DERWENT VALLEY COUNCIL
2003-2004 ANNUAL REPORT

Derwent Valley Council

Annual Report 2003 / 2004

"Our Mission is to lead our community on a path that will provide an environment of health, safety and economic wellbeing in partnership with our residents and stakeholders"

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A Message from the Mayor

Compiling this year's Annual Report has been a pleasure. The optimism that I made mention of last year has continued to transform the Derwent Valley in many ways. No longer are we prepared to accept the tag of a downtrodden and disinterested community.

Right across all sections of our economy we are seeing activity that has not been matched for decades. Some old timers are saying that the current level of investment is indeed unprecedented.

Complaints about empty shops in High Street are now being matched by request to our Valley Vision Office to find vacant buildings for potential business to open. Exciting times: May I congratulate those who have seen the opportunities and invested in our Community. Millions of dollars have created an entirely different atmosphere and enabled many jobs for our locals with a sharp decline in unemployment. The challenge is to ensure long term sustainability.

I mentioned last year that the sale of ten buildings within Willow Court had created enormous opportunities and indeed many challenges.

Already a new restaurant for Backpacker / budget accommodation has transformed the old Alcheringa building, and residential units on site are nearing completion. The landscaping plan for the entire area occupied by Willow Court Villages Pty Ltd look outstanding and on completion will create great interest. The refurbishment of the old Amaroo Motel (now the Junction) together with their new dining facility, complements the popular Verandahs Restaurant. Dining has never been better in New Norfolk.

"Woodbridge", an historic home on the banks of the Derwent River, has been transformed with this wonderful restoration sure to attract more tourists to the Derwent Valley.

One of the highlights of the year was the invitation extended to our local "icon", the Derwent Valley Concert Band, to attend the wedding of Crown Prince Frederik and Mary Donaldon in Denmark. The usual community spirit of our people was once again demonstrated when all assisted to raise the necessary funds to enable our Band to participate in this memorable event. It was a great honour to be invited and as ambassadors for Australia / Tasmania and in particular the Derwent Valley, we congratulate all for your wonderful effort. I am sure the memories will last a lifetime.

Exciting news was released by the Government earlier in the year when the Premier Mr Lennon announced that they had agreed to assist Forestry Tasmania in funding the Maydena Hauler tourism venture. Council has been pushing for this type of development for some time and we are positive there will be a huge tourism boost when this project is up and operating, hopefully in early 2006.

It was very encouraging to see students at New Norfolk High School adopt the Beacon Foundation's, "No Dole" program. Year 10 students have signed a pledge committing themselves to strive for higher education or alternatively gain employment by 1 April 2005.

It is hoped that this will encourage all students not to accept unemployment as an option. Congratulations on this great initiative.

Together with Beacon Foundation, the Derwent Valley Council has also created a partnership to create "real jobs" to assist youth unemployment in our community.

This new enterprise will specialise in stone wall construction and will employ nine currently unemployed young people plus an experienced supervisor for 12 months. Your Council committed $70,000 to this project. During the year all will receive the necessary training which will enable the group to become fully commercial and capable of continuing the trade in our area.

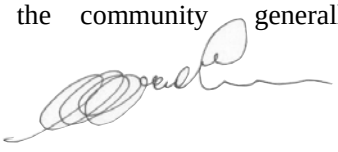
I would like to pay special tribute to the Derwent Valley Economic Renewal Group (Valley Vision) and in particular to Mr Ian Brown (Project Officer) for his outstanding work in so many areas. There is no doubt that Ian's efforts have contributed enormously to the economic development in the Derwent Valley.

During the year the Local Government Act has been undergoing substantial review and there has been ongoing consultation between the community, local and state government. Various delays resulted in this year's election being postponed for 12 months. All in all, our elections are a contentious issue and still unresolved around the State.

This year has placed more than usual strain on our community groups as a result of the enormous activity in our Community. As a result, our volunteers have in many areas been placed under pressure to ensure that we continue to operate as normal. Congratulations to all in a wonderful effort.

To my fellow Councillors and all Council staff go my thanks for your efforts during the year. The challenge is for us to continue to improve the services we provide to our ratepayers and the community generally.

Nick Cracknell
MAYOR



Elected Members

Top left *Councillor Craig Farrell, Councillor Hilary Craw, Councillor Barry Lathey, Councillor Leon Kemp, Councillor Judy Bromfield.* ***Bottom left*** *Councillor Ray Williams, Mayor Nick Cracknell, Deputy Mayor Tony Nicholson, Councillor Richard Parker.*

Partnership Agreement

Council continues to work with various State Government Agencies progressing through the matters incorporated within the partnership agreement between Council and the State Government.

Economic Development

Business Services, Development Opportunities, Investment and Development

Ongoing Development of the "Willow Court" Project

Arts and Culture

Local Tourism Strategy

Nature Based Tourism Strategy

Development of Primary Industries

Crown Land Rationalisation

Transport

Regional Transport Planning

Granton to New Norfolk Transport Planning Study

Consultation on Land Use Planning Matters

Maintenance of State Government Roads

Higher Productivity Vehicles

Derwent Valley Rail Line

Traffic Management

Social and Community Development

Health and Community Services in the Derwent Valley

Community Recovery

Housing Tasmania Issues in the Derwent Valley

Community Safety

Local Icon Development

Education Initiatives

Family Support, Early Childhood and Parenting

Development of Learning Alliance

Civics and Citizenship Through Council/Student Forums

Developing Work Opportunities

Drug and Alcohol Issues

Maximization of School Resources and Facilities

Increasing Youth Service Provision

Adult and Community Education

Training and Industry

Development of a Comprehensive Sport and Recreation Plan

Information and Communications Technology

Enhanced Information and Communication Technology Opportunities

Effective Financial Arrangements

Capital Investment Program

Application of National Competition Policy

Application of the Goods and Services Tax

Procurement Protocols

Public Bodies Loans

Committees and Organisations

Special Committees of Council	Councillors Representing Council
Boyer Oval Management Committee	Cr Richard Parker and Cr Barry Lathey
Bushy Park Swimming Pool	Cr Hilary Craw
Derwent Valley Sport and Recreation Committee	Cr Ray Williams
Historical Information Centre	Cr Hilary Craw and Cr Tony Nicholson
Lachlan Reserve	Cr Tony Nicholson
Molesworth Reserve	Cr Tony Nicholson and Cr Leon Kemp
Other	
10 Days on The Island	Cr Judy Bromfield and Cr Craig Farrell
2004 Bicentennial Committee	Cr Judy Bromfield and Cr Craig Farrell
Australia Day	Cr Nick Cracknell and Cr Craig Farrell
Derwent Catchment Advisory Group	Cr Nick Cracknell and Cr Tony Nicholson
Derwent River Natural Resource Management	Cr Nick Cracknell and Cr Tony Nicholson
Derwent Catchment Natural Resource Management Committee	Cr Nick Cracknell and Cr Tony Nicholson
Derwent Valley Autumn Festival	Cr Nick Cracknell, Cr Judy Bromfield, Cr Tony Nicholson and Cr Leon Kemp
Derwent Valley Business Enterprise Centre	Cr Richard Parker and Cr Hilary Craw
Derwent Valley Concert Band	Cr Craig Farrell
Derwent Valley Chamber of Commerce and Industry	Cr Ray Williams
Derwent Valley Council Access Advisory Committee	Cr Hilary Craw and Cr Barry Lathey
Derwent Valley Emergency Planning Committee	Cr Barry Lathey and Cr Leon Kemp
Derwent Valley Economic Renewal Group	Cr Nick Cracknell and Cr Craig Farrell
Derwent Valley Investments Pty Ltd	Cr Richard Parker and Cr Tony Nicholson
Derwent Valley Visitor Information Centre	Cr Hilary Craw
Derwent Valley Future Action Team (D'FAT)	Cr Barry Lathey and Cr Hilary Craw
Hobart Water Authority	Cr Nick Cracknall and Cr Barry Lathey
New Norfolk Business Alliance	Cr Craig Farrell
Southern Tasmanian Council Board	Cr Nick Cracknell (Deputy chairman)
Southern Tasmanian Tourism Task Force	Cr Nick Cracknell
Southern Waste Authority	Cr Tony Nicholson (Deputy Chairman)
Townscape Revitalisation Committee	Cr Craig Farrell
World Heritage Area Consultative Committee	Cr Barry Lathey

General Manager's Report

Tourism

The Derwent Valley Council has been very active and supportive of Tourism development in the Derwent Valley over the last 12 months.

The three main areas are the Rivers Run Touring Route Strategy, the Willow Court Redevelopment and the Visitor Information Centre.

Rivers Run Touring Route

Council was a significant contributor both financially and in kind to the successful development and implementation of the strategy. Visitor numbers to the region have increased by 20% in line with the State average. The industry estimated a 20% increase in visitor numbers would generate up to 165 new direct and indirect employment opportunities.

Economic activity such as private sector investment in new restaurants, accommodation and attractions like the Maydena Hauler all contribute to a sense of renewed optimism.

The strategy produced

- the new brand for the touring route
- marketing collateral with a new brochure
- a tourism development plan for the region
- a major intersection directional signage plan

Of equal significance to these four outcomes was the re-establishment of a Tourism Association that represents 87 operators and a new and effective working relationship with Tourism Tasmania and Tas South.

Council funded Valley Vision that facilitated the project and made a direct cash contribution on a 50/50 basis with Tourism Tasmania to supply and erect four Rivers Run Touring Route Signs throughout the region and a significant contribution to the production of the Touring Route brochure.

The major intersectional signage throughout the region is in very good condition and the roundabout at Pioneer Avenue is on the program for 2004/2005.

Willow Court

The redevelopment of Willow Court has seen the design and first stage implementation of Part A of Willow Court, including the Nosh Pit and back-packers accommodation. Future plans for restaurants, arts and accommodation in Part A will further add to the region's capacity to attract and retain visitors.

Council's plans for a visitor centre and interpretive tours at Willow Court will also attract visitors and create further employment at the site.

Visitor Information Centre

Council has continued to support the operation of the Visitor Information Centre at New Norfolk. The centre provides a valuable service to our visitors and has experienced an increase in visitor numbers. An increasing proportion of visitors is making itinerary decisions on the run and is travelling in own or rental vehicles. The provision of timely, accurate and complete information is clearly an essential ingredient of growing and maintaining visitor numbers in the Derwent Valley.

Community House

The Derwent Valley Council has been instrumental in the establishment and operation of the Derwent Valley Community House, located in the former Clinical resources building at Willow Court.

Council has provided funding for initial setup costs, agreed to provide audit services and has leased the building for long term community use.

The house aims to build community support families and enhancing choices for community people. The house receives recurrent funding from the State Government and was also successful in receiving a Capital Grant for building upgrade.

The innovative and unique establishment of Community House was facilitated by Valley Vision which is funded by the Council.

The Community House Coordinator, Mrs Rebecca Nelson, was appointed in September 2003 and was initially located at the Derwent Valley Business Enterprise Centre to enable set up work to be completed at the House.

The house is aiming to be incorporated and operating independently by September 2004 and is planning to host the 3 day State Conference for the Tasmanian Association of Community Houses in September.

Members of the outdoor workforce have also made a significant contribution to the establishment of the house.

I would like to extend my appreciation to the Mayor, Councillors and staff for their cooperation and commitment to the Community and Council over the last twelve months.

Stephen Mackey
GENERAL MANAGER

Willow Court Precinct

The past twelve months have witnessed significant activity at the Willow Court precinct as the Council moves further forward to realise opportunities available at one of Australia's most valuable heritage Sites.

Sale, lease or use of buildings

A contract for the sale of ten buildings, known as Part A, to Willow Court Village has been signed.

Redevelopment work on Alcheringa to create affordable accommodation and a restaurant is well advanced with official opening expected later this year.

Other work on Lachlan and Olga buildings is either being planned or underway.

The New Norfolk Lions Club, Masonic Club and Heritage Joinery are continuing to operate in the site.

The Derwent Valley Economic Renewal Group Inc (*Valley Vision*) has established the new Derwent Valley Community House with a Part time Coordinator Mrs Rebecca Nelson in the former Clinical Resources Building with significant resource support from the Council and the State Government. Staff of the Outside Work force has been sensational in their contribution to the establishment of the new House.

The plan is for the Community House to be incorporated and operating independently of Valley Vision by September 2004.

Conservation Management Plan

The Conservation Management Plan for Part A was completed and approved by the Tasmanian Heritage Council. A Public Information session was conducted to discuss the Conservation Plan outcomes.

The Tasmanian Heritage Council approved a Works Application to subdivide Willow Court to create Part A and B.

The Conservation Plan for the balance of the site, known as Part B, is expected to commence later this year and be completed by March 2005. This plan will include Public Consultation to identify potential uses for buildings and spaces.

Infrastructure

We have continued to learn more about the site infrastructure, especially telecommunications, power, water and stormwater.

Telstra have installed an 800 pair cable along The Avenue to facilitate future development of the site and enable high-speed internet capability.

It is likely the power supply and distribution system will become redundant and replaced by a more efficient framework as new uses are identified and established.

A camera inspection of the stormwater and sewerage pipes has been completed and provided valuable management information for future developments.

Relationships

Funding submissions have been forwarded to the State and Federal Governments to redevelop and stabilise Willow Court in a four way funding model also involving the Council and Private Sector.

The Project with the Royal Tasmanian Botanical Gardens to prepare a landscape Audit and Maintenance Plan has been completed. This report will provide the basis for future tree management on the site, including removal of dead or dangerous trees and an appropriate replacement strategy.

Students from Industry Solutions (TAFE) have developed a Marketing Plan for potential tours on site.

The University Project is well underway. The purpose of the funding is to test a theoretical approach to cultural heritage assessment developed for the State of the Environment Report, Tasmania, 2002 (a cooperative project between the University of Tasmania and the State Government). It will employ this methodology to address the problems posed by the historic precinct of Willow Court, the 18-hectare site of Australia's longest continually operating mental institution.

