



**Brighton  
Council**

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# Annual Report 2020-2021





We acknowledge the traditional owners who once walked this country: the Mumirimina people.

The Mumirimina belonged to the Oyster Bay tribe. This was the largest tribe in Tasmanian and covered 8000 square kilometres. Kutalayna levee in Brighton was a significant meeting place where hundreds of generations of Aboriginal families hunted, gathered, corroboreed, camped and traded. In the course of colonisation, dispossession of the Mumirimina was early, rapid and extensive.

We acknowledge the Tasmanian Aboriginal Community today as the continuing custodians of this land, and pay our respects to Elders past and present.

Through our words and actions we strive to build a community that reflects and respects the history and hopes for all the people of Brighton.



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Brighton Regional Sports Pavilion, Pontville

# 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 2020/21 Annual Plan.
- The second part of the Annual Report incorporates the audited financial statements for the financial year.

## A snapshot of the Brighton Municipality

Brighton is located approximately 20 kilometres north of Hobart on the eastern side of the Derwent River and forms part of the urban-rural interface of Greater Hobart.

The municipality is bordered by Derwent Valley, Southern Midlands and Clarence Councils and is traversed by the Midland Highway, East Derwent Highway, the main north-south railway line and the Jordan River.

Before European arrival, the land to the east of the Jordan River formed part of the Oyster Bay Tribe territory and the land to the west was part of the Big River Tribe territory. Aboriginal fire management and hunting practices formed the grassland valley still visible today from Bagdad to the Derwent River. The Aboriginal name for this area of the Jordan River is kutralayna and it was the territory of the Mumirimina, one of the ten bands comprising the Oyster Bay tribe.

The Brighton Municipality covers an area of approximately 168 square kilometres. The municipality consists of nine suburbs.



Anzac Day 2021 – Rotary Club of Brighton





Australia Day Awards 2021



Australia Day Awards 2021

Dromedary, Honeywood and Tea Tree are predominantly rural. Bridgewater, Brighton, Gagebrook, Herdsmans Cove and Old Beach are predominantly urban and house the vast bulk of the population, and Pontville is a significant colonial era village.

Brighton is Tasmania's fastest growing community with a municipal population exceeding 17,000, and an annual growth rate well in excess of 2 per cent. By 2041 Brighton is expected to have a population of 22,489 following growth of 1.2% annually from 2019 to 2041.

Brighton has a relatively young population with an average age of 35 years compared to 40 years for Greater Hobart (ABS, 2018). This is primarily driven by the high proportion (37.5%) of the population aged under 25 years.

A high proportion of our community identify as Aboriginal and/or Torres Strait Islander at 9.4% compared to 4.6% for Tasmania overall (ABS 2016 Census data).

Brighton's economy has recorded considerable economic growth in recent years largely driven by growth in the transport, postal and warehousing, as well as health care and social assistance industries. Transport, postal and warehousing is anticipated to continue to grow strongly into the future being Brighton's fastest growing industry.

Industrial land use is a key feature of the municipality and its future growth. It is centred upon the Transport Hub, which is the major transport interchange for Southern Tasmania. A number of associated industrial areas providing for warehousing and freight-related commercial development and clustering industries are expected to continue to develop and, together, will constitute one of the region's three major industrial conglomerations, with the most potential to expand further.

Brighton township and the suburb of Old Beach are growing particularly quickly and in recognition of this a high school is now proposed for Brighton.

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

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

## Invitation for submissions

Members of the community are invited to make submissions on the Annual Report for discussion at Council's Annual General Meeting, which will be held at 5.00pm on Tuesday 14th December 2021. Any person wishing to make a submission should do so by close of business 6th December 2021.

# Mayor's message

**Tony Foster** AM OAM JP  
**Mayor of Brighton**



As my final year as Mayor of Brighton Council concluded, I was incredibly proud to look back and see how our community has grown and prospered over the past two decades and more.

It has been personally rewarding to see how the community has worked with Council to make Brighton Municipality modern, progressive, and forward-thinking. At the end of my term Council approved the Municipality's 2050 Vision which sets a direction for Brighton for the next 30 years. Under that Vision, the Council will play a key role in delivering future strategies to meet the Municipality's and region's economic, social, and environmental challenges.

Throughout my time as Mayor, I have firmly believed we should progress confidently and positively to ensure the best possible future for our community and our region.

As Mayor throughout much of the development and progress of our Municipality, I depart with the firm wish that current and future Councils will ensure local communities remain at the heart of all decision-making. Community makes a municipality thrive, and any council that ignores its community does so at its peril. I am confident our Council will continue to move forward with the very best interests of the Brighton community at heart.

I now take this opportunity to proudly present my last Mayor's report of your Council's achievements.

We started the financial year with a record capital works program of \$12.5 million to stimulate the local economy and provide enhanced services for our community.

This included, among many other initiatives:

- Construction of the Brighton Regional Sports Pavilion at Pontville.
- Stage 2 Bridgewater Parkland on the Bridgewater Foreshore.
- Green Point Road streetscape improvements and resurfacing.

In a long-awaited initiative, the State Government released its approved design requirements for the \$576 million replacement Bridgewater Bridge with construction due to begin next year and an opening by the end of 2024.

The State Government also released plans for the new Brighton High School to cater for the growth of the area, providing state-of-the-art education facilities. The Department of Education is working in partnership with Council on the master planning for the site, and community consultation is about to begin with concept plans developed. I worked for many years to secure this outcome, and I am particularly proud we are nearing the stage where work will begin to build this much-needed piece of infrastructure for our Municipality and our region.

The revitalisation of the Jordan River Learning Centre School Farm also began this year, securing another critical educational asset for our schools and community.

In addition, Council commissioned a new identity and rebranding strategy for the Brighton Industrial Estate and Transport Hub, recognising that the Brighton Hub, as it is now known, presents important commercial land to support local enterprise growth and future job opportunities.

The new brand is designed to position the estate as a more attractive prospect for future investors, tenants, and employees. While it will be some years in its development, the strategy will provide a framework for how the new Brighton Hub will look in the future and how it will provide an enhanced experience for future investors, those seeking job opportunities and for people in Brighton and the region using the Hub's amenities.

As part of Council's strategic planning activities, an updated long-term Financial Plan and Asset Management Plan were developed to guide Council's future.

The South-Central sub-region group of Councils (Brighton, Derwent Valley, Central Highlands and Southern Midlands Councils) formed the Southcentral Workforce Network to identify employment needs and opportunities, skills shortages, training requirements of business and industry to successfully connect local workforce to jobs. Through a Tasmanian Community Fund grant with additional support from Councils, Anthony McConnon was appointed as Workforce Development Coordinator for three years. This initiative has already been very successful and will expand its services and capability in 2021/22, linking with State Government's promised Jobs' Hub.

Brighton Council began work on a Reconciliation Action Plan (RAP) endorsed by the full Council. Its purpose is to move Council beyond conducting 'Acknowledgements of Country' and begin integrating meaningful actions and establishing relationships that bring Council closer to the vision of reconciliation in Australia. It will create a workplace culture that understands, values and respects the histories, cultures and contributions of Aboriginal and Torres Strait Islander people, particularly in our local area.

With the assistance of MONA, Council developed a public art strategy to add value to the cultural, aesthetic and economic vitality of Brighton Municipality. Public art contributes to community identity, fosters community pride, a sense of belonging and enhances the quality of life for residents.

There has been a distinct focus on planning and creating recreational spaces, parklands and playgrounds to meet the needs of our growing population.

In 2020/21 this included:

- Community consultation on a master plan for Gagebrook's Cris Fitzpatrick Park.
- Completing the Bridgewater Parkland Stage 2, which is a well-equipped and designed playground space.

Council continues its extensive tree planting program to enhance streetscapes and improve the beauty and appeal of the local environment. In 2020/21 this included the Polonia Bridge Park rewilding project undertaken in partnership with Hobart Airport and Spring Bay Mill.

Following extensive community consultation, Council implemented a Mobile Food Vendor Policy to provide a transparent and fair framework for mobile food businesses in the area and reduce the impact on residential amenities and existing businesses.

Council also undertook a comprehensive review of and community consultation on the Brighton Council Dog Management Policy and declared areas for community enjoyment, allowing for further construction of dog parks in Brighton and Bridgewater.

Brighton Council maintained its commitment to the lowest residential rate regime, while providing our community's full range of services and facilities. In response to the COVID emergency, there was no increase in the general rate for all ratepayers in the 2020/21 financial year.



This past year saw an increased focus on educating the community about waste minimisation. This was undertaken in conjunction with considerable community consultation and planning to introduce a Food Organics, Garden Organics (FOGO) collection service.

Other initiatives included the installation of the community's first electric vehicle charging station at Council's Offices, energy-efficient street lighting providing a net reduction of Council's carbon footprint of 36,000 tonnes of CO<sub>2</sub> annually and saving around \$100,000 in electricity charges each year.

On 30 June 2021, I officially retired as Mayor and Councillor after 34 years' service to the Municipality, with 28 years of continuous service as Mayor.

I leave the Council in an extremely sound position, proud that we offer the lowest residential rates in Tasmania, are debt-free, and have record levels of development and significant Council and government projects in the pipeline.

I thank the community for its continuing support of me throughout my tenure. I extend my very best wishes to Councillors and all Council staff. I am confident the Brighton Municipality will continue to thrive and achieve, and it goes without saying, I look forward to watching its progress as a private citizen.



Anzac Day 2021 – Remembrance Park, Brighton



# General Manager's message

**James Dryburgh,  
General Manager**



In my first year as General Manager of Brighton Council, I was extremely fortunate to lead our community in coming together to help Council develop a 2050 Vision. As a progressive Tasmanian council, in the midst of record growth and development and various waves of change, this was a very important process.

Brighton Council's 2050 Vision sets out the community's shared hopes and goals for the Municipality in the coming decades. It sets Council up to play a lead role in delivering on key strategies for the social, environmental and economic challenges that face our communities. It is honest, confident and optimistic and will help to guide us towards the best possible future for our communities.

Given the importance of this process, I have structured this year's message around our 2050 Vision goals. This puts focus on what we have achieved in 2020/21 and how these achievements move us towards achieving our future 2050 Vision goals.

## A thriving place

In the past few years, Council has deliberately up skilled in its ability to successfully obtain State and Federal grant opportunities that align with our long term vision, asset management plans and financial strategies. Increasing success in this area has enabled Council to bring forward investments in infrastructure and public facilities, meaning the community can enjoy them sooner.

This year saw the completion of the Brighton Regional Sports Pavilion at Pontville, an investment of over \$6 million from the Federal Government. Council has received wonderful feedback about the design and functionality of the new facility and the positive impact it is already making to increase both sports participation locally and indeed community events within the facility.

This year also saw almost \$2 million invested into Stage 2 of the Bridgewater Parkland project, again with the assistance of Federal funding. Bridgewater now has parks to rival those anywhere and Council will continue to invest in this exciting precinct in the heart of Bridgewater.

Council continues to work closely with the State Government to progress the design and development of the new Brighton High School and the precinct surrounding it. Council has been working with consultants and State Government departments to master plan the South Brighton growth precinct, the area surrounding the site selected for the new Brighton High School. Council has pursued rezoning plans, Urban Growth Boundary extension requests and lobbied the Government to review the Regional Land Use Strategy.

We are also working closely with State and Federal Government to ensure the Bridgewater Bridge Project is the best project it can be for our region.

We're always looking ahead and planning for the future. This year we progressed planning and design work on some new and exciting longer term projects, such as the Seymour Street Master Plan, which includes upgraded soccer facilities, traffic and parking improvements and new park facilities. We have also been preparing concepts for a town square in central Brighton.

This year saw a record number of dwelling approvals, with Council almost approving a dwelling a day. This continued growth far exceeds Treasury predictions and indeed the more optimistic predictions in past modelling. This highlights the critical role of Council to predict, plan for and manage growth. This includes both infrastructure and services, in the right places at the right time.

Council also commissioned a strategy and branding package for the Brighton Hub — a critical industrial and logistics centre of State significance. This Strategy included consultation with businesses in the precinct and provides Council with a guide to investing in the precinct to make it a more functional and attractive Hub, and critically a nicer place for the increasing number of people who work there. We believe the proposed actions in the strategy will also help drive external investment in the Hub, attracting new businesses to the area and increasing and broadening local employment opportunities.

## **A proud community**

This year saw the launch and extremely successful first year of our Regional Workforce Planning Project. In partnership with Derwent Valley, Southern Midlands and Central Highlands Councils and with support of a 3 year funding grant and wonderful ongoing support from the Tasmanian Community Fund, Brighton Council now employs Regional Workforce Coordinator Anthony McConnon to improve training and employment outcomes in the region and to work directly with employers to meet their needs. The success of the project has been profound, exceeding the 3 year KPIs within the first 12 months, with over 100 people placed in employment and a range of highly relevant training and employment services undertaken.

The success of this project has now led to significant State Government funding to

expand this project and create a full regional jobs hub. This will be auspiced by Brighton Council and will be based in the old Council Chambers in Pontville, servicing the wider region. I look forward to writing about its initial successes here next year.

In 2020, Council endorsed the commitment to develop a Reconciliation Action Plan (RAP). We have continued progressing our RAP, several staff and councillors have undertaken cultural awareness training, council has adjusted a number of policies and processes and is building deeper relationships.

In June 2021, Council completed the sale of its wholly owned software company Microwise. In late 2020, Council commissioned KPMG to undertake a full independent review into its wholly owned software company Microwise. The review looked deeply into the state of the company and its future. The review made it clear that this was the right time to sell the business. It was at a critical point in its evolution, needing significant investment to continue its growth pathway and better-placed in the private sector.

Everyone involved in the 20 year story of Microwise should be very proud, it has served council and the sector well and supported Council's financial model. The sale has been a great success with all staff transferring to the new ownership and the business remaining in Brighton as a proud local business success. All accumulated profits and assets have transferred to Council ownership for the benefit of the community.

Brighton Council continues to provide a range of professional services to other Councils to assist our friends, provide opportunity and professional development to our staff and to maximise our financial efficiencies. This year we provided regular services to other councils in the areas of

engineering, records management, corporate services and plumbing. The provision of these professional services produced both revenue and savings to council.

## A good life at every age

There has been a distinct focus on planning for and creating well thought through recreational spaces, parklands and playgrounds that meet the needs of our growing population. In 2020/21 this included:

- Community consultation on a master plan for Gagebrook's Cris Fitzpatrick Park.
- Completion of the Bridgewater Parkland Stage 2, which includes a well-equipped and designed playground space.

Council was successful in securing several grants in the lead up to the State Election, securing \$250,000 each for a neighbourhood park in Herdsmans Cove and towards the Cris Fitzpatrick Park upgrades in Gagebrook.

We have strengthened relationships with MONA, leasing Council's old nursery in Bridgewater to them and supporting their activities there and at Bond Place, Gagebrook.

We have established a strong relationship with Landcare and seeded the establishment of a local group in Old Beach and Bridgewater.

## A comfortable home

The 2050 Vision highlighted the importance of Council building strong relationships to ensure we can collaborate with other organisations as much as possible to create a safe, clean and tidy place to live, boosting community health and wellbeing. These collaborations are a key way of ensuring we don't miss opportunities and we maximise the further development of infrastructure, services, events and community buildings.

Council continues its extensive tree planting to enhance streetscapes and improve the

beauty and appeal of the local environment. In 2020/21 this included the Polonia Bridge Park rewilding project in partnership with Hobart Airport and Spring Bay Mill.

## Caring council

We renewed our Long Term Financial Plans and Asset Management Plans this year. This work provided us with basic plans for our infrastructure investment over the next ten years – maintenance, renewal and new infrastructure. This important piece of work demonstrated that Council remains financially sustainable and can continue its long term policy of keeping rates low for our community.

Council continues its strong partnerships with the Police and Community Youth Club, supporting their operations, and Centacare, collaborating on housing projects and partnering in grant applications for public realm projects such as parks and pedestrian links. We continue to support the Hobart Gymnastics Academy providing their facility and supporting attempts to have it upgraded. Council also provides ongoing support to Brighton Alive and to the Brighton Care Collective.

## Sustainable environment

This past year saw an increased focus on education around waste minimisation, in conjunction with extensive community consultation and planning for the introduction of a Food Organics, Garden Organics (FOGO) service.

Council has been reviewing and modelling different approaches to waste management in the future. The costs of waste management are increasing rapidly, there is a strong need for society to manage waste more sustainably and with fewer emissions and the State Government has adopted significant changes such as the Waste Levy and Container Deposit Scheme. Council surveyed the community and



received an impressive volume of feedback regarding the introduction of a Food Organics and Garden Organics (FOGO) service. We asked not only whether or not people wanted the service, but in what form and what price points were deemed acceptable. The clear majority wanted the service to be introduced and we used the other information to guide the design of the service introduced in 2021.

Brighton Council continues to implement its Climate Change and Resilience Strategy, which continues to produce significant savings as well as reducing Council's emissions. The installation of energy efficient street lighting providing a net reduction of Council's carbon footprint of 36,000 tonnes of CO2 annually and saving around \$100,000 from electricity bills each year.

Council has installed additional solar panels, changed heating and lighting and replaced petrol cars with hybrids further reducing costs and emissions.

Council also continues its popular Greening Brighton Strategy, with significant number of street trees planting every year.

## Thank you

On 30 June 2021, Tony Foster officially retired as Mayor and Councillor after 34 years' service to the Municipality, with 28 years continuous service as Mayor.

He leaves behind a great legacy, with the Council in an extremely sound position, the lowest residential rates in Tasmania, debt free and with record levels of development and significant Council and government projects in the pipeline.

On behalf of the team, I would like to thank Tony for all his efforts and achievements over many years and extend my very best wishes to him and his family in retirement.



Riverside Drive, Bridgewater



# Councillors as at 30th June 2021



## Cr Tony Foster (Mayor)

**Terms as Councillor:**

**1985 – 1988**

**1990 – 2021**

**Terms as Mayor:**

**1993 – 2021**

**Committee Representation:**

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



## Cr Wayne Garlick

**Terms as Councillor:**

**1999 – 2000**

**2003 – 2005**

**2007 – 2021**

**Committee Representation:**

- Finance
- Parks & Recreation
- Planning



## Cr Barbara Curran (Deputy Mayor)

**Terms as Councillor:**

**1996 – 2021**

**Term as Deputy Mayor:**

**2014 – 2021**

**Committee Representation:**

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

**Council Representative:**

- Southern Tasmanian Councils Association



## Cr Peter Geard

**Terms as Councillor**

**1984 – 1993**

**1997 – 2021**

**Committee Representation:**

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

**Council Representative:**

- Emergency Management Advisory Committee
- Hobart Fire Management Area Committee
- Old Council Chambers User Group (Chairperson)



## Cr Leigh Gray

**Terms as Councillor:**  
**2005 – 2021**

Committee Representation:

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

Council Representative:

- Cycling South
- Southern Tasmanian Councils Association (Alt Rep)
- TasWater (Owner Rep)



## Cr Philip Owen

**Terms as Councillor**  
**1989 – 2021**

Committee Representation:

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

Council Representative:

- TasWater (Deputy Rep)



## Cr Moya Jeffries

**Terms as Councillor**  
**2007 – 2021**

Committee Representation:

- Environment & Heritage
- Planning



## Cr Jessica Whelan

**Terms as Councillor**  
**2018 – 2021**

Committee Representation:

- Environment & Heritage
- Finance
- Parks & Recreation (Deputy Chair)
- Planning
- Waste Management



## Cr Tennille Murtagh

**Terms as Councillor**  
**2018 – 2021**

Committee Representation:

- Environment & Heritage
- Parks & Recreation
- Planning

Council Representative:

- Emergency Management Advisory Committee

# Overview and highlights from our strategies

## 1. Strengthen our communities

### Understand/improve health and wellbeing

#### We have:

- Supported the large local presence in Bridgewater's Hobart Gymnastics Academy through the Microwise building ownership, including COVID19 financial relief.
- Finalised the Cris Fitzpatrick Park Master Plan 2021.
- Supported the Brighton Care Collective and the Bridgewater PCYC.
- Lobbied for greater investment in local health services.

