

Derwent Valley Council

Annual Report
2009/2010



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If you would like another copy of this Annual Report please contact our Customer Services counter located at the Derwent Valley Council Chambers, Circle Street, New Norfolk or telephone (03) 6261 8500. Alternatively, an electronic copy can be found at www.derwentvalley.tas.gov.au

Feedback regarding this report can be emailed to executiveassistant@dvc.tas.gov.au or posted to Derwent Valley Council, PO Box 595, NEW NORFOLK TAS 7140

A message from the Mayor



The last twelve months has been a difficult time for us in Local Government, with the continuing

debate over the transfer of water and waste water to regional enterprises, especially as these entities are now charging in excess of the consumer price index. In the past our Council received a dividend, tax equivalent and guarantee fee payments from Southern Water of about \$176,000 but now may have to wait several years before receiving any return on the assets, valued at around \$21 million, we have transferred to Southern Water.

The redevelopment of Willow Court is continuing to occupy much of Councils time, but with the setting up of the Willow Court and Barracks Working Group Special Committee, and with the employment of consulting firm Malcolm McDonald and Associates we are hopeful that in the near future the development of the Barracks Precinct will commence providing a tourism venture to rival that of Port Arthur.

The consultant has been charged with the task of reviewing all existing documentation on the site as well as reviewing all previous grant applications, with the view of developing a comprehensive business and development plan that can be used as the basis of making applications for grants to

enable the re-use of many of the historic buildings in the Barracks Precinct.

Council is still in discussion with the State Government in regard to the Grant funds provided for the Bronte Building, and are hopeful of negotiating a satisfactory outcome on this issue as quickly as possible. During the year, Council with the help of an eminent historian, developed a grant application for Federal Government funding, for the upgrading of the power supply to the Willow Court site. At the date of writing this report we had not received any notification as to the success or failure of this application.

Council is also in discussions with prospective purchasers of the Willow Court Oval Space and we are hopeful of some progress on a development of this area next financial year. The development we are hoping for will complement those already existing in our Central Business District.

Continuing discussion is being held with the State Government in regard to the upgrading of the lifting mechanism of the Bridgewater Bridge as the continued closure of this structure is having an impact on the tourism of our town. We have also continued dialogue in regard to the building of the new bridge over the Derwent River and we are hopeful that any new structure will be built with a height equal to that of the Bowen Bridge.

We will also continue to pursue expenditure on the rail line to New Norfolk and beyond as this will provide a substantial tourism opportunity, providing a rail experience to Maydena, the Eagles Eyre and the adventure hub.

The Council has for several years been pursuing other safety issues on the Lyell Highway, more particularly the entrance to Tynwald Park. We have now been advised that works on a slip lane have now been developed by the Department of Infrastructure and Energy and that a slip lane will be constructed in the first half of next financial year.

Council has also been working with O'Driscoll Coaches for an expansion of the bus service that they provide in the Derwent Valley and we are hopeful that increased services to our town and beyond will commence in the near future.

As mentioned earlier in my report this has been a difficult year for Council, but with out the dedicated support of my fellow Councilors, and the commitment by our staff many of the successes achieved this year would not have been achieved.



Martyn Evans
MAYOR

A message from the General Manager



In the last twelve months Council has set up the Willow Court and Barracks Working Group Special Committee. This committee is charged with the following tasks in part:

1. To assist Council in the development, protection and promotion of the Willow Court precinct
2. To make recommendations to Council on specific projects
3. To monitor projects on behalf of the community
4. To facilitate communication between the Council and the community

Council in consultation with the Special Committee engaged the services of a consultant Mr Malcolm McDonald to review all plans and reports for the Willow Court Precinct to then provide the Special Committee and Council with detailed development Plan and business plan that could be used to develop this historic site.

The Special Committee have met on many occasions with the consultant and are happy that the approach being taken by the consultant is proposed to develop a tourism experience for this historical precinct to be staged over several years.

Also during the year negotiations took place with the Australian Government for the return of some of the funds

provided by them for Willow Court. Discussions are continuing with the State Government in regard to the funds they provided for this site.

Sub-Regional Planning Scheme

As mentioned in last years report submissions have now been called and are being evaluated for the Settlement and Open Space Strategies for the Planning Scheme. A substantial amount of work has also commenced in regard to zonings within the municipal area and mapping of these zones is currently underway.

Regional and Local Community Infrastructure Program

The Australian Government has extended this program with a second round of funding, of which the Derwent Valley received a further grant of \$89,000.

The projects undertaken in this second round are as follows:

- Upgrading of the facilities at the New Norfolk Caravan Park.
The works to be undertaken will involve the provision of some 25 additional powered sites at the New Norfolk Caravan Park.
- Upgrade of Tourism Access at the Derwent River.
The works involved the installation of a floating pontoon of approximately 10 by 5 meters. This includes a pathway access ramp of 3 meters wide from

the river bank. The development will also include landscaping of the river bank. This pontoon will usable to both ferries and recreational boats.

Memorial Hall Upgrade

The State Government provided Council with \$171,000 for the refurbishment of the Memorial Hall. These funds were used to undertake the following works.

- Disabled Access
- Upgrade lighting, heating and electrical supply
- Painting
- Upgrade toilets and storage areas
- Replace floor coverings
- Upgrade acoustics and stage facilities

The upgrade that has now been carried out has made this facility a focal point in the Derwent Valley for the performing arts.

I would like to express my appreciation to staff and councilors for their support and dedication over the past twelve months as without this commitment many of the tasks that have now been achieved would not have been possible.



Stephen Mackey
GENERAL MANAGER

A snapshot of the Derwent Valley



The Derwent Valley can be found by taking a 30 minute relaxing drive from Hobart along the picturesque Derwent River.

The major geographic feature of the region is the Derwent River and its nine tributaries that wind through the fertile valley creating a picturesque rural setting first settled by Europeans in 1807.

The region covers 4,111 square kilometers and boasts some of Tasmania's most spectacular wilderness areas as well as the iconic Mt Field National Park incorporating Russell Falls and the inspirational tall trees of the Styx Valley.

The population is currently at 10,000 and is estimated to grow by 3,000 – 5,000 over the next 5-7 years when all housing projects mature.

New Norfolk (Tasmania's country capital), is one of Tasmania's and indeed Australia's oldest towns. The built and natural landscape reflects rich heritage and interesting stories with many sites and buildings listed on the National Heritage Register.

Environment and Climate

The Derwent Valley is proud of its fresh air and clean water. Spring is warm, summer is warm to hot and dry, winter can be cold and frosty with snow on the mountains but it is Autumn that the Derwent Valley is famous for. Introduced English trees up to 200 years old are plentiful and provide spectacular autumn colours.

Family Focus

The Derwent Valley has its own child care centre and family day care service, an abundance of open spaces, scenic walking tracks, parks, BBQ facilities and playgrounds. There is a skate park as well as an award winning bike track, specifically designed for youngsters to teach them real road safety rules. The track has its own traffic lights and pedestrian crossings!

Education

There are five Public Primary Schools with associated kindergartens and playgroups, one Public High School at New Norfolk and one District High School at Glenora, 15 minutes west of New Norfolk. Connections between the schools, community and industry are growing. For example an innovative program called 'Leading Edge' aims to create links with industry and provide individualised programs for students beyond Grade 10. This, and other programming, exemplifies the schools' commitment to a world class educational experience. There is also one Catholic Primary School at New Norfolk and a comprehensive range of private schools in Hobart, with an extensive daily return bus service.

Heritage

Dotted with heritage homesteads, churches, farms, magnificent oast houses once utilised for hop production and many other significant buildings; all with fascinating stories to tell... New Norfolk is a destination for antique collectors with 7 retail outlets. It is home to Australia's oldest continuously licensed hotel, the renowned Bush Inn (which overlooks the Derwent River), Willow Court, a part of the former hospital and mental asylum which dates back to 1828 and closed in 2001 and the Salmon Ponds, Australia's oldest trout hatchery.

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Industry

Housing construction, agriculture, aquaculture, horticulture, viticulture, retail, hospitality and care are the emerging industries along with traditional forestry and newsprint manufacturing, with demand for people with science training and people skills. Innovation, significant investment in new technology, stable workforce of proud, hardworking people, our famous climate, new markets nationally and around the world all contribute to the sustainable renewal of this region.

Culture

New Norfolk is home to the world renowned Derwent Valley Concert Band who travel extensively competing and performing internationally including the Royal wedding in Denmark in 2004. There are many other recreational activities on offer and active social clubs to join for all ages – in fact something for everyone.



Some of the crowd enjoying the free entertainment at the 2010 Forestry Tasmania Derwent Valley Autumn Festival

The annual Forestry Tasmania Derwent Valley Autumn Festival has just celebrated its tenth anniversary. The festival

attracts over 15,000 people, and provides a full day's free entertainment. People now move to the Derwent Valley to create; writers, poets, artists and musicians see the community as open and accepting.

Sports and Recreation

This is a sport loving community with venues for swimming, tennis, football, soccer, golf, speed car racing, horse riding, shooting and bowls to name a few, all supported by active social clubs. The Derwent River provides the perfect facility for water sports, world class fishing and has a reputation for producing Olympic rowing champions.

Full Service Town

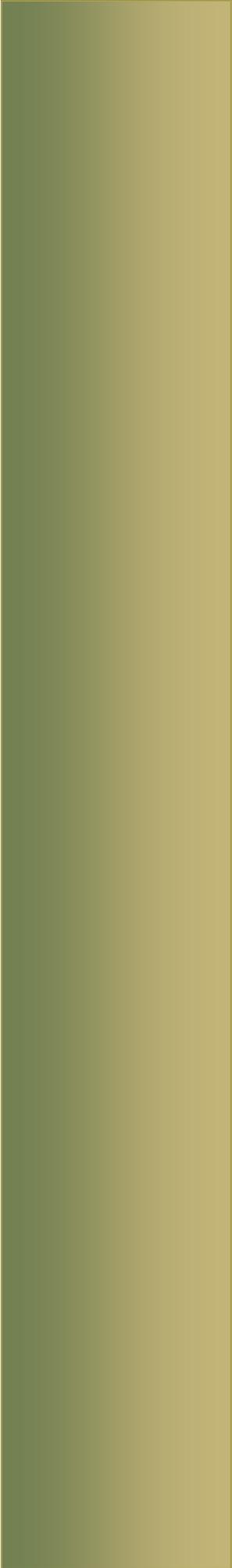
The way shopping should be... individual personalised service which offers a unique, varied and comprehensive range; from fashion to tyres and everything in between. There is a large supermarket and several smaller ones as well as a couple of old fashioned butchers and bakeries. Restaurants and cafes offer takeaways to fine dining and great coffee (the best in Tassie)! New Norfolk also has major banks, emergency services, a lawyer, laundry, post office, police station, library, online access centre, veterinary clinic and much more. For your medical needs there is a general practice medical centre, a community health centre (social workers, family health nurse, physiotherapist, etc), a dental clinic, 2 chemists, 2

optometrists and an award winning designed aged care facility. A vibrant community house provides support through many varied programs and services including adult education, counselling, life skills and a regular community market.

