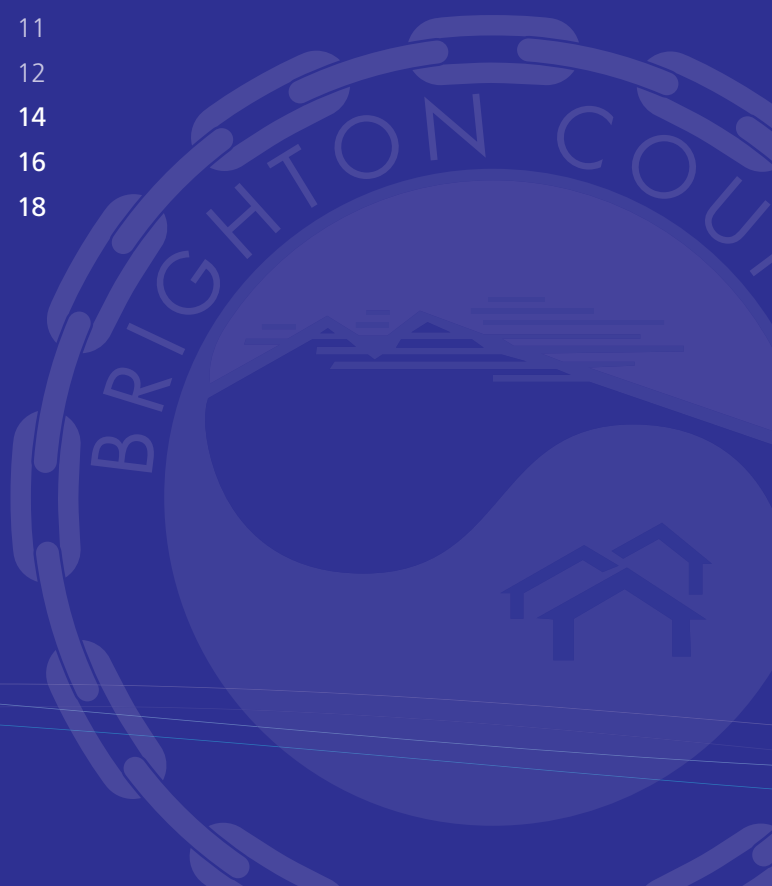


Brighton Council

ANNUAL REPORT 2007 - 2008



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INTRODUCTION

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

- *The first part includes the Mayor and General Manager's messages, together with reports on the major strategies set out in the 2007/08 Annual Plan.*
- *The second part of the Annual Report incorporates the audited financial statements for the financial year.*

HISTORY

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

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

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

Brighton is located approximately 25 kilometres from Hobart and forms the northern urban suburb of the Hobart metropolitan region. Prior to the early 1970s, Brighton was principally a rural municipality. The establishment of the large public housing estates in Bridgewater and Gagebrook in the 1970s and private development in the late 1980s and early 1990s, 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 9th December 2008. Any person wishing to make a submission should do so by close of business Monday 1st December 2008.



MAYOR'S MESSAGE

In my role as Mayor I often reflect on the progress of our municipality which I have had the privilege of being Mayor for the past 15 years.

It goes without saying that I have been proud to have been mayor during this exceptional period of growth and maturing as a Council. We have been able to grow while maintaining a healthy balance between equity/fairness/development/environmental/economic and social issues for all of our constituents.

I am proud that our report card on progress in the Municipality would certainly get some major ticks of approval and a few of these successes are outlined below:-

For example, we have:

- The most comprehensive water policy in Tasmania which includes water meters, a fair and equitable user-pays system, two-part pricing and total beneficial reuse of sewage effluent, which has been recognised national for its innovation;
- Developed sound 10 year financial and asset management plans that enables us to responsibly prepare for the future;
- Developed a strategic plan that has us well placed for the future. We took a path that differed from the norm in that it examined a number of scenarios for the future and then selected what our preferred vision should be. This inclusive process resulted in a simple and concise set of actions for the next 10 years and that builds on our successes of the past.

There have been many accomplishments during the year but the one that stands out the most was the introduction of a new rating system that has been developed over time to equitably charge for council services. Our new flat-rate system was hailed as the most innovative of any council in the State and we are delighted that once again we are leading the way in the local government sector. We believe our current system is one of a kind in the country.



From one exciting achievement to one of a more tragic note was the deliberate arson of the Bridgewater High School in October. This left our community gutted and divided on many issues, encouragingly, Education Minister David Bartlett set up a taskforce (Bridgewater and Southern Midlands Education Renewal Taskforce (BASMERT)) of which I was asked to Chair the group. BASMERT consulted widely with the communities and a final report was submitted to the Minister which suggested a number of options for educational facilities within the municipality.

Work commenced in January on the Brighton Civic Centre and is due for completion next financial year.

Once again I am proud to present this annual report as one of a prosperous and positive year. The success of this year and our report card on our progress promises well for our municipality.

Tony Foster OAM JP
Mayor of Brighton



GENERAL MANAGER'S MESSAGE

A great deal was achieved in the past 12 months to meet Council's 10 year strategic objectives. In summary we have:-

Image:

- Had significant positive press coverage about the region's collective and individual achievements.
- Introduced flat-rating structure for residential ratepayers.
- Achieved a significant reduction in vandalism and dumped rubbish.

Education and training

- Worked with the Tasmanian Chamber of Commerce and Industry to commission a significant research report into the establishment of an Australian Technical College. The report was presented to State and Federal Governments.
- Assisted in relocating the library and online access centre to new premises.

Business growth

- Introduced equitable rating policies for the business and rural sector.
- Upgraded the water supply to the Brighton Industrial Estate and initiated the launch of the second stage of the Brighton Industrial Estate.

Physical infrastructure

- Had our infrastructure management and financial performance favourably reviewed by Access Economics.
- Developed a comprehensive asset maintenance system.
- Completed the construction of the Old Beach community centre.

Communications

- Continued Brighton Alive, a community forum to enhance communication about Brighton within the community through a dedicated website and newsletter.
- Increased the issue of positive stories to the general media.



Land use planning

- Engaged consultants to prepare a sub-regional land use strategy.
- Restructured Brighton's environment and development services department to provide better service delivery.

Transport

- Successfully lobbied state and commonwealth governments to commit to the construction of the Midland Highway Brighton bypass and establishment of the new Brighton Transport Hub.
- Constructed a 2.1 kilometre walking track along the Old Beach foreshore which included a 30-metre boardwalk significantly increasing its usage.

Alliances

- Formed a sub-regional alliance with Central Highlands, Derwent Valley and Southern Midlands Councils.
- Provided in excess of 2400 hours of professional local government services to a number of Tasmanian local councils.

In my opinion there was no one particular highlight for the year. Rather, there were numerous highlights across all strategic objectives, where councillors and staff have achieved much together. It was a very successful year.

Ron Sanderson
General Manager



COUNCILLORS AS AT 30TH JUNE 2008

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

Councillor for almost 20 years,
Mayor since 1993

Committee Representation:-

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

Council Representative:-

- Southern Tasmanian Councils Association
- Southern Waste Strategy Board Joint Authority (to Nov 07)
- Emergency Management Advisory Committee



CR WAYNE GARLICK

Councillor for 5 years.

Committee Representation:-

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

Council Representative:-

- Bridgewater/Brighton On-line Access Centre Advisory (Chairperson)



CR GEOFF TAYLOR **(DEPUTY MAYOR)**

Councillor for 23 years,
Deputy Mayor 19 months.

Committee Representation:-

- Parks & Recreation
- Waste Management (Chairperson)

Council Representative:-

- Emergency Management Advisory Committee (Deputy Rep)



CR PETER GEARD

Councillor for just over 20 years

Committee Representation:-

- Pontville Special (Chairperson – to Nov 07)
- Finance
- Parks & Recreation (Chairperson – to Nov 07)
- Waste Management

Council Representative:-

- Brighton Senior Citizens Management (Chairperson)
- Local State Emergency Services Co-ordinator
- Bicycle Users Group
- Southern Waste Strategy Board Joint Authority
- Hobart Regional Water Board Joint Authority (Deputy Rep)
- Jordan River Fire Management



CR BARBARA CURRAN

Councillor for almost 12 years

Committee Representation:-

- Parks & Recreation (to Nov 07)
- Finance
- Heritage & Environment (Chairperson)
- Waste Management

Council Representative:-

- Brighton Primary School Council



CR LEIGH GRAY

Councillor for 2 years 8 months.