### Create housing/employment/play/education (liveability)

#### We have:

- Commenced a Master Plan for South Brighton incorporating the new Brighton High School.
- Engaged with landowners as the first step in rezoning around Sorell Street and Samuel Street, Bridgewater for infill development.
- Became the fourth Council in Tasmania to be operating under the Tasmanian Planning Scheme.
- Lobbied for external funding for community infrastructure, especially in proximity to affordable housing developments.
- Employed and supported a regional workforce development officer and lobbied for greater investment in local skills and training.

### Provide public facilities/amenities

#### We have:

- Reviewed waste management systems and transfer station operations.
- Provided new female changerooms and toilet facilities at Weily Park, Bridgewater and Pontville Park, Pontville.
- Completed Stage 2 of Bridgewater parkland development with only the toilet block building works remaining.
- Constructed a new Regional Sports Facility at Pontville Park including clubrooms, function centre and changerooms to service Thompson and Ferguson Ovals.
- Continued working with Cricket Tasmania and other stakeholders to develop Pontville Park into a first-class regional sporting venue.
- Commenced ground preparation works for a new shed at Pontville Park for the Show Society and dog user groups.
- Upgraded the Pontville memorial toilets.

### Support connected communities

#### We have:

- Constructed new disabled access kerb ramps.
- Completed shelters along the walkway from Herdsmans Cove to Bridgewater.
- Continued improving disability access and an aged friendly community.
- Installed a wombat crossing on Hurst Street to provide better connectivity and safety in the shopping precinct.
- Supported Brighton Alive administration.

## Build a resilient community and environmentally sustainable future

### We have:

- Worked with Centacare Evolve to facilitate the implementation of the Holmes Dyer master plan for Bridgewater, Herdsmans Cove and Gagebrook.
- Continued implementing the Greening Brighton Strategy through new street tree plantings.
- Continued boxthorn eradication.
- Continued investing in public realm and open space improvements.
- Continued improving Council's sustainability and reducing council's ecological footprint, including efficiency improvements to council buildings.
- Finalised the Public Art Strategy 2021.
- Employed a Climate Resilience Officer to help deliver the Climate Change and Resilience Strategy.
- Upgraded streetlight to LED's.

## 2. Create 2–3 hubs for our Connector Satellite City

### Education/capability build

#### We have:

- Facilitated and provided support for MONA's community development work at Bond Place, and Eddington Street Nursery.
- Worked with the Department of Education to deliver the School Farm and the development of the new Brighton High School.

### Support further development of a “business and logistics hub”

#### We have:

- Finalised the Brighton Industrial Estate Place and Brand Strategy 2020.
- Commenced investigating the viability of a renewable energy hub.



Weily Park Oval, Bridgewater





Brighton Regional Sports Pavilion



Stage 2 – Bridgewater Parkland



### 3. Drive infrastructure development

#### Support 30% growth target

##### We have:

- Updated transport and stormwater asset management plans.
- Continued to pursue grant funding for strategic capital projects.
- Provided affordable housing on vacant Council land.
- Sold and/or transferred vacant Council owned land to Centacare Evolve Housing for the purpose of affordable housing and open space improvements.
- Submitted an application to extend the urban growth boundary as recommended by the Brighton Structure Plan 2018.

#### Implement Strategic Asset Management Plan (existing and new)

##### We have:

- Reconstructed sections of Green Point Road, Bridgewater, Jetty Road, Old Beach and Augustus Street, Brighton.
- Reconstructed a section of Footpath along the East Derwent Highway near Cowle Road, Bridgewater. Sealed an unsealed section of Millvale Road, Dromedary.

#### Enabling infrastructure

##### We have:

- Constructed two stormwater upgrades to reduce flooding issues in Bridgewater.
- Replaced Rifle Range Road bridge, Pontville.

### 4. Ensure a stable organisation

#### Ensure financial and risk sustainability

##### We have:

- Kept the general rate increase to Hobart CPI as a long-term average.
- Closely monitored the economic impacts of COVID-19.
- Updated our Financial Management Strategy and Long-Term Financial Management Plan

#### Be well-governed

##### We have:

- Continued succession planning for all positions.
- Continued professional service provisions to enhance experience and best practice.

#### A shaping agenda facilitated through strong engagements

##### We have:

- Promoted educational and workforce development with government and regional councils.
- Pursued partnerships with other organisations.

#### Long-term thinking and evidence-based

##### We have:

- Continued implementing key strategies and plans, including implementing the Brighton Structure Plan 2018 and Bridgewater Parklands Master Plan 2016.
- Commenced Master Plans for Seymour Street Park and Andrew Street, Brighton streetscape.
- Commenced optimising community benefit from Council owned land and infrastructure.
- Undertook 2050 Vision process.

## 5. Public health

### We have:

- Conducted monthly immunisation clinics, annual school immunisations and promoted the need for immunisation.
- Ensured proper provision of on-site effluent disposal in compliance with relevant standards.
- Undertook routine inspection of places of public assembly, food premises, public health risk activities and water carters to ensure compliance with relevant legislation.
- Promptly investigated environmental health complaints.
- Maintained an effective analysis program for food, recreational waters and general complaints.
- Complied with COVID-19 guidelines and Public Health advice.

## 6. Risk management

### We have:

- Continued to keep risk exposure to a minimum by helping reduce injuries and potential loss. Management practices involved identifying risks, analysing and treating by taking appropriate action.
- Continued to be proactive in inspections and reviews of roads, footpaths, written agreements with clubs/user groups, building & financial services, town planning and recreation functions.
- Educate community groups on importance and activities involved with risk management and Covid-19 safety plans.



Rifle Range Road, Pontville Bridge replacement

# Brighton Council's 2050 Vision

In 2020, Brighton Council set out with the whole community to create a bold and optimistic plan for the future of Brighton Municipality over the next 30 years. That 30-year plan is called 2050 Vision.

2050 Vision lays out our shared hopes and goals as a community for the coming decades. It also acknowledges and responds to our current social, environmental and economic challenges.

2050 Vision has a clear focus on the things that Brighton Council has the power to shape and influence.

The 2050 Vision was developed by consulting closely with the community between August and October 2020. It was extremely important that the Vision represented the needs and aspirations of people living, working, visiting, operating businesses and owning property in the Municipality.

There were 614 people who completed the survey, including 100 younger people plus well over 100 face to face participants via interviews or workshops that were conducted to hear firsthand people's ideas for the future.

2050 Vision is a statement of our collective aspirations for the future. By imagining together how Brighton could be in 2050, we are creating a way to make it happen.

In essence the 2050 Vision work with local residents, businesses, visitors and other stakeholders identified six areas that will help guide and shape the future of the Brighton Municipality.

## Our 2050 Vision

Our place is **THRIVING**: a destination for business, learning and creation.

Our home is **COMFORTABLE**: safe, clean and peaceful with services and facilities for all.

Our community is **PROUD**: we embrace who we are now, while celebrating our ancient past.

Our Council **CARES**: progressive and consultative, it combines fair rates with great services.

A **GOOD LIFE** at every age: opportunities for all from the young to the elderly.

Our **ENVIRONMENT** is cherished: we act sustainably and are mindful of climate change.



2050 Vision workshop



BRIGHTON COUNCIL

# 2050 VISION



Participants at 2050 Vision workshop

# Performance statistics — environment and development

|  | 2021 | 2020 |
|--|------|------|
| <b>ANIMAL CONTROL</b>                        |      |      |
| Total number of dogs registered with Council | 4333 | 3781 |
| Number of complaints                         | 135  | 83   |
| Number of dogs taken to Hobart Dog Home      | 76   | 105  |

|  |                             |                              |
|--|-----------------------------|------------------------------|
| <b>LAND USE PLANNING AND BUILDING</b>        |                             |                              |
| Number of Development Applications processed | 411                         | 395                          |
| Number of Subdivision Applications processed | 54                          | 38                           |
| Total number of new lots created             | 35 land<br>+ 70 Strata lots | 121 land<br>+ 44 Strata lots |
| Number of Building Permits processed         | 336                         | 292                          |
| Value of Building Approvals                  | \$90.9 million              | \$80.6 million               |

|   |          |          |
|---|----------|----------|
| <b>ENVIRONMENTAL HEALTH</b>               |          |          |
| Number of Vaccinations                    | 173      | 200      |
| Number of Food Premises Registered        | 115      | 123      |
| Number of complaints                      | 215      | 217      |
| Number of Food Samples taken              | 0*       | 0*       |
| Number of On-site Wastewater Applications | 45       | 50       |
| Total Expenditure on Public Health        | \$12,000 | \$14,000 |

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

# Governance

## Public Interest Disclosure Act 2002

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

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

## Donation of Land Statement – Section 177 – Local Government Act 1993

Section 177 of the *Local Government Act 1993*, requires Council to report on any land donated by Council during the year. It is reported that no land was donated during the 2020/21 financial year.

## Public Tenders – Local Government (General) Regulations 2015

Regulation 29(1) of *Local Government (General) Regulations 2015* requires that Council reports any contract for the supply or provision of goods and services valued at or exceeding \$250,000 (excluding GST) during the financial year.

Four tenders were called and awarded during the 2020/21 financial year:

- Brighton Regional Sports Pavilion (3/7/2020) Fairbrother 12 Stony Rise Road, Devonport, TAS 7310 – \$5,364,470
- Green Point Road Pavement Rehabilitation + Civil Works (14/8/2020) Stabilised Pavements of Australia 3/27 Crooket Billet Drive, Bridgewater, TAS 7030 – \$724,001.21
- Elderslie Road Widening, Overlay and Seal Tender (9/6/2021) Andrew Walter Construction 4 Whitestone Dr, Granton, TAS 7030 – \$349,789.92
- Brighton Reseal Tender (21/8/2020) Downer EDI Works Pty Ltd 3 Whitestone Drive, Austins Ferry, TAS 7011 – \$272,680.70



Regulation 29(2) of *Local Government (General) Regulations 2015* requires that Council reports any contract for the supply or provision of goods and services valued at or above \$250,000 (excluding GST) granted in extenuating circumstances during the financial year.

- There were no contracts awards under Regulation 27(a) or (i)

Regulation 29(3) of *Local Government (General) Regulations 2015* requires that Council reports any contract for the supply or provision of goods and services valued at or exceeding \$100,000 (excluding GST) but less than \$250 000 during the financial year.

One contract was awarded:

- 240Lt FOGO bins and caddies (29/6/2021)  
Mastec Australia Pty Ltd 76–78 West Avenue, Edinburgh, SA 5111 – \$233,220

## Risk management

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

Our staff continues to invest considerable time and effort in implementing Council's Risk Management Strategy.

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

Council continued to make significant improvements in all areas of risk management over the past twelve months and general work practices now involve risk assessments at all levels.

Council is actively committed to the prevention and control of risks throughout the municipality in order to maintain and enhance quality of living for its employees, contractors, residents and visitors.

The 2020/21 year exposed the municipality to COVID19; Council followed State Government Health guidelines in relation to managing any risks associated with the pandemic, and continue to manage risks as they arise.

## Local Government Shared Services

Brighton Professional Services experienced a decline during 2020/21 when compared to previous years.

During 2020/21 over 2,618 hours of professional services were provided by Brighton to other councils delivering a net benefit to Council of \$173,000.

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

In accordance with Section 72(1)(ba) of the *Local Government Act 1993*, it is reported that there were no Code of Conduct determinations during the year.

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

In accordance with Section 72(1)(bb) of the *Local Government Act 1993*, it is reported that the total cost met by the Council in respect of the code of conduct complaints was \$0.

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

In accordance with Section 72(1)(ca) of the *Local Government Act 1993*, it is reported that Council formed a company Microwise Australia Pty Ltd in 1999, to market local government software.

During the financial year, Council engaged KPMG to provide advice to the Microwise Board to assist in a review of its business operations including risk, and to recommend a future strategy.

The board supported a recommendation to sell Microwise and full Council supported this decision. This transaction to discontinue operations occurred on 30th June 2021.

The financials and accounting entries relating to the annual performance of this company are included in the Financial Statements together with the net results from the discontinued operations.

## Councillor attendance

| NAME                       | NO. OF MEETINGS HELD | ATTENDED | %    |
|----------------------------|----------------------|----------|------|
| ORDINARY COUNCIL MEETING   |                      |          |      |
| Cr T Foster (Mayor)        | 12                   | 11       | 92%  |
| Cr B Curran (Deputy Mayor) | 12                   | 12       | 100% |
| Cr W Garlick               | 12                   | 10       | 83%  |
| Cr P Geard                 | 12                   | 11       | 92%  |
| Cr L Gray                  | 12                   | 12       | 100% |
| Cr M Jeffries              | 12                   | 9        | 75%  |
| Cr T Murtagh               | 12                   | 11       | 92%  |
| Cr P Owen                  | 12                   | 12       | 100% |
| Cr J Whelan                | 12                   | 12       | 100% |
| ANNUAL GENERAL MEETING     |                      |          |      |
| Cr T Foster (Mayor)        | 1                    | 1        | 100% |
| Cr B Curran (Deputy Mayor) | 1                    | 1        | 100% |
| Cr W Garlick               | 1                    | 0        | 0%   |
| Cr P Geard                 | 1                    | 1        | 100% |
| Cr L Gray                  | 1                    | 1        | 100% |
| Cr M Jeffries              | 1                    | 1        | 100% |
| Cr T Murtagh               | 1                    | 1        | 100% |
| Cr P Owen                  | 1                    | 1        | 100% |
| Cr J Whelan                | 1                    | 1        | 100% |

| NAME                            | NO. OF MEETINGS HELD | ATTENDED | %    |
|---------------------------------|----------------------|----------|------|
| <b>SPECIAL COUNCIL MEETING</b>  |                      |          |      |
| Cr T Foster (Mayor)             | 2                    | 2        | 100% |
| Cr B Curran (Deputy Mayor)      | 2                    | 2        | 100% |
| Cr W Garlick                    | 2                    | 0        | 0%   |
| Cr P Geard                      | 2                    | 1        | 50%  |
| Cr L Gray                       | 2                    | 2        | 100% |
| Cr M Jeffries                   | 2                    | 2        | 100% |
| Cr T Murtagh                    | 2                    | 2        | 100% |
| Cr P Owen                       | 2                    | 2        | 100% |
| <b>PLANNING</b>                 |                      |          |      |
| <b>MEMBERS</b>                  |                      |          |      |
| Cr L Gray (Chairperson)         | 7                    | 7        | 100% |
| Cr P Owen (Deputy Chair)        | 7                    | 7        | 100% |
| Cr B Curran (Deputy Mayor)      | 7                    | 6        | 86%  |
| Cr T Foster (Mayor)             | 7                    | 5        | 71%  |
| Cr W Garlick                    | 7                    | 7        | 100% |
| Cr P Geard                      | 7                    | 7        | 100% |
| Cr M Jeffries                   | 7                    | 6        | 86%  |
| Cr T Murtagh                    | 7                    | 7        | 100% |
| Cr J Whelan                     | 7                    | 7        | 100% |
| <b>ENVIRONMENT AND HERITAGE</b> |                      |          |      |
| <b>MEMBERS</b>                  |                      |          |      |
| Cr B Curran (Chairperson)       | 2                    | 2        | 100% |
| Cr P Geard (Deputy Chair)       | 2                    | 2        | 100% |
| Cr T Foster                     | 2                    | 2        | 100% |
| Cr M Jeffries                   | 2                    | 2        | 100% |
| Cr T Murtagh (November-June)    | 2                    | 2        | 100% |
| Cr P Owen                       | 2                    | 2        | 100% |
| Cr J Whelan (November-June)     | 2                    | 2        | 100% |
| <b>IN ATTENDANCE</b>            |                      |          |      |
| Cr Garlick                      |                      | 2        |      |
| Cr Gray                         |                      | 2        |      |



| NAME                         | NO. OF MEETINGS HELD | ATTENDED | %    |
|------------------------------|----------------------|----------|------|
| <b>WASTE MANAGEMENT</b>      |                      |          |      |
| <b>MEMBERS</b>               |                      |          |      |
| Cr P Owen (Chairperson)      | 1                    | 1        | 100% |
| Cr B Curran (Deputy Chair)   | 1                    | 1        | 100% |
| Cr T Foster                  | 1                    | 1        | 100% |
| Cr W Garlick                 | 1                    | 1        | 100% |
| Cr P Geard                   | 1                    | 0        | 0%   |
| Cr L Gray                    | 1                    | 1        | 100% |
| Cr J Whelan                  | 1                    | 1        | 100% |
| <b>IN ATTENDANCE</b>         |                      |          |      |
| Cr M Jeffries                |                      | 1        |      |
| Cr T Murtagh                 |                      | 1        |      |
| <b>FINANCE</b>               |                      |          |      |
| <b>MEMBERS</b>               |                      |          |      |
| Cr T Foster (Chairperson)    | 5                    | 5        | 100% |
| Cr B Curran (Deputy Chair)   | 5                    | 4        | 80%  |
| Cr W Garlick                 | 5                    | 5        | 100% |
| Cr L Gray                    | 5                    | 5        | 100% |
| Cr M Jeffries (July–October) | 2                    | 1        | 50%  |
| Cr P Owen                    | 5                    | 5        | 100% |
| Cr J Whelan                  | 5                    | 5        | 100% |
| <b>IN ATTENDANCE</b>         |                      |          |      |
| Cr P Geard                   |                      | 5        |      |
| Cr T Murtagh                 |                      | 5        |      |
| Cr M Jeffries                |                      | 3        |      |

# Independent Audit Report



## Independent Auditor's Report

### To the Councillors of Brighton Council

### Report on the Audit of the Financial Report

#### Opinion

I have audited the financial report of Brighton Council (Council), and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021 and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the General Manager.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, the Group's financial position as at 30 June 2021 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

#### Basis for Opinion

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

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

My audit responsibility does not extend to the budget figures included in the financial report and the asset renewal funding ratio disclosed in note 10.4(f) to the financial report and accordingly, I express no opinion on them. Furthermore, I express no opinion on the General Manager's determination that Council did not have any Significant Business Activities for

inclusion in the financial report as required by Section 84(2)(da) of the *Local Government Act 1993*.

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

### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

| Why this matter is considered to be one of the most significant matters in the audit   | Audit procedures to address the matter included   |
|--|---|
| <b>Property and infrastructure assets</b><br><i>Refer to note 3.4, 6.1, 9.1 and 9.8</i>  |   |
| <p>Property, infrastructure, plant and equipment at 30 June 2021 includes land, buildings and infrastructure assets including roads, bridges and drainage assets totalling \$158.01m recognised at fair value.</p> <p>The fair values of these assets are based on market values and replacement cost. Council undertakes formal revaluations on a regular basis to ensure valuations represent fair value. Indexation is applied to fair values between formal valuations.</p> <p>The calculation of fair values is judgemental and highly dependent on a range of assumptions and estimates.</p> <p>In 2020-21 Council revalued land, buildings and all infrastructure assets, applying indexation determined by internal and external experts.</p> <p>The calculation of depreciation requires estimation of asset useful lives, which involves a high degree of subjectivity. Changes in assumptions and depreciation policies can significantly impact the depreciation charged.</p> <p>Capital expenditure in 2020-21 totalled \$10.05m on a number of significant programs to upgrade and maintain assets. Capital projects can contain a combination</p> | <ul style="list-style-type: none"> <li>• Evaluating the appropriateness of the valuation methodology applied to determine fair values.</li> <li>• Reviewing management's approach to revaluations to ensure that carrying amounts remain fairly presented.</li> <li>• Evaluating management's assessment of the useful lives.</li> <li>• Performing substantive detailed and analytical procedures on depreciation expense.</li> <li>• Testing, on a sample basis, significant expenditure on maintenance and capital works to corroborate appropriate treatment.</li> <li>• Testing, on a sample basis, capital work-in-progress to ensure that active projects will result in usable assets and that assets commissioned are transferred in a timely manner.</li> <li>• Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.</li> </ul> |



| Why this matter is considered to be one of the most significant matters in the audit  | Audit procedures to address the matter included |
|---|---|
| of enhancement and maintenance activity which are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental. |   |

### Responsibilities of the General Manager for the Financial Report

The General Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1993* and for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

- Conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

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

From the matters communicated with the General Manager, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Jeff Tong  
**Assistant Auditor-General, Financial**  
**Delegate of the Auditor-General**  
Tasmanian Audit Office

2 December 2021  
Hobart

# Statement by the General Manager

Brighton Council  
2020-2021 Financial Report

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## Certification of the Financial Report

The financial report presents fairly the financial position of the Brighton Council as at 30 June 2021 and the results of its operations and cash flows for the year then ended, in accordance with the *Local Government Act 1993* (as amended), Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board.



