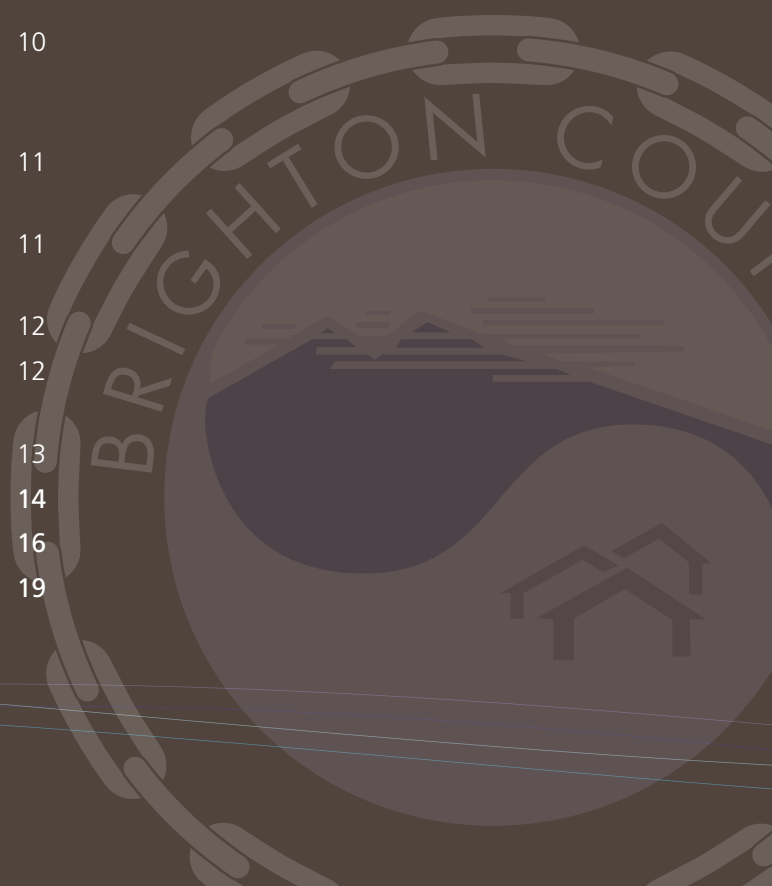


Brighton Council

ANNUAL REPORT 2009 - 2010



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Introduction

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

- *The first part includes the Mayor and General Manager's reports, together with reports on the major strategies set out in the 2009/10 Annual Plan.*
- *The second part of the Annual Report incorporates the audited financial statements for the financial year.*

History

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

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

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

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

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

Brighton has a population of approximately 15,500 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.

Invitation for Submissions

Members of the community are invited to make submissions on the Annual Report for discussion at Council's Annual General Meeting, which will be held at 5.00pm on Tuesday 14th December 2010. Any person wishing to make a submission should do so by close of business Friday 3rd December 2010.



Mayor's Message



This has been a busy year in Brighton. With the growth in the community and the number of major projects there was a “buzz” in the air. Our local businesses enjoyed some brisk trade and there was a feeling of optimism which is providing a major boost for our local economy.

Work on the Brighton bypass brought a great deal of added work for our local businesses, particularly those in the service industry and what they provide daily for contractors. Those feeling the benefits particularly are businesses in the food, petrol, mechanical equipment and other related services. The industrial estate and transport hub are continuing to grow and bring new businesses to the area.

Other developments included construction of a new Trade Training Centre, new gymnasium and Middle School Redevelopment at the site of the old Bridgewater High School. A major housing development at the former Brighton Army Camp will accommodate 400 new dwellings. This development will help meet the growing demand for residential properties in the area.

Brighton Council continues to “punch above its weight”. Council received an award for excellence from the Local Government Association for its common service provision model that allows us to share our staff and resources with other councils. We were commended for managing our resources in a way that not only provides assistance to other councils but brings in revenue for the benefit of our ratepayers.

Council began its streetscape improvements to the Midland Highway through the Brighton township. This will be an ongoing project to spruce up the main street in preparation for it becoming a local road rather than part of the national highway. The first stage of the Brighton Main Street Plan was the section between Elderslie Road and Andrew Street with other stages to eventually reach Pontville. The vision for this project is to create a place where people feel proud to live and work; a place that builds business, connects community and enhances the environment.

I am particularly proud of our sound financial management and community programs and facilities. Our council promotes a proactive and positive culture and encourages a stable and professional staff that works closely with our elected councillors to manage council operations in an efficient manner. Looking at what we have done and where we are heading, we can be collectively proud that Brighton is leading the way in all areas.

Tony Foster OAM JP
Mayor of Brighton



General Manager's Message



Brighton is experiencing population growth based on affordability and liveability. Figures for the year ending 30th June 2009 show Brighton's growth as 3.9% which was the highest in the state. The actual number of 597 new residents was surpassed only by Kingborough Council's 651 people while their growth was only 2%.

Projections in 2008 for Brighton's population were for "the high growth" scenario to be 15,900 in the year 2021. However, 12 years earlier in 2009 our population was 15,807. Clearly we are growing far more quickly than anticipated just a short time ago. The commercial and industrial sectors are also experiencing rapid growth in Brighton.

In order to manage this growth we have completed two major land use planning initiatives; the Brighton Structure Plan and the Bridgewater Local Area Structure Plan. I strongly believe that Brighton will become a sub-regional centre or satellite city in the near future. Our challenge is to provide for retail and industrial diversity and investment while remaining an affordable option in housing, access to services and a good place to live and work.

Our financial performance continues to be strong as we have continued our popular residential flat rating system and kept the overall rate increase to our long standing policy of CPI or less. The following points from the Tasmanian Audit Report – May 2009 support this strong performance:

- Brighton is smaller than the average Tasmanian council but has the highest operating margin of all councils.
- Brighton has the second lowest rate revenue per population in Tasmania.
- Brighton has the second lowest staff ratio per head of population yet still provides some 9,000 hours of work to other councils.

We have weathered the storm of water and sewerage reform with little adverse impact to our ratepayers. As we had largely "ring-fenced" our water and sewerage activities, there was no rates increase due to the loss of revenue from water and sewerage as there was little cross subsidy with other activities. We were also able to provide the same level of service delivery in our remaining activities due to our dividend from Southern Water and revenue from the increasing service provision to other councils.

As we move forward to a positive and exciting future we will need to be adaptable, keep up with trends and capitalise on opportunities.

Ron Sanderson
General Manager



Councillors as at 30th June 2010

Cr Tony Foster OAM JP **(Mayor)**

Councillor for 22 years,
Mayor since 1993

Committee Representation:-

- Finance (Chairperson)
- Heritage & Environment (proxy)
- Planning

Council Representative:-

- Southern Tasmanian Councils Association
- Emergency Management Advisory Committee



Cr Wayne Garlick

Councillor for 7 years.

Committee Representation:-

- Finance
- Parks & Recreation
- Planning (Proxy)

Council Representative:-

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



Cr Geoff Taylor **(Deputy Mayor)**

Councillor for 25 years,
Deputy Mayor 3 years.

Committee Representation:-

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

Council Representative:-

- Emergency Management Advisory Committee (Deputy Rep)



Cr Peter Geard

Councillor for 22 years

Committee Representation:-

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

Council Representative:-

- Brighton Senior Citizens Management (Chairperson)
- Local State Emergency Services Co-ordinator
- Southern Waste Strategy Board Joint Authority
- Jordan River Fire Management
- Cycling South



Cr Barbara Curran

Councillor for 14 years

Committee Representation:-

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

Council Representative:-

- Brighton Primary School Council



Cr Leigh Gray

Councillor for 4 years.

Committee Representation:-

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

Council Representative:-

- Southern Waste Strategy Board Joint Authority (Deputy rep)



Cr Sonya Williams

Councillor for 4 years.

