

# Derwent Valley Council

**Annual Report**

*2010/2011*



DERWENT VALLEY COUNCIL

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

## A message from the Mayor



Over the past year our valley has faced some major issues that could have an impact on the whole area and our way of life. Council has been very much on the front foot to tackle these issues head on.

The debate still continues over the water entities and whether they become one corporation or stay as three. There are also concerns around the cost to our rate payers with uncertainty of price structures into the future. Since Southern Water's inception council has lost around half a million dollars in dividends, tax equivalents and guarantee fees, this has had an impact on Council's funding.

School closures were raised this year. The high school part of Glenora District High School was listed as one of those to close. Our community and Council worked together to show us all how important our rural communities are, and at the time of writing the fight is continuing to save Glenora.

Another challenge facing our community is the changes to forestry that could be caused by the Tasmanian Forests Intergovernmental Agreement (IGA). Council is working through the process to gather as much information as possible about how it will affect our whole valley, including how families and individuals will be affected and the social and economic impacts of changes to the industry. As part of the IGA there may be funding and resources available to the community, Council is pursuing information on how these will be distributed through the agreement. Talks about Council amalgamations are being had at all levels of government and throughout most communities state wide. Council has not yet made a decision on amalgamations, and will be looking to our community for input on

this issue so we can make an informed decision on what is best for our community.

Now on a positive note!

### **Willow Court**

Over the past twelve months Council has been working with the Willow Court and Barracks Working Group on the recommendations from the Malcolm McDonald report. Some 50 recommendations have been received from the report which will help set new directions for the Willow Court precinct. Council has been in discussions with the Minister for Heritage and staff from Heritage Tasmania on an Memorandum of Understanding MOU to help create a way forward for this historic site.

### **Youth and Education**

Now known as the Carinya Education Park (CEP) the site was an opportunity seen by Council to help fill a need for youth and education facilities in the area. Council's ultimate goal is to gain funding for a Trade Training Centre or similar in the future, and it is envisaged that the CEP will become part of a broader education and training precinct.

The CEP is now where our youth participation officer is located which has a better linkage with the High School students. LOOP, D'FAT, Mission Australia, Colony 47, Beacon Foundation, Forest Works and more have now located to the CEP. We look forward to more development into the future at this site. I would like to congratulate our Youth Participation Officer and DFAT on the excellent job of tidying up the site.

### **Child and Family Centre (CFC)**

The CFC will be up and going in early 2012. This project is a boost to families in the area and will give support and mentoring for our parents and their children 0-5 years. A wise man once said if we know what our children look like at five years old we will have a

better idea when they're 10, 15 and adults. I personally think this is true and our community will benefit from this initiative.

### **McDonalds Restaurant**

This development was passed by Council and at the time of writing was soon to be completed. This is eagerly awaited by our young employment seekers. Credit must go to the owners who liaised with our students to help them gain employment. The owners have stated that 75 jobs will be created which is a plus for our school leavers and unemployed.

### **Health and Aged Care**

During the past year discussions have been entered into with Minister for Health for the reinstatement of the X-Ray service in the Derwent Valley and increased usage of our hospital. It gives great pleasure to say that on both these issues we have achieved outstanding results we have a commitment from the Minister that X-Ray will be reinstated in January 2012. The New Norfolk District Hospital that once had an occupancy of 40% has now increased to around 85% through the hard work of staff at the hospital. It is hoped that this change will help to secure the future of the hospital in New Norfolk.

### **Roads and Transport**

Council's commitment to upgrade Burnett Street is nearly complete and it will marry in nicely with the recently upgraded High Street. Council has spent some time looking into new ways to achieve better outcomes for our roads, One such initiative is the trialing of a product called dust mat; which at the time of writing is being used on Collins Cap Road, we will be looking forward to the results of this trial.

By working with the bus company O'Driscolls Coaches over the past year we now have a twelve month trial for our bus service link twice a week to Maydena, Westerway, Bushy Park and Ouse. The service to Magra, Black Hills and Lachlan has also been extended to a twice daily service.

There are many other exciting things happen in in our valley, for example a joint application by Community House and Friends of Frescati Gardens committee has led to an offer of a grant for over \$500 000 for the Dirt to Plate to Job project. .

It also is pleasing to see the work being done at Frescati by this committee and the continual increase of volunteers to the committee.

Tourism operators throughout the valley have been working together on plans to making our valley the number one destination to visit and stay.

Rivers Run has been through a number of changes, with a new President and a reinvigorated committee leading the way. The group is now growing and is hoping to attract new members and ideas in the coming year. . Council will continue to work with all tourism providers and groups in the area to build the Derwent Valley as a strong and vibrant tourism destination.

None of these projects would come to fruition now or in the future without the support of my fellow Councillors our highly skilled indoor and outdoor staff, but most of all you, the valued members of the community who volunteer your time to make our valley the best place in the state.



Martyn Evans  
**MAYOR**

# A message from the General Manager



## **Willow Court and Barracks**

Since my last report Council has received the consultant Mr Malcolm McDonald's report; "Willow Court and Barracks Precinct Business Plan and Development Plan". The report has made some fifty recommendations

which have been discussed with the Willow Court and Barracks Working Group and Special Committee.

In consultation with this committee Council formulated a draft Memorandum of Understanding which has been forwarded to the State Government for consideration.

## **Bridgewater Bridge**

Further discussions have been held with DIER in regard to the height of the proposed new Bridgewater Bridge, there has also been a further value management study into the proposed bridge. The outcome of these discussions is that the proposed bridge will consist of two lanes, with the current bridge being retained. The height of the new bridge will be consistent with the Bowen Bridge and will be a navigable height to allow river traffic to flow under.

## **Spatial Planning Committee**

Council has recognised that over time the priorities listed in the 2006 Spatial Plan may have changed. In order to seek public opinion on this a new Spatial Planning Committee was created, with members drawn from various community groups and individuals. The Spatial Planning Committee has met several times to review the original Implementation Plan contained in the Spatial Plan, this lists a number of actions and suggestions and prioritises them. As a result of these meetings the Spatial Planning Committee has put its suggestions to the public for consultation and comment. At the time of writing the public comment stage was still open, following this the Spatial Planning Committee will review the public's suggestions and make its recommendations to Council.

## **Strategic Plan**

Council this year updated its Strategic Plan to help guide its decision making process into the future. In line with current practice the community was asked via a consultation process for input, disappointingly there was little community input. A number of Councillors worked very hard and made valuable contributions to shaping the final document, I would like to thank all those involved for their input into this important document.

## **Review of the Dog Management Policy**

As of the beginning of July it has become mandatory to have dogs not only registered with Council, but also micro-chipped. This change came about as the result of a State Government decision, and initially caused some concern in the community. Council was able to organise a micro-chipping day where residents and others could have their dog micro-chipped at cost price, this proved to be a very successful day, with a number of owners also choosing to register their dog on the day. This year Council has also implemented a new Dog Management Policy which was adopted by Council on the 14<sup>th</sup> July 2011. The aim of this policy is to "ensure a quality of life for dog owners, non dog owners and the animals themselves", and the policy is intended to provide a framework to help create a harmonious existence between these groups. Information on dog ownership, its rights and responsibilities is available from the Council offices at any time.

## **Road Hierarchy**

Council has over 300km of roads in the municipality that fall under its jurisdiction, and as such has recognised the importance of ranking them to help manage the maintenance and works ensuring that they are done in a timely and organised manner. This year a Road Hierarchy was introduced to help plan the management of the road network. Each road is classified into the hierarchy based on traffic flow and road function; that is what is the road mainly used for – an arterial road with over 1500 vehicle movements per day will be of higher priority than a local road with only 35 movements day. The Road Hierarchy helps to dictate when and how often inspections and basic maintenance takes place, but major emergency works to any road, for example in the case of severe flooding, will take place as soon as possible. The Road Hierarchy Policy was advertised for public comment and has been endorsed by Councillors at a recent Council Meeting.

I would like to express my thanks to staff for their support and commitment over the past twelve months, without their hard work and the work of Councillors much of what we have achieved would not have been possible.

Stephen Mackey  
**GENERAL MANAGER**

# A snapshot of the Derwent Valley

The Derwent Valley municipality starts at Granton on the southern side of the Derwent River and Dromedary on the northern side, and stretches down the picturesque Derwent River through the historic town of New Norfolk and up into the South West World Heritage area. A relaxing 30 minute drive from Hobart will take you into New Norfolk, from where you can explore the rest of the valley and the townships of Lachlan, Molesworth, Bushy Park, Glenora, Westerway and Maydena before making your way to the stunning Lake Pedder and awe inspiring Gordon River Dam.

First settled by Europeans in 1807 it was the potential of fertile farm land and the reliable water sources that attracted settlers. With the majestic Derwent River as a centre piece the surrounding land is well suited to a variety of farming and agricultural activities. In recent years the Derwent Valley has also become known as a tourist route with an increasing number of tourists choosing to base themselves here while staying in the vicinity. The Tyenna River, one of the nine tributaries of the Derwent is renowned amongst trout fishers as having one of the highest concentrations of trout in Australia.

The region covers 4,111 square kilometers and boasts some of Tasmania's most spectacular wilderness areas including the iconic Mt Field National Park, one of the few areas in Tasmania where the endemic Deciduous Beech (*Notofagus gunnii*) is easily accessible. The park also incorporates the spectacular Russell Falls and an amazing variety of plant, bird and animal life. Further up the valley are 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 as housing projects mature and commuters leave the hustle and bustle of suburban life for the more relaxing pace of the Derwent Valley.

New Norfolk 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.

As Tasmanian winner of Tidy Towns Award for 2010 New Norfolk is rightly proud of its reputation for pride in the area.

## A Celebration of Seasons

The Derwent Valley is proud of its fresh air and clean water. Seasonal changes are marked, summer is warm to hot and dry, winter is cold and frosty with snow on the mountains and crisp clear days, Spring is warm and as the days extend we can see the trees starting to burst into bud to welcome the oncoming summer 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, with photographers and day trippers coming from across the State to view the spectral.

Family Focused with something for everyone 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 that is been designed and maintained by the Council operated youth organisation, D'FAT and 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! All this is complimented by ready access to the river with fishing and water sports being popular amongst all age groups.

There will soon be a Child and Family Centre operational in the area, with a focus on services for parents and children in the 0-5 year age group.

## Our Investment in the Future – Education

There are six Primary Schools with associated kindergartens and playgroups, a High School at New Norfolk and a District High School at Glenora, 15 minutes west of New Norfolk. The connections between schools, community and other stake holders are strong, with interactions between the schools and the community being one of the important focuses of the area. In recognition of the need for more services to be available and to assist in extending the educational options and information available to young people, the Derwent Valley Council recently took over operations of what is now known as the Carinya Education Park, a precinct set to become a hub for youth, employment and education service providers in the area. This is already being well utilised through the local High School with gardening, self development and mentoring activities taking place on a daily basis in the precinct.

## Heritage

The area is dotted with heritage homesteads, churches, farms, magnificent Oast houses once used for hop production and many other significant buildings; all with fascinating stories to tell. New Norfolk is a destination for antique collectors with numerous antique and curio shops it is fast becoming known as the home of antiques in Tasmania. There is something for everyone, from the collector of curios and retro through to the more serious antique collector. It is home to Australia's oldest continuously licensed hotel, the 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, now an arboretum, with walks, trout museum and wonderful pancake focused coffee shop.

