,904,217</u>	<u>\$2,613,980</u>

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



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

CONTENTS of the Notes to the Financial statements	Note Number
Functions/Activities of the Council	2
Revenues and Expenses from Ordinary Activities	3
Donations and Grants	4
Current Assets	
Cash and Cash Equivalents	5
Receivables	6
Financial Assets	7
Other	8
Non Current Assets	
Land	9
Plant and Vehicles	10
Small Machinery	11
Furniture and Equipment	12
Intangible	13
Buildings	14
Bridges	15
Sewerage	16
Drainage	17
Water Reticulation	18
Roads	19
Fixed Assets Reconciliation	20
Other	21
Investment in Associate	22
Current Liabilities	
Payables	23
Financial Liabilities	24
Provisions	25
Other	26
Non Current Liabilities	
Financial Liabilities	27
Provisions	28
Reserves	29
Contingencies	30
Commitments for Expenditure	31
Superannuation	32
Reconciliation of Net Operating result to Cash provided from Operating Activities	33
Financial Instruments	34
Statement of Significant Business Activities of Council	35
Microwise Australia Pty Ltd	36
Related Party Transactions	37
Audit Disclosure	38



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

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.

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 2007.

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 2007

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

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

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

Where there has been a change recognised directly in the associate's equity, the Council recognises its share of any changes and discloses this, when applicable in the 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 2007

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 regular basis. 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 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Council has applied an indexation factor to revalue roads as at the 30th June 2007.

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 June 2007.

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 plus an indexation factor to increase the value to fair value as at the 30th June 2007. Land under roads is not included in the carrying value of assets.

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

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

Depreciation 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	3-8 years
Furniture and Equipment	5-10 years
Roads	48 years on average
Hotmix	20-30 years
Flush	15-30 years
Gravel	3-10 years
Pavement	60-100 years
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 2007

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 2007

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 32 for greater detail.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

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

(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 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Liabilities - Interest-bearing loans and borrowings

Outlined below are the relevant accounting policies for interest-bearing loans and borrowings applicable for the years ended 30 June 2007 and 30 June 2006.

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 ending 30 June 2007

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

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 35.

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 2007

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	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Corporate Services	\$ 1,052,479	\$ 959,646	\$ 0	\$ 0	\$ 408,405	\$ 60,506	\$ 408,405	\$ 60,506	\$ (\$644,074)	\$ (\$899,140)	\$ 0	\$ 0
Water Supply	1,687,972	1,454,581	45,364	27,245	2,778,962	2,532,578	2,824,326	2,559,823	\$1,136,354	\$920,483	13,045,938	12,721,953
Parks and Recreation	579,121	549,351	0	49,000	81,478	200,570	81,478	249,570	(\$497,643)	(\$299,781)	5,641,700	1,990,264
Drainage/Sewerage	1,268,042	1,314,935	0	0	2,437,085	2,196,421	2,437,085	2,196,421	\$1,169,043	\$881,486	28,761,802	28,321,862
Planning & Building	426,920	411,978	50,000	0	231,566	214,025	281,566	214,025	(\$145,354)	(\$197,953)	0	0
Buildings	549,151	500,637	0	0	25,298	0	25,298	0	(\$523,853)	(\$500,637)	10,176,480	7,775,642
Roads/Bridges	2,090,576	2,046,357	147,500	130,038	1,612,491	1,224,603	1,759,991	1,354,641	(\$330,585)	(\$691,716)	47,101,571	38,356,803
Community Services	1,413,154	1,616,198	408,068	871,996	75,112	51,071	483,180	923,067	(\$929,974)	(\$693,131)	0	0
Environmental Health	469,359	501,200	0	0	83,329	72,464	83,329	72,464	(\$386,030)	(\$428,736)	0	0
Waste Management	659,614	647,851	0	0	715,126	672,311	715,126	672,311	\$55,512	\$24,460	0	0
Unallocated Services	1,358,583	1,196,685	1,404,712	1,344,601	4,724,201	4,640,475	6,128,913	5,985,076	\$4,770,330	\$4,788,391	16,088,182	10,935,261
TOTAL	\$11,554,971	\$11,199,419	\$2,055,644	\$2,422,880	\$13,173,053	\$11,865,024	\$15,228,697	\$14,287,904	\$3,673,726	\$3,088,485	\$120,815,673	\$100,101,785