Committee Representation:-

- Parks & Recreation (Chairperson)
- Heritage & Environment
- Waste Management

Council Representative:-

- Southern Waste Strategy Board
Joint Authority (Deputy rep)



CR HEATHER PRICE

Councillor until Nov 07

Councillor for 1 year 4 months.

Committee Representation:-

- Parks & Recreation

Council Representative:-

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



CR MOYA JEFFRIES

Councillor from Nov 07

Councillor for just over 8 months

Committee Representation:-

- Parks & Recreation
- Finance

Council Representative:-

- Brighton Junior Council
- Bridgewater High School Council
- Bridgewater/Brighton On-line
Access Centre Advisory (proxy)



CR SONYA WILLIAMS

Councillor for 2 years 8 months.

Committee Representation:-

- Parks & Recreation

Council Representative:-

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



CR PHILIP OWEN

Councillor for just over 18 years

Committee Representation:-

- Finance
- Heritage & Environment
- Waste Management

Council Representative:-

- Hobart Regional Water Board
Joint Authority





OVERVIEW AND HIGHLIGHTS

To attain its 2040 vision, Brighton developed a 10-year Strategic Plan identifying eight major objectives to drive Council's planning towards 2016. Council's Annual Plan also incorporates these objectives.

These objectives are to:

- *Promote Brighton as a great place to be*
- *Improve education and training opportunities*
- *Promote industrial and business growth*
- *Maintain and improve the physical infrastructure of the region*
- *Improve communication and interaction between residents, community groups and businesses*
- *Improve land-use planning by developing a land use and development strategy*
- *Ensure provision of improved transport systems*
- *Form alliances to take projects and strategies forward*

A great deal was achieved in the past 12 months to meet these 10-year objectives of the 2040 vision. We've ticked a number of boxes against all eight of these objectives:

LAND USE PLANNING

Council is part of an innovative joint venture project with neighbouring councils (Derwent Valley, Southern Midlands and Central Highlands) to develop a joint land use strategy leading to a new single planning scheme for the four councils.

We have

- *engaged consultants to prepare a sub-regional land use strategy.*
- *held workshops to facilitate additional input into the sub-regional land use planning strategy.*
- *restructured Brighton's environment and development services department to provide better service delivery.*
- *begun a review of all land owned by Council.*

COMMUNICATIONS

A communications strategy will be developed to provide a strategic approach to media marketing and public relations and to promote a cohesive community.

We have

- *established Brighton Alive, a community forum to enhance communication about Brighton within the community through a dedicated website and newsletter.*
- *coordinated a weekly radio show.*
- *encouraged greater use of Council's website with record hits to the site over a 12-month period.*
- *encouraged even more coverage of Brighton activities in our bi-monthly newspaper with plans to increase publication frequency.*
- *increased the issue of positive stories to the general media.*

ALLIANCES

Council has made an informal alliance with Derwent Valley, Southern Midlands and Central Highlands Councils to form a sub-region of councils to promote areas of mutual interest. Council will endeavour to develop alliances with other councils both in the south and other parts of Tasmania.

We have

- *formed a sub-regional alliance with Central Highlands, Derwent Valley and Southern Midlands Councils.*
- *provided in excess of 2400 hours of professional local government services to a number of Tasmanian local councils.*
- *utilised neighbouring local government staff to develop a weeds strategy and work on community projects such as art initiatives.*



EDUCATION AND TRAINING

Council will continue to work closely with the school principals in the municipality to push for improved education programs and opportunities for its community.

Council has begun a concerted lobbying effort with both Commonwealth and State governments to bring technical/vocational training to the area.

We have

- *chaired and had significant input in the major ministerial education taskforce on the future of education for Bridgewater.*
- *worked in a partnership to employ a sports trainee to assist with school sporting programs.*
- *assisted in relocating the library and online access centre to new premises increasing the number of public access computers from 6 to 15.*
- *worked with the Tasmanian Chamber of Commerce and Industry to commission a significant research report into the establishment of an Australian Technical College.*

TRANSPORT SYSTEMS

Existing walkways will be expanded or upgraded in all urban areas.

Council will continue to promote the long awaited Midland Highway Brighton Bypass and intermodal transport hub at Bridgewater.

We have

- *successfully lobbied state and commonwealth governments to commit to the construction of the Midland Highway Brighton bypass and establishment of the new Brighton Transport hub within the next two years.*
- *supported the relocation of the Hobart railhead to the planned new transport hub at Bridgewater.*
- *constructed a 2.1 kilometre walking track along the Old Beach foreshore which included a 30-metre boardwalk significantly increasing its usage.*
- *re-invigorated an education program to help local people obtain their driver's licence.*
- *lobbied for a new community bus for the area.*
- *lobbied for better public bus services in the area.*





PHYSICAL INFRASTRUCTURE

The following major works planned for this financial year were:

- *A new community centre to be completed at Old Beach.*
- *Commencement of a new Civic Centre at Green Point Road at Bridgewater.*
- *Lighting installed at Thompson Oval, Pontville Park.*
- *A perimeter fence to be built at Cove Creek oval.*
- *Water supply pipelines extensions at the Brighton Industrial Estate and Nelsons Building Road.*

We have

- *completed the municipality's 10-year asset management plan and updated the 10-year financial plan.*
- *had our infrastructure management and financial performance favourably reviewed by Access Economics.*

- *developed our asset maintenance system.*
- *completed the construction of the Old Beach community centre.*
- *begun construction of the new Brighton community civic centre.*
- *significantly increased usage of the Pontville Hall for community arts events.*
- *relocated the Veterans Club to the Coronation Hall dramatically increasing the Hall's usage.*
- *installed new ground lighting at Thompson Oval, Pontville Park.*
- *extended the water line in Nelsons Building Road, Brighton.*
- *installed a roof on the Lodge Hill water reservoir in Brighton.*





BUSINESS GROWTH

Council will undertake a direct marketing campaign to promote the Brighton Industrial Estate. Targeted businesses in southern Tasmania will be contacted to raise the awareness of the benefits of Brighton as a place to relocate and grow.

Council will participate in promoting the proposed intermodal transport hub to be built by the State Government at Bridgewater.

We have

- *introduced equitable rating policies for the business and rural sector.*
- *upgraded the water supply to the Brighton Industrial Estate.*
- *facilitated a number of new developments to the area in the Industrial Estate and in the general community.*
- *initiated the launch of the second stage of the Brighton Industrial Estate.*

IMAGE

A marketing strategy will be developed in conjunction with Brighton Alive to promote Brighton as a great place to live and work.