James Dryburgh  
General Manager

Date : 29/11/2021



# Statement of Comprehensive Income

for the year ended 30 June 2021

|  | Note     | Budget<br>2021<br>\$ | Actual<br>2021<br>\$ | Actual<br>2020<br>\$ |
|--|----------|----------------------|----------------------|----------------------|
| <b>INCOME</b>  |          |                      |                      |                      |
| <b>Recurrent Income</b>  |          |                      |                      |                      |
| Rates and charges  | 2.1      | 10,124,904           | 10,359,756           | 10,001,630           |
| Statutory fees and fines   | 2.2      | 799,256              | 849,915              | 858,739              |
| User fees  | 2.3      | 582,500              | 1,109,556            | 821,252              |
| Grants   | 2.4      | 2,219,864            | 2,314,618            | 1,883,254            |
| Contributions – cash   | 2.5      | 175,000              | 85,140               | 69,065               |
| Interest   | 2.6      | 97,075               | 28,597               | 109,938              |
| Commercial activities  | 2.7      | 1,165,829            | 502,650              | 573,658              |
| Investment revenue from water corporation                                    | 2.9, 5.1 | 308,000              | 308,000              | 308,000              |
|  |          | <b>15,472,428</b>    | <b>15,558,232</b>    | <b>14,625,536</b>    |
| <b>Capital Income</b>  |          |                      |                      |                      |
| Capital grants received specifically for new or upgraded assets              | 2.4      | –                    | 7,616,800            | 340,861              |
| Contributions – non-monetary assets  | 2.5      | –                    | 42,000               | 1,152,168            |
| Net gain/(loss) on disposal of property, infrastructure, plant and equipment | 2.8      | –                    | (126,968)            | (243,235)            |
| Fair value adjustments for investment property                               | 6.2      | –                    | –                    | –                    |
|  |          | <b>–</b>             | <b>7,531,832</b>     | <b>1,249,794</b>     |
| <b>Total income</b>  |          | <b>15,472,428</b>    | <b>23,090,064</b>    | <b>15,875,330</b>    |
| <b>EXPENSES</b>  |          |                      |                      |                      |
| Employee benefits  | 3.1      | (4,479,646)          | (6,293,409)          | (5,154,825)          |
| Materials and services   | 3.2      | (5,725,926)          | (5,059,338)          | (5,492,056)          |
| Contributions  | 3.3      | (1,135,809)          | (1,133,329)          | (1,187,122)          |
| Commercial activities  | 3.5      | (32,000)             | (56,531)             | (32,575)             |
| Depreciation and amortisation  | 3.4      | (3,081,610)          | (3,461,668)          | (3,464,256)          |
| Other expenses   | 3.6      | (615,315)            | (410,073)            | (434,177)            |
| <b>Total expenses</b>  |          | <b>(15,070,306)</b>  | <b>(16,414,347)</b>  | <b>(15,765,012)</b>  |

|   | Note        | Budget<br>2021<br>\$ | Actual<br>2021<br>\$ | Actual<br>2020<br>\$ |
|---|-------------|----------------------|----------------------|----------------------|
| <b>Net result for the year from continuing operations</b>             |             | <b>402,122</b>       | <b>6,675,718</b>     | <b>110,318</b>       |
| <b>Net result from discontinued operations - Microwise</b>            |             |                      |                      |                      |
| Revenue from commercial activities                                    |             |                      | 1,279,788            | 1,075,709            |
| Expenses from commercial activities                                   |             |                      | (588,466)            | (419,647)            |
| Gain from sale of discontinued operations                             |             |                      | –                    | –                    |
| <b>Net result from discontinued operations</b>                        | <b>10.2</b> |                      | <b>691,322</b>       | <b>656,062</b>       |
| <b>Net result for the year</b>  |             |                      | <b>7,367,039</b>     | <b>766,379</b>       |
| <b>OTHER COMPREHENSIVE INCOME</b>                                     |             |                      |                      |                      |
| <b>Items that will not be reclassified subsequently to net result</b> |             |                      |                      |                      |
| Fair value adjustments on equity investment assets                    | 5.1,9.1     | –                    | 3,346,076            | (12,502,285)         |
| Net asset revaluation increment/(decrement)                           | 9.1         | –                    | 4,822,391            | 6,735,964            |
| <b>Total other comprehensive income</b>                               |             | <b>–</b>             | <b>8,168,467</b>     | <b>(5,766,321)</b>   |
| <b>Total comprehensive result</b>                                     |             | <b>402,122</b>       | <b>15,535,506</b>    | <b>(4,999,942)</b>   |

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

# Statement of Financial Position

as at 30 June 2021

|  | Note | 2021<br>\$         | 2020<br>\$         |
|--|------|--------------------|--------------------|
| <b>ASSETS</b>                                  |      |                    |                    |
| <b>Current assets</b>                          |      |                    |                    |
| Cash and cash equivalents                      | 4.1  | 3,672,588          | 3,730,361          |
| Trade and other receivables                    | 4.2  | 3,046,818          | 886,393            |
| Investments                                    | 4.3  | 3,150,199          | 2,850,199          |
| Other assets                                   | 4.4  | 313,585            | 226,142            |
| Non-current assets classified as held for sale | 4.5  | 1,415,883          | 845,883            |
| <b>Total current assets</b>                    |      | <b>11,599,073</b>  | <b>8,538,978</b>   |
| <b>Non-current assets</b>                      |      |                    |                    |
| Trade and other receivables                    | 4.2  | 173,308            | 287,702            |
| Investment in water corporation                | 5.1  | 44,762,217         | 41,416,141         |
| Property, infrastructure, plant and equipment  | 6.1  | 159,410,153        | 148,835,560        |
| Investment property                            | 6.2  | 854,276            | 690,000            |
| Intangible assets                              | 6.3  | 26,333             | 43,666             |
| <b>Total non-current assets</b>                |      | <b>205,226,287</b> | <b>191,273,069</b> |
| <b>Total assets</b>                            |      | <b>216,825,360</b> | <b>199,812,047</b> |
| <b>LIABILITIES</b>                             |      |                    |                    |
| <b>Current liabilities</b>                     |      |                    |                    |
| Trade and other payables                       | 7.1  | 1,755,883          | 778,357            |
| Deposits held                                  | 7.2  | 452,281            | 342,576            |
| Provisions                                     | 7.3  | 1,275,843          | 1,394,812          |
| Contract liabilities                           | 7.4  | 999,936            | 455,719            |
| <b>Total current liabilities</b>               |      | <b>4,483,943</b>   | <b>2,971,464</b>   |
| <b>Non-current liabilities</b>                 |      |                    |                    |
| Provisions                                     | 7.3  | 92,302             | 126,973            |
| Interest-bearing loans and borrowings          | 8.1  | 720,000            | 720,000            |
| <b>Total non-current liabilities</b>           |      | <b>812,302</b>     | <b>846,973</b>     |
| <b>Total liabilities</b>                       |      | <b>5,296,245</b>   | <b>3,818,437</b>   |
| <b>Net assets</b>                              |      | <b>211,529,115</b> | <b>195,993,610</b> |
| <b>EQUITY</b>                                  |      |                    |                    |
| Accumulated surplus                            |      | 145,520,671        | 138,153,633        |
| Reserves                                       | 9.1  | 66,008,444         | 57,839,977         |
| <b>Total equity</b>                            |      | <b>211,529,115</b> | <b>195,993,610</b> |

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



# Statement of Cash Flows

for the year ended 30 June 2021

|   | Note       | 2021<br>\$<br>Inflows/<br>(Outflows) | 2020<br>\$<br>Inflows/<br>(Outflows) |
|---|------------|--------------------------------------|--------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |            |                                      |                                      |
| Rates   |            | 10,491,216                           | 9,895,896                            |
| Statutory fees and fines  |            | 988,380                              | 858,739                              |
| User charges and other fines  |            | 2,257,550                            | 648,617                              |
| Grants  |            | 2,314,618                            | 1,883,254                            |
| Developer contributions   |            | 85,140                               | 69,065                               |
| Interest received   |            | 28,597                               | 122,236                              |
| Commercial Income   |            | 1,618,162                            | 1,649,364                            |
| Dividends   | 2.9        | 308,000                              | 258,092                              |
| Investment revenue from water corporation                           | 2.9        | -                                    | 49,908                               |
| Payments to suppliers   |            | (5,853,551)                          | (5,346,237)                          |
| Payments to employees (including redundancies)                      |            | (6,447,049)                          | (4,942,708)                          |
| Commercial Expenses   |            | (644,997)                            | (452,222)                            |
| Other payments  |            | (2,778,839)                          | (1,621,300)                          |
| <b>Net cash provided by (used in) operating activities</b>          | <b>9.2</b> | <b>2,367,227</b>                     | <b>3,072,704</b>                     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |            |                                      |                                      |
| Payments for property, infrastructure, plant and equipment          |            | (10,004,912)                         | (5,345,848)                          |
| Payments for Intangibles  |            | -                                    | (30,000)                             |
| Proceeds from sale of property, infrastructure, plant and equipment |            | 153,407                              | 255,508                              |
| Capital grants  |            | 7,616,800                            | 340,861                              |
| Purchasing of Investments   |            | (300,000)                            | (2,850,199)                          |
| <b>Net cash provided by (used in) investing activities</b>          |            | <b>(2,534,705)</b>                   | <b>(7,629,678)</b>                   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                         |            |                                      |                                      |
| Proceeds from deposits held   |            | 109,705                              | (105,622)                            |
| Proceeds from interest bearing loans and borrowings                 |            | -                                    | 720,000                              |
| <b>Net cash provided by (used in) financing activities</b>          |            | <b>109,705</b>                       | <b>614,378</b>                       |
| <b>Net increase (decrease) in cash and cash equivalents</b>         |            | <b>(57,773)</b>                      | <b>(3,942,596)</b>                   |
| Cash and cash equivalents at the beginning of the financial year    |            | 3,730,361                            | 7,672,957                            |
| <b>Cash and cash equivalents at the end of the financial year</b>   | <b>9.3</b> | <b>3,672,588</b>                     | <b>3,730,361</b>                     |

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

# Statement of Changes in Equity

for the year ended 30 June 2021

|   | Note     | Accumulated Surplus | Asset Revaluation Reserve | Fair Value Reserve | Total Equity       |
|---|----------|---------------------|---------------------------|--------------------|--------------------|
| <b>2021</b>                                       |          |                     |                           |                    |                    |
| <b>Balance at beginning of the financial year</b> |          | <b>138,153,633</b>  | <b>67,814,709</b>         | <b>(9,974,732)</b> | <b>195,993,610</b> |
| Net result for the year                           |          | 7,367,039           | –                         | –                  | 7,367,039          |
| Other Comprehensive Income:                       |          |                     |                           |                    |                    |
| Fair Value adjustment on equity investment assets | 5.1, 9.1 | –                   | –                         | 3,346,076          | 3,346,076          |
| Net asset revaluation increment/ (decrement)      | 9.1      | –                   | 4,822,391                 | –                  | 4,822,391          |
| Total comprehensive income                        |          | <b>145,520,671</b>  | <b>72,637,100</b>         | <b>(6,628,656)</b> | <b>211,529,115</b> |
| Transfers between reserves                        |          | –                   | –                         | –                  | –                  |
| <b>Balance at end of the financial year</b>       |          | <b>145,520,671</b>  | <b>72,637,100</b>         | <b>(6,628,656)</b> | <b>211,529,115</b> |

|   | Note     | Accumulated Surplus | Asset Revaluation Reserve | Fair Value Reserve | Total Equity       |
|---|----------|---------------------|---------------------------|--------------------|--------------------|
| <b>2020</b>                                       |          |                     |                           |                    |                    |
| <b>Balance at beginning of the financial year</b> |          | <b>137,531,851</b>  | <b>61,078,745</b>         | <b>2,527,553</b>   | <b>201,138,149</b> |
| Effect of changes in accounting policy for:       |          |                     |                           |                    |                    |
| Adjustment due to AASB 15 adoption                |          | (144,597)           | –                         | –                  | (144,597)          |
| <b>Restated opening balance</b>                   |          | <b>137,387,254</b>  | <b>61,078,745</b>         | <b>2,527,553</b>   | <b>200,993,552</b> |
| Net result for the year                           |          | 766,379             | –                         | –                  | 766,379            |
| Other Comprehensive Income:                       |          |                     |                           |                    |                    |
| Fair Value adjustment on equity investment assets | 5.1, 9.1 | –                   | –                         | (12,502,285)       | (12,502,285)       |
| Net asset revaluation increment/ (decrement)      | 9.1      | –                   | 6,735,964                 | –                  | 6,735,964          |
| Total comprehensive income                        |          | <b>138,153,633</b>  | <b>67,814,709</b>         | <b>(9,974,732)</b> | <b>195,993,610</b> |
| Transfers between reserves                        |          | –                   | –                         | –                  | –                  |
| <b>Balance at end of the financial year</b>       |          | <b>138,153,633</b>  | <b>67,814,709</b>         | <b>(9,974,732)</b> | <b>195,993,610</b> |

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

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for the year ended 30 June 2021

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## Note 1: Overview

### 1.1: Reporting Entity

- (a) The Brighton Council was established in 1863 and is a body corporate with perpetual succession and a common seal. Council's main office is located at 1 Tivoli Road, Old Beach.
- (b) The purpose of the Council is to:
- provide for health, safety and welfare of the community;
  - to represent and promote the interests of the community;
  - provide for the peace, order and good government in the municipality.

### 1.2: Basis of accounting

These financial statements are a "Consolidated" general purpose financial report that consists of a Statement of Profit and Loss and Other Comprehensive Income, Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the Local Government Act 1993 (LGA1993) (as amended). Council has determined that it does not have profit generation as a prime objective.

Consequently, where appropriate, Council has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities.

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

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

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

All entities controlled by Council that have material assets or liabilities have been included in this financial report. All transactions between these entities and Council have been eliminated in full. The results and net assets of Microwise Pty Ltd are specifically stated in note 10.2.

### 1.3: Use of judgements and estimates

#### Judgments and Assumptions

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

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

Council has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Judgements made by Council that have significant effects on the financial report are disclosed in the relevant notes as follows:

**Employee entitlements**

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are discussed in note 7.3.

**Defined benefit superannuation fund obligations**

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are discussed in note 9.4.

**Fair value of property, plant & equipment**

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

**Investment in Water Corporation**

Assumptions utilised in the determination of Council's valuation of its investment in TasWater are discussed in note 5.1.

---

## 1.4: Functions/Activities of the Council

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

|  | Grants<br>\$ | Other<br>\$ | Total<br>Revenue<br>\$ | Total<br>Expenditure<br>\$ | Surplus/<br>(Deficit)<br>\$ | Assets<br>\$ |
|--|--------------|-------------|------------------------|----------------------------|-----------------------------|--------------|
| <b>BUILDING SERVICES</b>                             |              |             |                        |                            |                             |              |
| 2020 – 2021  |              | 319,303     | 319,303                | 1,211,809                  | (892,506)                   | 21,541,092   |
| 2019 – 2020  | –            | 272,064     | 272,064                | 1,163,714                  | (891,650)                   | 13,915,406   |
| <b>COMMUNITY SERVICES</b>                            |              |             |                        |                            |                             |              |
| 2020 – 2021  | 181,000      | 101,906     | 282,906                | 620,624                    | (337,718)                   | –            |
| 2019 – 2020  | 51,652       | 51,779      | 103,431                | 440,828                    | (337,397)                   | –            |
| <b>CORPORATE SERVICES</b>                            |              |             |                        |                            |                             |              |
| 2020 – 2021  | –            | 328,641     | 328,641                | 2,835,091                  | (2,506,450)                 | –            |
| 2019 – 2020  | –            | 454,328     | 454,328                | 3,284,261                  | (2,829,933)                 | –            |
| <b>ENVIRONMENTAL HEALTH/ENVIRONMENTAL MANAGEMENT</b> |              |             |                        |                            |                             |              |
| 2020 – 2021  |              | 209,638     | 209,638                | 346,209                    | (136,571)                   | –            |
| 2019 – 2020  | –            | 304,407     | 304,407                | 324,869                    | (20,462)                    | –            |
| <b>PARKS AND RECREATION</b>                          |              |             |                        |                            |                             |              |
| 2020 – 2021  | 7,371,733    | 260,230     | 7,631,963              | 1,228,433                  | 6,403,530                   | 10,335,600   |
| 2019 – 2020  | 43,000       | 190,908     | 233,908                | 1,265,870                  | (1,031,962)                 | 8,951,000    |
| <b>PLANNING SERVICES</b>                             |              |             |                        |                            |                             |              |
| 2020 – 2021  | –            | 436,331     | 436,331                | 729,698                    | (293,367)                   | –            |
| 2019 – 2020  | –            | 321,905     | 321,905                | 734,686                    | (412,781)                   | –            |
| <b>RATES &amp; CHARGES</b>                           |              |             |                        |                            |                             |              |
| 2020 – 2021  |              | 8,842,988   | 8,842,988              | –                          | 8,842,988                   | –            |
| 2019 – 2020  | –            | 10,001,630  | 10,001,630             | –                          | 10,001,630                  | –            |
| <b>ROADS, STREETS &amp; BRIDGES</b>                  |              |             |                        |                            |                             |              |
| 2020 – 2021  | 249,567      | 317,865     | 567,432                | 4,638,569                  | (4,071,137)                 | 107,341,333  |
| 2019 – 2020  | 249,567      | 1,565,775   | 1,815,342              | 4,391,568                  | (2,576,226)                 | 105,338,448  |
| <b>TAS WATER</b>                                     |              |             |                        |                            |                             |              |
| 2020 – 2021  | –            | 308,000     | 308,000                | –                          | 308,000                     | 44,762,217   |
| 2019 – 2020  | –            | 308,000     | 308,000                | –                          | 308,000                     | 41,416,141   |
| <b>UNALLOCATED SERVICES</b>                          |              |             |                        |                            |                             |              |
| 2020 – 2021  | 2,129,118    | 1,613,134   | 3,742,252              | 3,763,697                  | (21,445)                    | 32,845,118   |
| 2019 – 2020  | 1,879,896    | 881,684     | 2,761,580              | 2,762,872                  | (1,292)                     | 30,191,052   |
| <b>WASTE MANAGEMENT</b>                              |              |             |                        |                            |                             |              |
| 2020 – 2021  |              | 1,898,721   | 1,898,721              | 1,827,006                  | 71,715                      | –            |
| 2019 – 2020  | –            | 374,444     | 374,444                | 1,815,992                  | (1,441,548)                 | –            |
| <b>TOTAL</b>   |              |             |                        |                            |                             |              |
| 2020 – 2021  | 9,931,418    | 14,636,757  | 24,568,175             | 17,201,136                 | 7,367,039                   | 216,825,360  |
| 2019 – 2020  | 2,224,115    | 14,726,925  | 16,951,039             | 16,184,660                 | 766,379                     | 199,812,047  |



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

|                    | 2021<br>\$         | 2020<br>\$         |
|--------------------|--------------------|--------------------|
| Current assets     | 11,599,073         | 8,538,978          |
| Non-current assets | 205,226,287        | 191,273,069        |
|                    | <b>216,825,360</b> | <b>199,812,047</b> |

**Rates and Charges**

Amount of rates raised each year for general rate and fire levy.

**Corporate Services**

Operation and co-ordination of council chambers, administration and councillors.

**TasWater**

Councils equity investment in Taswater infrastructure and dividends paid.

**Parks and Recreation**

Operation and maintenance of sporting facilities (includes swimming pools, active and passive recreation and recreation centres).

**Planning Services**

Administration of the town planning scheme, subdivisions and urban and rural renewal programs.

