



DERWENT VALLEY COUNCIL

Annual Report 2012 - 2013

TABLE OF CONTENTS

1. Introduction	Page 1
1.1 What is the Annual Report?	1
1.2 Profile of the Derwent Valley	2
1.3 Mayor's Message	11
1.4 General Manager's Message	13
2. Council Structure	15
2.1 Council Structure	15
2.2 Your Councillors	17
2.3 Committees of Council	18
3. Derwent Valley Council Strategic Plan 2011 – 2015	21
3.1 Purpose of the Strategic Plan 2011 – 2015	21
3.2 Derwent Valley Council Strategic Plan 2011 – 2015: Overview of Progress	22
4. The Year in Review	32
4.1 Governance	32
4.2 Physical Services	37
4.3 Community and Social Development	39
4.4 Child, Youth and Family Services	41
4.5 Development and Environmental Services	44
4.6 Corporate and Financial Services	46
5. Legislative Requirements	48
5.1 Public Health Statement	48
5.2 Enterprise Powers Statement	51
5.3 Councillors Allowances and Expenses Statement	51
5.4 Councillors Attendance	52
5.5 Senior Employee Total Annual Remuneration Statement	52
5.6 Grants Assistance and Benefits	53
5.7 Contracts for Supply of Goods and Services	56
5.8 Donated Land Statement	57
5.9 Public Interest Disclosure Statement	57
6. Acknowledgments and Contact Details	58
7. Financial Statements	59

1. Introduction

1.1 What is the Annual Report?

The *Local Government Act 1993* requires every Council in Tasmania to produce an Annual Report. This gives an opportunity for Council to formally advise the community of some of its achievements and challenges in the last year and review areas we need to improve upon.

This concludes the annual corporate planning and reporting cycle of the Derwent Valley Council each year.

This report covers the period of the 2012 – 2013 financial year.

It is specifically required by the Local Government Act 1993 that Council report on:

- The context in which Council worked;
- An organisational overview;
- Council's operations, our achievements;
- The key activities and priorities identified in the budget, and;
- A set of audited standard, financial and performance statements.

The report contains a series of chapters, each devoted to a particular section of Council, and an explanation of how these sections interact within the Derwent Valley Council structure.

The report also contains audited standard, financial and performance statements. This shows how monies raised via rates, charges, fees and from grants received have been expended.

Each year Council, in consultation with the community prepares an annual Budget within the context of the actions identified in the Strategic Plan 2011 – 2015. The Strategic Plan and Budget are used to inform the decisions and actions of Council for the coming year.

Derwent Valley Council values the input of the community.

If you have any comments or queries, please contact the General Manager's office:

Phone: 6261 8512

Email: executiveassistant@dvc.tas.gov.au

Mail: PO Box 595, New Norfolk Tasmania 7140

1.2 Profile of the Derwent Valley

The Derwent Valley municipal area covers 4, 111 sq kms. in southern central Tasmania. Starting at Granton on the southern side of the mighty Derwent River, and Dromedary on the northern side of the river, the municipality runs from pleasant farmland through to the rugged South West World Heritage area, including the towns and hamlets of New Norfolk, Molesworth, Lachlan, Plenty, Macquarie Plains, Hayes, Bushy Park, Glenora, Westerway, National Park, Maydena and Strathgordon. The municipality ends just beyond the famous Lakes Pedder and Gordon, in the wilds of the South West.

New Norfolk is the major town in the municipal area. The 2011 Census shows that there are 5,244 people living in the New Norfolk town area, over half the population of the entire municipal area which at the same time had a population of 9,704.

Prior to European settlement, the midlands Aborigines, known as the Big River people, inhabited an extensive region from the Derwent Valley through to the Central Highlands, including the Great Lake and Great Western Tiers. The Big River people supported five bands, New Norfolk was the territory of the band known as the 'Leenowwenna, which was their name for the Derwent River.



Mayor Martyn Evans and Lance LeSage unveil the Indigenous signage as part of Walking Through Time; an interpretive history walk and podcast.

New Norfolk was first settled by Europeans in 1807. Some of the first settlers to the area were Norfolk Islanders who were forced to leave their island home when the penal colony there was closed; they included a mix of free settlers and convicts, it is from here that the name New Norfolk comes.

The Derwent Valley has a fascinating and at times controversial history; from bushrangers and tobacco growing to the damming of Lake Pedder. Over the years the timber industry has played a large part in the development of the area, this has now given way to a stronger focus on tourism. However, organisations such as Norske Skog still play an important part in the community as good corporate citizens, providing employment, supporting the community and in the ethical management of land under their control.

Willow Court, part of the former hospital and psychiatric institution dates back to 1828 and for many years played a pivotal role in the identity of the town. That precinct is now under development with plans for the constructive reuse of many of the heritage listed buildings around the site; some of these are now privately owned, some owned by Council.

Age in Ten Year Groups												
Population Area	0-9 years	10-19 years	20-29 years	30-39 years	40-49 years	50-59 years	60-69 years	70-79 years	80-89 years	90-99 years	100 years and over	Total
Bushy Park (Tas.)	29	30	10	28	44	41	36	12	4	0	0	234
Granton	193	256	139	206	273	207	155	65	21	4	0	1,519
Lachlan	105	98	69	89	159	140	96	32	9	0	0	797
Magra	118	128	75	111	133	116	96	40	11	0	0	828
Maydena	28	31	19	26	40	36	28	12	0	4	0	224
Molesworth (Tas.)	100	118	54	108	148	147	83	27	19	0	0	804
New Norfolk	696	723	628	505	705	735	573	441	204	34	0	5,244
Westerway	52	63	35	45	48	59	41	11	3	0	0	357

Data Source: 2011 Census of Population and Housing

NB very small numbers may appear as zero to ensure that individuals are not identifiable.



Throughout the many changes we have seen since European settlement, agriculture has been the backbone of the economy in the area. In recent years there has been a move away from some more traditional farming practices, with more of an agri-tourism focus. This includes the development of more small fruits and cherry orchards, increased wine production, boutique beer, cider, whiskey and elderflower beverage production and the development of many new food and agriculture based experiences for tourists and local residents to enjoy.

*Pickers at work at Derwent Estate Vineyard
Photo Courtesy of Derwent Estate Vineyard.*

Enjoy the seasons in the Derwent Valley

The Derwent Valley is renowned for its seasonal change, this attracts many people from warmer climates who come to enjoy our varied seasons.

Summer is warm to hot and dry, winter cold and frosty with snow capped mountains and the skeletal outlines of deciduous trees dominating the landscape. Spring sees the bud burst of many flowering trees and plants, with gardens coming to life after a cold winter. Autumn in the valley is spectacular, and is celebrated by the award winning Forestry Tasmania Derwent Valley Autumn Festival.

Flowers on blossom trees and the first bulbs herald the arrival of spring which is usually characterised by very unsettled, often windy weather. With summer not far around the corner agricultural activity starts to pick up in readiness for the summer stone and berry fruits crops, hops and haymaking. Unfortunately the last two summers have been cause for concern with bushfires threatening the area. Due to the hard work of the Tas Fire Service, volunteers, Norske Skog, Forestry Tasmania and Parks and Wildlife service, as well as the good will of many community members who pitched in and helped out, the potential impacts were contained.

The first European settlers planted many deciduous trees, these put on a spectacular display throughout the year, acting as a draw card to tourists and photographers from across the State, particularly in the autumn.



An autumn scene, early morning in New Norfolk

Mt Field National Park, one of Australia's oldest parks, has easily accessible stands of *Northofagus gunnii* (Deciduous Beach) and is a popular destination around ANZAC Day each year when the trees are at their peak. This Tasmanian indigenous plant is the only truly deciduous native in Australia, and shows its self in a blaze of orange and reds as the days shorten and the nights become cold.

Winters can be very cold and wet, however this gives visitors and locals a chance to relax and prepare for the busy times ahead when summer returns.

Agriculture, Industry and Development

The Derwent Valley has long been known as a fertile agricultural area, offering ideal conditions for beef and dairy cattle, sheep and hops among other things. In recent times the reputation for niche agricultural activities has grown, including the production of raspberries and blackcurrants, world class elderflower products, boutique brewing and wineries. This along with a growing reputation for tomato production and export quality cherries leads to a bountiful harvest for locals and tourists alike.

New Norfolk is the main shopping centre for many people in the Derwent Valley and Central Highlands, it provides a diverse range of goods, catering for the day to day needs of the community, as well as specialist stores such as fishing and hunting and craft stores. Through the



work of the New Norfolk Business Alliance, the town is becoming known as the antiques capital of Tasmania, with visitors browsing antique stores and then staying to explore the area and providing an economic boost through the flow on effect to the growing number of cafes in the town. There are a range of specialty shops in a developing enclave at Willow Court, bringing life to that area as well.

Looking down High Street from Council Chambers

A number of farmers and other markets keep weekends busy.

Traditionally a 'timber area' many of our towns have relied on the timber industry for employment for generations. Due to changes in this industry there is a growing drive for economic diversification. However, the timber and forestry industries still play an important role in the community. Norske Skog, one of the area's major employers uses best practice land management techniques to manage its pine plantations. These plantations are used in the production of plantation based paper at the Boyer Mill, which has over recent years undergone major upgrades to ensure that it meets strict environmental standards. There has recently been

significant investment in new paper production facilities at the Boyer Mill which will ensure a sustainable future for this operation in changing world markets.



Norske Skog, set on the banks of the Derwent River is one of the area's major employers and has a long history in the area.

Tourism is a growing industry in the Derwent Valley, with over 50 accommodation establishments catering to visitors, from bed and breakfast, self contained accommodation, and motel and pub accommodation through to caravan parks and luxury accommodation available right across the area.

The tourism industry is being driven by visitors with a desire to 'get out of the rat race' and experience Tasmania's natural attractions. With an abundance of natural attractions and a growing reputation for world class experiences the Derwent Valley is well placed to cater for all types of tourist. From those who want to experience the challenges of adventure tourism, kyakers and bushwalkers, through to families who are looking for an outdoor experience to remember with their children, there is something for everyone.

Painters, photographers and bird watchers are drawn to the Derwent Valley because of its stunning scenery, easy access and diverse range of opportunities to fulfill their needs.

Cottage industries are making a comeback in the area as new people make this wonderful valley their home and look at innovative ways of making a living from the fertile soils. These new opportunities augment and build upon the reputation of our more traditional aquacultural and agricultural businesses.

The hop industry continues to play a large part in the economy of the area. Bushy Park Estates, originally established in 1867, covering approximately 230 hectares is a major contributor to the economy of the region. The hop farms also have a strong visual impact on the Derwent Valley and attract many tourists who come to photograph the lush fields.

The economic diversification of the area brings with it new ideas and opportunities for employment and growth, something the Derwent Valley is embracing.

While change is unavoidable, it is important not to forget that over the years the community has been built around a backbone of a stable workforce characterised by hardworking and proud people. People who in times of need will go out of their way to help out a neighbor or friend who is doing it tough and welcome new residents who choose to make their home in the Derwent Valley.



Agriculture in the Derwent Valley; sheep graze in the foreground with hops and dairy farms in the distance.

Our Heritage

The area is home to an abundance of heritage buildings and a wealth of historical treasures, from farms and magnificent Oast Houses once used in hop production, to the oldest trout hatchery in the southern hemisphere, at Salmon Ponds which now includes an arboretum and will be celebrating its 150th anniversary in 2015.

Many of our historic attractions are clearly visible from the road as you wind your way up the valley toward Lake Pedder, once famed for its white quartz beaches it is now still a spectacular place to visit. The road continues on to the Gordon River Dam, a feat of engineering seen nowhere else in the State. On the other side of New Norfolk lie the townships of Lachlan and Molesworth, both beautifully lush agricultural areas rich in history and opportunity.

The Willow Court precinct is having new life breathed into it with a combination of private investment and Council contributions. The former psychiatric institution is recognised as having significant heritage values both in terms of its architecture and social history. After a chequered past, work is now being done to ensure its conservation for future generations and to look at adaptive reuse for some of the original buildings on the site.



The Barracks; part of the historic Willow Court precinct. Work is currently underway to restore this historic site.

Our Community

The Derwent Valley has a strong sense of community. With over 100 community and sporting groups in the area there is something for everyone to be involved in.

In the last two years we have seen the importance of that community spirit when bushfires threatened homes and property in the areas of Westerway, Karanja, Molesworth and Lachlan. Without the support and efforts of many individuals and members of the volunteer emergency services in the area there could have been disastrous consequences.

There are seven schools in the municipal area. These cater for all ages from kindergarten through to the end of high school, and include one non-government school.

The community is well serviced with visiting medical specialists, local GP's, child care, youth organisations, a day respite centre and a child and family centre. Many non-government organisations run programs in the Derwent Valley giving residents an opportunity to access many services. The numerous churches in the area offer a range of regular services in many denominations. There are many sporting organisations, ranging from the traditional football and cricket clubs to more relaxed pursuits such as croquet. Our rowing club is the home of several Olympic medal winners. The Derwent Valley Sports Centre offers a range of services including several sports and a fitness centre.

The community in the Derwent Valley is strong and resilient, willing to lend a helping hand and welcoming of new arrivals to the area.

Our community can be proud of its achievements.

The first Friendly Lodge in Tasmania was started in New Norfolk by a group of men who formed a unit of the Manchester Unity Oddfellows Lodge in 1869

In more modern times, the community spirit has been recognised with a number of awards including , Tidy Towns Active Tasmania and Community Achievement Awards.

1.3 Mayor's Message

Tasmania's Derwent Valley is the statement being made, it's about people, place and a destination. As we look back over the past twelve months we have seen moves toward this theme. As we move into the final stage of the development of our STEPS plan, this will be our roadmap for the next 20 years. The plan identifies our strengths, but also the gaps we need to move toward filling in the future. The STEPS plan will sit alongside the new Planning Scheme that is in its final stages of development.



This year has had its challenges, but also its fair share of rewards.

Challenges facing Council at the moment are the ongoing debate over the Forest Agreement and the impact of that agreement on the valley as a whole. This may be the loss of rate revenue of anywhere between 3 – 5% or the employment impacts and financial impacts on families and our community.

The second challenge is the adaptive reuse of Kilderry Farm (Hayes Prison Farm). From Council's point of view Kilderry Farm meets all the criteria outlined in the Southern Tasmanian Economic Development Plan growth areas; it has potential for development into the growth areas of viticulture, aquaculture and dairy farming combined with a training facility. Council will continue to fight for the best reuse of Kilderry Farm for our residents and in line with our STEPS plan.

On the positive side of things, our main strength is our people. Our community has such a high number of individuals, families and groups that volunteer their time for the place they love. It's great to be able to work in partnership with these people to help others and create our future. Many have said, 'it's not perfect; but it's ours'.

This year the Derwent Valley celebrated 150 years of Local Government.

With no elections for Council this year, Councillors have been working hard for their community; attending functions, events and undertaking training. This gives us a better ability to represent the residents of the area and to be able to make informed decisions. I would like to congratulate my fellow Councillors on a productive year and thank them for their support and participation throughout the year.

We have a number of key drivers in the area, these include:

- Willow Court which is progressing well and hoping to be open in late February. Many thanks go to the Willow Court Conservation Special Committee, Friends of Willow Court and Friends of Frascati for their work throughout the year.

- Ptunarra Child and Family Center that caters for 0 – 5 year olds opened this year and will continue to grow and help young families throughout the valley.
- Education; something that is important for our future. This year we saw the creation of the Derwent Valley Learning Precinct that includes all the schools in the Derwent Valley, Claremont College, Ptunarra, and the 26Ten program to deliver life long learning opportunities. Watch this space!
- The success of Redlands, the starting of the Water Taxi and our small fruit, berry and wine experiences stretching from Granton to Strathgordon have helped to boost our tourism industry.
- There have been a number of developments that boosted the economy in the area; the opening of the Reject Shop and confirmation that a new supermarket will be constructed by December 2014 which will create new jobs in the building stage and ongoing employment once completed. We are looking forward to the opening of Zap early next year.
- This year the New Norfolk District Hospital celebrated its 50th birthday and Corumbene released its plans for the next stage of its development. Both cause for celebration.


We are fortunate that we have many other opportunities for development; our river, rail tourism, Plenty Valley Link Road, the Autumn Festival, the Tiger Trail Festival, expansion of small business, fruit and berry trails and so much more.

Once again I would like to thank our community for working in partnership throughout this year to help create a future not only for us today, but also for our children and their children.

Finally, I would like to thank Council's staff for their support during the year, time and dedication in writing the Annual Report and also the place that is the Derwent Valley.

Our Strength Lies in Our People

Thank you

A handwritten signature in blue ink, appearing to read 'Martyn Evans', with a stylized flourish extending from the end.

Martyn Evans
Mayor

1.4 General Manager's Message

It's not often in Local Government that we have the opportunity to sit down and look back over the past year, the production of the Annual Report gives us the opportunity to do that.

In thinking about what to include in the Annual Report, it's apparent that as a community we continue to face a number of challenges, including a low rate base and limited resources. However, we are also very fortunate in the strength of our community and the things that we have been able to achieve over the last year.

For the second year in a row we had fires in the Derwent Valley during the summer, these tested the resources of both volunteers and professional emergency service workers. Thankfully the impact of the fires was able to be limited due to the tireless hard work of so many people. Carinya Education Park, a Council operated facility, was used as an evacuation centre during this period. Council is proud to have been able to offer emergency shelter to up to 80 people and 40 pets during this period. I would like to take this opportunity to thank the very generous businesses in New Norfolk who provided emergency food and other items for people who were evacuated, and the members of the public who pitched in to help. I would also like to thank those Councillors and staff members who went well beyond their duties and volunteered their time to show their support for the community by lending a hand.