We have

- *had significant positive press coverage about the region's collective and individual achievements.*
- *introduced flat-rating structure for residential ratepayers.*
- *introduced greater flexibility for rates payments.*
- *begun planning a municipal landscape plan .*
- *achieved a significant reduction in vandalism and dumped garbage.*
- *landscaped and planted trees along the Jordon River in Brighton.*





PUBLIC HEALTH

Council will:

- *Conduct monthly immunisation clinics, annual school immunisations and promote the need for immunisation.*
- *Ensure proper provision of on-site effluent disposal in compliance with relevant standards.*
- *Undertake routine inspection of places of public assembly, to ensure compliance with relevant legislation.*
- *Promptly investigate environmental health complaints.*
- *Maintain an effective analysis program for food, potable water, recreational waters and general complaints.*

We have:

- *Conducted monthly immunisation clinics, annual school immunisations and promoted the need for immunisation.*
- *Ensured proper provision of on-site effluent disposal in compliance with relevant standards.*
- *Undertaken routine inspection of places of public assembly, to ensure compliance with relevant legislation.*
- *Promptly investigated environmental health complaints.*
- *Maintained an effective analysis program for food, potable water, recreational waters and general complaints.*
- *Council employed two Environmental Health Officers until the 1st January 2008. One Environmental Health Officer resigned and has not been replaced.*
- *Council's annual environmental health budget for 2007/08 was \$22,000 (not including EHO salaries).*





PERFORMANCE STATISTICS – ENVIRONMENT & DEVELOPMENT:

ANIMAL CONTROL	
Total number of dogs registered with Council	3,440 (last year = 2,825)
Number of Complaints	555 (last year = 607)
Number of dogs taken to Hobart Dogs Home	348 (last year = 342)
LAND USE PLANNING AND BUILDING	
Number of Development Applications processed	328 (last year = 405)
Number of Subdivision Applications processed	34 (last year = 67)
Total number of new lots created	490 (last year = 338)
Number of Building Permits processed	250 (last year = 332)
Value of Building Approvals	\$30.5 million (last year \$44.3 million)
ENVIRONMENTAL HEALTH	
Number of Vaccinations	1435 (last year = 1171)
Number of Food Premises Registered	60 (last year = 56)
Number of complaints	115 (last year = 110)
Number of Food Samples Taken	16 (last year = 14)
Number of Water Samples Taken	180 (only one sample failing to meet Health Guidelines)
Number of On-site Wastewater Applications	50 (same as last year)
Total budget on Public Health	\$22,000





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 2007/08 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 2007–30 June 2008 was \$99,088.

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 2007/08 was between \$170,000 - \$190,000. 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 has 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.

One contract was called and rewarded during the 2007/08 financial year.

- Brighton Civic Centre, Bridgewater – the period of the contract was from 18/12/07 to 18/7/08. The value of the contract works was \$2,292,909 and was awarded to Fairbrother Pty Ltd, 59 Sandy Bay Road, Battery Point, Tasmania 7004.

Partnership Agreement with State Government

Council's first partnership agreement with the State Government expired during the year and negotiations commenced with Council and the State to draft a second Agreement. The initial agreement provided 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 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	12	100%
Cr G Taylor (Deputy Mayor)	12	11	92%
Cr B Curran	12	12	100%
Cr W Garlick	12	12	100%
Cr P Geard	12	10	83%
Cr L Gray	12	12	100%
Cr M Jeffries (from Nov)	8	8	100%
Cr P Owen	12	12	100%
Cr H Price (to Oct)	4	4	100%
Cr S Williams	12	10	83%

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 L Gray	1	1	100%
Cr P Geard	1	1	100%
Cr M Jeffries	1	1	100%
Cr P Owen	1	1	100%
Cr S Williams	1	1	100%

PARKS & RECREATION

Members	No. of Meetings	Attended	%
Cr P Geard (Chairperson) to Oct	3	3	100%
Cr B Curran (to Oct)	3	1	33%
Cr T Foster (to Oct)	3	3	100%
Cr W Garlick	6	5	83%
Cr L Gray (to Oct)	3	3	100%
Cr H Price (to Oct)	3	3	100%
Cr L Gray (Chairperson) from Nov	3	3	100%
Cr M Jeffries (from Nov)	3	3	100%
Cr G Taylor (from Nov)	3	3	100%
Cr S Williams (from Nov)	3	2	67%
In Attendance			
Cr W Garlick		1	
Cr P Owen		5	
Cr G Taylor		1	
Cr T Foster		3	
Cr B Curran		2	
Cr P Geard		1	



FINANCE			
Members	No. of Meetings	Attended	%
Cr T Foster (Chairperson)	7	7	100%
Cr B Curran	7	6	86%
Cr P Geard	7	5	71%
Cr M Jeffries (from Nov)	5	5	100%
Cr P Owen	7	7	100%
Cr W Garlick (proxy)	7	3	43%
In Attendance			
Cr L Gray		6	
Cr H Price (to Oct)		2	
Cr W Garlick		4	
Cr G Taylor		6	
Cr S Williams		2	

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

HERITAGE & ENVIRONMENT			
Members	No. of Meetings	Attended	%
Cr B Curran (Chairperson) from Nov	1	1	100%
Cr T Foster	1	1	100%
Cr W Garlick	1	1	100%
Cr L Gray	1	1	100%
Cr P Owen	1	1	100%
In Attendance			
Cr P Geard		1	
Cr G Taylor		1	

Brighton Council

ANNUAL REPORT 2007 - 2008



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INDEPENDENT AUDIT REPORT To the Councillors of Brighton Council

Financial Report for the Year Ended 30 June 2008

Report on the Financial Report

I have audited the accompanying financial report of Brighton Council, which comprises the balance sheet as at 30 June 2008, 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 Statement by General Manager.

The Responsibility of the General Manager for the Financial Report

The General Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (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.

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

Making a Difference

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/estimate 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 2008, 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



J J Tongs
MANAGER FINANCIAL AUDIT
Delegate of the Auditor-General

HOBART
26 November 2008

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

Making a Difference



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 2008 and the results of its operations and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, 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

October 2008



INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Budget 2008 \$	Actual 2008 \$	Actual 2007 \$
REVENUES				
Revenues from operations				
Rate Revenues	3(a)(i)	8,195,109	8,201,679	7,653,420
Grants	3(a)(v)	1,546,618	2,212,365	2,055,644
User Charges	3(a)(vi)	1,329,345	1,525,690	1,554,720
Contributions	3(a)(vii)	920,000	922,042	2,281,757
Fees and Charges		790,588	998,395	723,195
Interest	3(a)(ii)	170,000	419,592	290,708
Other	3(a)(viii)	380,000	242,619	182,410
Private Works Sales Proceeds		30,000	237,445	237,445
Share of Profit of Associate		0	154,000	156,979
Profit on Asset Disposal	3(a)(iii)	0	4,829	84,176
Reimbursement of Expenses Incurred	3(a)(iv)	0	0	8,243
Total revenues from operations		13,361,660	14,918,656	15,228,697
EXPENSES				
Materials/Contracts and Other	3(b)(v)	4,448,476	4,587,821	4,486,594
Depreciation and Amortisation	3(b)(ii)	1,749,085	2,673,482	1,855,580
Employee Costs	3(b)(i)	2,230,497	2,079,519	2,110,134
Purchase of Water		1,020,000	1,175,515	1,117,188
Contributions	3(b)(iv)	649,883	690,653	889,052
Borrowing Costs	3(b)(iii)	227,344	221,229	259,166
Private Works Expense		25,000	214,541	214,541
Donations	4	256,000	163,489	193,576
Aldermanic Allowances & Expenses		153,184	96,551	96,551
Family Day Care Fee Relief Subsidy		0	0	332,589
Total expenses from operations		10,759,469	11,902,800	11,554,971
Result from operations		2,602,191	3,015,856	3,673,726

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



BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2008

ASSETS	Notes	2008	2007
CURRENT ASSETS		\$	\$
Cash and Cash Equivalents	5	3,722,219	3,904,217
Receivables - Rates	6	116,439	128,569
Receivables - Other	6	383,637	410,210
Financial Assets	7	3,756	3,530
Other	8	370,983	319,910
Total Current Assets	2(b)	<u>4,597,034</u>	<u>4,766,436</u>
NON CURRENT ASSETS			
Roads	19	54,912,576	45,905,660
Sewerage	16	18,169,710	18,237,286
Water Reticulation	18	13,606,120	13,045,938
Buildings	14	13,018,081	10,176,480
Drainage	17	10,589,333	10,524,516
Investment in Associate	22	10,931,000	10,086,274
Land	9	5,817,700	5,641,700
Bridges	15	1,163,737	1,195,911
Plant and Vehicles	10	898,390	927,762
Furniture and Equipment	12	160,453	194,772
Intangibles	13	42,568	63,815
Small Machinery	11	28,726	25,259
Other Financial Assets	21	20,108	23,864
Total Non Current Assets	2(b)	<u>129,358,502</u>	<u>116,049,237</u>
Total Assets		<u>133,955,536</u>	<u>120,815,673</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables	23	1,458,909	905,568
Financial Liabilities	24	641,717	612,290
Provisions	25	609,169	675,484
Other	26	130,330	397,421
Total Current Liabilities		<u>2,840,125</u>	<u>2,590,763</u>
NON CURRENT LIABILITIES			
Financial Liabilities	27	2,233,022	2,874,738
Provisions	28	63,786	52,377
Total Non Current Liabilities		<u>2,296,808</u>	<u>2,927,115</u>
Total Liabilities		<u>5,136,933</u>	<u>5,517,878</u>
NET ASSETS		<u>128,818,603</u>	<u>115,297,795</u>
EQUITY			
Ratepayers Equity		69,259,740	66,243,884
Reserves	29	59,558,863	49,053,911
TOTAL EQUITY		<u>128,818,603</u>	<u>115,297,795</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008