## **Our Lives – Community Connections, Industry and Recreation**

The Derwent Valley is a strong, tight knit community, with over 100 sporting, volunteer and community organisations in the area, there is something for every interest and always someone to lend a hand when times are hard. As a community we pull together and help each other out when needed.

Many of our communities are traditional 'timber towns' but with changes in traditional forestry practices and newsprint manufacturing this is starting to change. However there is still a strong connection between forestry industry, through Norske Skog and other employers, who have a strong commitment to the area. We are seeing a growing number of people become involved in 'niche' agriculture, from small fruit and stone fruit growing through to boutique wine production, olives, elderberry and flower products, and micro brewing. Cottage industries are making a comeback in the area as new people make this wonderful valley their home and look at innovative ways of making a living from our fertile area. These new opportunities work hand in hand with our more traditional aquaculture and agriculture businesses. A reinvigorated tourism industry is starting to make its mark in the area, with parts of the world famous movie "The Hunter" being shot in our rugged wilderness. This is set to grow into the future as more people come to recognise the Derwent Valley's beauty and natural attractions making it a draw card for the growing ecotourism sector and those wanting to leave the hustle and bustle of the city behind them. With these new ideas come new opportunities for employment and industry diversification; something the Derwent Valley is embracing.

Although many new opportunities are presenting themselves, we must not forget that our community has been built over the years by a stable workforce of hardworking and proud people, and that these people are still the backbone of our community. Our community offers something for everyone, with a strong sporting culture, 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.

The Derwent Valley is home to many community and service clubs, from the Lions Club and the CWA, through to the many hall and community associations. There is a garden club that holds a very well regarded annual show and meets on a regular basis, holding working bees in members gardens at times. There are photography, rowing

and historical organisations, a volunteer run visitor information centre, dog agility and croquet. There are volunteer fire brigades, Neighborhood Watch, SES and Bushwatch groups all active in the community as well as local Landcare and Friends of Mt Field groups. The Derwent Valley is the home of the world recognised Derwent Valley Concert Band, who travel extensively competing and performing internationally, including at the royal wedding in Denmark in 2004. We have a thriving regional arts group and People now move to the Derwent Valley to create; writers, poets, artists and musicians see the community as open and accepting. With this variety of organisations there is something for every interest.

The annual Forestry Tasmania Derwent Valley Autumn Festival continues to grow and goes from strength to strength. The festival attracts over 15,000 people, and provides a full day's free entertainment.

We have a vibrant and welcoming Community House, providing support and information for everyone in the community through varied programs and services. Community House also runs a monthly market, what a great way to get to know the locals, drop in for a coffee and a chat and see what they are up to.

New Norfolk offers shopping the way it 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 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, chemists, optometrist and an award winning designed aged care facility.

We are one of the fastest growing municipalities in Tasmania, but can still provide a variety of housing options, from affordable housing through to house and land packages. There is a choice of town living, or for those wanting something different there are many small hamlets and bush acreages to choose from. Residential property investment has been strong in the valley since the early nineties and continues to grow, and there is a strong demand for rental accommodation

For further information on the Derwent Valley call Derwent Valley Council on 6261 8500 and our friendly staff will be happy to assist you.

# **Council's Performance**





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## Strategic Plan 2011 - 2015

### Our Plan

- To work with the community to build upon their plans, ideas and imagination and help, where possible, to bring these ideas to life.
- To be a place that is safe and physically, culturally and socially healthy with economic wellbeing in partnership with others.
- To continue managing the municipality in the best interests of our residents and encouraging their participation in the decisions that affect their lives.

### Our Direction

- These three elements will guide our actions:
- Ensuring the inclusion of all individuals within community settings and activities
- Providing services that reflect tolerance, fairness and equity
- Committing to openness, communication and collaborative relationships.

### Guiding Principles

- We respect the individual, whilst valuing differences and diversity
- We are committed to openness, communication, participation and building relationships to gain unity and find common ground on issues
- We value tolerance, fairness and equity for all sections of the community

The key objectives for Council for the next four years are:

### Infrastructure and Service Objectives

- IS1 To maintain the standard of the municipality's infrastructure assets.
- IS2 To maintain high standards in the provision of all Council services in line with community needs, Council's policies and regulatory requirements.
- IS3 To maintain community services.
- IS4 To improve transport and access in the municipality.
- IS5 To develop partnerships relevant stakeholders on the development, management and maintenance of services in the municipality.
- IS6 To develop partnerships with business in the area and particularly in High Street and its immediate surrounds with a view to reinvigorating the business district.
- IS7 To develop a means of relaying information from Council to the residents of the municipality

### Social Objectives

- S1 To make our people feel worthwhile by building greater self-reliance and self worth in our community.
- S2 To recognise the worth of all people, regardless of age, gender and race in providing opportunities to be part of a vibrant community.
- S3 To encourage the development of local sporting, cultural and artistic activities.

### Economic Objectives

- Ec1 To encourage and facilitate greater opportunities for business development and tourism and work toward a strategic plan for tourism and business development in the area.
- Ec2 To support the retention and expansion of regional services.
- Ec3 To develop partnerships with State Government, industry and regional bodies to promote economic and employment development.

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## **Environmental Objectives**

- En1 To manage and, where required, protect the municipality's natural environment and resources.
- En2 To have a catchment management plan for the municipality.
- En3 To review the municipality's Planning Scheme.
- En4 To support and encourage landcare-type activities.
- En5 To develop best practice waste management activities.

## **Financial Objectives**

- F1 To improve the affordability of Council's rating and charging structure.
- F2 To effectively manage Council's debt.
- F3 To increase income from non-traditional sources, including greater utilisation of Council's plant and resources.
- F4 To improve community understanding of Council's financial management and finances.
- F5 To increase the level of grant income.



## Community Services

### Children's Services

Council's Children's Services offers parents a choice of centre based care, family daycare, before and after school and vacation care. All services are licensed and accredited.

The centre caters for children aged six weeks to five years. There are also 17 family daycarers registered in the Derwent Valley Municipality and as far as Glenora and Austins Ferry.

The centre provides morning tea, lunch, afternoon tea, and a late snack. Children with allergies and special diets are also catered for. The centre is open from 7am to 6pm. A quality program based on children's interests are provided under the new Early Years Learning Framework. The centre and family daycare can cater for children who have parents on a roster system.

We transport children to and from school and also collect children from Blair Street Kindergarten for working parents.

### 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 and Regional 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. To this end, this year Council has employed a Regional Development Officer to work with community, business and other stake holders in an endeavour to further the interests of the entire Derwent Valley region.

### 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, an adult respite centre. It has had another busy year with clients attending the centre reside in all parts of the municipality. Funded through Home and Community Program, the centre is open for four days per week Monday -Thursday. Clients can enjoy all types of activities and outings including counter lunches, visits to museums, gardens and tourist attractions.

Glen Grey House facilitates two programs. One is in-house with outings and the other program is outings only, which occur every two weeks on a Friday. Glen Grey House cares for frail, aged people, teenage people with disabilities and their carers.

## 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)

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
- 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

Some highlights of 2011, include Council receiving a National Tidy Towns award (Young Legends category) for the refurbishment works undertaken by D'FAT at a community recreational reserve (Ellis Dean Reserve).

D'FAT additionally presented a workshop at the 2011 Tasmanian Youth Conference (TYC) regarding this initiative.

**YET** (Youth Employment and training) is an annual free youth employment and training expo facilitated by Council in-partnership with Derwent Valley Community House to raise the



awareness of local youth employment and training opportunities. Various local employers, employment agencies and training organisations are invited to attend these expos to promote their services.

Employers, employment agencies and training organisations additionally conduct mini-workshops on various employment and training topics at these expos.

The general public and Grade 9/10 students from New Norfolk High School and Glenora District High School attend these expos.

**Healthy and Luvin' it** is an annual free youth information expo facilitated by Council in partnership with the Derwent Valley Community House to raise the awareness of youth service providers. Various youth service providers that are based or outreach to the Derwent Valley are invited to attend these expos to promote their services. This event is attended by Grade 9/10 students from New Norfolk High School and Glenora District High School.

**RAFT (Real Action.....Forward Thinking)** project committee is an over-arching body to assist with co-ordinated delivery of youth programs. RAFT was initiated by Council in 2005. Some highlights of 2011, include Council obtaining a lease of the old Business Enterprise Centre (BEC) for the RAFT project to deliver an alternative education and training venue for youth. It is envisaged that RAFT will work in-conjunction with schools and non-government organisations (NGOs) to provide opportunities for young people that find it difficult to partake in the traditional educational system.

Council additionally provides support to other youth initiatives such as New Norfolk Inter-agency Support Team, Energizer Life Church Youth Centre, and the Bridgewater PCYC 11-16 year old school holiday programs.

## 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

The State Government explains partnership agreements as aiming to ‘find better ways of serving Tasmanian Communities by intergovernmental collaboration. Partnership agreements are part of the State Government’s broader agenda of developing partnerships with the community to find new opportunities for economic and social development.’

With this in mind, Derwent Valley Council has entered discussions around a new partnership agreement between Council and the State Government. Discussions are progressing on a number of issues as outlined below.

### Development of the Plenty Valley Link Road

The Plenty Valley Link Road links the municipalities of the Derwent and Huon Valleys, via Judbury in the Huon Valley and Plenty in the Derwent Valley. The road was originally muted as a main thoroughfare, but was never developed to its full potential and has been utilised as a road primarily for log truck movements. The road is useable and open to the public, however is not clearly marked on maps and as it is a gravel road hire cars are advised not to use it.

Over a number of years, there have been informal discussions between Huon and Derwent Valley Councils around the upgrade of the road to make it more useable for the general public. If the road was upgraded it would create tourism and job opportunities in both municipalities and create long term linkages between the two valleys. The long term benefits of this would include removing heavy vehicle traffic from more widely used roads and the centre of Hobart. Currently all heavy vehicles travelling out of the Huon area must travel through Hobart; this includes Salmon transport vehicles moving between the West Coast, Derwent Valley and Huon Valley, fruit cartage vehicles and all other heavy vehicle movements between the areas south of Hobart and the West Coast and Derwent Valley. It would also allow for the development of many stronger links between the two valleys that already have a strong synergy.

The development would provide an alternative route for tourists, creating a loop for tourists who did not wish to visit Hobart and allowing easier access to the Derwent and Huon Valleys as well as the West Coast.

Both the Derwent and Huon valleys have thriving small and other fruits industries, and despite their geographical closeness have distinctly different seasons, with approximately two months difference in the ripening time of fruit. Currently there are small itinerant workforces employed in both valleys, however the distance and time required travelling between the two areas prohibits this workforce from expanding. A link between the two areas would allow the two forces to combine and work together to create a trail which would be beneficial to both areas.

With current driving conditions, the link between the two valleys cuts the driving time in half (approximately 35 minutes as opposed to up to just over an hour via Hobart), development of the link would mean significantly less driving time for those who used the road on a regular basis. Anecdotal information suggests that Forestry Tasmania would utilise the Link Road if it was upgraded, as would other regular road users.

### Non-rateable Government Enterprises and Businesses

There are currently a number of government businesses and government enterprises that occupy land and use the services provided to ratepayers by Derwent Valley Council. These businesses are exempt from paying general rates under section 87(1) of the Local Government Act 1993. The Derwent Valley Council is posing the question as to whether this is fair and equitable, and is seeking to have this changed. If these businesses were to pay rates as other land users do in the Derwent Valley it would add a significant amount to Council’s working capital and allow for the funding of many more projects of benefit to the community.