Council Representative:-

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

Committee Representation:-

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



Cr Moya Jeffries

Councillor for 3 years

Committee Representation:-

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

Council Representative:-

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



Cr Philip Owen

Councillor for 20 years

Committee Representation:-

- Heritage & Environment
- Planning
- Waste Management





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

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:

Promote Brighton as a great place to be:

We have

- *had significant positive press coverage about the region's collective and individual achievements.*
- *continued to achieve a significant reduction in vandalism and dumped garbage.*
- *landscaped and planted trees along the Midland Highway in Brighton.*





Improve Land Use planning by developing a land use planning and development strategy:

We have

- *adopted the Bridgewater Local Area Structure plan.*
- *held workshops to facilitate additional input into the sub-regional land use planning strategy.*
- *continued our review of land owned by Council.*
- *adopted the Brighton Structure Plan.*
- *been involved in Southern Tasmania Regional Planning Project.*



Maintain and improve the physical infrastructure of the region:

We have

- *improved the Midland Highway between Elderslie Road and Andrew Street, Brighton.*
- *widened Morrison Street and Burrows Avenue, Brighton.*
- *continued kerb and channel and drainage in William Street, Brighton.*
- *continued the footpath in Racecourse Road from Magnolia to Morrison Streets, Brighton.*
- *widened Butler Street and improved the footpath and swale drain.*
- *sealed 500m of Gunners Quoin Road, Old Beach.*
- *commenced East Derwent Highway streetscape improvements.*
- *Extended the Brighton Football Clubrooms.*
- *constructed a new oval at Pontville Park, including a turf wicket with irrigation and boundary fence.*
- *constructed a new soccer playing field at Seymour Street, Brighton.*



Promote industrial and business growth:

We have

- *facilitated a number of new developments to the area in the Industrial Estate and in the general community.*
- *supported the Government in the commencement of the new Brighton Transport hub.*

Form alliances to take projects and strategies forward:

We have

- *continued to work closely with Glamorgan-Spring Bay; Central Highlands; Tasman and Flinders Island Councils.*
- *provided in excess of 6300 hours of professional local government services to a number of Tasmanian local councils.*
- *expanded service provision with Microwise Pty Ltd*
- *continued an alliance with Suva City Council (Fiji).*
- *further planned and developed the provision of Brighton Council professional services in Tasmania and the mainland.*





Improve communications and interaction between residents, community groups and businesses:

We have

- reviewed and continued *Brighton Alive*, a community forum to enhance communication about Brighton within the community through a dedicated website.
- increased the issue of positive stories to the general media.

Improve education and training opportunities:

We have

- continued to work closely with the State Government on the construction of the Bridgewater and Southern Midlands Learning Federation project.
- supported the State Government in the planning of the LINC in Bridgewater.
- continued co-ordination of adult literacy training in the municipality.
- continued to partnership with schools in providing support for sporting programs
- been involved in the proposed Commonwealth funded Children and Family Centre.
- continued to work closely with school principals in the municipality to push for improved education programs and opportunities for its community.





Ensure provision of improved transport systems:

We have

- supported the state and commonwealth governments with the construction of the Midland Highway Brighton bypass.
- extended the shared walking track around Greenpoint Reserve, Bridgewater.
- extended the walking track along the Jordan River at Pontville.
- acquired a community bus for the municipality through the State Government's Social Inclusion Unit.
- lobbied for better public bus services in the area.

Public Health:

We have

- conducted monthly immunisation clinics, annual school immunisations and promoted the need for immunisation.
- conducted additional Swine-Flu clinics in accordance with State Government instructions.
- 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 and general complaints.
- council's annual environmental health budget for 2009/10 was \$17,000 (not including EHO salaries).





Performance Statistics – Environment & Development:

ANIMAL CONTROL	2010	2009
Total number of dogs registered with Council	3,258	3,237
Number of Complaints	493	472
Number of dogs taken to Hobart Dogs Home	385	342
LAND USE PLANNING AND BUILDING		
Number of Development Applications processed	310	401
Number of Subdivision Applications processed	61	64
Total number of new lots created	113 land + 101 Strata lots	201
Number of Building Permits processed	280	348
Value of Building Approvals	\$50.9 million	\$60.7 million
ENVIRONMENTAL HEALTH		
Number of Vaccinations	1389	1050
Number of Food Premises Registered	64	57
Number of complaints	137	90
Number of Food Samples Taken	4	8
Number of On site Wastewater Applications	46	40
Total Expenditure on Public Health	\$17,000	\$15,490





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 2009/10 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.

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 2009–30 June 2010 was \$147,853.

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 2009/10

was between \$200,000 - \$220,000. 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.





Four tenders were called and three were awarded during the 2009/10 financial year:-

- Supply of 240lt recycling wheelie bins – the value of the tender was \$200,200 and was awarded to Mastec Australia Pty. Ltd., PO Box 930, Glenelg SA 5045.
- Domestic kerbside recycling service - contract is for 5 years. The value of the contract works was \$141,453 and was awarded to Aussie Waste Management Pty Ltd., PO Box 1474, Eastern Shore Mail Centre, TAS 7018.
- Construction of Pontville change-rooms and kiosk – value of the contract works was \$220,000 and was awarded to Brett Williams Builders Pty Ltd, 8 Howlett Court, Brighton, TAS 7030.
- Domestic refuse collection service – contract is for 5 years. The contract to be awarded 2010/11 financial year.

Partnership Agreement with State Government

Council's second partnership agreement with the State Government was signed by the Mayor and Premier in December.

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 and town planning.

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	9	75%
Cr G Taylor (Deputy Mayor)	12	11	92%
Cr B Curran	12	12	100%
Cr W Garlick	12	11	92%
Cr P Geard	12	11	92%
Cr L Gray	12	12	100%
Cr M Jeffries	12	12	100%
Cr P Owen	12	12	100%
Cr S Williams	12	12	100%

ANNUAL GENERAL MEETING

Members	No. of Meetings	Attended	%
Cr S 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 L Gray (Chairperson until Oct 09)	4	4	100%
Cr P Geard (Chairperson from Nov 09)	4	3	75%
Cr W Garlick	4	4	100%
Cr M Jeffries	4	1	25%
Cr G Taylor	4	4	100%
Cr S Williams	4	3	75%
In Attendance			
Cr B Curran		3	
Cr M Jeffries		3	
Cr P Owen		2	

HERITAGE & ENVIRONMENT

Members	No. of Meetings	Attended	%
Cr B Curran (Chairperson)	3	3	100%
Cr T Foster (until Oct 09)	1	1	100%
Cr W Garlick (until Oct 09)	1	1	100%
Cr P Geard (from Nov 09)	2	2	100%
Cr L Gray (until Oct 09)	1	1	100%
Cr M Jeffries (from Nov 09)	2	2	100%
Cr P Owen	3	3	100%
Cr S Williams (from Nov 09)	2	2	100%
In Attendance			
Cr W Garlick		2	
Cr P Geard		1	
Cr L Gray		2	
Cr M Jeffries		1	
Cr G Taylor		3	
Cr S Williams		1	



Councillor Attendance continued

FINANCE			
Members	No. of Meetings	Attended	%
Cr T Foster (Chairperson)	7	2	29%
Cr B Curran	7	6	86%
Cr W Garlick (from Nov 09)	5	5	100%
Cr W Garlick (proxy until Oct 09)	1	1	100%
Cr P Geard (until Oct 09)	2	1	50%
Cr L Gray (from Nov 09)	5	4	80%
Cr M Jeffries	7	6	86%
Cr P Owen (until Oct 09)	2	2	100%
Cr S Williams (proxy from Nov 09)	5	4	80%
In Attendance			
Cr W Garlick		1	
Cr P Geard		3	
Cr L Gray		2	
Cr O Owen		5	
Cr G Taylor		6	
Cr S Williams		1	

PLANNING			
Members	No. of Meetings	Attended	%
Cr T Foster (Chairperson until Oct 09)	9	4	44%
Cr L Gray (Chairperson from Nov 09)	9	9	100%
Cr B Curran (until Oct 09)	4	4	100%
Cr W Garlick (until Oct 09) (proxy from Nov 09)	9	8	89%
Cr P Geard	9	7	78%
Cr M Jeffries (until Oct 09)	4	4	100%
Cr P Owen	9	9	100%
Cr G Taylor	9	9	100%
Cr S Williams (until Oct 09)	4	1	25%
In Attendance			
Cr B Curran		4	
Cr W Garlick		1	
Cr M Jeffries		4	
Cr S Williams		3	