Note	Ratepayers Equity		Asset Revaluation Reserve		Public Open Space Reserve		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning 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
Net operating result for the year	3,015,856	3,673,726	0	0	0	0	3,015,856	3,673,726
Transfers to Reserves								
Buildings	0	0	2,658,479	0	0	0	2,658,479	
Land	0	0	3,546,437	0	0	0	3,546,437	
Roads	0	0	9,660,226	7,439,770	0	0	9,660,226	7,439,770
Equity Accounting for Hobart Water								
Equity Share of Direct to Retained Profits Adjustments	0	101,162	0	0	0	0	0	101,162
Equity Share of Increase in Asset Revaluation	0	0	844,726	3,891,166	0	0	844,726	3,891,166
Balance at the end of the financial year	69,259,740	66,243,884	59,523,278	49,018,326	35,585	35,585	128,818,603	115,297,795

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 2008

	Notes	2008 \$	2007 \$
Cash Flows from Operating Activities			
Receipts			
Receipts from Ratepayers, Fees & Charges		11,704,545	11,063,981
Interest Received		419,592	290,708
Government Grants		2,212,365	2,055,644
		<u>14,336,502</u>	<u>13,410,333</u>
Payments			
Payments to Suppliers and Employees		(9,313,821)	(10,047,114)
Borrowing Costs		(221,229)	(259,166)
		<u>(9,535,050)</u>	<u>(10,306,280)</u>
Net Cash Flows from Operating Activities	33	<u>4,801,452</u>	<u>3,104,053</u>
Cash Flows from Investing Activities			
Receipts			
Public Bodies Loan repayments		3,756	3,530
Sale of Land & Buildings		0	822,000
Hobart Water Dividends		179,763	174,240
Sale of Plant and Equipment Assets	3(a)(iii)	175,583	236,219
		<u>359,102</u>	<u>1,235,989</u>
Payments			
Purchase of Buildings		(3,014,890)	(591,904)
Purchase of Land		0	(170,000)
Purchase of Plant and Vehicles & Machinery		(280,305)	(449,037)
Intangible		(3,334)	(15,039)
Purchase of Water Reticulation Assets		(708,460)	(100,140)
Purchase of Roads, Bridges & Drainage Assets		(577,867)	(700,821)
Purchase of Sewerage Assets		(129,332)	(405,467)
Purchase of Furniture and Equipment		(16,075)	(45,088)
		<u>(4,730,263)</u>	<u>(2,477,496)</u>
Net Cash Flows used in Investing Activities		<u>(4,371,161)</u>	<u>(1,241,507)</u>
Cash Flows from Financing Activities			
Payments			
Repayment of Borrowings		(612,289)	(572,309)
		<u>(612,289)</u>	<u>(572,309)</u>
Net Cash Flows used in Financing Activities		<u>(612,289)</u>	<u>(572,309)</u>
Net increase/(decrease) in Cash and Cash Equivalents		(181,998)	1,290,237
Cash at the Beginning of the Financial Year		3,904,217	2,613,980
Cash and Cash Equivalents at the End of the Financial Year	5	<u>3,722,219</u>	<u>3,904,217</u>

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



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

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, 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.

Compliance with the Australian Accounting Standards (AASBs and AASs) may not result in compliance with international Financial Reporting Standards (IFRS), as the AASBs and AASs include requirements and options available to not-for profit organisations that are inconsistent with IFRS. The Council is considered to be not-for-profit and has adopted some accounting policies under AASBs and AASs that do not comply with IFRS.

Changes in Accounting Policies

Impact of new and revised Accounting Standards.

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

AASB 7 Financial Instruments: Disclosures replaces the presentation requirements of financial instrument disclosure requirements. There has been no financial impact on the financial statements.

AASB 2007-4 Amendments to Australian Accounting Standards arising from Exposure Draft 151 and Other Amendments and Erratum: Proportionate Consolidation. AASB 2007-4 makes amendments to a number of Australian Accounting Standards to introduce various accounting policy options, delete various disclosures presently required, and to make a number of editorial amendments.

Council has not intended to change any of its current accounting policies on adoption of AASB 2007-4; accordingly, there has been no financial impact to these financial statements. However, in the financial statements, certain information is no longer required to be disclosed, or has been disclosed in an alternative manner, due to amendments made by AASB 2007-4 to the disclosure requirements of various Accounting Standards.

AASB 2007-7 Amendments to Australian Accounting Standards makes editorial amendments to six Standards. The key change removes the encouragement to AASB 107 *Cash Flow Statements* to adopt a particular format for the cash flow statement. Council did not intend to change any of its current accounting policies on adoption of AASB 2007-7; accordingly, there has been no financial impact to these financial statements.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Judgments and Assumptions

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by Council that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements.

Council has no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Capital Management

Council manages its capital to ensure that it will be able to continue as a going concern. Council seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. Council determines its annual rates, fees and charges to ensure adequate revenue is raised to cover anticipated outgoings, including payments for property, plant and infrastructure assets.

The capital structure of the Council consists of debt, which includes borrowings, cash and cash equivalents and equity comprising accumulated surpluses and reserves.

Council is not subject to externally imposed capital requirements apart from the borrowing limits established under the *Local Government Act 1993* (as amended).

There were no changes in the Council's approach to capital management during the year.

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 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 2008

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

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 Revenues, 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.

Undeceived 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.

User Charges, Fees and Charges and Private Works Sales Proceeds 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

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.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

Bridges

The Council has adopted a fair value based upon current replacement cost 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 based upon current replacement cost 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 based upon current replacement cost for roads as determined by Pit and Sherry at 30 June 2008. 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.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation and Amortisation 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:

Bridges	10-80 years
Buildings	50 years
Culverts	80 years
Drainage/sewerage assets	15-100 years
Earthworks	Infinite
Flush	15-30 years
Footpath	20-50 years
Furniture and Equipment	5-10 years
Gravel	3-10 years
Hotmix	20-30 years
Intangibles	3-5 years
Kerb	60-80 years
Lagoons	80 years
Pavement	60-100 years
Plant and vehicles	5-10 years
Poles	30 years
Roads	48 years on average
Small machinery	3-8 years
Table Drains	3-15 years
Water supply assets	15-100 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



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables

Undeceived 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.

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 cash flow statement 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 2008

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.

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 2008 and 30 June 2007.

The borrowing capacity of Council is limited by the *Local Government Act Tasmania 1993*. 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 2008

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 leaser 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



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Water and Sewerage Reform

On 25 February 2008, the Treasurer announced that the Government was proceeding with a major regulatory and structural reform of the Tasmanian water and sewerage sector designed to facilitate the sustainability of the sector. Under the reforms, three new local government owned and regionally based companies will be created. The intent is for all Councils and existing bulk water authorities to transfer their direct and indirect water and sewerage activities, employees and infrastructure and related rights, assets and liabilities to the three new companies. In addition, a common service provider company, jointly owned by the regional companies, will be established to avoid unnecessary duplication in the regional companies and minimise costs to customers. The *Water and Sewerage Corporations Act 2008* and the *Water and Sewerage Industry Act 2008* giving effect to these changes received Royal Assent on 13 June 2008.

The timing of the reforms will result in the new companies commencing minimal operations from 1 January 2009.

Councils will transfer assets; rights, liabilities and employees directly and indirectly associated with water and sewerage functions to the new companies on 1 July 2009. Assets likely to be transferred include land, pipes; pump stations, reservoirs, treatment plants and equipment.

