

TASMAN COUNCIL



*"A Natural Escape"*

# TASMAN COUNCIL

## ANNUAL REPORT

2009—2010





*"A Natural Escape"*

**Tasman Council  
1713 Main Road  
Nubeena Tasmania 7184**

**Phone: (03) 6250 9200**

**Fax: (03) 6250 9220**

**Email: [tasman@tasman.tas.gov.au](mailto:tasman@tasman.tas.gov.au)**

**[www.tasman.tas.gov.au](http://www.tasman.tas.gov.au)**

**Cover Page Top Photo  
Cape Pillar — supplied by Tourism Tasmania &  
Photographed by Joe Shemesh**

**Cover Page Bottom Photo  
Pirates Bay Eaglehawk Neck**



# Introduction – Table of Contents

## Tasman Council's Annual Report is comprised of two key parts:

### Section 1

- includes the Mayor's report, together with reports from the various functional Council Departments.

### Section 2

- incorporates the audited financial statements for the financial year.

### Section 1

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## Council's Vision For 2014

Tasman will continue to progress as an innovative and vibrant community, valuing its people, environment and heritage while building a sustainable and diverse future.

### Vision Statement

Tasman – custodians of the past; visionaries for the future.

### Mission Statement

Tasman Council will be responsive to its community by:

- providing effective and strategic leadership;
- working in partnership with the community to progress its ideas, values and needs;
- identifying and acting on current and emerging priorities and service needs;
- enhancing economic growth opportunities through sound planning and leadership;
- responding efficiently to the expectations of the community through quality and value-for-money service; and
- adopting a creative and progressive approach in all that we do.

### Statement of Values

Tasman Council will operate in a way that:

- values our historical, cultural and natural environment and the things that make the Municipality such a unique place to live and work;
- seeks and encourages quality sustainable, innovative and compatible development;
- fosters and supports community participation and involvement, tolerance, and pride in our community;
- promotes and maintains a community that is healthy, active, skilled and informed.



## History of Tasman

### Area History

The Tasman Peninsula is named after Dutch explorer Abel Tasman. At the time of first contact with Europeans, the area was the country of the Pydairrme band of the Oyster Bay tribe. Their territory was what is now known as the Tasman and Forestier Peninsulas. A narrow "neck" of land joins these two peninsulas. There is no recorded evidence of any remaining Pydairrme people on the Tasman Peninsula from the 1830s onwards, although remains of middens and stone artefacts remain in the landscape from this period.

The Tasman Peninsula convict history represents perhaps the best collection of British penal station remains in the world. This includes extant prison complexes, wharves, farms, tramways, quarries, mines, garden plots, constable stations, semaphore stations, cemeteries and other remains spread across the peninsula.

Governor George Arthur first proposed a penal settlement on the Tasman Peninsula in 1827. With its clear strategic and security possibilities, Arthur considered the site a 'natural penitentiary'.

Besides its attributes as a 'natural prison' the Tasman Peninsula was rich in natural resources – including timber, stone, clay, lime and coal. The Peninsula was close enough to Hobart to allow for a viable settlement, and to develop industries for export within and beyond Van Diemen's Land.

Port Arthur was also endowed with a protected harbour and freshwater stream. These were critical factors in the choice of site, both to ensure its viability, and to provide the capacity for large-scale convict employment.

In 1830 timber was cleared, building commenced and the first convicts arrived. Across Carnarvon Bay, at Point Puer, a boys' penitentiary was established in 1834.

A line of guard dogs and lamps was stationed across the narrow land bridge at Eaglehawk Neck, which proved a virtually impenetrable barrier to escaping convicts.

In the 1840s, a network of probation stations was established throughout the Tasman Peninsula. This created a more productive labour force and transformed Port Arthur into a large scale and diverse industrial complex that stretched across the Tasman Peninsula.

A 'convict railway' powered by human effort was completed in 1836 and linked Norfolk Bay and Long Bay. The Saltwater River coal mines and Eaglehawk Neck were linked by roads. A wide network of signal stations was set up in the mid-1830s that connected the settlements and the Peninsula to Hobart.

By the mid 1840s there was a decline in transported convicts, the boys penitentiary at Point Puer closed in 1849 and in 1877 the Port Arthur penal settlement closed. A new township named Carnarvon was superimposed on the remains of the former penal settlement.

The site became a tourist centre and by 1880 tours of Port Arthur were operating. The former Commandant's Residence became the Carnarvon Hotel. By 1892 Port Arthur had become an established port of call for tourists. In 1912 a local councillor estimated that 5000 tourists visited the town. (Today there is an estimated 280,000 annually visit the site.)