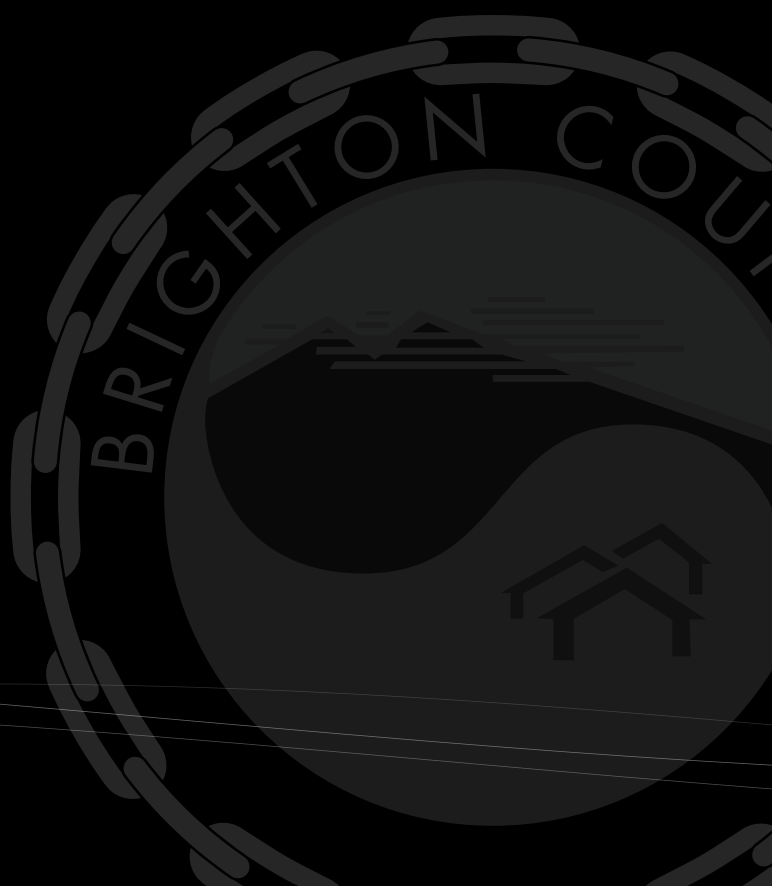


Brighton Council

FINANCIAL REPORT 2009 - 2010



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INDEPENDENT AUDIT REPORT

To the Councillors of Brighton Council

Financial Statements for the Year Ended 30 June 2010

Report on the Financial Statements

I have audited the accompanying financial statements of Brighton Council (Council), which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

The Responsibility of the General Manager for the Financial Statements

The General Manager is responsible for the preparation and fair presentation of the financial statements 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 statements that are 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 statements 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 statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, 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 statements 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 statements.

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 information in Council's financial statements.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- Providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- Mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Auditor's Opinion

In my opinion the financial statements of Brighton Council:

- (a) presents fairly, in all material respects, the financial position of Brighton Council as at 30 June 2010, and its financial performance, cash flows and changes in equity for the year then ended; and
- (b) are in accordance with the *Local Government Act 1993* and Australian Accounting Standards (including Interpretations).

TASMANIAN AUDIT OFFICE



A V Barron
DIRECTOR – FINANCIAL AUDIT
Delegate of the Auditor-General

HOBART

9 November 2010

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

Certification of the Financial Report

The financial report presents fairly the financial position of Brighton Council as at 30 June 2010 the results of its operations for the year then ended and the cash flows of the Council in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards including Interpretations and other mandatory professional reporting.

Ron Sanderson

General Manager



September 2010



Statement of Comprehensive Income

For the year ended 30 June 2010

	Notes	Budget 2010 \$	Actual 2010 \$	Actual 2009 \$
REVENUES				
Revenues from operations				
Rate Revenues	3(a)(i)	5,766,294	6,094,723	8,863,424
Grants	3(a)(iv)	1,822,468	2,470,906	2,953,638
User Charges	3(a)(v)	130,000	147,008	1,717,387
Contributions	3(a)(vi)	1,522,000	1,522,117	884,242
Fees and Charges		719,354	763,528	1,627,028
Interest	3(a)(ii)	200,000	294,176	300,264
Other	3(a)(vii)	810,000	753,571	359,218
Professional Services/ Private Works		315,000	496,889	557,516
Share of Profit of Associate		0	0	117,000
Distribution from Southern Water		1,070,000	953,008	0
Gain on Asset Disposal	3(a)(iii)	330,000	308,304	0
Total revenues from transactions		12,685,116	13,804,230	17,379,717
EXPENSES				
Expenses from transactions				
Materials/Contracts and Other	3(b)(v)	3,926,203	4,099,526	5,108,176
Depreciation and Amortisation	3(b)(ii)	2,058,000	2,429,259	2,783,212
Employee Costs	3(b)(i)	2,465,635	2,748,098	2,514,348
Purchase of Water		0	0	1,267,036
Contributions	3(b)(iv)	753,464	812,784	803,717
Borrowing Costs	3(b)(iii)	111,021	77,412	189,669
Professional Services/ Private Works		309,000	309,351	352,253
Donations	4	191,150	170,991	180,462
Aldermanic Allowances & Expenses		183,500	199,346	127,633
Loss on Asset Disposal	3(a)(iii)	0	0	43,389
Total expenses from operations		9,997,973	10,846,767	13,369,895
Net result from Transactions		2,687,143	2,957,463	4,009,822
Other Comprehensive Income				
Adjustment to value of Investment in Southern water		0	4,474,877	0
Net PP&E revaluation increments / (decrements)		0	10,428,982	10,620,347
Share of associate revaluation increment		0	0	932,000
Comprehensive Result		2,687,143	17,861,322	15,562,169

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



Statement of Financial Position

As at 30 June 2010

ASSETS	Notes	2010	2009
CURRENT ASSETS		\$	\$
Cash and Cash Equivalents	5	5,138,561	4,463,701
Receivables - Rates	6	103,415	164,261
Receivables - Other	6	475,604	880,424
Financial Assets	7	4,211	3,897
Other	8	278,825	491,972
Total Current Assets	2(b)	6,000,616	6,004,255
NON CURRENT ASSETS			
Roads	19	59,648,813	58,989,957
Sewerage	16	0	20,610,426
Water Reticulation	18	0	15,376,571
Buildings	14	14,396,801	15,334,330
Drainage	17	18,328,782	12,086,099
Investment in Associate	22	0	11,863,000
Investment in Southern Water	22	55,865,753	0
Land	9	8,083,617	6,201,982
Bridges	15	2,052,196	1,377,612
Plant and Vehicles	10	750,521	851,831
Furniture and Equipment	12	235,777	215,253
Intangibles	13	11,046	22,177
Small Machinery	11	31,129	24,835
Other Financial Assets	21	12,069	16,280
Total Non Current Assets	2(b)	159,416,504	142,970,353
Total Assets		165,417,120	148,974,608
LIABILITIES			
CURRENT LIABILITIES			
Payables	23	1,196,401	1,184,096
Financial Liabilities	24	296,329	1,368,623
Provisions	25	662,667	694,547
Other	26	162,001	176,501
Total Current Liabilities		2,317,398	3,423,767
NON CURRENT LIABILITIES			
Financial Liabilities	27	764,618	1,060,947
Provisions	28	93,010	109,122
Total Non Current Liabilities		857,628	1,170,069
Total Liabilities		3,175,026	4,593,836
NET ASSETS		162,242,094	144,380,772
EQUITY			
Ratepayers Equity		98,294,917	73,269,562
Reserves		63,947,177	71,111,210
TOTAL EQUITY	29	162,242,094	144,380,772

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

Statement of Changes in Equity

For the Year Ended 30 June 2010

	Ratepayers Equity		Asset Revaluation Reserve		Fair Value Reserve		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of the Financial Year	73,168,399	69,158,577	71,212,373	59,660,026	0	0	144,380,772	128,818,603
Comprehensive Result	2,957,463	4,009,822	10,428,982	11,552,347	4,474,877	0	17,861,322	15,562,169
Transfer Direct to Equity	22,169,055	0	(22,169,055)	0	0	0	0	0
Equity Accounting for Hobart Water								
Equity Share of Increase in Asset Revaluation	0	0	0	0	0	0	0	0
Balance at the end of the Financial Year	98,294,917	73,168,399	59,472,300	71,212,373	4,474,877	0	162,242,094	144,380,772