The project has conducted a community workshop at Willow Court to test the pilot model for building assessment, addressed a Plenary session of a National Conference held at the University campus and the Team Leader, Professor Lucy Frost, was invited to speak about the project and Willow Court at an International Conference in Barcelona, Spain.

The next phase of dealing with 'Memory' will commence in September 2004 and will include another workshop at Willow Court in November.

Employment

The construction, conservation management, landscape management, Nosh Pit and affordable accommodation, Community House and joinery shop have created over 50 jobs on site so far.

In the current environment and future development of the site, it is reasonable to expect a similar number of positions in the next 12 months.

Ian Brown
ECONOMIC DEVELOPMENT OFFICER

Corporate and Family Services

Corporate Management

"Maintain an equitable system of local By-laws and Policy consistent with Council's strategy and policy"

Council reviewed / implemented the following:

- Adopted a Meeting Procedures By-law
- Adopted a Waste Management By-law
- Made a submission to the State Government on the re-draft of the Local Government Act / Regulations
- Made a submission to the State Government on the re-draft Cemetery Regulations
- Adopted a Youth Participation Policy
- Adopted Treatment Strategies for Natural and Technological Risks contained in the Derwent Valley Emergency Risk Management Project
- Adopted a Risk Management Policy
- Adopted a Community Recreation Plan
- Entered into the Southern Tasmanian Regional Development Partnership Agreement between Southern Tasmanian Councils and the State Government
- Participated in a Memorandum of Understanding for the establishment and operation of the Southern Natural Resource Management Facilitation Network
- Supported the implementation of the Cat Control Bill (subject to amendments)
- Signed a Memorandum of Understanding for the Southern Tasmanian Tourism Task Force
- Adopted a Water Conservation Policy
- Adopted the Hobart Water, Water Restrictions Policy
- Made a submission to the Minister for Police regarding the implementation of a policy for the impounding of vehicles

"Monitor the Customer Service area of Council to ensure a high delivery of customer service to Council and the community"

There has been an emphasis on cross training of Customer Service staff for the effective and efficient handling of payments and enquiries.

Council employed an Office Trainee for a twelve month period as a commitment to the training of young people.

Human Resource Management

"Use a performance appraisal system to provide feedback to staff, assist with productivity improvement and identify specialised staff training to develop a high performance team"

Staff participated in the performance appraisal system resulting in a review of performance during the preceding year, including training needs, position descriptions and position classifications.

"Develop appropriate Human Resource Policies"

- Council has a Staff Policy Manual which is reviewed as required.
- A draft "Dress Code" has been developed in consultation with employees.

"Negotiate a new Enterprise Bargaining Agreement with Employees"

Management and staff finalised the new Enterprise Bargaining Agreement, 2003.

Council and the Consultative Committee completed negotiations for the new Enterprise Bargaining Agreement. The new Agreement continued many of the initiatives established in previous Agreements. Benefits to employees including increasing the sick leave pay-out on termination from 25% to 30% and the provision of two annual increases of $20 per fortnight. The agreement was registered in December 2003 and remains in force until 30 June 2005.

Elected Members Support

"Ensure the provision of appropriate information, advice and support services to elected members to assist them to work collectively in the development of policy"

Councillors received weekly distribution of information which included correspondence pertaining to involvement of Council, industry newsletters and press releases from all levels of government.

An Information Bulletin is included with Council's monthly agenda.

Council staff have been freely available to receive enquiries and assist elected members in their role.

Elected Members Support Continued

"Foster working relations between the staff and Councillors"

Council has maintained an open door policy which has provided for a good working relationship between Councillors and staff.

Councillors and staff participated together in community development activities. Examples of this are the Christmas Lights competition, Autumn Festival, Australia Day, and various community committees.

"Fulfil our statutory responsibilities as Councillors and Council"

In accordance with the requirements of the Local Government Act 1993, Council prepared an Operational Plan and Budget, and an Annual Report.

Council held an Annual General Meeting in December to present its Annual Report to the community and to highlight its achievements for the previous year.

Council met monthly on the third Thursday of every month. Council meetings were held at Maydena in January and Bushy Park in March followed by Community Forums.

Public Relations

"Continue to publish Community Newsletters during the year to highlight current developments and issues for our residents and to produce our Annual Report"

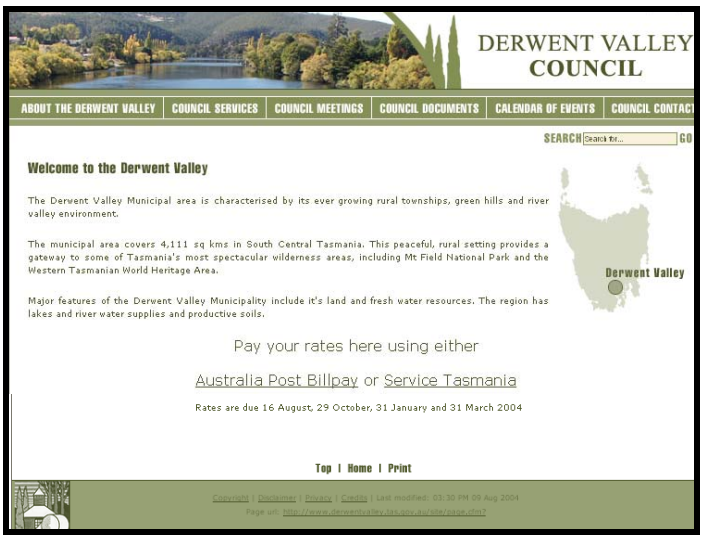
Council published articles in three editions of The Gazette Derwent Valley Supplement. In addition Council produced the Derwent Valley Digest distributed throughout the Municipality.

Brochures and information packages are provided to applicants to help them complete Planning, Development and Environmental applications.

Council is continually developing brochures and information sheets to assist residents.

Council's Visitor Information Centre produces information and fact brochures for visitors.

Council has a new-look website www.derwentvalley.tas.gov.au. This site is continually being enhanced to provide information on Council services.



Derwent Valley Council Web Page can be found at www.derwentvalley.tas.gov.au

Home and Community Care (HACC)

"Encourage services which will allow aged people to remain in their own homes for as long as possible"

This year Glengrey House turned 15, and although there were no celebrations to speak of, it was interesting to look back over the years. Glengrey House, which is the Derwent Valley's only Adult Respite Centre, came about because Community Health staff could see a need in the community that could be filled by a day centre. A place to go where older people, and people with disabilities could meet other people, try new things, go on outings, and their carers could enjoy some rest and relaxation.

Glengrey House was opened on September 19, 1989, by the then Justice Minister, Senator Michael Tate.

Funded through the Home and Community Care program, and sponsored by Council, Glengrey House operates four days per week, Monday to Thursday, and covers the area from Maydena to Granton.

There are, at present, 20 people on our books. Some clients attend Glengrey House up to three times a week, others twice, and some only once a week. As you can well imagine, people who attend Glengrey House come from very different backgrounds, and have different levels of ability.

Some of our in-house activities include: indoor beach party (held in July), happy hour, activities in readiness for Christmas, painting, cooking, craft and game days,

We travelled to Ulverstone in January this year for our annual holiday. Eight clients and four staff had a wonderful time, staying at the Brigadoon Holiday Units.

We travelled on the Don River Railway, where the driver gave a staff member a piece of coal, and it proved to be very lucky. We visited the towel factory, the chocolate factory, and Relaquaire in Latrobe. We also visited Sheffield to look at the murals. Some clients and staff went on a horse and cart ride around the town. We had lunch at the Scottish scone shop.

On our outings, we have been to Kettering, Margate, Fern Tree, Mures, Bothwell, Sorell, the movies, and lunchtime cruises on the Derwent River.

Our permanent staff have remained the same, as have our casual staff. We have three casual staff, a co-ordinator, and two activities officers, although one is on maternity leave at present, and the other activities officer is covering her hours. Two staff members attended a Day Centre conference in Melbourne as part of Glengrey House's commitment to on-going training.

Glengrey House enjoys the friendship and support it receives from Michael Polley, MHA, and Councillors Hilary Craw and Barry Lathey.

In conclusion, Glengrey House continues to make a difference to the clients' lives who attend. Staff will continue to promote the Respite Centre to attract more clients.

Julie Triffett

CO-ORDINATOR

Children's Services

"Maintain support for the provision of children's services in the Derwent Valley"

Long Day Care

When the Centre opened three years ago we were licensed for 28 full time places. As of February 2004 we now have 48 full time places.

The centre is currently being under utilised due to a shortage of qualified staff.

The Centre opens at 7.00am for families as required and closes at 5.30pm, the centre remains open two days a week till 6.00pm.

There are approximately 150 families using the Centre each week. We are struggling to accommodate families on shift work due to staff shortages. One place is kept each day for shift working families, this sometimes means that up to five families require this one available space.

The rooms that we have licensed are as follows:

Little Poppies (3 weeks to 3 years)

This room is licensed for 17 children and three staff. Currently the room has three vacancies.

Wisteria (3 year to 4 years)

This room is licensed for 11 children and two staff. At the moment Wisteria is full and we have many parents on a waiting list for casual places. Children on the waiting list are being placed as other cancellations are made.

Snap Dragons (4 years to 5 years)

Snap Dragons is currently licensed for 15 children and two staff. This room has been closed since February 2004 due to qualified staff shortages. In 2003 we accommodated 25 children during the week. There is a waiting list for care in this room.

After School Room (5 years to 12 years)

This room is licensed for 20 children. At the end of July this room lost one qualified staff person.

A second van has been purchased which has minimised the need for staff to use their own car to transport children.

It has remained steady with 52 families using the service on a full or part time basis. Staff collect children from St Brigid's, New Norfolk Primary, Fairview Primary, Blair St Kindergarten and New Norfolk High School. Staff also collect Molesworth children from the bus stop.

Vacation Care (5 years to 12 years)

This program usually fills up two weeks prior to commencement of holidays. Numbers have also increased dramatically from an average of 18 children per day to 25 children. Unfortunately lack of experienced staff for children with additional needs, means that some children cannot be accommodated as often as parents wish. Currently 60 children use this service.

Before School Care (5 years to 12 years)

Children arrive between 7am to 8am, with children being taken to school at 8.30am. Approximately five families use this service.

Family Day Care

There are 11 Family Day Carers registered.

Currently around 120 children use Family Day Care

In March 2004 a carer was registered under a special agreement between the Education Department, (licensing authority) and Glenora District High School. This carer is registered to work in a school house at Glenora to care for families involved in Skill Share. If vacancies are available this carer can also take other children from the district. At the moment this carer is working to full capacity, 6 children each day.

Accreditation

The Valley Children's Centre participated in an Accreditation process during the year.

Accreditation requires a number of Quality Areas and Principles to be met to gain Accreditation.

Long Day Care - was accredited April 2003 as good to high quality.

Family Day Care - was accredited March 2004 as good to high quality.

After School and Vacation - are currently undergoing training and self study as well as being licensed under the new *Child Care Act.*

New Standards to meet licensing

After three years the new Child Welfare Act has been proclaimed and new licensing standards have been introduced in Long Day Care and Family Day Care. New standards for After School Care are being developed and should be implemented early 2005.

Essential Learnings

This program was recently launched by The Minister for Education, Paula Wreidt. This document ties in with the Accreditation system. Staff will attend training in this area.

Staffing

Currently there are 20 full, part time and casual staff at the Centre. Recently three part time unqualified staff were employed, it is hoped that this will alleviate the shortage when staff go on annual leave, are sick or during Vacation Care times when more staff are required.

Training Workshops attended by Staff

Under the award and as part of licensing, staff are required to attend training each year. This is seen as an important part of improving the quality of service provided. Staff have attended such training as Safe Food Handling, First Aid, CPR updates, Team Management, Self Care, Dealing with Conflict, Enhancing the Child's Environment and Behaviour Management.

Training is offered by Lady Gowrie, as a training provider, or outside specialist consultants. Staff either train within work hours, at weekends, or evenings.

Playgroup

Playgroup has not commenced this year due to the resignation of the Playgroup Leader. As of August, Kylie Murphy has taken on this role until the end of the year.

Some children enjoying one of the many daily activities at the Centre.

Youth Services

"Provide improved opportunities for youth to develop their potential"

Council employed a Youth Participation Officer to develop and facilitate a culture of youth participation throughout the Municipality.

Education

Liaised with educational support teams including the New Norfolk High School support team, Glenora District High School support team and the Derwent District Support Service. Liaised with peak student bodies including the New Norfolk High School Prefects, New Norfolk High School Student Representative Council (SRC) and the Glenora District High School (SRC).

Health

Liaised with the Derwent Valley Community Health Centre, the Derwent Valley Community House and the New Norfolk Salvation Army. Undertook IHSHY training (Innovative Health Services for Homeless Youth) to gain recognition as a qualified IHSHY access worker.

Sport and Recreation

Liaised with the Bridgewater and Hobart Police and Citizens Youth Clubs (PCYC) to determine if the PCYC Mobile Activity Centre (MAC) Vans could outreach to the Derwent Valley Municipality.

Justice and Police

Liasied with Youth Justice and facilitated the re-engagement of a modified Amazing Bikes program at the Derwent Valley Community House. Facilitated the placement of at high risk students with the outdoor staff of Council through the Derwent District Support Service's Work Mentor Placement program. Liasied with the Derwent Valley Community Support Panel.

Employment and Training

Liaised with STEPS Employment and Training Solutions, Workskills Employment Solutions, Business and Employment and the Salvation Army's Employment Plus.

Youth Participation

Facilitated the publication of Derwent Valley Council's youth friendly newsletter, "Valley's Gossip"!

Facilitated the Derwent Valley Council youth advisory group, Derwent Valley Youth Future Action Team (D'FAT). Facilitated the 2004 Annual D'FAT Camp. Facilitated 2004 National Youth Week activities and projects throughout the Municipality. Assisted with a wide range of youth participation activities and projects throughout the Municipality including discos, Local Area Network (LAN) parties and movie nights.