**Building Services**

The development and maintenance of building constructions standards.

**Roads, streets and bridges**

Construction, maintenance and cleaning of road, streets, footpaths, bridges, parking facilities and street lighting.

**Community services**

Administration and operation of dog registration, operation of pounds, control of straying stock, and noxious weeds. Operation of the Civic Centre and council halls and grounds. Community Development which provides for the implementation of a process by which strategies and plans can be developed so that the Council can fulfil their general responsibility for enhancing the quality of life of the whole community.

**Environmental Health/  
Environmental Management**

Environmental Health includes disease control, food surveillance, public-use building standards, health education and promotion, water quality, workplace safety and cemeteries. Environmental management includes strategies and programs for the protection of the environment and regulations of activities affecting the environment.

**Waste Management**

Collection, handling, processing and disposal of all waste materials.

**Unallocated Services**

Work not attributed elsewhere.

## Note 2: Revenue

### 2.1: Rates and charges

|                                | 2021<br>\$        | 2020<br>\$        |
|--------------------------------|-------------------|-------------------|
| General                        | 7,877,021         | 7,898,976         |
| Garbage charge                 | 1,516,765         | 1,403,822         |
| Fire Levy                      | 965,970           | 962,728           |
| Rates and charges in advance   | –                 | (263,896)         |
| <b>Total rates and charges</b> | <b>10,359,756</b> | <b>10,001,630</b> |

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2018, and the valuation will be first applied in the rating year commencing 1 July 2019.

#### Accounting policy

Council recognises revenue from rates and annual charges for the amount it is expected to be entitled to at the beginning of the rating period to which they relate, or when the charge has been applied. Rates and charges in advance are recognised as a financial liability until the beginning of the rating period to which they relate.

### 2.2: Statutory fees and fines

|                                       | 2021<br>\$     | 2020<br>\$     |
|---------------------------------------|----------------|----------------|
| Infringements and costs               | 13,136         | 129,459        |
| Town planning fees                    | 436,330        | 321,905        |
| Land information certificates         | 131,153        | 137,630        |
| Permits                               | 269,296        | 269,745        |
| <b>Total statutory fees and fines</b> | <b>849,915</b> | <b>858,739</b> |

#### Accounting policy

Fees and fines are recognised when or as the performance obligation is completed, or when the taxable event has been applied and Council has an unconditional right to receive payment.

### 2.3: User fees

|                        | 2021<br>\$       | 2020<br>\$     |
|------------------------|------------------|----------------|
| Council Fees & Charges | 499,774          | 358,575        |
| Community Newsletter   | 42,699           | 18,223         |
| Refuse Site Entry      | 381,956          | 374,444        |
| Other Revenue          | 185,127          | 70,010         |
| <b>Total user fees</b> | <b>1,109,556</b> | <b>821,252</b> |

#### Accounting policy

Council recognises revenue from user fees and charges when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

Licences granted by Council are all either short-term or low value and all revenue is recognised at the time that the licence is granted rather than the term of the licence.

## 2.4: Grants

Grants were received in respect of the following:

|  | 2021<br>\$       | 2020<br>\$       |
|--|------------------|------------------|
| <b>SUMMARY OF GRANTS</b>   |                  |                  |
| Federally funded grants  | 9,636,310        | 2,220,757        |
| State funded grants  | 243,108          | –                |
| Others   | 52,000           | 3,358            |
| <b>Total</b>   | <b>9,931,418</b> | <b>2,224,115</b> |
| <b>GRANTS – RECURRENT</b>  |                  |                  |
| Commonwealth Government Financial Assistance Grants                    | 2,129,118        | 1,879,896        |
| Primary Health Care  | –                | 3,358            |
| National Australia Day Council   | 1,000            | –                |
| Department of Communities – Workforce Development                      | 135,000          | –                |
| Workskills   | 45,000           | –                |
| Cricket Tasmania   | 4,500            | –                |
| <b>Total recurrent grants</b>  | <b>2,314,618</b> | <b>1,883,254</b> |
| <b>CAPITAL GRANTS RECEIVED SPECIFICALLY FOR NEW OR UPGRADED ASSETS</b> |                  |                  |
| Commonwealth Government – Roads to Recovery                            | 249,567          | 249,567          |
| Department of Infrastructure & Regional Development                    | 7,193,934        | 43,000           |
| Department of Agriculture Water & The Environment                      | 63,691           | –                |
| Department of Industry – Safer Communities                             | –                | 48,294           |
| Cricket Tasmania   | 1,500            | –                |
| Department of Communities  | 108,108          | –                |
| <b>Total capital grants</b>  | <b>7,616,800</b> | <b>340,861</b>   |
| <b>Grants Grand Total</b>  | <b>9,931,418</b> | <b>2,224,115</b> |

## Accounting policy

Council recognises untied grant revenue and those without performance obligations when received. In cases where funding includes specific performance obligations or is to acquire or construct a recognisable non-financial asset, a liability is recognised for funds received in advance and recognises income as obligations are fulfilled.

The performance obligations are varied based on the agreement, but include events and programs.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin. For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.

In both years the Commonwealth has made early payment of the first two quarterly instalments for the following year. The early receipt of instalments resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2020-21 by \$1,100,249, (2019-20, \$965,128).

There are no performance obligations associated with this grant. This has impacted the Statement of Comprehensive Income resulting in the net result for the year being higher by \$135,121 (2019-20 lower by \$40,401).

## 2.5: Contributions

|                                | 2021<br>\$     | 2020<br>\$       |
|--------------------------------|----------------|------------------|
| <b>(A) CASH</b>                |                |                  |
| Public Open Space              | 85,140         | 69,065           |
| <b>Total</b>                   | <b>85,140</b>  | <b>69,065</b>    |
| <b>(B) NON-MONETARY ASSETS</b> |                |                  |
| Land – Subdivision Donation    | 42,000         | 134,000          |
| Roads – Subdivision Donation   | –              | 1,018,168        |
| <b>Total</b>                   | <b>42,000</b>  | <b>1,152,168</b> |
| <b>Total contributions</b>     | <b>127,140</b> | <b>1,221,233</b> |

### Accounting policy

Council recognises contributions without performance obligations when received. In cases where the contributions is for a specific purpose to acquire or construct a recognisable non-financial asset, a liability is recognised for funds received in advance and income recognised as obligations are fulfilled.

## 2.6: Interest

|                              | 2021<br>\$    | 2020<br>\$     |
|------------------------------|---------------|----------------|
| Interest on financial assets | 11,183        | 93,446         |
| Interest on rates            | 17,414        | 16,492         |
| <b>Total</b>                 | <b>28,597</b> | <b>109,938</b> |

### Accounting policy

#### Interest income

Interest is recognised progressively as it is earned.

## 2.7: Commercial Activities

|                                       | 2021<br>\$     | 2020<br>\$     |
|---------------------------------------|----------------|----------------|
| Professional Services & Private Works | 426,525        | 471,354        |
| Rental income                         | 76,125         | 102,304        |
| <b>Total commercial income</b>        | <b>502,650</b> | <b>573,658</b> |

### Accounting policy

#### Professional Services & Private Works Income

Professional Services & Private Works Income is recognised when the services has been provided.

#### Rental income

Rents are recognised as revenue when the payment is due. Rental payments received in advance are recognised as a payable until they are due.

#### Operating leases as lessor

Council is a lessor and enters into agreements with a number of lessees. These include commercial and non-commercial agreements. Where leases are non-commercial agreements, these are generally with not for profit, such as sporting, organisations. In these cases subsidised or peppercorn rents are charged because Council recognises part of its role is community service and community support. In these situations, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost. Where leases are commercial agreements, but properties leased are part of properties predominantly used by Council for its own purposes, Council records lease revenue on an accruals basis and records the associated properties as part of land and buildings within property, plant and equipment. Buildings are recognised at depreciated replacement cost.



## 2.8: Net gain/(loss) on disposal of property, infrastructure, plant and equipment

|                                     | 2021<br>\$       | 2020<br>\$       |
|-------------------------------------|------------------|------------------|
| Proceeds of sale                    | 153,408          | 127,008          |
| Write down value of assets disposed | (280,376)        | (370,243)        |
| <b>Total</b>                        | <b>(126,968)</b> | <b>(243,235)</b> |

### Accounting policy

#### Gains and losses on asset disposals

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

In the 2020/2021 financial year, Brighton Council and Dornier Digital Pty Ltd entered into an agreement which resulted in the transfer of vehicle assets. This resulted in a \$101,438 loss to Council.

## 2.9: Investment revenue from water corporation

|  | 2021<br>\$     | 2020<br>\$     |
|--|----------------|----------------|
| Dividend revenue received                              | 308,000        | 258,092        |
| Tax equivalent received                                | –              | 49,908         |
| <b>Total investment revenue from water corporation</b> | <b>308,000</b> | <b>308,000</b> |

### Accounting policy

#### Investment revenue

Dividend revenue is recognised when Council's right to receive payment is established and it can be reliably measured.

## Note 3: Expenses

### 3.1: Employee benefits

|                                 | 2021<br>\$       | 2020<br>\$       |
|---------------------------------|------------------|------------------|
| Wages and salaries              | 5,727,250        | 4,666,277        |
| Workers compensation            | 1,193            | 1,161            |
| Payroll Tax                     | 211,069          | 245,642          |
| Superannuation                  | 460,568          | 425,148          |
| Other Employee Related Expenses | 52,731           | 93,525           |
|                                 | 6,452,811        | 5,431,753        |
| Less amounts capitalised        | (159,402)        | (276,928)        |
| <b>Total employee benefits</b>  | <b>6,293,409</b> | <b>5,154,825</b> |

### Accounting policy

#### Expenses

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

#### Employee benefits

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

### 3.2: Materials and services

|  | 2021<br>\$       | 2020<br>\$       |
|--|------------------|------------------|
| Bank Fees                                | 31,772           | 34,219           |
| Building Maintenance                     | 145,509          | 241,465          |
| Collection Fees                          | 28,517           | 35,067           |
| Community Newsletter                     | 103,499          | 125,704          |
| Contract Recycling                       | 441,568          | 417,761          |
| Fire Abatement                           | –                | 12,581           |
| GIS CAD CVS and other software           | 68,844           | 74,276           |
| Internal Contractors                     | 172,928          | 136,997          |
| Land Tax                                 | 40,367           | 38,965           |
| Community Liaison                        | 9,448            | 6,048            |
| Insurance Premiums                       | 260,138          | 246,704          |
| Refuse Collection                        | 199,112          | 203,047          |
| Youth Support                            | 80,000           | 80,000           |
| Weed Control                             | 1,650            | 16,055           |
| Planning, Legal Fees + Masterplans       | 119,059          | 26,576           |
| Building Overheads                       | 133,698          | 138,003          |
| Reserve Maintenance                      | 431,259          | 789,208          |
| Road & Bridge Maintenance                | 694,220          | 687,639          |
| Telephones                               | 68,670           | 54,252           |
| Street Lighting                          | 138,031          | 220,240          |
| Waste Bin Replacement                    | 82,008           | 48,837           |
| Waste Transfer Station & Tipping Expense | 651,382          | 755,860          |
| Printing & Stationery                    | 27,383           | 34,192           |
| Postage                                  | 28,056           | 37,916           |
| Other                                    | 1,102,220        | 1,030,445        |
| <b>Total materials and services</b>      | <b>5,059,338</b> | <b>5,492,056</b> |

### Accounting policy

#### Materials and services expense

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

### 3.3: Contributions

|  | 2021<br>\$       | 2020<br>\$       |
|--|------------------|------------------|
| State Fire Commission Levy                   | 939,541          | 908,792          |
| Cycling South                                | 3,000            | –                |
| Tasmanian Canine Defence League Contribution | 54,838           | 48,568           |
| Local Government Association of Tasmania     | 43,234           | 51,596           |
| Derwent Estuary Contribution                 | 14,941           | 14,941           |
| Valuation Charges                            | 71,214           | 156,794          |
| Southern Tasmanian Councils Association      | 6,561            | 6,432            |
| <b>Total contributions</b>                   | <b>1,133,329</b> | <b>1,187,122</b> |

### Accounting policy

#### Contributions

Contributions to external organisations are expensed as incurred.

### 3.4: Depreciation and amortisation

|                            | 2021<br>\$       | 2020<br>\$       |
|----------------------------|------------------|------------------|
| <b>PROPERTY</b>            |                  |                  |
| Buildings                  | 349,608          | 268,969          |
| <b>PLANT AND EQUIPMENT</b> |                  |                  |
| Plant and Vehicles         | 252,403          | 227,140          |
| Furniture and Equipment    | 26,962           | 26,192           |
| Small Machinery            | 11,743           | 14,325           |
| <b>INFRASTRUCTURE</b>      |                  |                  |
| Roads                      | 2,355,988        | 2,474,841        |
| Bridges                    | 117,165          | 116,393          |
| Drainage                   | 330,466          | 328,243          |
| <b>INTANGIBLE ASSETS</b>   |                  |                  |
| Intangible assets          | 17,333           | 8,153            |
| <b>Total</b>               | <b>3,461,668</b> | <b>3,464,256</b> |

#### Accounting policy

##### Depreciation and amortisation expense

Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation and amortisation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and remaining values and a separate depreciation rate is determined for each component.

Land, heritage, artwork and road earthwork assets are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

|  | Period       |
|--|--------------|
| <b>BUILDINGS</b>                               |              |
| buildings                                      | 50 years     |
| building improvements                          | 50 years     |
| <b>PLANT AND EQUIPMENT</b>                     |              |
| plant, machinery and equipment                 | 5–10 years   |
| fixtures, fittings and furniture               | 5–10 years   |
| computers and telecommunications               | 5–10 years   |
| leased plant and equipment                     | 5–10 years   |
| <b>ROADS</b>                                   |              |
| road pavements and seals                       | 5–40 years   |
| road substructure                              | 70–100 years |
| road formation and earthworks                  | 100 years    |
| road kerb, channel and minor culverts          | 50–60 years  |
| <b>BRIDGES</b>                                 |              |
| bridges deck                                   | 20–80 years  |
| bridges substructure                           | 20–80 years  |
| <b>OTHER INFRASTRUCTURE</b>                    |              |
| footpaths and cycleways                        | 15–40 years  |
| drainage                                       | 80–100 years |
| recreational, leisure and community facilities | 80 years     |
| waste management                               | 50 years     |
| parks, open space and streetscapes             | 50 years     |
| <b>INTANGIBLE ASSETS</b>                       |              |
| intangible assets                              | 3–10 years   |

### 3.5: Commercial Activities

|   | 2021<br>\$    | 2020<br>\$    |
|---|---------------|---------------|
| Professional Services and Private Works | 56,531        | 32,575        |
| <b>Total</b>                            | <b>56,531</b> | <b>32,575</b> |

#### Accounting Policy

##### Commercial Activities

Professional Services and private works are expenses that are incurred when work is undertaken for another Council or business organisation.

### 3.6: Other expenses

|  | 2021<br>\$     | 2020<br>\$     |
|--|----------------|----------------|
| External auditors' remuneration (Tasmanian Audit Office) | 34,050         | 35,412         |
| Grants and Donations                                     | 89,152         | 146,757        |
| Primary Health Care Grant                                | 10,320         | 25,913         |
| Councillors' allowances                                  | 232,433        | 227,896        |
| Bad Debt Write Off net of provision movement             | 44,118         | (1,801)        |
| <b>Total</b>   | <b>410,073</b> | <b>434,177</b> |

#### Accounting policy

##### Other expenses

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

## Note 4: Current assets

### 4.1: Cash and cash equivalents

|  | 2021<br>\$       | 2020<br>\$       |
|--|------------------|------------------|
| Cash on hand                           | 3,065            | 3,150            |
| Cash at bank                           | 3,669,523        | 3,727,211        |
| <b>Total cash and cash equivalents</b> | <b>3,672,588</b> | <b>3,730,361</b> |

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

|   | 2021<br>\$       | 2020<br>\$       |
|---|------------------|------------------|
| i) Deposits held (note 7.2)                         | 452,281          | 342,576          |
| ii) Leave Provisions (note 7.3)                     | 1,368,145        | 1,521,785        |
| iii) Unexpended Grant                               | 680,006          | 144,957          |
| <b>Restricted funds</b>                             | <b>2,500,432</b> | <b>2,009,318</b> |
| <b>Total unrestricted cash and cash equivalents</b> | <b>1,172,156</b> | <b>1,721,043</b> |

#### Accounting policy

##### Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

##### Restricted funds

- i) Includes refundable subdivision and hall deposits held in trust by Council for completion of specific purposes.
- ii) Represents grant funding received in advance until specific performance obligations required under funding arrangements are completed.
- iii) Long Service and Annual Leave provisions



## 4.2: Trade and other receivables

|  | 2021<br>\$       | 2020<br>\$       |
|--|------------------|------------------|
| <b>CURRENT</b>                                     |                  |                  |
| Rates debtors                                      | 233,784          | 365,242          |
| Infringements                                      | 170,017          | 266,824          |
| Licences   | 11,780           | 7,534            |
| Other debtors                                      | 2,645,082        | 260,638          |
| Provision for expected credit loss — other debtors | (13,845)         | (13,845)         |
| <b>Total</b>                                       | <b>3,046,818</b> | <b>886,393</b>   |
| <b>NON-CURRENT</b>                                 |                  |                  |
| Mortgages over land sold                           | 173,308          | 287,702          |
| <b>Total</b>                                       | <b>173,308</b>   | <b>287,702</b>   |
| <b>Total trade and other receivables</b>           | <b>3,220,126</b> | <b>1,174,095</b> |

### Reconciliation of movement in expected credit loss

|   | 2021<br>\$      | 2020<br>\$      |
|---|-----------------|-----------------|
| <b>Carrying amount at 1 July</b>                              | <b>(13,845)</b> | <b>(19,271)</b> |
| Amounts written off during the year                           | (44,119)        | 3,625           |
| Amounts recovered during the year                             | –               | –               |
| Increase/(decrease) in provision recognised in profit or loss | 44,119          | 1,801           |
| <b>Carrying amount at 30 June</b>                             | <b>(13,845)</b> | <b>(13,845)</b> |

For ageing analysis of the financial assets, refer to note 9.8.

### Accounting policy

Trade receivables that do not contain a significant financing component are measured at amortised cost, which represents their transaction value. Impairment is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk has increased significantly since initial recognition, and when estimating the ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience, an informed credit assessment and forward-looking information. Council has established a provision matrix to facilitate the impairment assessment.

For rate debtors, Council takes the view that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rate debtors, Council uses the presumptions that assets more than 30 days past due have a significant increase in credit risk and those more than 90 days will likely be in default. Council writes off receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

## 4.3: Investments

|                                    | 2021<br>\$       | 2020<br>\$       |
|------------------------------------|------------------|------------------|
| <b>Current</b>                     |                  |                  |
| Managed funds                      | 1,950,199        | 700,000          |
| Term deposits – more than 3 months | 1,200,000        | 2,150,199        |
| <b>Total investments</b>           | <b>3,150,199</b> | <b>2,850,199</b> |

### Accounting policy

Investment in financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. As Council's Managed funds are actively managed and their performance is evaluated on a fair value basis, these investments are mandatorily required to be measured at fair value through profit or loss.

#### 4.4: Other Assets

|                           | 2021<br>\$     | 2020<br>\$     |
|---------------------------|----------------|----------------|
| Prepayments               | 71,767         | 141,505        |
| Accrued income            | 241,818        | 84,637         |
| <b>Total other assets</b> | <b>313,585</b> | <b>226,142</b> |

#### 4.5: Assets held for sale

|                      | 2021<br>\$       | 2020<br>\$     |
|----------------------|------------------|----------------|
| Land held for resale | 1,415,883        | 845,883        |
| <b>Total</b>         | <b>1,415,883</b> | <b>845,883</b> |

Council has decided to sell land that is no longer required. Several parcels have been identified and are expected to be sold within one year. The land is valued at the lower of carrying value and fair value less cost to sell.