Property

A variety of opportunities including new house and land packages, new one or three bedroom apartments close to all services and existing rural properties. Residential property investment has been strong in the valley since the early nineties and demand for rental accommodation is still strong today.

For further information please refer to www.derwentvalley.com.au or Derwent Valley Council on telephone (03) 6261 8500.



Council's Performance

Guiding Principles

The key principles that will guide our actions are as follows:

- Respect the whole community whilst valuing individual differences and diversity.
- Value for tolerance, fairness and equity for all sections of the community.
- Service delivery to the community in an economically, sustainable and responsible manner.
- Committed to open transparent communications, that allows to fully inform the community.
- Facilitate community participation to build relationships to gain unity and to find common ground.
- Achieve innovative solutions to build a vibrant sustainable community.
- Pursue ecological sustainability.
- Respect for our past, present and future heritage.
- Derwent Valley Planning Scheme will reflect Councils Strategic Plan.
- That Council understands that its decisions are made on behalf of the whole community.
- Commitment to facilitate the development of community knowledge and skills to allow residents to fully participate in the development of the community.
- To provide the community with the opportunity to participate in decisions that affect their lives.

Vision

Our Vision is for a vibrant and sustainable Derwent Valley community that enjoys a safe and healthy environment, economic and social wellbeing and quality lifestyles that takes into account cultural and heritage values.

Mission

Our Mission is to work in partnership with our residents and stakeholders towards the vision of a vibrant and sustainable Derwent Valley Community.

Goals

- To maintain the standard of the Valley's infrastructure assets
- To maintain high standards in the provision of all Council services
- To maintain accessible health, education, police and community Services
- To improve transport and access in the Derwent Valley
- To maintain partnerships with State Government and relevant stakeholders on the development, management and maintenance of services in the Valley

Service

- To maintain accessible health, education and community services
- To improve transport and access in the Valley and to and from other parts of the Southern Tasmanian region

Social

- Create an environment that facilitates inclusiveness and participation whilst encouraging determination and ownership
- To provide a variety of social, cultural and recreational activities for people living in the Derwent Valley Municipality
- Encourage support structures in networking to provide a safe, healthy and caring community that is responsive and accommodating to changing needs
- To actively encourage and develop partnerships with stakeholders to build a vibrant and sustainable community
- To recognise and celebrate the unique cultural heritage and its role in shaping our identity

Economic

- An exciting dynamic region where people want to spend their leisure time
- An exciting dynamic region where ranges of well-marketed events are held which will be attractive for residents and visitors
- An exciting dynamic region where more tourists visit and are welcome
- To be a competitive region in the state for new investment and innovative, growing businesses trading in the global market place

Environmental

- The Derwent Valley Council shall undertake to protect, conserve, maintain and improve our natural, cultural and built heritage
- The Derwent Valley Council shall, through shared responsibility, forge partnerships and capacity building across all levels of government, private enterprise and the community, to achieve sustainable outcomes of outlined strategies
- The Derwent Valley Council Planning Scheme shall reflect, and be compatible with current and future NRM Strategies for Southern Tasmania

Public Health

- To ensure a healthy community protected by strong public health standards
- To provide a balanced environment free from health threats arising from human physical activity

Financial

- To improve the affordability of Council's rating and charging structure
- To reduce Council's debt levels
- To increase income from non-traditional sources
- To improve community understanding of Council's financial management and finances
- To increase the level of grant income

Community Services

Children's Services

Council's Day Care Centre offers parents up to eleven hours of care per day. The Centre provides quality care for children in a safe and secure environment.

Long Day Care caters for children aged six weeks to five years. There are also 14 Family Day Carers registered in the Derwent Valley Municipality.



The Centre provides morning tea, lunch, afternoon tea, and a late snack. Children with allergies and special diets are also catered for.

The Centre and Family Day Care have recently achieved Accreditation for another two years.

The Centre has applied to the Child Care Unit, to increase its license capacity by 10 places. This will bring our licensing capacity to 75 children.

Infrastructure Management

To maintain the quality and standard of Council's assets and to ensure that they are capable of delivering acceptable service standards to users.

Community Development

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

We facilitate active participation in community life to ensure that there is a strategic response to identifying and prioritising community needs.

Governance

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

- Human Resource Management
- Employee Relations
- Risk Management
- Resource Development
- Customer Service
- Financial performance and reporting
- IT support
- Records Management
- Internet Services

Physical Services

This section of Council is responsible for maintaining all of Council's roads and bridges.

Physical Services works with the community to facilitate cost-effective provisions and

maintenance of the transport, property and recreational services within the Derwent Valley Council.

Financial Services

The Finance section provides the community with information about Council's budget, rating structure and services provided.

Customer Services

Council is committed to providing our customers with quality, courteous, informative and timely service that meets or exceeds their expectations.

Customer privacy is respected at all times and personal information treated confidentially.

We pride ourselves on a courteous, informative and timely quality of service.

Home and Community Care (HACC)

Glengrey House turned 20 this year and we celebrated with a lunch at the Junction, which was attended by most of our clients and their carers.

Glengrey House is an adult day respite centre providing services to frail aged people and people with disabilities (and their carers) living in the Derwent Valley area. Glengrey House offers different services to different people:

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- To the client, Glengrey House offers a social outlet and provides a sense of belonging to the community. It also provides an educational component, allowing old skills to re-emerge and new skills to be aimed for, a chance for sharing of experiences, and to adopt the healthy lifestyle promoted at Glengrey House.
- To the carer, it offers daily respite from the person they are caring for, a chance to “re-charge the batteries”, to do what they want for the day, go shopping, to the hairdressers, visiting, play sport, knowing that their caring role can be transferred to somebody else for the day.



Youth Services

LOOP is a monthly newspaper publication, which is written, designed and edited by young people (12-25 years of age). It is a project of the non-profit community development organisation, Lead On Australia. LOOP is locally facilitated by Council and supported by Davies Brothers Pty Ltd, publisher of the

Mercury and The Gazette. Participation in the LOOP project is free and open to young people within the Derwent Valley Municipality.

A dedicated LOOP project team meets weekly on Fridays at the Derwent Valley Council Chambers, Circle Street New Norfolk.

Derwent Valley Youth Future Action Team (D'FAT)

D'FAT is the youth advisory group for the Derwent Valley Council. The group was formed in 2002 and re-structured as a Special Committee of Council in 2004.

Membership is free and is open to young people (12-25 years of age) within the Derwent Valley Municipality.

D'FAT meets fortnightly on Thursdays at the Derwent Valley Council Chambers, Circle Street New Norfolk.

The D'FAT Mission Statement is:

- To increase awareness of and address youth issues and concerns
- To provide opportunities for community involvement
- To facilitate and promote consultation between young people and community groups and all levels of government
- To represent the views of young people
- To develop young leaders



D'FAT members painting over graffiti at Ellis Dean Reserve, New Norfolk

- To promote a positive image of young people
- To support and co-ordinate activities and projects for young people

The D'FAT Vision Statement is:

To empower young people to become respected and engaged members of the community

Healthy and Luvin' it is an annual youth information expo facilitated by Council in-partnership with the Derwent Valley Community House to raise the awareness of youth service providers. This event is attended by Grade 9/10 students from New Norfolk High School and Glenora District High School.

Council also provides support to other youth initiatives, such as, New Norfolk Interagency Support Team, RAFT (Real Action.....Forward Thinking) and the Bridgewater PCYC 11-16 year old school holiday programs.

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Environmental Services / Building and Planning Services

The Environmental Services Department ensures a healthy community protected by strong public health standards and provides a balanced environment. It is also responsible for the following services:

- Environmental Health includes public health surveillance, environmental management and pollution control, food premises, immunisation, and Natural Resource Management (NRM).
- Building and Plumbing enforcement and surveillance.
- Planning Services includes strategic and statutory land use planning, heritage and development infrastructure.
- Domestic garbage and recycling collection and landfill operations.
- Municipal inspection (Animal Control and Fire Abatement).

Partnership Agreement

Council's second partnership agreement has now been negotiated and the issues that will be progressed over the next few years under this new agreement are as follows:

Economic Development

Tourism

Tourism Tasmania would like to review the Council's local tourism structure and continue working with the Council in the development of tourism, including nature-based tourism, in the Derwent Valley.

Economic Feasibility Study

The Council would like consideration to be given to the feasibility of conducting an economic study of the agricultural capacity of the Derwent Watershed to measure future sustainable expansion of local and overseas markets.

Environmental and Land Management

Transfer of Caravan Park Land on the Esplanade.

During the life of the first partnership agreement, discussions were held regarding the transfer to the Council of the Caravan Park on the Esplanade.

The Council would like to lease out this property, as opposed to the current arrangement of having a manager running the site. A long-term lease would enable further development of the site to occur.

Eco-tourism

The Parks and Wildlife Service would like to continue working with the Council to explore development opportunities in nature based tourism.

Heritage

Heritage Tasmania would like to continue to have a role in supporting the redevelopment of the Willow Court precinct, with a primary focus on considering proposed works under the *Historic Cultural Heritage Act 1995*.

Heritage Tasmania is also keen to explore the development of a boarder historic heritage strategy for the municipal area, to encompass its unique places and precincts of historic, cultural heritage value, and its cultural landscapes.