Research

Undertook a youth at risk analysis and youth newsletter questionnaire. Assisted with an events questionnaire, Ellis Dean Reserve questionnaire and computer / video games questionnaire. Assisted with the development of the Derwent Valley Council Youth Participation Policy.

Members of D'FAT after the 2004 Annual D'FAT Camp

Community and Cultural Development

"Encourage individual Councillors and senior staff to maintain regular contact with members of the community through networks involving various groups, clubs and individuals"

Councillors are represented on 6 Special Committees of Council and 22 Community/ Government Committees (see page 4).

The General Manager and senior staff act as proxies on many of the committees and also represent Council on numerous community groups.

- **Lachlan Reserve Committee**
  Responsible for development of Gleeson Park
- **Molesworth Reserve Committee**
  Responsible for the development of Molesworth Recreation Reserve
- **Derwent Valley Sport and Recreation Centre**
  Responsible for the provision of sporting activities and management of the Sports Centre
- **Boyer Oval Management Committee**
  Responsible for development of Boyer Oval and providing advice to Council on future improvements
- **Bushy Park Swimming Pool Committee**
  Responsible for maintenance and provision of summer swimming season activities
- **Historic Information Centre**
  Responsible for preservation and publication of the Derwent Valley's history.

Molesworth Community Hall

"Recognise the Achievements of our Residents"

The following events were held where the achievements of residents were recognised:

Australia Day celebrations

Local Australia Day recipients were:

Citizen	Robert McCrossen
Young Citizen	Narelle Molan
Senior Sports	Simon Browning
Junior Sports	Courtney Plapp
Community Event	Derwent Valley Concert Band Postmusik Community Concert at National Park

Seniors' Week celebrations

Mr Bruce Baker, Mrs Irene Barnes,
Mr Alex Bean, Mrs Pat Fruend,
Mrs Colleen Graham, Mr John Graham,
Mr Les Hepper, Mr Colin Jones,
Miss Claire Lee, Mrs Joan Ling,
Mrs Eunie Oakley, Mrs Marie Oakley,
Mr Ken O'Brien, Mr John Pavlovic,
Mrs Belle Pearson, Mrs Dorothy Robinson,
Mrs Val Rolls, Mr George Rumley,
Mrs Jan Ryder, Mrs Nancy Shepherd,
Mrs Sheila Smith, Dr Micheil Sweet,
Mrs Kathleen (Pixie) Turner

Local Icon Program

"Promote the Derwent Valley to local residents, intrastate and international visitors"

As a part of Councils' Partnership Agreement with the State government, the Derwent Valley Concert Band was adopted as the Derwent Valley Icon for three years. During this time the State Government will fund the band with $12,000 and Council $3,000. In addition, Council provided the band with $5,000 to assist it in representing Tasmania at the Denmark royal wedding.

The Derwent Valley Concert Band performing at the Telstra CountryWide Derwent Valley Autumn Festival 2004

Area Promotion

Council provided $3,180 towards the operations of the Visitor Information Centre.

A contribution of $6,800 was made to Tasmania South.

Fairview Playground Development

Council has worked with Can Hope Cancer Support to develop a new playground in Benjamin Terrace. Council allocated $20,000 with an additional $20,000 being provided by Housing Tasmania. The playground will continue to be developed during 2004/2005.

Lions Club of New Norfolk members assisting with the Fairview playground development

Visitor Information Centre

We have had a busy year in the Tourist Centre. By the end of October 7,171 visitors have entered the Centre, 1,940 more than 2003. Our volunteer numbers have grown to 40 with the space on the roster at a premium. The volunteers have been invited to view several places this year: Friends Lodge, the Nosh Pit, the Junction Motel, Rosie's Inn and Base Camp Tasmania for morning teas and torus.

For the rest of 2004 there is a train trip to National Park and a tour of Something Wild and a Christmas barbecue.

Tasmania South Tourism sponsored 12 volunteers and families throughout its Famil program. Places visited were the East Coast Escape, the Huon Trail, the Convict Trail, Heritage Trail and Hobart surrounds.

On 10th March 2004 a record of 94 was set for the most visitors.

Erica Read
VISITOR INFORMATION CENTRE CO-ORDINATOR

Area Promotion Continued

"Continue to support local events such as the Garden Competition, Australia Day celebrations and the Autumn Festival"

Council supported the following community events:

- Australia Day
- Targa Tasmania
- Garden Competition
- Christmas Promotion
- Carols by Candlelight
- New Norfolk District Football Club
- Autumn Festival
- Log a Load for Kids
- Seniors Week
- Derwent Valley Concert Band
- The Great Tasmanian Bike Ride

"Continue involvement in the preservation of the Derwent Valley Railway Preservation Society"

Council provided $2,000 towards the operations of the Derwent Valley Railway Preservation Society.

"Continue to provide funding to maintain involvement in regional tourism initiatives"

Council is a member of the Southern Tasmania Council's Tourism Association and contributed $6,800 to membership of the association.

Working Relationships

"Provide funding for local Community Advisory Groups and for the support of clubs and organisations through the Community Grants Program"

Council made the following grants under its 2003/2004 Community Grants Program:

Bushy Park Cricket Club	$500	Molesworth Primary School	$273
Cracked Productions	$500	Molesworth Recreation Committee	$300
Derwent Valley Croquet Club	$750	New Norfolk Basketball Association	$500
Derwent Valley Online Access Centre	$599	New Norfolk 2008 Organising Committee	$405
Derwent Valley Philatelic Society	$500	New Norfolk Golden Years Club	$700
German Shepherd Dog Club	$555	New Norfolk Hospital Auxiliary	$1,000
Lachlan Community Hall Inc	$300	New Norfolk Tennis Club	$500
Maydena OnlineAccess Centre	$500	Salvation Army – Good Beginnings	$1,130
Maydena Waratah Club	$400	Salvation Army Mobile Playgroup	$500
Molesworth Community Hall Committee	$500	Upper Derwent United Hall Committee	$700

Community Development

"Recognise the achievements of residents and organisations with the provision of donations"

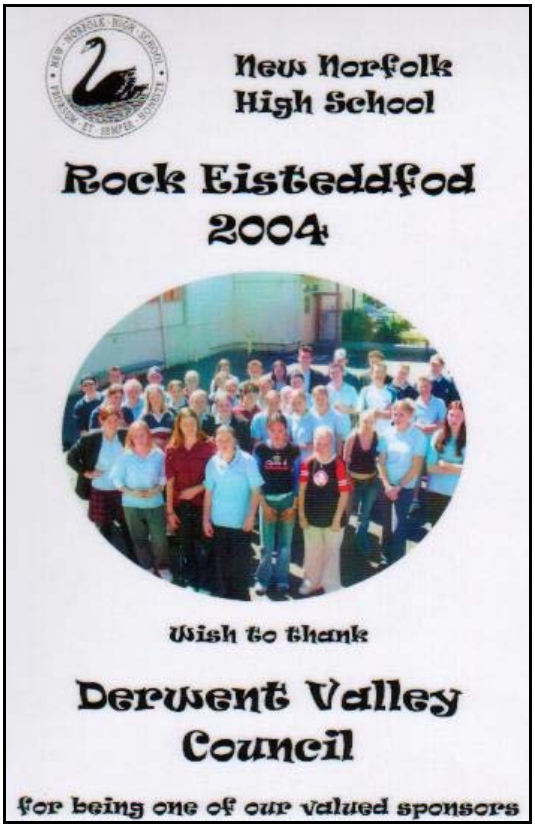
Council made the following donations to groups and individuals:

Donation of $1,000 to the Log a Load for Kids Annual fundraising event.

Donation of $1,000 to the Derwent Valley Concert Band for their Local Icon status.

Donation of $5,000 to the Derwent Valley Concert Band to assist with their fundraising to attend the Royal Wedding in Denmark.

Ashley Minton (Under 15 Netball CANA Carnival)	$50
Bushy Park Cemetary Memorial Restoration Committee (War Memorial Restoration)	$100
Elliott Maher (National all Schools Athletic Carnival)	$50
Elizabeth Hinchen (Under 18 Women's Basketball Team)	$100
Fairview Primary School (Big Playgroup)	$50
Fun Run (Community)	$100
Glenora District High School (End of year presentation)	$75
Jade Hodge (AFL Under 18 National Football Championships)	$200
Luke Wardlaw (Tasmanian Junior Golf Team)	$75
Maydena Primary School (End of year presentation)	$75
New Norfolk High School (End of year presentation)	$100
New Norfolk High School (Rock Eisteddfod Challenge 2004)	$100
New Norfolk Karate Club (Award Presentations)	$45
New Norfolk Licenced Anglers Association (Fishing Competition)	$85
New Norfolk Primary School (Australian Robocup Championships)	$200
Salvation Army (Red Shield Appeal)	$100
Tasmanian Special Needs children (Christmas Party)	$50



Economic and Industry Development

"Continue to sponsor the operations of the Derwent Valley Business Enterprise Centre"

Council provided $5,000 to assist with the operations of the Derwent Valley Business Enterprise Centre.

"Provide support to the Derwent Valley Economic Renewal Group (Valley Vision) "

Council provided funding to the Derwent Valley Economic Renewal Group (Valley Vision) to employ a Project Officer.

In addition Council has funded the employment of a Project Administrator.

"Continue Council's active role in the redevelopment of the Royal Derwent Hospital/Willow Court site "

Council adopted an incremental plan to redevelop the Willow Court site. This included a Conservation Management Planning process in three stages, Part A and Part B, further divided into two phases. This approach, together with a policy of adaptive reuse was adopted to respond to Private sector interest in Willow Court.

Council has finalised the Conservation Management Plan for Part A and sold the entire Part A section to the private sector for commercial and community use. Two of the ten buildings in Part A will be leased back to Council for community use.

The Conservation Management Plan for Part B commenced in August 2004 and is due for completion by March/April 2005.

The next phases of development include an Expression of Interest process in the oval precinct, an interpretation plan, and a business plan for the balance of the site likely to remain in Council ownership.

"Review the range of policies and projects necessary to attract business and employment opportunities to the Valley"

Partnerships based on mutual benefit with organisations like the University of Tasmania, Royal Tasmanian Botanical Gardens, TAFE, Tourism Tasmania, Department of Primary Industry, Water and Energy have attracted new businesses here, in particular tourism and related services.

Additionally, Council has revised it's Purchasing of Goods and Services Policy recognising the importance of supporting local businesses.

The percentage of quotations that were accepted from local businesses totalled 58% for the 2003/2004 financial year.

"Work with various local interest groups to develop a regional approach to economic development across the Derwent Valley"

Council continues to support Valley Vision and its strategies to develop Tourism throughout the region, the Willow Court redevelopment and the spatial plan proposal to connect the Esplanade, High Street and Willow Court.

Financial Management

"Provide the community with adequate information about Council's budget, rating structure and services provided"

Council produced an Operational Plan and Rating Estimates, together with an Annual Report which was presented at the Annual General Meeting. Additionally, prior to the setting of the 2003/2004 Rating Estimates, public submissions were invited for consideration in the setting of the estimates.

The Operational Plan and Rating Estimates, together with monthly Financial Statements and Rating Estimates revisions, ensure that Councillors and the community are fully informed on financial matters.

As required by Section 72 (ca) of the *Local Government Act 1993*, Derwent Valley Council had no dispute with the Australian Taxation Office during the 2003/2004 financial year relating to compliance with the Goods and Services Tax law in accordance with the National Taxation Reform (Commonwealth – State Relations) Act 1999.

"Ensure Council's financial decision making, financial management practices and financial service delivery operations accord with the goals, objectives and strategies in the Strategic Plan"

Council monitored on a monthly basis and reported to Council on its operating expenditure and income against that forecasted in its Annual Budget and Operational Plan.

Council staff continued to ensure that the latest computer software upgrades were provided to ensure continuing compliance with accounting standards.

Risk Management

"Manage Council's risk exposure in a proactive manner"

Together with Council's insurers, ongoing risk audits were conducted. Additionally, a Risk Management Register continues to be maintained.

Removal of dangerous tree limbs as a part of Council's Risk Management

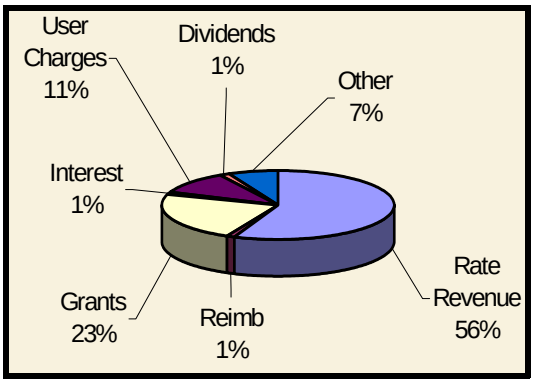
"Provide training for Safety Committee members and carry out workplace safety reviews"

Council provided occupational health and safety training for Safety Committee representatives and first aid training for some staff members.

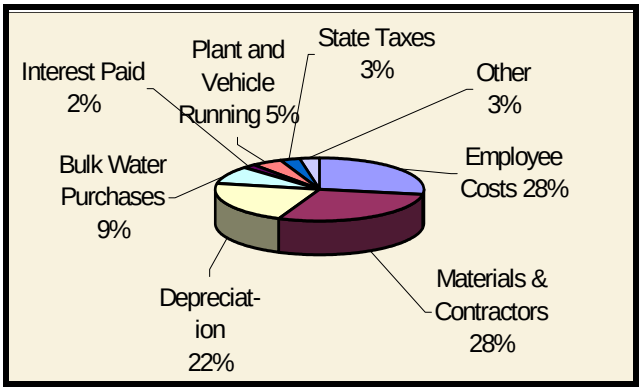
An Occupational Health and Safety risk survey report and recommendation was performed for all Council facilities. Pools were reviewed during 2003/2004.