### **Sustainable Energy Options for Council**

For some time the Derwent Valley Council has been aware of the potential for the creation of renewable energy through a number of sources in the area; including methane capture from the rubbish tip and a nearby farm, along with wind generation and possible hydro power (through access to river frontage on private properties, this would not interfere with water flows required by Hydro Tas.)

Council is aware that many residents are on low and fixed incomes and do not have the means to combat rising living costs, including the need to increase rates to cover the improvement to essential services in the area. It is the intent of Council to investigate the feasibility of creating alternative energy sources with a twofold purpose:

- Initially Council Chambers and other council buildings could be powered through alternative energy sources, thereby creating a long term saving for Council and negating the need for some rate increases.
- In the long term it is envisaged that some of our communities could be totally powered through renewable energy, or alternatively that enough renewable energy could be produced across the municipality to allow for it to be sold back into the power grid, thus reducing the overall costs of power to the entire municipality.

### **Trades Training Centre**

The Derwent Valley does not currently have any permanent post compulsory schooling facilities. With the growth of niche agriculture in the valley, viticulture, and aquaculture, Council feels that a Trades Training Centre that would complement the existing ones at Brighton and Claremont should be investigated. The Tasmanian Forestry Intergovernmental Agreement will see vast changes in employment options for the people of the area, and we are ideally placed as a central point to many timber communities to be able to offer training for long term, sustainable alternative employment for those affected as well as young people leaving school.

### **Willow Court Precinct**

Council is currently negotiating a Memorandum of Understanding (MOU) with the State Government that would see a partnership formed between the two bodies with a view to developing Willow Court to its full potential as a historic and tourist attraction.

### **Medical Facilities**

With budget cuts taking place in the health sector, the New Norfolk hospital is ideally placed as an alternative venue for patients who require hospitalisation, but do not have high care needs. This development would have a twofold purpose; it would ease the pressures on the Royal Hobart Hospital and would also help to secure the future of the New Norfolk hospital at a time when all medical facilities are under review.

### **Tynwald Park**

Tynwald Park is recognised across the State for its beauty and the innovative design of its children's play ground. Council would like to see the potential of this park further developed, in conjunction with the Special Committee of Council, the Tynwald Park Development Committee. There is potential to link the park, through a series of upgraded walking tracks, to the highlights of New Norfolk. An easily accessible track that runs from the boat ramp, around and past Tynwald, and through to the Esplanade with connections to Willow Court, the swimming pool, and the town centre could become a major attraction. There is also room in these ideas for wetlands interpretation and historical information to be displayed along the way, linking our current town with its heritage and helping to create a strong future.



## 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](http://www.derwentvalley.tas.gov.au)

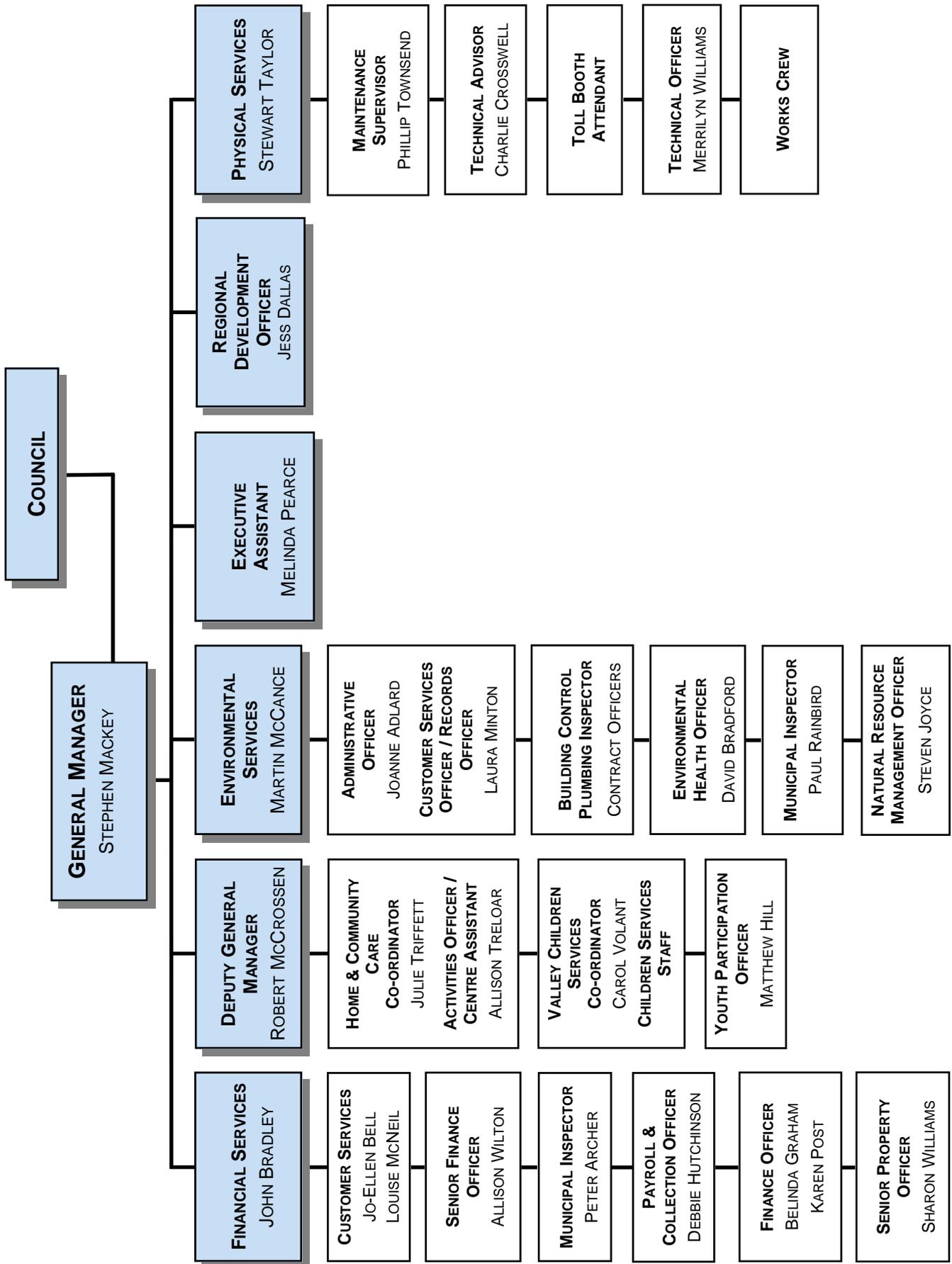


## Committees of Council

<b>Special Committees of Council</b>	
Boyer Oval Management Committee	Cr Lathey, Cr Hill
Historical Information Centre	Cr Hill, Cr Elliott
Gleeson Park Special Committee	Cr Graham
Derwent Valley Youth Future Action Team (D'FAT)	Cr Lathey, Cr Evans
Bushy Park Swimming Pool	Cr Bester
Derwent Valley Sport and Recreation Committee	Cr Hill, 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, Cr Evans
Environmental Management Committee	Cr Bester, Cr Evans
New Norfolk Business Alliance	Cr Bester, Cr Farrell
Willow Court & Barracks Working Group Special Committee	Cr Lathey
Friends of Frascati Community Gardens	Cr Bromfield
Tynwald Park Development Committee	Cr Bromfield, Cr Shaw
<b>Joint Authorities</b>	
Southern Water Authority	Cr Evans, Cr Farrell
Southern Waste Strategy Authority	Cr Elliott, Cr Evans
Southern Tasmanian Council Authority	Cr Evans, Cr Farrell
<b>Other</b>	
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
Spatial Planning Committee	Cr Graham, Cr Shaw, Cr Lathey



# 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 2010/2011 -	Nature of Complaint
<b>Animals</b>	Noisy Dogs - New Norfolk
<b>Trees</b>	Trimming of trees - New Norfolk Damage to trees - Magra
<b>Driveway</b>	Cars scraping following roadworks - New Norfolk (5)
<b>Fire Hazard</b>	Fire Hazards - New Norfolk (2)
<b>Stormwater</b>	Blocked culvert - Glen Fern Water runoff - New Norfolk
<b>Roads</b>	Uncompleted reinstatement works - Granton Condition of Mt Charles Road - Lachlan Cleaning of Charles Street - New Norfolk
<b>Council Administration</b>	Rural addressing - Glen Dhu Road Reply to correspondence - (5) Animal Renewal Notice

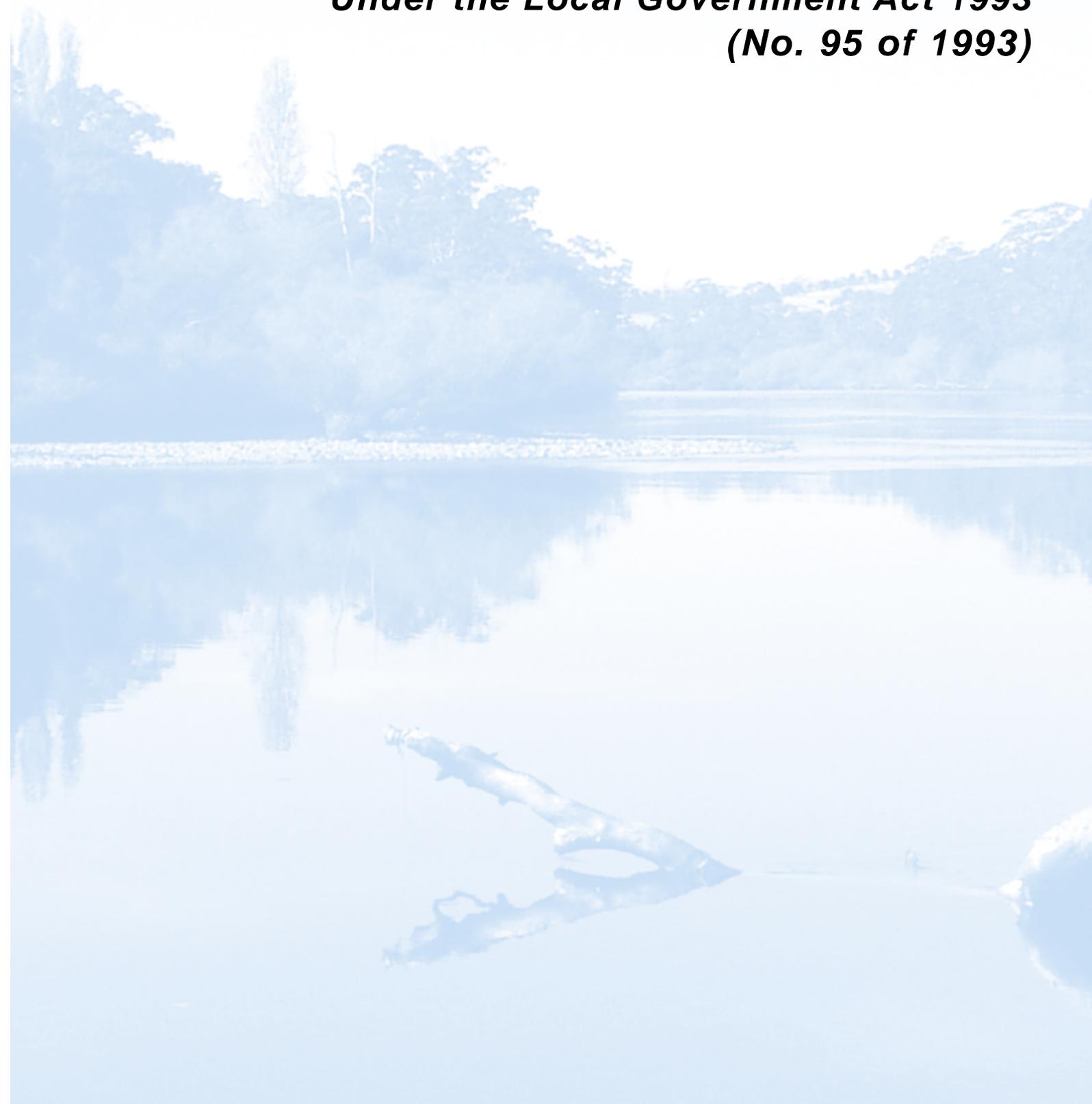


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# **Legislative Requirements**

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





## Councillor Meeting Attendance for 2010/2011

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](http://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	33	Councillor Elliott	31
Councillor Shaw	12	Councillor Evans	32
Councillor Lathey	33	Councillor Bester	33
Councillor Hill	30	Councillor Graham	33
Councillor Farrell	31		

## 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	2
\$80,000 – \$100,000	1
\$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 2010/2011. This includes travelling, telephone rental and calls and care of any child of a Councillor.