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

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:

	2007	2006
	\$	\$
Current Assets	4,766,436	3,598,401
Non Current Assets	116,049,237	96,503,384
	<u>120,815,673</u>	<u>100,101,785</u>

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

* Corporate Services

Operation and maintenance of council chambers, administration offices, maintenance depots and plant and equipment, monitor revenue collections.

* 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 2007

	2007 \$	2006 \$
3 REVENUES AND EXPENSES FROM ORDINARY ACTIVITIES		
3(a) Operating Revenues		
(i) Rates Revenues		
General	3,697,978	3,565,836
Garbage	584,646	533,698
Sewerage	1,973,999	1,793,052
Water	914,350	831,439
Fire Levy	435,997	401,899
Penalties	46,450	46,305
	<u>\$7,653,420</u>	<u>\$7,172,229</u>
(ii) Interest		
Interest received or due and receivable from:		
Investments	290,708	167,665
	<u>\$290,708</u>	<u>\$167,665</u>
(iii) Profit on Asset Disposal		
Proceeds from Disposal	1,058,219	196,067
less written down current cost	(974,043)	(162,828)
Gain on Disposal	<u>\$84,176</u>	<u>\$33,239</u>
(iv) Reimbursements of Expenses Incurred		
Welfare Administration	8,243	26,510
	<u>\$8,243</u>	<u>\$26,510</u>
(v) Grants		
Grants were received in respect of the following:		
Family Day Care	385,091	790,215
School Holiday Program	17,277	54,536
Tax Equivalents	0	27,245
Commonwealth Tax Sharing	1,375,212	1,328,346
Roads to Recovery	130,000	130,038
Dept of Economic Development	0	49,000
Tas Risk Mitigation Programme	29,500	39,500
Dept of Environment & Heritage	45,364	4,000
Dept of Premier & Cabinet	5,700	0
Dept of Infrastructure, Energy & Resources	17,500	0
Dept of Justice	50,000	0
Total Grants	<u>\$2,055,644</u>	<u>\$2,422,880</u>
(vi) User Charges		
Water Consumption Charge	1,106,598	988,960
Headworks	319,477	180,639
Plant Hire	27,487	33,904
Refuse Site Entrance Fees	101,158	95,677
	<u>\$1,554,720</u>	<u>\$1,299,180</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

3 REVENUES AND EXPENSES FROM ORDINARY ACTIVITIES (continued)

	2007	2006
	\$	\$
(vii) Contributions		
Infrastructure Assets	2,281,757	1,840,993
	<u>\$2,281,757</u>	<u>\$1,840,993</u>
(viii) Other		
Community Newsletter	3,781	4,112
Microwise Australia	36 178,629	209,593
Increase in Equity Investment in Hobart Water	0	102,165
	<u>\$182,410</u>	<u>\$315,870</u>
3(b) Operating Expenses		
(i) Employee Costs		
Wages and Salaries	1,723,807	1,848,613
Superannuation	217,684	253,505
Other Employee Related Expenses	168,643	112,589
	<u>\$2,110,134</u>	<u>\$2,214,707</u>
Actual Wages & Salaries for 2007 were \$2,747,443 (\$2,626,377 for 2006) according to the taxation summary. Other Wages & Salaries and associated on costs are costed to capital improvements.		
(ii) Depreciation		
Plant and Vehicles	179,280	165,099
Buildings	164,545	160,085
Intangible	23,707	27,949
Small Machinery	8,319	6,027
Bridges	57,948	57,119
Sewerage Assets	322,258	322,973
Drainage Assets	135,830	135,287
Water Assets	206,143	205,300
Road Assets	697,083	677,761
Furniture and Equipment	60,467	61,077
	<u>\$1,855,580</u>	<u>\$1,818,677</u>
(iii) Borrowing Costs		
Borrowing cost expense interest on debt	259,166	291,058
	<u>\$259,166</u>	<u>\$291,058</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