The legislation defines water and sewerage functions as comprising:

- Water
- Collection and storage by way of bulk supply
- Treatment
- Conveyance and reticulation
- Supply
- Sewerage
- Collection or storage
- Conveyance and reticulation
- Treatment
- Other functions associated with water and sewerage may include stormwater and re-use of sewage.

The above functions are disclosed in Note 16 & 18. Also, further information relating to water and sewerage activities can be found in Note 33 which discloses Council's significant business activities.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

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	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate Services	941,742	1,052,479	0	0	562,713	408,405	562,713	408,405	(\$379,029)	(\$644,074)	0	0
Water Supply	1,665,748	1,687,972	45,364	45,364	2,733,835	2,778,962	2,779,199	2,824,326	\$1,113,451	\$1,136,354	13,606,120	13,045,938
Parks and Recreation	472,231	579,121	50,909	0	215,095	81,478	266,004	81,478	(\$206,227)	(\$497,643)	5,817,700	5,641,700
Sewerage/Drainage	1,293,943	1,268,042	0	0	2,371,946	2,437,085	2,371,946	2,437,085	\$1,078,003	\$1,169,043	28,759,043	28,761,802
Planning & Building	495,309	426,920	50,000	50,000	247,024	231,566	297,024	281,566	(\$198,285)	(\$145,354)	0	0
Buildings	622,566	549,151	156,000	0	62,200	25,298	218,200	25,298	(\$404,366)	(\$523,853)	13,018,081	10,176,480
Roads/Bridges	2,795,734	2,090,576	131,388	147,500	630,997	1,612,491	762,385	1,759,991	(\$2,033,349)	(\$330,585)	56,076,313	47,101,571
Community Services	740,491	1,413,154	48,125	408,068	98,830	75,112	146,955	483,180	(\$593,536)	(\$929,974)	0	0
Environmental Health	549,507	469,359	0	0	99,305	83,329	99,305	83,329	(\$450,202)	(\$386,030)	0	0
Waste Management	767,624	659,614	0	0	771,738	715,126	771,738	715,126	\$4,114	\$55,512	0	0
Unallocated Services	1,557,905	1,358,583	1,730,579	1,404,712	4,912,608	4,724,201	6,643,187	6,128,913	\$5,085,282	\$4,770,330	16,678,279	16,088,182
TOTAL	\$11,902,800	\$11,554,971	\$2,212,365	\$2,055,644	\$12,706,291	\$13,173,053	\$14,918,656	\$15,228,697	\$3,015,856	\$3,673,726	\$133,955,536	\$120,815,673



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

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 Balance Sheet as follows:

	2008	2007
	\$	\$
Current Assets	4,597,034	4,766,436
Non Current Assets	129,358,502	116,049,237
	<u>133,955,536</u>	<u>120,815,673</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 2008

	Note	2008 \$	2007 \$
3 REVENUES AND EXPENSES			
3(a) Operating Revenues			
(i) Rates Revenues			
General		3,937,168	3,697,978
Garbage		639,181	584,646
Sewerage		2,079,014	1,973,999
Water		999,831	914,350
Fire Levy		510,109	435,997
Penalties		36,376	46,450
		<u>8,201,679</u>	<u>7,653,420</u>
(ii) Interest			
Interest received or due and receivable from:			
Investments		419,592	290,708
		<u>419,592</u>	<u>290,708</u>
(iii) Profit on Asset Disposal			
Proceeds from Disposal		175,583	1,058,219
less written down current cost		(170,754)	(974,043)
Gain on Disposal		<u>4,829</u>	<u>84,176</u>
(iv) Reimbursements of Expenses Incurred			
Welfare Administration		0	8,243
		<u>0</u>	<u>8,243</u>
(v) Grants			
Grants were received in respect of the following:			
Brighton Agricultural Society		9,091	0
Commonwealth Tax Sharing		1,472,294	1,375,212
Community Water Grants		181,011	0
Department of Economic Development		48,125	0
Department of Road Safety		1,350	0
Dept of Environment & Heritage		33,000	45,364
Dept of Infrastructure, Energy & Resources		0	17,500
Dept of Justice		0	50,000
Dept of Premier & Cabinet		5,600	5,700
Dept of Transport & Regional Services		156,000	0
Family Day Care		0	385,091
Office of Childrens & Youth Affairs		2,000	0
Recreation Fishing Community Program		41,818	0
Roads to Recovery		260,076	130,000
School Holiday Program		0	17,277
Tas Regional Arts		2,000	0
Tas Risk Mitigation Programme		0	29,500
Total Grants		<u>2,212,365</u>	<u>2,055,644</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
3 REVENUES AND EXPENSES (continued)			
(vi) User Charges			
Water Consumption Charge		1,145,453	1,106,598
Headworks		257,618	319,477
Plant Hire		7,748	27,487
Refuse Site Entrance Fees		114,871	101,158
		<u>1,525,690</u>	<u>1,554,720</u>
(vii) Contributions			
Infrastructure Assets		922,042	2,281,757
		<u>922,042</u>	<u>2,281,757</u>
(viii) Other			
Community Newsletter		12,421	3,781
Microwise Australia	36	230,198	178,629
		<u>242,619</u>	<u>182,410</u>
3(b) Operating Expenses			
(i) Employee Costs			
Wages and Salaries		1,664,999	1,723,807
Superannuation		221,743	217,684
Other Employee Related Expenses		192,777	168,643
		<u>2,079,519</u>	<u>2,110,134</u>
Actual Wages & Salaries for 2008 were \$2,911,434 (\$2,747,443 for 2007) according to the taxation summary. Other Wages & Salaries and associated on costs are costed to capital improvements.			
(ii) Depreciation and Amortisation			
Plant and Vehicles		128,163	179,280
Buildings		234,289	164,545
Intangible		24,581	23,707
Small Machinery		9,875	8,319
Bridges		45,254	57,948
Sewerage Assets		327,267	322,258
Drainage Assets		138,320	135,830
Water Assets		210,202	206,143
Road Assets		1,507,719	697,083
Furniture and Equipment		47,812	60,467
		<u>2,673,482</u>	<u>1,855,580</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
3 REVENUES AND EXPENSES (continued)			
(iii) Borrowing Costs			
Borrowing cost expense interest on debt		221,229	259,166
		<u>221,229</u>	<u>259,166</u>
(iv) Contributions			
State Fire Commission Levy		489,298	406,299
Tasmanian Canine Defence League Contribution		39,153	44,627
Local Govt. Association of Tasmania		29,392	27,117
Derwent Estuary Contribution		8,553	8,553
Brighton Training Facility		60,000	60,000
Tas South Tourism		6,180	6,042
Education Dept Library Relocation		0	200,000
Valuation Charges		50,004	128,507
Southern Tasmanian Councils Association		8,073	7,907
		<u>690,653</u>	<u>889,052</u>
(v) Materials/Contracts and Other			
Asset Condition Assessment		40,234	8,223
Bank Fees		20,641	18,569
Building Maintenance		178,134	173,447
Collection Fees		38,915	36,148
Community Newsletter		49,882	48,954
Contract Recycling		145,267	131,800
Fire Abatement		14,683	7,364
GIS CAD & CVS Software		123,929	44,854
Internal Contractors		78,267	175,739
Land Tax		37,607	25,314
Microwise Australia	36	161,373	218,688
Other Materials & Contracts		1,419,507	1,143,209
Public Liability		44,159	55,545
Refuse Collection		121,360	113,348
Reserve Maintenance		341,089	408,904
Road & Bridge Maintenance		415,039	559,643
Sewerage Maintenance		559,229	508,670
Southern Tas Waste Management		9,000	8,500
Street Lighting		111,533	135,646
Tipping Fees		172,389	147,835
Treatment Plant Permit Reports		73,264	53,542
Waste Bin Replacements		42,675	31,966
Waste Transfer Station		246,413	253,437
Water Maintenance		143,232	177,249
		<u>4,587,821</u>	<u>4,486,594</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