**Allowances** \$123,125                      **Expenses** \$237



## 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*.

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 \$161,571 and generated an income of \$10,652. The delivery of public and environmental health activities also partially falls across other Council units.

Type of Premises	No	Inspection Numbers	Notices/comments
<b>Public Health Act 1997</b>			
Places of Assembly	23	23	No notices were served
Immunisations	454		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.
<b>Food Act 2003</b>			
Registered Food Business	84	84	No notices were served
Temporary Food Business	28	28	No notices were served
Food Vehicles	4	4	No notices were served



## Contracts and Remuneration

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 2011.

Contractor Name	Description of Contract	Value
Veolia	Waste Management / Recycling	\$388,000
MSD Construction	Crushing gravel / tip bund / gravel carting re-sheeting and Capital Works	\$693,000
Geotas	Armco Rail fencing	\$64,000
Roadways	Road asphaltting	\$ 75,000
Spectran Pty Ltd	Road works	\$388,000
Rockit	Road Resealing	\$272,000
Aus Span	Bridge reconstruction	\$174,000

## 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 2010/2011 Financial Year.

- Bridge Replacement at Collins Cap
- High Street - Roadworks
- Glenora Road - Roadworks
- Golding Street - Roadworks
- Tarrant's Road - Roadworks

## 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
<b>Bridges</b>		
Counts Creek (1959) Collins Cap	171,747	Complete
<b>Footpaths</b>		
Footpath replacement program	170,689	Ongoing
<b>Gravel Road Resealing</b>		
Replacement	151,502	Ongoing
<b>Road Resealing</b>		
Road Resealing	193,589	Ongoing
<b>Collector Roads</b>		
Burnett Street	54,190	Ongoing
Collins Cap Road	40,576	Complete
Glenora Road	158,179	Complete
<b>Local Roads</b>		
Station Street	70,672	Complete
Tarrants Road	100,100	Complete
Sealed Roads Capital Account (renewal)	74,833	Ongoing
Unsealed Roads Capital Account (renewal)	174,274	Ongoing
<b>Roads to Recovery</b>		
Golding Street	101,808	Complete
<b>Stormwater</b>		
Upgrade Projects	70,836	Ongoing
Stormwater Capital Account	54,588	Ongoing
<b>Solid Waste</b>		
Landfill Site	94,558	Complete
<b>Town Centre</b>		
High Street	351,369	Completed
<b>Sports Grounds</b>		
Boyer Oval lighting	55,354	Completed



## Community Grants

Council allocated the following grants under its 2010/2011 Community Grants Program:

Organisation	Amount
Blair Street Kindergarten - Purchase of gardening tools	\$544.55
Bushy Park Show Society Inc	\$500.00
Bush Watch - Sponsorship for Bush Watch	\$454.55
Bush Watch - Westerway Signage	\$163.00
Golden Years Bowls Club - Purchase Pie Heater	\$409.09
Lachlan Playgroup - Purchase two gymnastic mats	\$329.78
Maydena Online Access Centre - Purchase of materials	\$400.00
Maydena Parents and Friends Association - Supply breakfast to students	\$175.00
Maydena Primary School - After school and holiday activities for students	\$500.00
Maydena Bible Study - Sports equipment	\$343.64
Maydena Waratah Day Club - Annual bus trip	\$400.00
Molesworth Cricket Club - Assistance for running costs for 2010	\$250.00
New Norfolk Country Music Jamboree - Upgrade of microphones, music stands and cables	\$200.00
New Norfolk Hospital Auxiliary - Purchase of new fridge for Kiosk	\$300.00
New Norfolk Licensed Anglers Association - Windsor's Corner maintenance and placement of steps	\$450.00
New Norfolk Meals on Wheels - Purchase a new fridge	\$289.00
New Norfolk Volunteer Ambulance - Purchase a baby mannequin	\$330.00
St Matthews Community Garden - Construction of a community garden	\$500.00
Tasmanian Women in Agriculture - Derwent Valley Agriculture Business Tour	\$250.00
Upper Derwent Anglers Club - Purchase of a hot water cylinder	\$300.00
<b>TOTAL</b>	<b>\$7,088.61</b>



## Community Donations

Council made the following donations and sponsorship to groups and individuals during 2010/2011:

Organisation	Amount
Cambodian Children's Trust Challenge	\$100
Can Hope Cancer Support Group	\$100
Casey Bell - Representing Tasmania in the under 20 Women's State Basketball Team	\$50
Energizer Life Church - Costs associated with the official opening	\$ 100
Fairview Primary School - Big Community Playgroup	\$ 100
Fairview Primary School - End of Year Presentation Assembly	\$100
Glenora District High School - End of Year Presentation Assembly	\$50
Haylee Townsend - Representing Australia at the 2011 Aloha International Spirit Championships in Hawaii	\$100
Lewis Farrell - Attend Tasmanian Under 16 Australian Rugby Union National titles in Sydney	\$100
Lions Club of Hobart Town - Circus Quirkus	\$100
Loyal Glenora Lodge Inc - Contribution to fundraising	\$100
Maydena Community Association Inc - Town entrance silhouette	\$100
Maydena Primary School - School trip to Queensland	\$100
Michelle Nichols, Angela Ashcroft - Participate in the Australian under 14 Girls Basketball Club Championships in Darwin	\$100
Molesworth Community Hall - Costs associated with Carols in the Country	\$100
New Norfolk High School - Derwent Valley Council Award for Outstanding Achievement across the curriculum	\$100
New Norfolk Licenced Anglers Association Inc - Annual Trophy night	\$100
Upper Derwent Anglers Club - Annul Trophy Night	\$100
Renae Stone & Chelsea York - Attend AYC Netball Association Inc National Championships in Townsville	\$100
Salvation Army - School Holiday Movie Night	\$30
Southern Tasmanian Veteran Cycling Club - STVCC Masters race in the Derwent Valley	\$100
<b>TOTAL</b>	<b>\$1,930</b>

The background of the page is a blue-tinted photograph of a natural landscape. It shows a wide river or lake in the foreground, with a fallen log floating in the water. The far bank is lined with dense trees and foliage, and the sky is bright and clear. The overall mood is serene and natural.

# **Financial Report 2010 / 2011**

**DERWENT VALLEY COUNCIL**  
**ANNUAL FINANCIAL REPORT**  
**For the Year Ended 30 June, 2011**

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**DERWENT VALLEY COUNCIL**  
**ANNUAL FINANCIAL REPORT**  
**For the Year Ended 30 June, 2011**

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**INDEPENDENT AUDITOR'S REPORT**

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**To the Councillors of Derwent Valley Council**

**Financial Report for the Year Ended 30 June 2011**

I have audited the accompanying financial report of Derwent Valley Council (Council), which comprises the statement of financial position as at 30 June 2011, the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

**Auditor's Opinion**

In my opinion Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2011, and 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.

*The Responsibility of the General Manager for the Financial Report*

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

*Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the General Manager's preparation and fair

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.  
• Professionalism • Respect • Camaraderie • Continuous Improvement • Customer Focus •

presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Manager, as well as evaluating the overall presentation of the financial report.

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

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

### **Independence**

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

- providing that only Parliament, and not the executive government, can remove an Auditor-General, 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.

### **TASMANIAN AUDIT OFFICE**



E R De Santi  
**DEPUTY AUDITOR-GENERAL**  
**Delegate of the Auditor-General**

HOBART  
23 September 2011



**DERWENT VALLEY COUNCIL  
COUNCIL STATEMENT  
For the Year Ended 30 June, 2011**

Page v

The financial report set out on pages 1 to 44 are a true and correct copy of the Annual Financial Statements of the Derwent Valley Council for the year ended 30 June, 2011.

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 Cash Flow Statement 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, 2011;
- 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, 2011;
- d) at the date of this statement, there are reasonable grounds to believe that the Council will be able to pay its debts as and when they fall due.

**POSITION**

**NAME**

**SIGNATURE**

**General Manager**

**Stephen Mackey**

Date

15 August 2011

**DERWENT VALLEY COUNCIL**  
**COMPREHENSIVE INCOME STATEMENT**  
**For the Year Ended 30 June, 2011**

		BUDGET 2011	ACTUAL 2011	ACTUAL 2010
	Note	\$'000	\$'000	\$'000
<b>INCOME</b>				
Rates and Charges	3	5,028	5,057	4,802
Statutory Fees and Fines	4	227	203	216
User Fees	5	888	977	880
Grants: Operating	6	2,570	3,040	2,693
Interest Received		95	167	163
Reimbursements	8	55	330	146
Other Income	10	93	93	140
<b>TOTAL INCOME</b>		<b>8,956</b>	<b>9,867</b>	<b>9,040</b>
<b>EXPENDITURE</b>				
Employee Benefits		3,159	3,009	2,920
Materials & Services		2,963	3,712	3,512
Loss on Sale of Assets	7	-	76	39
Depreciation and Amortisation	11	-	1,978	2,050
Finance Costs		133	107	73
Plant & Vehicle Running		530	384	306
State Taxes		224	223	209
Other Expenses	12	350	328	351
<b>TOTAL EXPENDITURE</b>		<b>7,359</b>	<b>9,817</b>	<b>9,460</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE:</b>		<b>1,597</b>	<b>50</b>	<b>(420)</b>
Developer Contributions	9	-	17	6
Grants: Capital	6	124	410	517
<b>SURPLUS/(DEFICIT)</b>		<b>1,721</b>	<b>477</b>	<b>103</b>
<b>Other Comprehensive Income</b>				
Change in fair value: Investment in Southern/Hobart Water	33	-	143	(4,304)
Fair value revaluation of non-current assets		-	4,110	3,479
<b>COMPREHENSIVE RESULT</b>		<b>1,721</b>	<b>4,730</b>	<b>(722)</b>