3 REVENUES AND EXPENSES FROM ORDINARY ACTIVITIES (continued)

3(b) Operating Expenses (continued)

(iv) Contributions

	2007 \$	2006 \$
State Fire Commission Levy	406,299	350,753
Tas. Canine Defence League Contribution	44,627	36,836
Local Govt. Association of Tasmania	27,117	26,474
Derwent Estuary Contribution	8,553	8,200
Brighton Training Facility	60,000	60,000
Tas South Tourism	6,042	5,891
Education Dept Library Relocation	200,000	0
Valuation Charges	128,507	35,809
Southern Tasmanian Councils Association	7,907	7,188
	<u>\$889,052</u>	<u>\$531,151</u>

(v) Materials/Contracts & Other

Street Lighting	135,646	125,693
Fire Abatement	7,364	11,748
Asset Management System	15,713	17,967
GIS	29,141	19,830
Environment Report	0	59,988
Waste Transfer Station	253,437	350,772
Contract Recycling	131,800	128,255
Treatment Plant Permit Reports	53,542	91,383
Waste Bin Replacements	31,966	20,983
Tipping Fees	147,835	131,618
Southern Tas Waste Management	8,500	8,600
Microwise Australia	36 218,688	148,209
Community Newsletter	48,954	48,072
Road & Bridge Maintenance	559,643	468,244
Sewerage Maintenance	508,670	520,149
Water Maintenance	177,249	172,111
Reserve Maintenance	408,904	332,427
Building Maintenance	173,447	178,432
Collection Fees	36,148	24,998
Public Liability	55,545	54,921
Land Tax	25,314	9,960
Bank Fees	18,569	23,557
Internal Contractors	175,739	197,751
Other Materials & Contracts	1,264,780	1,258,493
	<u>\$4,486,594</u>	<u>\$4,404,161</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

		2007 \$	2006 \$
4 DONATIONS			
GRANTS AND BENEFITS REGISTER - (SECTION 77 LOCAL GOVERNMENT ACT 1993)			
Badger Amanda		75	0
Bailey George		250	0
Bird N		0	75
Bowerman Ellen		0	75
Bridgewater High School		60	1,018
Bridgewater PCYC	Halls & Grounds	198	0
Bridgewater Primary School		60	60
Bridgewater School for Seniors	Halls & Grounds	0	132
Bridgewater/Brighton Online Access Centre	Halls & Grounds	8,990	11,000
Bridgewater/Brighton Online Access Centre		950	0
Brighton Agricultural Society		500	500
Brighton Agricultural Society	Halls & Grounds	9,895	9,130
Brighton Bowls Club		5,000	2,000
Brighton Football Club		3,000	3,000
Brighton Football Club	Halls & Grounds	21,189	19,392
Brighton Garden Club		5,000	10,000
Brighton Garden Club	Halls & Grounds	14,346	11,100
Brighton Garden Club	WTS Entry	97	194
Brighton Hotel/Motel		0	227
Brighton Junior Cricket Club		750	0
Brighton Junior Cricket Club	Halls & Grounds	1,428	1,344
Brighton Junior Football Club	Halls & Grounds	3,400	3,200
Brighton Junior Soccer Club	Halls & Grounds	5,760	5,280
Brighton Junior Youth Football Club	Halls & Grounds	3,519	3,312
Brighton Playcentre		0	9,000
Brighton Playcentre	Halls & Grounds	6,760	6,240
Brighton Primary School		60	60
Brighton Rural Youth		750	0
Bugeido Karate	Halls & Grounds	3,456	3,312
BURP Inc		5,000	20,000
BURP Inc	Halls & Grounds	144	0
BURP Inc	WTS Entry	115	185
Christie Kate		75	0
Claremont College		50	50
Clark Shannon		0	75
Cleaver Adriana		0	250
Coles Supermarkets		0	100
Community Transportation		6,424	6,039
Cranefield Bianca		0	75
Curran Kate		75	0
Davidson Ian		0	250