Community Wellbeing

Community Housing Options

The Department of Health and Human Services (DHHS) would like to explore opportunities to increase the supply of affordable social housing that is complementary to public housing.

Community Recovery

DHHS would like to work with Council in relation to the recovery-preparedness of the community, ensuring ongoing involvement in the Department's southern regional recovery planning meetings and involvement in planned exercises .

Communities for Children Project

DHHS would like to continue to work with the Council and the named facilitating partner, the Salvation Property Trust, in identifying, progressing and evaluating the need for future collaboration using the Communities for Children Project to:

- Improve the health, early learning, development, and well being of young children
- Assist young children 0-5 years
- Support parents and families
- Encourage community commitment
- Build community capability to support young children
- Build on existing service infrastructure

Linc and Family Care Centre

The Council has recently developed a concept plan for a Linc service for the Derwent Valley, incorporating a family care centre, on land close to the central business district, and would like to discuss the concept through the partnership agreement.

Over the last few months the Local Enabling group has been meeting to discuss the possible locations for the centre and a decision is hoped to be made early in the next financial year.

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Real Action Forward Thinking (RAFT)

Real Action Forward Thinking (RAFT) is a Council endorsed initiative to develop a youth development and youth participation centre to achieve positive benefits for young people who are disengaging from school, family or community, and for those involved in, or at risk of becoming involved in, criminal or anti-social activities.

The RAFT steering committee is comprised of representatives from the Council, Department of Police and Emergency Management (DPEM), DHHS and the Department of Education (DOE).

With the assistance of a Tasmania Community Fund grant, the Council-owned premises at Kensington Park are currently being refurbished for this initiative, according to the RAFT project business plan and approved architectural plans. Council would like to continue to work with the State Government to further support the RAFT initiative.

Transport and Infrastructure Community Road Safety Partnership Program

The Department of Infrastructure, Energy and Resources (DIER) would like to address road safety with the Council within the framework of the Tasmanian Road Safety Strategy. A fundamental principle of the

program is to involve the community in all consultation, planning and delivery stages.

The Community Road Safety Partnership (CRSP) is a statewide initiative which promotes a community-based approach to road safety responsibility and ownership in the community.

The focus for CRSP is to address road safety issues at a local level through building partnerships with community organizations.

The main emphasis of the program is to address high-risk road user behavior, primarily through raising public awareness and conducting community education programs.

Lyell Highway Upgrade

The Council has for many years been pursuing the upgrade of this road. While acknowledging that the State Government has allocated \$14 million for the upgrade, the Council would welcome consideration of further funding due to the number of new subdivisions and dwellings that are being built in the municipal area.

The Council envisages that the population in the Derwent Valley will increase by some 30 per cent over the next seven to ten years.

Community Safety

Department of Police and Emergency Management (DPEM) would like to address the following community safety issues that are designed to promote

economic, social and environmental wellbeing from a policing perspective:

- To provide continued leadership and coordination of the Derwent Valley Municipal Inter-Agency Support Panel, and work collaboratively with the Council and key government agencies to explore strategies to identify and manage the needs of at-risk children, young people and their families.
- To continue working with the Council to explore opportunities to expand key stakeholder participation in the already established community safety issues forum.
- To work with the Council on plans to address issues of traffic congestion in the main street of New Norfolk.
- To work on a strategic approach to the delivery of enforcement activities to address the issues of hooning and the illegal use of motorbikes in the municipal area.
- To continue monitoring and updating emergency management plans both in accordance with the Emergency Management Act 2006 and in response to the identified needs of the municipal area.

Elected Members



Mayor Martyn Evans



Deputy Mayor Craig Farrell



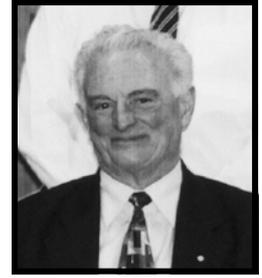
Cr Judy Bromfield



Cr Narelle Hill



Cr James (Jim) Elliott



Cr Barry Lathey



Cr Scott Shaw



Cr Damian Bester



Cr James Graham

Council Structure

The Councillors of the Derwent Valley Council are the ultimate policy and planning body of the corporation.

Day to day administrative and operational decisions have been delegated to the General Manager so that unnecessary delays are avoided.

This mode of operation enables Council to concentrate its efforts towards

considering strategic issues, establishing policy positions and managing performance outcomes for the organisation and community.

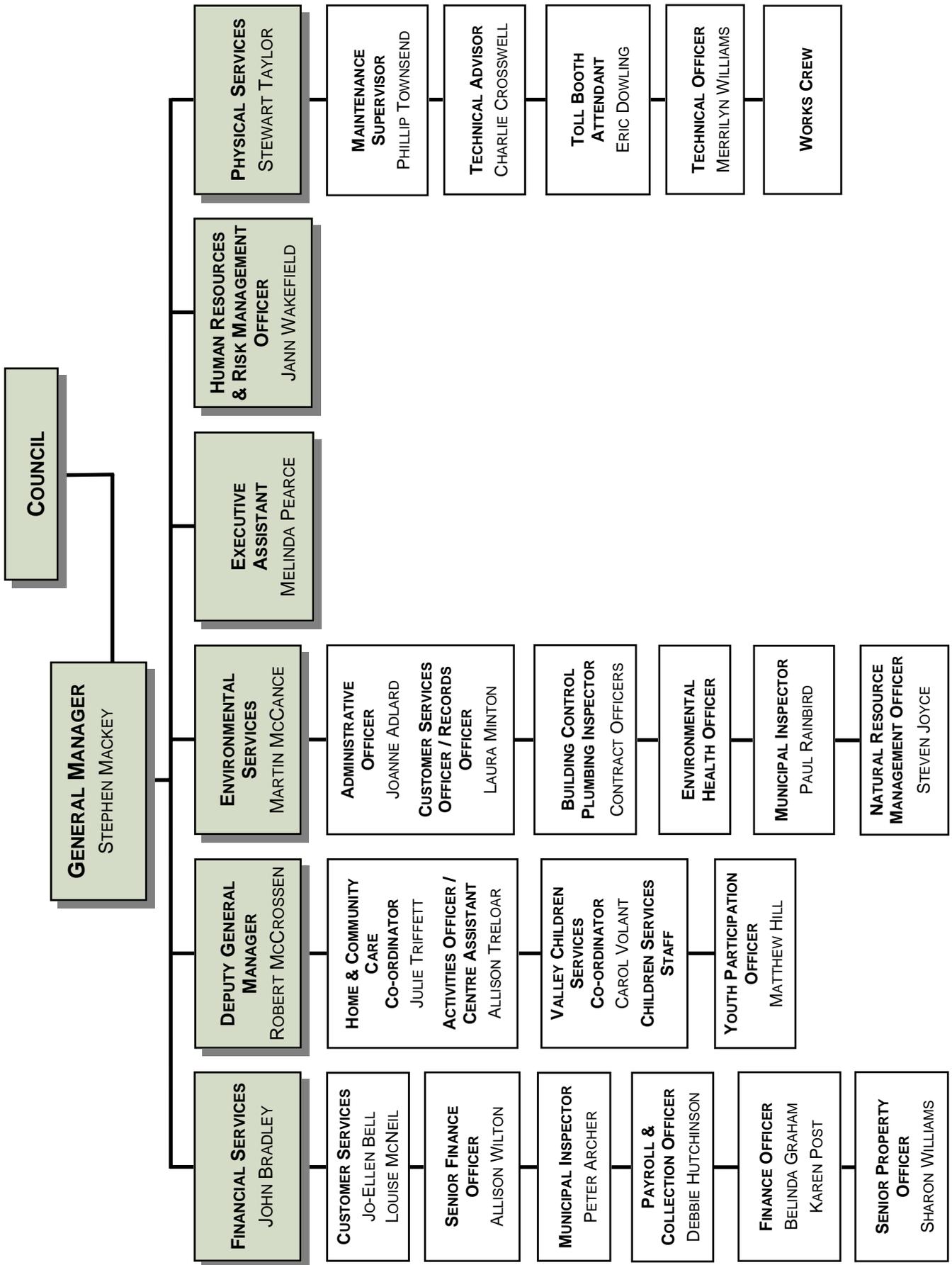
Council meetings are held on the third Thursday of each month at the Court House, Circle Street, New Norfolk commencing at 6.30pm. Members of the public are invited to attend these meetings.

Agendas and attachments are available from the Council Chambers on the Friday prior to the meeting or they are available from our website at www.derwentvalley.tas.gov.au

Committees of Council

Special Committees of Council	
Boyer Oval Management Committee	Cr Lathey, Cr Molan
Historical Information Centre	Cr Molan, Cr Elliott
Lachlan Reserve Special Committee	Cr Graham, Cr Bester
Derwent Valley Youth Future Action Team (D'FAT)	Cr Lathey, Cr Evans
Bushy Park Swimming Pool	Cr Bester, Cr Farrell
Derwent Valley Sport and Recreation Committee	Cr Molan, Cr Farrell
Molesworth Reserve	Cr Graham, Cr Elliott
Tidy Town Committee	Cr Molan, Cr Graham
New Norfolk Swimming Pool Committee	Cr Shaw, Cr Evans
Access Advisory Committee	Cr Lathey, Cr Shaw
Environmental Management Committee	Cr Bester, Cr Evans
New Norfolk Business Alliance	Cr Bester, Cr Farrell
Willow Court & Barracks Working Group	Cr Lathey
Joint Authorities	
Southern Water Authority	Cr Evans, Cr Farrell
Southern Waste Strategy Authority	Cr Elliott, Cr Evans
Southern Tasmanian Council Authority	Cr Evans, Cr Farrell
Other	
Derwent Valley Economic Renewal Group	Cr Bromfield, Cr Evans
Derwent Valley Emergency Planning Committee	Cr Lathey, Cr Bromfield
Australia Day	Cr Shaw, Cr Farrell, Cr Evans
Derwent Catchment Natural Resource Management	Cr Lathey, Cr Shaw
Derwent Valley Autumn Festival	Cr Graham, Cr Evans
Derwent Valley Chamber of Commerce and Industry	Cr Bester, Cr Farrell
Land Sale Committee	Cr Bromfield, Cr Bester
Maydena Community Association	Cr Bester, Cr Farrell
Derwent Valley Visitor Information Centre	Cr Farrell, Cr Shaw
RAFT (Real Action . . . Forward Thinking)	Cr Shaw, Cr Graham
Lyell Highway Committee	Cr Bromfield, Cr Farrell, Cr Bester
Community Grants	All less Cr Elliott