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, 2011**

	Note	ACTUAL 2011 \$'000	ACTUAL 2010 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	13	2,720	2,188
Other	14	63	148
Receivables	15	702	669
<b>TOTAL CURRENT ASSETS</b>		<b>3,485</b>	<b>3,005</b>
<b>NON-CURRENT ASSETS</b>			
Investment in Water Corporation	16	24,870	24,727
Receivables	15	20	18
Property, Infrastructure, Plant and Equipment	21	65,747	61,126
<b>TOTAL NON-CURRENT ASSETS</b>		<b>90,637</b>	<b>85,871</b>
<b>TOTAL ASSETS</b>		<b>94,122</b>	<b>88,876</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	17	650	826
Interest Bearing Loans/Borrowings	18	115	89
Other Liabilities	19	228	131
Provisions	20	1,564	1,399
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,557</b>	<b>2,445</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest Bearing Loans/Borrowings	18	1,858	1,473
Provisions	20	87	67
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,945</b>	<b>1,540</b>
<b>TOTAL LIABILITIES</b>		<b>4,502</b>	<b>3,985</b>
<b>NET ASSETS</b>		<b>89,620</b>	<b>84,891</b>
<b>RATEPAYER EQUITY</b>			
Accumulated Surplus		39,772	39,242
Reserves	22	49,848	45,649
<b>TOTAL RATEPAYER EQUITY</b>		<b>89,620</b>	<b>84,891</b>

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, 2011**

	Accumulated Surplus/Deficit		Public Open Space Reserve		Asset Replacement Reserves		Asset Revaluation Reserves		Fair Value Reserve		Other Reserves		Total Equity	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Ratepayer Equity at beginning of Year</b>	39,242	24,991	133	138	371	262	43,579	58,273	-	-	1,566	1,949	84,891	85,613
<b>Comprehensive result</b>	477	(4,201)	-	-	-	-	4,110	3,479	143	-	-	-	4,730	(722)
Transfers to Reserves	(2,034)	(475)	16	6	345	395	-	-	-	-	1,673	74	-	-
Transfers from Hobart Water	-	5,182	-	-	-	-	-	(5,182)	-	-	-	-	-	-
Water/Sewerage	-	12,511	-	-	-	-	-	(12,511)	-	-	-	-	-	-
Land Transfer	-	395	-	-	-	-	-	(395)	-	-	-	-	-	-
Transfers from Reserves	2,086	837	(5)	(11)	(296)	(286)	-	(86)	-	-	(1,787)	(456)	-	-
<b>Ratepayer Equity at end of Year</b>	<b>39,772</b>	<b>39,242</b>	<b>144</b>	<b>133</b>	<b>420</b>	<b>371</b>	<b>47,689</b>	<b>43,579</b>	<b>143</b>	<b>-</b>	<b>1,452</b>	<b>1,566</b>	<b>89,620</b>	<b>84,891</b>

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

# DERWENT VALLEY COUNCIL

## CASH FLOW STATEMENT For the Year Ended 30 June 2011

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	ACTUAL 2011 \$'000	ACTUAL 2010 \$'000
	Note	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts		
- Rates	4,966	4,819
- Grants - Operating	3,040	2,693
- User Charges	1,236	935
- Interest	167	143
- Other Receipts (inclusive of GST)	880	786
- Reimbursements	330	145
- Developer Contributions	17	6
	<b>10,636</b>	<b>9,527</b>
Payments		
- Payments to Employees (including redund.)	(2,813)	(2,852)
- Payments to Suppliers (inclusive of GST)	(4,511)	(3,486)
- Interest	(101)	(83)
- Plant & Vehicle Running	(384)	(306)
- State Taxes	(223)	(209)
- Other Payments	(328)	(348)
	<b>(8,360)</b>	<b>(7,284)</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>28 (b) 2,276</b>	<b>2,243</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for Property, Infrastructure, Plant and Equipment		
	(3,018)	(4,294)
Grants - Capital	410	517
Proceeds from sale of Property, Infrastructure, Plant and Equipment	453	150
(Increase) / Decrease in Investments	(301)	520
<b>NET CASH (USED) IN INVESTING ACTIVITIES</b>	<b>(2,456)</b>	<b>(3,107)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Loans		
	500	500
Repayment of Interest Bearing Loans and Borrowings	(89)	(65)
<b>NET CASH (USED) IN FINANCING ACTIVITIES</b>	<b>411</b>	<b>435</b>
<b>CASH FLOWS FROM GOVERNMENT GRANTS</b>	<b>3,450</b>	<b>3,210</b>
<b>NET CASH PROVIDED BY GOVERNMENT GRANTS</b>	<b>3,450</b>	<b>3,210</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>231</b>	<b>(429)</b>
<b>CASH AT THE BEGINNING OF THE YEAR</b>	<b>184</b>	<b>613</b>
<b>CASH AT THE END OF THE YEAR</b>	<b>28 (a) 415</b>	<b>184</b>

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

**DERWENT VALLEY COUNCIL**  
**NOTES TO AND FORMING PART OF THE**  
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**For the Year Ended 30 June 2011**

**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 Other Liabilities within Current Liabilities.

**1a. 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.

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

**(d) GRANTS AND DONATIONS**

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

**(e) 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 AASB 119 "Employee Benefits", The accrued long service leave entitlement has been - apportioned between Current and Non Current Liabilities, and Current Assets in relation to reimbursements for long service leave entitlements receivable from other Councils. The current liability represents that portion which is expected to be paid in the next 12 months. Liability for time-in-lieu represents funds owed to employees in lieu of overtime.

**DERWENT VALLEY COUNCIL**  
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**(h) PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT**

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

The basis of valuation of assets for major classes of Assets as at 30 June 2011 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.

**DERWENT VALLEY COUNCIL**  
**NOTES TO AND FORMING PART OF THE**  
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**(h) PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (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 2011

Buildings revaluations are based on the Valuer General's Assessments effective 1 July 2011.

Infrastructure assets, other than land, buildings and bridges are valued by either experienced Council officers or independent experts. Bridge valuations were undertaken by Aus Span during 2010/2011. 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 and obsolescence, technological advancement and other relevant factors.

**(j) VALUATION - LAND UNDER ROADS**

Land under roads acquired after 30th June 2008 is brought to account using the fair value basis. Council does not recognise land under roads that it controlled prior to that period in it's financial statements.

**DERWENT VALLEY COUNCIL**  
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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:-

<b>Category</b>	<b>Years</b>	<b>%</b>
<b>Buildings</b>	50	2
<b>Storm Water</b>		
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
<b>Roads</b>		
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
<b>Bridges</b>		
Concrete deck	80	1.25
Timber deck	20	5
<b>Reserves structures</b>	50	2
<b>Waste structures &amp; rehabilitation</b>	20	5
<b>Light Vehicles</b>		
(rate approx loss of trade in value after 40,000 km or 2 years)	2	12.5
<b>Plant &amp; Equipment</b>		
Plant and vehicles	7	15
Office Equipment, Furniture and Information Technology	5	20

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**(l) TAXATION**

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

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

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

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

**(m) IMPAIRMENT OF ASSETS**

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

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

**(n) RECEIVABLES**

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

**(o) PAYABLES**

**Significant terms and conditions**

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

**Net fair value**

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

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**(p) SIGNIFICANT BUSINESS ACTIVITIES**

Amendments to the Local Government Act 1993 as at 30 June 1999 under Section 84(2)(da) require the reporting of the opportunity cost of operating capital and competitive neutrality costs in respect of each significant business activity undertaken by Council. The Council's disclosure is recorded in Note 31.

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

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

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

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

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

Taxation equivalents were calculated by an applicable taxation rate of 30% applied to the activities' notional accounting profit before abnormal items. Prior year deficits have not been treated as deductible for the purpose of calculating business income tax. Notional Council rates have been calculated using actual rates and charges set by the Council for the current financial period.

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

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

**(q) STATEMENT OF COMPREHENSIVE INCOME - BUDGET AMOUNTS**

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

**(r) INVESTMENT IN WATER CORPORATION**

Investment in the water corporation is 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.

**DERWENT VALLEY COUNCIL**  
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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 LG Financial Statements
<p>AASB 9: Financial Instruments, AASB 2009-11 and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 &amp; 1038 and Interpretations 10 &amp; 12]</p>	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> <li>* simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;</li> <li>* removing the tainting rules associated with held-to-maturity assets;</li> <li>* simplifying the requirements for embedded derivatives;</li> <li>* removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;</li> <li>* allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and</li> <li>* reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: <ul style="list-style-type: none"> <li>a. the objective of the entity's business model for managing the financial assets; and</li> <li>b. the characteristics of the contractual cash flows.</li> </ul> </li> </ul>	<p>Applicable for annual reporting periods commencing on or after 1 January 2013.</p>	<p>These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments.</p>

**DERWENT VALLEY COUNCIL**  
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**(s) NEW ACCOUNTING STANDARDS (Continued)**

AASB 124: Related Party Disclosures	This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard.	Applicable for annual reporting periods commencing on or after 1 January 2011.	Although this standard does not strictly apply to Local Government it is often used as guidance, as such there will be greater clarity on the disclosure of inter government transactions.
AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
AASB 2009-14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council.
AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	Introduces reduced disclosure requirements for certain types of entities.	Applicable for annual reporting periods commencing on or after 1 January 2013.	This standard is not expected to have a financial impact.
AASB 2010-5 : Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (October 2010).	This Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Report. There is no financial impact resulting from the application of this revised Standard.	Applicable for annual reporting periods commencing on or after 1 Jan 2011.	These amendments are not expected to impact Council.

**DERWENT VALLEY COUNCIL**  
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**(s) NEW ACCOUNTING STANDARDS (Continued)**

<p>AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 &amp; AASB 7].</p>	<p>This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.</p>	<p>Applicable for annual reporting periods commencing on or after 1 July 2011.</p>	<p>These amendments are not expected to impact Council.</p>
<p>AASB 1053: Application of Tiers of Australian Accounting Standards</p>	<p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. This Standard is not expected to impact Council. However, it may affect disclosures if reduced disclosure requirements apply.</p>	<p>Applicable for annual reporting periods commencing on or after 1 January 2013.</p>	<p>These amendments are not expected to impact Council.</p>
<p>AASB 1054: Australian Additional Disclosures</p>	<p>This Standard sets out the specific disclosures for entities that have adopted Australian Accounting Standards that are additional to the requirements under International Reporting Standards, including disclosures relating to the nature of the financial report, audit fees and the reconciliation of net operating cash flows to net result.</p>	<p>Applicable for annual reporting periods commencing on or after 1 Jan 2011.</p>	<p>This standard is not expected to have a financial impact.</p>

**DERWENT VALLEY COUNCIL**  
**NOTES TO AND FORMING PART OF THE**  
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**2. FUNCTIONS OF THE COUNCIL**

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

	<b>REVENUE GRANTS</b>	<b>REVENUE OTHER</b>	<b>EXPENSES</b>	<b>SURPLUS (DEFICIT)</b>	<b>ASSETS</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ACTUAL 30 JUNE 2011</b>					
Council & Community Relations	-	160	160	-	395
Roads & Communications	1,597	483	2,191	(111)	47,185
Stormwater Drainage	224	200	200	224	30,301
Solid Waste Management	101	853	833	121	779
Natural & Cultural Resource Mgm.	-	644	630	14	176
Dynamic Local Economy	-	313	635	(322)	852
Community, Health & Other Serv.	824	415	1,210	29	603
Recreation, Leisure & Open Space	262	1,312	1,222	352	6,888
Management of Council Resources	442	2,388	2,660	170	3,438
Other not Attributed	-	-	-	-	3,505
<b>TOTAL</b>	<b>3,450</b>	<b>6,768</b>	<b>9,741</b>	<b>477</b>	<b>94,122</b>
<b>ACTUAL 30 JUNE 2010</b>					
Council & Community Relations	-	201	201	-	-
Roads & Communications	1,160	464	2,275	(651)	39,186
Water, Sewerage & 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
<b>TOTAL</b>	<b>3,209</b>	<b>6,314</b>	<b>9,421</b>	<b>103</b>	<b>88,876</b>

**2. FUNCTIONS OF THE COUNCIL (Continued)**

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

**1 Council and Community Relations**

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

**2 Roads and Communications**

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

**3 Stormwater Drainage**

This program covers stormwater infrastructure provided by Council.