		2008 \$	2007 \$
4 DONATIONS AND GRANTS			
GRANTS AND BENEFITS REGISTER - SECTION 77 LOCAL GOVERNMENT ACT 1993			
Brighton Football Club	Halls & Grounds	21,992	21,189
Jordan River Services		12,000	12,000
Old Beach Cricket Club	Halls & Grounds	10,920	7,264
Brighton Agricultural Society	Halls & Grounds	9,840	9,895
Brighton Senior Citizens	Halls & Grounds	7,280	0
Brighton Playcentre	Halls & Grounds	7,020	6,760
Pete's Community Workshed	Halls & Grounds	7,020	6,980
Cats Home		6,873	0
Brighton Junior Soccer Club	Halls & Grounds	6,240	5,760
East Derwent Little Athletics	Halls & Grounds	6,230	6,230
University of Tasmania		5,000	0
Steps Affordable housing		4,500	1,800
Brighton CWA	Halls & Grounds	4,160	0
Bridgewater PCYC		4,000	0
Veterans Memorial Centre		4,000	0
Brighton Playcentre		3,938	0
Brighton Junior Youth Football Club	Halls & Grounds	3,646	3,519
Brighton Junior Football Club	Halls & Grounds	3,600	3,400
Brighton Football Club		3,000	3,000
SES		3,000	10,532
Northern Suburbs Junior Soccer Association	Halls & Grounds	2,700	2,550
Bugeido Karate	Halls & Grounds	2,520	3,456
Sth Tas Quarter Horse Association		2,000	0
Tea Tree Golf Club		2,000	2,000
Pete's Community Workshed		1,810	12,000
Brighton Junior Cricket Club	Halls & Grounds	1,512	1,428
Brighton Garden Club	Halls & Grounds	1,489	14,346
GKR Karate	Halls & Grounds	1,260	1,728
Bridgewater School Farm		1,000	0
Brighton Agricultural Society		1,000	500
Old Beach Cricket Club		1,000	1,000
Bridgewater/Brighton Online Access Centre	Advertising	990	0
Local Churches	Advertising	990	990
Penguin Club		932	906
Bridgewater Volunteer Ambulance Unit		813	0
Helping Hands	WTS	645	0
Bridgewater/Brighton Online Access Centre		500	950
St Vincent De Paul		500	332
Bridgewater PCYC	Advertising	354	0
St Vincent De Paul	WTS Entry	340	154
Department of Justice	WTS Entry	320	124
Global Care		300	0
Easy Beats Netball		300	0



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
4 DONATIONS AND GRANTS (continued)		
Andrews S	250	0
Bailey Georgie	250	250
Cornelius Katie	250	0
Fysh Brendon	250	250
Good Beginnings	250	0
Knight Carly	250	0
Parremore Donna	250	0
Robison Sarah	250	250
Work for the Dole	133	0
C4C Family Fun Day	120	0
Boulter Jessica	100	0
Crossin Jack	100	0
Tas Crabbet Horse Club	100	100
Bird Zack	75	0
Dilger Richard	75	0
Fitzpatrick Aaron	75	0
Kearney Jarrod	75	0
Kitson Shanyce	75	0
Nichols Caitlin	75	0
Philip Nathan	75	0
Reeve Mitchell	75	0
Ryan Carla	75	0
Bridgewater High School	60	60
Bridgewater Primary School	60	60
Brighton Primary School	60	60
Gagebrook Primary School	60	60
Greenpoint Primary School	60	60
Herdsmen Cove Primary School	60	60
Northern Suburbs Christian School	60	60
St Paul's Primary School	60	60
Suicide Prevention Forum	60	0
Claremont College	50	50
Variety Club of Tasmania	50	0
Tas Early Years Foundation	45	0
Uniting Church	42	22
Bridgewater/Brighton Online Access Centre	0	8,990
Hobart Cat Centre	0	6,686
Community Transportation	0	6,424
Brighton Bowls Club	0	5,000
Brighton Garden Club	0	5,000
BURP Inc	0	5,000
Derwent Sharks Soccer (formerly Bwater United)	0	2,016
East Derwent Little Athletics	0	2,000
Old Beach Fire Brigade	0	1,500
Advertising		
Halls & Grounds		
WTS Entry		



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

		2008 \$	2007 \$
4 DONATIONS AND GRANTS (continued)			
Derwent Sharks Soccer (formerly Bwater United)		0	1,000
Festival of Dreams		0	1,000
Brighton Junior Cricket Club		0	750
Brighton Rural Youth		0	750
Jordan River Services	WTS Entry	0	531
Derwent Valley Country Music Club		0	500
Dogs Home of Tasmania		0	450
Fruit Growers Tasmania		0	436
Hall Nathan		0	325
Old Beach Community Group		0	300
Rock Eisteddfod Bridgewater High		0	300
Fenton Shevenka		0	250
McIntosh Katie		0	250
Pouwelse Jodie		0	250
Scotney Aaron		0	250
Bridgewater PCYC	Halls & Grounds	0	198
BURP Inc	Halls & Grounds	0	144
Jordan River Pensioners Club	Halls & Grounds	0	120
BURP Inc	WTS Entry	0	115
Brighton Garden Club	WTS Entry	0	97
Badger Amanda		0	75
Christie Kate		0	75
Curran Kate		0	75
Dilger Matthew		0	75
Fisher Ashley		0	75
Fitzpatrick Dannielle		0	75
Genge Mikayla		0	75
Hitchens Jake		0	75
Hitchens James		0	75
Mann Chantelle		0	75
		<u>163,489</u>	<u>193,576</u>

5 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at Bank	303,528	206,146
Cash on Hand	3,759	3,800
Investments	<u>3,414,932</u>	<u>3,694,271</u>
	<u>3,722,219</u>	<u>3,904,217</u>

For the purposes of the Cash Flow Statement, 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 Cash Flow Statement 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 2008

	2008 \$	2007 \$
6 CURRENT ASSETS - RECEIVABLES		
Rates Receivables	116,439	128,569
Other Receivables		
Water Consumption	139,446	149,768
Other Debtors	251,743	268,497
Less Provision for Impaired Debts	(7,552)	(8,055)
	<u>383,637</u>	<u>410,210</u>
7 FINANCIAL ASSETS		
Loans and Advances	3,756	3,530
8 CURRENT ASSETS - OTHER		
Accrued Revenue	316,153	265,169
Work In Progress	0	1,581
Prepayments	54,830	53,160
	<u>370,983</u>	<u>319,910</u>
9 NON CURRENT ASSETS - LAND		
Land at Fair Value	5,817,700	5,641,700
Fair Value based valuation provided by Valuer General as at 30 June 2007		
10 NON CURRENT ASSETS - PLANT AND VEHICLES		
Plant and Vehicles at Cost	1,492,298	1,393,508
less Accumulated Depreciation	(593,908)	(465,746)
	<u>898,390</u>	<u>927,762</u>
11 NON CURRENT ASSETS - SMALL MACHINERY		
Small Machinery at Cost	115,734	102,392
less Accumulated Depreciation	(87,008)	(77,133)
	<u>28,726</u>	<u>25,259</u>
12 NON CURRENT ASSETS - FURNITURE AND EQUIPMENT		
Furniture and Equipment at Cost	949,826	936,333
less Accumulated Depreciation	(789,373)	(741,561)
	<u>160,453</u>	<u>194,772</u>
13 NON CURRENT ASSETS - INTANGIBLE		
Software at Cost	181,644	178,310
less Accumulated Amortisation	(139,076)	(114,495)
	<u>42,568</u>	<u>63,815</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
14 NON CURRENT ASSETS - BUILDINGS		
Buildings at Fair Value	13,252,370	10,176,480
less Accumulated Depreciation	(234,289)	0
	<u>13,018,081</u>	<u>10,176,480</u>
Valuation provided by Valuer-General as at June 2007.		
15 NON CURRENT ASSETS - BRIDGES		
Bridges at Fair Value	2,790,420	2,777,341
less Accumulated Depreciation	(1,626,683)	(1,581,430)
	<u>1,163,737</u>	<u>1,195,911</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	25,921,356	25,661,665
less Accumulated Depreciation	(7,751,646)	(7,424,379)
	<u>18,169,710</u>	<u>18,237,286</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	13,915,091	13,711,954
less Accumulated Depreciation	(3,325,758)	(3,187,438)
	<u>10,589,333</u>	<u>10,524,516</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	18,189,345	17,418,961
less Accumulated Depreciation	(4,583,225)	(4,373,023)
	<u>13,606,120</u>	<u>13,045,938</u>
Fair value based on valuation prepared by Council Engineering Officer as at 30 June 2005.		
19 NON CURRENT ASSETS - ROADS		
Road Assets at Fair Value	78,184,162	54,501,393
less Accumulated Depreciation	(23,271,586)	(8,595,733)
	<u>54,912,576</u>	<u>45,905,660</u>
Fair value based on valuations prepared by Pit & Sherry as at 30 June 2008.		