The forestry industry issue continues to be of concern, with little clarity around the effects of the new World Heritage Area and how things such as fire breaks and what were previously forestry roads will be maintained into the future. There is also concern over the potential loss of a large amount of rate income with the changeover. When there is more clarity around this, Council will be in a position to make plans for the future and inform the community about what is happening.

Changes to the Local Government Act meant that Council elections that were scheduled to happen in October this year have been delayed across the State until October 2014. There will also be changes to the way Councillors are elected, with 'all in, all out' four year terms instead of half of Councillors and the Mayor and Deputy Mayor being elected every two years.

This year Council has undertaken a large strategic planning exercise, as the Mayor has indicated in his message this will be used as a road map for future strategic planning. Through a tender process, Council has engaged Preferred Futures to consult in the development of a Social Economic and Tourism Plan (STEPS Plan) for the entire Derwent Valley. At this point we are



hoping to have the STEP's Plan launched early in the new year, after considerable public consultation including with tourism operators, agricultural representatives and community representatives.

There has been considerable discussion around the vacant site on the corner of High and Burnett Streets. Council has been in discussions with the owners of the site, initially there were some delays due to insurance issues and the need to ensure that the site is not contaminated before work could begin on it. 'Clean up' work has commenced, with discussions taking place around Council's request that the area be grassed over and used as public space until such time as an alternative use or development is built there. This suggestion is now in the hands of the owners of the site, Council is hopeful that they will make a decision on the site in the near future.

Currently there is a lot of future planning underway with the STEP's Plan and Council's new Interim Planning Scheme that is due to be approved by the Minister in early 2014. This does not stop the day to day work of Council, this year we've seen a number of achievements across many areas. These include the sale of the 'oval space' for a new commercial development that will provide a boost to the economy.

Also this year Council has continued to support community initiatives, such as the Derwent Valley Autumn Festival that goes from strength to strength and the creation of a gallery space for Derwent Valley Regional Arts in the Council Chambers.

The Willow Court Conservation Special Committee has continued to work on implementing its grant funding and has plans in place for the opening of sections of that building in the near future.

There have been a number of private developments that Council has helped through the development process, including Redlands Estate. HOGS in the Valley and the Mayor's boxing bout with Jeff Fenech were both well supported by Council and the community and raised considerable funds for the organisations they were supporting.

In these ways Council plays an important part in the community, none of this could be done without the hard work and commitment of staff, who often step outside their defined roles to help out and provide input when it is required. I would like to thank staff and Councillors for their input and work during the last year.



Stephen Mackey

General Manager.

2. Council Structure

2.1 Council Structure

There are nine elected Councillors of the Derwent Valley Council; their role is to act as the ultimate policy and planning body of the corporation. Each Councillor is elected for a period of four years, with half of the Councillors standing for election every two years. The Mayor and Deputy Mayor are elected for a period of two years at each election. Generally it is the role of Councillors to effectively represent and act in the best interests of their community.

There will be some slight changes to this structure at the next Local Government elections, in October 2014. The changes mean that all Councillors will be elected for four years on an 'all in all out' basis and the Mayor and Deputy Mayor will also be elected for four years.

The day to day operations of the Council are delegated to the General Manager who is also ultimately responsible for staff and other internal issues.

This division of duties enables Council to operate on a day to day basis, and to concentrate its efforts on the consideration of strategic issues, establishment of policy position and to represent and promote the interests of the community.

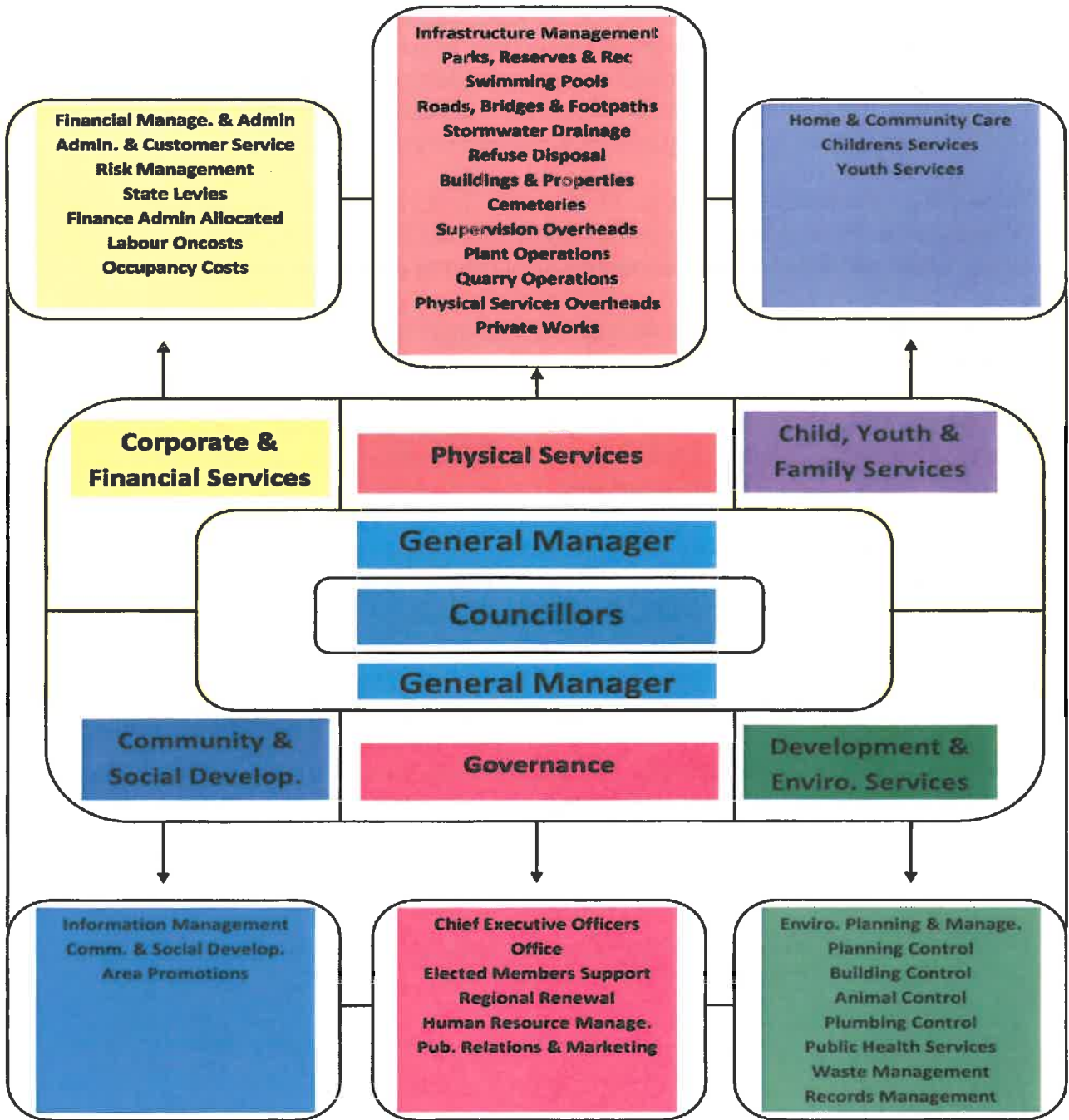
Council meetings are held on the third Thursday of the each month at the Court House, Circle Street, New Norfolk and commence at 6.30 pm. In addition to normal Council Meetings, Council holds a number of community forums at various locations in the municipal area each year.

Members of the public are invited and encouraged to attend any of these meetings. Council advertises its Council meetings in the Gazette and Mercury prior to the meeting occurring.

Agenda and attachments are available from Council Chambers on the Friday prior to the meeting or on the website: www.derwentvalley.tas.gov.au



Derwent Valley Council this year celebrates the sesquicentenary of Local Government in the Derwent Valley. This logo is the original logo from 1863.



This chart shows the interactions between various parts of Council.

2.2 Your Councillors



*Mayor
Martyn Evans*



*Deputy Mayor
Barry Lathey*



*Councillor
Damian Bester*



*Councillor
Judy Bromfield OAM*



*Councillor
James Graham*



*Councillor
Chris Lester*



*Councillor
Tony Nicholson*



*Councillor
Scott Shaw*



*Councillor
Wayne Shoobridge*

2.3 Committees of Council

The Local Government Act 1993 allows Council to set up various Special Committees and other committees and to have representation on various authorities, Associations and organisations.

Committees of Council are usually made up of Councillors and/or staff along with members of the public who have an interest in the area that the committee deals with. These committees are reviewed and new committees formed on an 'as needed' basis. Sometimes Council may set up a working group to deal with a particular project, eg the sesquicentenary of Local Government in the Derwent Valley, working groups may be less formal in their structure than committees and usually cease to meet after the task they have been created for is completed.

Special Committees of Council	Councillor Representatives
Boyer Oval Management Committee: assists in the management and upgrading of Boyer Oval.	Cr Lathey, Cr Evans (proxy)
Historical Information Committee: operates the Historical Information Centre.	Cr Nicholson, Cr Evans (proxy)
Gleeson Park Special Committee: assists in the management of Gleeson Park.	Cr Graham, Cr Evans (proxy)
Derwent Valley Youth Future Action Team (D'FAT): Derwent Valley Council's youth advisory committee.	Cr Graham, Cr Lester (proxy)
Bushy Park Swimming Pool: ensures the safe and efficient operation of Bushy Park Swimming Pool.	Cr Bester, Cr Evans (proxy)
Derwent Valley Sport and Recreation Committee: ensures the safe and efficient operation of the Derwent Valley Sport and Recreation centre.	Cr Shoobridge, Cr Evans (proxy)
Molesworth Reserve Committee: assists in the management of Molesworth Reserve.	Cr Graham, Cr Evans (proxy)
Tidy Town Committee: undertakes projects to help beautify and keep the municipal area tidy.	Cr Evans, Cr Bester (proxy)
New Norfolk Swimming Pool Committee: ensures the safe and efficient operation of the New Norfolk Swimming Pool.	Cr Shaw, Cr Lester (proxy)
Access Advisory Committee: advises Council on access issues, particularly relating to those people who have a disability.	Cr Lathey, Cr Shaw (proxy)

Environmental Management Committee: manages major environmental incidents within the Derwent Valley.	Cr Bester, Cr Graham (proxy)
New Norfolk Business Alliance: assists in the promotion of the central business district.	Cr Graham, Cr Evans (proxy)
Friends of Willow Court: assists in the promotion of the Willow Court area.	Cr Lathey, Cr Evans (proxy)
Friends of Frascati Community Garden: restoration to the gardens at Frascati House.	Cr Bromfield, Cr Evans (proxy)
Tynwald Park Development Committee: advises on the development of Tynwald Park.	Cr Shaw, Cr Lester (proxy)
Willow Court and Barracks Special Conservation Committee: undertakes development and setting direction for the Council owned sections of the Willow Court precinct.	Cr Evans, Cr Lathey (proxy)
Authorities and Associations	Councillor Representatives
Southern Water Authority: water supply related issues as related to Tas Water.	Cr Evans
Southern Waste Strategy Authority (SWASA): waste issues in the south of the State.	Cr Nicholson, Cr Graham (proxy)
Southern Tasmania Council Authority (STCA): a grouping of 12 southern Councils.	Cr Evans
Local Government Association of Tasmania (LGAT): Tasmania's peak local government body.	Cr Evans, Cr Lester (proxy)
Other Committees and Organisations	Councillor Representatives
Derwent Valley Emergency Planning Committee: puts in place plans that come into effect in case of emergency.	Cr Lathey, Cr Evans (proxy)
Australia Day: plans for Australia Day celebrations each year.	Cr Bromfield, Cr Shoobridge, Cr Evans
Derwent Catchment Natural Resource Management: monitors environment within Derwent Catchment area.	Cr Nicholson, Cr Lathey (proxy)
Derwent Valley Autumn Festival: plans the Autumn Festival each year.	Cr Graham
Derwent Valley Chamber of Commerce and Industry: currently in recess.	Cr Shoobridge
Land sale Committee: looks at the sale of Council land.	Cr Bester, Cr Bromfield

Maydena Community Association: independent body that has the support of Council, is an association of members of the Maydena community.	Cr Bester, Cr Lester (proxy)
Derwent Valley Visitor Information Centre: reviews the running of the Visitor Information Centre, which is funded by Council.	Cr Lester, Cr Lathey (proxy)
RAFT (Real Action...Forward Thinking): strategic planning committee to form partnerships regarding youth affairs.	Cr Graham, Cr Bromfield
Lyell Highway Committee: set up to monitor the upgrades of the Lyell Highway.	Cr Bester, Cr Bromfield
Community Grants: administers and assesses Derwent Valley Council Community Grant scheme.	Cr Shaw, Cr Bester, Cr Shoobridge, Cr Bromfield, Cr Lathey
Spatial Planning Review Committee: currently in recess.	Cr Graham, Cr Nicholson, Cr Lester (proxy)
Rivers Run Tourism Association: the local tourism association, and independent body that has support of Council.	Cr Lester, Cr Evans (proxy)



An example of some of the works done by Council in conjunction with the Tynwald Park Development Committee: playground and replacement of coppers logs.

3. Derwent Valley Council Strategic Plan 2011 – 2015

3.1 Purpose of the Strategic Plan 2011 – 2015

All recommendations put to Council for decisions at a Council Meeting must contain a reference to the current strategic plan. This ensures that the decisions of Council fall in line with the direction set by the strategic plan.

During the creation of the strategic plan, public submissions were called for. This ensures that the plan reflects the aspirations of our community.

The current Derwent Valley Council strategic plan is for the years 2011 – 2015 and is an opportunity to set clear and measurable goals for that period. Over the period of the strategic plan Council's direction, funds and focus are adjusted to fall in line with the strategic plan as much as possible; it works as a road map for major decisions.

Each time the strategic plan is updated there is a period of public consultation, Council encourages members of the public to be involved in this through submitting ideas and suggestions for the plan.

The strategic plan focuses on a number of priorities, with individual projects from the plan funded through Council's Annual Plan and budgetary processes.

Complete copies of the current strategic plan are available from Council's website at www.derwentvalley.tas.gov.au, or by requesting a hard copy from Council staff.

3.2 Derwent Valley Strategic Plan 2011 – 2015: An Overview of Progress

The following section reviews Council's progress in relation to the strategic plan 2011 – 2015. Each section contains the goals as listed in the strategic plan, with a summary of progress against each goal and the challenges that are being encountered.

INFRASTRUCTURE AND SERVICE OBJECTIVES		
IS 1: To maintain the standard of the municipality's infrastructure assets		
Sub – point	Progress	Challenges
IS1.1: Continue to plan, manage and where required co-ordinate infrastructure assets to ensure safe and reliable services for residents and visitors.	Council's works department in conjunction with the budget process programs works to manage assets and ensure safe and reliable assets, for eg. 5 bridges were replaced this year and Council staff undertook clean ups after bushfire damage.	To some extent the budget dictates what major maintenance works can be done, meaning that very large jobs may be spread over a number of years, eg. major road works.
IS1.2: Asset inventories and management programs are to be maintained and updated	New GIS and GPS technology has assisted in this.	Works programs need to be adjusted to incorporate these changes
IS1.3: Road hierarchy policy will be utilised to ensure roads are kept up to standard.	Road hierarchy policy is used to identify program of works.	Public understanding of road hierarchy policy needs to be increased.
IS 2: To maintain high standards in the provision of all Council service in line with community needs, Council' policies and regulatory requirements		
IS2.1: Continue to monitor and, where required, improve the standard, efficiency and effectiveness of services provided by Council.	Council undertakes continuous internal monitoring of its services to improve the standard of services provided.	Council needs to be more effective in reporting back to community on actions it is taking.
IS2.2: Audit the requirements of external services provided directly by Council (eg. Child Care Centre) work with them to identify their needs into the future.	Major works are programed into budget, smaller needs are programed into maintenance schedules within the services.	Council continues to work with these services to identify needs.

IS2.3: Council's road hierarchy policy will be utilised to ensure roads are kept up to standard.

The road hierarchy policy continues to be used to inform decisions made on road works.

Public understanding of road hierarchy policy needs to be increased.

IS 3: To maintain community services

IS3.1: To encourage the community to adopt and maintain healthier and safer lifestyles to reduce reliance on health and community services.

Council continues assist in this by supporting organisations where possible, eg. Council has appointed a Heart Foundation walking group coordinator.

Many State and National programs do not operate in this area, sourcing funding in a competitive environment is problematic.

IS3.2: Work with the community to identify opportunities for increased participation in activities that promote a healthy lifestyle and increase community knowledge of risk factors in their lives.

Council continues to participate in a number of forums and groups that assist in this through its youth programs and supporting the initiatives of other community organisations eg. Support of diabetes awareness with a local chemist.

Sourcing funding and attracting programs to this area is a challenge, as is encouraging community participation.

IS4: To improve transport and access in the community

IS4.1: Review and where appropriate, work with those responsible to develop alternative forms of transport.

Council is working with DIER to implement a disability friendly Park and Ride facility in New Norfolk. Council supports the community transport service.

Delays in implementation have been frustrating. Identifying ways of servicing outlying areas continue to be a challenge.

IS4.2: Support the development of rail systems for freight as well as encouraging rail and river transport for tourists.

At this time there is no rail freight service in the area. Council supports and encourages the initiatives of tourist operated rail and river services.

It is unlikely that rail freight will return to the area in the short term.

IS4.3: Where possible and practicable, purchase and utilise vehicles that have a relatively small carbon footprint.

Council actively seeks vehicles that are both practical for use and are environmentally friendly.

Some environmentally friendly vehicles do not fulfil Council requirements or have an appropriate re-sale value.