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

4 2006/07 DONATIONS APPROVED (continued)

		2007	2006
		\$	\$
Department of Justice	WTS Entry	124	104
Derwent Sharks Soccer (formerly Bwater United) Halls & Grounds		2,016	2,098
Derwent Sharks Soccer (formerly Bwater United)		1,000	0
Derwent Valley Country Music Club		500	0
Dilger Matthew		75	0
Dogs Home of Tasmania		450	0
East Derwent Knights Soccer Club	Halls & Grounds	0	6,912
East Derwent Little Athletics	Halls & Grounds	6,230	6,030
East Derwent Little Athletics		2,000	0
Fenton Shevenka		250	250
Festival of Dreams		1,000	0
Fisher Ashley		75	0
Fitzpatrick Dannielle		75	0
Ford Tianna		0	75
Fruit Growers Tasmania		436	0
Fysh Brendon		250	0
Gagebrook Primary School		60	60
Genge Mikayla		75	0
GKR Karate	Halls & Grounds	1,728	1,656
Greenpoint Primary School		60	60
Griffiths & Galloway - Building Compliance		1,800	3,150
Hall Nathan		325	250
Hannaford Isabella		0	75
Heart Foundation		0	500
Herdsmen Cove Primary School		60	15,060
Hitchens Jake		75	0
Hitchens James		75	0
Hobart Cat Centre		6,686	0
Howlett Braden		0	75
Jordan River Fitness	Halls & Grounds	0	4,968
Jordan River Pensioners Club	Halls & Grounds	120	0
Jordan River Services		12,000	12,000
Jordan River Services	WTS Entry	531	216
Kenyi Emmanueli		0	200
Kyle's Transport		0	132
Local Churches		990	0
Mann Chantelle		75	0
McIntosh Katie		250	250
Northern Suburbs Christian School		60	60
Northern Suburbs Junior Soccer Association	Halls & Grounds	2,550	2,400
Old Beach Community Group		300	0
Old Beach Cricket Club	Halls & Grounds	7,264	6,702



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

4 2006/07 DONATIONS APPROVED (continued)

		2007	2006
		\$	\$
Old Beach Cricket Club		1,000	1,000
Old Beach Fire Brigade		1,500	0
Penguin Club		906	0
Pete's Community Workshed		12,000	0
Pete's Community Workshed	Halls & Grounds	6,980	6,240
Pouwelse Jodie		250	250
R.S.P.C.A		0	3,377
Relay For Life Cancer Council		0	288
Robison Kate		0	250
Robison Sarah		250	0
Rock Eisteddfod Bridgewater High		300	0
Scotney Aaron		250	0
SES		10,532	8,727
St Marks Church		0	5,000
St Paul's Primary School		60	60
St Vincent De Paul		332	549
St Vincent De Paul	WTS Entry	154	52
Staff Christmas Function		0	200
Tas Crabbet Horse Club	Halls & Grounds	100	100
Tasmanian Canine Defence League		0	380
Tasmanian Masters Athletics		0	500
Tea Tree Community Association		0	1,000
Tea Tree Golf Club		2,000	0
Tea Tree Red Cross	Halls & Grounds	0	60
Uniting Church	WTS Entry	22	59
Wood Daniel		0	75
		<u>\$193,576</u>	<u>\$218,123</u>