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
20 FIXED ASSETS RECONCILIATION		
Land		
Carrying amount at the beginning of the year	5,641,700	1,990,264
Additions	176,000	170,000
Disposals	0	(65,000)
Adjustment due to revaluation	0	3,546,436
Carrying amount at the end of the year	<u>5,817,700</u>	<u>5,641,700</u>
Plant and Vehicles		
Carrying amount at the beginning of the year	927,762	898,431
Additions	271,374	432,654
Disposals	(172,583)	(224,043)
Depreciation	(128,163)	(179,280)
Carrying amount at the end of the year	<u>898,390</u>	<u>927,762</u>
Small Machinery		
Carrying amount at the beginning of the year	25,259	17,194
Additions	13,342	16,384
Disposals	0	0
Depreciation	(9,875)	(8,319)
Carrying amount at the end of the year	<u>28,726</u>	<u>25,259</u>
Furniture and Equipment		
Carrying amount at the beginning of the year	194,772	210,151
Additions	16,493	45,088
Disposals	(3,000)	0
Depreciation	(47,812)	(60,467)
Carrying amount at the end of the year	<u>160,453</u>	<u>194,772</u>
Intangible		
Carrying amount at the beginning of the year	63,815	72,483
Additions	3,334	15,039
Amortisation	(24,581)	(23,707)
Carrying amount at the end of the year	<u>42,568</u>	<u>63,815</u>
Buildings		
Carrying amount at the beginning of the year	10,176,480	7,775,642
Additions	3,075,890	591,904
Disposals	0	(685,000)
Depreciation	(234,289)	(164,545)
Adjustment due to revaluation	0	2,658,479
Carrying amount at the end of the year	<u>13,018,081</u>	<u>10,176,480</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
20 FIXED ASSETS RECONCILIATION (continued)		
Bridges		
Carrying amount at the beginning of the year	1,195,911	1,218,238
Additions	13,080	35,621
Depreciation	(45,254)	(57,948)
Carrying amount at the end of the year	<u>1,163,737</u>	<u>1,195,911</u>
Sewerage		
Carrying amount at the beginning of the year	18,237,286	17,904,147
Additions	259,691	655,397
Depreciation	(327,267)	(322,258)
Carrying amount at the end of the year	<u>18,169,710</u>	<u>18,237,286</u>
Drainage		
Carrying amount at the beginning of the year	10,524,516	10,417,715
Additions	203,137	242,631
Depreciation	(138,320)	(135,830)
Carrying amount at the end of the year	<u>10,589,333</u>	<u>10,524,516</u>
Water Reticulation		
Carrying amount at the beginning of the year	13,045,938	12,721,953
Additions	770,384	530,128
Depreciation	(210,202)	(206,143)
Carrying amount at the end of the year	<u>13,606,120</u>	<u>13,045,938</u>
Roads		
Carrying amount at the beginning of the year	45,905,660	37,138,565
Additions	854,408	2,024,408
Depreciation	(1,507,719)	(697,083)
Adjustment due to revaluation	9,660,227	0
Adjustment due to revaluation indexation	0	7,439,770
Carrying amount at the end of the year	<u>54,912,576</u>	<u>45,905,660</u>
21 NON CURRENT ASSETS - OTHER FINANCIAL ASSETS		
Loans and Advances	<u>20,108</u>	<u>23,864</u>
	<u>20,108</u>	<u>23,864</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
22 NON CURRENT ASSET INVESTMENT IN ASSOCIATE		
Investment in Associate	<u>10,931,000</u>	<u>10,086,274</u>

Brighton Council has a 4.685% (4.509% 2007) interest in Hobart Water. 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. 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.

The following table shows summarised financial information for Hobart Water, together with a reconciliation of movements in the carrying amounts of Council's investment:-

Summarised financial information of Hobart Water

Assets

Liabilities	326,452	309,798
Net Assets	<u>(93,129)</u>	<u>(86,106)</u>
	<u>233,323</u>	<u>223,692</u>
Revenue	31,385	28,815
Net Profit	<u>3,279</u>	<u>3,481</u>

23 CURRENT LIABILITIES - PAYABLES

Trade Creditors	351,418	298,366
Accrued Expenses	<u>1,107,491</u>	<u>607,202</u>
	<u>1,458,909</u>	<u>905,568</u>

24 CURRENT LIABILITIES - FINANCIAL LIABILITIES

Secured

Loans	<u>641,717</u>	<u>612,290</u>
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25 CURRENT LIABILITIES - PROVISIONS

Employee Leave Entitlements Provisions		
Annual Leave	329,124	336,783
Long Service Leave	<u>280,045</u>	<u>338,701</u>
	<u>609,169</u>	<u>675,484</u>

26 CURRENT LIABILITIES - OTHER

Deposits Held in Trust	104,690	153,995
Revenue Received in Advance	<u>25,640</u>	<u>243,426</u>
	<u>130,330</u>	<u>397,421</u>

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



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
27 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES		
Secured		
Loans	<u>2,233,022</u>	<u>2,874,738</u>
Security for Borrowings		
The loans are secured over the general rates of the Council.	2,874,739	3,487,028
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>63,786</u>	<u>52,377</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 3.8% has been applied where applicable.		
29 RESERVES		
Bridges Revaluation	565,345	565,345
Building Revaluation	3,448,753	3,448,753
Drainage Revaluation	3,044,336	3,044,336
Land Revaluation	3,546,437	3,546,437
Public Open Space	35,585	35,585
Road Revaluation	32,014,815	22,354,588
Sewerage Revaluation	7,173,772	7,173,772
Share in associates	5,170,323	4,325,597
Water Revaluation	<u>4,660,660</u>	<u>4,660,660</u>
	<u>59,660,026</u>	<u>49,155,073</u>
Movements during the year		
(f) Bridge Revaluation		
Balance at beginning of year	<u>565,345</u>	<u>565,345</u>
Balance at end of year	<u>565,345</u>	<u>565,345</u>
(a) Building Revaluation		
Balance at beginning of year	3,448,753	790,274
Revaluation Increment	<u>0</u>	<u>2,658,479</u>
Balance at end of year	<u>3,448,753</u>	<u>3,448,753</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
29 RESERVES (continued)		
(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>
(h) Land Revaluation		
Balance at beginning of year	3,546,437	0
Revaluation Increment	0	3,546,437
Balance at end of year	<u>3,546,437</u>	<u>3,546,437</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>
(e) Road Revaluation		
Balance at beginning of year	22,354,588	14,914,818
Revaluation Increment	9,660,227	7,439,770
Balance at end of year	<u>32,014,815</u>	<u>22,354,588</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>
(i) Share in associates		
Balance at beginning of year	4,325,597	333,269
Increase in Equity	844,726	3,992,328
Balance at end of year	<u>5,170,323</u>	<u>4,325,597</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>
Total movements during the year		
Balance at beginning of year	49,155,073	31,518,059
Share in associates	844,726	3,992,328
Revaluation increment	9,660,227	13,644,686
Balance at end of year	<u>59,660,026</u>	<u>49,155,073</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

2008 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	115,297,795	93,987,055
Result from operations	3,015,856	3,673,726
Change in net assets recognised Direct to Equity	844,726	101,162
Net increase in asset revaluation reserve	9,660,227	17,535,852
	<u>128,818,604</u>	<u>115,297,795</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	21,748	39,147
	<u>39,146</u>	<u>56,545</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

32 SUPERANNUATION

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. At the time of presenting these accounts the report had yet to be received from the Actuary.