IS5: To develop partnerships with relevant stakeholders on the development, management and maintenance of services in the municipality

IS5.1: Actively pursue efficiency gains through resource sharing.

Council continues to investigate resource sharing arrangements in both infrastructure and personnel eg. plumbing inspector.

A number of resource sharing ideas raised have been disadvantageous to Council.

IS5.2: To Actively support programs that encourage the use of public transport and reduce reliance on private vehicle usage.

The proposed park and ride facility will assist in promoting public transport use.

Further public transport options need to be considered to provide transport for more outlying areas.

IS6: To develop partnerships with business in the area and particularly in High Street and immediate surrounds with a view to reinvigorating the business district

IS6.1: To ensure that when developing the Spatial Plan for the area that business and regular users of High Street and surrounds are consulted and invited to submit ideas for enhancement of the area.

The Spatial Planning Review Committee had representation from business and community, and sought the views of business for its report.

Sourcing community input can be challenging at times.

IS6.2: To work with business in the area to reinvigorate the shopping precinct.

Council continues to work with and support the New Norfolk Business Alliance (a Special Committee of Council) to this end.

The Chamber of Commerce closed this year, putting more pressure on the New Norfolk Business Alliance to represent the views of the business community.

IS7: To develop a means of relaying information from Council to residents of the municipality

IS7.1: To develop a free quarterly newsletter for residents to advise them of the activities of Council and the public decisions made at Council Meetings.

Council has developed a free newsletter which is placed in various businesses for collection. The newsletter is produced 4 times a year.

Ensuring that information in the newsletter is timely presents a challenge, as does distribution.

SOCIAL OBJECTIVES

S1: To make our people feel worthwhile by building greater self-reliance and self-worth in our community

S1.1: Encourage residents to participate in community affairs and the Local Government process in collaboration with the Derwent Valley Council.

Council continues to advertise for community comment and participation in various forums. Council meetings are generally open to the public.

Competing pressures and time demands make it hard for some community members to participate.

S1.2: Encourage residents to recognise and celebrate their achievements via the national and municipal Australia Day Awards and similar schemes.

Through its Australia Day committee Council advertises and promotes awards such as this. Council supports the RSL in its ANZAC and Remembrance Day activities.

Competing pressures and time demands make it hard for some community members to participate.

S1.3: To actively and constructively engage with

Council actively works with many community

Budgetary constraints do not allow Council to financially

the community to identify projects and assist in their development.

organisations and businesses to assist in their development.

support many organisations, funding options are therefore limited to grants etc.

S2: To recognize the worth of all people, regardless of age, gender and race in providing opportunities to be part of a vibrant community

S2.1: Support a variety of social and community events and activities.

Council actively supports (financially and through inkind support) a number of community events and activities eg. Autumn Festival, Tiger Trail Festival, Derwent Valley Regional Arts etc.

Budgetary constraints mean that financial support is often limited. Community participation in these type of events should be encouraged.

S2.2: Continue to consult with Council's youth advisory group to pursue ways for young people to be empowered.

Council continues to support D'FAT (Council's youth advisory group and a Special Committee of Council.) Additionally Council supports a number of groups aimed at engaging with young people.

It is challenging to ensure that those young people who are particularly at risk are properly catered for.

S2.3: Continue to consult the Council's Access Advisory Committee to improve physical accessibility in our municipality.

Council continues to consult with the Access Advisory Committee (a Special Committee of Council), this year a new footpath was built in Arthur Square in conjunction with this committee.

Ensuring the needs of those with a disability are met is a continuous challenge.

S3: To encourage the development of local sporting, cultural and artistic activities

S3.1: Continue to maintain those recreational facilities used/needed by our community.

Council continues to maintain its recreational facilities and assists in the maintenance of a number of other community facilities.

The number of facilities across the community and the wide dispersal of population creates challenges in the maintenance of these facilities.

S3.2: Continue to work with our community to identify and address those recreational and cultural needs that are not being met.

Council continues to work with sporting and other recreational groups and provides inkind support to many of these organisations.

The diverse nature of our community makes it challenging to cater for all recreational needs.

S3.3: Develop partnerships that will aid the development of local sporting, cultural and artistic activities.

Council has developed close working relationships with many organisations, eg. Derwent Valley Regional Arts and a variety of sporting clubs.

This work needs to continue to ensure that as many interests and recreational pursuits as possible are catered for.

ECONOMIC OBJECTIVES

Ec1: To encourage and facilitate greater opportunities for business development and tourism and work toward a strategic plan for tourism and business development in the area

Ec1.1: Ensure the Planning Scheme is up-to-date and able to facilitate the proper development of businesses in our municipality.	Derwent Valley Council, along with other Councils is rewriting and undertaking a review of its planning scheme. It is anticipated that this will be complete in 2014.	The process has been frustrated by changes to timelines and requirements on many levels.
Ec1.2: Work with the community to further develop tourism in our municipality.	Council works closely with a number of tourism groups, including Mt Field Tourism Association, Rivers Run Tourism Association and Destination Southern Tasmania.	Regional dispersal of tourists is an ongoing challenge. Work needs to be done to ensure that the Derwent Valley is seen as a destination.
Ec1.3: To work with tourism providers in the area.	Council has close ties with many tourism operators in the area through the above groups and individually.	As above.
Ec1.4: Ensure the Planning Scheme suitably protects the municipality's environment and heritage as business and tourism opportunities in their own right.	Council's new planning scheme is expected to be complete in 2014.	State government stipulations have created challenges and limitations in what can be included in the scheme.
Ec1.5: Work with the Visitor Information Centre and other associated services and to increase their public profile and input into the municipality.	Derwent Valley Council has a representative on the Visitor Information Centre committee, and works through financial and in-kind support to assist the centre.	The Visitor Information Centre is staffed by a group of volunteers, Council is mindful of the competing pressures for time on its volunteer base.

Ec2: To support the retention and expansion of regional services

Ec2.1: Lobby and facilitate the decentralisation of government agencies and services.	Council continues to lobby for the decentralization of government.	At this time lobbying has not been successful, however Council will continue its efforts.
--	--	---

Ec3: To develop partnerships with State Government, industry and regional bodies to promote economic and employment development

Ec3: To develop partnerships with State Government, industry and regional bodies to promote economic and employment development.	Council is working to form strong communication channels with regional bodies such as RDA Tasmania, DED etc.	Changes in the political landscape and with personnel in these organisations means that this will be an ongoing issue.
---	--	--

ENVIRONMENTAL OBJECTIVES

En1: To manage, and, where required, protect the municipality's natural environment and resources

<p>En1.1: Continue to work with Natural Resource Management (NRM) and other organisations in managing our natural resources</p>	<p>Work on this continues with NRM South through the shared employment of a NRM officer.</p>	<p>The geographical size of the area to cover presents some challenges.</p>
<p>En1.2: To utilise best practice methods to control environmental damage to the banks of the Derwent River created by storm surge, climate change and sea level rise.</p>	<p>Council has been involved in a program of revegetation (with native plants) of the Derwent River, this will assist in controlling such damage.</p>	<p>Funding for such projects is hard to achieve.</p>
<p>En1.3: To actively participate, in association with the Derwent Estuary Program, Department of Primary Industries, Parks, Water and the Environment and other State and Federal bodies to protect and enhance the natural values of the Derwent and other major river networks in the municipality.</p>	<p>Council staff are involved in the Derwent Estuary Program and regularly contribute to its ongoing function.</p>	<p>Coordination of multi-agency meetings with conflicting demands can be challenging.</p>

En2: To have a catchment management plan for the municipality

<p>En2.1: Work with our Catchment Management Plan to develop suitable environmental programs.</p>	<p>Council works with NRM to ensure that all planning documents reach current standards.</p>	<p>Ensuring that the plan meets with legislative and other current requirements.</p>
<p>En2.2: Protect and where required, improve the municipality's significant natural assets and resource, especially land and water resources.</p>	<p>Through stakeholder engagement and in partnership with NRM a number of workshops and seminars have been undertaken including soil health and other community based activities.</p>	<p>Continuation of these programs requires ongoing funding and further engagement from the community.</p>
<p>En2.3: Identify areas where additional tree plantings would be beneficial and ensure that these areas are</p>	<p>A number of National Tree Day activities have been undertaken. Council actively seeks opportunities to ensure</p>	<p>As the municipality covers a large area the scope of this task is large, ongoing work is needed to complete this task.</p>

included in Council's Tree Management Policy as areas of priority action.

that tree plantings are undertaken.

En3: To review the municipality's Planning Scheme

En3.1: Land use surveys completed as part of the catchment management plan will provide the information for a review of the Council's Planning Scheme.

Information for the review will also come from the economic strategies outlined in the previous section.

En3.2: Perceived weaknesses in the existing Planning Scheme will be addresses.

The new Planning Scheme must also be consistent with those of neighbouring councils and the Model Scheme prepared by the State Government.

En3.3: The new Planning scheme will provide for balanced development, providing clear and consistent directions and guidelines to facilitate appropriate development that does not damage our environment or misuse our resources, these guidelines should where possible include such things as the type of street furniture to be used and colour schemes for basic infrastructure and be done in consultation with the Spatial Planning Committee when possible.

En3.4: To update Council's existing Weed Management Policy and incorporate the

As part of an ongoing process Council is incorporating information and strategies from the Joint Land Use Planning Initiative and Southern Regional Land Use Strategy in its new Planning Scheme.

A draft Derwent Valley Council Interim Planning Scheme has been developed in association with 11 other southern Tasmanian Councils, this aims to address these issues.

The Derwent Valley Council Interim Planning Scheme has been constructed in accordance with PD1 to provide clear and consistent development guidelines and provisions.

Council's NRM Officer is coordinating with local property owners and Council

To implement and monitor the success of the draft Interim Planning Scheme once introduced and improve the Planning Scheme via necessary amendments as required. To incorporate future Planning Directives and Codes as developed by the Tasmanian Planning Commission.

To ensure that the draft Derwent Valley Council Interim Planning Scheme remains current and up to date on a regional and local basis while being legally robust.

To ensure that the new planning scheme has clear guidelines that can be used by developers and the community and is written in plain English.

Lack of financial and human resources pose a challenge to ensuring that this occurs in

management of weeds into the revised Planning Scheme.

En3.5: To develop a Significant Tree Register to enable assessment and risk management programs for significant trees to be undertaken.

to formulate an updated Weed Management Plan during 2014 Council's NRM and Planning Officers to coordinate the development of a Significant Tree Register in 2014 – 2015.

line with expected time frames.

To continually update and improve the level of information contained in the register will create a challenge.

En4: To support and encourage Landcare type activities

En4.1: Continue to support and assist practical programs that address existing environmental problems and improve the environment.

Council's Environmental Health Officer and NRM Officer work with stakeholders to improve environmental conditions.

Financial considerations must be taken into account when undertaking this exercise.

En4.2: Ensure that such programs are encouraged and are directed to resolving problems and enhancing the environment.

Council's Environmental Health Officer and NRM Officer to coordinate activities while ensuring that developments can occur.

This undertaking will involve a considerable commitment of human and financial resources.

En5: To develop best practice waste management activities

En5.1: Continue to improve waste management standards and practices in the municipality.

Council's Peppermint Hill landfill disposal site also offers drop off recycling facilities prior to entering the site. All green waste is shredded for reuse at the site.

Council works to ensure that all management and environmental standards are upheld.

En5.2: Work with other southern councils to implement the Southern Waste Management Strategy and develop local plans for the application of programs such as waste minimization education and promotion.

Council actively participates in the Southern Waste Management Strategy and works with that group.

Ensuring that the public has access to easily understood information is a challenge.

En5.3: Arrange a long-term waste disposal and waste transfer system for the municipality in conjunction with other southern councils.

Council owns and operates the Peppermint Hill landfill disposal site, the site has the potential to operate for a number of years at its current filling rate.

Cooperation between councils on this matter has proven to be challenging.

En5.4: To investigate the potential use of various forms of electrical power generation from renewable sources that

Council has been investigating options for flaring and power generation from methane gas emitted at the landfill site, run

Each of these projects requires a level of expertise and financial commitment beyond that of Council, to this point

have few or no environmental impacts. Sources could include but are not limited to water, solar or wind turbine power generation on Council owned and or managed lands or in compunction with landowners who wish to participate in any such scheme.

En5.5: To reduce and reuse office products within Council where possible, and ensure that all recyclable materials are recycled, and, using best practice principles to reduce Council's carbon footprint by using low energy light fittings and heat sources were possible and practicable.

of the river hydro generation and the potential for wind power generation in cooperation with other southern Tasmanian Councils.

grant applications for assistance with this have not been successful.

Council has converted the majority of lighting in Council Chambers to energy efficient LED lighting and encourages the recycling of materials within Council.

The age and design of the building have caused challenges in terms of heating the building.

FINANCIAL OBJECTIVES

F1: To improve the affordability of Council's rating and charging structure

F1.1: Establish and effective benchmark to measure the relative affordability of rates and charges on ratepayers, such as ratio of rates to house prices.

A review of Council's rating system is progressing with the intention of ensuring an effective rating base.

Limiting adverse effects to ratepayers caused by any change in the rating base.

F1.2: Determine and implement ways and means to reduce the impact of rates and charges on householders and to use the benchmark to monitor the effectiveness of these initiatives.

During Council's budget process the effectiveness of user pays and other non-rate revenue is reviewed.

Non-traditional revenue is subject to the ability to pay principle.

F2: To effectively manage Council's debt

F2.1: Monitor Council's debt level to ensure it is at an appropriate level that is affordable to our community.

Council's debt is constantly monitored and remains within acceptable guidelines.

Ensure the needs of the municipality are met in an affordable manner.

F3: To increase income from non-traditional sources, including greater utilization of council's plant and resources

F3.1: Examine and implement policies that will secure additional revenue from non-traditional sources.

Council is exploring non-traditional income from sources such as the hire of office space.

Limited number of opportunities to secure non-traditional income.

F4: To improve community understanding of Council's financial management and finances

F4.1: Develop budget papers that are easy to read and understand.

Council continues to monitor/upgrade budget documents and monthly reporting to Council officers.

The statutory requirements impede the production of easy to read documents.

F5: To increase the level of grant income

F5.1: Maximise opportunities for grant income from Commonwealth and State Government programs.

Council actively seeks out grant funding opportunities and has been successful in a number of these, Council also offers assistance and support to other organisations applying for grants.

Many grants require 'dollar for dollar' cash matching, this limits Council's ability to make applications for large grants. Council is not eligible to apply for all grants.

F5.2: To develop a list of priority projects and approximate costings to allow for forward planning for grant applications – given that the available grants may change during the political cycle this is essential for future planning.

A list of these projects and projects that have been unsuccessful in funding applications is being developed.

Changes in grant funding guidelines etc. and changing requirements of the community create a challenge in this area.



Council's outdoor workforce replace a bridge to ensure safety of residents and visitors – Strategic Plan point IS1.1

4. The Year in Review

This section provides a review of the activities of each of the six departments within Derwent Valley Council. Although all departments within Council work together, for the purposes of auditing, pay roll and writing reports such as this, it is convenient to break areas into departments.

As a small organisation, with limited resources, Council attempts to ensure that actual and human resources are used in the most efficient and effective manner. For this reason, staff may be allocated to a particular department, but may from time to time work across departments as their skills or qualifications demand.

4.1 Governance

There are 5 broad areas covered by Governance in the Derwent Valley Council:

- Chief Executive Officer's Office;
- Elected Members Support;
- Regional Renewal;
- Human Resource Management, and;
- Public Relations and Marketing.

Chief Executive Officer's Office

The major focus of this office is to ensure that Council staff have a clear understanding of their responsibilities and roles. This includes staff being aware of their position in relation to the strategic goals of Council.

This office is headed up by the General Manager, who oversees the day to day operations of Council and is responsible for all decisions regarding staff matters.

Work has continued this year on the development of By-Laws that would provide Council with the ability to police road side vendors and road side signage. In addition Council has upgraded its communications systems to ensure that staff have access to up to date technology to perform their roles.

Throughout the year this office also bears primary responsibility for the strategic direction taken by all Council departments. Major projects and initiatives of both Council and external investors or developers are also scrutinised through this office before any further action is taken in regard to proposals, this year this included the commercial developments on the

'oval space', Council taking responsibility for the former Maydena Primary School to be used as a community venue and various statutory discussions and reforms such as changes to Council elections and review of Councillor numbers in the municipal area.

Elected Member Support

The governance area, through the General Manager and senior staff ensures that there is appropriate information, advice and support services available to elected members to enable them to work collectively for the good of the community. Ongoing support to individual Councillors is provided as required or requested.

Twelve ordinary meetings of Council were held in 2012 – 2103. The public are invited and welcome to attend any ordinary Council meeting. Copies of the Agenda and supporting documentation are available from Council Chambers in Circle Street New Norfolk on the Friday prior to the Council Meeting or by contacting Council.

Community Forums were held in Lachlan, Maydena and Molesworth, giving the community in more outlying areas an opportunity to discuss matters of local interest directly with Councillors in a less formal setting. Community Forums in other areas for the coming year will be finalised in the near future.

Council held its Annual General Meeting on the 13th December 2012.

During the year Councillors have attended a number of functions, seminars, other events and meetings in the execution of their positions.

Councillors play an active part in setting the Derwent Valley Council Budget, including the consideration of public submissions some of which were then included in the final document by the finance department.



Councillors Bromfield, Nicholson, Shoobridge, Bester, Lester, Evans and Lathey. Absent Councillors Shaw and Graham.