**4 Solid Waste Management**

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

**5 Natural and Cultural Resource Management**

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

**6 Dynamic Local Economy**

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

**2. FUNCTIONS OF THE COUNCIL (Continued)**

**7 Community, Health and Other Services**

This program covers the provision of services that support the health and lifestyle of individuals and groups (including those with special needs), education, health and aged care, children and youth services and other similar community services. It includes services provided to people either at their place of residence such as Family Day Care or in community service facilities such as Home and Community Care.

**8 Recreation, Leisure and Open Space**

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

**9 Management of Council Resources**

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

**10 Other not Attributed**

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

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**ACTUAL 2011**    **ACTUAL 2010**  
**\$'000**            **\$'000**

**3. RATES AND CHARGES**

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

The valuation base used to calculate general rates for 2010/2011 was \$49,715,778, (2009/2010 \$47,442,372). The 2010/2011 rate in the AAAV dollar was \$0.09115 (2009/2010 \$0.086649).

General	4,363	4,168
Country Fire	90	87
Urban Fire	138	125
Sewerage Removal	86	64
Garbage/Recycling Services	364	342
Business Levy	16	16
<b>TOTAL RATES AND CHARGES</b>	<b>5,057</b>	<b>4,802</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 October 2005, and the valuation was first applied in the rating year commencing 1 July 2006.

**4. STATUTORY FEES AND FINES**

Infringements and Costs	1	2
Planning Fees	60	61
Land Information Certificates	57	75
Permits	85	78
<b>TOTAL STATUTORY FEES AND FINES</b>	<b>203</b>	<b>216</b>

**5. USER FEES**

Child Care/Children's Program fees	324	293
Home and Community Care Service Fees	17	5
Registration fees	29	28
Cemetery Fees	186	170
Caravan Park Fees	206	188
Refuse Disposal Fees	153	147
Other Fees and Charges	62	49
<b>TOTAL USER FEES</b>	<b>977</b>	<b>880</b>

**6. GRANTS: OPERATING**

Grants were received in respect of the following:

**Summary of Grants: Operating**

Federally Funded Grants	2,222	1,882
State Funded Grants	818	811
<b>TOTAL GRANTS: OPERATING</b>	<b>3,040</b>	<b>2,693</b>

**DERWENT VALLEY COUNCIL**  
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	<b>ACTUAL 2011</b>	<b>ACTUAL 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>6. GRANTS: OPERATING</b>		
<b>Summary of Grants</b>		
Commonwealth Government - Roads To Recovery	450	337
Financial Assistance Grant	1,772	1,545
Family and Children	694	651
Home and Community Care	122	118
Youth Services	2	42
<b>TOTAL GRANTS: OPERATING</b>	<b>3,040</b>	<b>2,693</b>
<b>6. GRANTS: CAPITAL</b>		
Grants were received in respect of the following:		
<b>Summary of Grants: Capital</b>		
Federally Funded Grants	89	89
State Funded Grants	321	428
<b>TOTAL GRANTS: CAPITAL</b>	<b>410</b>	<b>517</b>
<b>Summary of Grants</b>		
Road Works	315	368
Building Works	89	149
Youth Services	6	-
<b>TOTAL GRANTS: CAPITAL</b>	<b>410</b>	<b>517</b>
<b>7. PROFIT (LOSS) ON SALE OF ASSETS</b>		
Proceeds from the disposal of Assets	453	150
less		
Written down value of Assets sold	(529)	(189)
<b>PROFIT (LOSS) ON SALE OF ASSETS</b>	<b>(76)</b>	<b>(39)</b>
<b>8. REIMBURSEMENTS</b>		
Road Maintenance/Works	254	133
Stormwater	54	-
State Levies Commission	9	9
Other Reimbursements	13	4
<b>TOTAL REIMBURSEMENTS</b>	<b>330</b>	<b>146</b>
<b>9. CONTRIBUTIONS: PUBLIC OPEN SPACE</b>		
Recreational, Leisure and Community Facilities	17	6
<b>TOTAL CONTRIBUTIONS: PUBLIC OPEN SPACE</b>	<b>17</b>	<b>6</b>

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	<b>ACTUAL 2011</b> \$'000	<b>ACTUAL 2010</b> \$'000
<b>10. OTHER INCOME</b>		
Regional Renewal	18	17
Community & Social Development	22	25
Parks, Reserves & Rec.	7	1
Plant Operations	36	47
Other Income	10	50
<b>TOTAL OTHER INCOME</b>	<b>93</b>	<b>140</b>
<b>11. DEPRECIATION AND AMORTISATION</b>		
<b>Property:</b>		
Buildings	67	93
Building Improvements	-	20
<b>Plant &amp; Equipment:</b>		
Plant, Machinery & Equipment	245	245
Computers and Telecommunications	40	19
<b>Infrastructure:</b>		
Roads & Streets	1,209	1,268
Bridges	192	187
Storm Water	128	97
Reserves & Recreations	51	77
Waste Management	46	44
	<b>1,978</b>	<b>2,050</b>
<b>12. OTHER EXPENSES</b>		
Other expenses for the year are as follows:-		
Auditor's remuneration		
- Audit services this year	30	20
Election expenses	4	28
Payments to elected members		
- Councillor allowances	123	122
- Other fees & allowances	6	7
Subscription Local Government Association Tas	29	31
General insurance	122	107
Community Grants and Donations	14	36
<b>TOTAL OTHER EXPENSES</b>	<b>328</b>	<b>351</b>
<b>13. CASH AND CASH EQUIVALENTS</b>		
<b>CURRENT</b>		
Cash on Hand	2	1
Cash at Bank		
- Trading Account	412	182
- Agency Payments Account	1	1
Commercial Bills	2,305	2,004
	<b>2,720</b>	<b>2,188</b>

**DERWENT VALLEY COUNCIL**  
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	<b>ACTUAL 2011</b>	<b>ACTUAL 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>14. OTHER ASSETS</b>		
<b>CURRENT</b>		
Prepayments	47	104
Accrued Other Income	16	44
	<u>63</u>	<u>148</u>
<b>15. RECEIVABLES</b>		
<b>CURRENT</b>		
Rate Receivables	566	477
	<u>566</u>	<u>477</u>
Sundry Debtors	135	81
Less: Provision for Impairment	(1)	(1)
Long Service Leave payable by other Councils	2	2
Other Debtors	0	110
	<u>136</u>	<u>192</u>
	<u>702</u>	<u>669</u>
<b>NON - CURRENT</b>		
Rate Receivables	20	18
	<u>20</u>	<u>18</u>
<b>16. INVESTMENT IN WATER CORPORATION</b>		
<b>NON - CURRENT</b>		
Southern Water	24,870	24,727
	<u>24,870</u>	<u>24,727</u>
<b>17. PAYABLES</b>		
<b>CURRENT</b>		
Trade Creditors	650	826
	<u>650</u>	<u>826</u>

**DERWENT VALLEY COUNCIL**  
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	<b>ACTUAL 2011</b>	<b>ACTUAL 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>18. INTEREST BEARING LOANS/BORROWINGS</b>		
<b>CURRENT (SECURED)</b>		
Tasmanian Public Finance Corporation (Tascorp)	115	89
<b>NON - CURRENT (SECURED)</b>		
Tasmanian Public Finance Corporation (Tascorp)	1,858	1,473
<b>Total Borrowings</b>	<b>1,973</b>	<b>1,562</b>

**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	282
450	6.02%	08-Mar-06	08-Mar-21	08-Mar-21	342
450	6.55%	22-Mar-07	22-Mar-22	22-Mar-22	369
500	7.24%	04-May-10	04-May-20	04-May-25	480
500	6.69%	29-Apr-11	29-Apr-21	29-Apr-26	500
<b>2,300</b>					<b>1,973</b>

The Fair Value of the loan portfolio is \$2,045,028 (2009/10 \$1,625,705). This estimate is based on present value calculations applied to each loan using interest rates prevailing at balance date.

**19. OTHER LIABILITIES**

**CURRENT**

Accrued Electricity	13	9
Accrued Telephone	3	2
Accrued Payroll	87	76
Accrued Interest	28	22
Security Deposits and Bonds	95	21
Other	2	1
	<b>228</b>	<b>131</b>

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	<b>ACTUAL 2011</b>	<b>ACTUAL 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>20. PROVISIONS AND ACCRUALS</b>		
<b>CURRENT</b>		
Provisions		
- Annual Leave	697	591
- Long Service Leave	634	588
- Sick Leave	166	171
- Time in Lieu	67	49
	<u>1,564</u>	<u>1,399</u>
 <b>NON - CURRENT</b>		
Provisions		
- Long Service Leave	87	67
	<u>87</u>	<u>67</u>

Council's number of Full Time Equivalent Employees as at 30 June 2011 totaled 46. (2009/2010 - 47)

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**21. PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT**

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Summary</b>		
- at Cost	7,006	17,996
- less Accumulated Depreciation	<u>(3,075)</u>	<u>(3,656)</u>
	<b><u>3,931</u></b>	<b><u>14,340</u></b>
- at Fair Value	87,831	81,459
- less Accumulated Depreciation	<u>(26,015)</u>	<u>(34,673)</u>
	<b><u>61,816</u></b>	<b><u>46,786</u></b>
<b>Total</b>	<b><u><u>65,747</u></u></b>	<b><u><u>61,126</u></u></b>
<b>Property</b>		
<b>Land</b>		
- at Fair Value	7,222	5,003
<b>Total Land</b>	<b><u><u>7,222</u></u></b>	<b><u><u>5,003</u></u></b>
<b>Buildings</b>		
- at Fair Value	3,430	5,538
- less Accumulated Depreciation	<u>(335)</u>	<u>(418)</u>
<b>Total Buildings</b>	<b><u><u>3,095</u></u></b>	<b><u><u>5,120</u></u></b>
<b>Total Property</b>	<b><u><u>10,317</u></u></b>	<b><u><u>10,123</u></u></b>

Valuation of land (excluding land under roads) and buildings were undertaken by a qualified independent valuer. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions.