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 2010

	Notes	2010 \$	2009 \$
Cash Flows from Operating Activities			
Receipts			
Receipts from Ratepayers, Fees & Charges		10,872,726	12,955,906
Interest Received		294,176	300,264
Government Grants		2,470,906	2,953,638
		13,637,808	16,209,808
Payments			
Payments to Suppliers and Employees		(9,375,783)	(11,478,625)
Borrowing Costs		(77,412)	(189,669)
		(9,453,195)	(11,668,294)
Net Cash Flows from Operating Activities	33	4,184,613	4,541,514
Cash Flows from Investing Activities			
Receipts			
Public Bodies Loan repayments		4,211	3,828
Sale of Land & Buildings		388,250	0
Hobart Water Dividends		0	647,000
Sale of Plant and Equipment Assets		132,050	123,145
		524,511	773,973
Payments			
Purchase of Buildings		(801,658)	(1,738,788)
Purchase of Land		(19,946)	0
Purchase of Plant and Vehicles & Machinery		(159,431)	(306,111)
Intangible		(3,098)	0
Purchase of Water Reticulation Assets		0	(91,996)
Purchase of Roads, Bridges & Drainage Assets		(2,397,425)	(1,773,184)
Purchase of Sewerage Assets		0	(115,439)
Purchase of Furniture and Equipment		(209,795)	(103,318)
		(3,591,353)	(4,128,836)
Net Cash Flows used in Investing Activities		(3,066,842)	(3,354,863)
Cash Flows from Financing Activities			
Repayment of Borrowings		(442,911)	(445,169)
Net Cash Flows used in Financing Activities		(442,911)	(445,169)
Net increase/(decrease) in Cash and Cash Equivalents		674,860	741,482
Cash at the Beginning of the Financial Year		4,463,701	3,722,219
Cash and Cash Equivalents at the End of the Financial Year	5	5,138,561	4,463,701

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



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

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Notes to and forming part of the Financial Report

For the year ended 30 June 2010

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, Australian Accounting Interpretations and the *Local Government Act 1993*.

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.

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.



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 accounting standards, 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 accounting standards 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.

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.

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.

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

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



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

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

Dividend revenue

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

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. Debts are impaired when collection in full is no longer probable.

Gain on asset disposal

The gain 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.

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.



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Statement of Financial Position unless it reverses a revaluation decrease of the same asset previously recognised in the Statement of Comprehensive Income. 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 2010. Revaluations occur every 5 years.

Drainage

The Council has adopted a fair value based upon current replacement cost for Drainage based upon replacement costs determined by Council engineering staff at 30 June 2010. 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 indices applied in intervening years. The last valuation was provided at June 2007.

Roads

The Council has adopted a fair value based upon current replacement cost for roads as determined by Pitt 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 2010

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	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
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

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.



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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
drainage	\$2,500
bridges	\$10,000

Receivables

Unreceived contributions over which Council has control are recognised as receivables. All rates and charges, and costs incurred by Council in the abatement of statutory nuisances are charges on the land, and are recoverable from the owner or occupier, or on transfer of ownership of that land. In extreme circumstances the *Local Government Act 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



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Payables

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



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Liabilities - Interest-bearing loans and borrowings

Outlined below are the relevant accounting policies for interest-bearing loans and borrowings applicable for the years ended 30 June 2010 and 30 June 2009.

The borrowing capacity of Council is limited by the *Local Government Act 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 2010

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 2010

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	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate Services	1,311,321	1,080,290	2,000	40,000	460,607	413,399	462,607	453,399	(\$848,714)	(\$626,891)	0	0
Water Supply	0	1,816,544	0	55,245	958,544	3,335,243	958,544	3,390,488	\$958,544	\$1,573,944	0	15,376,571
Parks and Recreation	673,836	492,843	0	0	784,188	63,107	784,188	63,107	\$110,352	(\$429,736)	8,083,617	6,201,982
Sewerage	0	1,370,635	0	55,245	0	2,525,983	0	2,581,228	\$0	\$1,210,593	0	32,696,525
Planning & Building	617,639	932,213	0	0	268,075	476,420	268,075	476,420	(\$349,564)	(\$455,793)	0	0
Buildings	758,460	705,348	0	78,000	233,682	(47,450)	233,682	30,550	(\$524,778)	(\$674,798)	14,396,801	15,334,330
Roads/Bridges	3,527,969	2,884,698	837,468	137,500	(57,556)	535,371	779,912	672,871	(\$2,748,057)	(\$2,211,827)	80,029,791	60,367,569
Community Services	341,671	403,258	38,350	85,290	(38,350)	6,206	0	91,496	(\$341,671)	(\$311,762)	0	0
Environmental Health	278,470	356,684	10,000	0	96,922	88,234	106,922	88,234	(\$171,548)	(\$268,450)	0	0
Waste Management	894,674	823,909	0	0	846,218	795,533	846,218	795,533	(48,456)	(28,376)	0	0
Unallocated Services	2,442,727	2,503,473	1,583,088	2,502,358	7,780,995	6,234,033	9,364,082	8,736,391	\$6,921,355	\$6,232,918	62,906,911	18,997,631
TOTAL	\$10,846,767	\$13,369,895	\$2,470,906	\$2,953,638	\$11,333,324	\$14,426,079	\$13,804,230	\$17,379,717	\$2,957,463	\$4,009,822	\$165,417,120	\$148,974,608



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

	2010	2009
	\$	\$

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:

Current Assets	6,000,616	6,004,255
Non Current Assets	159,416,504	142,970,353
	\$165,417,120	\$148,974,608

(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, 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 2010

	2010 \$	2009 \$
3 REVENUES AND EXPENSES		
3(a) Operating Revenues		
(i) Rates Revenues		
General	4,729,778	4,402,316
Garbage	693,958	662,408
Sewerage	0	2,130,852
Water	0	1,025,198
Fire Levy	641,643	588,355
Penalties	29,344	54,295
	6,094,723	8,863,424
(ii) Interest		
Interest received or due and receivable from:		
Investments	294,176	300,264
	294,176	300,264
(iii) Profit/(Loss) on Asset Disposal		
Proceeds from Disposal	4,986,887	123,145
less written down current cost	(4,678,583)	(166,534)
Gain/(Loss) on Disposal	308,304	(43,389)
(iv) Grants		
Commonwealth Tax Sharing	1,540,958	1,982,431
Dept of Health & Human Services	510,000	0
Roads to Recovery	155,198	130,077
Dept of Transport & Regional Services	101,000	104,000
Dept of Infrastructure, Energy & Resources	81,270	413,139
Dept of Premier & Cabinet	38,350	40,000
State Emergency Services	32,000	0
Dept of Treasury & Finance	12,130	110,491
Dept of Economic Development	0	112,000
Dept of Justice	0	50,000
Dept of Road Safety	0	7,500
Office of Children's & Youth Affairs	0	2,000
Tas Regional Arts	0	2,000
Total Grants	2,470,906	2,953,638
(v) User Charges		
Water Consumption Charge	0	1,245,688
Headworks	0	344,773
Plant Hire	5,888	8,661
Refuse Site Entrance Fees	141,120	118,265
	147,008	1,717,387



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

	Note	2010 \$	2009 \$
3 REVENUES AND EXPENSES (continued)			
(vi) Contributions			
Land and Buildings identified		904,000	0
Subdivision Contributions		618,117	884,242
		1,522,117	884,242
(vii) Other			
Community Newsletter		23,528	16,485
Microwise Australia	35	730,043	342,733
		753,571	359,218
3(b) Operating Expenses			
(i) Employee Costs			
Wages and Salaries		2,301,255	2,038,185
Superannuation		257,892	245,455
Other Employee Related Expenses		188,951	230,708
		2,748,098	2,514,348
Actual Wages & Salaries for 2010 were \$2,717,896 (\$3,160,180 for 2009) according to the taxation summary. Other Wages & Salaries and associated on costs are costed to capital improvements.			
(ii) Depreciation and Amortisation			
Plant and Vehicles		156,942	180,372
Buildings		294,885	282,435
Intangible		14,230	20,392
Small Machinery		10,125	9,654
Bridges		110,157	45,567
Sewerage Assets		0	330,474
Drainage Assets		238,727	140,859
Water Assets		0	217,400
Road Assets		1,546,972	1,507,541
Furniture and Equipment		57,221	48,518
		2,429,259	2,783,212
(iii) Borrowing Costs			
Borrowing cost expense interest on debt		77,412	189,669
		77,412	189,669