Regional Renewal

The regional renewal area focuses on bringing together stakeholders to work for better outcomes across the board in the municipal area. This involves working closely with various tourism organisations such as the Rivers Run Tourism Association, Mt Field Tourism Group, Destination Southern Tasmania and the New Norfolk Business Alliance. Individuals and community groups also often approach Council for advice, assistance and support to further various projects of benefit to the area. There continues to be a strong focus on economic activity in the High Street area and primary production areas. Strong growth in agri tourism continues, with the Derwent Valley developing a reputation for the production of quality produce and value added products.

This year Council undertook to start a Social, Economic and Tourism plan for the Derwent Valley, this has involved an ongoing series of consultations with stakeholder groups. The plan will be released to the public when finalized and will form part on the next Strategic Plan and ongoing development for the region.

Council continues to consult with and have strong relationships with schools and not for profit organizations to ensure that all members of our community are considered when decisions are being made.

This office works closely with the General Manager, Planning, Finance and Works departments to ensure that the strategic objectives set by Council and Councillors are considered in any decisions made.



Solar Panels newly fitted to the roof of the New Norfolk Caravan Park will assist in reducing Council's running costs.

During the year grants for the following were received by Council:

- Local Government Energy Efficiency Program to convert gas hot water at the caravan park to solar powered hot water

- MAST – to construct a floating pontoon for public access on the Esplanade
- The Tasmanian Jobs and Growth Package for a feasibility study into the Plenty Link Road
- The Walking Through Time project funded jointly funded by Council and the Australian Government was completed.

In addition Council was able to assist a number of other organisations and businesses to submit funding applications for various grants.

Derwent Valley Council provides funding to a number of local community organisations through its Community Grants Program, details of successful applicants from the immediate past round can be found in the Legislative Requirements section of this Annual Report.

Council staff are involved in a number of community organisations and committees of Council, providing administrative, in kind and audit support for many of these organisations.

Human Resource Management

As one of the major employers in the area one of Derwent Valley Council's goals is to be an employer of choice.

Council is pleased to note that there continues to be high staff retention rates across all departments, giving stability and helping to ensure that corporate knowledge is retained.

Work has begun on the process of converting the current Workplace Agreement to comply with the Modern Award System, and in preparation for a new Workplace Agreement to be negotiated toward the end of the year.

Changes to Workplace Health and Safety laws present a challenge for Council as these have been extended and now include responsibility for contractors and volunteers as well as taking a stronger line on harassment and workplace bullying. These considerations will help in ensuring that Council remains a well respected employer in the Derwent Valley.

Public Relations and Marketing

Throughout the year Council offers in kind and financial support to a number of individuals and organisations, donations are detailed later in this report. These include one off events such as individuals who have been chosen to represent the State or region in a particular field, or support for events such as the Derwent Valley Regional Arts Competition and Autumn Festival. This helps to fulfill part of Council's social responsibility and builds a stronger community. Council also provides in kind support, often through its Physical Services Department, to organisations such as Friends of Frascati, Derwent Valley Community House

Community Garden, road closures for the Christmas Parade and ANZAC Day, and assisting Ptunrra in the Day for Daniel walk.

Council sees it as being part of its corporate responsibility to assist these organizations and individuals in their endeavors to improve the community and enhance the reputation of the Derwent Valley.

Council continues to keep the community informed of its decisions through the publication of Council Meeting minutes and some committee minutes on the Council website. Council continues to publish the quarterly Council newsletter which is intended to keep community members informed of many of the major decisions made through Council meetings.

Council aims to ensure that it communicates effectively with the community to encourage participation in community affairs.

Members of the community are offered the opportunity to contribute through public question time at Council Meetings, being part of various Council committees and making submissions from time to time, including submitting project to the budget process.

Derwent Valley Council's front counter staff and outside workforce are often the first contact that many residents have with Council. Staff in these positions are well informed and are often able to provide advice and assistance on a range of matters pertaining to Council. These frontline staff assist as much as possible in enquiries from the public and will willingly direct questions to appropriate officers.



Crowds enjoying the entertainment at the Autumn Festival; one of the community events that Council helps to fund during the year.

4.2 Physical Services

This department is Council's outside workforce, and covers all areas of Council's infrastructure and assets.

Specific responsibilities that fall within this department include:

- Infrastructure management;
- Parks, Reserves and Recreational Facilities;
- Swimming Pools;
- Roads, Bridges and Footpaths;
- Storm Water Drainage;
- Refuse Disposal;
- Buildings and Property, and;
- Cemeteries.

The Physical Services Department concentrates mainly on maintenance and small infrastructure upgrades, with major works being contracted out. Council is limited in its ability to perform major works due to the equipment needed, cost benefit analysis shows that it is more cost effective to contract major works to local companies (where possible).

The work of the outside workforce often goes unnoticed, with the safety of the public and Council's duty of care are major considerations in all works undertaken. The staff who make up this department are often out doing their job in inclement weather and trying conditions.

Much of the work done by the Physical Services Department is pre-scheduled to work in with budget considerations, which are set up to a year in advance. Some major works are scheduled over a number of years in the budget to ensure that funds are available to complete the works once started.

The Physical Services Department utilises the Road Hierarchy when looking at what road works are to be done and in what order.

This document was produced following research into the number of vehicles that use particular roads and involved public consultation prior to its implementation.

Council's Physical Services Department performing sealing Operations in line with the Road Hierarchy.



This year Council's outside workforce played a key part in assisting Tas Fire Service and Volunteers during last summer's bushfires. Council staff ensured that water was available to tankers and other vehicles and were on call to assist at the evacuation centre set up at Carinya Education Park. In the period immediately after the fires, works crews were kept busy in fire clean ups in Molesworth, Glen Dhu and Collins Cap, often removing trees and other material that posed a direct hazard to the public.

This year 5 bridges have been replaced across the municipal area and there have been extensive storm water upgrades to Humphrey Street. Asphalt works have taken place in Charles Street, Latham Street and Hackett Street extending the life of these roads by around 20 years and ensuring public safety and comfort. There have been storm water, curb and channel and asphalt works in Black Hills Road.

Maintenance works have been carried out on sports grounds and play grounds, including safety inspections and the replacement of 'coppers logs' at Tynwald Park to improve the appearance and function of the park. Council has undertaken its regular roadside spraying and slashing program. These items are in addition to the myriad of smaller jobs that Council's outside workforce undertake, including assisting in road closures for community

events and setting up chairs, tables and PA systems for such events.



"Tiger" a long standing member of Council's outdoor workforce at Tynwald Park.

4.3 Community and Social Development

This wide ranging area takes in:

- Information Management;
- Community and Social Development, and;
- Area Promotions.

Council through this portfolio actively seeks opportunities to engage various stakeholders from across the Derwent Valley with a view to building a strong and cohesive community. Councillors and staff are encouraged to play an active role in the community through involvement with local committees, clubs and groups. This community activity helps to build and develop networks within the community.

Information Management

Council's information management system comprises of both computerized and manual systems, including property details, financial, file records, immunization records, graphic information and general enquiries.

To ensure that Council is able to provide efficient and effective working systems, Council's communication systems have been updated, in line with a review of systems done last year. Records Management, which falls under the Development and Environmental Services Department is also looking at ways streamlining performance.

Community and Social Development

Community and social development is identified as a key indicator in Council's current strategic plan. Council therefore places a great deal of importance on encouraging development in this area through a number of means. The major objective of this service is to enhance the image of the Derwent Valley through various initiatives involving partnerships between community stakeholders and Council.

This program funds and assists in the funding of various events across the community some examples are:

- Small donations and in kind assistance to organisations throughout the year;
- Australia Day activities;
- CWA Learn to Swim Campaign
- Derwent Valley Sports and Recreation Centre, and;
- Carols by Candlelight

Area Promotions

We have a community to be proud of. The Area Promotions section assists with the promotion and organisation annual and community events. Council aims at helping with events that build the profile of the Derwent Valley and strengthen the community. Also included in this area is the tourism aspect of the Derwent Valley Council's activities.

In the past year Council has continued to play a significant role in the ongoing restructure of the Rivers Run Tourism Association, the local tourism association. Council has also assisted the Mt Field Tourism Group in defining its priorities. Council was represented on the board of Destination Southern Tasmania, the regional tourism organisation charged with regional dispersal of tourists in the south of the State.

This department takes in the tourism aspect of Derwent Valley Council's activities. Over the Derwent Valley Council funds the Derwent Valley Visitor Information Centre, which is a Special Committee of Council.

During the past year, Council has provided financial and inkind support to the following:

- Destination Southern Tasmania, to develop a Destination Management Plan for the south of the State and a stronger online presence;
- New Norfolk Visitor Information Centre;
- Stage 2 of the Caterpillar Tour of Tasmania, starting in New Norfolk and finishing in Strathgordon;
- Trout Guides Tasmania, to publicise the anniversary of the introduction of trout and salmon to Tasmania, and;
- Council is pleased to continue to support the Derwent Valley Autumn Festival.

Caterpillar Tour of Tasmania finishes at Strathgordon.



4.4 Child, Youth and Family Services

There are three areas covered by this program:

- Home and Community Care (HACC);
- Childrens Services, including Long Day Care, After School Care, Vacation Care and Family Day Care, and;
- Youth Services

Through these programs Council provides support to many vulnerable members of the community. These programs form the centre of Council's community services program.

Health and Community Care (HACC)

HACC is situated at Glengrey House and is an adult day respite centre, providing services to frail, aged and people with disabilities and their carers living in the Derwent Valley area.

Glengrey House provides a social environment for clients who are otherwise at risk of social isolation by reinforcing social contact outside the home. Clients of Glengrey House achieve a sense of belonging to the community as their skills are recognized and they are given the opportunity to learn new skills. Clients can take advantage of a large variety of activities offered in the day program. Day respite includes morning, afternoon tea and lunch, and transport to and from Glengrey House.

Glengrey House has been operating in the Derwent Valley for over 20 years, during that time it has earned a reputation as a quality provider of respite care.

Carers benefit from the respite services offered at Glengrey House, as it gives them an opportunity to recharge their batteries, or undertake chores safe in the knowledge that their loved one is in good care for the day.

Glengrey House is open from Monday – Thursday 9.00am to 4.00pm.

The majority of Glengrey House's funding comes through the Australian Government and is administered by Council.

Children's Services

Valley Children's Services offers a range of child care and early learning services to the residents of the Derwent Valley. The centre offers Long Day Care for children aged 6 weeks to 5 years, Before and After School Care for children from 5 – 12 years with a collection service from four schools in the area for After School Care. Vacation Care is offered along with Family Day care, with registered Family Day Care Educators in their own home.

The Valley Children's Services is fully licensed and accredited and all staff meet the required standards of qualification.

Services have expanded this year to see a Family Day Care service running in Ouse on three days a week. Expressions of interest have also been received for a similar service in Maydena, this may run from the former primary school. This model currently operates at Glenora in conjunction with the Glenora District High School. The Valley Children's Centre registers the premises the required licensing regulations and is Child Care Benefit compliant.

All rooms at the Valley Children's Centre are near capacity, with the new nursery proving to be very busy. Babies are booked to commence as soon as a vacancy becomes available. The centre regularly receives referrals from agencies involved with children at risk or who have additional needs. Funding has been received via DEEWR to allow extra staff to assist one to one with these children.

Improvements at the centre this year include a new ramp and enclosed decking area at the nursery to increase the outdoor usage area for babies.

Children enjoy leaning in the extended outdoor area.



Youth Services

Council's youth services are based at Carinya Education Park, adjacent to New Norfolk High School. This complex houses a number of services, including external non-government organisations who are primarily involved in service delivery for young people and the broader community.

This year Carinya Education Park has been utilised by a number of skills and training providers who offer accredited and non-accredited short courses to assist youth and long term unemployed to prepare for or gain for employment. Council supports these activities through providing a low cost area for the delivery of such courses.

Council's Youth Services provides various opportunities for youth in the area to fully develop their potential. Council actively works with and supports a number of groups representing young people (12-25 years of age).

D'FAT (Derwent Valley Youth Future Action Team) is a Special Committee of Council and acts as the youth advisory group to Council. D'FAT meets fortnightly at Carinya Education Park to develop activities and projects for young people and advise Council on youth issues and concerns.

Council continues to support the New Norfolk Inter-Agency Support Team, an initiative of Tasmania Police. Inter-Agency Support Teams aim to case manage young people (aged 5 – 17) and their families with multiple and complex problems.

RAFT (Real Action...Forward Thinking) is an over-arching supporting body to assist in the co-ordinated delivery of youth programs in the Derwent Valley. Council is an active participant in this forum which includes representatives from a number of non-government organisations, Community House, LINC Tasmania, Family Planning Tasmania, and a number of government agencies or initiatives such as representatives from the Education Department and Ptunarra Child and Family Centre. Senior staff from Derwent Valley primary and high schools are also well represented in RAFT. RAFT convenes networking opportunities and information sharing for stakeholders through the regular RAFT Forum meetings.

Council continues to participate in the publicity and promotion of school holiday programs offered through the Bridgewater PCYC and assists in providing transport and supervision for young people from the Derwent Valley who attend the programs.

4.5 Development and Environmental Services

This department deals predominantly with the legislative requirements of Council, much of their work is detailed in Section 5 of this report.

The department takes responsibility for all environmental and building services, as well as animal control, fire abatement and records management. This department shares responsibility for waste disposal with the Physical Services Department.

Planning Control

Planning Control provides strategic and statutory planning in accordance with the requirements of various pieces of State legislation. This year Planning Control has had much of its time taken up with the development of the new Derwent Valley Council Interim Planning Scheme which has been developed in accordance with PD1 that is regionally based and anticipated to receive formal approval from the Minister in 2014. This has involved extensive work with 11 other southern Councils and public consultation.

Environmental Planning and Management

Environmental Planning and Management, involves the protection of natural environment, including catchment and environmental monitoring. This includes Council's contribution to NRM South. Also included under this area is the licensing of food businesses and food inspections, on-site wastewater systems, immunization sessions, recreational water quality monitoring and a number of other public health related activities. Council has used the climate change risk management assessment which was recently undertaken to inform decisions on emergency management and planning, and the Lower River Derwent Flood Warning Project to monitor environmental flows. This project through the Bureau of Meteorology will also provide valuable information to farmers.

Waste Management also falls into this area, including support for programs to promote waste minimization and recycling, as well as sustainability programs.

Recent flooding at Bushy Park, Council's Environmental Health Officer was involved in the monitoring of this event.



Building and Plumbing Control

Building and Plumbing Control work hand in glove with Planning to ensure that statutory and legislative requirements are upheld when new dwellings and outbuildings are erected. This involves the checking of the credentials of the plumber prior to work being undertaken and a final inspection of every job once all is completed along with ensuring the compliance to drainage plans, Tas Water compliance certification and other requirements.

Animal Control

The Animal Control area includes the registration of dogs, there are currently 2273 dogs registered in the municipal area, dealing with animal control complaints, and the provision of the municipal pound. Through the inspectorate duties of this office fire abatement notices are also distributed.

Records Management

Records Management is an important part of this department, ensuring that the internal filing and retrieving of hard copies of Council documents, maps and records is done in an efficient manner. This also involves liaising with the Archives Office of Tasmania to ensure that legislative requirements are met in relation to the sorting and storing of documents and looking at improved ways of retention of Council records.



4.6 Corporate and Financial Services

Corporate and Financial services makes up the backbone of Council operations, having responsibility for:

- Financial Management and Administration;
- Customer Service, and;
- Risk Management

It is the Corporate and Financial Services department that, in conjunction with decisions of Council, controls Council budget, sets rates and administers all functions of Council. Customer Service comes into the Corporate and Financial Services department as the front line staff in Council Chambers.

Financial Management and Administration

To ensure sound financial management and in line with the goals set in the Strategic Plan Council endeavors to provide the community with clear and easy to understand information on the budget, rating structure and services. Additionally, monthly financial reports are presented at Council meetings and are available to the public as part of the Council Agenda.

This section is charged with the duty of ensuring that there are adequate financial resources available to deliver services and that these resources are managed efficiently and effectively.

Each year, Council calls for public submissions to the Budget, this occurred between 7th March – 30th March 2012. This provides the public with an opportunity to seek funding for projects and improvements which may not have come to the attention of Council. All submissions are considered by Councillors as part of the budgetary process.

Council's Budget was adopted by Council in a Council meeting on 21st June 2012.

This department is also responsible, with input from other departments, for the production of the Annual Plan. The Annual Plan was adopted on 21st June 2012, and set out the immediate goals for the coming year, it is informed by the Strategic Plan, Road Hierarchy and other strategic and planning documents from within Council.



THERE ARE 74 BRIDGES IN THE DERWENT VALLEY, WITH A TOTAL EXISTING DECK AREA OF 4,324.79M²

THE REPLACEMENT COST FOR THESE BRIDGES IS A TOTAL OF \$15,098,672

COUNCIL'S BUDGET OPERATES TO ENSURE THAT SCHEDULED REPLACEMENT OF ASSETS SUCH AS THESE DOES NOT OVERLY IMPACT ON RATE PAYERS AND COUNCIL.

Customer Service

Customer service staff are the frontline of Council operations, they are the first point of call for many people who have dealings with Derwent Valley Council and are in effect the face of Council to the public.

Our customer service staff are well trained and courteous and will assist members of the public whenever possible with any enquiries.

The role of customer service staff has broadened in recent years, from a simple point of contact to assisting with more detailed enquiries and various administration duties that keep Council functioning efficiently. Customer service staff are also able to help the public direct their enquiries to other government agencies such as Tasmanian Water etc., where appropriate.

Risk Management

One of Council's main concerns is ensuring that the residents and visitors are not exposed to undue risk of injury. Council manages its exposure to risk in a proactive manner, addressing areas of potential public risk in a timely fashion. Part of this role is to work to ensure that costs associated with any liability claims are kept to a minimum, this is achieved through the extensive use of risk management practices.