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

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Plant and Equipment</b>		
<b>Plant, Machinery and Equipment</b>		
- at Cost	2,609	2,485
- less Accumulated Depreciation	<u>(1,776)</u>	<u>(1,683)</u>
	<u>833</u>	<u>802</u>
<b>Fixtures, Fittings and Furniture</b>		
- at Cost	193	193
- less Accumulated Depreciation	<u>(193)</u>	<u>(193)</u>
	<u>-</u>	<u>-</u>
<b>Computers and Telecommunications</b>		
- at Cost	551	648
- less Accumulated Depreciation	<u>(389)</u>	<u>(467)</u>
	<u>162</u>	<u>181</u>
<b>Total Plant and Equipment</b>	<u><b>995</b></u>	<u><b>983</b></u>
<b>Infrastructure</b>		
<b>Roads</b>		
- at Fair Value	57,091	59,812
- less Accumulated Depreciation	<u>(16,320)</u>	<u>(27,013)</u>
	<u>40,771</u>	<u>32,799</u>
<b>Bridges</b>		
- at Fair Value	9,321	9,350
- less Accumulated Depreciation	<u>(4,001)</u>	<u>(3,909)</u>
	<u>5,320</u>	<u>5,441</u>
<b>Drainage</b>		
- at Fair Value	10,538	11,057
- less Accumulated Depreciation	<u>(5,107)</u>	<u>(3,799)</u>
	<u>5,431</u>	<u>7,258</u>

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

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Infrastructure (Continued)</b>		
<b>Recreation, Leisure and Community Facilities</b>		
- at Fair Value	2,678	4,386
- less Accumulated Depreciation	(253)	(295)
	<u>2,425</u>	<u>4,091</u>
<b>Waste</b>		
- at Cost	1,206	1,103
- less Accumulated Depreciation	(718)	(672)
	<u>488</u>	<u>431</u>
<b>Total Infrastructure</b>	<u><b>54,435</b></u>	<u><b>50,020</b></u>
<b>Total Property, Infrastructure, Plant and Equipment</b>	<u><b>65,747</b></u>	<u><b>61,126</b></u>

Valuation of Infrastructure Assets has been determined in accordance with an independent/council's engineer valuations.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

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

	2011	Balance at beginning of Year	Acquisition of Assets	Reval. Increments (Decrements)	Depreciation	WDV of Disposals	Transfers	Balance at end of Year
		\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
<b>Property</b>								
Land		5,003	-	2,578	-	(359)	-	7,222
<b>Total Land</b>		<b>5,003</b>	<b>-</b>	<b>2,578</b>	<b>-</b>	<b>(359)</b>	<b>-</b>	<b>7,222</b>
Buildings		5,120	85	(2,043)	(67)	-	-	3,095
<b>Total Buildings</b>		<b>5,120</b>	<b>85</b>	<b>(2,043)</b>	<b>(67)</b>	<b>-</b>	<b>-</b>	<b>3,095</b>
<b>Total Property</b>		<b>10,123</b>	<b>85</b>	<b>535</b>	<b>(67)</b>	<b>(359)</b>	<b>-</b>	<b>10,317</b>
<b>Plant and Equipment</b>								
Plant, Machinery and Equipment		802	445	-	(245)	(169)	-	833
Fixtures, Fittings and Furniture		-	-	-	-	-	-	-
Computers and Telecom.		181	21	-	(40)	-	-	162
<b>Total Plant and Equipment</b>		<b>983</b>	<b>466</b>	<b>-</b>	<b>(285)</b>	<b>(169)</b>	<b>-</b>	<b>995</b>
<b>Infrastructure</b>								
Roads		32,799	1,738	7,444	(1,209)	-	-	40,771
Bridges		5,441	193	(121)	(193)	-	-	5,320
Drainage		7,258	289	(1,988)	(128)	-	-	5,431
Recreation, Leisure and Comm. Fa		4,091	144	(1,760)	(50)	-	-	2,425
Waste		431	103	-	(46)	-	-	488
<b>Total Infrastructure</b>		<b>50,020</b>	<b>2,466</b>	<b>3,575</b>	<b>(1,626)</b>	<b>-</b>	<b>-</b>	<b>54,435</b>
<b>Total Property, Infrastructure, Plant and Equipment</b>		<b>61,126</b>	<b>3,017</b>	<b>4,110</b>	<b>(1,978)</b>	<b>(528)</b>	<b>-</b>	<b>65,747</b>

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

	2010	Balance at beginning of Year	Acquisition of Assets	Reval. Increments (Decrements)	Depreciation	WDV of Disposals	Transfers	Balance at end of Year
		\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
<b>Property</b>								
Land		5,195	3	(195)	-	-	-	5,003
<b>Total Land</b>		<b>5,195</b>	<b>3</b>	<b>(195)</b>				<b>5,003</b>
Buildings		4,840	99	294	(113)	-	-	5,120
<b>Total Buildings</b>		<b>4,840</b>	<b>99</b>	<b>294</b>	<b>(113)</b>			<b>5,120</b>
<b>Total Property</b>		<b>10,035</b>	<b>99</b>	<b>99</b>	<b>(113)</b>			<b>10,123</b>
<b>Plant and Equipment</b>								
Plant, Machinery and Equipment		905	332	-	(245)	(189)	-	802
Fixtures, Fittings and Furniture		-	-	-	-	-	-	-
Computers and Telecom.		83	117	-	(19)	-	-	181
<b>Total Plant and Equipment</b>		<b>988</b>	<b>449</b>		<b>(264)</b>	<b>(189)</b>		<b>983</b>
<b>Infrastructure</b>								
Roads		29,711	2,648	1,708	(1,268)	-	-	32,799
Bridges		4,220	454	954	(187)	-	-	5,441
Drainage		7,261	43	51	(97)	-	-	7,258
Recreation, Leisure and Comm. Fa		3,452	528	187	(77)	-	-	4,091
Waste		330	145	-	(44)	-	-	431
<b>Total Infrastructure</b>		<b>44,974</b>	<b>3,818</b>	<b>2,900</b>	<b>(1,673)</b>			<b>50,020</b>
<b>Total Property, Infrastructure, Plant and Equipment</b>		<b>55,997</b>	<b>4,369</b>	<b>2,999</b>	<b>(2,050)</b>	<b>(189)</b>		<b>61,126</b>

**DERWENT VALLEY COUNCIL**  
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**22. RESERVES**

	Opening Balance		Transfers to Reserves		Asset Revaluation and Fair Value Movements		Transfers from Reserves		Closing Balance	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Public Open Space Reserve</b>	133	138	16	6	-	-	(5)	(11)	144	133
	<b>133</b>	<b>138</b>	<b>16</b>	<b>6</b>	-	-	<b>(5)</b>	<b>(11)</b>	<b>144</b>	<b>133</b>
<b>Asset Replacement Reserves</b>										
- Plant Replacement	45	81	59	145	-	-	(97)	(181)	7	45
- Cemetery Replacement	246	181	186	170	-	-	(96)	(105)	336	246
- NN Landfill Repatriation	80	-	100	80	-	-	(103)	-	77	80
	<b>371</b>	<b>262</b>	<b>345</b>	<b>395</b>	-	-	<b>(296)</b>	<b>(286)</b>	<b>420</b>	<b>371</b>

**DERWENT VALLEY COUNCIL**  
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22. RESERVES (Continued)	Opening Balance		Transfers to Reserves		Asset Revaluation and Fair Value Movements		Transfers from Reserves		Closing Balance	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Fair Value Reserve</b>										
- Southern Water	-	-	-	-	143	-	-	-	143	-
<b>Asset Revaluation Reserves</b>										
- Hobart Water	-	5,182	-	-	-	(5,182)	-	-	-	-
<b>Infrastructure</b>										
- Land	2,619	2,814	-	-	2,578	(195)	-	-	5,197	2,619
- Buildings	2,264	1,970	-	-	(2,043)	294	-	-	221	2,264
- Sewerage	-	5,822	-	-	-	(5,822)	-	-	-	-
- Water	-	6,689	-	-	-	(6,689)	-	-	-	-
- Roads	26,973	25,265	-	-	7,444	1,708	-	-	34,417	26,973
- Storm Water	6,732	6,681	-	-	(1,988)	51	-	-	4,744	6,732
- Bridges	3,363	2,409	-	-	(121)	954	-	-	3,242	3,363
- Recreation	1,628	1,441	-	-	(1,760)	187	-	-	(132)	1,628
	<b>43,579</b>	<b>58,273</b>	-	-	<b>4,253</b>	<b>(14,694)</b>	-	-	<b>47,832</b>	<b>43,579</b>
<b>Other Reserves</b>										
- Autumn Festival	12	5	34	37	-	-	(43)	(30)	3	12
- Bicentennial 2008	20	5	-	15	-	-	-	-	20	20
- CBD Levy	15	14	33	36	-	-	(26)	(35)	22	15
- Children's Services	344	331	1,019	943	-	-	(999)	(930)	364	344
- Community & Bus. Directory	-	-	-	1	-	-	-	-	-	-
- Computer	150	205	117	128	-	-	(100)	(183)	167	150
- Derwent Valley Election	17	30	15	15	-	-	(4)	(28)	28	17
- Derwent Valley Revaluation	123	92	31	31	-	-	(116)	-	38	123
- HACC	14	8	139	122	-	-	(138)	(116)	15	14
- Historical Info. Centre	12	14	6	6	-	-	-	(8)	18	12
- Local Issues Support	10	10	-	-	-	-	-	-	10	10
- Public Relations	-	-	4	-	-	-	-	-	4	-
- RDH Site Development	849	1,236	275	46	-	-	(361)	(433)	763	849
	<b>1,566</b>	<b>1,950</b>	<b>1,673</b>	<b>1,380</b>	-	-	<b>(1,787)</b>	<b>(1,763)</b>	<b>1,452</b>	<b>1,566</b>
<b>Total Reserves</b>	<b>45,649</b>	<b>60,622</b>	<b>2,034</b>	<b>1,781</b>	<b>4,253</b>	<b>(14,694)</b>	<b>(2,088)</b>	<b>(2,060)</b>	<b>49,848</b>	<b>45,649</b>

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**23. COMMITMENTS FOR CAPITAL EXPENDITURE**

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

Atkins Road Upgrade, All Earthworks \$114,945.

Burnett Street Stage 1 Upgrade, Landvision Civil \$212,986.

**24. COMMITMENTS UNDER OPERATING LEASES**

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

**25. 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 undertake this project, Council will continue to retain these funds.

**26. 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.

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**27. ACCOUNTING FOR FINANCIAL INSTRUMENTS**

**(a) Accounting Policy. Terms and conditions**

<b>Recognised financial instruments</b>	<b>Note</b>	<b>Accounting Policy</b>	<b>Terms and Conditions</b>
<b>Cash and cash equivalents</b>	<b>13</b>	<p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Interest is recognised as it accrues.</p> <p>Investments and bills are valued at cost.</p> <p>Investments are held to maximise interest returns of surplus cash.</p> <p>Interest revenues are recognised as they accrue.</p> <p>Managed funds are measured at market value.</p>	<p>On call deposits returned a floating interest rate of 3.87%. (3.78% in 2009/2010). The interest rate at balance date was 3.25%. (3.00% in 2009/2010).</p> <p>Funds returned fixed interest rates of between 4.60% (3.1% in 2009/2010), and 6.00% (5.76% in 2009/2010) net of fees.</p> <p>Managed funds provided returns of 5.00%. (4.26 % in 2009/2010) excluding unrealised gains/losses</p>
<b>Trade and other receivables</b>			
<b>Other debtors</b>	<b>15</b>	<p>Receivables are carried at amortised cost using the effective interest method. A provision for impairment is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.</p>	<p>General debtors are unsecured and arrears attract no interest rates. (Nil % in 2009/2010). Credit terms are based on 30 days. Rating debtors are secured and arrears attract an interest rate of 11%. (11% in 2009/2010).</p>
<b>Financial Liabilities</b>			
<b>Trade and other payables</b>	<b>17</b>	<p>Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.</p>	<p>General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.</p>
<b>Interest-bearing loans and borrowings</b>	<b>18</b>	<p>Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.</p> <p>Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.</p>	<p>Borrowings are secured by way of mortgages over the general rates of the Council.</p> <p>The weighted average interest rate on borrowings is 6.62%. (6.59% in 2009/2010).</p> <p>As at balance date, the Council had no finance leases.</p>

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**27. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)**