Financial Services

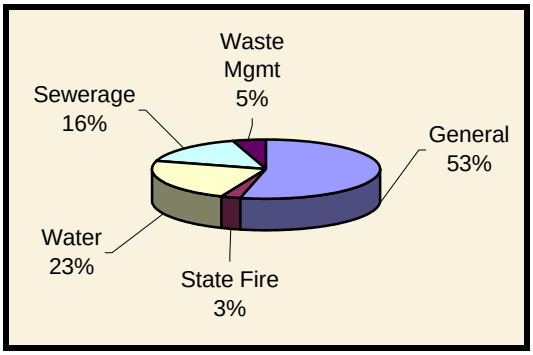
Revenue from Ordinary Activities 2003/04



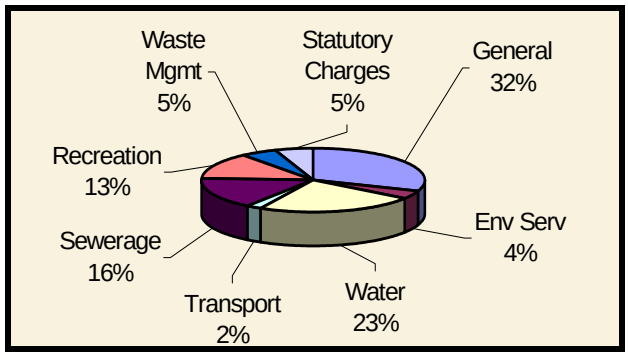
Expenditure from Ordinary Activities 2003/04



Rates Revenue 2003/04



Rates Expenditure 2003/04



The financial Report for the year ended 30 June 2004 is appended to this report. Attached to the Report is the Audit Report provided by the Tasmanian Audit Office.

Rates

The General and Water Rates in the dollar in 2003/2004 was increased by 2.9%. Total rate revenue amounted to $5,442,765 or 56% of total operating revenue.

Grants

Grants amounted to $2,216,582 or 22.8% of total operating revenue. Specific Purpose Grants for Child and Aged Care increased by $6,201 2003/2004 to $615,663.

Operations

During 2003/2004, Council's total Revenue from Ordinary Activities was $9,719,571 and expenditure was $7,532,255, which resulted in an Operating Surplus before Depreciation of $2,187,316.

Depreciation of Council's assets totalled $2,086,883 or 21.7% of total expenditure from ordinary activities.

Liabilities

Council raised no loan funds during the year. Total loan debt was reduced by $438,210 and debt servicing costs represented 6.34% of rate revenue. As at 30 June 2004, Council's borrowing's totalled $2,385,644.

Assets

Council has recorded assets with a written down value of $53.0 million (gross value of $86.8 million) as at 30 June, 2004. The financial statement notes provide a breakdown of asset values recognised by asset class.

Equity

Council has net equity as at 30 June 2004 of approximately $56 million.

Other

During the year, Council made its annual submission to the State Grants Commission and underwent a Risk Management Audit.

FINANCIAL PERFORMANCE INDICATORS

The following key performance indicators reflect the trend in Council's overall financial managemenet in the past 5 years.

Indicator		1999/00	2000/01	2001/02	2002/03	2003/04
Current Ratio (Assessment of adequacy of working capital to meet current commitments)	Current Assets / Current Liabilites	81.29%	84.09%	103.37%	69.04%	68.25%
Rate Coverage Ratio (Dependence on Rate Revenue)	Rates Revenue / Total Revenue	68.12%	60.90%	61.00%	60.44%	56.00%
Grant Coverage Ratio (Dependence on Grant Revenue)	Grant Revenue / Total Revenue	19.08%	24.29%	23.92%	24.61%	22.80%
Debt Servicing Ratio (To assess Council's capacity to service debts outstanding)	Debt Servicing costs / Total Revenue	8.41%	7.39%	7.26%	6.97%	6.34%
Cost of Debt (Interest to Loan Debt plus Overdraft)		7.19%	7.10%	7.17%	7.29%	7.46%
Debt Collection Ratio (Rates Receivable to Annual Rates Raised)		7.66%	7.60%	7.85%	8.99%	7.39%

Infrastructure Management

"Prepare asset management and five year capital works to maintain the quality and standard of Council's assets and to ensure that they are capable of delivering acceptable service standards to users"

The five year capital works program was reviewed as part of Council's budget process.

Town Centre Revitalisation

"Continue work on town centre revitalisation"

A capital allocation was made for the following:	**Performance**
High Street (improvements) $40,000	The New Norfolk Revitalisation Committee continues to meet to discuss plans for the town centre revitalisation and review works.
High Street (garbage bins) $7,500	Completed
High Street (Street furnishings) $7,500	Completed

Transport Services

A capital allocation was made for the following:

Performance

Bridges

Tyenna River (renew)	$15,000	Completed
Tyenna River (renew)	$45,500	Completed
Tyenna River (renew)	$16,000	Completed
Wiltons Creek (piping)	$40,000	Completed

Footpaths

Hobart Rd to Tynwald St	$40,000	Ongoing
Footpath Replacement Program	$30,000	Ongoing
Footpath Program & Services	$15,000	Ongoing
Gravel Road re-sheeting (replacement)	$161,000	Continuing
Road Resealing (replacement)	$45,000	Continuing

Technical Services

Roads

		Performance
Burnett St / Montagu St (seal / kerb and channel)	$12,000	Completed
Glenora Rd – 1km per annum (stabilisation and seal)	$72,000	Completed
Derwent Tce (drainage / stabilisation / seal)	$40,000	Completed
Glenora Rd (sign / rail)	$100,000	Continuing
Haney Rd (sealing)	$26,490	Completed
Rowbottoms Rd – Number 5 (site bench)	$5,000	Completed
Southview Cres – First to Second (stabilisation / seal / kerb and channel)	$45,000	Completed
Second Ave – North to Derwent (stabilisation / seal / kerb and channel)	$62,000	Completed
Montagu St (pedestrian ramp)		Continuing
Trevor Tce – Quarry to Dean (upgrade)	$110,000	Completed
Derwent Tce (kerb and channel)	$6,500	Completed
Hydehurst Rd (straighten)	$10,000	Completed
Moss Bed Rd (widening)	$36,000	In Progress
Murdoch Ave (stabilisation / seal / kerb and channel)		Completed

Carparks

		Performance
Charles Street / Leatham St (upgrade)	$98,600	Completed

Roads to Recovery

		Performance
Footpath Program (extend, modify)	$15,381	Completed
Back River Road (stabilisation / seal)	$40,000	Completed
Black Hills Road (stabilisation)	$48,000	Completed
Lachlan Road (near shop)	$17,000	Completed
Molesworth Road (stabilisation)	$55,000	Completed
North Cres school to First Ave (stabilisation / seal / kerb and channel)	$45,000	Completed
Plenty Valley Road		Completed

Water

A capital allocation was made for the following:		**Performance**
Water Meter Program (selective meter)	$20,000	Completed
New Norfolk (mains replace)	$50,000	Completed
Maydena (mains replace)	$10,000	Completed
Lyell Highway Number 1195 (mains replace)	$13,000	Completed
Granton (investigation)	$5,000	Completed
High Street (branch replace)	$7,500	Completed
Magra / Saddle Rd (upgrade)	$39,000	Completed
Southview Cres (GWI replace)	$19,000	Completed

Integrated Sewerage Services

A capital allocation was made for the following:		**Performance**
Sewer Mains– New Norfolk (replace)	$30,000	Ongoing
Sewer Mains – Maydena (replace)	$5,000	Completed
Wetlands (rehabilitation)	$25,000	Continuing

Stormwater

A capital allocation was made for the following:		**Performance**
General Investigation Works (investigation)	$10,000	Completed
Mill Road / Lachlan Road (replacement)	$39,000	Completed
Maydena Mains (upgrade)	$5,000	Completed
New Norfolk Mains (replacement)	$40,000	Completed

Reserves

A capital allocation was made for the following:		Performance
Lachlan Reserve (improvements)	$12,500	Ongoing
Small Playgrounds (update)	$10,000	Ongoing
Fairview / Warner Ave (playground)	$20,000	Complete
Garbage Bins (update)	$10,000	Complete
Tynwald Park (toilets)	$10,000	Ongoing

Cemeteries

		Performance
Malbina Cemetary (wall ashes)	$10,000	Continuing
Malbina Cemetary (road sealing)	$17,000	Continuing
Stephen Street Cemetary (improvements)	$20,000	Continuing

Other

		Performance
Bushy Park Swimming Pool (roller)	$3,500	Deferred to 2004/2005
River Pontoons (Esplanade)	$10,000	This project did not pro-

Buildings

A capital allocation was made for the following:		Performance
Council Chambers (painting)	$10,000	Deferred to 2004/2005
Council Chambers (disability access)	$20,000	Ongoing

Solid Waste

		Performance
Landfill Site (rehabilitation)	$10,000	Ongoing

Information Technology

		Performance
Computer Hardware (upgrade)	$6,000	Complete
Computer Software (upgrade)	$10,000	Ongoing
ABC Radio re-trans Maydena (new)	$3,000	Ongoing

Planning Control

"Proceed with the statutory approval process to develop a new Planning Scheme for the Derwent Valley"

A review of the Planning Scheme commenced. A series of amendments are currently being prepared.

"Maintain consistent, fair and timely procedures for the administration and enforcement of planning services"

Council continued to provide a consistent, fair and timely statutory planning system for the control and enforcement of development proposals.

Planning services were contracted from Irene Inc.

143 planning approvals were issued during the year.

Plumbing Control

"Continue to provide administration and the role of enforcing the Plumbing Regulations"

Council continued to provide approvals for plumbing works in accordance with the Tasmanian Plumbing Regulations 1994.

129 plumbing permits were issued for the year.

Emergency Management and Operations

"Maintain and equip an appropriate emergency response unit"

Council maintains 2 fully equipped Emergency Response Units responding to road accident rescues. Council provided funding of $19,735 for the provision of Emergency Services.

The local SES Unit has headquarters in George Street and is supported by approximately 15 volunteers, a Deputy Co-ordinator, and Co-ordinator.

The Emergency Management Planning Group met on two occasions during the year. The Derwent Valley Emergency Management Plan will be reviewed in 2004/2005.

The unit responded to approximately 40 road accident rescue call outs and assisted during high winds in March.

Council received a $20,000 grant under the Federal Regional Partnership Program towards the replacement of its main rescue unit. In addition, many local organisations have donated towards the replacement of the unit.

SES Jaws of Life Demonstration at the Telstra Country Wide Derwent Valley Autumn Festival 2004

Environmental Services

Environmental Services Department is responsible for:

- Environmental Health
- Building Control
- Plumbing Control
- Domestic Garbage and Recycling Collection Services
- Municipal Inspection Service – Animal Control, Fire Abatement

Environmental Health

"Council continues to provide a comprehensive school and clinic immunisation program"

Council continued to provide an immunisation program to the primary and secondary schools in the municipality, including:

- New Norfolk High School
- Glenora District High
- New Norfolk Primary School
- Fairview Primary School
- St Brigids Primary School
- Westerway Primary School
- Maydena Primary School
- Molesworth Primary School

Immunisations

"Clinic sessions are held on a monthly basis at the Community Health Building"

Council operates monthly clinics form the Community Health Building, Lower Level, New Norfolk District Hospital, Circle Street on the last Tuesday of each Month from 2:00pm to 2:30pm.

These clinics provide immunisations for babies through to the elderly.

Immunisations provided were:

- Triple Antigen, Sabin (Polio), Measles/ Mumps/Rubella,
- Hepatitis B (paediatric only), (Hib) Haemophilus Influenza b,
- Adult Tetanus/Diphtheria, Adult Measles/ Mumps/Rubella
- Adult Influenza (Over 65's)
- Free Meningococcal vaccinations for 8-19 year olds

Food Premises Registration and Operation

Food premises are registered and operators licenced and premises are regularly inspected. During inspection of premises, advice is given to the operators on food handling practices and relevant changes to food legislation.

Temporary food premises are registered and inspected eg Telstra CountryWide Derwent Valley Autumn Festival, Targa, and community events co-ordinated by organisations such as the Lions Club of New Norfolk.

Places of Assembly (halls, fairs) are registered. Private water suppliers are registered.

- Sampling of recreational waters for bacterial content was carried out weekly during the summer season. The sample point was the Derwent River at the Esplanade New Norfolk. The 2003/04 sampling period (December – March) indicated that the water quality of the Derwent River was satisfactory for primary contact (swimming).
- Council carries out food sampling as part of the Statewide food sampling programme under the direction of the Department of Health and Human Services.
- Council carries out monthly water sampling of drinking water from the towns of New Norfolk, Westerway, National Park, and Maydena.
- Council's Environmental Health Officer carries out investigations as required for the prevention and control of notifiable diseases.
- Council ensure's that all places of assembly are inspected and registered.
- Council applies the provisions of Food, Public Health and Environmental Legislation.

Building Control

"Continue to contract building control functions to a private Building Inspector and Building Surveyor"

Council utilised the services of a private Building Inspector and Building Surveyor to ensure buildings erected in the municipality comply with the Building Regulations and the Building Code of Australia.

Plumbing Control

"Council's Plumbing Inspector ensures compliance with the plumbing regulations and the Tasmanian Plumbing Code of all plumbing work carried out in the municipality"

The duties of the Plumbing Inspector include the issuing of timely plumbing permits, inspections of plumbing work, and the provision of advice regarding plumbing issues.

Domestic Garbage Collection and Recycling Services

"Provide effective and efficient waste collection services and waste transfer station, as well as litter cleaning in public places"

Council's domestic wheelie bin waste collection and recycling service continues to provide an efficient and effective service to the ratepayers. The benefits of this service include an improvement in the amenity of the urban and rural areas through better security of the bins' contents. The domestic recycling services participation rate continues to average around 50%. This participation rate is disappointing and Council would encourage all residents to separate recyclables and utilise the provided Council recycling bin and weekly service.

Council is an active member of the Southern Waste Strategy Authority. The objectives of the Authority are to co-ordinate the southern based Councils in waste management issues.