Entrance to Arthur Square



5. Legislative Requirements

The Local Government Act 1993 requires that certain information on the operations of Council is included in this report. That information can be found in this section.

5.1 Public Health Statement

From 1 July 2012 until 30 June 2013, the Council's Environmental Health section employed a full time Environmental Health Officer . Council fulfilled all its obligations under the *Public Health Act 1997*, the *Environmental Management and Pollution Control Act 1994*, the *Food Act 2003* and the *Local Government Act 1993*.

One of the roles of the Environmental Health unit and an objective of Council is to ensure food prepared and sold within the municipal area is safe for human consumption, meets food standards, is properly described and complies with the Australian Food Standards Code. This objective is achieved through regular inspection of food premises. There were 115 food premises registered in the municipal area during the 2012 – 2013 financial year. Approximately 120 inspections of food premises were conducted. Additionally 46 temporary food business registrations were produced for specific events. Council's Environmental Health Officer attended and regulated large events including the Autumn Festival and inspected 45% of temporary food businesses for compliance.

Council has an obligation to provide food education/awareness sessions to members of the community who work with food in various capacities. The outcome of the food safety sessions is to provide people with an awareness of their responsibilities under the *Food Act 2003* and Food Safety Standards. These sessions cover the fundamentals of food safety and food hygiene.

Food handling training was conducted by the Environmental Health Unit for 3 groups during the financial year, 42 participants attended in total. Certificates of attendance were presented to all participants who completed the sessions.

The Environmental Health Office is also required to undertake inspections of on-site wastewater treatment systems and to issue special plumbing approval for the installation of any new on-site wastewater treatment systems. A total of 48 Special Plumbing permits were issued. Under the *Public Health Act 1997* Council has a responsibility to monitor its recreational waters and public pools. The recreational water sampling site was the Derwent River, a total of 16 recreational water samples were taken on a weekly basis during the swimming season (December to the end of March). Additionally there are 4 swimming pools in the Derwent Valley municipal area that are offered for public use. A total of 61 swimming pool samples were submitted for analysis during the year. The results of the recreational water sampling are included in a report as required by the Director of Public Health. In

accordance with the Drinking Water Quality Guidelines under the *Public Health Act 1997*, Council is required to keep a register of private water suppliers, including commercial water carriers in the municipal area. Derwent Valley Council currently has 2 registered commercial water carriers and 6 private water suppliers operating in the municipal area. The details of the commercial water carriers and private water suppliers is compiled in a report as required by the Director of Public Health.

The activities conducted throughout the financial year were completed in accordance with the 2011 – 2012 Annual Plan.

Public Health Act 1997

Type of Premises	Number Premises 2011 - 2012	Number Inspections 2011- 2012	Number premises 2012- 2013	Number Inspections 2012 - 2013	Comments
Places of Assembly	22	22	22	13	<i>No notices served</i>
Immunisations		277		535	<i>Doses given</i>
Bathing Water Samples – pools and spas	74	74	61	61	<i>Regular sampling and monitoring of all public swimming pools and spas was undertaken to monitor the compliance of the water quality with acceptable microbiological water quality criteria. All facilities regularly met the acceptable criteria for water supply.</i>
Regulated Systems	0	0	0	0	
Commercial Water Carters	2	0	2	2	<i>No notices served. Annual drinking water quality report submitted to Director.</i>

Public Health Risk Activity	1	2	1	2	<i>No notices served</i>
Specific Events Licence	14	5	15	4	<i>Included large annual events etc.</i>
Unhealthy Housing	2	2	0	0	<i>No notices served</i>
Recreational Waters	1	17	1	16	<i>Annual recreational water report submitted to Director.</i>
Notifiable Disease Investigations	6	5	2	2	<i>Responded to all notifications</i>
Private Burial Permits	1	1	0	0	<i>N/A</i>

Food Act 2003

Type of Premises	Number Premises 2011-2012	Number Inspections 2011 -2012	Number Premises 2012 -2013	Number Inspections 2012-2013	Comments
Registered Food Business	111	96	115	120	<i>No notices served</i>
Growers Market Registrations	2	2	3	3	<i>N/A</i>
Temporary Food Premises	35	15	46	20	<i>N/A</i>
Food Vehicles	4	4	2	2	<i>N/A</i>
Seizure of food items	0	0	0	0	<i>N/A</i>
Approval of plans for new or alterations to existing food premises	3	5	2	2	<i>N/A</i>

Environmental and public health nuisances:

- *Environmental Management and Pollution Control Act 1994*
- *Local Government Act 1993*

Type	Number 2011– 2012	Number 2012 - 2013
Complaints Received	156	151
Environmental Protection Notices served/ ongoing	1	0
Abatement notices served (LGA)	144	150
Infringement notices served (EMPCA)	0	0

Building Act 2000

Type	Number 2011 - 2012	Number 2012 - 2013
Special Plumbing Permits Issued	32	48
Special Plumbing Completions	28	21
Development Applications	35	30
Subdivision Referrals	0	0
Plumbing Notices served	0	0
Plumbing Orders served	0	0

5.2 Enterprise Powers Statement

This report is made pursuant to Section 72 of the *Local Government Act 1993*.

No activities were undertaken during the 2012 – 2013 financial Year.

5.3 Councillor Allowances and Expenses Statement

Statement of allowances and expenses paid to elected members Section 72 (1) (cb)

Total allowances paid to the Mayor, Deputy Mayor and Councillors: \$135,304

Total expenses paid to all Councillors: \$17,794

5.4 Councillors Meeting Attendance

This report is made pursuant to Section 72 of the *Local Government Act 1993*.

Councillor	Ordinary Meetings	Closed Council Meetings	Special Open Meetings	Special Closed Meetings	Annual General Meeting	Total
Bester	12	5	1	2	1	21
Bromfield	11	6	0	2	1	20
Evans	10	5	1	2	1	19
Graham	12	6	1	2	1	22
Lathey	12	6	1	2	1	22
Lester	12	6	1	2	1	22
Nicholson	11	5	1	2	1	20
Shaw	5	3	0	1	0	9
Shoobridge	10	5	1	2	1	19

Where a Councillor may have been noted as not having been in attendance at a particular meeting, leave of absence for a specific purpose may have been granted by the Council pursuant to Section 39 of the *Local Government (Meeting and Procedures) Regulations 2005*.

The maximum number of meetings able to be attended elected members during the period of this report is 22.

5.5 Senior Employee Total Remuneration Statement

This statement is in accordance with Section 72 (1) (cd) of the *Local Government Act 1993*.

Total Remuneration Package	No. of Employees
\$140,000 – \$159,000	1
\$120,000 - \$139,999	0
\$80,000 - \$99,999	3

5.6 Grants Assistance and Benefits

This statement is in accordance with Section 77 (1) of the *Local Government Act 1993*.

Council allocated the following grants under its 2012 - 2013 Community Grants Program

Detail	\$ Amount GST Excl.
Derwent Valley Autumn Festival – festival marquees	2,500
Derwent Valley Field and Game Club – equipment purchase	1,000
Maydena Community Association – arts and crafts	500
Derwent Valley Choir – music scores	336.25
Combined Probus Club of Derwent Valley – PA and microphone purchase	405
Upper Derwent United Hall – TV and DVD Player for historic display	500
New Norfolk Swimming Pool – early lap swimming contribution	750
Tiger Trail Festival – marketing contribution	1818.18
Maydena Community Association – production of heritage banner	500
Molesworth Reserve – playground upgrade	521.72

Council made the following donations to individuals and organisations in the 2012 - 2013 financial year.

Detail	\$ Amount GST Excl.
'Gimme Five For Kids – radio appeal	250
Claremont College – Devil Robotic Tournament Sydney	250
Southern Tasmanian Basketball League – State selection assistance	250
Southern Tasmanian Basketball League – State selection assistance	250
Cancer Fundraising Support	100
Upper Derwent Anglers Club – trophy night	100

State Soccer League – State selection assistance	100
Can Hope Cancer Support Group – big morning tea	100
AFL Football – State Academy assistance	100
Cambodian Children’s Trust Challenge	100
Lions Club of Hobart – Circus Quirkus	100
Glenora District High – Inabe trip contribution	100
Bupa Fit Triathlon – donation	100
National ANZAC commemorative photo collage	100
Croquet Tasmania – Aussie Croquet	50
Blaze Aid Inc – Bushfire appeal	5,000
Local Fire Appeal – donation	100
Bushy Park Show Society – donation	200
New Norfolk Licensed Anglers Club – Equipment purchase	132.59
Family Planning Tasmania – Christmas Trees	69.09
Christmas Family Fun Day – Bus hire	100
New Norfolk Primary School – Christmas fundraiser	100
New Norfolk High School – Golf Day	290.91
T.L Dwyer – Euopre Fine Arts Field	100
Australian Boxing Championships – selection assistance	100
National Sporting representational Assistance	3,000
Glenora District High – VET Student Award	50
Glenora District High – GAS	100
New Norfolk High School – achievement award	100
Molesworth recreation ground – picnic day	100
Free the Bears - fundraiser	100

Rotary Club of Hobart – festival of magic	90.91
Australian Institute for Performing Arts – selection assistance	100
Fairview Primary School – taste of fairview	100
AYC Netball Association – selection assistance	100
New Norfolk Fire Brigade – competitions	100
New Norfolk Licensed Anglers Association – trophies	118.18
Riding for the Disabled – championships	100



Early morning at the Esplanade

5.7 Contracts for Supply of Goods and Services

In accordance with section 23(5) of the Local Government (General) Regulations 2005, the following contracts to the value of \$100,000 or above, excluding GST were entered into during the 2012 – 2013 period.

Contract	Contract Period	Extension Option	Contract Sum for term of contract inc. extension options	Contractor
Kerbside Recycling	5 years, commence 5 th March 2012	1 Year + 1 Year	\$600,000 (estimated)	Aussie Waste
Waste Collection	5 years, commence 21 st February 2011	1 year +1 year	\$800,000 estimated	Veolia
Roadworks: Blair Street – George Street	2012 - 2013	N/A	\$120,000	Andrew Walters Constructions
Roadworks: Glebe Road	2012 - 2013	N/A	\$140,000	Andrew Walter constructions
Bridge Renewal: Glen Dhu Road	2012 - 2013	N/A	\$100,000	Bridge Pro Engineering
Bridge Renewal: Molesworth Road	2012 - 2013	N/A	\$122,000	Bridge Pro Engineering.

5.8 Donated Land Statement (Section 177 Local Government Act 1993)

The Council has not resolved to donate any lands in accordance with Section 177 of the *Local Government Act 1993*

5.9 Public Interest Disclosure Statement (Public Interest Disclosures Act 2002)

There were no disclosures raised or determined during the year.

New Norfolk



6 Acknowledgements and Contact Details

Derwent Valley Council would like to thank staff for their contributions to this report.

The Derwent Valley Council welcomes any feedback on the Annual Report.

Written comment on this report should be addressed to the General Manager at:

General Manager

Derwent Valley Council

PO Box 595

New Norfolk Tas 7140

Further hard copies of this report can be obtained by contacting Derwent Valley Council:

Derwent Valley Council

PO Box 595

New Norfolk Tas 7140

By calling: 6261 8512

Or emailing: executiveassistant@dvc.tas.gov.au

This report can be found on the web at: www.derwentvalley.tas.gov.au

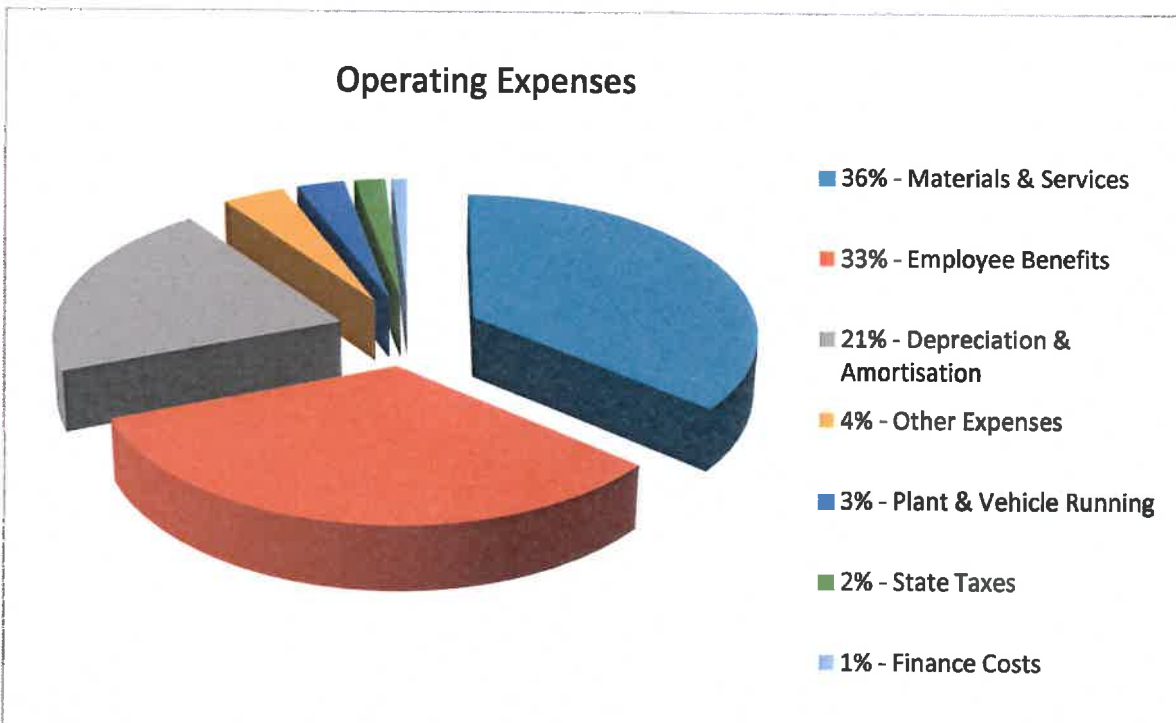
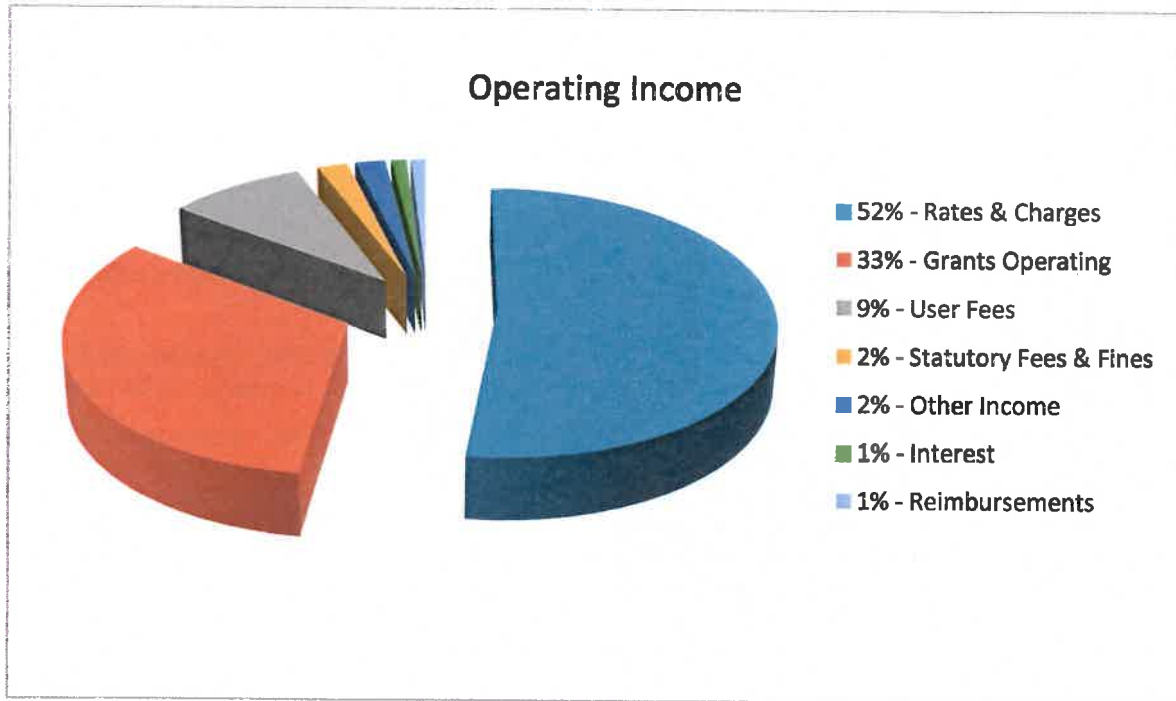


DERWENT VALLEY COUNCIL

DERWENT VALLEY COUNCIL

Financial Report 2012 - 2013

Please note: Page numbers in the Financial Statement differ from those in the previous section