5 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at Bank	206,146	821,461
Cash on Hand	3,800	4,217
Investments	<u>3,694,271</u>	<u>1,788,302</u>
	<u>\$3,904,217</u>	<u>\$2,613,980</u>

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

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



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
6 CURRENT ASSETS - RECEIVABLES		
Rates Receivables	\$128,569	\$225,969
Other Receivables		
Water Consumption	149,768	169,451
Other Debtors	268,497	158,220
Less Provision for Doubtful Debts	(8,055)	(4,747)
	<u>\$410,210</u>	<u>\$322,924</u>
7 FINANCIAL ASSETS		
Loans and Advances	<u>\$3,530</u>	<u>\$3,318</u>
8 CURRENT ASSETS - OTHER		
Accrued Revenue	265,169	334,297
Work In Progress	1,581	32,363
Prepayments	53,160	65,550
	<u>\$319,910</u>	<u>\$432,210</u>
9 NON CURRENT ASSETS - LAND		
Land at Valuation	<u>\$5,641,700</u>	<u>\$1,990,264</u>
Valuation provided by Valuer General as at 30 June 2007		
10 NON CURRENT ASSETS - PLANT AND VEHICLES		
Plant and Vehicles at Cost	1,393,508	1,308,287
less Accumulated Depreciation	(465,746)	(409,856)
	<u>\$927,762</u>	<u>\$898,431</u>
11 NON CURRENT ASSETS - SMALL MACHINERY		
Small Machinery at Cost	102,392	86,007
less Accumulated Depreciation	(77,133)	(68,813)
	<u>\$25,259</u>	<u>\$17,194</u>
12 NON CURRENT ASSETS - FURNITURE AND EQUIPMENT		
Furniture and Equipment at Cost	936,333	891,245
less Accumulated Depreciation	(741,561)	(681,094)
	<u>\$194,772</u>	<u>\$210,151</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
13 NON CURRENT ASSETS - INTANGIBLE		
Software at Cost	178,310	163,270
less Accumulated Depreciation	(114,495)	(90,787)
	<u>\$63,815</u>	<u>\$72,483</u>

14 NON CURRENT ASSETS - BUILDINGS		
Buildings at Fair Value	10,176,480	8,361,883
less Accumulated Depreciation	0	(586,241)
	<u>\$10,176,480</u>	<u>\$7,775,642</u>

Valuation provided by Valuer General as at June 2007.

15 NON CURRENT ASSETS - BRIDGES		
Bridges at Fair Value	2,777,341	2,741,720
less Accumulated Depreciation	(1,581,430)	(1,523,482)
	<u>\$1,195,911</u>	<u>\$1,218,238</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	25,661,665	25,006,268
less Accumulated Depreciation	(7,424,379)	(7,102,121)
	<u>\$18,237,286</u>	<u>\$17,904,147</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	13,711,954	13,469,323
less Accumulated Depreciation	(3,187,438)	(3,051,608)
	<u>\$10,524,516</u>	<u>\$10,417,715</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	17,418,961	16,888,833
less Accumulated Depreciation	(4,373,023)	(4,166,880)
	<u>\$13,045,938</u>	<u>\$12,721,953</u>

Fair value based on valuation prepared by Council Engineering Officer as at 30/6/05

19 NON CURRENT ASSETS - ROADS		
Road Assets at Valuation	54,501,393	45,037,215
less Accumulated Depreciation	(8,595,733)	(7,898,650)
	<u>\$45,905,660</u>	<u>\$37,138,565</u>