**(b) Interest Rate Risk**

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

**2011**

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial assets</b>							
Cash and cash equivalents	3.87%	415	-	-	-	-	415
Investments	5.00%	2,305	-	-	-	-	2,305
Trade and other receivables	11.00%	-	566	20	-	199	785
<b>Total financial assets</b>		<b>2,720</b>	<b>566</b>	<b>20</b>	<b>-</b>	<b>199</b>	<b>3,505</b>
<b>Financial liabilities</b>							
Trade and other payables		-	-	-	-	783	783
Trust funds and deposits		-	-	-	-	95	95
Interest-bearing loans and borrowings	6.62%	-	215	698	1,060	-	1,973
<b>Total financial liabilities</b>		<b>-</b>	<b>215</b>	<b>698</b>	<b>1,060</b>	<b>878</b>	<b>2,851</b>
<b>Net financial assets (liabilities)</b>		<b>2,720</b>	<b>351</b>	<b>(678)</b>	<b>(1,060)</b>	<b>(679)</b>	<b>654</b>

**2010**

	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial assets</b>							
Cash and cash equivalents	3.78%	184	-	-	-	-	184
Other financial assets	4.26%	2,004	-	-	-	-	2,004
Trade and other receivables	11.00%	-	477	18	-	340	835
<b>Total financial assets</b>		<b>2,188</b>	<b>477</b>	<b>18</b>	<b>-</b>	<b>340</b>	<b>3,023</b>
<b>Financial liabilities</b>							
Trade and other payables		-	-	-	-	936	936
Trust funds and deposits		-	-	-	-	21	21
Interest-bearing loans and borrowings	6.59%	-	89	539	934	-	1,562
<b>Total financial liabilities</b>		<b>-</b>	<b>89</b>	<b>539</b>	<b>934</b>	<b>957</b>	<b>2,519</b>
<b>Net financial assets (liabilities)</b>		<b>2,188</b>	<b>388</b>	<b>(521)</b>	<b>(934)</b>	<b>(617)</b>	<b>504</b>

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**27. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)**

**(c) Net Fair Values**

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

<b>Financial Instruments</b>	<b>Total carrying amount as per Balance Sheet</b>		<b>Aggregate net fair value</b>	
	<b>2011 \$'000</b>	<b>2010 \$'000</b>	<b>2011 \$'000</b>	<b>2010 \$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	2,720	2,188	2,720	2,188
Trade and other receivables	785	835	785	835
<b>Total financial assets</b>	<b>3,505</b>	<b>3,023</b>	<b>3,505</b>	<b>3,023</b>
<b>Financial liabilities</b>				
Trade and other payables	783	936	783	836
Trust funds and deposits	95	21	95	21
Interest-bearing loans and borrowing	1,973	1,562	2,045	1,626
<b>Total financial liabilities</b>	<b>2,851</b>	<b>2,519</b>	<b>2,923</b>	<b>2,483</b>

**(d) Credit Risk**

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

**(e) Risks and mitigation**

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

**Market risk**

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

**Interest rate risk**

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

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**27. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)**

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

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

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

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

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

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

**Credit risk**

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

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

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

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

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

We may also be subject to credit risk for transactions which are not included in the Statement of Financial Position, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 25.

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

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**27. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)**

	Financial Institution s	Government agencies	Other	Total
<b>2011</b>	(AAA credit rating)	(BBB credit rating)	(min BBB credit rating)	
Cash and cash	415	-	-	415
Trade and other	-	-	785	785
Investments and other financial asse	1,305	1,000	-	2,305
<b>Total contractual financial assets</b>	<b>1,720</b>	<b>1,000</b>	<b>785</b>	<b>3,505</b>
<b>2010</b>				
Cash and cash	184	-	-	184
Trade and other	-	-	835	835
Investments and other financial asse	1,204	800	-	2,004
<b>Total contractual financial assets</b>	<b>1,388</b>	<b>800</b>	<b>835</b>	<b>3,023</b>

**Ageing of Trade and Other Receivables**

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

	<b>2011</b> <b>\$'000</b>	<b>2010</b> <b>\$'000</b>
Current (not yet due)	2	113
Past due by up to 30 days	116	65
Past due between 31 and 180 days	18	14
Past due between 181 and 365 days	-	-
Past due by more than 1 year	-	-
<b>Total Trade &amp; Other Receivables</b>	<b>136</b>	<b>192</b>

**Liquidity risk**

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

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

To help reduce these risks we:

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

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

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**27. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)**

The table below lists the contractual maturities for Financial Liabilities.

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

<b>2011</b>	<b>6 mths</b>	<b>6-12</b>	<b>1-2</b>	<b>2-5</b>	<b>&gt;5</b>	<b>Contracted</b>	<b>Carrying</b>
	<b>or less</b>	<b>months</b>	<b>years</b>	<b>years</b>	<b>years</b>	<b>Cash Flow</b>	<b>Amount</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade and other payables	783	-	-	-	-	783	783
Trust funds and deposits	95	-	-	-	-	95	95
Interest-bearing loans and borrowings	57	58	122	418	1,318	1,973	1,973
Total financial liabilities	935	58	122	418	1,318	2,851	2,851

<b>2010</b>	<b>6 mths</b>	<b>6-12</b>	<b>1-2</b>	<b>2-5</b>	<b>&gt;5</b>	<b>Contracted</b>	<b>Carrying</b>
	<b>or less</b>	<b>months</b>	<b>years</b>	<b>years</b>	<b>years</b>	<b>Cash Flow</b>	<b>Amount</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade and other payables	936	-	-	-	-	936	936
Trust funds and deposits	21	-	-	-	-	21	21
Interest-bearing loans and borrowings	43	45	96	323	1,055	1,562	1,562
Total financial liabilities	6,849	1,597	1,161	2,183	11,790	2,519	2,519

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**27. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)**

**(f) Sensitivity disclosure analysis**

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

		<b>Interest rate risk</b>			
		-2 %		+1 %	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
<b>2011</b>	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>					
Cash and cash	415	(8)	(8)	4	4
Investment	2,305	(46)	(46)	23	23
Trade and other	785	(16)	(16)	8	8
<b>Financial liabilities:</b>					
Interest-bearing loans	1,973	(39)	(39)	20	20

		<b>Interest rate risk</b>			
		-2 %		+1 %	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
<b>2010</b>	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>					
Cash and cash	184	(4)	(4)	2	2
Investment	2,004	(40)	(40)	20	20
Trade and other	835	(17)	(17)	8	8
<b>Financial liabilities:</b>					
Interest-bearing loans	1,562	(31)	(31)	16	16

**(g) Fair Value Hierarchy**

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

The different levels have been defined as follows:

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

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**27. ACCOUNTING FOR FINANCIAL INSTRUMENTS (Continued)**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>30 June 2011</b>				
Available for sale financial assets	-	-	24,870	24,870
Financial assets at fair value through the comprehensive income statement	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-

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

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>30 June 2010</b>				
Available for sale financial assets	-	-	24,727	24,727
Financial assets at fair value through the comprehensive income statement	-	-	-	-
Financial assets held for trading	-	-	-	-
Derivative financial assets	-	-	-	-

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

**Reconciliation of Level 3 Fair Value Movements**

	<b>2011</b>	<b>2010</b>
<b>Opening balance</b>	<b>24,727</b>	<b>29,031</b>
Investment on transfer of assets	-	-
Gains (losses) recognised in Other Comprehensive Income	-	-
Change in fair value movement in Southern Water	143	(4,304)
<b>Closing balance</b>	<b>24,870</b>	<b>24,727</b>

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**28. CASH FLOW STATEMENT RECONCILIATION**

- (a) For the purposes of the Cash Flow Statement, 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 Cash Flow Statement is reconciled to the related items in the Statement of Financial Position.

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at Bank and on hand	415	184
<b>Total</b>	<b>415</b>	<b>184</b>

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

Surplus for the year	477	103
Depreciation	1,978	2,050
(Gain) / Loss on Sale of Fixed Assets	76	39
Capital Grants provided by Government	(410)	(517)
Movements:-		
- Increase / (Decrease) in Employee Provisions	185	68
- (Increase) / Decrease in Accounts Receivable	(35)	(144)
- Increase / (Decrease) in Accrued Expenses	96	(8)
- (Increase) / Decrease in Accrued Income	28	(20)
- Increase / (Decrease) in Trade and other Payables	(176)	704
- (Increase) / Decrease in Prepayments	57	(33)

**NET CASH INFLOW/(OUTFLOW) PROVIDED BY OPERATING ACTIVITIES**

<b>2,276</b>	<b>2,243</b>
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**29. FINANCING ARRANGEMENTS**

At the reporting date business card facility of \$20,000 (2009/10 \$20,000) was available to the Council from its Bankers, the Commonwealth Bank of Australia.

**30. COUNCILLORS' INTERESTS**

The Council is a body corporate with perpetual succession and comprises 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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**31. SIGNIFICANT BUSINESS ACTIVITY**

	<b>Transport Infrastruct.</b>
<b>Revenue</b>	
	<b>\$</b>
General Rates allocated	226,260
User Charges	35,333
Contributions	218,487
Other Revenue	2,930
Government Grants identified	764,818
Government Grants allocated	831,854
<b>Total Revenue</b>	<b><u>2,079,682</u></b>
<b>Expenditure</b>	
Direct	
Employee Costs	182,391
Materials and Contracts	312,130
Interest	107,411
Street Lighting	129,145
	<u>731,077</u>
Indirect	
Supervision and Indirect Overhead	115,329
<b>Total Expenditure</b>	<b><u>846,406</u></b>
Capital costs	
Depreciation and Amortisation	1,525,583
Opportunity cost of capital	2,844,227
Opportunity cost of working capital	1,575
	<u>2,845,802</u>
Competitive neutrality adjustments	
Rates and Land Tax	12,618
Loan Guarantee fees	6,052
	<u>18,670</u>
Calculated Surplus/(Deficit)	<b>(310,975)</b>
Taxation Equivalent Rate	30.00%
Taxation Equivalent	<b>(93,293)</b>
<b>Total Competitive Neutrality Costs</b>	<b><u>(74,623)</u></b>

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**32. SUPERANNUATION**

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

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

Bendzulla Actuarial Pty Ltd undertook the last actuarial review of the Fund at 30 June 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 \$77,075,401, 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.

At 30 June 2010 the Quadrant Defined Benefits Fund had returned to a "satisfactory financial position" with the net market value of assets available for funding member benefits of \$57,230,000 being greater than the value of the vested benefits of \$56,180,000. The surplus at that date was \$1,050,000. The Quadrant Trustee again reviewed the employer contribution rate and confirmed that the 9.5% contribution rate remained appropriate.

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**32. SUPERANNUATION (Continued)**

The next full triennial review will have an effective date of 30 June 2011 and is expected to be completed late in 2011 or early in 2012.

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.

During the reporting period the amount of contributions paid to defined benefits schemes was \$38,904 (2009-2010, \$37,463), and the amount paid to accumulation schemes was \$204,246 (2009-2010, \$205,687).

**33. 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.

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**33. INVESTMENT IN SOUTHERN (HOBART) WATER (Continued)**

At 30 June 2011, Council had an ownership interest of 2.7% (based on the Treasurer's Returns Allocation Order) in Southern Water. Council does not have significant influence to allow it to use the equity method to account for this interest.

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

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

Council's share of the Corporation's net assets at 30 June 2011 is \$24.870 million.

	<b>2011</b>
	<b>\$'000</b>
Balance 1 July	24,727
Change in fair value of investment	143
Balance 30 June	<u><b>24,870</b></u>