Rates Allocated

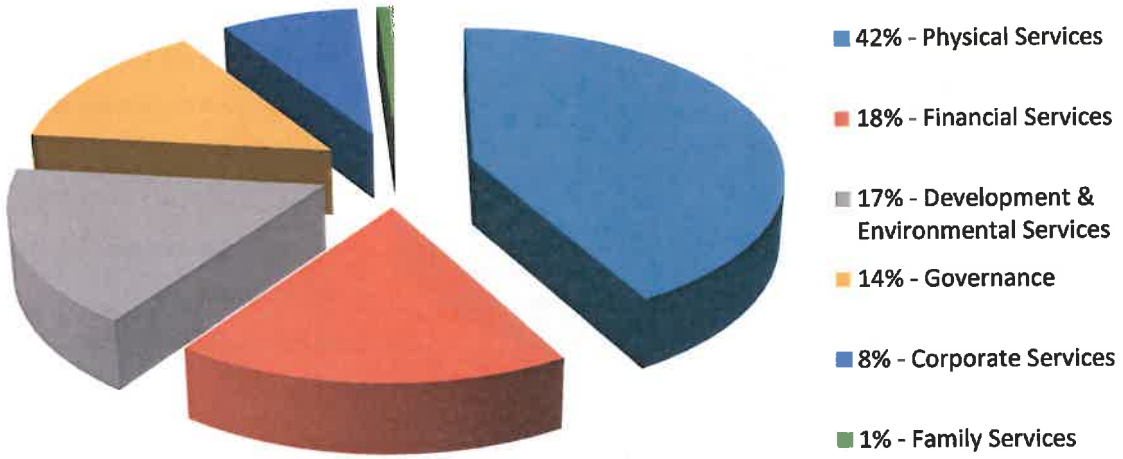


TABLE OF CONTENTS

Table of Contents	i
Audit Certificate	iii
Council Statement	v
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to and forming part of the Financial Statements:	
Note 1. Significant Accounting Policies	5
(a) Statement of Compliance	
(b) Basis of Preparation	
(c) Rates	
(d) Grants and Donations	
(e) Interest Bearing Loans/Borrowings	
(f) Net Fair Values	
(g) Employee Entitlements	
(h) Property, Infrastructure, Plant and Equipment	
(i) Revaluation of Non - Current Assets	
(j) Valuation - Land under Roads	
(k) Depreciation of Non - Current Assets	
(l) Taxation	
(m) Impairment of Assets	
(n) Receivables	
(o) Payables	
(p) Significant Business Activities	
(q) Statement of Comprehensive Income - Budget Amounts	
(r) Investment in Water Corporation	
(s) Pending Accounting Standards	
Note 2. Functions of the Council	15
Note 3. Rates and Charges	18
Note 4. Statutory Fees and Fines	18
Note 5. User Fees	18
Note 6. Grants: Operating and Capital	18
Note 7. Profit/ (Loss) on Sale of Assets	20
Note 8. Reimbursements	20

TABLE OF CONTENTS (Continued)

Note 9.	Contributions: Public Open Space	20
Note 10.	Other Income	20
Note 11.	Depreciation and Amortisation	20
Note 12.	Other Expenses	21
Note 13.	Cash and Cash Equivalents	21
Note 13.	Investments	21
Note 14.	Other Assets	21
Note 15.	Receivables	22
Note 16.	Investment in Water Corporation	22
Note 17.	Payables	22
Note 18.	Interest Bearing Loans/Borrowings	22
Note 19.	Other Liabilities	23
Note 20.	Provisions and Accruals	23
Note 21.	Property, Infrastructure, Plant and Equipment	24
Note 22.	Reserves	29
Note 23.	Commitments for Capital Expenditure	31
Note 24.	Commitments under Operating Leases	31
Note 25.	Contingent Liabilities	31
Note 26.	Events Occurring after Balance Date	32
Note 27.	Accounting for Financial Instruments	33
Note 28.	Statement of Cash Flows Reconciliation	41
Note 29.	Financing Arrangements	41
Note 30.	Councilors' Interests	41
Note 31.	Significant Business Activities	42
Note 32.	Superannuation	43
Note 33.	Investment in Southern Water	44

Independent Auditor's Report

To the Councillors of Derwent Valley Council

Financial Report for the Year Ended 30 June 2013

Report on the Financial Report

I have audited the accompanying financial report of Derwent Valley Council (Council), which comprises the statement of financial position as at 30 June 2013 and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

Auditor's Opinion

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2013 and financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

The Responsibility of the General Manager for the Financial Report

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

Auditor's Responsibility

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

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

...1 of 2

fraud or error. In making those risk assessments, the auditor considers internal control relevant to the General Manager's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Manager, as well as evaluating the overall presentation of the financial report.

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

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

Independence

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

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

Tasmanian Audit Office



Jara K Dean
General Manager Financial Audit Services
Delegate of the Auditor-General

Hobart
30 September 2013

DERWENT VALLEY COUNCIL
COUNCIL STATEMENT
For the Year Ended 30 June, 2013

The financial report set out on pages 1 to 44 are a true and correct copy of the Annual Financial Statements of the Derwent Valley Council for the year ended 30 June, 2013.

In my opinion:

- a) the Financial Statements of the Derwent Valley Council have been prepared in accordance with applicable Australian Accounting Standards including Australian Interpretations;
- b) the Statement of Comprehensive Income 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, 2013;
- 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, 2013;
- 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.

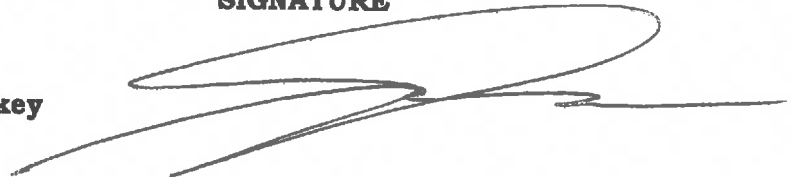
POSITION

NAME

SIGNATURE

General Manager

Stephen Mackey



Date

15 August 2013

DERWENT VALLEY COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June, 2013

		BUDGET 2013	ACTUAL 2013	ACTUAL 2012
	Note	\$'000	\$'000	\$'000
INCOME				
RECURRENT INCOME				
Rates and Charges	3	5,609	5,605	5,284
Statutory Fees and Fines	4	227	253	186
User Fees	5	1,038	992	1,119
Grants	6	2,868	3,325	3,688
Interest Received		110	127	160
Reimbursements	8	58	52	211
Contributions - cash	9	-	-	8
Other Income	10	97	168	318
		10,007	10,522	10,974
CAPITAL INCOME				
Grants	6	179	179	137
Profit/ Loss on Sale of Assets	7	-	22	(9)
TOTAL INCOME		10,186	10,723	11,102
EXPENDITURE				
Employee Benefits		3,563	3,392	3,290
Materials and Services		3,332	3,721	3,909
Depreciation and Amortisation	11	-	2,156	2,038
Finance Costs		164	154	135
Plant and Vehicle Running		576	311	427
State Taxes		235	235	226
Other Expenses	12	402	417	389
TOTAL EXPENDITURE		8,272	10,386	10,414
SURPLUS/(DEFICIT)		1,914	337	688
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to surplus or deficit				
Net asset revaluation increment		-	4,470	1,937
Items that may be reclassified subsequently to surplus or deficit				
Change in fair value: Investment in Southern Water	33	-	(5)	55
COMPREHENSIVE RESULT		1,914	4,802	2,680

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

DERWENT VALLEY COUNCIL
STATEMENT OF FINANCIAL POSITION
As at 30 June, 2013

	Note	ACTUAL 2013 \$'000	ACTUAL 2012 \$'000
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	13	370	2
Investments	13	2,300	2,150
Other	14	60	71
Receivables	15	818	899
TOTAL CURRENT ASSETS		3,548	3,122
NON-CURRENT ASSETS			
Receivables	15	21	22
Investment in Water Corporation	16	24,920	24,925
Property, Infrastructure, Plant and Equipment	21	74,326	69,131
TOTAL NON-CURRENT ASSETS		99,267	94,078
TOTAL ASSETS		102,815	97,200
LIABILITIES			
CURRENT LIABILITIES			
Payables	17	852	382
Interest Bearing Loans/Borrowings	18	176	144
Other Liabilities	19	384	282
Provisions	20	1,648	1,742
TOTAL CURRENT LIABILITIES		3,060	2,550
NON-CURRENT LIABILITIES			
Interest Bearing Loans/Borrowings	18	2,539	2,215
Provisions	20	115	136
TOTAL NON-CURRENT LIABILITIES		2,654	2,351
TOTAL LIABILITIES		5,714	4,901
NET ASSETS		97,101	92,299
EQUITY			
Accumulated Surplus		40,660	40,283
Reserves	22	56,441	52,016
TOTAL EQUITY		97,101	92,299

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

DERWENT VALLEY COUNCIL
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June, 2013

	Accumulated Surplus/Deficit		Public Open Space Reserve		Asset Replacement Reserves		Asset Revaluation Reserves		Fair Value Reserve		Other Reserves		Total Equity	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Equity at beginning of Year	40,283	39,772	152	144	552	420	49,816	47,689	197	143	1,298	1,452	92,299	89,620
Comprehensive result	337	688	-	-	-	-	4,470	2,128	(5)	55	-	(191)	4,802	2,680
Transfers to Reserves	(1,216)	(2,402)	-	8	457	488	-	-	-	-	759	1,906	-	-
Transfers from Reserves	1256	2,225	(4)	-	(334)	(355)	-	-	-	-	(917)	(1,869)	-	-
Equity at end of Year	40,660	40,283	148	152	675	552	54,286	49,816	192	197	1,140	1,298	97,101	92,299

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

**STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2013**

	Note	ACTUAL 2013 \$'000	ACTUAL 2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
- Rates		5,642	5,284
- Grants		3,325	3,688
- Statutory & User Charges (inclusive of GST)		1,419	1,217
- Interest		125	160
- Other Receipts (inclusive of GST)		199	341
- Reimbursements (inclusive of GST)		57	232
- Developer Contributions (inclusive of GST)		-	10
		10,767	10,932
Payments			
- Payments to Employees		(3,507)	(3,063)
- Payments to Suppliers (inclusive of GST)		(3,403)	(4,341)
- Interest		(152)	(128)
- Plant & Vehicle Running		(312)	(427)
- State Taxes		(235)	(226)
- Other Payments		(318)	(343)
		(7,927)	(8,528)
NET CASH PROVIDED BY OPERATING ACTIVITIES	28 (b)	2,840	2,404
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Infrastructure, Plant and Equipment		(3,126)	(3,669)
Grants		179	137
Proceeds from sale of Property, Infrastructure, Plant and Equipment		268	175
NET CASH (USED) IN INVESTING ACTIVITIES		(2,679)	(3,357)
CASH FLOWS FROM FINANCING ACTIVITIES			
Total (Increase) / Decrease in Investments for Year		(150)	155
Proceeds from Interest Bearing Loans and Borrowings		500	500
Repayment of Interest Bearing Loans and Borrowings		(143)	(115)
NET CASH PROVIDED BY FINANCING ACTIVITIES		207	540
NET INCREASE (DECREASE) IN CASH HELD		368	(413)
CASH AT THE BEGINNING OF THE YEAR		2	415
CASH AT THE END OF THE YEAR	28 (a)	370	2

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

INTRODUCTION

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

1 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all of the years presented, unless otherwise stated.

(a) **STATEMENT OF COMPLIANCE**

This financial report is a general purpose financial report that consists of the Statements of Comprehensive Income, Financial Position, Changes in Equity, Cash Flows, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the *Local Government Act 1993 (LGA 1993)* (as amended). Council has determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities. As a result this financial report does not comply with International Financial Reporting Standards.

(b) **BASIS OF ACCOUNTING**

These financial statements have been prepared on an accrual and a going concern basis.

They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and certain classes of property, plant and equipment and investment property.

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

JUDGEMENTS AND ASSUMPTIONS

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

JUDGEMENTS AND ASSUMPTIONS (Continued)

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

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

Employee Entitlements

Assumptions are utilised in the determination of Council's employee entitlement provisions. These assumptions are disclosed in note 1 (g).

Defined benefit superannuation fund obligations

Actuarial assumptions are utilised in the determination of Council's defined benefit superannuation fund obligations. These assumptions are disclosed in note 32.

Fair value of property, plant and equipment

Assumptions and judgements are utilised in determining the fair value of Council's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in notes 1 (h), 1 (k) and note 21.

Investment in water corporation

Assumptions utilised in the determination of Council's valuation of its investment in Southern Water are discussed in note 1 (r) and note 16.

REVENUE RECOGNITION

(c) 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 15). The collectability of debts is assessed at period end and specific provision is made for any doubtful accounts.

(d) 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.

(e) INTEREST BEARING LOANS/BORROWINGS

Loan funds received during the year are not included in the Statement of Comprehensive 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) INTEREST BEARING LOANS/BORROWINGS (Continued)

Loans recognised in the Financial Report are initially recorded at fair value net of transaction costs. Subsequent to initial recognition, borrowings are recorded at amortised cost. Council does not intend to repay these loans outside the existing terms for such repayments.

(f) NET FAIR VALUES

Except for loan borrowings the carrying amounts of financial assets and liabilities recorded in the financial statements represent their respective fair values. Loan borrowings are recorded at amortised cost which represents fair value.

EXPENSE RECOGNITION

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

(g) EMPLOYEE ENTITLEMENTS

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

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 AASB 119 "Employee Benefits", 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 Councils. 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) PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Asset revaluations are accounted for in accordance with Australian Accounting Standard AASB 116.

The basis of valuation of assets for major classes of Assets as at 30 June 2012 is:

Land	At Fair Value
Buildings	At Fair Value
Roads	At Fair Value
Storm Water	At Fair Value
Bridges	At Fair Value
Reserves	At Fair Value
Waste Assets	At Cost
Light Vehicles	At Cost
Major Plant	At Cost
Minor Plant	At Cost
Trucks	At Cost
Office Furniture and Equip.	At Cost

The Asset Accounting Policies adopted by Council are as follows:-

1. All material items were considered and an assessment made to determine if such items are assets.
2. All assets that have a cost or other value that can be reliably measured are recorded in the Statement of Financial Position at the end of the reporting period. The capitalisation threshold is \$750. If expenditure on an asset improved its service potential or future economic benefits (ie the useful life is extended) then this expenditure was capitalised (added to the value of the asset). If not, the expenditure was charged to the Statement of Comprehensive Income as repairs/maintenance.
3. Asset classes and sub-classes of the Council are specified in the asset matrix.
4. Asset classes are consolidated into the following broad categories of nature or type and disclosed in the Statement of Financial Position as Property, Infrastructure, Plant and Equipment:

Land	Buildings
Bridges	Storm Water
Waste	Roads
Reserves structures	Plant and Equipment
5. Where a number of like items exist with individual values below the recognition threshold for future transactions, then these items are recognised as a group, provided their total value is in excess of the group threshold for that class.
6. All non-current assets that have a limited useful life are systematically depreciated over their useful life in a manner that reflects the consumption of the service or future economic benefits of those assets. Land is not a depreciable asset.

(h) PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (Continued)

7. Non-current assets are those that provide a benefit to the Council extending beyond twelve (12) months.
8. Non-current assets are revalued to their current cost less accumulated depreciation in accordance with the asset matrix (see Note (k)) with the exception of Waste and Plant and Equipment. Revaluations are conducted at least once every five years.
9. All revaluation increments are credited directly to the asset revaluation reserve account. Net revaluation decrements are debited to any previous revaluation increments for that class of assets, with any deficiency being charged to the Statement of Comprehensive Income.
10. The cost method of accounting is used for the initial recording or all assets acquired after a revaluation. Cost is determined as the fair value of the asset given as considered plus costs incidental to the acquisition (eg architects fees, engineering design fees, administration charges, direct and indirect salary costs, overheads and all other costs incurred in getting the asset ready for use).

(i) REVALUATION OF NON-CURRENT ASSETS

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

Land revaluations are based on the Valuer Generals Assessments effective 1 July 2013. Valuations are reviewed on a bi-annual basis (next review 1 July 2015.)

Buildings revaluations are based on the Valuer General's Assessments effective 1 July 2013. Valuations are reviewed on a bi-annual basis (next review 1 July 2015.)

Infrastructure assets, other than land, buildings and bridges are valued by either experienced Council officers or independent experts. Bridge valuations were undertaken by Aus Span during 2012/2013. All infrastructure assets, other than land and buildings are revalued annually 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 and obsolescence, technological advancement and other relevant factors.

(j) VALUATION - LAND UNDER ROADS

Land under roads acquired after 30th June 2008 is brought to account using the fair value basis. No land has been acquired for road purposes since 30th June 2008. Council does not recognise land under roads that it controlled prior to that period in it's financial statements.

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

(k) 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 annually. Major depreciation periods relating to Council are:-

Category	Years	%
Buildings	50	2
Storm Water		
Pipes Concrete	120	1
Pipes uPVC	100	1
Pipes Earthenware	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		
Plant and vehicles	7	15
Office Equipment, Furniture and Information Technology	5	20

(l) TAXATION

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

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the acquisition of the asset or as part of an item of the expense.

(l) TAXATION (Continued)

Receivables and payables are stated with the amount of GST included. The net amount to GST recoverable or payable to the ATO is included as a current asset or current liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recovered from, or paid to, the ATO, are classified as operating cash flows.

(m) IMPAIRMENT OF ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The amount is the higher of an asset's fair value less costs to sell and value in use.

For non-cash generating assets of Council such as roads, drains, public buildings and the like, value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

(n) RECEIVABLES

This category includes trade receivables, loans and other receivables. These assets are recorded at amortised cost less impairment. They arise when the Council provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date, which are classified as non-current.

(o) PAYABLES

Significant terms and conditions

Trade creditors are generally settled within specified trading terms or 30 days whichever is the earlier.

Net fair value

Council considers the carrying amount of trade and other creditors approximate their fair value.

(p) SIGNIFICANT BUSINESS ACTIVITIES

Amendments to the Local Government Act 1993 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 31.

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

(p) SIGNIFICANT BUSINESS ACTIVITIES (Continued)

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

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, 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 have been calculated using actual rates and charges set by the Council 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 and stamp duty were determined to be immaterial and have not been included.

(q) STATEMENT OF COMPREHENSIVE INCOME - BUDGET AMOUNTS

The Budget amounts which appear in the Statement of Comprehensive Income are taken from the Annual Estimates and are not subject to audit.