Municipal Inspection Service – Animal Control, Fire Abatement

"Council continues to encourage and enforce responsible animal ownership with a view to minimising and ultimately eliminating the stray animal menace"

Council continues to provide an effective animal control service throughout the municipality.

Council continues to implement it's Dog Management Policy as adopted on 16 May 2002. The principal objective of this Policy is to reduce the number of non-desexed dogs in the municipality, to be achieved by:

- Education of the community
- Strict enforcement of the Dog Control Act
- Fee incentives for responsible owners

"Council continues to encourage residents to be vigilant in maintaining their land in such a state as not to pose a fire hazard"

There are two main ways that Council identifies blocks that are potential fire hazards - by Council's Municipal Inspectors carrying out a regular check of the Municipality, and by residents who contact Council reporting any land which, in their opinion, poses a fire hazard.

Owners of identified blocks are then notified that their land poses a problem and are provided with a list of approved contractors to aid them in their efforts to reduce the potential hazard. If there is not an improvement noted, an official abatement notice is issued stipulating the work that is required to be done by a set date. If this is not adhered to, Council will engage contractors to complete the clearing and the owner will be billed.

All reports of potential fire hazards are welcome.

Transport Services

"Maintain all Council's roads and bridges to the highest standard which can be afforded by the community"

"Continue to use Council's public request system as a means of addressing emergency matters and delivering a planned approach to the maintenance of Council's infrastructure"

Council continued to utilise its computerised public request system and urgent matters were attended to immediately while others were programmed for attention as time and funds permitted.

"Undertake assessment for ISO 9001 Accreditation."

Council's Roads Team continued to be audited 6 monthly and received excellent results.

Sewerage Services

"Ensure that sewerage treatment plants are maintained and operated in a cost effective and efficient manner"

The Turriff Lodge Sewerage Treatment Plant has continued to maintain its high level of environmental standards and has encountered no significant problems.

The Wetlands was modified to improve it's performance and reduce maintenance costs.

"Maintain Council's existing sewerage reticulation plants to meet environmental guidelines"

Council, through improved systems and equipment, accelerated its program which has resulted in more maintenance being completed to ensure efficient operation of the sewerage network.

"Undertake assessment for ISO 9001 accreditation"

Council's Plumbing Team continued to be audited 6 monthly and received excellent results.

Stormwater Drainage Services

"Ensure the existing urban stormwater drainage systems are in a maintained condition"

Council continued it's ongoing program of upgrading the stormwater and drainage system on a priority basis to bring the system to a standard which will ensure efficient operation.

Water Supply Services

"Provide a potable water supply in a cost effective manner to all current users"

Council provided a potable water supply to New Norfolk, Maydena, Westerway, Fentonbury and Granton with a mix of Hobart Water and Illabrook Dam supplies.

"Maintain and upgrade Council's existing after reticulation infrastructure to the highest standards"

Council continued its program of replacing galvanised wrought iron (GWI) pipework, e.g. Southview Crescent.

Waste Collection and Disposal Services

"Provide effective and efficient waste collection services and waste transfer station, as well as litter cleaning in public places"

Council has maintained an efficient and effective collection service for all waste collection districts through the operation of the Peppermint Hill refuse disposal site and National Park waste transfer station.

Council performed daily cleaning of town streets

Open Space and Community Facilities

"Continue improvements and introduction of low maintenance programs for Council's existing recreation facilities"

Council's workforce continued to investigate and implement improved work practices to provide a cost efficient service provision.

In conjunction with the Can Hope group, a new playground was erected at Fairview. The New Norfolk Lions Club provided a bench and seat for the Fairview playground.

The Molesworth Reserve Committee and the Molesworth Building Committee have continued progress on the construction of a new community hall on the Molesworth Recreation Reserve. It is expected that the hall will be completed in 2004/2005 and will incorporate public toilet facilities.

Upgrade and installation of a new irrigation system at Boyer Oval and Malbina Cemetery.

Erected a new fence at the Hobart Road Information Bay.

Commenced conversion of the public toilets at Tynwald Park for disabled access.

Renewed electric barbecues at Tynwald Park and the Esplanade.

"Undertake assessment for ISO 9001 accreditation"

Council's Reserves Team continued to be audited at 6 monthly intervals and received excellent results.

The Reserves Team received a Tidy Towns Garden Award for the "Best Presentation of Town Parks and Gardens in New Norfolk".

Public Health Statement

Section 72 (1) (ab) of the *Local Government Act 1993* requires information on Council's public health activities to be included in the annual report.

Council's Public Health Services and Environmental health Monitoring programs are undertaken and managed by the Environmental Services section of Council.

Results to be achieved as stated in the Strategic Plan 2000/2005 Include:

- Provide for the health, safety and welfare of our community

This section comprises: Environmental Health Officer, Administrative Officer (part), Medical Officer of Health and Municipal Inspector.

The Public Health Services section operated on a budget of $110,990 and generated an income of $8,623. The delivery of public and environmental health activities also partially falls across other Council units.

Environmental Services address a range of functions under the *Public Health Act 1997, Food Act 2003* and *Environmental Management and Pollution Control Act 1994*.

These functions include:

- Food Safety
- Notifiable disease
- Immunisations
- Places of assembly
- Unhealthy premises
- Water quality
- Public Health nuisances
- Pollution incidents

The following demonstrates the activity of this section for the 2003/2004 financial year.

Food premises registered	68
Notifiable diseases investigated	18
Persons immunised	972
Places of assembly licenced	14
Bathing water samples taken (swimming pools / spas)	39
Recreation water samples taken	19
Pollution / environmental nuisance complaints investigated	12

The Council implemented and completed the national meningococcal C immunisation program for all schoolchildren aged from 1-19 years. The Australian Government subsidises the cost of the vaccine in aid for the program to continue until June 2006. The program conducted by Council enables all schoolchildren to access the free vaccine in one calendar year. The free vaccines will remain available at council's monthly immunisation clinics for any schoolchild who still needs to be immunised against this disease.

The State Government introduced the *Tasmanian Food Act 2003* for implementation. This Act together with the introduction of the national ANZFA Food Safety Standards allows for Councils to more effectively ensure that food for sale is both safe and suitable for human consumption.

Food business registration forms were issued in accordance with the requirements of the new Food Act.

The regular sampling and monitoring of all public swimming pools and spas was undertaken throughout the year. Samples were taken on a monthly basis to monitor the compliance of the water quality with acceptable microbiological water quality criteria. All facilities regularly met the acceptable criteria for water quality.

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Tasmanian Audit Office

INDEPENDENT AUDIT REPORT

To the Members of the Council

DERWENT VALLEY COUNCIL
Financial Report for the Year Ended 30 June 2004.

Scope

The financial report and the General Manager's responsibilities

The financial report comprises the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity, accompanying notes to the financial statements, and the General Manager's declaration for the Derwent Valley Council for the year ended 30 June 2004.

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

Audit approach

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

I performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Local Government Act 1993,* Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Council's financial position, and of its performance as represented by the results of its operations and cash flows.

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

Accountability on Your Behalf

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and

- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the General Manager.

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

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

Independence

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

Audit Opinion

In my opinion the financial report presents fairly, in accordance with the *Local Government Act 1993* and applicable Accounting Standards and other mandatory financial reporting requirements in Australia, the financial position of the Derwent Valley Council as at 30 June 2004, and the results of its operations and its cash flows for the year then ended.

TASMANIAN AUDIT OFFICE

D W R Baulch
Deputy Auditor-General
Delegate of the AUDITOR-GENERAL

25 November 2004
HOBART

Financial Report Year End 2003/2004

The financial report set out on pages 1 to 34 are a true and correct copy of the Annual Financial Statements of the Derwent Valley Council for the year ended 30 June, 2004.

In my opinion:

a) the Financial Statements of the Derwent Valley Council have been prepared in accordance with applicable Australian Accounting Standards;

b) the Statement of Financial Performance and Statement of Cash Flows are drawn up so as to give a true and fair view of the results and cash flows of the Council for the financial year ended 30 June, 2004;

c) the Statement of Financial Position, together with Notes thereto, and the Statement of Changes in Equity are drawn up so as to give a true and fair view of the state of affairs of the Council as at 30 June, 2004;

d) at the date of this statement, there are reasonable grounds to believe that the Council will be able to pay its debts as and when they fall due.

POSITION	**NAME**	**SIGNATURE**
General Manager	**Stephen Mackey**	

Date: 23 September, 2004

Statement of Financial Performance

	Note	ACTUAL 2004 $,000	BUDGET 2004 $,000	ACTUAL 2003 $,000
REVENUE FROM ORDINARY ACTIVITIES				
Rate Revenue		5,443	5,562	5,351
Grants		2,216	2,177	2,179
User Charges		1,044	697	808
Profit/ (Loss) on Sale of Assets	4	32		3
Interest Received		104	120	129
Dividends Received		125	90	88
Reimbursements		115	53	79
Capital Contributions - Public Space		5		
Other		635	16	216
TOTAL REVENUE FROM ORDINARY ACTIVITIES		**9,719**	**8,715**	**8,853**
EXPENDITURE FROM ORDINARY ACTIVITIES				
Employee Costs		2,653	2,707	2,662
Materials & Contractors		2,777	2,430	2,641
Depreciation	5	2,087		1,746
Bulk Water Purchases		886	800	828
Borrowing Costs		178	178	206
Plant & Vehicle Running		449	422	395
State Taxes		296	298	293
Other	6	293	313	298
TOTAL EXPENDITURE FROM ORDINARY ACTIVITIES		**9,619**	**7,148**	**9,069**
SURPLUS ON OPERATIONS		**100**	**1,567**	**(216)**
DIRECT ADJUSTMENTS TO EQUITY				
Asset Revaluation Increment/(Decrement)		16,900		(914)
TOTAL CHANGES IN EQUITY		**17,000**	**1,567**	**(1,130)**

This statement should be read in conjunction with the accompanying Notes to the Financial Statements

Summary of Operating Results by Function

	ACTUAL 2004		BUDGET 2004		ACTUAL 2003	
	$,000	%	$,000	%	$,000	%
REVENUE FROM ORDINARY ACTIVITIES						
Council & Community Relations	151	1.6%	164	1.9%	162	1.8%
Roads & Communications	1,422	14.6%	1,167	13.4%	1,046	11.8%
Water, Sewerage & Drainage	2,787	28.7%	2,706	31.0%	2,659	30.0%
Solid Waste Management	533	5.5%	564	6.5%	569	6.4%
Natural & Cultural Resource Mgmt	606	6.2%	625	7.2%	560	6.3%
Dynamic Local Economy	585	6.0%	248	2.8%	408	4.6%
Community, Health & Other Services	798	8.2%	846	9.7%	814	9.2%
Recreation, Leisure & Open Space	1,049	10.8%	980	11.2%	895	10.1%
Management of Council Resources	1,788	18.4%	1,415	16.2%	1,740	19.7%
TOTAL REVENUE FROM ORDINARY ACTIVITIES	**9,719**	**100%**	**8,715**	**100%**	**8,853**	**100%**
EXPENDITURE FROM ORDINARY ACTIVITIES						
Council & Community Relations	151	1.6%	164	2.3%	162	1.8%
Roads & Communications	1,996	20.8%	628	8.8%	1,490	16.4%
Water, Sewerage & Drainage	2,195	22.8%	1,617	22.6%	2,292	25.3%
Solid Waste Management	542	5.6%	493	6.9%	605	6.7%
Natural & Cultural Resource Mgmt	564	5.9%	629	8.8%	561	6.2%
Dynamic Local Economy	533	5.5%	448	6.3%	413	4.6%
Community, Health & Other Services	800	8.3%	846	11.8%	811	8.9%
Recreation, Leisure & Open Space	1,001	10.4%	878	12.3%	957	10.6%
Management of Council Resources	1,837	19.1%	1,445	20.2%	1,778	19.6%
TOTAL EXPENDITURE FROM ORDINARY ACTIVITIES	**9,619**	**100%**	**7,148**	**100%**	**9,069**	**100%**
SURPLUS/(DEFICIT) IN NET ASSETS	**100**		**1,567**		**(216)**	

This statement should be read in conjunction with the accompanying Notes to the Financial Statements

Statement of Financial Position

	Note	ACTUAL 2004 $,000	ACTUAL 2003 $,000
ASSETS			
CURRENT ASSETS			
Cash Assets	7/8	460	432
Other	9	53	37
Receivables	10	858	710
Inventory		52	54
TOTAL CURRENT ASSETS		**1,423**	**1,233**
NON-CURRENT ASSETS			
Investments	8	5,616	5,269
Receivables	10	12	83
Property, Plant, Equipment and Infrastructure	15	53,024	36,646
TOTAL NON-CURRENT ASSETS		**58,652**	**41,998**
TOTAL ASSETS		**60,075**	**43,231**
LIABILITIES			
CURRENT LIABILITIES			
Payables	11	658	325
Interest Bearing Liabilities	12	468	438
Other	13	98	269
Provisions	14	861	754
TOTAL CURRENT LIABILITIES		**2,085**	**1,786**
NON-CURRENT LIABILITIES			
Interest Bearing Liabilities	12	1,918	2,386
Provisions	14	68	56
TOTAL NON-CURRENT LIABILITIES		**1,986**	**2,442**
TOTAL LIABILITIES		**4,071**	**4,228**
NET ASSETS		**56,004**	**39,003**
RATEPAYER EQUITY			
Accumulated Surplus		22,201	22,322
Reserves	16	33,803	16,681
TOTAL RATEPAYER EQUITY		**56,004**	**39,003**

This statement should be read in conjunction with the accompanying Notes to the Financial Statements