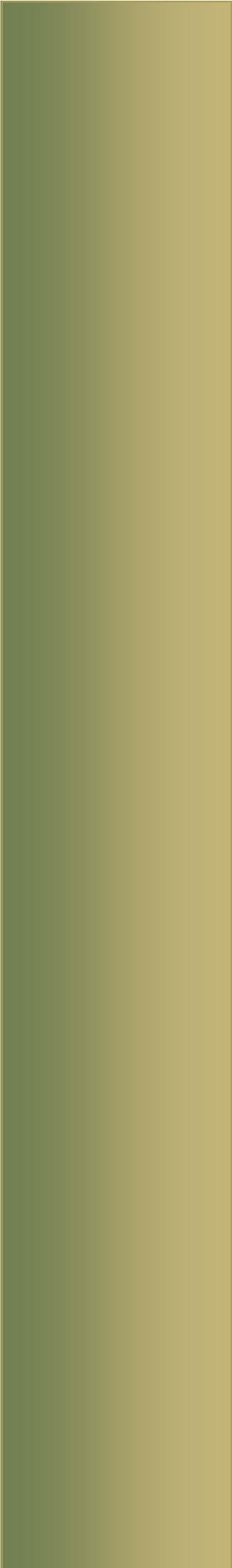
Organisation Chart



Number and nature of complaints Received

The *Local Government 1993 Act* requires the General Manager to report to Council the number and nature of complaints received.

Number of Complaints for 2009/2010 - 23	Nature of Complaint
Street Light	
	Unresolved repair - New Norfolk
Parks & Reserves	
	Maintenance of Queen Alexandra Gardens - New Norfolk
	Reinstatement after works on Esplanade - New Norfolk
Nature Strip	
	Uncompleted reinstatement works - New Norfolk
Footpaths	
	Unresolved footpath hazard - New Norfolk
	Condition of footpath - New Norfolk
Stormwater	
	Unresolved stormwater issues - New Norfolk (4) Unresolved stormwater issues - Lachlan Uncompleted reinstatement works - Molesworth Blocked culvert - Glen Fern Culvert drainage unresolved - Black Hills Lack of warning signs on Millers Road - Lachlan
Roads	
	Uncompleted reinstatement works - New Norfolk Condition of Collins Cap Road - Molesworth Condition of Cawthorns Lane - Rosegarland Condition of Glen Dhu Road - Molesworth Condition of Lower Swamp Road - Lachlan Overhanging trees and pothole in Glen Fern Road - Glen Fern Damage to letter box as a result of roadworks on Wyre Forest Road - Molesworth Site distance due to tree on Pioneer Avenue - New Norfolk

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Legislative Requirements

***Under the Local Government Act 1993
(No. 95 of 1993)***

Councillor Meeting Attendance for 2009/2010

Council holds its ordinary meetings of Council on the third Thursday of each month unless noted otherwise.

Meetings are held at the Court House, Circle Street, New Norfolk, commencing at 6.30pm. Some Council meetings include a Community Forum, which is held at

5.45pm followed by an ordinary meeting of Council at 6.30. These Community Forums are usually held at some of our remote areas for example at Maydena, Westerway, Granton etc.

The public is invited to attend any or all of the above meetings. Agendas are

available at the Council office on the Friday prior to the date of the meeting.

Copies of Agendas and Minutes are available in (pdf format) from Council's website at www.derwentvalley.tas.gov.au.

As defined by section 72 (1) (cc) of the *Local Government Act 1993*.

Total meetings held for the financial year including the Annual General Meeting 34

Councillor Bromfield	30		
Councillor Shaw	24	Councillor Bester (<i>Appointed November 2009</i>)	22
Councillor Lathey	34	Councillor Graham (<i>Appointed November 2009</i>)	22
Councillor Hill (<i>nee Molan</i>) (<i>Leave of absence</i>)	24	Councillor Nicholson (<i>Term end November 2009</i>)	10
Councillor Farrell	32	Councillor Parker (<i>Term end November 2009</i>)	10
Councillor Elliott	30		
Councillor Evans	32		

Senior Position Remuneration

Annual remuneration, as defined by section 72 (1) (cd) of the *Local Government Act 1993*, paid by Council to senior positions within Council.

Remuneration package range	Number of positions
\$60,000 – \$80,000	1
\$80,000 – \$100,000	1
\$100,000 – \$120,000	0
\$120,000 – \$140,000	1
\$140,000 – \$160,000	1

Allowances and Expenses

The following allowances, as defined by Section 72 (1) (cb) of the *Local Government Act 1993*, were paid to the Mayor, Deputy Mayor and Councillors in 2009/2010. This includes travelling, telephone rental and calls and care of any child of a Councillor.

Allowances \$121,737 **Expenses** \$2,205

Public Health Statement

As defined by section 72 (1) (ab) and (1A) (a, b, c, d) of the *Local Government Act 1993*.

Council's Public Health Services and Environmental Health Monitoring program is managed by the Environmental Services section of Council. Council is responsible for the growth and maintenance of good health in the community and is also required to perform inspections, monitoring and issue licences in compliance with the *Public Health Act 1997* and the *Food Act 2003*.

The Strategic Plan sets out the "Council's environmental health and environmental management" roles. It is

fundamentally a health promotion and environment protection plan.

Council employs one contracted Environmental Health Officer, two Administrative Officers and two Municipal Inspectors.

Any public health or food related issues have been investigated and appropriate measures taken to prevent a recurrence.

Council continues to hold regular immunisation sessions on the fourth Wednesday of each month at the New Norfolk Community Health Building. Immunisation clinics are held to vaccinate infants, school children and adult

Tetanus, Diphtheria, Poliomyelitis, Hib, Hepatitis B, Measles, Mumps and Rubella, Pneumococcal, Chickenpox, Human Papilloma Virus and Rotovirus. Clinics were also held for adult Swine Flue immunisations.

The Public Health Services section expended \$139,221 and generated an income of \$21,015. The delivery of public and environmental health activities also partially falls across other Council units.

Type of Premises	No	Inspection Numbers	Notices/comments
Public Health Act 1997			
Places of Assembly	17	17	No notices were served
Immunisations	1,407		Doses given (including schools and clinics)
Bathing water samples (swimming pools/spas)	12	12	The regular sampling and monitoring of all public swimming pools and spas was undertaken once a month to monitor the compliance of the water quality with acceptable microbiological water quality criteria. All facilities regularly met the acceptable criteria for water quality.
Food Act 2003			
Registered Food Business	79	79	No notices were served
Temporary Food Business	15	15	No notices were served
Food Vehicles	4	4	No notices were served

Contracts, Remuneration and Domestic Water

Contracts for the supply or provision of goods and services in excess of \$50,000 (excluding GST) entered into during the year ended 30 June 2010.

Contractor Name	Description of Contract	Value
Veolia	Waste Management / Recycling	\$398,000
MSD Construction	Crushing gravel / tip bund / gravel carting re-sheeting and Capital Works	\$286,000
Geotas	Armco Rail fencing	\$297,000
Roadways	Road asphaltting	\$ 57,000
Spectran Pty Ltd	Road works	\$621,000
Rockit	Road Resealing	\$191,000
Road Civil Contracting	Road reconstruction	\$223,000

Tenders

As defined by the *Local Government Act Regulation 23 (1)* Council is to report on contracts for the supply or provision of goods or services valued at or above \$100,000 excluding GST, or as considered by the Tender Review. Council had the following tenders equal to or above \$100,000 during the 2009/2010 Financial Year.

- Outdoor Stage Facility - Tynwald Park
- Poulters Road - Roadwork's
- Bridge Replacement at Molesworth and Glen Dhu
- Southview Crescent Roadwork's
- High Street - Roadworks
- Glenora Road - Roadworks
- Molesworth Road - Roadworks
- Hydehurst Road - Roadworks
- Memorial Hall - Upgrade

Donation of Land Statement

As defined by section 72 (da) of the *Local Government Act 1993*, Council is required to report on any land donated by Council during the year. Council advises that it has made no such donations.

Capital Works

A five year capital works program was reviewed as part of Council's budget process.
A capital allocation was made for the following:

Location	Cost	Performance
Bridges		
Glen Dhu Road	123,158	Completed
Sorell Creek, Molesworth	191,326	Completed
Footpaths		
Gravel Road Resheeting	65,233	Ongoing
Road Resealing		
Road Resealing - Sealed	227,569	Ongoing
Road Resealing - Unsealed	189,579	Ongoing
Collector Roads		
Glenora Road	160,000	Completed
Molesworth	162,752	Completed
Roads to Recovery		
Poulters Road	286,565	Completed
Solid Waste		
Landfill Site	144,815	Ongoing
Stormwater		
New Norfolk Mains	43,381	Ongoing
Town Centre		
High Street	620,000	Completed 10/2011

Community Grants

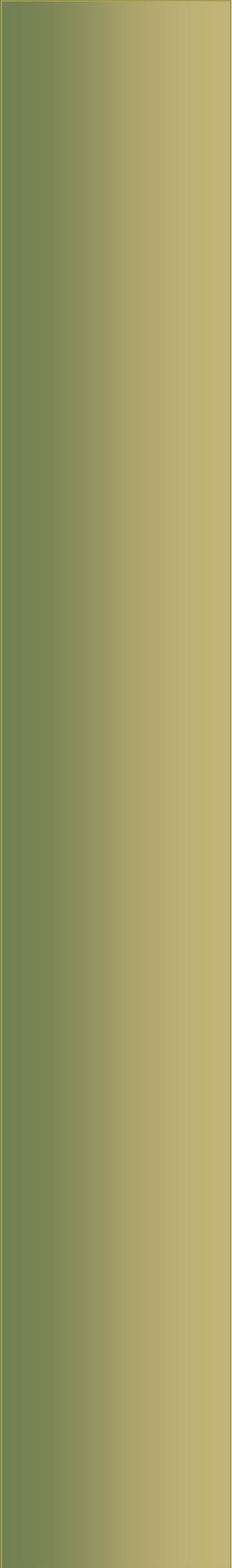
Council approved the following grants under its 2009/2010 Community Grants Program:

Organisation	Amount
Lions Club of New Norfolk - Clubroom house keeping	\$120
Lachlan Reserve Committee - Community Festival	\$500
Bushy Park Fire Brigade - Purchase of a Defibrillator	\$500
Upper Derwent United Hall Inc - Installation of a water tank/pump system and plumbing	\$2,000
Glenora Online Access Centre - Kitchen renovations	\$500
Magra Country Women's Association - Magra School House window restoration	\$2,500
New Norfolk Scout Group - Replacement of out dated camping equipment	\$480
Lachlan Community Hall Association Inc - Kitchen hatch shutters	\$310
Friends of Back River Cemetery - Annual maintenance of Back River Cemetery	\$1,000
Magra Fire Brigade - Reroof the Magra School House with Colorbond roofing	\$2,600
TOTAL	\$10,510

Community Donations

Council made the following donations and sponsorship to groups and individuals during 2009/2010:

Organisation	Amount
New Norfolk Licensed Anglers Association - Opening Weekend Trout Fishing Competition	\$ 50
Georgia Parry - National Cross Country Championships in Nowra	\$100
J Wakefield - New Norfolk Fire Brigade Juniors & Cadets State Competitions in Launceston	\$100
New Norfolk High School - New Norfolk Bicentenary Award	\$250
B Lee - Tasmanian Lawn Bowls Team in NSW	\$ 50
St Brigids Primary School - Bike-a-thon at Kensington Park	\$100
Glenora District High School - End of Year Presentations	\$ 50
The Salvation Army – Family Fun Day at the New Norfolk Swimming Pool	\$100
Casey Bell - Under 20's State Basketball Championships in Gawler, SA	\$100
E Blackwell - Athletics Junior Nationals, Sydney	\$100
Lions Club of Hobart - Circus Quirkus	\$100
Fairview Primary School - Grade 5/6 School Camp to Hagley	\$100
B Parker - Under 16's State Basketball in Logan, QLD	\$100
New Norfolk Licensed Anglers Association - Annual Trophy Night	\$100
D Hansen - National Gymnastics in Canberra	\$100
New Norfolk Licensed Anglers Association - Trophy Night	\$100
The Salvation Army - Winter Family Fun Night	\$ 30
TOTAL	\$1,630.00



Financial Report

DERWENT VALLEY COUNCIL
ANNUAL FINANCIAL REPORT
For the Year Ended 30 June, 2010

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INDEPENDENT AUDIT REPORT

To the Councillors of Derwent Valley Council

Financial Report for the Year Ended 30 June 2010

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 2010, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

The Responsibility of the General Manager for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Manager, as well as evaluating the overall presentation of the financial statements.

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

Auditor's Opinion

In my opinion the financial report of Derwent Valley Council:

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

TASMANIAN AUDIT OFFICE



H M Blake
AUDITOR-GENERAL
HOBART
16 November 2010

DERWENT VALLEY COUNCIL
COUNCIL STATEMENT
For the Year Ended 30 June, 2010

The financial report set out on pages 1 to 37 are a true and correct copy of the Annual Financial Statements of the Derwent Valley Council for the year ended 30 June, 2010.

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, 2010;
- 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, 2010;
- 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

12 November 2010

DERWENT VALLEY COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June, 2010

		BUDGET 2010	ACTUAL 2010	ACTUAL 2009
	Note	\$'000	\$'000	\$'000
REVENUE				
Rate Revenue		4,568	4,802	7,002
User Charges		1,023	1,096	1,058
Profit/ (Loss) on Sale of Assets	4	-	(39)	(27)
Interest Received		91	163	207
Share of Profit in Associate		125	-	90
Reimbursements		55	146	251
Capital Contributions - Public Space		-	6	1
Other		83	140	209
		5,945	6,314	8,791
Grants: Operating	8	723	811	731
TOTAL REVENUE		6,668	7,125	9,522
EXPENDITURE				
Employee Costs		3,157	2,920	2,874
Materials & Contractors		2,814	3,512	4,043
Depreciation	5	-	2,050	2,338
Bulk Water Purchases		-	-	870
Finance Costs		70	73	111
Plant & Vehicle Running		540	306	370
State Taxes		209	209	198
Other	6	338	351	326
TOTAL EXPENDITURE		7,128	9,421	11,130
SURPLUS/(DEFICIT) FOR THE YEAR BEFORE:		(460)	(2,296)	(1,608)
Grants: Capital	8	2,759	2,399	2,789
SURPLUS/(DEFICIT) FOR THE YEAR BEFORE:		2,299	103	1,181
Change in fair value: Investment in Southern/Hobart Water	28	-	(4,304)	138
Fair value revaluation of non-current assets		-	3,479	2,477
COMPREHENSIVE RESULT		2,299	(722)	3,796

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, 2010

	Note	ACTUAL 2010 \$'000	ACTUAL 2009 \$'000
ASSETS			
CURRENT ASSETS			
Cash Assets	7	2,188	3,137
Other	10	148	71
Receivables	11	669	528
TOTAL CURRENT ASSETS		<u>3,005</u>	<u>3,736</u>
NON-CURRENT ASSETS			
Investments	9	24,727	9,254
Receivables	11	18	15
Property, Plant, Equipment and Infrastructure	16	61,126	76,347
TOTAL NON-CURRENT ASSETS		<u>85,871</u>	<u>85,616</u>
TOTAL ASSETS		<u>88,876</u>	<u>89,352</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables	12	826	43
Interest Bearing Liabilities	13	89	107
Other	14	131	138
Provisions	15	1,399	1,413
TOTAL CURRENT LIABILITIES		<u>2,445</u>	<u>1,701</u>
NON-CURRENT LIABILITIES			
Interest Bearing Liabilities	13	1,473	1,952
Provisions	15	67	86
TOTAL NON-CURRENT LIABILITIES		<u>1,540</u>	<u>2,038</u>
TOTAL LIABILITIES		<u>3,985</u>	<u>3,739</u>
NET ASSETS		<u>84,891</u>	<u>85,613</u>
RATEPAYER EQUITY			
Accumulated Surplus		39,242	24,991
Reserves	17	45,649	60,622
TOTAL RATEPAYER EQUITY		<u>84,891</u>	<u>85,613</u>

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, 2010

	Accumulated Surplus/Deficit		Public Open Space Reserve		Asset Replacement Reserves		Asset Revaluation Reserves		Other Reserves		Total Equity	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Ratepayer Equity at beginning of Year	24,991	24,006	138	144	262	248	58,273	55,659	1,949	1,760	85,613	81,815
Revaluation Increments	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive result	(4,201)	1,319	-	-	-	-	3,479	2,477	-	-	(722)	3,796
Transfers to Reserves	(475)	(460)	6	1	395	61	-	138	74	260	-	-
Transfers from Hobart Water	5,182	-	-	-	-	-	(5,182)	-	-	-	-	-
Water/Sewerage	12,511	-	-	-	-	-	(12,511)	-	-	-	-	-
Land Transfer	395	-	-	-	-	-	(395)	-	-	-	-	-
Transfers from Reserves	837	126	(11)	(7)	(286)	(47)	(86)	-	(456)	(74)	-	-
Ratepayer Equity at end of Year	39,242	24,991	133	138	371	262	43,579	58,273	1,566	1,949	84,891	85,613

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

DERWENT VALLEY COUNCIL
STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2010

	Note	ACTUAL 2010 \$'000	ACTUAL 2009 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
- Rate Revenue		4,819	6,898
- User Charges		1,029	1,192
- Interest		143	319
- Dividends		-	541
- Other		118	899
- Reimbursements		160	276
- Capital Contributions - Public Open Space		6	1
		6,275	10,126
Payments			
- Employee Costs		2,852	2,693
- Materials & Contractors		2,927	5,901
- Bulk Water Purchases		-	870
- Interest		83	115
- Plant & Vehicle Running		306	370
- State Taxes		209	198
- Other		348	(94)
		6,725	10,053
NET CASH PROVIDED BY OPERATING ACTIVITIES	23 (b)	(450)	73
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant, Equipment and Infrastructure			
		(4,294)	(3,259)
Proceeds from Sale of Fixed Assets			
		150	167
(Increase) / Decrease in Investments			
		520	(400)
NET CASH (USED) IN INVESTING ACTIVITIES		(3,624)	(3,492)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Loans			
		500	500
Repayment of Borrowings			
		(65)	(377)
NET CASH (USED) IN FINANCING ACTIVITIES		435	123
CASH FLOWS FROM GOVERNMENT GRANTS		3,210	3,520
NET CASH PROVIDED BY GOVERNMENT GRANTS		3,210	3,520
NET INCREASE (DECREASE) IN CASH HELD		(429)	224
CASH AT THE BEGINNING OF THE YEAR		613	389
CASH AT THE END OF THE YEAR	23 (a)	184	613

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

1. THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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 general purpose financial report of the Derwent Valley Council (the Council) has been prepared in accordance with Australian Accounting Standards (AAS), Australian Interpretations, and the Local Government Act 1993 (as amended).

Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements.

(b) BASIS OF PREPARATION

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.

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

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

(b) BASIS OF PREPARATION (Continued)

Judgements made by management in the application of AAS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

(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 10). 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) LOAN FUNDS

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. 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 cost which represents fair value.

(g) EMPLOYEE ENTITLEMENTS

Employee entitlements are measured at the present value of the estimated future cash flows. In contrast, the sick leave provision is based on what the Council believes will be payable in the forthcoming 12 months. This figure was derived from a review of the sick leave history taken by employees over the previous three years. These accruals are calculated in accordance with accounting standard AASB119 "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.