(r) INVESTMENT IN WATER CORPORATION

Council's investment in Southern Water is valued at its fair value at balance date. Fair value was determined by using Council's ownership interest against the water corporation's net asset value at balance date based on Final Treasurer's Allocation Order in 2011. Council has an ownership interest of 2.7% in the corporation. Any unrealised gains and losses on holdings at balance date are recognised through the Statement of Comprehensive Income to a Financial assets available for sale Reserve each year. (refer note 33)

Council has classified this asset as an Available-for-Sale financial asset as defined in *AASB 139 Financial Instruments: Recognition and Measurement* and has followed *AASB 132 Financial Instruments: Presentation* and *AASB 7 Financial Instruments: Disclosures* to value and present the asset in the financial report.

Council has derived returns from the corporation as disclosed at note 10.

(e) PENDING ACCOUNTING STANDARDS

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below

- (i) AASB 9 *Financial Instruments***, associated standards, *AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9* and *AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9* and transitional disclosures (effective from 1 January 2015)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss although there is currently a proposal by the IASB to introduce a Fair value through Other Comprehensive Income category for debt instruments.

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed.

- (ii) AASB 13 *Fair Value Measurement*** and *AASB 2011-8 Amendments to Australian Accounting Standards* arising from AASB 13 (effective 1 January 2013)

AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of Council's assets and liabilities (excluding leases), that are measured and/or disclosed at fair value or another measurement based on fair value.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not 'observable' outside Council, the amount of information to be disclosed will be relatively greater.

(s) PENDING ACCOUNTING STANDARDS (Continued)

- (iii)** Revised AASB 119 *Employee Benefits*, AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119* (September 2011) and AASB 2011-11 *Amendments to AASB 119* (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)

This revised standard on accounting for employee benefits includes significant revisions to the recognition, remeasurement, presentation and disclosure of defined benefit liabilities/assets. These changes will not affect Council as it does not have any defined benefit plans. Whilst this standard does include revision to multi-employer plans; such as Council's multi-employer sponsored plan the Quadrant Defined Benefit Fund (Refer Note 32); these are generally disclosure related and not expected to have a financial impact.

The standard also clarifies criteria for accounting for "short-term employee benefits" including treatment of terminations. Employee benefits 'expected to be settled' (as opposed to 'due to be settled' under current standard) within 12 months after year end are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave and other short-term benefits not expected to be used within 12 months of end of reporting period will in future be discounted when calculating the leave liability.

This revised standard on accounting for employee benefits requires the recognition of all remeasurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively.

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

2. 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 2013					
Council & Community Relations	-	243	243	-	320
Roads & Communications	1,214	382	2,151	(555)	55,074
Stormwater Drainage	238	228	228	238	31,086
Solid Waste Management	107	956	876	187	934
Natural & Cultural Resource Mgm.	-	676	666	10	394
Dynamic Local Economy	129	607	736	-	838
Community, Health & Other Serv.	1,132	406	1,595	(57)	576
Recreation, Leisure & Open Space	279	1,413	1,300	392	6,829
Management of Council Resources	405	2,308	2,591	122	3,195
Other not Attributed	-	-	-	-	3,569
TOTAL	3,504	7,219	10,386	337	102,815

ACTUAL 30 JUNE 2012

Council & Community Relations	-	197	193	4	395
Roads & Communications	1,266	525	2,136	(345)	49,948
Stormwater Drainage	304	221	221	304	30,635
Solid Waste Management	137	919	912	144	978
Natural & Cultural Resource Mgm.	-	699	688	11	377
Dynamic Local Economy	251	610	878	(17)	845
Community, Health & Other Serv.	1,029	446	1,534	(59)	589
Recreation, Leisure & Open Space	360	1,325	1,243	442	7,002
Management of Council Resources	479	2,343	2,618	204	3,287
Other not Attributed	-	-	-	-	3,144
TOTAL	3,825	7,285	10,423	688	97,200

2. 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 Stormwater Drainage

This program covers stormwater infrastructure provided by 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.

2. FUNCTIONS OF THE COUNCIL (Continued)

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.

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.

10 Other not Attributed

This program covers items that could not be allocated to any of the above functions.

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

ACTUAL 2013 **ACTUAL 2012**
\$'000 **\$'000**

3. RATES AND CHARGES

Council uses Adjusted Assessed Annual Values (AAAV) as the basis of the valuation of all properties within the municipal district. The AAAV of a property is the anticipated annual rental return of the property.

The valuation base used to calculate general rates for 2012/2013 was \$64,913,412 (2011/2012 \$63,274,438). The 2012/2013 rate in the AAAV dollar was \$0.075344 (2011/2012 \$0.07178014).

General	4,815	4,555
Country Fire	95	89
Urban Fire	142	138
Sewerage Removal	108	100
Garbage/Recycling Services	429	385
Business Levy	16	17
TOTAL RATES AND CHARGES	5,605	5,284

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 July 2010, and the valuation was first applied in the rating year commencing 1 July 2011.

4. STATUTORY FEES AND FINES

Infringements and Costs	2	2
Planning Fees	79	49
Land Information Certificates	53	49
Permits	119	86
TOTAL STATUTORY FEES AND FINES	253	186

5. USER FEES

Child Care/Children's Program fees	330	322
Home and Community Care Service Fees	12	17
Registration fees	41	40
Cemetery Fees	213	184
Caravan Park Fees	182	183
Refuse Disposal Fees	187	240
Other Fees and Charges	27	133
TOTAL USER FEES	992	1,119

6. GRANTS: OPERATING AND CAPITAL

GRANTS: OPERATING

Grants were received in respect of the following:

Summary of Grants: Operating

Federally Funded Grants	3,180	3,558
State Funded Grants	145	130
TOTAL GRANTS: OPERATING	3,325	3,688

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

	ACTUAL 2013	ACTUAL 2012
	\$'000	\$'000
6. GRANTS: OPERATING AND CAPITAL (Continued)		
Summary of Grants		
Financial Assistance Grant	2,063	2,405
Family and Children	964	902
Home and Community Care	167	124
Regional Development	129	251
Reserves	-	4
Youth Services	2	2
TOTAL GRANTS: OPERATING	3,325	3,688

GRANTS: CAPITAL

Grants were received in respect of the following:

Summary of Grants: Capital

Federally Funded Grants	179	137
State Funded Grants		-
TOTAL GRANTS: CAPITAL	179	137

Summary of Grants

Road Works	179	137
TOTAL GRANTS: CAPITAL	179	137

The Australian Commonwealth Government provides Financial Assistance Grants to Council for general purpose use and the provision of local roads. Since 2009-10 the Commonwealth has been making early payment of the first quarterly instalment for the following year. In 2012 the Government announced in the Commonwealth Budget following the downturn in the economy that, "to assist local councils with planning for the recovery and to ensure local government has maximum certainty to begin planning their 2012-13 works programs", it would bring forward for payment to all councils in June 2012, the first two instalments of the 2012-13 grant pool. In the 2013-14 Budget the Commonwealth announced it would continue this approach and include the first two instalments of the 2013-14 grant pool. In accordance with AASB1004 Contributions, Council recognises these grants as revenue when it receives the funds and obtains control. The effects of the early receipt of instalments each year has resulted in Commonwealth Government Financial Assistance Grants being above that originally budgeted in 2012-13 by \$1,000,000 and 2011-12 by \$500,000. This has impacted the Statement of Comprehensive Income resulting in the Net surplus/(deficit) from continuing operations being higher in both years by these amounts. With fewer instalments due to be received in 2013-14, the reverse effect may occur, however future payments remain at the Commonwealth's discretion.

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

	ACTUAL 2013	ACTUAL 2012
	\$'000	\$'000
7. PROFIT (LOSS) ON SALE OF ASSETS		
Proceeds from the disposal of Assets	266	175
less		
Written down value of Assets sold	(244)	(184)
PROFIT (LOSS) ON SALE OF ASSETS	22	(9)
8. REIMBURSEMENTS		
Road Maintenance/Works	35	185
Stormwater	-	-
State Levies Commission	9	9
Other Reimbursements	8	17
TOTAL REIMBURSEMENTS	52	211
9. CONTRIBUTIONS: PUBLIC OPEN SPACE		
Recreational, Leisure and Community Facilities	-	8
TOTAL CONTRIBUTIONS: PUBLIC OPEN SPACE	-	8
10. OTHER INCOME		
Regional Renewal	113	233
Community & Social Development	23	29
Parks, Reserves & Rec.	2	4
Plant Operations	16	19
Southern Water Return	-	8
Other Income	14	25
TOTAL OTHER INCOME	168	318
11. DEPRECIATION AND AMORTISATION		
Property:		
Buildings	67	69
Building Improvements	-	-
Plant & Equipment:		
Plant, Machinery & Equipment	178	206
Computers and Telecommunications	46	45
Infrastructure:		
Roads & Streets	1,414	1,277
Bridges	185	189
Storm Water	149	139
Reserves & Recreations	51	53
Waste Management	66	60
	2,156	2,038

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

	ACTUAL 2013	ACTUAL 2012
	\$'000	\$'000
12. OTHER EXPENSES		
Other expenses for the year are as follows:-		
Auditor's remuneration		
- Audit services this year	26	18
Election expenses	4	29
Payments to elected members		
- Councillor allowances	135	124
- Other fees and allowances	18	9
Subscription Local Government Association Tas	32	35
General insurance	155	136
Community Grants and Donations	47	38
TOTAL OTHER EXPENSES	417	389
13. CASH AND CASH EQUIVALENTS		
Cash on Hand	1	1
Cash at Bank		
- Trading Account	343	-
- Agency Payments Account	-	1
- Childrens Services	26	-
	370	2
INVESTMENTS		
At Call and Short Term Deposits	2,300	2,150
	2,300	2,150
Council's cash, cash equivalents and investments are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
- Leave provisions (note 20)	1,763	1,878
- Security Deposits and Bonds (note 19)	319	132
Restricted funds	2,082	2,010
Total unrestricted cash, cash equivalents and investments	588	142
14. OTHER ASSETS		
CURRENT		
Prepayments	53	66
Accrued Interest	7	5
	60	71

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

	ACTUAL 2013	ACTUAL 2012				
	\$'000	\$'000				
15. RECEIVABLES						
CURRENT						
Rate Receivables	528	564				
	528	564				
Sundry Debtors	291	247				
Less: Provision for Impairment	(3)	(3)				
Long Service Leave payable by other Councils	2	2				
Other Debtors	-	89				
	290	335				
	818	899				
NON - CURRENT						
Rate Receivables	21	22				
	21	22				
16. INVESTMENT IN WATER CORPORATION						
NON - CURRENT						
Southern Water	24,920	24,925				
	24,920	24,925				
17. PAYABLES						
CURRENT						
Trade Creditors	852	382				
	852	382				
18. INTEREST BEARING LOANS/BORROWINGS						
CURRENT (SECURED)						
Tasmanian Public Finance Corporation (Tascorp)	176	144				
NON - CURRENT (SECURED)						
Tasmanian Public Finance Corporation (Tascorp)	2,539	2,215				
Total Borrowings	2,715	2,359				
DETAILS OF BORROWINGS						
- Tasmanian Public Finance Corporation (Tascorp)						
	Original Loan	Interest Rate	Start Date	Review Date	Maturity Date	Balance Outstanding
	400	6.25%	12-Apr-05	12-Apr-20	12-Apr-20	232
	450	6.02%	08-Mar-06	08-Mar-21	08-Mar-21	288
	450	6.55%	22-Mar-07	22-Mar-22	22-Mar-22	320
	500	7.24%	04-May-10	04-May-20	04-May-25	438
	500	6.69%	29-Apr-11	29-Apr-21	29-Apr-26	458
	500	6.17%	22-Mar-12	22-Mar-22	22-Mar-27	479
	500	5.04%	19-Apr-13	19-Apr-23	19-Apr-28	500
	3,300					2,715

The Fair Value of the loan portfolio is \$2,924,553 (2011/12 \$2,616,451). This estimate is based on present value calculations applied to each loan using interest rates prevailing at balance date.

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

	ACTUAL 2013	ACTUAL 2012
	\$'000	\$'000
19. OTHER LIABILITIES		
CURRENT		
Accrued Electricity	14	15
Accrued Telephone	2	2
Accrued Payroll	-	95
Accrued Interest	37	35
Security Deposits and Bonds	319	132
Other	12	3
	384	282
20. PROVISIONS AND ACCRUALS		
CURRENT		
Provisions		
- Annual Leave	732	787
- Long Service Leave	608	631
- Sick Leave	221	242
- Time in Lieu	87	82
	1,648	1,742
NON - CURRENT		
Provisions		
- Long Service Leave	115	136
	115	136

Council's number of Full Time Equivalent Employees as at 30 June 2013 totaled 51. (2011/2012 - 48)

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

21. PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

	2013	2012
	\$'000	\$'000
Summary		
- at Cost	5,072	4,958
- less Accumulated Depreciation	<u>(3,438)</u>	<u>(3,291)</u>
	<u>1,634</u>	<u>1,667</u>
- at Fair Value	98,842	94,506
- less Accumulated Depreciation	<u>(26,150)</u>	<u>(27,042)</u>
	<u>72,692</u>	<u>67,464</u>
Total	<u><u>74,326</u></u>	<u><u>69,131</u></u>
Property		
Land		
- at Fair Value	7,027	7,102
Total Land	<u><u>7,027</u></u>	<u><u>7,102</u></u>
Buildings		
- at Fair Value	3,360	3,437
- less Accumulated Depreciation	<u>(468)</u>	<u>(403)</u>
Total Buildings	<u><u>2,892</u></u>	<u><u>3,034</u></u>
Total Property	<u><u>9,919</u></u>	<u><u>10,136</u></u>

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

21. PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (Continued)

	2013	2012
	\$'000	\$'000
Plant and Equipment		
Plant, Machinery and Equipment		
- at Cost	2,731	2,702
- less Accumulated Depreciation	<u>(1,921)</u>	<u>(1,887)</u>
	<u>810</u>	<u>815</u>
Fixtures, Fittings and Furniture		
- at Cost	200	200
- less Accumulated Depreciation	<u>(194)</u>	<u>(193)</u>
	<u>6</u>	<u>7</u>
Computers and Telecommunications		
- at Cost	594	561
- less Accumulated Depreciation	<u>(479)</u>	<u>(433)</u>
	<u>115</u>	<u>128</u>
Total Plant and Equipment	<u><u>931</u></u>	<u><u>950</u></u>
Roads		
- at Fair Value	63,983	60,449
- less Accumulated Depreciation	<u>(15,551)</u>	<u>(16,696)</u>
	<u>48,432</u>	<u>43,753</u>
Bridges		
- at Fair Value	9,888	9,512
- less Accumulated Depreciation	<u>(4,238)</u>	<u>(4,255)</u>
	<u>5,650</u>	<u>5,257</u>

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

21. PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (Continued)

	2013	2012
	\$'000	\$'000
Infrastructure (Continued)		
Storm Water		
- at Fair Value	11,705	11,092
- less Accumulated Depreciation	<u>(5,539)</u>	<u>(5,382)</u>
	<u>6,166</u>	<u>5,710</u>
Reserves		
- at Fair Value	2,879	2,914
- less Accumulated Depreciation	<u>(354)</u>	<u>(306)</u>
	<u>2,525</u>	<u>2,608</u>
Waste		
- at Cost	1,547	1,495
- less Accumulated Depreciation	<u>(844)</u>	<u>(778)</u>
	<u>703</u>	<u>717</u>
Total Infrastructure	<u>63,476</u>	<u>58,045</u>
Total Property, Infrastructure, Plant and Equipment	<u><u>74,326</u></u>	<u><u>69,131</u></u>

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

21. PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (Continued)

	2013	Balance at beginning of Year	Acquisition of Assets	Reval. Increments (Decrements)	Depreciation	WDV of Disposals	Transfers	Balance at end of Year
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land		7,102	-	-	-	(75)	-	7,027
Total Land		7,102	0	-	-	(75)	-	7,027
Buildings		3,034	15	(90)	(67)	-	-	2,892
Total Buildings		3,034	15	(90)	(67)	-	-	2,892
Total Property		10,136	15	(90)	(67)	(75)	-	9,919
Plant and Equipment								
Plant, Machinery and Equipment		815	341	-	(177)	(169)	-	810
Fixtures, Fittings and Furniture		8	-	-	(2)	-	-	6
Computers and Telecom.		127	34	-	(46)	-	-	115
Total Plant and Equipment		950	375	-	(225)	(169)	-	931
Infrastructure								
Roads		43,753	1,698	4,396	(1,414)	-	-	48,432
Bridges		5,257	305	273	(185)	-	-	5,650
Storm Water		5,710	335	270	(149)	-	-	6,166
Reserves		2,608	347	(379)	(51)	-	-	2,525
Waste		717	52	-	(66)	-	-	703
Total Infrastructure		58,045	2,736	4,560	(1,865)	-	-	63,476
Total Property, Infrastructure, Plant and Equipment		69,131	3,126	4,470	(2,156)	(244)	-	74,326