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 \$45,749 (2006-07 \$43,503) and the amount paid to accumulation schemes was \$289,359 (2006-07 \$279,336).



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
33 RECONCILIATION OF NET OPERATING RESULT TO CASH PROVIDED FROM OPERATING ACTIVITIES.		
Net operating result from Income Statement	3,015,856	3,673,726
Items Not Involving Cash		
Non Cash Contributions	(922,042)	(2,281,757)
Depreciation and Amortisation Expense	2,673,482	1,855,580
Increase in Hobart Water Investment	0	0
Associate Share of Profit	(154,000)	(156,979)
	1,597,440	(583,156)
Investing Activity		
Net Profit on Disposal of Plant and Equipment	(4,829)	(84,176)
	(4,829)	(84,176)
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Rates Receivables	12,130	97,400
(Increase)/Decrease in Other Receivables	26,573	(87,286)
(Increase)/Decrease in Other Assets	(51,299)	112,088
Increase/(Decrease) in Payables	553,341	1,326
Increase/(Decrease) in Provisions	(54,906)	(8,668)
Increase/(Decrease) in Other Liabilities	(292,854)	(17,201)
	192,985	97,659
Net Cash Flow from Operating Activities	4,801,452	3,104,053

34 Financial Instruments

Financial Risk Management and Risk Exposures

Risk Management policies and processes

Council has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk

The general Manager has overall responsibility for the establishment and oversight of Council's risk management framework. Risk management policies are established to identify and analyse risks faced by Council, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Council's Liability Insurer Civic Mutual Plus, undertook an annual liability audit in March 2008 and Council achieved an overall score of 65% which was an improvement on the previous year.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

34 FINANCIAL INSTRUMENTS (continued)

(a) Credit Risk

Credit risk is the risk of financial loss to Council if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other receivables and cash investments.

The amount of any credit risk associated with financial assets is the carrying amount net of any provision for doubtful debts. Such a risk crystallises when one party to the transactions fails to discharge their obligations. Council's financial assets comprise receivables and cash and cash equivalents.

There is no significant concentration of credit risk with any single debtor or group of debtors. The amount of the debt written off in any one year is immaterial.

Council's credit risk is therefore immaterial. There has been no change in its exposure to or management of this risk since the previous period.

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

Debtors of Council are required to settle their accounts within specified terms including:

Rate Debtors

Rates and charges are required to be paid in full by August and may receive a discount of 1.3%. Ratepayers may choose to pay rates and charges by instalments, subject to approved terms and conditions. Should amounts remain unpaid outside of approved payment options, Council will instigate collection proceedings. Rates and charges outstanding past three years may be recouped through sale of property under the Local Government Act.

Other debtors (including loans and advances)

Debtors are required to settle within 30 days of issue of the account. Debtors may apply to Council to pay accounts by instalments, subject to approved terms and conditions. Should amounts remain unpaid outside approval payment options, Council will instigate collection proceedings.

Impairment Losses

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

Trade Receivables	30/6/2008	30/6/ 2007
Not past due	151,024	121,966
Past due 0-30 days	71,281	20,991
Past due 31-60 days	1,283	0
Past due 61-90 days	1,486	2,327
More than 90 days	90,649	123,687
More than 90 days – Rates	116,439	128,569
	432,162	397,540

A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. No allowance for impairment in respect of trade receivables has been recognised at 30 June 2008.

All rates receivable are in excess of 90 days. No allowance for impairment loss is recognised as unpaid rates represents a charge against the rateable property that will be received when the property is next sold.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

34 FINANCIAL INSTRUMENTS (continued)

(b) Liquidity Risk

Liquidity risk is the risk that Council will not be able to meet its financial obligations as they fall due. Council's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The debenture loans of Council are secured by trust deed and the total loan borrowings are limited to borrowings approved by Treasury. In accordance with Section 80 of the Local Government Act 1993 (as amended) the borrowing capacity of Council is limited as follows:

Except with the approval of the Minister, a Council may not borrow additional money for any purpose if the annual payments required to service the total borrowings would exceed 30% of its revenue of the preceding financial year.

Grants made to Council for specific purposes are to be excluded in calculating 30% of the revenue of Council.

The current annual payments of loans by Council equate to 5.52% of the revenue of the preceding financial year. (2007 - 5.88%)

Maturity analysis for financial liabilities

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

		Fixed interest maturing in:					
		Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	TOTAL
		\$	\$	\$	\$	\$	\$
Financial assets 2008							
Loans	24,27	0	641,717	1,961,660	271,362	0	2,874,739
Deposits held in trust	26	0	0	0	0	104,690	104,690
Accounts payable	23	0	0	0	0	1,458,909	1,458,909
		\$0	\$641,717	\$1,961,660	\$271,362	\$1,563,599	\$4,438,338
Weighted avg. interest			6.87%	6.86%	6.89%	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%	

Council has not defaulted on or breached the conditions of any loans payable recognised at balance date.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

34 FINANCIAL INSTRUMENTS (continued)

(c) Market risk

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

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

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

	2008 \$	2007 \$
Financial Assets		
Loans and Receivables	523,940	566,173
Cash and Cash equivalents	3,722,219	3,904,217
Financial Liabilities		
Interest bearing liabilities	2,874,739	3,487,028

34 FINANCIAL INSTRUMENTS (continued)

Sensitivity Analysis of Council's Exposure to possible changes in interest rates

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The analysis assumes all other variables remain constant and was performed on the same basis for 2007.

At 30 June 2008, if interest rates had moved, as illustrated in the table below, profit and equity would have been affected as follows:

	Profit Loss		Equity	
	2008 \$	2007 \$	2008 \$	2007 \$
+ 200 basis points	79,562	83,651	79,562	83,651
- 200 basis points	(79,562)	(83,651)	(79,562)	(83,651)

The movements in profit are due to higher/lower interest costs from variable rate debt and cash balances.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

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 2008

Revenue	Water		Sewerage/Drainage	
	2008	2007	2008	2007
Rates & Interest	1,009,184	924,392	2,079,014	1,793,052
User Charges	1,708,092	1,469,947	162,573	93,354
Contributions	61,924	429,988	130,359	310,013
Total Revenue	\$2,779,200	\$2,824,327	\$2,371,946	\$2,196,419
Expenditure				
Employee Costs	65,020	85,038	86,829	66,505
Materials, Contracts & Other	1,363,258	1,358,197	841,729	824,659
Interest	27,268	38,594	38,118	54,620
Capital Costs				
Depreciation	210,202	206,143	327,267	322,258
Opportunity Cost of Capital	1,234,075	1,183,267	1,647,993	1,654,122
Indirect				
Engineering & Admin	102,806	107,840	107,016	119,600
Competitive Neutrality Costs				
Council Rates	8,971	3,340	15,065	15,065
Loan Guarantee Fee	1,598	2,184	3,051	3,051
Notional Income Tax	-	243,380	-	229,901
Total Expenditure	\$3,013,198	\$2,984,603	\$3,067,068	\$3,059,880

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 2008

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 \$19,496 (2007 - \$17,747) in licence fees during the 2008 financial year.
- Directors Fees of \$28,000 (2007 - \$28,000) were paid during the 2008 financial year.

	2008	2007
	\$	\$
Financial Performance		
Revenue	230,198	178,629
Expenditure	161,373	218,688
Profit/(Loss)	<u>68,825</u>	<u>(40,059)</u>
 Brighton Council Equity	 <u>\$211,317</u>	 <u>\$164,512</u>

The financial performance excludes any internal transactions with Brighton Council.

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

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

The directors of Microwise Australia are:

- 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 2008

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 Moya Jeffries

Cr Philip Owen

Cr Sonya Williams

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

- to pay rates and other charges;

- to recoup expenses and allowances owing;

- to meet the costs of attendance at various Council events, seminars or functions.

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

38 AUDIT DISCLOSURE

Audit Remuneration:

2008	2007
<u>\$12,480</u>	<u>\$19,278</u>