DERWENT VALLEY COUNCIL
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
For the Year Ended 30 June 2010

(h) PROPERTY, PLANT, EQUIPMENT & INFRASTRUCTURE

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 2010 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. Council has adopted all applicable accounting standards and generally accepted accounting principals for the preparation of its general-purpose financial report for each financial year ending 30 June.
2. All material items were considered and an assessment made to determine if such items are assets.
3. 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.
4. Asset classes and sub-classes of the Council are specified in the asset matrix.
5. Asset classes are consolidated into the following broad categories of nature or type and disclosed in the Statement of Financial Position:

Land	Buildings
Bridges	Storm Water
Waste	Roads
Reserves	Plant and Equipment
6. 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.
7. 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, PLANT, EQUIPMENT & INFRASTRUCTURE (Continued)

8. Non-current assets are those that provide a benefit to the Council extending beyond twelve (12) months.
9. 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.
10. 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.
11. The cost method of accounting is used for the initial recording of 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 2005 with indexation figures utilised from 1 July 2009,

Buildings revaluations are based on the Valuer General's Assessments effective 1 July 2005 and indexed annually by the utilisation of Australian Bureau of Statistics, Producer Prices Indexes, Output of the General Construction Industry, Index Numbers and Percentage effective 30 June 2010,

Infrastructure assets, other than land, buildings and bridges were valued by Pitt and Sherry, an engineering firm during 2005/2006. Bridge valuations were undertaken by Aus Span during 2009/2010. All infrastructure assets, other than land, buildings and bridges 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 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. Council does not recognise land under roads that it controlled prior to that period in its financial statements.

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(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) 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.

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 recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For non-cash generating assets of 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 26.

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

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) INVESTMENTS IN WATER CORPORATION

Investments in water corporation are valued at fair value; at balance date. Fair value is determined by using the ownership percentage against the water corporation's net asset value at balance date. Any unrealised gains and losses on holdings at balance date are recognised in the Statement of Comprehensive Income.

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(s) NEW ACCOUNTING STANDARDS

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date:

Standard/ Interpretation	Summary	Operative date *	Impact on Local Govt. Financial Statements
AASB 2009-5 Further amendments to AAS arising from the Annual Improvements Project. [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments will relate to terminology and editorial changes.	1-Jan-10	Terminology and editorial changes. Impact minor.
AASB 2009-8 Amendments to AAS- Group Cash-settled Share based Payment Transactions. [AASB 2]	The amendments clarify the scope of AASB 2.	1-Jan-10	No impact. AASB 2 does not apply to Local Government; consequently this Standard does not apply.
AASB 2009-9 Amendments to AAS- Additional Exemptions for First-time Adopters [AAS 1]	Applies to entities adopting AAS for the first time, to ensure entities will not face undue cost or effort in the transition process in particular situations.	1-Jan-10	No impact. Relates only to first time adopters of AAS.
AASB 2009-10 Amendments to AAS- Classification of Rights Issues [AASB 132]	The Standard makes amendments to AASB 132, stating that rights issues must now be classed as equity rather than derivative liabilities.	1-Feb-10	No impact. Local Government do not issue rights, warrants and options. Consequently the amendment does not impact on the statements.
AASB 9 Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1-Jan-13	Detail of impact is still being assessed.

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(s) **NEW ACCOUNTING STANDARDS (Continued)**

Standard/ Interpretation	Summary	Operative date *	Impact on Local Govt. Financial Statements
AASB 2009-11 Amendments to AAS arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	1-Jan-13	Detail of impact is still being assessed.
AASB 2009-12 Amendments to AAS [AASBs 5, 8, 108 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This standard amends AASB 8 to require an entity to exercise judgment in assessing whether a government and entities know to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This standard also makes numerous editorial amendments to other AASs.	1-Jan-11	ASB 8 does not apply to Local Government therefore no impact is expected. Otherwise only editorial changes arising from amendments to other standards, no major impact. Impacts of editorial amendments are not expected to be significant.
AASB 2009-13 Amendments to AAS arising from Interpretation 19. [AASB 1]	Consequential amendment to AASB 1 arising from publication of Interpretation 19	1-Jul-10	Local Governments do not extinguish financial liabilities with equity instruments, therefore requirements of Interpretation 17 and related amendments have no impact
AASB 2009-14 Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	Amendment to Interpretation 14 arising from the issuance of Prepayments of a Minimum Funding Requirement	1-Jan-11	Expected to have no significant impact.
AAASB 1053 Application of Tiers of AAS	Establishes a differential reporting framework, which consists of two tiers of reporting requirements.	1-Jul-13	Expected to have no significant impact.

* Annual reporting periods beginning on or after

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3. FUNCTIONS OF THE COUNCIL

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

	REVENUE GRANTS	REVENUE OTHER	EXPENSES	SURPLUS (DEFICIT)	ASSETS
	\$'000	\$'000	\$'000	\$'000	\$'000
ACTUAL 30 JUNE 2010					
Council & Community Relations	-	201	201	-	-
Roads & Communications	1,160	464	2,275	(651)	39,186
Stormwater Drainage	180	406	406	180	31,986
Solid Waste Management	80	730	735	75	486
Natural & Cultural Resource Mgm.	-	577	566	11	218
Dynamic Local Economy	5	290	694	(399)	2,870
Community, Health & Other Serv.	810	356	1,104	62	904
Recreation, Leisure & Open Space	270	1,197	1,134	333	7,352
Management of Council Resources	704	2,093	2,305	492	2,851
Other not Attributed	-	-	-	-	3,023
TOTAL	3,210	6,314	9,420	103	88,876
ACTUAL 30 JUNE 2009					
Council & Community Relations	-	155	155	-	-
Roads & Communications	1,407	899	2,277	29	34,978
Water, Sewerage & Drainage	509	3,074	2,733	850	37,968
Solid Waste Management	103	644	746	1	385
Natural & Cultural Resource Mgm.	-	628	623	5	234
Dynamic Local Economy	13	322	548	(213)	2,726
Community, Health & Other Serv.	731	351	999	83	821
Recreation, Leisure & Open Space	218	922	1,056	84	6,329
Management of Council Resources	538	1,796	1,992	342	2,611
Other not Attributed	-	-	-	-	3,300
TOTAL	3,519	8,791	11,130	1,181	89,352

3. FUNCTIONS OF THE COUNCIL (Continued)

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

1 Council and Community Relations

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

2 Roads and Communications

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

3 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.

3. 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.

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	ACTUAL 2010	ACTUAL 2009
	\$'000	\$'000
4. PROFIT (LOSS) ON SALE OF ASSETS		
Proceeds from the disposal of Assets	150	167
less		
Written down value of Assets sold	(189)	(194)
PROFIT (LOSS) ON SALE OF ASSETS	(39)	(27)
5. DEPRECIATION		
Depreciation expenses for the year are as follows:		
Buildings	113	103
Sewerage	-	148
Water	-	220
Roads & Streets	1,268	1,213
Storm Water	97	96
Bridges	187	168
Reserves & Recreations	77	72
Waste	44	42
Plant & Equipment	264	276
	2,050	2,338
6. OTHER EXPENSES		
Other expenses for the year are as follows:-		
Auditor's remuneration		
- Audit services this year	20	16
Election expenses	28	4
Payments to elected members		
- Councillor allowances	122	112
- Other fees & allowances	7	4
Subscription Local Government Association Tax	31	30
General insurance	107	119
Community Grants and Donations	36	41
	351	326
7. CASH ASSETS		
CURRENT		
Cash on Hand	1	1
Cash at Bank		
- Trading Account	182	611
- Agency Payments Account	1	1
Commercial Bills	2,004	2,524
	2,188	3,137

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	ACTUAL 2010	ACTUAL 2009
	\$'000	\$'000
8. GRANTS		
OPERATING GRANTS		
Office of Children & Youth Affairs: National Youth Week	-	2
Department of Health and Human Services: HACC	118	116
Department of Education, Employment and Workplace Relations Child Care Services Support Program: Family Day Care	342	305
Department of Education, Employment and Workplace Relations Child Care Services Support Program: After School Care	55	45
Department of Education, Employment and Workplace Relations Child Care Services Support Program: Vacation Care	10	16
Department of Education, Employment and Workplace Relations Child Care Services Support Program: Long Day Care	243	247
Tasmanian Community Fund: LOOP Program	43	-
	811	731
CAPITAL GRANTS		
Department of Infrastructure, Transport, Regional Development and Local Government: Roads to Recovery Poulter's Road, High Street	336	57
Department of Infrastructure, Energy and Resources: Black Spot, Glenora Road, Molesworth Road	278	42
State Grants Commission: Financial Assistance Grants	1,546	1,953
Department of Infrastructure, Energy and Resources: Pothole Rep.	90	-
Department of Premier and Cabinet: Frascati (Willow Court)	5	-
Department of Sport and Recreation: Boyer Oval lighting	55	47
Department of Environment, Parks, Heritage and Arts: Memorial Hall renovations	-	171
Regional and Local Community Infrastructure: Various buildings	89	242
Department of Economic Development: Gym facility	-	13
Department of Premier and Cabinet: Maydena Main Street	-	251
Department of Economic Development: Tynwald Park Outdoor Gym	-	13
	2,399	2,789

At the end of 2009/2010 the following grants remained unspent: \$94,523 of the Regional and Local Infrastructure allocation for Memorial Hall upgrade and \$22,941 of the Department of Environment, Parks, Heritage and Arts grant for Memorial Hall renovations.

\$403,424 (\$252,415 Base, \$151,009 Road) in Financial Assistance Grants for 2010/2011 was received in advance in the 2009/2010 financial year.

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	ACTUAL 2010	ACTUAL 2009
	\$'000	\$'000
9. INVESTMENT IN SOUTHERN/HOBART WATER		
NON - CURRENT		
Hobart Water	-	9,254
Southern Water	24,727	-
	<u>24,727</u>	<u>-</u>
	24,727	9,254
10. OTHER ASSETS		
CURRENT		
Prepayments	104	71
Accrued Other Income	44	-
	<u>148</u>	<u>71</u>
	148	71
11. RECEIVABLES		
CURRENT		
Rate Receivables	477	497
	<u>477</u>	<u>497</u>
Sundry Debtors	81	22
Less: Provision for Doubtful Debts	(1)	(1)
Long Service Leave payable by other Councils	2	2
Other Debtors	110	8
	<u>192</u>	<u>31</u>
	669	528
NON - CURRENT		
Rate Receivables	18	15
	<u>18</u>	<u>15</u>
	18	15
12. PAYABLES		
CURRENT		
Trade Creditors	826	43
	<u>826</u>	<u>43</u>
	826	43

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	ACTUAL 2010	ACTUAL 2009
	\$'000	\$'000
13. INTEREST BEARING LIABILITIES		
CURRENT (SECURED)		
Tasmanian Public Finance Corporation (Tascorp)	89	107
	89	107
NON - CURRENT (SECURED)		
Tasmanian Public Finance Corporation (Tascorp)	1,473	1,952
Total Borrowings	1,562	2,059

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	305
	450	6.02%	08-Mar-06	08-Mar-21	08-Mar-21	366
	450	6.55%	22-Mar-07	22-Mar-22	22-Mar-22	391
	500	7.24%	04-May-10	04-May-20	04-May-25	500
	1,800					1,562

The Fair Value of the loan portfolio is \$1,625,705 (2008/09 \$2,060,767). This estimate is based on present value calculations applied to each loan using interest rates prevailing at balance date.