Statement of Changes in Equity

	Accumulated Surplus/Deficit		Public Open Space Reserve		Asset Replacement Reserves		Asset Revaluation Reserves		Other Reserves		TOTAL	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000
Ratepayer Equity at beginning of Year	22,322	19,738	124	130	276	2,998	15,945	16,860	336	408	39,003	40,133
Revaluation Increments							16,900	(914)			16,900	(914)
Surplus (Deficit) On Operations	100	(216)									100	(216)
	22,422	19,522	124	130	276	2,998	32,845	15,945	336	408	56,004	39,003
Transfers to Reserves	(351)	(973)	5		172	763			174	210		
Transfers from Reserves	130	3,773		(6)	(97)	(3,485)			(33)	(282)		
Ratepayer Equity at end of Year	**22,201**	**22,322**	**129**	**124**	**352**	**276**	**32,845**	**15,945**	**477**	**336**	**56,004**	**39,003**

This statement should be read in conjunction with the accompanying Notes to the Financial Statements

Statement of Cash Flows

	Note	ACTUAL 2004 $,000	ACTUAL 2003 $,000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
- Rate Revenue		5,523	5,278
- User Charges		976	633
- Interest		100	143
- Dividends		125	88
- Other		685	218
- Reimbursements		127	79
- Capital Contributions - Public Open Space		5	
		7,541	**6,439**
Payments			
- Employee Costs		2,534	2,606
- Materials & Contractors		2,605	2,482
- Bulk Water Purchases		886	828
- Interest		181	211
- Plant & Vehicle Running		449	395
- State Taxes		296	293
- Other		461	334
		7,412	**7,149**
NET CASH PROVIDED BY OPERATING ACTIVITIES	23 (b)	**129**	**(710)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant, Equipment and Infrastructure		(2,236)	(1,959)
Proceeds from Sale of Fixed Assets		357	266
(Increase) / Decrease in Investments		250	350
NET CASH (USED) IN INVESTING ACTIVITIES		**(1,629)**	**(1,343)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		(438)	(410)
NET CASH PROVIDED BY FINANCING ACTIVITIES		**(438)**	**(410)**
CASH FLOWS FROM GOVERNMENT GRANTS		2,216	2,179
NET CASH PROVIDED BY GOVERNMENT GRANTS		**2,216**	**2,179**
NET INCREASE (DECREASE) IN CASH HELD		278	(284)
CASH AT THE BEGINNING OF THE YEAR		(218)	66
CASH AT THE END OF THE YEAR	23 (a)	**60**	**(218)**

This statement should be read in conjunction with the accompanying Notes to the Financial Statements

1. THE LOCAL GOVERNMENT REPORTING ENTITY

All funds and other entities through which the Council controls resources to carry on its functions have been consolidated in these financial statements.

The Council maintains a separate and distinct Trust Fund to account for all monies and property held in Trust for any charitable or public purpose. These monies are not controlled by Council. These funds therefore do not form part of the statement of financial position of Council, nor do inflows or outflows from these funds form part of the Statement of Financial Performance.

Amounts received as tender deposits and retention amounts controlled by Council are included in the amounts disclosed as Accounts Payable within Current Liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

This General Purpose Financial Report has been prepared to comply with applicable Australian Accounting Standards, the Urgent Issues Group consensus views, together with the requirements of the Local Government Act, 1993. They have been prepared on an accrual basis under the convention of historical cost accounting, with the exception of those Non-Current Assets which are valued at written down current cost.
(See Note 2(I)).

(b) RATES

The rating period and reporting period for the Council coincide and accordingly all rates levied for the year are recognised as revenue. Uncollected rates as at balance date are recognised as receivables (see Note 10). The collectability of debts is assessed at period end and specific provision is made for any doubtful accounts.

(c) GRANTS AND DONATIONS

Grants, donations and other contributions which are not subject to accompanying conditions that they be expended in a particular manner, or for a particular purpose, are recognised as revenue in the reporting period when the Council obtains control over the assets comprising the contributions. Unreceived contributions over which the Council has control are recognised as receivables. To the extent that grant monies have not, at balance date, been expended in a manner, or over a period, specified by a grantor, the nature of amounts relating to those undischarged conditions are disclosed in the Notes to the Financial Statements (Note 17).

(d) LOAN FUNDS

Loan funds received during the year are not included in the Statement of Financial Performance as income, but are included in the Statement of Cash Flows as inflows from financing activities and reflected by an increase in loan liabilities at balance date.

(e) NET FAIR VALUES

Except for loan borrowing's the carrying amounts of financial assets and liabilities recorded in the financial statements represent their respective fair values, determined in accordance with the accounting policies disclosed in Note 1 to the accounts.

(f) INVENTORIES

Inventories held in respect of business and non-business undertakings have been valued at the lower of cost or net realisable value. Costs have been assigned to particular inventory items by the weighted average cost method.

(g) EMPLOYEE ENTITLEMENTS

Employee entitlements are measured at the present value of the estimated future cash flows. In contrast, the sick leave provision is based on what the Council believes will be payable in the forthcoming 12 months. This figure was derived from a review of the sick leave history taken by employees over the previous three years. These accruals are calculated in accordance with accounting standard AASB1028 "Accounting for Employee Entitlements". The accrued long service leave entitlement has been apportioned between Current and Non-Current Liabilities, and Current Assets in relation to reimbursements for long service leave entitlements receivable from other Council. The current liability represents that portion which is expected to be paid in the next 12 months. Liability for time-in-lieu represents funds owed to employees in lieu of overtime.

(h) SUPERANNUATION

This Council contributes for some of its employees to Tasplan (a defined contribution plan), and the Quadrant Scheme.

The Quadrant scheme offered 3 choices to existing employees from the 1 July 1997, only one that was wholly a defined benefit plan. The other two were an Accelerated Benefits scheme and an Investment Choice scheme. For employees appointed after the 1 July 1997 there was no choice, they could only become members of the Investment Choice scheme. Under this scheme there are five different investment plans to choose from.

(h) SUPERANNUATION
(Continued)

For employees who did not change schemes, the Quadrant scheme continues to guarantee the defined benefit. For employees who change to the Accelerated Benefits scheme, a benefit guarantee is provided for 5 years. For employees who opted for the Investment Choice scheme, no benefit guarantee is provided.

For those employees on the original Quadrant scheme, the level of Council's contribution can be varied as a result of actuarial reviews, and at balance date was 9.5% of the employees salary for the Quadrant scheme. This contribution rate is matched for the other two Quadrant schemes by Council for employees of a permanent nature.

Council pays a minimum of 9% for casual and temporary employees, depending on circumstances, to cover the superannuation guarantee legislation and award conditions. An additional 3% is also paid for permanent employees who were employed by Council prior to 1999. These amounts can be placed with different schemes, but mostly goes to Tasplan. It should be noted that the superannuation guarantee amount increased from 8% to 9% from 1 July 2003.

In accordance with statutory requirements, Council must contribute to the Quadrant scheme amounts determined by the plan actuary. As such, assets accumulate in the plan to meet members' benefits as they accrue. If the assets of the scheme were insufficient to satisfy benefits payable to its beneficiaries, Council would be required to meet its share of the deficiency.

The last Actuarial Review and Valuation Report for the Scheme, undertaken by Bendzulla Actuarial Pty Ltd as at 30 June 2003, stated that the net market value of assets available for funding members' benefits was $202,083,049, the value of total accrued benefits was $184,119,966, the surplus was $17,963,083 and the value of total vested benefits was $184,832,559. The above figures relate to all members of the Scheme as at the valuation date and have not been recorded in these accounts.

In the opinion of the Actuary, the Scheme is adequately funded in that assets are sufficient to cover the vested benefits for all members as at the review date and the actuarial value of accrued past service benefits.

No liability of the Council has been recognised as at the reporting date in respect of superannuation benefits for its employees. The exception to this is the relevant factor included in employee entitlements.

The amount of superannuation contributions paid by this Council during the reporting period was: Quadrant $172,029 and Others (including Tasplan) $57,012.

(i) PROPERTY, PLANT, EQUIPMENT & INFRASTRUCTURE

The basis of valuation of assets for major classes of Assets as at 30 June, 2004 is:

Land	At Government Valuation and At Cost
Buildings	At Government Valuation and At Cost
Sewerage	At Government Valuation, At Cost and at Engineer's Valuation
Water	At Government Valuation, At Cost and at Engineer's Valuation
Roads	At Government Valuation, At Cost and at Engineer's Valuation
Storm Water	At Engineer's Valuation
Bridges	At Independent Valuation and At Cost
Reserves	At Government Valuation and At Cost
Waste Assets	At Cost
Light Vehicles	At Cost
Major Plant	At Cost
Minor Plant	At Cost
Trucks	At Cost
Office Furniture & Equipment	At Cost

The recognition of Assets includes all assets acquired on or prior to 30 June, 1993.

In accordance with the provisions of AAS 38 "Revaluation of Non – Current Assets", Derwent Valley Council discloses its non-current assets on a fair value basis.

Where applicable, Government Valuation is at 1 July, 1998. Council considers that the value of Assets recorded on the books at Government Valuation fairly reflects the current values as determined by the Valuer General. On this basis, indexation of 1998 values have not been used. In these instances the lower of replacement cost and net realisable value is the appropriate basis of valuation.

The At Cost method of valuation is used for the recording of all assets during the initial year in which the assets are first recognised. Cost is determined as the fair value of the assets given up at the date of acquisition (eg cash and trade-in) plus incidental costs of acquisition. In instances where assets are constructed, the cost incurred by Council includes design and engineering fees, materials, direct labour, plant utilisation and an appropriate proportion of associated overheads.

(i) PROPERTY, PLANT, EQUIPMENT & INFRASTRUCTURE (Continued)

Hydraulic Assets are recorded At Cost, At Government Valuation and At Engineer's Valuation. At Cost assets relate to acquisitions and constructions during the financial year. At Government Valuation assets relate specifically to non-reticulation assets such as Reservoirs, Pump Stations and Treatment Plant. Council has used Engineer's Valuation of set rate per service for the valuation of water, sewerage and storm water systems.

Roads are recorded At Cost, At Government Valuation and At Engineer's Valuation. At Cost assets relate to reconstructions during the financial year. At Government Valuation relates to Car Parks. Council has used Engineer's Valuation of set rate per km which are derived from Councils current construction histories. Land under roads has not been valued and therefore is not included within the Financial Statements.

Bridges are recorded At Cost and at Independent Valuation being written down replacement cost. All Councils bridges have been measured for deck area and span, and replacement values have been determined with reference to useful life, future service potential, construction type and current costs of construction.

(j) REVALUATION OF NON-CURRENT ASSETS

The Council has adopted the following policies in relation to the revaluation of non-current assets:-

- **Land and buildings** are revalued on a cycle consistent with the Valuer-General's re-valuation. Revaluations are based on the Valuer-General's assessed increments or decrements. If considered appropriate, values are indexed annually.

- **Infrastructure** assets, other than land and buildings will be revalued every two years to written down current cost by applying an appropriate cost increase index to the gross carrying value and re-assessing the useful life of each class of assets. The resulting carrying values are regularly reviewed to ensure appropriateness after taking into account obsolescence, technological advancement and other relevant factors;

- **Building contents** comprising furniture, fittings, fixtures, computers and other technical equipment and office equipment are valued at Historic Cost; and

- **Plant and Machinery** items, including light vehicles are valued at Historic Cost.

(k) DEPRECIATION OF NON-CURRENT ASSETS

In accordance with AAS4 "Depreciation of Non-Current Assets", all non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential in those assets. Depreciation is provided for on a standard straight-line basis using a range of rates applicable for Local Government, which are reviewed

Category	Years	%
Land	100	0
Buildings	50	2
Sewer System		
▪ Mains	100	1
▪ Man Holes	100	1
▪ Pipes Asbestos Cement	100	1
▪ Pipes Concrete	120	1
▪ Pipes Polyethylene	80	1
▪ Pipes Steel	100	1
▪ Pipes uPVC	50	2
▪ Pumps	15	7
▪ Treatment Plant (civil)	30	3
▪ Treatment Plant (mechanical)	15	7
Water System		
▪ Pipes Asbestos Cement	60	2
▪ Pipes Cast Iron	100	1
▪ Pipes Polyethylene	60	2
▪ Pipes Copper	60	2
▪ Pipes uPVC	80	1
▪ Hydrants	50	2
▪ Valves	50	2
▪ Pumps	15	7
▪ Reservoirs	50	2
▪ Chlorinators	15	7

annually. Major depreciation periods relating to Council are:-

(k) DEPRECIATION OF NON-CURRENT ASSETS

Category	Years	%
Storm Water		
▪ Pipes Concrete	120	1
▪ Pipes uPVC	100	1
▪ Pipes Earthernware	100	1
▪ Pipes Cast Iron	120	1
▪ Manholes	100	1
▪ Pits	100	1
▪ Head Wall	100	1
▪ Pumps	15	7
▪ Reservoirs	50	2
▪ Chlorinators	15	7
Roads		
▪ Earthworks	200	1
▪ Asphaltic	35	3
▪ Chip Seal	30	3
▪ Reinforced concrete	50	2
▪ Kerb and Guttering	50	2
▪ Base Sealed	50	2
▪ Base Un-Sealed	70	1
▪ Gravel	6	17
Bridges		
▪ Concrete deck	80	1.25
▪ Timber deck	20	5
Reserves structures	50	2
Waste structures & rehabilitation	20	5
Light Vehicles		
(rate approx loss of trade in value after 40,000 km or 2 years**)**	2	12.5
Plant & Equipment	7	15
Office Equip, Furniture and Information Technology	5	20

(Continued)

(l) GOODS AND SERVICES TAX

In accordance with Abstract 31 Accounting for GST, the Cash Flows of Council are required to be presented on a gross basis, and revenues, expenses and assets are required to be shown in the financial statements as net of the GST. These requirements have been met.

(m) INVESTMENTS

Investments are valued at cost. Interest revenues are recognised as they accrue.

HOBART WATER

During the 1996/97 financial year, the resources and operations of Hobart Water were passed, by legislative process, from being a State Government Business Enterprise, to become a Local Government Joint Authority. The Authority is autonomous, but jointly owned by the constituent Councils to which it currently supplies water.