##### Accounting policy

A non-current asset held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and is not subject to depreciation. Non-current assets, disposal groups and related liabilities are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

### Note 5: Investments

#### 5.1: Investment in water corporation

|  | 2021<br>\$        | 2020<br>\$        |
|--|-------------------|-------------------|
| Opening Balance                              | 41,416,141        | 53,918,426        |
| Change in fair value of investment           | 3,346,076         | (12,502,285)      |
| <b>Total investment in water corporation</b> | <b>44,762,217</b> | <b>41,416,141</b> |

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

##### Accounting policy

##### Equity Investment

As Council's investment in TasWater is held for long-term strategic purposes, Council has elected under AASB 9: *Financial Instruments* to irrevocably classify this equity investment as designated at fair value through other comprehensive income. Subsequent changes in fair value on designated investments in equity instruments are recognised in other comprehensive income (for fair value reserve, refer note 9.1) and not reclassified through the profit or loss when derecognised. Dividends associated with the equity investments are recognised in profit and loss when the right of payment has been established and it can be reliably measured.

Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date. At 30 June 2021, Council holds 2.87% (2019 2.9%) ownership interest in TasWater which is based on Schedule 2 of the Corporation's Constitution.

## Note 6: Non-current assets

### 6.1: Property, infrastructure, plant and equipment

|                                       | 2021<br>\$         | 2020<br>\$         |
|---------------------------------------|--------------------|--------------------|
| <b>SUMMARY</b>                        |                    |                    |
| at cost                               | 3,810,589          | 4,281,598          |
| Less accumulated depreciation         | (2,409,352)        | (2,441,783)        |
|                                       | <b>1,401,237</b>   | <b>1,839,815</b>   |
| at fair value as at 30 June           | 219,481,065        | 204,070,917        |
| Less accumulated depreciation         | (61,472,149)       | (57,075,172)       |
|                                       | <b>158,008,916</b> | <b>146,995,745</b> |
| <b>Total</b>                          | <b>159,410,153</b> | <b>148,835,560</b> |
| <b>PROPERTY</b>                       |                    |                    |
| <i>Land</i>                           |                    |                    |
| at fair value as at 30 June           | 10,335,600         | 8,951,000          |
|                                       | <b>10,335,600</b>  | <b>8,951,000</b>   |
| <i>Land under roads</i>               |                    |                    |
| at fair value at 30 June              | 18,790,891         | 18,790,891         |
|                                       | <b>18,790,891</b>  | <b>18,790,891</b>  |
| <b>Total Land</b>                     | <b>29,126,491</b>  | <b>27,741,891</b>  |
| <i>Buildings</i>                      |                    |                    |
| at fair value as at 30 June           | 22,405,374         | 14,430,078         |
| Less accumulated depreciation         | (864,282)          | (514,672)          |
| <b>Total Buildings</b>                | <b>21,541,092</b>  | <b>13,915,406</b>  |
| <b>Total Property</b>                 | <b>50,667,583</b>  | <b>41,657,297</b>  |
| <b>PLANT AND EQUIPMENT</b>            |                    |                    |
| <i>Plant, machinery and equipment</i> |                    |                    |
| at cost                               | 2,213,020          | 2,142,423          |
| Less accumulated depreciation         | (1,153,129)        | (1,224,266)        |
|                                       | <b>1,059,891</b>   | <b>918,157</b>     |
| <i>Furniture and Equipment</i>        |                    |                    |
| at cost                               | 1,170,777          | 1,170,777          |
| Less accumulated depreciation         | (1,109,660)        | (1,082,698)        |
|                                       | <b>61,117</b>      | <b>88,079</b>      |
| <i>Small Machinery</i>                |                    |                    |
| at cost                               | 183,663            | 183,663            |
| Less accumulated amortisation         | (146,563)          | (134,819)          |
|                                       | <b>37,100</b>      | <b>48,844</b>      |

|   | 2021<br>\$         | 2020<br>\$         |
|---|--------------------|--------------------|
| <b>Total Plant and Equipment</b>                              | <b>1,158,108</b>   | <b>1,055,080</b>   |
| <b>INFRASTRUCTURE</b>   |                    |                    |
| <i><b>Roads</b></i>   |                    |                    |
| at fair value as at 30 June                                   | 128,084,854        | 123,096,904        |
| Less accumulated depreciation                                 | (47,626,938)       | (44,333,106)       |
|   | <b>80,457,916</b>  | <b>78,763,798</b>  |
| <i><b>Bridges</b></i>   |                    |                    |
| at fair value as at 30 June                                   | 6,632,813          | 6,406,660          |
| Less accumulated depreciation                                 | (2,489,668)        | (2,313,677)        |
|   | <b>4,143,145</b>   | <b>4,092,983</b>   |
| <i><b>Drainage</b></i>  |                    |                    |
| at fair value as at 30 June                                   | 33,231,533         | 32,395,384         |
| Less accumulated depreciation                                 | (10,491,261)       | (9,913,717)        |
|   | <b>22,740,272</b>  | <b>22,481,667</b>  |
|   |                    |                    |
| <b>Total Infrastructure</b>                                   | <b>107,341,333</b> | <b>105,338,448</b> |
|   |                    |                    |
| <b>WORKS IN PROGRESS</b>                                      |                    |                    |
| Buildings at cost   | 174,703            | 521,503            |
| Roads at cost   | 68,426             | 263,232            |
| <b>Total Works in progress</b>                                | <b>243,129</b>     | <b>784,735</b>     |
|   |                    |                    |
| <b>Total property, plant and equipment and infrastructure</b> | <b>159,410,153</b> | <b>148,835,560</b> |



## Reconciliation of property, infrastructure, plant and equipment

| 2021   | Balance at beginning of financial year | Acquisition of assets | Revaluation increments (decrements) (Note 9.1) | Depreciation and amortisation (Note 3.4) | Written down value of disposals | Impairment losses recognised in profit or loss | Transfers        | Balance at end of financial year |
|--|--|-----------------------|--|--|---------------------------------|--|------------------|----------------------------------|
| <b>PROPERTY</b>  |  |                       |  |  |                                 |  |                  |                                  |
| land   | 8,951,000                              | 42,000                | 1,722,600                                      | –  | –                               | –  | (380,000)        | 10,335,600                       |
| land under roads   | 18,790,891                             | –                     | –  | –  | –                               | –  | –                | 18,790,891                       |
| <b>Total land</b>  | <b>27,741,891</b>                      | <b>42,000</b>         | <b>1,722,600</b>                               | <b>–</b>                                 | <b>–</b>                        | <b>–</b>                                       | <b>(380,000)</b> | <b>29,126,491</b>                |
| buildings  | 13,915,406                             | 7,080,284             | 563,508  | (349,608)                                | –                               | –  | 331,503          | 21,541,092                       |
| <b>Total buildings</b>                                     | <b>13,915,406</b>                      | <b>7,080,284</b>      | <b>563,508</b>                                 | <b>(349,608)</b>                         | <b>–</b>                        | <b>–</b>                                       | <b>331,503</b>   | <b>21,541,092</b>                |
| <b>Total property</b>                                      | <b>41,657,297</b>                      | <b>7,122,284</b>      | <b>2,286,108</b>                               | <b>(349,608)</b>                         | <b>–</b>                        | <b>–</b>                                       | <b>(48,497)</b>  | <b>50,667,583</b>                |
| <b>PLANT AND EQUIPMENT</b>                                 |  |                       |  |  |                                 |  |                  |                                  |
| plant and vehicles   | 918,157                                | 581,523               | –  | (252,403)                                | (187,386)                       | –  | –                | 1,059,891                        |
| furniture and equipment                                    | 88,079                                 | –                     | –  | (26,962)                                 | –                               | –  | –                | 61,117                           |
| small machinery  | 48,844                                 | –                     | –  | (11,743)                                 | –                               | –  | –                | 37,100                           |
| <b>Total plant and equipment</b>                           | <b>1,055,080</b>                       | <b>581,523</b>        | <b>–</b>                                       | <b>(291,108)</b>                         | <b>(187,386)</b>                | <b>–</b>                                       | <b>–</b>         | <b>1,158,108</b>                 |
| <b>INFRASTRUCTURE</b>                                      |  |                       |  |  |                                 |  |                  |                                  |
| roads  | 78,763,798                             | 1,977,521             | 1,901,076                                      | (2,355,988)                              | (91,721)                        | –  | 263,232          | 80,457,916                       |
| bridges  | 4,092,983                              | 69,432                | 97,895   | (117,165)                                | –                               | –  | –                | 4,143,145                        |
| drainage   | 22,481,667                             | 53,028                | 537,312  | (330,466)                                | (1,268)                         | –  | –                | 22,740,272                       |
| <b>Total infrastructure</b>                                | <b>105,338,448</b>                     | <b>2,099,981</b>      | <b>2,536,283</b>                               | <b>(2,803,619)</b>                       | <b>(92,989)</b>                 | <b>–</b>                                       | <b>263,232</b>   | <b>107,341,333</b>               |
| <b>WORKS IN PROGRESS</b>                                   |  |                       |  |  |                                 |  |                  |                                  |
| buildings  | 521,503                                | 174,702               | –  | –  | –                               | –  | (521,503)        | 174,703                          |
| roads  | 263,232                                | 68,426                | –  | –  | –                               | –  | (263,232)        | 68,426                           |
| <b>Total works in progress</b>                             | <b>784,735</b>                         | <b>243,128</b>        | <b>–</b>                                       | <b>–</b>                                 | <b>–</b>                        | <b>–</b>                                       | <b>(784,735)</b> | <b>243,129</b>                   |
| <b>Total property, infrastructure, plant and equipment</b> | <b>148,835,560</b>                     | <b>10,046,916</b>     | <b>4,822,391</b>                               | <b>(3,444,335)</b>                       | <b>(280,375)</b>                | <b>–</b>                                       | <b>(570,000)</b> | <b>159,410,153</b>               |

\* Acquisition of Assets does not include any non-monetary contributions, note 2.5(b)

| 2020   | Balance at beginning of financial year | Acquisition of assets | Revaluation increments (decrements) (Note 9.1) | Depreciation and amortisation (Note 3.4) | Written down value of disposals | Impairment losses recognised in profit or loss | Transfers        | Balance at end of financial year |
|--|--|-----------------------|--|--|---------------------------------|--|------------------|----------------------------------|
| <b>PROPERTY</b>  |  |                       |  |  |                                 |  |                  |                                  |
| land   | 9,147,500                              | 134,000               | –  | –  | –                               | –  | (330,500)        | 8,951,000                        |
| land under roads   | 12,289,924                             | –                     | 6,500,967                                      | –  | –                               | –  | –                | 18,790,891                       |
| <b>Total land</b>  | <b>21,437,424</b>                      | <b>134,000</b>        | <b>6,500,967</b>                               | <b>–</b>                                 | <b>–</b>                        | <b>–</b>                                       | <b>(330,500)</b> | <b>27,741,891</b>                |
| buildings  | 13,107,167                             | 832,637               | 234,997  | (268,969)                                | –                               | –  | 9,574            | 13,915,406                       |
| <b>Total buildings</b>                                     | <b>13,107,167</b>                      | <b>832,637</b>        | <b>234,997</b>                                 | <b>(268,969)</b>                         | <b>–</b>                        | <b>–</b>                                       | <b>9,574</b>     | <b>13,915,406</b>                |
| <b>Total property</b>                                      | <b>34,544,591</b>                      | <b>966,637</b>        | <b>6,735,964</b>                               | <b>(268,969)</b>                         | <b>–</b>                        | <b>–</b>                                       | <b>(320,926)</b> | <b>41,657,297</b>                |
| <b>PLANT AND EQUIPMENT</b>                                 |  |                       |  |  |                                 |  |                  |                                  |
| plant and vehicles   | 869,566                                | 364,231               | –  | (227,140)                                | (88,500)                        | –  | –                | 918,157                          |
| furniture and equipment                                    | 69,854                                 | 44,417                | –  | (26,192)                                 | –                               | –  | –                | 88,079                           |
| small machinery  | 63,169                                 | –                     | –  | (14,325)                                 | –                               | –  | –                | 48,844                           |
| <b>Total plant and equipment</b>                           | <b>1,002,589</b>                       | <b>408,648</b>        | <b>–</b>                                       | <b>(267,657)</b>                         | <b>(88,500)</b>                 | <b>–</b>                                       | <b>–</b>         | <b>1,055,080</b>                 |
| <b>INFRASTRUCTURE</b>                                      |  |                       |  |  |                                 |  |                  |                                  |
| roads  | 77,855,747                             | 3,593,722             | –  | (2,474,841)                              | (238,897)                       | –  | 28,067           | 78,763,798                       |
| bridges  | 3,930,358                              | 311,814               | –  | (116,393)                                | (32,796)                        | –  | –                | 4,092,983                        |
| drainage   | 22,385,079                             | 432,460               | –  | (328,243)                                | (10,049)                        | –  | 2,420            | 22,481,667                       |
| <b>Total infrastructure</b>                                | <b>104,171,184</b>                     | <b>4,337,996</b>      | <b>–</b>                                       | <b>(2,919,477)</b>                       | <b>(281,742)</b>                | <b>–</b>                                       | <b>30,487</b>    | <b>105,338,448</b>               |
| <b>WORKS IN PROGRESS</b>                                   |  |                       |  |  |                                 |  |                  |                                  |
| buildings  | 9,574                                  | 521,503               | –  | –  | –                               | –  | (9,574)          | 521,503                          |
| roads  | 28,067                                 | 263,232               | –  | –  | –                               | –  | (28,067)         | 263,232                          |
| drainage   | 2,420                                  | –                     | –  | –  | –                               | –  | (2,420)          | –                                |
| <b>Total works in progress</b>                             | <b>40,061</b>                          | <b>784,735</b>        | <b>–</b>                                       | <b>–</b>                                 | <b>–</b>                        | <b>–</b>                                       | <b>(40,061)</b>  | <b>784,735</b>                   |
| <b>Total property, infrastructure, plant and equipment</b> | <b>139,758,425</b>                     | <b>6,498,016</b>      | <b>6,735,964</b>                               | <b>(3,456,103)</b>                       | <b>(370,242)</b>                | <b>–</b>                                       | <b>(330,500)</b> | <b>148,835,560</b>               |

\* Acquisition of assets includes \$1,152,168 of non-monetary contributions, note 2.5(b).

## Accounting policy

### Recognition and measurement of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

Property, plant and equipment and infrastructure received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

The following classes of assets have been recognised. In accordance with Council's policy, the threshold limits detailed below have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

|  | Threshold<br>\$'000 |
|--|---------------------|
| <b>LAND</b>                                    |                     |
| land   | 10                  |
| land under roads                               | 10                  |
| land improvements                              | 10                  |
| <b>BUILDINGS</b>                               |                     |
| buildings                                      | 10                  |
| building improvements                          | 10                  |
| leasehold building improvements                | 10                  |
| heritage buildings                             | 10                  |
| <b>PLANT AND EQUIPMENT</b>                     |                     |
| plant, machinery and equipment                 | 5                   |
| fixtures, fittings and furniture               | 5                   |
| computers and telecommunications               | 5                   |
| leased plant and equipment                     | 5                   |
| <b>ROADS</b>                                   |                     |
| road pavements and seals                       | 10                  |
| road substructure                              | 10                  |
| road formation and earthworks                  | 10                  |
| road kerb, channel and minor culverts          | 10                  |
| <b>BRIDGES</b>                                 |                     |
| bridges deck                                   | 10                  |
| bridges substructure                           | 10                  |
| <b>OTHER INFRASTRUCTURE</b>                    |                     |
| footpaths and cycleways                        | 10                  |
| drainage                                       | 10                  |
| recreational, leisure and community facilities | 10                  |
| waste management                               | 10                  |
| parks, open space and streetscapes             | 10                  |
| off street car parks                           | 10                  |
| <b>INTANGIBLE ASSETS</b>                       |                     |
| intangible assets                              | 5                   |

## Revaluation

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

|  |            |
|--|------------|
| Land   | fair value |
| Plant and machinery                                  | cost       |
| Furniture, fittings and office equipment             | cost       |
| Stormwater and drainage infrastructure               | fair value |
| Roads and streets infrastructure                     | fair value |
| Bridges  | fair value |
| Buildings  | fair value |
| Parks, recreation facilities and community amenities | cost       |
| Heritage   | cost       |
| Investment in water corporation                      | fair value |

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, small machinery and work in progress, are measured at their fair value in accordance with AASB 116 Property, Plant & Equipment and AASB 13 Fair Value Measurement. At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset class materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis to ensure valuations represent fair value. The valuation is performed either by experienced Council officers or independent experts.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation surplus for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

## Impairment of assets

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

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

## Land under roads

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



## 6.2: Investment property

|   | 2021<br>\$     | 2020<br>\$     |
|---|----------------|----------------|
| Balance at beginning of financial year  | 690,000        | 690,000        |
| Acquisitions                            | –              | –              |
| Disposals                               | –              | –              |
| Fair value adjustments                  | 164,276        | –              |
| <b>Balance at end of financial year</b> | <b>854,276</b> | <b>690,000</b> |

Valuation of investment property has been determined in accordance with an independent valuation by LG Valuation Services Pty Ltd who has recent experience in the location and category of the property being valued.

### Accounting policy

#### Investment Property

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the Statement of Comprehensive Income in the period that they arise. Rental income from the leasing of investment properties is recognised in the Statement of Comprehensive Income on a straight line basis over the lease term.

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

## 6.3: Intangible assets

|                                | 2021<br>\$    | 2020<br>\$    |
|--------------------------------|---------------|---------------|
| Software at Cost               | 220,103       | 220,103       |
| less accumulated depreciation  | (193,770)     | (176,437)     |
| <b>Total intangible assets</b> | <b>26,333</b> | <b>43,666</b> |

### Accounting policy

#### Intangible assets

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

In accordance with Council's policy, the threshold limits applied when recognising intangible assets is \$5,000 and consistent with the prior year.

The estimated useful lives for current and comparative periods are as follows:

Software developed in-house – 5 years.

## Note 7: Current liabilities

### 7.1: Trade and other payables

|                                       | 2021<br>\$       | 2020<br>\$     |
|---------------------------------------|------------------|----------------|
| Trade payables                        | 146,803          | 341,806        |
| Accrued expenses                      | 1,609,080        | 436,551        |
| <b>Total trade and other payables</b> | <b>1,755,883</b> | <b>778,357</b> |

#### Accounting policy

##### Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received. General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

For ageing analysis of trade and other payables, refer to note 9.7.

### 7.2: Deposits Held

|                                  | 2021<br>\$     | 2020<br>\$     |
|----------------------------------|----------------|----------------|
| Refundable subdivision deposits  | 450,511        | 341,326        |
| Refundable hall booking deposits | 1,770          | 1,250          |
| <b>Total deposits held</b>       | <b>452,281</b> | <b>342,576</b> |

#### Accounting policy

##### Deposits Held

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

### 7.3: Provisions

|  | Annual leave   | Long service leave | Total            |
|--|----------------|--------------------|------------------|
| <b>2021</b>                                |                |                    |                  |
| Balance at beginning of the financial year | 655,021        | 866,764            | 1,521,785        |
| Net Additional provisions                  | (79,715)       | (73,925)           | (153,640)        |
| Balance at the end of the financial year   | <b>575,306</b> | <b>792,839</b>     | <b>1,368,145</b> |
|  |                |                    |                  |
| Current                                    | 575,306        | 700,537            | 1,275,843        |
| Non-current                                | –              | 92,302             | 92,302           |
| <b>Total provisions</b>                    | <b>575,306</b> | <b>792,839</b>     | <b>1,368,145</b> |
| <b>2020</b>                                |                |                    |                  |
| Balance at beginning of the financial year | 494,754        | 814,914            | 1,309,668        |
| Net Additional provisions                  | 160,267        | 51,850             | 212,117          |
| Balance at the end of the financial year   | <b>655,021</b> | <b>866,764</b>     | <b>1,521,785</b> |
|  |                |                    |                  |
| Current                                    | 655,021        | 739,791            | 1,394,812        |
| Non-current                                | –              | 126,973            | 126,973          |
| <b>Total provisions</b>                    | <b>655,021</b> | <b>866,764</b>     | <b>1,521,785</b> |

**(a) Employee benefits**

|                  | 2021 | 2020 |
|------------------|------|------|
| Employee numbers | 77   | 67   |

**Accounting policy****Employee benefits****i) Short term obligations**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

**ii) Other long term employee benefit obligations**

The liability for long service leave and annual leave which is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

**iii) Sick leave**

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

**iv) Defined benefit plans**

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the statement of financial position, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans i.e as an expense when it becomes payable.