Fair value based on valuations prepared by the Council Engineering Officer in association with Pit & Sherry as at June 2003.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
20 FIXED ASSETS RECONCILIATION		
Land		
Carrying amount at the beginning of the year	1,990,264	1,942,264
Additions	170,000	55,000
Disposals	(65,000)	(7,000)
Adjustment due to revaluation	3,546,436	0
Carrying amount at the end of the year	<u>\$5,641,700</u>	<u>\$1,990,264</u>
Plant and Vehicles		
Carrying amount at the beginning of the year	898,431	700,401
Additions	432,654	513,853
Disposals	(224,043)	(150,724)
Depreciation	(179,280)	(165,099)
Carrying amount at the end of the year	<u>\$927,762</u>	<u>\$898,431</u>
Small Machinery		
Carrying amount at the beginning of the year	17,194	23,240
Additions	16,384	1,818
Disposals	0	(1,837)
Depreciation	(8,319)	(6,027)
Carrying amount at the end of the year	<u>\$25,259</u>	<u>\$17,194</u>
Furniture and Equipment		
Carrying amount at the beginning of the year	210,151	198,157
Additions	45,088	76,338
Disposals	0	(3,267)
Depreciation	(60,467)	(61,077)
Carrying amount at the end of the year	<u>\$194,772</u>	<u>\$210,151</u>
Intangible		
Carrying amount at the beginning of the year	72,483	76,226
Additions	15,039	24,206
Depreciation	(23,707)	(27,949)
Carrying amount at the end of the year	<u>\$63,815</u>	<u>\$72,483</u>
Buildings		
Carrying amount at the beginning of the year	7,775,642	7,578,078
Additions	591,904	357,649
Disposals	(685,000)	0
Depreciation	(164,545)	(160,085)
Adjustment due to revaluation	2,658,479	0
Carrying amount at the end of the year	<u>\$10,176,480</u>	<u>\$7,775,642</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

20 FIXED ASSETS RECONCILIATION (continued)

	2007 \$	2006 \$
Bridges		
Carrying amount at the beginning of the year	1,218,238	1,240,758
Additions	35,621	34,599
Depreciation	(57,948)	(57,119)
Adjustment due to revaluation	0	0
Carrying amount at the end of the year	<u>\$1,195,911</u>	<u>\$1,218,238</u>
Sewerage		
Carrying amount at the beginning of the year	17,904,147	17,612,875
Additions	655,397	614,245
Depreciation	(322,258)	(322,973)
Carrying amount at the end of the year	<u>\$18,237,286</u>	<u>\$17,904,147</u>
Drainage		
Carrying amount at the beginning of the year	10,417,715	10,315,567
Additions	242,631	237,435
Depreciation	(135,830)	(135,287)
Carrying amount at the end of the year	<u>\$10,524,516</u>	<u>\$10,417,715</u>
Water Reticulation		
Carrying amount at the beginning of the year	12,721,953	12,489,790
Additions	530,128	437,463
Depreciation	(206,143)	(205,300)
Carrying amount at the end of the year	<u>\$13,045,938</u>	<u>\$12,721,953</u>
Roads		
Carrying amount at the beginning of the year	37,138,565	36,152,426
Additions	2,024,408	1,663,900
Depreciation	(697,083)	(677,761)
Adjustment due to revaluation indexation	7,439,770	
Carrying amount at the end of the year	<u>\$45,905,660</u>	<u>\$37,138,565</u>

21 NON CURRENT ASSETS - OTHER

Loans and Advances	23,864	27,394
	<u>\$23,864</u>	<u>\$27,394</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
22 INVESTMENT IN ASSOCIATE		
Investment in Associate	<u>\$10,086,274</u>	<u>\$6,111,207</u>
Brighton Council has a 4.509% (4.356% 2006) 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. 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.		
Share in Associates Equity		
Retained Profits	11,280,842	9,961,000
General Reserve	5,973,732	5,974,000
Asset Revaluation Reserve	<u>206,437,454</u>	<u>124,359,000</u>
	<u>223,692,028</u>	<u>140,294,000</u>
Brighton Council's Interest in Associate	4.509%	4.356%
Brighton Council's Equity Interest in Hobart Water	<u>10,086,274</u>	<u>6,111,207</u>
23 CURRENT LIABILITIES - PAYABLES		
Trade Creditors	298,366	495,610
Accrued Expenses	<u>607,202</u>	<u>408,632</u>
	<u>\$905,568</u>	<u>\$904,242</u>
24 CURRENT LIABILITIES - FINANCIAL LIABILITIES		
Secured		
Loans	<u>\$612,290</u>	<u>\$572,308</u>
25 CURRENT LIABILITIES - PROVISIONS		
Employee Leave Entitlements Provisions		
Annual Leave	336,783	338,815
Long Service Leave	<u>338,701</u>	<u>352,825</u>
	<u>\$675,484</u>	<u>\$691,640</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
26 CURRENT LIABILITIES - OTHER		
Deposits Held in Trust	153,995	174,575
Revenue Received in advance	243,426	240,047
	<u>\$397,421</u>	<u>\$414,622</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>\$2,874,738</u>	<u>\$3,487,029</u>
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Security for Borrowings