Hobart Water has net assets with a current value of $136,322,927 (2003/04) of which Council's interest is approximately $5,616,505. Council's interest has been incorporated into the accounts as a non-current investment. Changes in the carrying amount of this investment have been reflected in the accounts as a revaluation and shown in the Asset Revaluation Reserve in accordance with AAS10 "Accounting for the Revaluation of Assets".

DERWENT VALLEY INVESTMENTS PTY LTD

During the 1998/99 financial year, Council, through a wholly-owned subsidiary Derwent Valley Investments Pty Ltd A.C.N. 086 748 692 entered into a joint venture arrangement for the purpose of purchasing and redeveloping the previously State Government owned Royal Derwent Hospital/Willow Court Complex site.

This joint venture arrangement ceased on 13 June 2002. As part of the settlement Council obtained part of the site known as Willow Court and 18 hectares of land.

Council's previous funding was returned to Council and an additional $182,500 to further progress the development of the Willow Court site was received by Council. Expenditure totalling $107,319 was incurred during 2002/03 leaving $75,181 in the Royal Derwent Hospital Development Reserve Account.

The Royal Derwent Hospital Reserve Account continues to generate its own revenue and is responsible for all expenditure associated with this project.

A signed contract to sell ten buildings is close to settlement.

The Royal Derwent Hospital Development Reserve Account as at 30 June 2004 totals $129,710.

(n) SIGNIFICANT BUSINESS ACTIVITIES

Amendments to the Local Government Act as at 30 June 1999 under Section 84(2)(da) require the reporting of the opportunity cost of operating capital and competitive neutrality costs in respect of each significant business activity undertaken by Council. The Council's disclosure is recorded in Note 27.

The Council has determined, in accordance with government policy and materiality, that Water, Sewerage and Transport services are classified as significant business activities.

The opportunity cost of capital is an estimate of the return or dividend that would be require by private investors were the net assets of the activity provided from that source.

Competitive neutrality costs are those costs which would be payable by an entity other than local government performing the same activities. Local government is currently exempt from such costs. Competitive neutrality costs include notional costs such as. Income tax equivalents, sales tax, rates, land tax and loan guarantee fees.

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

- The notional opportunity cost of capital was calculated by applying an interest rate of 7.00% which the Council has applied, on government advice, as the appropriate interest rate adjusted for a risk margin.

- Taxation equivalents were calculated by an applicable taxation rate of 30% applied to the activities' notional accounting profit before abnormal items. Prior year deficits have not been treated as deductible for the purpose of calculating business income tax.

- Notional Council rates and State land tax having been calculated using actual rates and charges set by the Council and the government for the current financial period.

- Loan guarantee fees were calculated on the average loans outstanding for each activity multiplied by the loan guarantee fee rate of 0.45% which is determined by the Department of Treasury and Finance.

- The impact of fringe benefits tax credits, stamp duty, debits tax and financial institutions duty were determined to be immaterial and have not been included.

(o) STATEMENT OF FINANCIAL PERFORMANCE – BUDGET AMOUNTS

The Budget amounts which appear in the Statement of Financial Performance are taken from the

3. FUNCTIONS OF THE COUNCIL

(a) Revenues, expenses and assets have been attributed to the following functions. A detailed explanation of each Function is outlined in Note 3 (b).

	REVENUE GRANTS	REVENUE OTHER	EXPENSES	SURPLUS (DEFICIT)	ASSETS
	$,000	$,000	$,000	$,000	$,000
ACTUAL 30 JUNE 2004					
Council & Community Relations		151	151		576
Roads & Communications	1,014	408	1,996	(574)	26,440
Water, Sewerage & Drainage	314	2,473	2,195	592	26,247
Solid Waste Management	64	469	542	(9)	393
Natural & Cultural Resource Mgmt		606	564	42	138
Dynamic Local Economy	3	582	533	52	48
Community, Health & Other Services	620	178	800	(2)	465
Recreation, Leisure & Open Space	122	927	1,001	48	3,307
Management of Council Resources	79	1,709	1,837	(49)	1,026
Other not Attributed					1,435
TOTAL	**2,216**	**7,503**	**9,619**	**100**	**60,075**
BUDGET 30 JUNE 2004					
Council & Community Relations		164	164		
Roads & Communications	988	179	628	539	
Water, Sewerage & Drainage	310	2,396	1,617	1,089	
Solid Waste Management	64	500	493	71	
Natural & Cultural Resource Mgmt		625	629	(4)	
Dynamic Local Economy		248	448	(200)	
Community, Health & Other Services	652	194	846		
Recreation, Leisure & Open Space	90	890	878	102	
Management of Council Resources	73	1,342	1,445	(30)	
TOTAL	**2,177**	**6,538**	**7,148**	**1,567**	

Annual Estimates and are not subject to Audit.

3. FUNCTIONS OF THE COUNCIL (Continued)

(b) The Council has adopted the following functional areas by which it manages the Municipality.

1 Council and Community Relations
This program covers the operation of the elected body of Council. It also includes community development and community grants and subsidies.

2 Roads and Communications
This program represents the costs associated with providing a quality road network to the Derwent Valley and surrounding areas. It includes costs for sealed and unsealed road maintenance, bridge maintenance, the upkeep of regulatory signage and street lighting costs. This is a significant business activity of Council which for reporting purposes is described as "Transport".

3 Water, Sewerage and Drainage
This program covers water, sewerage and drainage infrastructure provided by Council. It includes the cost of bulk water, water treatment and reticulation, sewerage reticulation and treatment and storm water drainage. Council administers two water schemes (New Norfolk and Maydena) with many water districts contained therein and three sewerage schemes (New Norfolk, Maydena and Karanja). Water and Sewerage are significant business activities of Council.

4 Solid Waste Management
This program covers the recycling, re-use and/or disposal of all forms of municipal wastes such as domestic garbage, general street litter, non-toxic commercial and industrial waste and demolition waste. Council manages a refuse disposal site and recycling depot at Peppermint Hill, New Norfolk and a waste transfer station at National Park.

5 Natural and Cultural Resource Management
This program covers Council's statutory control functions including the regulatory, approval and inspectorial services for the protection of the natural and cultural environment as well as public health and safety. Specific services include environmental and public health (including the collection of domestic garbage and recycling), animal control and emergency services.

6 Dynamic Local Economy
This program covers costs associated with supporting a viable economy and employment opportunities in the Derwent Valley together with the encouragement, promotion and development of tourism, local promotions and Council's historical society operations.

7 Community, Health and Other Services
This program covers the provision of services that support the health and lifestyle of individuals and groups (including those with special needs), education, health and aged care, children and

youth services and other similar community services. It includes services provided to people either at their place of residence such as Family Day Care or in community service facilities such as Home and Community Care.

3. FUNCTIONS OF THE COUNCIL (Continued)

8 Recreation, Leisure and Open Space

This program covers the provision of open space for parks, gardens or recreation grounds as well as swimming pools, halls, public toilets and other community facilities such as cemeteries.

9 Management of Council Resources

This program covers all staff, finances, assets, equipment, information and other resources Council has to implement the strategic programs. In addition it covers private works, building and plumbing control and development control.

		ACTUAL 2004 $,000	ACTUAL 2003 $,000
4.	**PROFIT (LOSS) ON SALE OF ASSETS**		
	Proceeds from the disposal of Assets	357	266
	less		
	Written down value of Assets sold	(325)	(263)
	PROFIT (LOSS) ON SALE OF ASSETS	**32**	**3**
5.	**DEPRECIATION**		
	Depreciation expenses for the year are as follows:		
	Buildings	48	47
	Sewerage	94	191
	Water	158	219
	Roads & Streets	1,233	732
	Storm Water	76	79
	Bridges	91	95
	Reserves & Recreations	35	33
	Waste	41	38
	Plant & Vehicles	272	273
	Office Furniture & Equipment	39	39
		2,087	**1,746**
6.	**OTHER EXPENSES**		
	Other expenses for the year are as follows:-		
	Auditors remuneration		
	- Audit services this year	19	22
	Election expenses	3	23
	Payments to elected members		
	- Councillor allowances	77	77
	- Other fees & allowances	6	6
	Subscription Local Government Association Tas	21	19
	General insurance	136	111
	Community Grants and Donations	31	40
		293	**298**
7.	**CASH ASSETS**		
	CURRENT		
	Cash on Hand	1	2
	Cash at Bank		
	- Trading Account	58	(226)
	- Agency Payments Account	1	6
	Commercial Bills	400	650
		460	**432**

8. INVESTMENTS

NON - CURRENT		
Loan to New Norfolk Sports Centre		7
less		
Provision for diminution in value		(7)
Investments	5,616	5,269
	5,616	**5,269**

9. OTHER ASSETS

CURRENT		
Accrued interest income	21	17
Prepayments	32	20
	53	**37**

10. RECEIVABLES

ASSETS

CURRENT		
Rate Receivables	389	398
	389	**398**
Water Debtors	8	23
Less: Provision for Doubtful Debts		(1)
	8	**22**
Sundry Debtors	414	202
Less: Provision for Doubtful Debts	(4)	(2)
Long Service Leave payable by		
other Councils	1	1
Other Debtors	50	89
	461	**290**
	858	**710**

ASSETS		
NON - CURRENT		
Rate Receivables	12	12
Deferred Rates		71
	12	**83**

11. PAYABLES

CURRENT		
Trade Creditors	658	325
	658	**325**

12. INTEREST BEARING LIABILITIES

CURRENT (SECURED)		
Tasmanian Public Finance Corporation (Tascorp)	467	437
Public Bodies Assistance Loans	1	1
	468	438
NON - CURRENT (SECURED)		
Tasmanian Public Finance Corporation (Tascorp)	1,897	2,364
Public Bodies Assistance Loans	21	22
	1,918	2,386
Total Borrowings	**2,386**	**2,824**

DETAILS OF BORROWINGS

- Tasmanian Public Finance Corporation (Tascorp)

Original Loan	Interest Rate	Start Date	Review Date	Maturity Date	Balance Outstanding
1,750	5.85%	23-Dec-93	15-Nov-08	15-Nov-08	476
3,414	6.83%	15-May-99	15-Nov-08	15-Nov-08	1,888
5,164					**2,364**

- Public Bodies Assistance Act (PBAA) Loan

Unsubsidised	Original Loan	Interest Rate	Start Date	Maturity Date	Balance Outstanding
Molesworth Recreation Centre	26	14.00%	01-Jan-92	01-Jul-16	22
					2,386

The Net Fair Value of the loan portfolio is $2,446,776 (2002/03 $2,997,735). This estimate is based on present value calculations applied to each loan using interest rates prevailing at balnce date.

13. OTHER

LIABILITIES		
CURRENT		
Accrued Electricity	15	9
Accrued Telephone	2	1
Accrued Payroll	28	9
Accrued Interest	20	23
Accrued Bulk Water		166
Security Deposits and Bonds	33	32
Other		29
	98	**269**

14. PROVISIONS AND ACCRUALS

CURRENT		
Provisions		
- Annual Leave	362	293
- Long Service Leave	383	374
- Sick Leave	110	85
- Time in Lieu	6	2
	861	**754**
NON - CURRENT		
Provisions		
- Long Service Leave	68	56
	68	**56**

Council's number of Full Time Equivalent Employees (FTE"s) as at 30 June 2004 totalled 66. (2002/2003 68).

15 a. PROPERTY, PLANT, EQUIPMENT & INFRASTRUCTURE

	Cost or Valuation $,000	Accumulated Depreciation $,000	Written Down Value 04 $,000	Written Down Value 03 $,000
Land				
- At Gov't Val'n 1998 Market Value	2,125		2,125	2,125
- At Cost	21		21	21
Buildings				
- At Gov't Val'n 1998 Market Value	1,507	180	1,327	1,357
- At Cost	909	56	853	871
Sewerage				
- Engineer's Val'n 2003 Repl't Cost	7,960	3,078	4,882	1,624
- At Gov't Val'n 1998 Market Value	435	26	409	413
- At Cost	268	47	221	220
Water				
- Engineer's Val'n 2003 Repl't Cost	13,568	5,694	7,874	4,419
- At Gov't Val'n 1998 Market Value	448	27	421	426
- At Cost	190	1	189	168
Roads				
- Engineer's Val'n 2003 Repl't Cost	39,228	17,685	21,543	17,324
- At Gov't Val'n 1998 Market Value	80	10	70	72
- At Cost	1,185		1,185	773
Storm Water				
- Engineer's Val'n 2003 Repl't Cost	8,667	2,526	6,141	1,501
Bridges				
- Independent Val'n 2003 Repl't Cost	4,854	2,218	2,636	2,100
- At Cost	70		70	136
Reserves & Recreation				
- At Gov't Val'n 1998 Market Value	1,134	136	998	1,021
- At Cost	627	43	584	545
Waste Management				
- At Cost	815	422	393	434
Light Vehicles				
- At Cost	427	49	379	362
Major Plant				
- At Cost	977	647	330	439
Minor Plant				
- At Cost	206	73	133	54
Trucks				
- At Cost	640	420	220	188
Office Furniture & Equipment				
- At Cost	507	486	20	53
	86,848	**33,824**	**53,024**	**36,646**

15 b. RECONCILIATION OF ASSET CLASSES

	2004	2003
	$,000	$,000
Land		
- Opening Carrying Value	2,146	2,146
- Additions		
- Disposals		
- Asset Revaluation		
Closing Written Down Value	**2,146**	**2,146**
Buildings		
- Opening Carrying Value	2,228	2,207
- Additions		68
- Disposals		
- Asset Revaluation		
- Depreciation	(48)	(47)
Closing Written Down Value	**2,180**	**2,228**
Sewerage		
- Opening Carrying Value	2,257	3,053
- Additions	146	143
- Disposals		
- Asset Revaluation	3,203	(748)
- Depreciation	(94)	(191)
Closing Written Down Value	**5,512**	**2,257**
Water		
- Opening Carrying Value	5,013	5,734
- Additions	162	140
- Disposals		
- Asset Revaluation	3,467	(642)
- Depreciation	(158)	(219)
Closing Written Down Value	**8,484**	**5,013**
Roads		
- Opening Carrying Value	18,169	18,000
- Additions	1,185	773
- Disposals		
- Asset Revaluation	4,677	128
- Depreciation	(1,233)	(732)
Closing Written Down Value	**22,798**	**18,169**