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

	Note	2010 \$	2009 \$
3 REVENUES AND EXPENSES (continued)			
(iv) Contributions			
State Fire Commission Levy		617,237	576,715
Tasmanian Canine Defence League Contribution		34,486	40,554
Local Govt. Association of Tasmania		37,094	36,124
Derwent Estuary Contribution		9,582	9,196
Brighton Training Facility		60,000	60,000
Valuation Charges		45,821	61,200
Southern Tasmanian Councils Association		8,564	19,928
		812,784	803,717
(v) Materials/Contracts and Other			
Asset Condition Assessment		26,563	22,404
Bank Fees		24,389	27,654
Building Maintenance		223,703	234,456
Collection Fees		35,868	35,142
Community Newsletter		84,838	80,663
Contract Recycling		159,821	147,318
Fire Abatement		17,450	11,209
GIS CAD & CVS Software		40,578	38,777
Internal Contractors		59,112	108,861
Land Tax		37,440	44,187
Microwise Australia	35	291,199	269,890
Other Materials & Contracts		1,006,847	1,442,156
Public Liability		38,761	45,484
Refuse Collection		137,844	128,565
Reserve Maintenance		529,121	382,361
Road & Bridge Maintenance		627,120	469,584
Sewerage Maintenance		0	608,989
Southern Tas Waste Management		11,900	10,700
Street Lighting		192,819	214,065
Tipping Fees		226,000	185,553
Treatment Plant Permit Reports		0	76,969
Waste Bin Replacements		47,224	39,091
Waste Transfer Station		280,929	282,186
Water Maintenance		0	201,912
		4,099,526	5,108,176



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

		2010 \$	2009 \$
4 DONATIONS AND GRANTS			
GRANTS AND BENEFITS REGISTER - SECTION 77 LOCAL GOVERNMENT ACT 1993			
Brighton Football Club	Halls & Grounds	20,911	20,495
Brighton SES	Community Grant	10,290	3,000
Old Beach Cricket Club	Halls & Grounds	9,760	9,760
Brighton Agricultural Society	Halls & Grounds	7,800	7,800
Riverside Nursery	Halls & Grounds	7,332	7,176
Brighton Playcentre/Playgroup	Halls & Grounds	7,332	7,076
Pete's Community Workshed	Halls & Grounds	7,332	7,076
Brighton Senior Citizens	Halls & Grounds	7,280	7,280
Brighton Junior Soccer Club	Halls & Grounds	6,000	6,000
Tea Tree Community Assoc Inc	Community Grant	6,000	0
East Derwent Little Athletics	Halls & Grounds	5,340	5,340
University of Tasmania	Scholarship	5,000	5,000
Brighton Bowls Club	Community Grant	5,000	0
Brighton Football Club	Community Grant	4,500	4,500
Brighton CWA	Halls & Grounds	4,160	4,160
Tas Centre of Global Learning Inc	Community Grant	4,000	2,000
Whitelion Inc	Community Grant	4,000	0
Brighton Junior Youth Football Club	Halls & Grounds	3,105	3,105
Brighton Junior Football Club	Halls & Grounds	3,000	3,000
St Vincent De Paul	Community Grant	3,000	2,000
Old Beach Fire Brigade	Community Grant	2,925	2,800
Brighton Agricultural Society	Community Grant	2,580	0
Jordan River Services	Community Grant	2,500	10,000
Bridgewater PCYC	Community Grant	2,500	6,000
Hobart Gymnastics Academy	Community Grant	2,500	3,500
Old Beach Cricket Club	Community Grant	2,500	1,600
Northern Suburbs Junior Soccer Association	Halls & Grounds	2,250	2,250
Brighton Girl Guides	Community Grant	2,000	0
Cycling South	Community Grant	2,000	0
Brighton Fire Brigade	Community Grant	1,900	0
Christmas Pageant	Community Grant	1,500	1,000
Brighton Junior Cricket Club	Halls & Grounds	1,260	1,260
Bridgewater Volunteer Ambulance Unit	Community Grant	1,149	0
Bugeido Karate	Halls & Grounds	1,050	2,520
Early Years Program	Community Grant	1,000	1,000
Brighton CWA	Community Grant	1,000	0
School for Seniors	Community Grant	1,000	0
Old Beach Community Group	Community Grant	874	950
Bridgewater High School	Community Grant	750	0
Sth Tas Quarter Horse Association	Community Grant	750	0



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

		2010 \$	2009 \$
4 DONATIONS APPROVED (continued)			
GKR Karate	Halls & Grounds	630	1,260
Helping Hands	WTS Entry	533	524
Brighton Agricultural Society	Annual Grant	500	500
St Vincent De Paul	WTS Entry	489	383
Dogs Home of Tasmania	Community Grant	418	418
Brighton Rural Youth	Community Grant	350	950
Veterans Memorial Centre	WTS Entry	341	195
Department of Justice	WTS Entry	305	263
Burns Laura	Education Bursary	250	250
Oakley Julie	Education Bursary	250	250
Eberhardt Reuben	Education Bursary	250	0
Cartledge Jarrod	Education Bursary	250	0
White Braydon	Sporting Achiever	250	0
Nichols Zoe	Sporting Achiever	175	0
Marshall Thomas	Sporting Achiever	100	0
Jones Kate	Sporting Achiever	75	0
Saville Sophie	Sporting Achiever	75	0
Smith Hayley	Sporting Achiever	75	0
Targett Hollie	Sporting Achiever	75	0
Bridgewater High School	Citizenship Prize	60	60
Brighton Primary School	Citizenship Prize	60	60
Gagebrook Primary School	Citizenship Prize	60	60
Herdsmans Cove Primary School	Citizenship Prize	60	60
Northern Suburbs Christian School	Citizenship Prize	60	60
St Paul's Primary School	Citizenship Prize	60	60
East Derwent Primary School	Citizenship Prize	60	0
Claremont College	Citizenship Prize	50	50
Tea Tree Golf Club	Community Grant	0	8,000
Community Advertising in the Brighton News	Advertising	0	7,700
Brighton Heritage Association	Community Grant	0	2,000
Old Beach Scouts Group	Community Grant	0	2,000
Pete's Community Workshed	Community Grant	0	2,000
Rotary Club of Hobart	Vic Fires Appeal	0	2,000
Local Churches	Advertising	0	1,960
Brighton Arts Committee	Advertising	0	1,680
Brighton Arts Committee	Halls & Grounds	0	1,120
Bridgewater/Brighton Online Access Centre	Advertising	0	1,050
Anglican Parish of Brighton	Community Grant	0	1,000
Bridgewater PCYC	Advertising	0	945
Penguin Club	Community Grant	0	915
Brighton Community Health Expo	Advertising	0	882
Brighton Kennel Club	Community Grant	0	614



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

		2010	2009
		\$	\$
4 DONATIONS APPROVED (continued)			
Bridgewater Friends Country Music Club	Community Grant	0	500
Brighton Playcentre/Playgroup	Community Grant	0	500
Brighton Junior Soccer Club	Advertising	0	315
Brighton Rural Youth	Advertising	0	315
Bannister Breanna	Education Bursary	0	250
Knight Carly	Education Bursary	0	250
Knight Samantha	Education Bursary	0	250
"Brighton Alive" Christmas Pageant	Advertising	0	140
Fagg Callum	Sporting Achiever	0	100
Barron Andrew	Sporting Achiever	0	75
Booker Blake	Sporting Achiever	0	75
Brakey Elisha	Sporting Achiever	0	75
Fitzpatrick Natasha	Sporting Achiever	0	75
Gallagher-Young Joshua	Sporting Achiever	0	75
Gray Ellie	Sporting Achiever	0	75
Hill Daniel	Sporting Achiever	0	75
Pearce Brandon	Sporting Achiever	0	75
Schultz Richard	Sporting Achiever	0	75
Tonks Hayden	Sporting Achiever	0	75
Bridgewater Primary School	Citizenship Prize	0	60
Green Point Primary School	Citizenship Prize	0	60
48 Hour Charity Relay Run Inc	Community Grant	0	50
		170,991	180,457