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund), a sub-fund of the Tasplan Superannuation Fund (Tasplan).

The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 *Employee Benefits*, Council does not use defined benefit accounting for these contributions. Refer Note 9.4.

#### iv) Defined contribution plans

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### 7.4: Contract liabilities

|   | 2021<br>\$     | 2020<br>\$     |
|---|----------------|----------------|
| Rates and charges in advance                          | 319,930        | 295,773        |
| Sundry debtor payments received before invoice issued | –              | 15,349         |
| Grant Liability                                       | 680,006        | 144,597        |
| <b>Total Contract Liabilities</b>                     | <b>999,936</b> | <b>455,719</b> |

#### Accounting policy

Council recognised the following contract liabilities with customers:

- Rates and charges in advance represents amounts received by Council prior to the commencement of the rating or charging period. Revenue is recognised by council at the beginning of the rating or charge period to which the advance payment relates.
- Upfront sundry debtor payments are recognised as a contract liability until invoices are raised in accordance with AASB 15 and recognition is met.

## Note 8: Liabilities

### 8.1: Interest-bearing loans and borrowings

|                      | 2021<br>\$     | 2020<br>\$     |
|----------------------|----------------|----------------|
| <b>NON-CURRENT</b>   |                |                |
| Borrowings — secured | 720,000        | 720,000        |
| <b>Total</b>         | <b>720,000</b> | <b>720,000</b> |

#### Borrowings

Borrowings are secured over rates payable.

The maturity profile for Council's borrowings is:

|   | 2021<br>\$     | 2020<br>\$     |
|---|----------------|----------------|
| Later than one year and not later than five years | 720,000        | 720,000        |
| Later than five years                             | –              | –              |
| <b>Total</b>                                      | <b>720,000</b> | <b>720,000</b> |

#### Accounting policy

##### Interest bearing liabilities

The borrowing capacity of Council is limited by the Local Government Act 1993. Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition these liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the liability using the effective interest method.

Interest is expensed as it accrues and no interest has been capitalised during the current or comparative reporting period. There have been no defaults or breaches of the loan agreement during the period. Borrowings are secured by way of mortgages over the general rates of the Council.

## Note 9: Other financial information

### 9.1: Reserves

|  | Balance at<br>beginning of<br>reporting year<br>\$ | Increment<br>\$  | (Decrement)<br>\$   | Balance at end<br>of reporting<br>year<br>\$ |
|--|--|------------------|---------------------|--|
| <b>(A) ASSET REVALUATION RESERVE</b>   |  |                  |                     |  |
| <b>2021</b>                            |  |                  |                     |  |
| <i>Property</i>                        |  |                  |                     |  |
| Land                                   | 12,260,977   | 1,722,600        | –                   | 13,983,577                                   |
| Buildings                              | (100,982)  | 563,509          | –                   | 462,527                                      |
|  | 12,159,995   | 2,286,109        | –                   | 14,446,104                                   |
| <i>Infrastructure</i>                  |  |                  |                     |  |
| Roads                                  | 40,792,441   | 1,901,075        | –                   | 42,693,516                                   |
| Bridges                                | 1,618,160  | 97,895           | –                   | 1,716,055                                    |
| Drainage                               | 13,244,113   | 537,312          | –                   | 13,781,425                                   |
|  | 55,654,714   | 2,536,282        | –                   | 58,190,996                                   |
| <b>Total asset revaluation reserve</b> | <b>67,814,709</b>                                  | <b>4,822,391</b> | <b>–</b>            | <b>72,637,100</b>                            |
| <b>2020</b>                            |  |                  |                     |  |
| <i>Property</i>                        |  |                  |                     |  |
| Land                                   | 5,760,010  | 6,500,967        | –                   | 12,260,977                                   |
| Buildings                              | (335,979)  | 234,997          | –                   | (100,982)                                    |
|  | 5,424,031  | 6,735,964        | –                   | 12,159,995                                   |
| <i>Infrastructure</i>                  |  |                  |                     |  |
| Roads                                  | 40,792,441   | –                | –                   | 40,792,441                                   |
| Bridges                                | 1,618,160  | –                | –                   | 1,618,160                                    |
| Drainage                               | 13,244,113   | –                | –                   | 13,244,113                                   |
|  | 55,654,714   | –                | –                   | 55,654,714                                   |
| <b>Total asset revaluation reserve</b> | <b>61,078,745</b>                                  | <b>6,735,964</b> | <b>–</b>            | <b>67,814,709</b>                            |
| <b>(B) FAIR VALUE RESERVE</b>          |  |                  |                     |  |
| <b>2021</b>                            |  |                  |                     |  |
| <i>Equity investment assets</i>        |  |                  |                     |  |
| Investment in water corporation        | (9,974,732)  | 3,346,076        | –                   | 6,628,656                                    |
| <b>Total fair value reserve</b>        | <b>9,974,732</b>                                   | <b>3,346,076</b> | <b>–</b>            | <b>(6,628,656)</b>                           |
| <b>2020</b>                            |  |                  |                     |  |
| <i>Available—for—sale assets</i>       |  |                  |                     |  |
| Investment in water corporation        | 2,527,553  | –                | (12,502,285)        | (9,974,732)                                  |
| <b>Total fair value reserve</b>        | <b>2,527,553</b>                                   | <b>–</b>         | <b>(12,502,285)</b> | <b>(9,974,732)</b>                           |



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

Council has to designate its investment in Taswater as an equity investment at fair value through other comprehensive income. Subsequent changes in fair value are reflected in the reserve and will not be reclassified through the profit or loss when derecognised.

|                           | 2021<br>\$        | 2020<br>\$        |
|---------------------------|-------------------|-------------------|
| Asset Revaluation Reserve | 72,637,100        | 67,814,709        |
| Fair Value Reserve        | (6,628,656)       | (9,974,732)       |
| <b>Total Reserves</b>     | <b>66,008,444</b> | <b>57,839,977</b> |

## 9.2: Reconciliation of cash flows from operating activities to surplus (deficit)

|  | 2021<br>\$       | 2020<br>\$       |
|--|------------------|------------------|
| Net results for the year   | 7,367,039        | 110,318          |
| Depreciation/amortisation  | 3,461,668        | 3,464,256        |
| (Profit)/loss on disposal of property, plant and equipment, infrastructure | 126,968          | 243,235          |
| Additions of AASB 15   |                  | (144,597)        |
| Fair value adjustments for investment property                             | (164,276)        | –                |
| Contributions non monetary   | (42,000)         | (1,152,168)      |
| Capital grants received specifically for new or upgraded assets            | (7,616,800)      | (340,861)        |
| <b>Change in assets and liabilities:</b>                                   |                  |                  |
| Decrease/(increase) in trade and other receivables                         | (2,046,031)      | (447,848)        |
| Decrease/(increase) in other assets  | (87,443)         | (129,348)        |
| Increase/(decrease) in trade and other payables                            | 977,526          | 145,820          |
| Increase/(decrease) in provisions  | (153,640)        | 212,117          |
| Increase/(decrease) in contract liabilities                                | 544,217          | 455,719          |
| Decrease/(increase) in non-cash trade and other receivables                |                  |                  |
| <b>Net cash provided by/(used in) operating activities</b>                 | <b>2,367,227</b> | <b>2,416,643</b> |

## 9.3: Reconciliation of cash and cash equivalents

|  | 2021<br>\$       | 2020<br>\$       |
|--|------------------|------------------|
| Cash and cash equivalents (see note 4.1)                 | 3,672,588        | 3,730,361        |
| Less bank overdraft                                      | –                | –                |
| <b>Total reconciliation of cash and cash equivalents</b> | <b>3,672,588</b> | <b>3,730,361</b> |

## 9.4: Superannuation

Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund (the Fund). The fund was a sub-fund of the Tasplan Superannuation Fund up to 31 March 2021. On 1 April 2021, the Tasplan Superannuation Fund merged (via a Successor Fund Transfer) into the MTAA Superannuation Fund to become Spirit Super. The Quadrant Defined

Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 34 of AASB 119 Employee Benefit, Council does not use defined benefit accounting for these contributions.

For the year ended 30 June 2020 the Council contributed 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Rice Warner Pty Ltd undertook the last actuarial review of the Fund at 30 June 2020. The review disclosed that at that time the net market value of assets available for funding member benefits was \$51,939,000, the value of vested benefits was \$43,411,000, the surplus over vested benefits was \$8,528,000, the value of total accrued benefits was \$43,562,000, and the number of members was 95. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Tasplan Super's financial statements for Council employees.

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

- Net Investment Return 3.75% p.a.
- Salary Inflation 2.75% p.a.
- Price Inflation n/a

The actuarial review concluded that:

- The value of assets of the Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2020
- The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits

as at 30 June 2020.

- Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2020.

Given the strong financial position of the Fund, the Actuary recommended that the Council consider a contribution holiday and contribute 0% of salaries from 1 July 2021 to 30 June 2024.

The Actuary will continue to undertake a brief review of the financial position of the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2023 and is expected to be completed late in 2023.

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

During the year Council made the required superannuation contributions for all eligible employees to an appropriate complying superannuation fund as required by the *Superannuation Guarantee (Administration) Act 1992*.

As required in terms of paragraph 148 of AASB 119 *Employee Benefits*, Council discloses the following details:

- The 2020 actuarial review used the "aggregate" funding method. This is a standard actuarial funding method. The results from this method were tested by projecting future fund assets and liabilities for a range of future assumed investment returns. The funding method used is

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

- Under the aggregate funding method of financing the benefits, the stability of the Councils' contributions over time depends on how closely the Fund's actual experience matches the expected experience. If the actual experience differs from that expected, the Councils' contribution rate may need to be adjusted accordingly to ensure the Fund remains on course towards financing members' benefits.
- In terms of Rule 27.4 of the Tasplan Trust Deed (Trust Deed), there is a risk that employers within the Fund may incur an additional liability when an Employer ceases to participate in the Fund at a time when the assets of the Fund are less than members' vested benefits. Each member of the Fund who is an employee of the Employer who is ceasing to Participate is required to be provided with a benefit at least equal to their vested benefit in terms of Rule 27.4 (b) (A). However, there is no provision in the Trust Deed requiring an employer to make contributions other than its regular contributions up to the date of cessation of contributions. This issue can be resolved by the Trustee seeking an Actuarial Certificate in terms of Rule 26.5 identifying a deficit and the Trustee determining in terms of Rule 26.3(c) that the particular employer should make the payment required to make good any shortfall before the cessation of participation is approved.
- The application of Fund assets on Tasplan being wound-up is set out in Rule 41.4. This Rule provides that expenses and taxation liabilities should have first call on the available assets. Additional assets will initially be applied for the benefit of the then remaining members and/or their Dependents in such manner as the Trustee considers equitable and appropriate in accordance with the Applicable Requirements (broadly, superannuation and taxation legislative requirements and other requirements as determined by the regulators).
- The Trust Deed does not contemplate the Fund withdrawing from Tasplan. However it is likely that Rule 27.4 would be applied in this case (as detailed above).
- The Fund is a defined benefit Fund.
- The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. Thus the Fund is not able to prepare standard AASB119 defined benefit reporting.
- During the reporting period the amount of contributions paid to defined benefits schemes was \$2,120 (2019-20, \$3,140), and the amount paid to accumulation schemes was \$682,647 (2019-20, \$565,791).
- During the next reporting period the expected amount of contributions to be paid to defined benefits schemes is \$2,150, and the amount to be paid to accumulation schemes is \$650,000.
- As reported above, Assets exceeded accrued benefits as at the date of the last actuarial review, 30 June 2020. Moderate investment returns, since that date, make it quite probable that this is still the position. The financial position of the Fund will be fully investigated at the actuarial review as at 30 June 2023.
- An analysis of the assets and vested benefits of sub-funds participating in the Scheme, prepared by Rice Warner Pty Ltd as at 30 June 2020, showed that the Fund had assets of \$51.94 million and members' Vested Benefits were \$43.41 million. These amounts represented 0.53% and 0.45%

respectively of the corresponding total amounts for Tasplan.

- As at 30 June 2020 the fund had 95 members and the total employer contributions and member contributions for the year ending 30 June 2020 were \$927,231 and \$235,365 respectively.

|  | 2021<br>\$     | 2020<br>\$     |
|--|----------------|----------------|
| <b>FUND</b>                                      |                |                |
| <i><b>Defined benefits fund</b></i>              |                |                |
| Employer contributions to Quadrant               | 2,120          | 3,140          |
|  | <b>2,120</b>   | <b>3,140</b>   |
| <i><b>Accumulation funds</b></i>                 |                |                |
| Employer contributions to all accumulation funds | 682,647        | 565,791        |
|  | <b>682,647</b> | <b>565,791</b> |

## 9.5: Commitments

### Capital expenditure commitments

|  | 2021<br>\$       | 2020<br>\$     |
|--|------------------|----------------|
| Buildings                                    | 1,057,196        | 295,000        |
| <b>Total Capital expenditure commitments</b> | <b>1,057,196</b> | <b>295,000</b> |

### Contractual commitments

Contractual commitments at end of financial year but not recognised in the financial report are as follows:

|  | 2021<br>\$     | 2020<br>\$       |
|--|----------------|------------------|
| Garbage collection contract (expires March 2023) | 745,790        | 1,055,878        |
| <b>Total contractual commitments</b>             | <b>745,790</b> | <b>1,055,878</b> |

## 9.6: Contingent liabilities and contingent assets

### Contingent liabilities

Council has a Contingent exposure to estimated legal cost of up to \$40,000, if this matter proceeds to a hearing and in the event an unsuccessful outcome (low risk) a maximum payment of \$10,000.

## 9.7: Financial Instruments

### (a) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates of financial assets and non-tease financial liabilities, both recognised and unrecognised, at balance date are as follows:

| 2021                                  | Weighted average interest rate | Floating interest rate | Fixed interest maturing in in: |                   |                   | Non-interest bearing | Total      |
|---------------------------------------|--------------------------------|------------------------|--------------------------------|-------------------|-------------------|----------------------|------------|
|                                       |                                |                        | 1 year or less                 | Over 1 to 5 years | More than 5 years |                      |            |
| FINANCIAL ASSETS                      |                                |                        |                                |                   |                   |                      |            |
| Cash and cash equivalents             | 0.10%                          | 3,669,523              | –                              | –                 | –                 | 3,065                | 3,672,588  |
| Other financial assets                | 0.40%                          | 173,308                | 3,150,199                      | –                 | –                 | –                    | 3,323,507  |
| Trade and other receivables           | 7.87%                          | 233,784                | –                              | –                 | –                 | 2,813,034            | 3,046,818  |
| Investment in water corporation       |                                | –                      | –                              | –                 | –                 | 44,762,217           | 44,762,217 |
| Total financial assets                |                                | 4,076,615              | 3,150,199                      | –                 | –                 | 47,578,316           | 54,805,130 |
|                                       |                                |                        |                                |                   |                   |                      |            |
| FINANCIAL LIABILITIES                 |                                |                        |                                |                   |                   |                      |            |
| Trade and other payables              |                                | –                      | –                              | –                 | –                 | 1,755,883            | 1,755,883  |
| Trust funds and deposits              |                                | –                      | –                              | –                 | –                 | 452,281              | 452,281    |
| Interest-bearing loans and borrowings | 1.92%                          | –                      | –                              | –                 | –                 | 720,000              | 720,000    |
| Total financial liabilities           |                                | –                      | –                              | –                 | –                 | 2,928,164            | 2,928,164  |
|                                       |                                |                        |                                |                   |                   |                      |            |
| Net financial assets (liabilities)    |                                | 4,076,615              | 3,150,199                      | –                 | –                 | 44,650,152           | 51,876,966 |



| 2020                                  | Weighted average interest rate | Floating interest rate | Fixed interest maturing in: |                   |                   | Non-interest bearing | Total      |
|---------------------------------------|--------------------------------|------------------------|-----------------------------|-------------------|-------------------|----------------------|------------|
|                                       |                                |                        | 1 year or less              | Over 1 to 5 years | More than 5 years |                      |            |
| FINANCIAL ASSETS                      |                                |                        |                             |                   |                   |                      |            |
| Cash and cash equivalents             | 0.90%                          | 3,727,211              | -                           | -                 | -                 | 3,150                | 3,730,361  |
| Other financial assets                | 3.34%                          | 287,702                | 2,850,199                   | -                 | -                 | -                    | 3,137,901  |
| Trade and other receivables           | 6.81%                          | 365,242                | -                           | -                 | -                 | 521,151              | 886,393    |
| Investment in water corporation       |                                | -                      | -                           | -                 | -                 | 41,416,141           | 41,416,141 |
| Total financial assets                |                                | 4,380,155              | 2,850,199                   | -                 | -                 | 41,940,442           | 49,170,796 |
|                                       |                                |                        |                             |                   |                   |                      |            |
| FINANCIAL LIABILITIES                 |                                |                        |                             |                   |                   |                      |            |
| Trade and other payables              |                                | -                      | -                           | -                 | -                 | 778,357              | 778,357    |
| Trust funds and deposits              |                                | -                      | -                           | -                 | -                 | 342,576              | 342,576    |
| Interest-bearing loans and borrowings | 1.92%                          | -                      | -                           | -                 | -                 | 720,000              | 720,000    |
| Total financial liabilities           |                                | -                      | -                           | -                 | -                 | 1,840,933            | 1,840,933  |
|                                       |                                |                        |                             |                   |                   |                      |            |
| Net financial assets (liabilities)    |                                | 4,380,155              | 2,850,199                   | -                 | -                 | 40,099,509           | 47,329,863 |

## (b) Fair Value

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

| Financial Instruments                 | Total carrying amount<br>as per Balance Sheet |                   | Aggregate net fair value |                   |
|---------------------------------------|---|-------------------|--------------------------|-------------------|
|                                       | 2021  | 2020              | 2021                     | 2020              |
| <b>FINANCIAL ASSETS</b>               |   |                   |                          |                   |
| Cash and cash equivalents             | 3,672,588                                     | 3,730,361         | 3,672,588                | 3,730,361         |
| Other financial assets                | 3,323,507                                     | 3,137,901         | 3,323,507                | 3,137,901         |
| Trade and other receivables           | 3,046,818                                     | 886,393           | 3,046,818                | 886,393           |
| Investment in water corporation       | 44,762,217                                    | 41,416,141        | 44,762,217               | 41,416,141        |
| <b>Total financial assets</b>         | <b>54,805,130</b>                             | <b>49,170,796</b> | <b>54,805,130</b>        | <b>49,170,796</b> |
| <b>FINANCIAL LIABILITIES</b>          |   |                   |                          |                   |
| Trade and other payables              | 1,755,883                                     | 778,357           | 1,755,883                | 778,357           |
| Trust funds and deposits              | 452,281                                       | 342,576           | 452,281                  | 342,576           |
| Interest-bearing loans and borrowings | 720,000                                       | 720,000           | 720,000                  | 720,000           |
| <b>Total financial liabilities</b>    | <b>2,928,164</b>                              | <b>1,840,933</b>  | <b>2,928,164</b>         | <b>1,840,933</b>  |

## (c) Credit Risk

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

## (d) Risks and mitigation

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

### Market risk

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

### Interest rate risk

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

Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks.

We manage interest rate risk on our net debt portfolio by:

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

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

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

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

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

### Credit risk

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

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

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

In addition, receivable balance are monitored on an ongoing basis with the result that Council's exposure to bad debts is not significant.

Council may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in note 9.6.