14. OTHER LIABILITIES

CURRENT

Accrued Electricity	9	14
Accrued Telephone	2	4
Accrued Payroll	76	70
Accrued Interest	22	32
Security Deposits and Bonds	21	16
Other	1	2
	131	138

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	ACTUAL 2010	ACTUAL 2009
	\$'000	\$'000
15. PROVISIONS AND ACCRUALS		
CURRENT		
Provisions		
- Annual Leave	591	589
- Long Service Leave	588	627
- Sick Leave	171	172
- Time in Lieu	49	25
	<u>1,399</u>	<u>1,413</u>
 NON - CURRENT		
Provisions		
- Long Service Leave	67	86
	<u>67</u>	<u>86</u>

Council's number of Full Time Equivalent Employees as at 30 June 2010 totaled 62. (2008/2009 - 60)

DERWENT VALLEY COUNCIL
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16 a. PROPERTY, PLANT, EQUIPMENT & INFRASTRUCTURE						
	Fair Value or Cost 10 \$'000	Accumulated Depreciation \$'000	Written Down Value 10 \$'000	Fair Value or Cost 09 \$'000	Accumulated Depreciation \$'000	Written Down Value 09 \$'000
Land						
- At Fair Value	5,003	-	5,003	5,195	-	5,195
Buildings						
- At Fair Value	5,538	418	5,120	5,126	286	4,840
Sewerage						
- At Fair Value	-	-	-	13,475	4,623	8,852
Water						
- At Fair Value	-	-	-	19,663	8,164	11,499
Roads						
- At Fair Value	59,812	27,013	32,799	56,102	26,391	29,711
Stormwater						
- At Fair Value	11,057	3,799	7,258	10,937	3,676	7,261
Bridges						
- At Fair Value	9,350	3,909	5,441	7,737	3,517	4,220
Reserves & Recreation						
- At Fair Value	4,385	295	4,090	3,658	206	3,452
Waste Management						
- At Cost	1,103	672	431	958	628	330
Light Vehicles						
- At Cost	474	92	382	461	88	373
Major Plant						
- At Cost	991	805	186	945	769	176
Minor Plant						
- At Cost	302	206	96	299	189	110
Trucks						
- At Cost	718	579	139	718	472	246
Office Furniture & Equipment						
- At Cost	722	541	181	604	522	82
	99,455	38,329	61,126	125,878	49,531	76,347

DERWENT VALLEY COUNCIL
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16 b. RECONCILIATION OF ASSET CLASSES

	2010	2009
	\$'000	\$'000
Land		
- Opening Carrying Amount	5,195	4,981
- Additions	172	106
- Disposals	(25)	-
- Transfer	(395)	-
- Asset Revaluation Increment / (Decrement)	56	108
Closing Written Down Amount	5,003	5,195
Buildings		
- Opening Carrying Amount	4,840	4,588
- Additions	99	151
- Asset Revaluation Increment / (Decrement)	313	204
- Depreciation	(132)	(103)
Closing Written Down Amount	5,120	4,840
Sewerage		
- Opening Carrying Amount	8,852	8,314
- Additions	-	443
- Transfer	(8,852)	-
- Asset Revaluation Increment / (Decrement)	-	243
- Depreciation	-	(148)
Closing Written Down Amount	-	8,852
Water		
- Opening Carrying Amount	11,499	11,085
- Additions	-	321
- Transfer	(11,499)	-
- Asset Revaluation Increment / (Decrement)	-	312
- Depreciation	-	(220)
Closing Written Down Amount	-	11,499
Roads		
- Opening Carrying Amount	29,711	28,306
- Additions	2,647	1,999
- Asset Revaluation Increment / (Decrement)	1,062	619
- Depreciation	(621)	(1,213)
Closing Written Down Amount	32,799	29,711

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16 b. RECONCILIATION OF ASSET CLASSES

	2010	2009
	\$'000	\$'000
Stormwater		
- Opening Carrying Amount	7,261	7,161
- Additions	43	-
- Asset Revaluation Increment / (Decrement)	77	196
- Depreciation	(123)	(96)
Closing Written Down Amount	<u>7,258</u>	<u>7,261</u>
Bridges		
- Opening Carrying Amount	4,220	4,431
- Additions	454	102
- Asset Revaluation Increment / (Decrement)	1,159	(145)
- Depreciation	(392)	(168)
Closing Written Down Amount	<u>5,441</u>	<u>4,220</u>
Reserves & Recreation		
- Opening Carrying Amount	3,452	3,354
- Additions	522	41
- Asset Revaluation Increment / (Decrement)	203	129
- Depreciation	(87)	(72)
Closing Written Down Amount	<u>4,090</u>	<u>3,452</u>
Waste Management		
- Opening Carrying Amount	330	316
- Additions	145	56
- Depreciation	(44)	(42)
Closing Written Down Amount	<u>431</u>	<u>330</u>
Plant		
- Opening Carrying Amount	905	1,074
- Additions	330	293
- Disposals	(265)	(194)
- Depreciation	(167)	(268)
Closing Written Down Amount	<u>803</u>	<u>905</u>
Office Furniture & Equipment		
- Opening Carrying Amount	83	23
- Additions	118	67
- Depreciation	(20)	(7)
Closing Written Down Amount	<u>181</u>	<u>83</u>
	<u>61,126</u>	<u>76,347</u>

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	Opening Balance		Transfers to Reserves		Asset Revaluation		Transfers from Reserves		Closing Balance	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Public Open Space Reserve	138	144	6	1	-	-	(11)	(7)	133	138
	138	144	6	1	-	-	(11)	(7)	133	138
Asset Replacement Reserves										
- Plant Replacement	81	127	145	79	-	-	(181)	(125)	45	81
- Cemetery Replacement	181	121	170	138	-	-	(105)	(78)	246	181
- NN Landfill Repatriation	-	-	80	-	-	-	-	-	80	-
	262	248	395	217	-	-	(286)	(203)	371	262

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	Opening Balance		Transfers to Reserves		Asset Revaluation		Transfers from Reserves		Closing Balance	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
17. RESERVES (Continued)										
Asset Revaluation Reserves										
- Investments										
- Hobart Water	5,182	4,632	-	-	(5,182)	550	-	-	-	5,182
- Southern Water	-	-	-	-	-	-	-	-	-	-
- Infrastructure										
- Land	2,814	2,600	-	-	(195)	214	-	-	2,619	2,814
- Buildings	1,970	1,767	-	-	294	203	-	-	2,264	1,970
- Sewerage	5,822	5,589	-	-	(5,822)	233	-	-	-	5,822
- Water	6,689	6,076	-	-	(6,689)	613	-	-	-	6,689
- Roads	25,265	24,646	-	-	1,708	619	-	-	26,973	25,265
- Storm Water	6,681	6,484	-	-	51	197	-	-	6,732	6,681
- Bridges	2,409	2,553	-	-	954	(144)	-	-	3,363	2,409
- Recreation	1,441	1,312	-	-	187	129	-	-	1,628	1,441
	58,273	55,659	-	-	(14,694)	2,614	-	-	43,579	58,273
Other Reserves										
- Autumn Festival	5	4	37	34	-	-	(30)	(33)	12	5
- Bicentennial 2008	5	14	15	5	-	-	-	(14)	20	5
- CBD Levy	14	1	36	35	-	-	(35)	(22)	15	14
- Children's Services	331	253	943	901	-	-	(930)	(823)	344	331
- Community & Bus. Directory	0	2	1	1	-	-	-	(3)	-	-
- Computer	205	263	128	63	-	-	(183)	(121)	150	205
- Derwent Valley Election	30	18	15	15	-	-	(28)	(3)	17	30
- Derwent Valley Revaluation	92	61	31	31	-	-	-	-	123	92
- HAC	8	2	122	120	-	-	(116)	(114)	14	8
- Historical Info. Centre	14	14	6	7	-	-	(8)	(7)	12	14
- Local Issues Support	10	10	-	-	-	-	-	-	10	10
- RDH Site Development	1,236	1,118	46	384	-	-	(433)	(266)	849	1,236
	1,949	1,760	1,380	1,596	-	-	(1,763)	(1,406)	1,566	1,949
Total Reserves	60,622	57,812	1,781	1,814	(14,694)	2,614	(2,060)	(1,616)	45,649	60,622

18. COMMITMENTS FOR CAPITAL EXPENDITURE

At the reporting date Council had entered into the following contracts for Capital Expenditure:

High Street Reconstruction, Spectran Pty Ltd \$200,000.

Tarrants Road Reconstruction, Downer EDi Works Pty Ltd \$16,000.

19. COMMITMENTS UNDER OPERATING LEASES

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

20. CONTINGENT LIABILITIES

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

Insurance Claims

Public Liability

The Council has identified 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 enact this project, Council will continue to retain these funds.

21. EVENTS OCCURRING AFTER BALANCE DATE

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

22. ACCOUNTING FOR FINANCIAL INSTRUMENTS

(a) Financial Risk Management and Risk Exposures

Risk Management policies and processes

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

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

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

The Council's Liability Insurer, Civic Mutual Plus, undertook a progress review audit in February 2009 and the Council achieved an overall score of 75%.

The report confirmed that the Council has continued to develop its risk management framework within the organisation and demonstrated that it has embedded risk management across the organisation as a whole.

Credit Risk

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

The carrying amount of financial assets recorded in the financial statements, net of any allowances for impairment losses, represents the Council's maximum exposure to credit risk without taking account of any collateral or other security.