5 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at Bank	198,033	851,436
Cash on Hand	3,789	3,801
Term Deposits	4,936,739	3,608,464
	5,138,561	4,463,701

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

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



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

	2010 \$	2009 \$
6 CURRENT ASSETS - RECEIVABLES		
Rates Receivables	<u>103,415</u>	<u>164,261</u>
Other Receivables		
Water Consumption	29,299	674,644
Other Debtors	460,127	212,144
Less Provision for Impaired Debts	<u>(13,822)</u>	<u>(6,364)</u>
	<u>475,604</u>	<u>880,424</u>
7 FINANCIAL ASSETS		
Loans and Advances	<u>4,211</u>	<u>3,897</u>
8 CURRENT ASSETS - OTHER		
Accrued Revenue	227,412	319,666
Work In Progress	791	120,890
Prepayments	<u>50,622</u>	<u>51,416</u>
	<u>278,825</u>	<u>491,972</u>
9 NON CURRENT ASSETS - LAND		
Land at Fair Value	<u>8,083,617</u>	<u>6,201,982</u>
Fair Value based valuation provided by Valuer General as at 30 June 2007 and indices applied each year since.		
10 NON CURRENT ASSETS - PLANT AND VEHICLES		
Plant and Vehicles at Cost	1,336,571	1,542,422
less Accumulated Depreciation	<u>(586,050)</u>	<u>(690,591)</u>
	<u>750,521</u>	<u>851,831</u>
11 NON CURRENT ASSETS - SMALL MACHINERY		
Small Machinery at Cost	137,917	121,497
less Accumulated Depreciation	<u>(106,788)</u>	<u>(96,662)</u>
	<u>31,129</u>	<u>24,835</u>
12 NON CURRENT ASSETS - FURNITURE AND EQUIPMENT		
Furniture and Equipment at Cost	1,130,890	1,053,144
less Accumulated Depreciation	<u>(895,113)</u>	<u>(837,891)</u>
	<u>235,777</u>	<u>215,253</u>
13 NON CURRENT ASSETS - INTANGIBLE		
Software at Cost	184,744	181,645
less Accumulated Amortisation	<u>(173,698)</u>	<u>(159,468)</u>
	<u>11,046</u>	<u>22,177</u>



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

	2010 \$	2009 \$
14 NON CURRENT ASSETS - BUILDINGS		
Buildings at Fair Value	15,145,087	15,866,530
less Accumulated Depreciation	(748,286)	(532,200)
	14,396,801	15,334,330
Valuation provided by Valuer-General as at June 2007 and indices applied each year since		
15 NON CURRENT ASSETS - BRIDGES		
Bridges at Fair Value	5,126,912	3,264,702
less Accumulated Depreciation	(3,074,716)	(1,887,090)
	2,052,196	1,377,612
Fair value based on valuation prepared by Tas Span Pty Ltd as at 30 June 2010		
16 NON CURRENT ASSETS - SEWERAGE		
Sewerage Assets at Fair Value	0	29,716,327
less Accumulated Depreciation	0	(9,105,901)
	0	20,610,426
17 NON CURRENT ASSETS - DRAINAGE		
Drainage Assets at Fair Value	23,989,548	15,991,957
less Accumulated Depreciation	(5,660,766)	(3,905,858)
	18,328,782	12,086,099
Fair value based on valuation prepared by Pitt & Sherry Consulting Engineers as at 30 June 2010.		
18 NON CURRENT ASSETS - WATER RETICULATION		
Water Reticulation Assets at Fair Value	0	20,782,514
less Accumulated Depreciation	0	(5,405,943)
	0	15,376,571
19 NON CURRENT ASSETS - ROADS		
Road Assets at Fair Value	87,520,254	85,306,265
less Accumulated Depreciation	(27,871,441)	(26,316,308)
	59,648,813	58,989,957
Fair value based on valuations prepared by Pitt & Sherry Consulting Engineers as at 30 June 2008 and indices applied each year since.		



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

	2010 \$	2009 \$
20 FIXED ASSETS RECONCILIATION		
Land		
Carrying amount at the beginning of the year	6,201,982	5,817,700
Additions	704,000	0
Disposals	(611,450)	0
Adjustment due to revaluation	1,789,085	384,282
Carrying amount at the end of the year	8,083,617	6,201,982
Plant and Vehicles		
Carrying amount at the beginning of the year	851,831	898,390
Additions	295,005	300,348
Disposals	(239,373)	(166,535)
Depreciation	(156,942)	(180,372)
Carrying amount at the end of the year	750,521	851,831
Small Machinery		
Carrying amount at the beginning of the year	24,835	28,726
Additions	16,420	5,763
Disposals	0	0
Depreciation	(10,126)	(9,654)
Carrying amount at the end of the year	31,129	24,835
Furniture and Equipment		
Carrying amount at the beginning of the year	215,253	160,453
Additions	77,745	103,318
Disposals	0	0
Depreciation	(57,221)	(48,518)
Carrying amount at the end of the year	235,777	215,253
Intangible		
Carrying amount at the beginning of the year	22,176	42,568
Additions	3,100	0
Depreciation	(14,230)	(20,392)
Carrying amount at the end of the year	11,046	22,176
Buildings		
Carrying amount at the beginning of the year	15,334,330	13,018,081
Additions	1,001,658	1,738,788
Disposals	(3,827,760)	
Depreciation	(294,885)	(282,435)
Adjustment due to revaluation	2,183,458	859,896
Carrying amount at the end of the year	14,396,801	15,334,330



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

	2010 \$	2009 \$
20 FIXED ASSETS RECONCILIATION (continued)		
Bridges		
Carrying amount at the beginning of the year	1,377,612	1,163,737
Additions	12,960	105,744
Depreciation	(110,157)	(45,567)
Adjustment due to revaluation	771,781	153,698
Carrying amount at the end of the year	2,052,196	1,377,612
Sewerage		
Carrying amount at the beginning of the year	20,610,426	18,169,710
Additions	0	371,471
Transfer to Southern Water	(20,610,426)	0
Depreciation	0	(330,474)
Adjustment due to revaluation	0	2,399,719
Carrying amount at the end of the year	0	20,610,426
Drainage		
Carrying amount at the beginning of the year	12,086,099	10,589,333
Additions	476,808	239,064
Depreciation	(238,727)	(140,859)
Adjustment due to revaluation	6,004,602	1,398,561
Carrying amount at the end of the year	18,328,782	12,086,099
Water Reticulation		
Carrying amount at the beginning of the year	15,376,571	13,606,120
Additions		190,855
Transfer to Southern Water	(15,376,571)	0
Depreciation	0	(217,400)
Adjustment due to revaluation	0	1,796,996
Carrying amount at the end of the year	0	15,376,571
Roads		
Carrying amount at the beginning of the year	58,989,957	54,912,576
Additions	2,525,774	1,957,727
Depreciation	(1,546,972)	(1,507,541)
Adjustment due to revaluation	(319,946)	3,627,195
Carrying amount at the end of the year	59,648,813	58,989,957
21 NON CURRENT ASSETS - OTHER FINANCIAL ASSETS		
Loans and Advances	12,069	16,280
	12,069	16,280



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

	2010	2009
	\$	\$
22 NON CURRENT ASSET INVESTMENT IN WATER AUTHORITY		
Investment in Associate (Hobart Water)	<u>0</u>	<u>11,863,000</u>
Investment in Southern Water	<u>55,865,753</u>	<u>0</u>

In February of 2008 State and Local Government reached agreement to establish three Local Government owned, vertically integrated businesses providing bulk, distribution and retail water and sewerage services, and a common service provider subsidiary company. The Water and Sewerage Corporations Act 2008 (Corporations Act) was subsequently enacted and received Royal Assent on 13 June 2008.