The loans are secured over the general rates of the Council.	3,487,028	4,059,337
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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>\$52,377</u>	<u>\$44,889</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 2.1% has been applied where applicable.

29 RESERVES

Building Revaluation	3,448,753	790,274
Land Revaluation	3,546,437	0
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	22,354,588	14,914,818
Bridges Revaluation	565,345	565,345
Public Open Space	35,585	35,585
	<u>\$44,829,476</u>	<u>\$31,184,790</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

29 RESERVES (continued)

	2007 \$	2006 \$
Movements during the year		
(a) Building Revaluation		
Balance at beginning of year	790,274	790,274
Revaluation Increment	2,658,479	0
Balance at end of year	<u>\$3,448,753</u>	<u>\$790,274</u>
(b) Water Revaluation		
Balance at beginning of year	4,660,660	4,660,660
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	7,173,772
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	3,044,336
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
Revaluation Increment	7,439,770	-
Balance at end of year	<u>\$22,354,588</u>	<u>\$14,914,818</u>
(f) Bridge Revaluation		
Balance at beginning of year	565,345	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>
(h) Land Revaluation		
Balance at beginning of year	0	0
Revaluation Increment	3,546,437	0
Balance at end of year	<u>\$3,546,437</u>	<u>\$0</u>
Total movements during the year		
Balance at beginning of year	31,184,790	31,184,790
Revaluation increment	13,644,686	0
Balance at end of year	<u>\$44,829,476</u>	<u>\$31,184,790</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

29 RESERVES (continued)

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.

Equity Reconciliation

Total equity at beginning of year	93,987,055	90,831,401
Result from operations	3,673,726	3,088,485
Change in net assets recognised Direct to Equity	101,162	(31,886)
Net increase in asset revaluation reserve	17,535,852	99,055
	<u>\$115,297,795</u>	<u>\$93,987,055</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	17,398
One year or later and no later than five years	39,147	56,545
	<u>\$56,545</u>	<u>\$73,943</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

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 accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Bendzulla Actuarial Pty Ltd undertook the last actuarial review of the Scheme at 30 June 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 Superannuation Guarantee (Administration) Act 1992.

During the reporting period the amount of contributions paid to defined benefits schemes was \$43,503 (2005-06 \$41,073) and the amount paid to accumulation schemes was \$279,336 (2005-06 \$261,096).



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
33 RECONCILIATION OF NET OPERATING RESULT TO CASH PROVIDED FROM OPERATING ACTIVITIES.		
Net operating result from Income Statement	3,673,726	3,088,485
Items Not Involving Cash		
Non Cash Contributions	(2,281,757)	(1,813,120)
Depreciation Expense	1,855,580	1,818,677
Increase in Hobart Water Investment	0	(102,165)
Associate Share of Profit	(156,979)	(180,077)
	<u>(583,156)</u>	<u>(276,685)</u>
 Investing Activity		
Net Profit on Disposal of Plant and Equipment	(84,176)	(33,239)
	<u>(84,176)</u>	<u>(33,239)</u>
 Change in Operating Assets and Liabilities		
(Increase)/Decrease in Rates Receivables	97,400	34,796
(Increase)/Decrease in Other Debtors	(87,286)	554,274
(Increase)/Decrease in Other Assets	112,088	(161,256)
Increase/(Decrease) in Creditors	1,326	(50,856)
Increase/(Decrease) in Provision for Employee Entitlements	(8,668)	128,020
Increase/(Decrease) in Other Liabilities	(17,201)	(759,971)
	<u>97,659</u>	<u>(254,993)</u>
 Net Cash Outflow from Operating Activities	<u>\$3,104,053</u>	<u>\$2,523,568</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