15 b. RECONCILIATION OF ASSET CLASSES

Stormwater		
- Opening Carrying Value	1,501	1,750
- Additions		385
- Disposals		
- Asset Revaluation	4,716	(555)
- Depreciation	(76)	(79)
Closing Written Down Value	**6,141**	**1,501**
Bridges		
- Opening Carrying Value	2,236	1,639
- Additions	70	136
- Disposals		
- Asset Revaluation	491	556
- Depreciation	(91)	(95)
Closing Written Down Value	**2,706**	**2,236**
Reserves & Recreation		
- Opening Carrying Value	1,566	1,504
- Additions	51	94
- Disposals		
- Asset Revaluation		
- Depreciation	(35)	(32)
Closing Written Down Value	**1,582**	**1,566**
Waste Management		
- Opening Carrying Value	434	424
- Additions		48
- Disposals		
- Asset Revaluation		
- Depreciation	(41)	(38)
Closing Written Down Value	**393**	**434**
Plant & Equipment		
- Opening Carrying Value	1,096	1,114
- Additions	623	558
- Disposals	(326)	(264)
- Asset Revaluation		
- Depreciation	(311)	(312)
Closing Written Down Value	**1,082**	**1,096**
	53,024	**36,646**

16. RESERVES

	Opening Balance		Transfers to Reserves		Asset Revaluation		Transfers from Reserves		Closing Balance	
	2004 $,000	2003 $,000	2004 $,000	2003 $,000	2004 $,000	2003 $,000	2004 $,000	2003 $,000	2004 $,000	2003 $,000
Public Open Space Reserve	124	130	5					(6)	129	124
	124	**130**	**5**	**0**			**0**	**(6)**	**129**	**124**
Asset Replacement Reserve										
- Plant Replacement	194	225	97	508			(97)	(539)	194	194
- Waste Disposal Replacement		40						(40)		
- Recreation Replacement		29						(29)		
- Cemetery Replacement	83	84		95				(96)	83	83
- New Norfolk Water Replacement		1,012						(1,012)		
- Maydena Water Replacement		(160)		160						
- New Norfolk Sewerage Replacement		1,754	75					(1,754)	75	
- Maydena Sewerage Replacement		14						(14)		
	276	**2,998**	**172**	**763**			**(97)**	**(3,484)**	**352**	**276**

16. RESERVES (Continued)

	Opening Balance		Transfers to Reserves		Asset Revaluation		Transfers from Reserves		Closing Balance	
	2004 $,000	2003 $,000	2004 $,000	2003 $,000	2004 $,000	2003 $,000	2004 $,000	2003 $,000	2004 $,000	2003 $,000
Asset Revaluation Reserve										
- Investments										
- Hobart Regional Water Authority	746	785			347	(39)			1,093	746
- Infrastructure										
- Land	111	111							111	111
- Buildings	23	23							23	23
- Sewerage	(127)	619			3,202	(746)			3,075	(127)
- Water	(67)	577			3,467	(643)			3,400	(67)
- Roads	14,148	14,021			4,678	127			18,826	14,148
- Storm Water	411	580			4,715	(169)			5,126	411
- Bridges	520	(36)			491	556			1,011	520
- Recreation	180	180							180	180
	15,945	**16,860**			**16,900**	**(914)**			**32,845**	**15,945**
Other Reserves										
- Autumn Festival Reserve			3						3	
- Bicentennial 2008 Reserve			1						1	
- CBD Levy Reserve	6	5	7	22			(2)	(21)	11	6
- Children's Services Reserve	158	147		31			(15)	(20)	143	158
- Community & Business Directory Reserve			2						2	
- Computer Software & Consumables Reserve			11						11	
- Derwent Valley Election Reserve	3	6	12	20				(23)	15	3
- Derwent Valley Revaluation Reserve			30						30	
- Federation Book Reserve		8						(8)		
- HACC Reserve	11	19	8	93				(101)	19	11
- Historical Information Centre Committee	25	13		12			(4)		21	25
- Marketing Officer Reserve	12			12			(12)			12
- RDH Site Development Reserve	75	183	55					(108)	130	75
- State Emergency Service	46	27	45	19					91	46
	336	**408**	**174**	**209**			**(33)**	**(281)**	**477**	**336**
Total Reserves	**16,681**	**20,395**	**351**	**972**	**16,900**	**(914)**	**(130)**	**(3,771)**	**33,803**	**16,681**

17. CONDITIONS OVER CONTRIBUTIONS

	ACTUAL 2004 $,000	ACTUAL 2003 $,000
MAIB reimbursements for attendance at accident sites, to be expended only on equipment replacement. SES Operations included in Reimbursements Revenue.		
	21	13

18. COMMITMENTS FOR CAPITAL EXPENDITURE

At the reporting date Council had not entered into any contracts for Capital expenditure.

19. COMMITMENTS UNDER OPERATING LEASES

At the reporting date, Council had not entered into any contracts for Operating leases.

20. CONTINGENT LIABILITIES

At the reporting date the Council has identified the following contingent liabilities:-

Insurance Claims

Public Liability
The Council has identified six potential public liability claims. All claims relate to property damage. All claims have been referred to Council's insurers subject to an excess applicable as at the date of claim of $5,000.

Professional Indemnity
The Council has identified one potential professional indemnity claim. The claim has been referred to Council's insurers. As at the date of reporting, Council's liability in respect of this claim approximates the excess on the insurance policy in the amount of $5,000.

21. EVENTS OCCURRING AFTER BALANCE DATE

There are no significant events occurring after balance date, up to and including the date of reporting, which has a material bearing on the values incorporated in Council's Financial Statements and the explanation contained in the Notes to and Forming part of the Financial Statements that would warrant disclosure.

22. ACCOUNTING FOR FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Council's exposure to interest rate risk, repricing maturities and the effective interest rates on financial instruments at balance date are:

30 JUNE 2004	WAEIR	Float. Int. Rate	Fixed Interest 1Year or Less	1 to 5 Years	Over 5 Years	Non Interest Bearing	Total
		'000	'000	'000	'000	'000	'000
Assets							
Cash	4.35%	60					60
Investments	5.41%		400				400
Receivables							
. Rates & Charges	11.00%		389	12			401
. Other (incl. Advances)						469	469
Total Financial Assets		**60**	**789**	**12**		**469**	**1,330**
Liabilities							
Creditors							
. Materials & Contractors						658	658
. Other						98	98
Borrowings	6.70%		468	1,903	15		2,386
Total Financial Liabilities			**468**	**1,903**	**15**	**756**	**3,142**
Net Financial Assets (Liabilities)		**60**	**321**	**(1,891)**	**(15)**	**(287)**	**(1,812)**

30 JUNE 2003	WAEIR	Float. Int. Rate	Fixed Interest 1Year or Less	1 to 5 Years	Over 5 Years	Non Interest Bearing	Total
		'000	'000	'000	'000	'000	'000
Assets							
Investments	4.56%		650				650
Receivables							
. Rates & Charges	11.00%		398	12	71		481
. Other (incl. Advances)						312	312
Total Financial Assets			**1,048**	**12**	**71**	**312**	**1,443**
Liabilities							
Cash						218	
Creditors							
. Materials & Contractors						325	325
. Other						269	269
Borrowings	6.69%		438	2,369	17		2,824
Total Financial Liabilities			**438**	**2,369**	**17**	**812**	**3,418**
Net Financial Assets (Liabilities)			**610**	**(2,357)**	**54**	**(500)**	**(1,975)**

WAEIR - Weighted Average Effective Interest Rate

(b) Net Fair Values

The net fair values of all assets and liabilities noted above approximate their carrying value except borrowings which are detailed within note 12.

23. STATEMENT OF CASH FLOWS

(a) For the purposes of the Statement of Cash Flows, cash includes cash on hand and in Banks, net of outstanding bank overdraft. Cash at the end of the financial year as shown in the Statement of Cashflows is reconciled to the related items in the Statement of Financial Position.

	ACTUAL 2004 $,000	ACTUAL 2003 $,000
Cash at Bank and on hand	60	(218)
Total	**60**	**(218)**

(b) RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS

Operating Surplus	100	(216)
Depreciation	2,087	1,746
Amortisation of Revaluation Fees		31
Movements:-		
- Increase / (Decrease) in Employee Provisions	119	56
- (Increase) / Decrease in Accounts Receivable	(77)	(248)
- Increase / (Decrease) in Accrued Expenses	(171)	(41)
- (Increase) / Decrease in Accrued Income	(4)	14
- Increase / (Decrease) in Accounts Payable	333	116
- (Increase) / Decrease in Prepayments	(12)	2
- (Increase) / Decrease in Inventories	2	12
(Gain) / Loss on Sale of Fixed Assets	(32)	(3)
Revenue provided by Government Grants	(2,216)	(2,179)
NET CASH IN / (OUT)FLOW PROVIDED BY OPERATING ACTIVITIES	**129**	**(710)**

24. FINANCING FACILITIES

At the reporting date a bank overdraft facility of $300,000 was available to the Council from its Bankers the Commonwealth Bank of Australia.

25. FINANCIAL PERFORMANCE INDICATORS

Derwent Valley Council reports the following financial performance indicators that are relevant to the users of the financial statements.

	$,000	2004 % (Expressed as a percentage)	2003 % (Expressed as a percentage)
(a) **DEBT SERVICING RATIO**			
Purpose: To assess capacity of Council to service debt outstanding			
Debt Servicing Costs	616	6.34%	6.97%
Total Revenue	9,719		
(b) **RATE REVENUE TO TOTAL REVENUE**			
Purpose: To assess the dependence on rate revenue			
Rates Revenue	5,443	56.00%	60.37%
Total Revenue	9,719		
(c) **WORKING CAPITAL RATIO**			
Purpose: To assess the ability of Council to meet current commitments			
Current Assets	1,423	68.25%	69.04%
Current Liabilities	2,085		
(d) **COST OF DEBT**			
Purpose: To determine the average interest rate on borrowings			
Interest Paid on Loans	178	7.46%	7.29%
Loan Balance	2,386		

Financial Report Year End 2003/2004

27. SIGNIFICANT BUSINESS ACTIVITIES

	Transport Infrastructure	Water Reticulation	Sewerage Disposal	Total
Revenue				
	$	**$**	**$**	**$**
Rates Raised		1,258,479	859,022	2,117,501
General Rates Allocated	118,679			118,679
User Charges		109,419		109,419
Contributions	270,000			270,000
Reimbursements	19,442	298		19,740
Other Revenue		125,016		125,016
Government Grants identified	333,726			333,726
Government Grants allocated	679,953	260,000		939,953
Total Revenue	**1,421,799**	**1,753,212**	**859,022**	**4,034,034**
Expenditure				
Direct				
Employee Costs	205,301	201,649	172,883	579,832
Materials and Contracts	258,586	151,235	143,904	553,725
Bulk Water Purchases		886,104		886,104
Interest	59,863	36,127	40,618	136,608
Utilities		23,009	30,559	53,567
Other			75,000	75,000
	523,750	1,298,123	462,964	2,284,837
Indirect				
Supervision and Indirect Overhead Allocation	19,579	48,527	14,503	82,609
Finance and Administration Allocation		129,812	38,796	168,609
	19,579	178,339	53,299	251,218
Total Expenditure	**543,329**	**1,476,463**	**516,263**	**2,536,054**
Capital costs				
Depreciation and amortisation	**1,466,134**	**188,155**	**123,486**	**1,777,775**
Opportunity cost of capital	1,546,946	436,245	231,296	2,214,487
Opportunity cost of working capital	585	611	164	1,360
	1,547,530	**436,856**	**231,461**	**2,215,847**
Competitive neutrality adjustments				
Rates and land tax	12,748	5,468	3,850	22,067
Loan guarantee fees	3,926	2,402	2,771	9,099
	16,674	**7,870**	**6,621**	**31,165**
Calculated Surplus/(Deficit)	**(604,337)**	**80,725**	**212,651**	**(310,961)**
Tax Equivalent Rate	**30.00%**	**30.00%**	**30.00%**	**30.00%**
Taxation equivalent	**(181,301)**	**24,218**	**63,795**	**(93,288)**
Total Competitive Neutrality Costs	**(164,627)**	**32,088**	**70,416**	**(62,123)**

25. FINANCIAL PERFORMANCE INDICATORS (Continued)

The items included in the calculation of the financial performance indicators are defined as:-

Debt Servicing Costs

Includes items such as the following:-

- Principal Redemption
- Interest on Loans
- Overdraft
- Loan Establishment Costs
- Other Instalments

Rate Revenue

Includes

- Total General Rate Revenue after taking into consideration supplementary rates, penalty and interest and including items such as:-
  - General Rates
  - Service Charges
  - Pensioner Rate Subsidy

Excludes:-

- Revenue collected on an agency basis for other regional organisations.

Total Revenue

- Total Revenue as shown in the Operating Statement.

Current Assets

- Total Current Assets as shown on the Statement of Financial Position.

Current Liabilities

- Total Current Liabilities as shown on the Statement of Financial Position.

26. COUNCILLORS' INTERESTS

The Council is a body corporate with perpetual succession and comprises 9 Councillors, including the Mayor, who are elected by the ratepayers in accordance with the Local Government Act, 1993.

Pursuant to S84 of the Local Government Act 1993, Councillors are required to disclose any related party interest they have with any body or organisation with which the Council has major financial dealings.

For the 2003/04 financial year no such disclosures have been received.

DERWENT VALLEY COUNCIL

"Our Mission is to lead our community on a path that will provide an environment of health, safety and economic wellbeing in partnership with our residents and stakeholders"