Full transfer of water and sewerage assets, liabilities and staff to the new corporations took place on 1 July 2009. From that date, responsibility for the provision of water and sewerage services moved from local councils to the three new regional water and sewerage corporations (trading as Cradle Mountain Water, Ben Lomond Water and Southern Water). A fourth company provides common services and support to the three regional corporations (trading as Onstream).

Council will in future derive returns from the new corporations, mainly in the form of dividends.

The following assets and liabilities relating to water and sewerage were transferred to Southern Water from 1 July 2009. Council's opening ownership interest in the new corporation will be represented by the net assets transferred.

Land	551,450	0
Buildings	3,827,760	0
Water infrastructure	15,376,572	0
Sewerage infrastructure	20,610,426	0
Other property, plant and equipment	87,378	0
Investment in Hobart Water	11,863,000	0
Financial Liabilities	(925,712)	0
Net assets transferred	<u>51,390,874</u>	<u>0</u>

Council has an ownership interest of 6.1% as provided by Southern Water. Council does not have significant influence to allow it to use the equity method to account for this interest.

Council has classified this asset as an Available-for-Sale financial asset as defined in AAB 139 Financial Instruments: Recognition and Measurement and has followed AASB 132 Financial Instruments: Presentation and AASB 7 Financial Instruments: Disclosures to value and present the asset in the financial statements. There is no active market for the investment and so it is valued at Council's share of total equity as at each balance date. Changes in the fair value are recognised as revenue or expense in the Comprehensive Income Statement each year.



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

	2010 \$	2009 \$
22 NON CURRENT ASSET INVESTMENT IN WATER AUTHORITY (continued)		
Council's investment is disclosed on the face of the Statement of Financial Position with the value being determined as disclosed above. Dividends received from Southern Water are brought to account as income is received.		
Council's share of the Corporation's net assets at 30 June 2010 is \$55,865,752		
Net assets transferred from 1 July 2009	51,390,873	0
Change in fair value of investment	4,474,877	0
Total investment in water corporation	55,865,752	0
23 CURRENT LIABILITIES - PAYABLES		
Trade Creditors	232,052	422,293
Accrued Expenses	964,349	761,803
	1,196,401	1,184,096
24 CURRENT LIABILITIES - FINANCIAL LIABILITIES		
Secured		
Loans	296,329	1,368,623
25 CURRENT LIABILITIES - PROVISIONS		
Employee Leave Entitlements Provisions		
Annual Leave	331,650	381,597
Long Service Leave	331,017	312,950
	662,667	694,547
26 CURRENT LIABILITIES - OTHER		
Deposits Held in Trust	156,227	176,501
Revenue Received in Advance	5,774	0
	162,001	176,501
Deposits includes monies held in respect of damage indemnity, facilities booking and various performance related sureties.		
27 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES		
Secured		
Loans	764,618	1,060,947
Security for Borrowings		
The loans are secured over the general rates of the Council.		
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.		



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

	2010 \$	2009 \$
28 NON CURRENT LIABILITIES - PROVISIONS		
Employee Leave Entitlements Provisions		
Long Service Leave	<u>93,010</u>	<u>109,122</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 3.2% has been applied where applicable.

29 RESERVES

Bridges Revaluation	1,490,824	719,043
Building Revaluation	6,492,107	4,308,649
Drainage Revaluation	10,447,499	4,442,897
Land Revaluation	5,719,804	3,930,719
Public Open Space	0	35,585
Road Revaluation	35,322,064	35,642,010
Sewerage Revaluation	0	9,573,491
Share in associates	0	6,102,323
Adjustment to value of Investment in Southern water	4,474,877	0
Water Revaluation	0	6,457,656
	<u>63,947,177</u>	<u>71,212,373</u>

Movements during the year

Bridge Revaluation

Balance at beginning of year	719,043	565,345
Revaluation Increment	<u>771,781</u>	<u>153,698</u>
Balance at end of year	<u>1,490,824</u>	<u>719,043</u>

Building Revaluation

Balance at beginning of year	4,308,649	3,448,753
Revaluation Increment	<u>2,183,458</u>	<u>859,896</u>
Balance at end of year	<u>6,492,107</u>	<u>4,308,649</u>

Drainage Revaluation

Balance at beginning of year	4,442,897	3,044,336
Revaluation Increment	<u>6,004,602</u>	<u>1,398,561</u>
Balance at end of year	<u>10,447,499</u>	<u>4,442,897</u>

Land Revaluation

Balance at beginning of year	3,930,719	3,546,437
Revaluation Increment	<u>1,789,085</u>	<u>384,282</u>
Balance at end of year	<u>5,719,804</u>	<u>3,930,719</u>



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

	2010 \$	2009 \$
29 RESERVES (continued)		
Public Open Space		
Balance at beginning of year	35,585	35,585
Transfer to Ratepayers Equity	(35,585)	0
Balance at end of year	<u>0</u>	<u>35,585</u>
Road Revaluation		
Balance at beginning of year	35,642,010	32,014,815
Revaluation Increment	(319,946)	3,627,195
Balance at end of year	<u>35,322,064</u>	<u>35,642,010</u>
Sewerage Revaluation		
Balance at beginning of year	9,573,491	7,173,772
Revaluation Increment	0	2,399,719
Transfer to Ratepayers Equity	(9,573,491)	0
Balance at end of year	<u>0</u>	<u>9,573,491</u>
Share in associates		
Balance at beginning of year	6,102,323	5,170,323
Increase in Equity	0	932,000
Transfer to Ratepayers Equity	(6,102,323)	0
Balance at end of year	<u>0</u>	<u>6,102,323</u>
Water Revaluation		
Balance at beginning of year	6,457,656	4,660,660
Revaluation Increment	0	1,796,996
Transfer to Ratepayers Equity	(6,457,656)	0
Balance at end of year	<u>0</u>	<u>6,457,656</u>
Adjustment to value of Investment in Southern water		
Balance at beginning of year	0	0
Revaluation Increment	4,474,877	0
Balance at end of year	<u>4,474,877</u>	<u>0</u>
Total movements during the year		
Balance at beginning of year	71,212,373	59,660,026
Share in associates	0	932,000
Transfer to Ratepayers Equity	(22,169,055)	0
Revaluations	10,428,980	10,620,347
Adjustment to value of Investment in Southern water	4,474,877	0
Balance at end of year	<u>63,947,177</u>	<u>71,212,373</u>



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

	2010	2009
	\$	\$

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.

Equity Reconciliation

Total equity at beginning of year	144,380,772	128,818,603
Result from operations	2,957,463	4,009,822
Adjustment to value of Investment in Southern water	4,474,877	0
Change in net assets recognised Direct to Equity	22,169,055	932,000
Net increase in asset revaluation reserve	(11,740,073)	10,620,347
	162,242,094	144,380,772

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	4,350	17,398
One year or later and no later than five years	0	4,350
	4,350	21,748



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

32 SUPERANNUATION

Brighton Council makes Superannuation contributions for a number of its employees to the Quadrant Defined Benefit Fund, which is a sub fund of the Quadrant Superannuation Scheme. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 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 2008. The review disclosed as that time the net market value of assets available for funding member benefits was \$84,786,241, the value of vested benefits was \$81,398,000. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Scheme's financial statements for Council employees.

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

Net Investment Return	-17.0 % pa for 2008/09 and 7.0% p.a. Thereafter
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 benefits of all members at the review date and the actuarial value of accrued past service benefits.

At 30 June 2009, the net market value of assets available for funding member benefits had fallen to \$58,450,000 largely due to the poor investment returns that were experienced during the 2009 financial year. The value of vested benefits at that date was \$64,350,000 resulting in a shortfall of \$5,900,000. When the Fund's assets are below the vested benefits, superannuation law defines this as an "unsatisfactory financial position". As a result of the Fund moving into an unsatisfactory financial position the Quadrant Trustee prepared a plan to restore the financial position within a reasonable time frame. The plan noted the improved investment returns since 30 June 2009 and confirmed that the 9.5% contribution rate remained appropriate.

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 \$31,796 (2008-09 \$45,138) and the amount paid to accumulation schemes was \$296,533 (2007-08 \$317,692).