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

21. PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (Continued)

	2012	Balance at beginning of Year	Acquisition of Assets	Reval. Increments (Decrements)	Depreciation	WDV of Disposals	Transfers	Balance at end of Year
Property	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	7,222	-	(120)	-	-	-	-	7,102
Total Land	7,222	-	(120)	-	-	-	-	7,102
Buildings	3,095	8	-	(69)	-	-	-	3,034
Total Buildings	3,095	8	-	(69)	-	-	-	3,034
Total Property	10,317	8	(120)	(69)	-	-	-	10,136
Plant and Equipment								
Plant, Machinery and Equipment	833	373	-	(206)	(185)	-	-	815
Fixtures, Fittings and Furniture	-	8	-	-	-	-	-	8
Computers and Telecom.	162	10	-	(45)	-	-	-	127
Total Plant and Equipment	995	391	-	(251)	(185)	-	-	950
Infrastructure								
Roads	40,771	2,251	2,009	(1,277)	-	-	-	43,753
Bridges	5,320	211	(85)	(189)	-	-	-	5,257
Storm Water	5,431	283	135	(139)	-	-	-	5,710
Reserves	2,425	237	-	(54)	-	-	-	2,608
Waste	488	289	-	(60)	-	-	-	717
Total Infrastructure	54,435	3,270	2,059	(1,719)	-	-	-	58,045
Total Property, Infrastructure, Plant and Equipment	65,747	3,669	1,939	(2,038)	(185)	-	-	69,131

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

22. RESERVES

	Opening Balance		Transfers to Reserves		Asset Revaluation and Fair Value Movements		Transfers from Reserves		Closing Balance	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Public Open Space Reserve	152	144	8	8	-	-	(5)	-	148	152
	152	144	0	8	-	-	(5)	-	148	152
Asset Replacement Reserves										
- Plant Replacement	68	7	194	174	-	-	(183)	(113)	79	68
- Cemetery Replacement	408	336	213	184	-	-	(99)	(112)	522	408
- NN Landfill Repatriation	76	77	50	130	-	-	(52)	(131)	74	76
	552	420	457	488	-	-	(334)	(356)	675	552

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

	Opening Balance		Transfers to Reserves		Asset Revaluation and Fair Value Movements		Transfers from Reserves		Closing Balance	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
22. RESERVES (Continued)										
Fair Value Reserve										
- Southern Water	197	143	-	-	(5)	55	-	-	193	197
Asset Revaluation Reserves										
Infrastructure										
- Land	5,077	5,197	-	-	(379)	(120)	-	-	4,698	5,077
- Buildings	221	221	-	-	(90)	-	-	-	131	221
- Roads	36,425	34,417	-	-	4,395	2,008	-	-	40,820	36,425
- Storm Water	4,879	4,744	-	-	270	135	-	-	5,149	4,879
- Bridges	3,156	3,242	-	-	273	106	-	(191)	3429	3,156
- Recreation	(132)	(132)	-	-	-	-	-	-	(132)	(132)
	49,823	47,832	-	-	4,464	2,184	-	(191)	54,288	49,823
Other Reserves										
- Autumn Festival	6	3	40	39	-	-	(40)	(36)	5	6
- Bicentennial 2008	13	20	-	-	-	-	(1)	(7)	12	13
- CBD Levy	16	22	34	35	-	-	(38)	(41)	12	16
- Children's Services	298	364	38	1,225	-	-	(135)	(1,291)	201	298
- Regional Renewal	37	-	36	38	-	-	(5)	(1)	68	37
- Computer	202	167	132	117	-	-	(94)	(82)	240	202
- Derwent Valley Election	14	28	15	15	-	-	(4)	(29)	25	14
- Derwent Valley Revaluation	68	38	31	30	-	-	-	-	99	68
- HACC	20	15	179	141	-	-	(141)	(136)	58	20
- Historical Info. Centre	21	18	7	4	-	-	-	(1)	28	21
- Local Issues Support	10	10	-	-	-	-	-	-	10	10
- Public Relations	8	4	8	7	-	-	(3)	(3)	13	8
- RDH Site Development	776	763	239	254	-	-	(456)	(241)	559	776
	1,489	1,452	759	1,905	-	-	(917)	(1,868)	1,330	1,489
Total Reserves	52,016	49,848	1,216	2,401	4,464	2,184	(1,256)	(2,415)	56,441	52,016

23. COMMITMENTS FOR CAPITAL EXPENDITURE

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

24. COMMITMENTS UNDER OPERATING LEASES

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

25. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

CONTINGENT LIABILITIES

Insurance Claims

Public Liability

The Council has identified one potential public liability claim. The claim relates to property damage. The claim has 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 two potential professional indemnity claims. The claims have been referred to Council's insurers. As at the date of reporting, Council's liability in respect of these claims approximates the excesses on the insurance policy in the amount of \$10,000.

Southern Water

Transfer of water and sewerage assets, liabilities and staff to Southern Water took place on 1 July 2009. However, Council has withheld an amount of \$523,347. This amount represents loan borrowings obtained by Derwent Valley Council for the provision of a water scheme at Bushy Park. Southern Water have not committed to the provision of this service. Until a commitment is made by Southern Water to undertake this project, Council will continue to retain these funds.

26. EVENTS OCCURRING AFTER BALANCE DATE

New Water Corporation

From 1 July 2013 a new State-wide water and sewerage corporation trading as "Tas Water", commenced in accordance with the *Water and Sewerage Corporation Act 2012*. TasWater will take over the water and sewerage services and assets currently operated by Ben Lomond Water, Cradle Mountain Water and Southern Water. It will also manage the billing, IT and payroll functions currently managed by the industry's service firm, Onstream.

Council holds an equal representation with all other councils. No change is expected to current investment treatment, with Council receiving a proportional share in the new corporation. Council will continue to derive returns in the form of dividends, guarantee fees and tax equivalents. Any changes to Council's investment in "Tas Water" will be treated as a non-adjusting event and accounted for in the next financial year.

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

27. ACCOUNTING FOR FINANCIAL INSTRUMENTS

(a) Accounting Policy. Terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial			
Cash and cash equivalents	13	Cash on hand and at bank and money market call account are valued at face value.	On call deposits returned a floating interest rate of 2.65%. (3.26% in 2011/2012). The interest rate at balance date was 2.75%. (3.25% in 2011/2012).
Investments		Interest is recognised as it accrues.	Funds returned fixed interest rates of between 2.80% (3.90% in 2011/2012), and 4.50% (5.44% in 2011/2012) net of fees.
		Investments and bills are valued at cost.	Managed funds provided returns of 3.52%. (4.86% in 2011/2012) excluding unrealised gains/losses
		Investments are held to maximise interest returns of surplus cash.	
		Interest revenues are recognised as they accrue.	
		Managed funds are measured at market value.	
Trade and other receivables			
Other debtors	15	Receivables are carried at amortised cost using the effective interest method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears attract no interest rates. (Nil % in 2011/2012). Credit terms are based on 30 days. Rating debtors are secured and arrears attract an interest rate of 9.35%. (9.90% in 2011/2012).
Financial Liabilities			
Trade and other payables	17	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	18	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.26%. (6.53% in 2011/2012).
		Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.	As at balance date, the Council had no finance leases.

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

27. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)

(b) Interest Rate Risk

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

2013

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in: 1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	2.65%	377	-	-	-	-	377
Investments	3.52%	2,300	-	-	-	-	2,300
Trade and other receivables	9.35%	-	528	21	-	290	839
Total financial assets		2,677	528	21	-	290	3,516
Financial liabilities							
Trade and other payables		-	-	-	-	852	852
Trust funds and deposits		-	-	-	-	319	319
Interest-bearing loans and borrowings	6.26%	-	176	823	1,716	-	2,715
Total financial liabilities		-	176	823	1,716	1,171	3,886
Net financial assets (liabilities)		2,677	352	(802)	(1,716)	(881)	(370)

2012

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in: 1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	3.26%	2	-	-	-	-	2
Investments	4.86%	2,155	-	-	-	-	2,155
Trade and other receivables	9.90%	-	564	22	-	401	987
Total financial assets		2,157	564	22	-	401	3,144
Financial liabilities							
Trade and other payables		-	-	-	-	532	532
Trust funds and deposits		-	-	-	-	132	132
Interest-bearing loans and borrowings	6.53%	-	144	674	1,541	-	2,359
Total financial liabilities		-	144	674	1,541	664	3,023
Net financial assets (liabilities)		2,157	420	(652)	(1,541)	(263)	121

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

27. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)

(c) Net Fair Values

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Financial assets				
Cash and cash equivalents	2,670	2,152	2,670	2,152
Trade and other receivables	899	992	899	992
Total financial assets	3,569	3,144	3,569	3,144
Financial liabilities				
Trade and other payables	917	532	917	532
Trust funds and deposits	319	132	319	132
Interest-bearing loans and borrowings	2,715	2,359	2,925	2,616
Total financial liabilities	3,951	3,023	4,161	3,280

(d) Credit Risk

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

(e) Risks and mitigation

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

Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

27. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)

Our loan borrowings are sourced from Tasmanian Public Finance Corporation (Tascorp) and major Australian banks by a tender process. We manage interest rate risk on our net debt portfolio by:

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

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

Investment of surplus funds is made with approved financial institutions under the

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

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

Credit risk

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

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our Investment policy.

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

It is Council's policy that some customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation.

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

We may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 25. Credit quality of contractual financial assets that are neither past due nor impaired.

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

27. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)

	Financial Institutions	Government agencies	Other	Total
	(AAA credit rating)	(BBBB credit rating)	(min BBB credit rating)	
2013				
Cash and cash equivalents	377	-	-	377
Receivables	-	-	839	839
Investments and other financial asset	1,607	700	-	2,307
Total contractual financial assets	1,984	700	839	3,523
2012				
Cash and cash equivalents	2	-	-	2
Receivables	-	-	921	921
Investments and other financial asset	1,155	1,000	-	2,155
Total contractual financial assets	1,157	1,000	921	3,078

Ageing of Receivables

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

	2013 \$'000	2012 \$'000
Current (not yet due)	1	291
Past due by up to 30 days	36	10
Past due between 31 and 180 days	253	34
Past due between 181 and 365 days	-	-
Past due by more than 1 year	549	586
Total Trade & Other Receivables	839	921

Liquidity risk

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

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

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

27. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)

The table below lists the contractual maturities for Financial Liabilities.

These amounts represent undiscounted gross payments including both principal and interest amounts

2013	6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
	or less	months	years	years	years	Cash Flow	Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	917	-	-	-	-	917	917
Trust funds and deposits	319	-	-	-	-	319	319
Interest-bearing loans and borrowings	87	89	187	636	1,716	2,715	2,715
Total financial liabilities	1,323	89	187	636	1,716	3,951	3,951

2012	6 mths	6-12	1-2	2-5	>5	Contracted	Carrying
	or less	months	years	years	years	Cash Flow	Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	532	-	-	-	-	532	532
Trust funds and deposits	132	-	-	-	-	132	132
Interest-bearing loans and borrowings	71	73	153	521	1,541	2,359	2,359
Total financial liabilities	735	73	153	521	1,541	3,023	3,023

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

27. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and
 - A parallel shift of + 1% and -2% in market interest rates (AUD) from year-end rates of
 The table below discloses the impact on net operating result and equity for each category
 of financial instruments held by Council at year-end, if the above movements were to
 occur.

		Interest rate risk			
		-2 %		+1 %	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2013	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash	377	-	-	-	-
Investment	2,300	(46)	(46)	23	23
Receivables	839	(17)	(17)	8	8
Financial liabilities:					
Interest-bearing loans	2,715	(54)	(54)	27	27

		Interest rate risk			
		-2 %		+1 %	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2012	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash	2	-	-	-	-
Investment	2,155	(43)	(43)	22	22
Receivables	921	(18)	(18)	9	9
Financial liabilities:					
Interest-bearing loans	2,359	(47)	(47)	24	24

(g) Fair Value Hierarchy

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

The different levels have been defined as follows:

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

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

27. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
30 June 2013				
Available for sale financial assets	-	-	24,920	24,920

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

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
30 June 2012				
Available for sale financial assets	-	-	24,925	24,925

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

Reconciliation of Level 3 Fair Value Movements

	2013	2012
	\$'000	\$'000
Opening balance	24,925	24,870
Change in fair value movement in Southern Water	(5)	55
Closing balance	24,920	24,925

28. STATEMENT OF CASH FLOWS RECONCILIATION

- (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 Cash Flows is reconciled to the related items in the Statement of Financial Position.

	2013	2012
	\$'000	\$'000
Cash at Bank and on hand	370	2
Total	370	2

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

Surplus for the year	337	688
Depreciation	2,156	2,038
(Gain) / Loss on Sale of Fixed Assets	(22)	9
Capital Grants provided by Government	(179)	(137)
Movements:-		
- Increase / (Decrease) in Employee Provisions	(115)	227
- (Increase) / Decrease in Accounts Receivable	82	(199)
- Increase / (Decrease) in Other Liabilities	100	47
- (Increase) / Decrease in Accrued Income	(2)	(7)
- Increase / (Decrease) in Payables	470	(254)
- (Increase) / Decrease in Other Assets	13	(8)
NET CASH INFLOW/(OUTFLOW) PROVIDED BY OPERATING ACTIVITIES	2,840	2,404

29. FINANCING ARRANGEMENTS

At the reporting date a business card facility of \$50,000 (2011/12 \$50,000) was available to the Council from its Bankers, the Commonwealth Bank of Australia.

30. COUNCILLORS' INTERESTS

The Council is a body corporate with perpetual succession and comprises nine 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.

All dealings with Councillors were at arms length and there were no interests to declare.

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June, 2013

31. SIGNIFICANT BUSINESS ACTIVITY

	Transport Infrastruct.
Revenue	
	\$
General Rates allocated	342,336
Reimbursements	35,333
Other Revenue	4,091
Government Grants identified	179,133
Government Grants allocated	1,034,624
Total Revenue	<u>1,595,517</u>
Expenditure	
Direct	
Employee Costs	97,437
Materials and Contracts	174,600
Interest	153,987
Street Lighting	188,656
	<u>614,680</u>
Indirect	
Supervision and Indirect Overhead	126,515
Total Expenditure	<u>741,195</u>
Capital costs	
Depreciation and Amortisation	1,468,943
Opportunity cost of capital	3,072,490
Opportunity cost of working capital	1,450
	<u>3,073,940</u>
Competitive neutrality adjustments	
Rates and Land Tax	5,740
Loan Guarantee fees	11,416
	<u>17,156</u>
Calculated Surplus/(Deficit)	(631,777)
Taxation Equivalent Rate	30.00%
Taxation Equivalent	(189,533)
Total Competitive Neutrality Costs	<u>(172,377)</u>

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

32. SUPERANNUATION

The Derwent Valley Council makes superannuation contributions for a number of its employees to the Quadrant Defined Benefits Fund, which is a sub fund of the Quadrant Superannuation Scheme. The Quadrant Defined Benefits Fund has been classified as a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 32(b) of AASB 119, Council does not use defined benefit accounting for these contributions.

At the present time Council contributes 9.5% of employees' gross income to the Fund. Assets accumulate in the fund to meet member benefits as they accrue, and if assets within the fund are insufficient to satisfy benefits payable, the Council is required to meet its share of the deficiency.

Bendzulla Actuarial Pty Ltd undertook the last actuarial review of the Fund at 30 June 2011. The review disclosed that at that time the net market value of assets available for funding member benefits was \$57,588,247, the value of vested benefits was \$52,794,839, the surplus was \$4,793,408, and the value of total accrued benefits was \$57,330,437. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Scheme's financial statements for Council employees.

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

Net Investment Return	0.0% p.a. for 2011/2012 and 7.0% p.a. thereafter
Salary Inflation	4.0% p.a.
Price Inflation	n/a

The actuarial review concluded that:

1. The value of assets of the Quadrant Defined Benefit Fund was adequate to meet the liabilities of the Fund in respect of vested benefits as at 30 June 2011.
2. The value of assets of the Fund was adequate to meet the value of the liabilities of the Fund in respect of accrued benefits as at 30 June 2011.
3. Based on the assumptions used, and assuming the Employer contributes at the levels described below, the value of the assets is expected to continue to be adequate to meet the value of the liabilities of the Fund in respect of vested benefits at all times during the period up to 30 June 2014.

The Actuary recommended that in future the Council contribute 9.5% of salaries in 2012/13, 10.5% of salaries in 2013/14, and 11% of salaries in 2014/15.

The Actuary will continue to undertake a brief review of the financial position the Fund at the end of each financial year to confirm that the contribution rates remain appropriate. The next full triennial actuarial review of the Fund will have an effective date of 30 June 2014 and is expected to be completed late in 2014 or early in 2015. Council also contributes to other accumulation schemes on behalf of a number of employees, however the Council has no ongoing responsibility to make good any deficiencies that may occur in those schemes.

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

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2013

32. SUPERANNUATION (Continued)

During the reporting period the amount of contributions paid to defined benefits schemes was \$25,026 (2011-2012, \$23,403), and the amount paid to accumulation schemes was \$283,554 (2011-2012, \$265,130).

33. INVESTMENT IN SOUTHERN WATER

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

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

At 30 June 2013, Council had an ownership interest of 2.7% (based on the Treasurer's Returns Allocation Order) in Southern Water. Council does not have significant influence to allow it to use the equity method to account for this interest.

It has classified this asset as an Available-for-Sale financial asset as defined in AAB 139 Financial Instruments: Recognition and Measurement and has followed AASB 132 Financial Instruments: Presentation and AASB 7 Financial Instruments: Disclosures to value and present the asset in the financial statements.

There is no active market for the investment and so it is valued at Council's share of total equity as at each balance date. Changes in the fair value are recognised as revenue or expense in the Statement of Comprehensive Income each year. Council's investment is disclosed on the face of the Statement of Financial Position with the value being determined as disclosed above. Dividends received from Southern Water are to be brought to account as income received.

Council's share of the Corporation's net assets at 30 June 2013 is \$24.920 million.

	2013	2012
	\$'000	\$'000
Balance 1 July	24,925	24,870
Change in fair value of investment	(5)	55
Balance 30 June	24,920	24,925