*Credit quality of contractual financial assets that are neither past due nor impaired*

|   | Financial Institutions<br>(AAA credit rating) | Government agencies<br>(BBBB credit rating) | Other<br>(min BBB credit rating) | Total            |
|---|---|---|----------------------------------|------------------|
| <b>2021</b>                               |   |   |                                  |                  |
| Cash and cash equivalents                 | 3,672,588                                     | -   | -                                | 3,672,588        |
| <b>Total contractual financial assets</b> | <b>3,672,588</b>                              | <b>-</b>                                    | <b>-</b>                         | <b>3,672,588</b> |
| <b>2020</b>                               |   |   |                                  |                  |
| Cash and cash equivalents                 | 3,730,361                                     | -   | -                                | 3,730,361        |
| <b>Total contractual financial assets</b> | <b>3,730,361</b>                              | <b>-</b>                                    | <b>-</b>                         | <b>3,730,361</b> |

*Movement in Provisions for Impairment of Trade and Other Receivables*

|   | 2021<br>\$    | 2020<br>\$    |
|---|---------------|---------------|
| Balance at the beginning of the year                          | 21,095        | 19,271        |
| New Provisions recognised during the year                     | (7,250)       | (1,801)       |
| Amounts already provided for and written off as uncollectible | -             | 3,625         |
| <b>Balance at end of year</b>                                 | <b>13,845</b> | <b>21,095</b> |

*Ageing of Trade and Other Receivables*

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

|  | 2021<br>\$       | 2020<br>\$     |
|--|------------------|----------------|
| Current (not yet due)                      | 1,267,812        | 114,069        |
| Past due by up to 30 days                  | 416,788          | 36,984         |
| Past due between 31 and 180 days           | 3,600            | 31,891         |
| Past due between 181 and 365 days          | 968,662          | 111,410        |
| Past due by more than 1 year               | 403,801          | 605,884        |
| <b>Total Trade &amp; Other Receivables</b> | <b>3,060,663</b> | <b>900,238</b> |

*Ageing of individually impaired Trade and Other Receivables*

At balance date, other debtors representing financial assets with a nominal value of \$13,845 (2019-20 \$21,095) were impaired. The amount of the provision raised against these debtors was \$13,845 (2020-21 \$19,271). The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:

|  | 2021<br>\$    | 2020<br>\$    |
|--|---------------|---------------|
| Current (not yet due)                      | -             | -             |
| Past due by up to 30 days                  | -             | -             |
| Past due between 31 and 180 days           | -             | -             |
| Past due between 181 and 365 days          | -             | -             |
| Past due by more than 1 year               | 13,845        | 13,845        |
| <b>Total Trade &amp; Other Receivables</b> | <b>13,845</b> | <b>13,845</b> |

## Liquidity risk

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

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

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below lists the contractual maturities for Financial Liabilities.

These amounts represent the discounted cash flow payments (i.e. principal only).

|                                       | 6 mths or less<br>\$ | 6-12 mths<br>\$ | 1-2 years<br>\$ | 2-5 years<br>\$ | >5 years<br>\$ | Contracted Cash Flow<br>\$ | Carrying Amount<br>\$ |
|---------------------------------------|----------------------|-----------------|-----------------|-----------------|----------------|----------------------------|-----------------------|
| <b>2021</b>                           |                      |                 |                 |                 |                |                            |                       |
| Trade and other payables              | 1,755,883            | -               | -               | -               | -              | 1,755,883                  | 1,755,883             |
| Trust funds and deposits              | 452,281              | -               | -               | -               | -              | 452,281                    | 452,281               |
| Interest-bearing loans and borrowings | -                    | -               | -               | 720,000         | -              | -                          | 739,879               |
| <b>Total financial liabilities</b>    | <b>2,208,164</b>     | <b>-</b>        | <b>-</b>        | <b>720,000</b>  | <b>-</b>       | <b>2,208,164</b>           | <b>2,948,043</b>      |
| <b>2020</b>                           |                      |                 |                 |                 |                |                            |                       |
| Trade and other payables              | 778,357              | -               | -               | -               | -              | 778,357                    | 778,357               |
| Trust funds and deposits              | 342,576              | -               | -               | -               | -              | 342,576                    | 342,576               |
| Interest-bearing loans and borrowings | -                    | -               | -               | 720,000         | -              | -                          | 740,440               |
| <b>Total financial liabilities</b>    | <b>1,120,933</b>     | <b>-</b>        | <b>-</b>        | <b>720,000</b>  | <b>-</b>       | <b>1,120,933</b>           | <b>1,861,373</b>      |

## (e) Sensitivity disclosure analysis

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

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



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

|                                       |           | Interest rate risk |          |                   |        |
|---------------------------------------|-----------|--------------------|----------|-------------------|--------|
|                                       |           | -0.5%              |          | +1%               |        |
|                                       |           | -50 basis points   |          | +100 basis points |        |
|                                       |           | Profit             | Equity   | Profit            | Equity |
| <b>2021</b>                           |           |                    |          |                   |        |
| <b>Financial assets:</b>              |           |                    |          |                   |        |
| Cash and cash equivalents             | 3,669,523 | (18,348)           | (18,348) | 36,695            | 36,695 |
| Investments                           | 3,323,507 | (16,618)           | (16,618) | 33,235            | 33,235 |
| Trade and other receivables           | 3,046,818 | (15,234)           | (15,234) | 30,468            | 30,468 |
| <b>Financial liabilities:</b>         |           |                    |          |                   |        |
| Interest-bearing loans and borrowings | 720,000   | (3,600)            | (3,600)  | 7,200             | 7,200  |
| <b>2020</b>                           |           |                    |          |                   |        |
| <b>Financial assets:</b>              |           |                    |          |                   |        |
| Cash and cash equivalents             | 3,727,211 | (18,636)           | (18,636) | 37,272            | 37,272 |
| Investments                           | 3,137,901 | (15,690)           | (15,690) | 31,379            | 31,379 |
| Trade and other receivables           | 886,393   | (4,432)            | (4,432)  | 8,864             | 8,864  |
| <b>Financial liabilities:</b>         |           |                    |          |                   |        |
| Interest-bearing loans and borrowings | 720,000   | (3,600)            | (3,600)  | 7,200             | 7,200  |

## 9.8: Fair Value Measurements

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

- Investment property
- Investment in water corporation
- Property, infrastructure plant and equipment
  - Land
  - Buildings, including footpaths and cycleways
  - Roads
  - Bridges

Council does not measure any liabilities at fair value on a recurring basis.

Council also has assets measured at fair value on a non-recurring basis as a result of being reclassified as assets held for sale.

These comprise of identified surplus land as disclosed in note 4.5.

A description of the valuation techniques and the inputs used to determine the fair value of this land is included below under the heading 'Land held for sale'.

### (a) Fair Value Hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

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

The table below shows the assigned level for each asset and liability held at fair value by the Council.

The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2021.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates.

If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

| As at 30 June 2021                           | Note | Level 1<br>\$ | Level 2<br>\$     | Level 3<br>\$      | Total<br>\$        |
|--|------|---------------|-------------------|--------------------|--------------------|
| <b>RECURRING FAIR VALUE MEASUREMENTS</b>     |      |               |                   |                    |                    |
| Investment property                          | 6.2  | –             | 854,276           | –                  | 854,276            |
| Investment in water corporation              | 5.1  | –             | –                 | 44,762,217         | 44,762,217         |
| Land   | 6.1  | –             | 10,335,600        | 18,790,891         | 29,126,491         |
| Buildings                                    | 6.1  | –             | 21,541,092        | –                  | 21,541,092         |
| Roads, including footpaths & cycleways       | 6.1  | –             | –                 | 80,457,916         | 80,457,916         |
| Bridges                                      | 6.1  | –             | –                 | 4,143,145          | 4,143,145          |
| Drainage                                     | 6.1  | –             | –                 | 22,740,272         | 22,740,272         |
|  |      | –             | <b>32,730,968</b> | <b>170,894,441</b> | <b>203,625,409</b> |
| <b>NON-RECURRING FAIR VALUE MEASUREMENTS</b> |      |               |                   |                    |                    |
| Assets held for sale                         | 4.5  | –             | 1,415,883         | –                  | 1,415,883          |
|  |      | –             | <b>1,415,883</b>  | –                  | <b>1,415,883</b>   |

| As at 30 June 2020                           | Note | Level 1<br>\$ | Level 2<br>\$     | Level 3<br>\$      | Total<br>\$        |
|--|------|---------------|-------------------|--------------------|--------------------|
| <b>RECURRING FAIR VALUE MEASUREMENTS</b>     |      |               |                   |                    |                    |
| Investment property                          | 6.2  | –             | 690,000           | –                  | 690,000            |
| Investment in water corporation              | 5.1  | –             | –                 | 41,416,141         | 41,416,141         |
| Land   | 6.1  | –             | 8,951,000         | 18,790,891         | 27,741,891         |
| Buildings                                    | 6.1  | –             | 13,915,406        | –                  | 13,915,406         |
| Roads  | 6.1  | –             | –                 | 78,763,798         | 78,763,798         |
| Bridges                                      | 6.1  | –             | –                 | 4,092,983          | 4,092,983          |
| Drainage                                     | 6.1  | –             | –                 | 22,481,667         | 22,481,667         |
|  |      | –             | <b>23,556,406</b> | <b>165,545,480</b> | <b>189,101,886</b> |
| <b>NON-RECURRING FAIR VALUE MEASUREMENTS</b> |      |               |                   |                    |                    |
| Assets held for sale                         | 4.5  | –             | 845,883           | –                  | 845,883            |
|  |      | –             | <b>845,883</b>    | –                  | <b>845,883</b>     |

### Transfers between levels of the hierarchy

There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

**(b) Highest and best use**

AASB 13 *Fair Value Measurement*, requires the fair value of non-financial assets to be calculated based on their “highest and best use”. A number of Council assets are not being used for their highest and best use. This is mainly in relation to a number of Council buildings that are leased to community groups on a user pays system. A number of parcels of vacant land are also used throughout the municipality for parklands and sporting grounds. Council has identified that community groups require a place to meet and operate from at a minimal cost to their organisation which in turn contributes to a sense of community within the municipality. Council also sees that it has a commitment to the health and wellbeing of the ratepayers to provide adequate sporting grounds and recreational walking tracks.

**(c) Valuation techniques and significant inputs used to derive fair values****Land**

Land fair values were determined by a qualified independent valuer LG Valuation Services Pty Ltd effective 30 June 2019. Land is revalued every 5 years.

***Land held for sale***

Council identified land that is no longer required and is in the process of looking to see this within the next year. Land classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification.

***Land under roads***

Land under roads is based on The Office of the Valuer General’s valuation at 2019 figures. This adjustment is an unobservable input in the valuation.

**Buildings**

The fair value of buildings were also determined by a qualified independent valuer LG Valuation Services Pty Ltd valued 1st July 2018 but effective 30 June 2019. Indexation has occurred for these buildings based on the ABS producer Price Index for the March quarter. This index takes into account the movement in construction costs for Hobart and is multiplied by the total building value. Buildings are revalued every 5 years.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, residual value at the time the asset is considered to be no longer available for use.

**Infrastructure assets**

All Council infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset’s gross replacement cost (GRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

GRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. The resulting valuation reflects the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output.

The unit rates (labour and materials) and quantities applied to determine the GRC of an asset or asset component were based on the modern equivalent cost of replacement with a new asset including components that may not need to be replaced, such as earthworks.

The level of accumulated depreciation for infrastructure assets was determined based on the age of the asset and the useful life adopted by Council for the asset type. Estimated useful lives and residual values are disclosed in Note 6.1.

The calculation of DRC involves a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made by qualified and experienced staff, different judgements could result in a different valuation.

### **Roads, including footpaths & cycleways**

Council categorises its road infrastructure into urban and rural roads and then further sub-categorises these into sealed and unsealed roads. Urban roads are managed in segments from major intersection to major intersection. All road segments are then componentised into formation, pavement, sub-pavement and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

GRC is based on the road area multiplied by a unit price; the unit price being an estimate of labour and material inputs, services costs, and overhead allocations. Council assumes that pavements are constructed to depths of 250mm on sealed roads and 100mm on unsealed roads. For internal construction estimates, material and services prices are based on existing supplier contract rates or supplier price lists and labour wage rates are based on Council's Enterprise Bargaining Agreement (EBA). Where construction is outsourced, GRC is based on the average of completed similar projects over the last few years. Council engineers undertook a full revaluation in 2016 on current unit pricing.

### **Bridges**

A full valuation of bridges assets was undertaken by independent valuers, TasSpan, effective 30 June 2015. Each bridge is assessed individually and componentised into sub-assets representing the deck and sub-structure. The valuation is based on the material type used for construction and the deck and sub-structure area.

### **Drainage**

A full valuation of drainage infrastructure was undertaken by Council's Engineer, effective 30 June 2018. Similar to roads, drainage assets are managed in segments; pits and pipes being the major components.

Consistent with roads, Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

### Other Infrastructure

Other infrastructure is not deemed to be significant in terms of Council's Statement of Financial Position.

#### (d) Valuation processes

Revaluation of Council assets is undertaken on a regular basis. Valuation of roads, drainage and bridges are undertaken every 5 years and land and buildings every 5 years by independent valuers. At the end of each financial year a review of all assets is undertaken to make sure that assets are still current and have a future economic benefit. Indexation of Council assets by independent sources is undertaken in between revaluation years. These independent sources are the Producer Price Index, the Valuer General Adjustment index and the Consumer Price Index.

Council's current policy for the valuation of property, infrastructure, plant and equipment, investment in water corporation and investment property (recurring fair value measurements) is set out in notes 5.1, 6.1 & 6.2 respectively.

Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

#### (e) Assets and liabilities not measured at fair value but for which fair value is disclosed

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in note 9.7 is provided by Tascorp (level 2).

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (Level 2).

### 9.9: Events occurring after balance date

Council has an outstanding legal case that may expose a legal bill of \$40,000, if this matter proceeds to a hearing and in the event of an unsuccessful outcome (low risk) a maximum payment of \$10,000.



## Note 10: Other matters

### 10.1: Related party transactions

#### (i) Councillor Remuneration

| Name             | Position     | Period    | Allowances<br>\$ | Total<br>Compensation<br>AASB 124<br>\$ | Microwise<br>\$ | Expenses <sup>2</sup><br>\$ | Total<br>allowances<br>and<br>expenses<br>section 72<br>\$ |
|------------------|--------------|-----------|------------------|---|-----------------|-----------------------------|--|
| <b>2021</b>      |              |           |                  |   |                 |                             |  |
| Tony Foster      | Mayor        | Full Year | 55,124           | 55,124                                  | –               | 1353                        | 56,477   |
| Barbara Curran   | Deputy Mayor | Full Year | 30,711           | 30,711                                  | –               | –                           | 30,711   |
| Wayne Garlick    | Councillor   | Full Year | 15,750           | 15,750                                  | –               | –                           | 15,750   |
| Peter Geard      | Councillor   | Full Year | 15,750           | 15,750                                  | –               | –                           | 15,750   |
| Leigh Gray       | Councillor   | Full Year | 15,750           | 15,750                                  | –               | –                           | 15,750   |
| Moya Jeffries    | Councillor   | Full Year | 15,780           | 15,780                                  | –               | –                           | 15,780   |
| Philip Owen      | Councillor   | Full Year | 15,750           | 15,750                                  | –               | –                           | 15,750   |
| Jessica Whelan   | Councillor   | Full Year | 15,750           | 15,750                                  | –               | –                           | 15,750   |
| Tennille Murtagh | Councillor   | Full Year | 15,750           | 15,750                                  | –               | –                           | 15,750   |
| <b>Total</b>     |              |           | <b>196,115</b>   | <b>196,115</b>                          | <b>-</b>        | <b>1,353</b>                | <b>197,468</b>   |
| <b>2020</b>      |              |           |                  |   |                 |                             |  |
| Tony Foster      | Mayor        | Full Year | 53,824           | 53,824                                  | 7969            | 1,249                       | 63,042   |
| Barbara Curran   | Deputy Mayor | Full Year | 34,188           | 34,188                                  | –               | –                           | 34,188   |
| Wayne Garlick    | Councillor   | Full Year | 15,379           | 15,379                                  | –               | –                           | 15,379   |
| Peter Geard      | Councillor   | Full Year | 15,379           | 15,379                                  | –               | –                           | 15,379   |
| Leigh Gray       | Councillor   | Full Year | 15,379           | 15,379                                  | 2510            | –                           | 17,889   |
| Moya Jeffries    | Councillor   | Full Year | 15,348           | 15,348                                  | –               | –                           | 15,348   |
| Philip Owen      | Councillor   | Full Year | 15,382           | 15,382                                  | –               | 54                          | 15,436   |
| Jessica Whelan   | Councillor   | Full Year | 15,379           | 15,379                                  | –               | –                           | 15,379   |
| Tennille Murtagh | Councillor   | Full Year | 15,379           | 15,379                                  | –               | –                           | 15,379   |
| <b>Total</b>     |              |           | <b>195,637</b>   | <b>195,637</b>                          | <b>10,479</b>   | <b>1,353</b>                | <b>207,419</b>   |

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

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

## (ii) Key Management Personnel Remuneration

## 2021

| Name                               |   | Position                          |  |
|------------------------------------|---|-----------------------------------|--|
| James Dryburgh                     |   | General Manager                   |  |
| Period                             |   | Remuneration band                 |  |
| Full Year                          |   | \$240,001 – \$260,000             |  |
| Short term employee benefits       |   |                                   |  |
| Salary <sup>1</sup>                | Short term Incentive Payment <sup>2</sup> | Vehicles <sup>3</sup>             |  |
| \$                                 | \$  | \$                                |  |
| 209,308                            | –   | 8,438                             |  |
| Microwise <sup>4</sup>             | Post employment benefits                  |                                   |  |
|                                    | Super-annuation <sup>5</sup>              | Termination Benefits <sup>6</sup> |  |
| \$                                 | \$  | \$                                |  |
| –                                  | 27,208                                    | –                                 |  |
| Non-monetary Benefits <sup>7</sup> |   | Total                             |  |
| \$                                 |   | \$                                |  |
| –                                  |   | 244,954                           |  |

## 2020

| Name                               |   | Position                          |  |
|------------------------------------|---|-----------------------------------|--|
| Ron Sanderson                      |   | General Manager                   |  |
| Period                             |   | Remuneration band                 |  |
| Full Year                          |   | \$260 001 – \$280 000             |  |
| Short term employee benefits       |   |                                   |  |
| Salary <sup>1</sup>                | Short term Incentive Payment <sup>2</sup> | Vehicles <sup>3</sup>             |  |
| \$                                 | \$  | \$                                |  |
| 194,394                            | –   | 10,673                            |  |
| Microwise <sup>4</sup>             | Post employment benefits                  |                                   |  |
|                                    | Super-annuation <sup>5</sup>              | Termination Benefits <sup>6</sup> |  |
| \$                                 | \$  | \$                                |  |
| 50,954                             | 25,269                                    | –                                 |  |
| Non-monetary Benefits <sup>7</sup> |   | Total                             |  |
| \$                                 |   | \$                                |  |
| (12,970)                           |   | 268,320                           |  |

- 1 Gross Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.
- 2 Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. These payments are capped at 15% of base salary. [This includes such items as retention bonuses in culmination with termination.]
- 3 Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).
- 4 Microwise includes remuneration from General Managers role.
- 5 Superannuation means the contribution to the superannuation fund of the individual.
- 6 Termination benefits include all forms of benefit paid or accrued as a consequence of termination.
- 7 Non-monetary benefits include annual and long service leave movements and non-monetary benefits.

### (iii) Remuneration Principles

#### Councillors

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

#### Executives

##### General Manager

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions. In addition to their salaries, Council also provides non-cash benefits and contributes to post-employment superannuation plans on their behalf.

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

### (iv) Transactions with related parties

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

### (v) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of council live and operate within the municipality. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties.

Some examples include:

- Payment of rates on a primary residence
- Dog registration

Council has not included these types of transaction in its disclosure, where they are made on the same terms and conditions available to the general public.

## 10.2: Interests in other entities

### Microwise Australia Pty Ltd

Microwise is a 100% owned incorporated entity of Brighton Council that has been formed to:

- Own and manage the intellectual property contained in the Propertywise software product.
- Create and develop new software products to meet the identified needs of existing and potential customers within Local Government and other public and private sectors.
- Provide software maintenance and technical support to existing customers.
- Provide upgrades and enhancements to a portfolio of products.
- Manage the relationship with marketing organisations to achieve market coverage and representation.
- The Council paid Microwise \$30,405 (2020 — \$30,914) in licence fees during the 2021 financial year.
- Microwise paid Council \$801,994 (2020 — \$446,539) in fees/consultancy during the 2021 financial year.
- Directors Fees of \$8,021 (2020 – \$36,967) were paid during the 2021 financial year.