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

	2010 \$	2009 \$
33 RECONCILIATION OF NET OPERATING RESULT TO CASH PROVIDED FROM FROM OPERATING ACTIVITIES.		
Net operating result Statement of Comprehensive Income	2,957,463	4,009,822
Items Not Involving Cash		
Non Cash Contributions	(1,522,117)	(884,242)
Depreciation and Amortisation Expense	2,429,259	2,783,212
Associate Share of Profit	0	(117,000)
	907,142	1,781,970
Investing Activity		
Net (Gain)/loss on Disposal of Plant and Equipment	(308,304)	43,389
	(308,304)	43,389
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Rates Receivables	60,846	(47,822)
(Increase)/Decrease in Other Receivables	404,820	(496,787)
(Increase)/Decrease in Other Assets	212,833	(121,130)
Increase/(Decrease) in Payables	12,305	(274,813)
Increase/(Decrease) in Provisions	(47,992)	130,714
Increase/(Decrease) in Other Liabilities	(14,500)	(483,829)
	628,312	(1,293,667)
Net Cash Flow from Operating Activities	4,184,613	4,541,514



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

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, have provided a Public Liability & professional Liability Report as at December 7, 2009. Council achieved an overall score of 67%.

(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.



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

34 FINANCIAL INSTRUMENTS (continued)

Impairment Losses

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

Trade Receivables	30/6/2010	30/6/2009
Not past due	290,806	81,816
Not past due – Water consumption	2,646	651,850
Past due 0-30 days	9,304	9,047
Past due 31-60 days	34,320	0
Past due 61-90 days	14,397	2,587
More than 90 days	111,299	118,695
More than 90 days – Rates	103,415	164,261
More than 90 days – Water consumption	26,653	22,794
	592,839	1,051,050

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 2010.

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

(b) Liquidity Risk

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

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 7.87% (2009 – 9.17%) of the revenue of the preceding financial year.



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

34 FINANCIAL INSTRUMENTS (continued)

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:					
	Note	Floating Interest Rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non-Interest Bearing \$	TOTAL \$
Financial Assets 2010							
Cash at Bank/On Hand	5	201,822	0	0	0	0	201,822
Loans and Advances	7	0	4,211	16,069	0	0	16,280
Receivables	6	132,714	0	0	0	446,305	579,019
Investments	5	4,936,739	0	0	0	0	4,936,739
		5,271,275	4,211	16,069	0	446,305	5,733,860
Weighted avg. interest		5.41%	7.89%	7.89%	0.00%	0.00%	

Financial Liabilities 2010							
Loans	24,27	0	296,329	764,618	0	0	1,060,947
Deposits held in trust	26	0	0	0	0	156,227	156,227
Accounts payable	23	0	0	0	0	1,170,990	1,170,990
		0	296,329	764,618	0	1,327,217	2,388,164
Weighted avg. Interest			5.83%	6.28%	0.00%	0.00%	

		Fixed Interest Maturing in:					
	Note	Floating Interest Rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non-Interest Bearing \$	TOTAL \$
Financial Assets 2009							
Cash at Bank/On Hand	5	855,237	0	0	0	0	855,237
Loans and Advances	7	0	3,897	16,280	0	0	20,177
Receivables	6	838,905	0	0	0	205,780	1,044,685
Investments	5	3,608,464	0	0	0	0	3,608,464
		5,302,606	3,897	16,280	0	205,780	5,528,563
Weighted avg. interest		4.34%	7.89%	7.89%	0.00%	0.00%	

Financial Liabilities 2009							
Loans	24,27	0	1,368,623	995,684	65,263	0	2,429,570
Deposits held in trust	26	0	0	0	0	176,501	176,501
Accounts payable	23	0	0	0	0	1,184,096	1,184,096
		0	1,368,623	995,684	65,263	1,360,597	4,438,338
Weighted avg. Interest			4.10%	6.17%	6.38%	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 2010

2010
\$

2009
\$

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:

Financial Assets

Loans and Receivables	595,299	1,064,862
Cash and Cash equivalents	5,138,561	4,463,700

Financial Liabilities

Interest bearing liabilities	1,060,947	2,429,570
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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 2009.

At 30 June 2010, if interest rates had moved, as illustrated in the table below, profit and equity would have been affected as follows:

Sensitivity Analysis	Surplus / (Loss)		Equity	
	2010 \$	2009 \$	2010 \$	2009 \$
+ 200 basis points	105,426	106,052	105,426	106,052
- 200 basis points	(105,426)	(106,052)	(105,426)	(106,052)

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 2010

34 FINANCIAL INSTRUMENTS (continued)

(d) Net Fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Balance Sheet are as follows:

Revenue Fair Values	30 June 2010		30 June 2009	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
<i>Financial assets</i>				
Cash and cash equivalents				
Cash at bank/on hand	201,822	201,822	855,237	855,237
Investments	4,936,739	4,936,739	3,608,464	3,608,464
Loans and Advances	16,280	16,280	20,177	20,177
Receivables	579,019	579,019	1,044,685	1,044,685
Investment in Southern Water	55,865,753	55,865,753	0	0
	61,599,613	61,599,613	5,528,563	5,528,563
<i>Financial liabilities</i>				
Loans	1,060,947	1,078,353	2,429,570	2,468,628
Deposits held in trust	156,227	156,227	176,501	176,501
Accounts Payable	1,196,401	1,196,401	1,184,096	1,184,096
	2,413,575	2,430,981	3,790,167	3,829,225
Net financial assets	59,186,038	59,168,632	1,738,396	1,699,338

Carrying amounts classified as:	30 June 2010	30 June 2009
<i>Financial assets</i>		
Cash and cash equivalents	5,138,561	4,463,701
Loans and Receivables	595,299	1,064,862
Available for sale financial assets	55,865,753	0
	61,599,613	5,528,563
<i>Financial liabilities</i>		
Financial liabilities measured at amortised cost	2,413,575	3,790,167
	2,413,575	3,790,167
Net financial assets / (liabilities)	59,186,038	1,738,396

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 8.4% 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 0.45% 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 2010

34 FINANCIAL INSTRUMENTS (continued)

(e) Fair value Hierarchy

The table below analyses financial instruments carried at fair value by valuation method.

The different levels have been defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices)
- Level 3 – inputs for the assets or liability that are not based on observable market data.

30 June 2010	Level 1	Level 2	Level 3	Total
Available for sale financial assets	0	0	55,865,753	55,865,753
Financial assets at fair value through the comprehensive income statement	0	0	0	0
Financial assets held for trading				
Derivative financial assets	0	0	0	0
Total	0	0	0	55,865,753

There were no transfers between Level 1 and Level 2 in the period.

(f) Reconciliation of Level 3 Fair Value Movements

	30 June 2010
Opening balance	0
Investment on transfer of net assets	51,390,876
<i>Gains (losses) recognised in other comprehensive income</i>	
Change in fair value of investment in Southern Water	4,474,877
Closing balance	55,865,753



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

36 MICROWISE AUSTRALIA PTY LTD

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

- Own and manage the intellectual property contained in the PropertyWise software product.
- Create and develop new software products to meet the identified needs of existing and potential customers within local government and other public and private sectors.
- Provide software maintenance and technical support to existing customers.
- Provide upgrades and enhancements to a portfolio of products.
- Manage the relationship with marketing organisations to achieve market coverage and representation.
- The Council paid Microwise \$20,767 (2009 - \$20,261) in licence fees during the 2010 financial year.
- Directors Fees of \$28,000 (2009 - \$28,000) were paid during the 2010 financial year.

	2010	2009
	\$	\$
Financial Performance		
Revenue	730,043	342,733
Expenditure	291,199	269,890
Profit	438,844	72,843
Brighton Council Equity	482,506	\$256,947

The financial performance excludes any internal transactions with Brighton Council.

Microwise has been consolidated in the current year financial statements.

Microwise has separate financial statements that are audited by Wise Lord Fergusson.

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. As Microwise is a subsidiary of Brighton Council, all remuneration relating to this role is included and disclosed as part of the total remuneration within the Annual Report.



Notes to and forming part of the Financial Report

For the year ended 30 June 2010

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:

2010	2009
\$	\$
<u>15,970</u>	<u>24,394</u>

38 SUBSEQUENT EVENTS

Council has no significant events occurring after reporting date.