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:

		Fixed interest maturing in:					
		Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non-interest bearing \$	TOTAL \$
Note							
Financial assets 2007							
	5	209,946	0	0	0	0	209,946
	7	0	3,530	21,343	2,521	0	27,394
	6	278,337	0	0	0	260,442	538,779
	5	3,694,271	0	0	0	0	3,694,271
		\$4,182,554	\$3,530	\$21,343	\$2,521	\$260,442	\$4,470,390
Weighted avg. interest		6.34%	6.30%	6.30%	6.30%	0.00%	

Financial liabilities 2007							
Loans	24,27	0	612,290	2,545,818	328,920	0	3,487,028
Deposits held in trust	26	0	0	0	0	153,995	153,995
Accounts payable	23	0	0	0	0	905,568	905,568
		\$0	\$612,290	\$2,545,818	\$328,920	\$1,059,563	\$4,546,591
Weighted avg. interest			6.87%	6.87%	6.80%	0.00%	

Financial assets 2006							
Cash at bank/on hand	5	825,678	0	0	0	0	825,678
Loans and Advances	7	0	3,318	20,059	7,335	0	30,712
Receivables	6	395,420	0	0	0	153,473	548,893
Investments	5	1,788,302	0	0	0	0	1,788,302
		\$3,009,400	\$3,318	\$20,059	\$7,335	\$153,473	\$3,193,585
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%	

(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 2007. 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 \$3,583,501 compared to the actual value of \$3,487,028.

(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 2007

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 2007

Revenue	Water		Sewerage/Drainage	
	2007	2006	2007	2006
Rates & Interest	924,392	845,682	1,973,999	1,793,052
User Charges	1,469,947	1,361,623	213,155	93,354
Contributions	429,988	285,526	249,930	310,013
Total Revenue	<u>\$2,824,327</u>	<u>\$2,492,831</u>	<u>\$2,437,084</u>	<u>\$2,196,419</u>
Expenditure				
Employee Costs	85,038	75,662	66,505	59,751
Materials, Contracts & Other	1,358,197	1,246,562	824,659	869,001
Interest	38,594	44,825	54,620	63,211
Capital Costs				
Depreciation	206,143	205,300	322,258	322,973
Opportunity Cost of Capital	1,183,267	1,153,881	1,654,122	1,623,906
Indirect				
Engineering & Admin	107,840	103,620	119,600	109,051
Competitive Neutrality Costs				
Council Rates	3,340	2,331	15,065	2,231
Loan Guarantee Fee	2,184	3,267	3,051	3,868
Notional Income Tax	-	243,380	-	229,901
Total Expenditure	<u>\$2,984,603</u>	<u>\$3,078,828</u>	<u>\$3,059,880</u>	<u>\$3,283,893</u>

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 2007

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 \$17,767 in licence fees during the 2007 financial year.
- Directors Fees of \$28,000 (2006 - \$28,000) were paid during the 2007 financial year.

	2007	2006
	\$	\$
Financial Performance		
Revenue	178,629	209,593
Expenditure	218,688	148,209
Profit/(Loss)	(40,059)	\$61,384
Brighton Council Equity	\$164,512	\$217,906

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:

- Cllr 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 FOR THE YEAR ENDED 30 JUNE 2007

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:

2007	2006
\$19,278	\$18,495