### Financial performance

|                                | 2021<br>\$       | 2020<br>\$       |
|--------------------------------|------------------|------------------|
| Revenue                        | 1,279,788        | 1,075,709        |
| Expenditure                    | (588,466)        | (419,648)        |
|                                | <b>691,322</b>   | <b>1,495,357</b> |
| <b>Brighton Council Equity</b> | <b>2,657,211</b> | <b>2,737,479</b> |

The financial performance excludes and internal transactions with Brighton Council.

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

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

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

The directors of Microwise Australia are:

- Mr. Gregory Davoren
- Mr. Geoff Dodge
- Mr James Dryburgh
- Clr Leigh Gray

### Discontinued operation

Microwise developed and owned the software CouncilWise. The sale price was negotiated on the provision by Dornier Digital Pty Ltd providing ongoing access to the CouncilWise software licence and provides for a level of software support at no charge, and a percentage of revenue from future sales of licences for 10 years. Under Australian Accounting Standards these benefits to the Council will be recognised as received.

Microwise Australia Pty Ltd, Brighton Council and Dornier Digital Pty Ltd entered into an agreement to sell the CouncilWise software, transfer staff associated with the MicroWise business and sell relevant assets, owned by

Brighton Council. This sale was finalised on 30th June 2021. The sale price was calculated based on ongoing maintenance support, software licencing and licence commission estimates.

|   | 2021<br>\$     | 2020<br>\$     |
|---|----------------|----------------|
| Revenue from commercial Activities            | 1,279,788      | 1,075,709      |
| Expenses                                      | (588,466)      | (419,647)      |
| Gain from selling discontinued operations     | –              | –              |
| <b>Net Result from Discontinued operation</b> | <b>691,322</b> | <b>656,062</b> |

## 10.3: Other significant accounting policies and pending accounting standards

### (a) Taxation

Council is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax and the Goods and Services Tax.

### Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### (b) Impairment of non-financial assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these

assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value.

Any excess of the assets carrying value over its recoverable amount is expensed to the Statement of Other Comprehensive Income, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset. For non-cash generating assets of Council such as roads, drains, public buildings and the like, value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

### **(c) Allocation between current and non-current**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being Council's operational cycle, or if Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

### **(d) Financial guarantees**

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

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

### **(e) Contingent assets, contingent liabilities and commitments**

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Statement of Financial Position. Commitments are disclosed at their nominal value inclusive of the GST payable.

### **(f) Budget**

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

### **(g) Adoption of new and amended accounting standards**

#### **AASB 2018-7 Amendments to Australian Accounting Standards — Definition of Material**

The amendments refine the definition of material in AASB 1010 and are applicable for the year ended 30 June 2021. The amendments clarify the definition of material and includes guidance relating to obscuring information that could be reasonably expected to influence decisions of the primary users of the financial information. The amendments include additional guidance to the definition of material, gives it more prominence, and clarifies the explanation accompanying the definition of material. The adoption of the amendments has not had any significant impact on Council.



## 10.4: Management indicators

|  | Benchmark  | 2021<br>\$'000 | 2020<br>\$'000 | 2019<br>\$'000 | 2018<br>\$'000 |
|--|------------|----------------|----------------|----------------|----------------|
| <b>(A) UNDERLYING SURPLUS OR DEFICIT</b>   |            |                |                |                |                |
| Recurrent income   |            | 16,703         | 15,700         | 15,146         | 14,532         |
| less recurrent expenditure   |            | 17,129         | 16,428         | 15,102         | 14,923         |
| Underlying surplus/deficit   | 0          | (426)          | (728)          | 44             | 391            |
| The intent of the underlying result is to show the outcome of a council's normal or usual day to day operations.   |            |                |                |                |                |
| <b>(B) UNDERLYING SURPLUS RATIO</b>  |            |                |                |                |                |
| Underlying surplus or deficit  |            | (426)          | (728)          | 44             | 391            |
| Recurrent income*  |            | 16,703         | 15,700         | 15,146         | 14,532         |
| Underlying surplus ratio %   | 0%         | (3%)           | (5%)           | 0              | 3%             |
| This ratio serves as an overall measure of financial operating effectiveness.  |            |                |                |                |                |
| <b>(C) NET FINANCIAL LIABILITIES</b>   |            |                |                |                |                |
| Liquid assets less   |            | 9,868          | 7,466          | 8,099          | 6,859          |
| total liabilities  |            | 5,296          | 3,818          | 2,390          | 1,887          |
| Net financial liabilities  | 0          | <b>4,572</b>   | <b>3,648</b>   | <b>5,709</b>   | <b>4,972</b>   |
| This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets means that, if all liabilities fell due at once, additional revenue would be needed to fund the shortfall. |            |                |                |                |                |
| <b>(D) NET FINANCIAL LIABILITIES RATIO</b>   |            |                |                |                |                |
| Net financial liabilities  |            | <b>-4,572</b>  | <b>-3,648</b>  | <b>-5,709</b>  | <b>-4,972</b>  |
| Recurrent income*  |            | 16,711         | 15,700         | 15,146         | 14,532         |
| Net financial liabilities ratio %  | 0% – (50%) | -27%           | -23%           | -38%           | -34%           |
| This ratio indicates the net financial obligations of Council compared to its recurrent income.  |            |                |                |                |                |
| <b>(E) ASSET CONSUMPTION RATIO</b>   |            |                |                |                |                |
| An asset consumption ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.  |            |                |                |                |                |
| <b>Transport Infrastructure</b>  |            |                |                |                |                |
| Depreciated replacement cost   |            | 84,601         | 82,857         | 81,785         | 78,976         |
| Current replacement cost   |            | 134,716        | 129,502        | 126,435        | 120,638        |
| Asset consumption ratio %  |            | 63%            | 64%            | 65%            | 65%            |
| <b>Buildings</b>   |            |                |                |                |                |
| Depreciated replacement cost   |            | 21,541         | 13,915         | 13,107         | 14,047         |
| Current replacement cost   |            | 22,405         | 14,430         | 13,352         | 15,524         |
| Asset consumption ratio %  |            | 96%            | 96%            | 98%            | 90%            |

|  | Benchmark | 2021<br>\$'000 | 2020<br>\$'000 | 2019<br>\$'000 | 2018<br>\$'000 |
|--|-----------|----------------|----------------|----------------|----------------|
| <b>Drainage</b>  |           |                |                |                |                |
| Depreciated replacement cost   |           | 22,740         | 22,482         | 22,385         | 22,010         |
| Current replacement cost   |           | 33,231         | 32,395         | 31,973         | 31,034         |
| Asset consumption ratio %  |           | 69%            | 69%            | 70%            | 71%            |
| This ratio indicates the level of service potential available in Council's existing asset base. Council is tracking as per the asset management plan and long term financial plan. |           |                |                |                |                |
|  |           |                |                |                |                |
| <b>(F) ASSET RENEWAL FUNDING RATIO</b>   |           |                |                |                |                |
| An asset renewal funding ratio has been calculated in relation to each asset class required to be included in the long-term strategic asset management plan of Council.            |           |                |                |                |                |
| <b>Transport Infrastructure</b>  |           |                |                |                |                |
| Projected capital funding outlays**  |           | 51,752         | 21,361         | 24,269         | 18,751         |
| Projected capital expenditure funding***   |           | 51,752         | 21,361         | 24,269         | 18,751         |
| Asset renewal funding ratio %  | 90–100%   | 100%           | 100%           | 100%           | 100%           |
| <b>Buildings</b>   |           |                |                |                |                |
| Projected capital funding outlays**  |           | 18,545         | 13,568         | 14,052         | 531            |
| Projected capital expenditure funding***   |           | 18,545         | 13,568         | 14,052         | 531            |
| Asset renewal funding ratio %  | 90–100%   | 100%           | 100%           | 100%           | 100%           |
| ** Current value of projected capital funding outlays for an asset identified in Council's long-term financial plan.   |           |                |                |                |                |
| *** Value of projected capital expenditure funding for an asset identified in Council's long-term strategic asset management plan.   |           |                |                |                |                |
| This ratio measures Council's capacity to fund future asset replacement requirements.  |           |                |                |                |                |
|  |           |                |                |                |                |
| <b>(G) ASSET SUSTAINABILITY RATIO</b>  |           |                |                |                |                |
| Capex on replacement/renewal of existing assets  |           | 2,531          | 3,266          | 3,552          | 4,403          |
| Annual depreciation expense  |           | 3,461          | 3,464          | 3,298          | 3,258          |
| Asset sustainability ratio %   | 100%      | 73%            | 94%            | 108%           | 135%           |
| This ratio calculates the extent to which Council is maintaining operating capacity through renewal of their existing asset base.  |           |                |                |                |                |

| 2021                    | Capital renewal expenditure \$'000 | Capital new / upgrade expenditure \$'000 | Total Capital Expenditure \$'000 |
|-------------------------|------------------------------------|--|----------------------------------|
| By asset class          |                                    |  |                                  |
| Land                    |                                    | –  | 0                                |
| Buildings               | 87                                 | 6,994                                    | 7,081                            |
| Plant & vehicles        | 582                                | –  | 582                              |
| Furniture and equipment | –                                  | –  | 0                                |
| Small machinery         | –                                  | –  | 0                                |
| Roads                   | 1,513                              | 464                                      | 1,977                            |
| Bridges                 | 69                                 |  | 69                               |
| Drainage                | 37                                 | 15                                       | 52                               |
| WIP                     | 243                                |  | 243                              |
| <b>Total</b>            | <b>2531</b>                        | <b>7473</b>                              | <b>10004</b>                     |

| 2020                    | Capital renewal expenditure \$'000 | Capital new / upgrade expenditure \$'000 | Total Capital Expenditure \$'000 |
|-------------------------|------------------------------------|--|----------------------------------|
| By asset class          |                                    |  |                                  |
| Land                    | –                                  | 134                                      | 134                              |
| Buildings               | 504                                | 338                                      | 842                              |
| Plant & vehicles        | 364                                | –  | 364                              |
| Furniture and equipment | 44                                 | –  | 44                               |
| Small machinery         | –                                  | –  | 0                                |
| Roads                   | 2,445                              | 158                                      | 2,603                            |
| Bridges                 | 311                                | –  | 311                              |
| Drainage                | 6                                  | 428                                      | 434                              |
| WIP                     | 784                                | –  | 784                              |
| <b>Total</b>            | <b>4,458</b>                       | <b>1,058</b>                             | <b>5,516</b>                     |

## 10.5: Material Budget Variations

Council's original budget was adopted by the Council on 16th June 2020. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity, the weather, and by decisions made by the Council. Material variations of more than 10% are explained below:

### Revenues

#### User fees

User fees have increased by \$288 (90%) from budget estimates. This is due to a conservative budget estimate due to COVID-19 in year ending 2020 and also the introduction of new user charges by Council.

#### Contributions Cash

With the increase in development in the Brighton area it was assumed there would be an increase in cash received for public open space contributions, this did not eventuate.

### Interest

Revenue was down \$68k (70%) due to reduced interest rates being available for investments.

### Expenses

#### Employee Benefits

Employee Benefits increased compared to budget by 40% as budgeted expenses do not take into account job costed wages.

#### Depreciation

Depreciation increased by \$380k (12%) compared to budget due to a substantial increase in capital works within the municipality.

#### Other expenses

Other expenses were \$205k (33%) lower than budget estimate. This is due to some line items in the budget being accounted for in different areas in the year end report. This will be rectified in the next year.

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# Grants and donations

| GRANTS AND BENEFITS REGISTER SECTION 77 LOCAL GOVERNMENT ACT 1993 |                          | 2021     | 2020     |
|---|--------------------------|----------|----------|
| Brighton Agricultural Society                                     | Annual Grant             |          | \$500    |
| Centrecare Evolve Housing   | Christmas Pageant        |          | \$972    |
| Brighton Primary School   | Citizenship Prize        | \$100    | \$100    |
| East Derwent Primary School                                       | Citizenship Prize        | \$100    | \$100    |
| Gagebrook Primary School  | Citizenship Prize        | \$100    | \$100    |
| Herdsmans Cove Primary School                                     | Citizenship Prize        | \$100    | \$100    |
| Jordan River Learning Federation                                  | Citizenship Prize        | \$100    | \$100    |
| Northern Suburbs Christian School                                 | Citizenship Prize        | \$100    | \$100    |
| St Paul's Primary School  | Citizenship Prize        | \$100    | \$100    |
| Brighton Bowls Club   | Community Grant          |          | \$2,000  |
| Brighton CWA  | Community Grant          | \$721    |          |
| Brighton District Cricket Club                                    | Community Grant          | \$3,000  |          |
| Brighton Fitness & Fighting                                       | Community Grant          |          | \$3,107  |
| Brighton Football Club  | Community Grant          |          | \$18,501 |
| Brighton Meals on Wheels  | Community Grant          |          | \$935    |
| Brighton Playcentre/Playgroup                                     | Community Grant          | \$2,000  | \$1,994  |
| Brighton Senior Citizens Club                                     | Community Grant          | \$474    | \$455    |
| Derwent Valley Country Music Club                                 | Community Grant          | \$8,000  |          |
| Hobart Gymnastics Academy   | Community Grant          |          | \$34,300 |
| Jordan River Services Inc   | Community Grant          | \$15,158 | \$13,729 |
| Lions Club of Brighton  | Community Grant          |          | \$2,000  |
| Speaking Made Easy  | Community Grant          | \$900    |          |
| St Vincent De Paul Society  | Community Grant          | \$11,000 | \$6,000  |
| Tea Tree Community Association                                    | Community Grant          | \$7,450  | \$3,250  |
| Tasmanian Aboriginal Centre                                       | Community Grant          | \$1,000  |          |
| Veterans Memorial Centre  | Community Grant          |          | \$2,000  |
| Community Transportation  | Community Transportation | \$1,172  | \$645    |
| Landcare Tasmania Inc   | Donation                 |          | \$200    |
| Koori Kids  | Donation                 | \$900    |          |
| Tas Canine Defence League   | Donation                 | \$143    | \$130    |
| Save the Children Australia                                       | Donation                 |          | \$500    |
| Bella Wright  | Education Bursary        | \$250    |          |
| Coleman Katelyn   | Education Bursary        | \$250    | \$250    |
| Donaghy Keeisha   | Education Bursary        |          | \$250    |
| Burt William  | Education Bursary        | \$250    |          |
| Farnell George  | Education Bursary        | \$250    | \$250    |
| Harrison Michael  | Education Bursary        | \$250    |          |
| Rogers Nellie   | Education Bursary        | \$250    |          |
| Smith Beau  | Education Bursary        |          | \$250    |
| BGH Breakers  | Halls & Grounds          | \$65     |          |
| Brighton Agricultural Show Society                                | Halls & Grounds          |          | \$20,000 |



| GRANTS AND BENEFITS REGISTER SECTION 77 LOCAL GOVERNMENT ACT 1993 |                   | 2021     | 2020     |
|---|-------------------|----------|----------|
| Brighton District Cricket Club                                    | Halls & Grounds   | \$12,858 | \$4,480  |
| Brighton Fitness & Fighting                                       | Halls & Grounds   |          | \$350    |
| Brighton Football Club  | Halls & Grounds   | \$7,284  | \$18,748 |
| Brighton Kennel Club  | Halls & Grounds   | \$129    |          |
| Brighton Junior Football Club                                     | Halls & Grounds   | \$14,256 | \$6,160  |
| Brighton Penguin Club   | Halls & Grounds   |          | \$560    |
| Brighton Playgroup/Playcentre                                     | Halls & Grounds   | \$9,543  | \$6,393  |
| Brighton Senior Citizens  | Halls & Grounds   | \$2,080  | \$1,260  |
| Brighton Storm Soccer Club  | Halls & Grounds   | \$10,242 | \$6,046  |
| Bugeido Karate  | Halls & Grounds   | \$3,024  | \$1,820  |
| Centacare Evolve Housing  | Halls & Grounds   | \$372    | \$211    |
| Connected Beginnings Jordan River                                 | Halls & Grounds   |          | \$1,050  |
| Dosa Soccer Club  | Halls & Grounds   | \$378    | \$394    |
| East Derwent Little Athletics                                     | Halls & Grounds   | \$5,164  | \$5,015  |
| Hippy Brighton  | Halls & Grounds   |          | \$35     |
| Hobart Cavy Club  | Halls & Grounds   | \$250    | \$125    |
| Hobart Gymnastics Academy   | Halls & Grounds   |          | \$350    |
| Hobart United Soccer Club   | Halls & Grounds   | \$162    | \$788    |
| Old Beach Community Playgroup                                     | Halls & Grounds   | \$3,024  | \$1,820  |
| Old Beach Cricket Club  | Halls & Grounds   | \$12,300 | \$6,163  |
| Old Beach Family Day Care Playgroup                               | Halls & Grounds   | \$3,024  | \$1,820  |
| Old Beach Junior Cricket Club                                     | Halls & Grounds   |          | \$5,600  |
| Old Beach Scouts  | Halls & Grounds   | \$7,560  | \$4,550  |
| Pete's Community Workshed   | Halls & Grounds   | \$9,543  | \$6,393  |
| Rabbit Breeders Association                                       | Halls & Grounds   | \$906    | \$250    |
| Ryukyu Karate   | Halls & Grounds   | \$3,402  | \$2,048  |
| Save the Children Australia                                       | Halls & Grounds   | \$180    |          |
| Southern Poultry Club   | Halls & Grounds   | \$259    | \$120    |
| Southern Quarter Horse Association                                | Halls & Grounds   | \$259    | \$175    |
| Speak Easy Group  | Halls & Grounds   | \$1,040  |          |
| St Paul's Primary School  | Halls & Grounds   |          | \$1,120  |
| St Vincent De Paul  | Halls & Grounds   | \$2,232  | \$2,160  |
| Tasmanian Boxing League Inc (Brighton)                            | Halls & Grounds   | \$39     |          |
| Tasmanian Rare Breeds Poultry                                     | Halls & Grounds   | \$129    |          |
| Technobeat Dance Academy  | Halls & Grounds   |          | \$330    |
| Weily Park Rockers Cricket Association                            | Halls & Grounds   |          | \$88     |
| Stonehouse Lily   | Sporting Achiever | \$100    |          |
| Hartgrove Olivia  | Sporting Achiever | \$100    |          |
| Wiltshire Kade  | Sporting Achiever | \$100    |          |
| Coppleman Ryan  | Sporting Achiever |          | \$100    |
| Auchterlonie Adele  | Sporting Achiever |          | \$100    |
| Howard Liam   | Sporting Achiever |          | \$100    |
| Lapham Samuel   | Sporting Achiever |          | \$100    |

| GRANTS AND BENEFITS REGISTER SECTION 77 LOCAL GOVERNMENT ACT 1993 |                  | 2021              | 2020             |
|---|------------------|-------------------|------------------|
| WTS – Bridgewater Anglers Association                             | WTS Entry        |                   | \$74             |
| WTS – Bridgewater/Gagebrook Clean Up Group                        | WTS Entry        | \$161             | \$373            |
| WTS – Dept of Justice (Community Corrections)                     | WTS Entry        |                   | \$264            |
| WTS – Friends of the School Farm                                  | WTS Entry        | \$82              | \$145            |
| WTS – Jordan River Learning Federation                            | WTS Entry        |                   |                  |
| WTS – Jordan River Services                                       | WTS Entry        | \$1,093           | \$360            |
| WTS – St Vincent de Paul  | WTS Entry        | \$737             | \$1,044          |
| WTS – Uniting Church  | WTS Entry        | \$119             | \$112            |
| <b>Financial Donations</b>  | <b>\$58,318</b>  |                   |                  |
| <b>Donations In Kind</b>  | <b>\$107,995</b> | <b>\$ 166,314</b> | <b>\$202,111</b> |





## **Brighton Council**

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