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

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

Rate Debtors

Rates and charges are required to be paid in full by 28 August. Ratepayers may apply to the Council to pay rates and charges by installments, subject to approved terms and conditions. Should amounts remain unpaid outside of approved payment options, the Council will instigate collection proceedings.

There are no significant concentrations of credit risk within Council and financial instruments are spread amongst a number of financial institutions to minimise the risk of default of counter parties.

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22. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)

Impairment Losses

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

	30-Jun-10	30-Jun-09
	'000	'000
Trade Receivables		
Not past due	2	18
Past due 0-30 days	65	10
Past due 31-60 days	1	1
Past due 61days plus	13	2
Total trade receivables	<u>81</u>	<u>31</u>
Rates receivable	<u>495</u>	<u>512</u>
Total Receivables	<u>576</u>	<u>543</u>

A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired.

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

Liquidity Risk

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

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

- . Except with the approval of the Minister, a council may not borrow additional money for any purpose if the annual payments required to service the total borrowing's would exceed 30% of its revenue of the preceding financial year; and
- . Grants made to a council for specific purposes are to be excluded in calculating 30% of the revenue of the council.

The current annual payments of loans by Council equate to 0.59% of the revenue of the preceding financial year (2009: 1.67%).

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22. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)

Maturity Analysis for Financial Liabilities

The following tables detail the undiscounted cash flows payable by the council by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted and include estimated interest payments, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

	Less than 1 year '000	1-5 years '000	More than 5 years '000	Total contractual cash flows '000	Carrying amount '000
30-Jun-10					
Payables	747	-	-	747	-
Other liabilities	131	-	-	131	-
Financial liabilities	89	539	934	1,562	-
Total	967	539	934	2,440	2,440
30-Jun-09					
Payables	43	-	-	43	-
Other liabilities	138	-	-	138	-
Financial liabilities	107	645	1,308	2,060	-
Total	288	645	1,308	2,241	2,241

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

Market Risk

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

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

Cash and cash equivalents are subject to floating interest rates. Any variations in future cash flows from interest rate movements are expected to have an immaterial effect on the Council's revenue.

The majority of the Council's Interest bearing liabilities are at fixed rates so there is no exposure to interest rate risk. New loan funding, \$500,000 over 15 years, drawn down in May 2010 is subject to a interest rate review after 10 years.

Interest rate risk on deposits is managed by adopting practices that ensures:

- . Conformity with State and Federal regulations and standards,
- . Adequate safety,
- . Appropriate liquidity,
- . Monitoring of return on investment,
- . Staggering maturity dates to provide for interest rate variations,
- . Benchmarking of returns and comparisons with budget.

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22. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)

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

	30-Jun-10 '000	30-Jun-09 '000
Financial Assets		
Cash at bank and on hand	184	637
Investments	2,004	2,500
Total	2,188	3,137

Sensitivity Analysis of Council's Exposure to Possible Changes in Interest Rates

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The analysis assumes all other variables remain constant and was performed on the same basis for 2009.

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

	Profit or loss		Equity	
	30-Jun-10 '000	30-Jun-09 '000	30-Jun-10 '000	30-Jun-09 '000
+ 1% (100 basis points)	22	31	22	31
- 0.5% (50 basis points)	(11)	(16)	(11)	(16)

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

(b) Net Fair Values and Categories of Financial Assets and Liabilities

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

Fair Values	30-Jun-10		30-Jun-09	
	Carrying Amount '000	Fair Value '000	Carrying Amount '000	Fair Value '000
Financial Assets				
Cash and Cash Equivalents				
Cash	184	184	613	613
Investments	2,004	2,004	2,500	2,500
Water Corp. Holding	24,727	24,727	9,254	9,254
Receivables				
Rates and Charges	495	495	512	512
Other assets	192	192	31	31
	27,602	27,602	12,910	12,910

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22. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)

Financial Liabilities

Creditors

Mats. & Contractors	747	747	43	43
Other liabilities	131	131	138	138
Int. Bear. liabilities	1,562	1,626	2,059	2,061
	2,440	2,504	2,240	2,242
Net Financial Assets	25,162	25,098	10,670	10,668

Carrying amounts classified as:	30-Jun-10	30-Jun-09
Financial Assets		
Receivables	687	543
Water Corp. Holding	24,727	9,254
Cash and Investments	2,188	3,137
	27,602	12,934

Financial Liabilities

Financial Liabilities measured at
amortised cost

	2,504	2,240
	2,504	2,240
Net Financial Assets/Liabilities	25,098	10,694

The basis for determining fair values is disclosed in Note 2.

Fair Value Hierachy

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

	Level 1	Level 2	Level 3	Total
2010				
Available for sale financial assets	-	-	24,727,464	24,727,464
2009				
Available for sale financial assets	-	-	-	-

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

Reconciliation of Level 3 fair value movements

	Actual 2010	Actual 2009
Opening Balance	-	-
Investment on transfer of net assets	29,030,976	-
Gains (Losses) recognised in other comprehensive income:		
Change in fair value of investment in Southern Water	(4,303,512)	-
Closing Balance	24,727,464	-

DERWENT VALLEY COUNCIL
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23. STATEMENT OF CASH FLOWS

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

	2010	2009
	\$'000	\$'000
Cash at Bank and on hand	184	613
Total	184	613

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

Surplus for the year	104	1,182
Depreciation	2,050	2,338
Movements:-		
- Increase / (Decrease) in Employee Provisions	68	181
- (Increase) / Decrease in Accounts Receivable	(144)	279
- Increase / (Decrease) in Accrued Expenses	(8)	22
- (Increase) / Decrease in Accrued Income	(20)	112
- Increase / (Decrease) in Accounts Payable	704	(715)
- (Increase) / Decrease in Prepayments	(33)	157
- (Increase) / Decrease in Inventories	-	10
(Gain) / Loss on Sale of Fixed Assets	39	27
Revenue provided by Government Grants	(3,210)	(3,520)
NET CASH INFLOW/(OUTFLOW) PROVIDED BY OPERATING ACTIVITIES	(450)	73

24. FINANCING FACILITIES

At the reporting date a bank overdraft facility of \$300,000 (2008/09 \$300,000) and a business card facility of \$20,000 (2008/09 \$20,000) was available to the Council from its Bankers the Commonwealth Bank of Australia.

25. COUNCILLORS' INTERESTS

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

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

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

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26. SIGNIFICANT BUSINESS ACTIVITY

	Transport Infrastruct.
Revenue	
	\$
General Rates allocated	330,645
User Charges	35,114
Contributions	97,814
Government Grants identified	704,758
Government Grants allocated	455,228
Total Revenue	<u>1,623,559</u>
Expenditure	
Direct	
Employee Costs	227,478
Materials and Contracts	243,524
Interest	73,045
Street Lighting	126,285
	<u>670,332</u>
Indirect	
Supervision and Indirect Overhead	116,870
Total Expenditure	<u>787,202</u>
Capital costs	
Depreciation and Amortisation	1,597,119
Opportunity cost of capital	2,112,041
Opportunity cost of working capital	1,014
	<u>2,113,055</u>
Competitive neutrality adjustments	
Rates and Land Tax	15,128
Loan Guarantee fees	6,051
	<u>21,179</u>
Calculated Surplus/(Deficit)	(781,941)
Taxation Equivalent Rate	30.00%
Taxation Equivalent	(234,582)
Total Competitive Neutrality Costs	<u>(213,403)</u>

27. SUPERANNUATION DISCLOSURE

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 2008. The review disclosed that at that time the net market value of assets available for funding member benefits was \$84,786,241, the value of vested benefits was \$77,078,401, the surplus was \$7,707,840, and the value of total accrued benefits was \$81,398,000. These amounts relate to all members of the fund at the date of valuation and no asset or liability is recorded in the Quadrant Superannuation Scheme's financial statements for Council employees.

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

Net Investment Return	-17.0% p.a. for 2008/2009 and 7.0% p.a. thereafter
Salary Inflation	4.0% p.a.
Price Inflation	n/a

In the opinion of the Actuary, the Defined Benefit Fund was adequately funded in that assets were sufficient to cover the vested benefits of all members at the review date and the actuarial value of accrued past service benefits.

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

The next full triennial review will be undertaken after 30 October 2011 for 30 June 2011.

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.

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27. SUPERANNUATION DISCLOSURE (Continued)

During the reporting period the amount of contributions paid to defined benefits schemes was \$37,463 (2008-2009, \$35,550), and the amount paid to accumulation schemes was \$205,687 (2008-2009, \$204,070).

28. INVESTMENT IN SOUTHERN/HOBART 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.

Derwent Valley Council's ownership interest in the Hobart Regional Water Authority, trading as Hobart Water, was transferred to Southern Water from 1 July 2009.

The following assets and liabilities relating to water and sewerage were transferred to Southern Water. Council's opening ownership interest in the new corporation is represented by the net assets transferred.

Assets	\$'000
Current Assets	
Cash Assets	-
Other	-
Receivables	-
Total Current Assets	<u>-</u>
Non-Current Assets	
Investment - Hobart Water	(9,254)
Receivables	-
Property, Plant, Equipment and Infrastructure	(20,763)
Investment in new corporation	29,031
Total Non-Current Assets	<u>(986)</u>
Total Assets	<u>(986)</u>
Liabilities	
Current Liabilities	
Payables	-
Interest Bear. Liabilities	(42)
Other	(13)
Provisions	(41)
Total Current Liabilities	<u>(96)</u>

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28. INVESTMENT IN SOUTHERN (HOBART) WATER (Continued)

Non-Current Liabilities

Interest Bear. Liabilities	(890)
Provisions	-
Total Non-Current Liabilities	<u>(890)</u>

Total Liabilities	<u>(986)</u>
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Net Assets (Investment in new Corporation)	<u>-</u>
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At 30 June 2010, Council had an ownership interest of 2.7% (based on the 2009 Draft Treasurer's Returns Allocation Order) in Southern Water. At the time of preparation of this report the Treasurer was yet to finalise the Order. 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 2010 is \$24.727 million.

	2010
	\$'000
Balance 1 July	29,031
Change in fair value of investment	<u>(4,304)</u>
Balance 30 June	<u>24,727</u>