Forestry, fishing and agriculture have been the dominant industries since the beginning of white settlement. Following the closure of the penal settlements, land around the peninsula was subdivided for farms and orchards and small rural settlements. Nubeena, Koonya, Taranna, Saltwater River, Premaydena & Eaglehawk Neck, grew out of the former probations stations. Orcharding became one of the main industries, although most of the early orchardists were dependent on the timber industry in conjunction with vegetable and dairy products.

Small schools were opened in these settlements. In the late 19<sup>th</sup> century and the early part of the 20<sup>th</sup> century there were 8 local schools situated around the Peninsula including at Port Arthur, Saltwater River, Nubeena, Eaglehawk Neck, Oakwood, Taranna, Koonya, and Premaydena. By 1953 all of these had closed and the Nubeena Area School was opened in its current site (prior to this the Nubeena school had been situated in Judd Park and then moved to where the existing CWA hall is situated).

The first hospital on the Peninsula was situated in Nubeena, although this was only open for 12 months before being moved to Koonya in 1927. This remained the hospital until 1970. In 1971 the Country District Hospital opened in Nubeena and 10 years later became the Tasman Nursing Home, until in 2003 it became the Tasman Multi-Purpose Service.



## History of Tasman (Continued)

In the late 19<sup>th</sup> Century water transport was the marketing lifeline between the Peninsula, Hobart and elsewhere and jetties were erected at key locations. Some of the names of the river steamers were Taranna, Koonya, Nubeena and Cartela. A voyage when fully loaded with products and passengers may have taken between four and six hours to reach Hobart.

Orcharding remained a viable industry in the region until the 1970s. By 1990 only three commercial orchards were left on the Peninsula. Today there has been a slight resurgence in orcharding as a number of cherry and berry orchards have been established. Forestry and fishing remain dominant industries.

Small scale poultry farming blossomed into an embryo battery-chicken industry in 1953. Contract growing was initiated and chicken sheds appeared on properties in all Peninsula districts. Today in addition to forestry and fishing the main industries include tourism, aquaculture, some niche market agriculture and health and community-services.

### Council History

The Municipality of Tasman was proclaimed in 1907 and the first Council meeting held on 6 January 1908. Its boundaries remained the same until 1994.



**Tasman Council 1922**

**Back Row**

**R Lewis, AD Frost, F Spaulding, R Kingston,  
L Kerslake**

**Front Row**

**S Bresnehan, OE Hansen, E Smith (Warden),  
E Heyward (CC), J Stewart**

Before 1908 Road Trusts and the Carnarvon Town Board managed the affairs of the Peninsula.

Councillors in their own particular ward supervised the spending of allocated funds and were responsible for employing workmen to carry out necessary works, etc.

There were two venues suggested as meeting places for the Council - Premaydena and Nubeena and it was decided to meet at Premaydena Court House on the 1st Monday in the month at 10.30 a.m.

In 1926 a motion was passed to hold the meetings by rotation at Nubeena, Koonya and Carnarvon and the first rotated meeting was held at Koonya on 4 February 1927.



**Tasman Council 1933**

**Back Row**

**D Free, M Kingston, E Heyward (CC),  
B Clark (Warden)**

**Front Row**

**T Locke, J Thorton**

In 1933 it was resolved to hold all future meetings at Premaydena and on 3 January 1934, meetings returned once more to the Premaydena Court House. In 1936 it was proposed to move to Port Arthur but this was defeated and meetings were alternated between Port Arthur and Nubeena until 1938 when the Council Chambers were officially established in the Asylum at Port Arthur.



## History of Tasman (Continued)

Upon the Council having to vacate the penal site in the early 1970s, it was decided to build the works depot at Nubeena and the first meeting in a building specially built as a Council Chambers was held in April 1974. In 1976 a residence was built adjacent for the Council Clerk.

In the early days of Council, road works, upkeep of jetties, education and health were very much a part of Council business. Petitions for new schools at Nubeena, Koonya and Premaydena were received and sent off to the Government supported by Council. Attendances at schools were checked by Council. Eventually an Advisory Board was set up by Council that dealt with matters pertaining to schools.

Health matters often caused concern to the council, particularly when World War I commenced, bringing a shortage of doctors. When the Doctor resigned in 1914 a Nurse was a District Nurse.

In 1924 it was moved that the Council try to obtain the Koonya School as a hospital and at the end of that year it was suggested that Council should set up a Hospital Board consisting of five members.

At the beginning of 1925 the old school was offered to Council for £150 but they preferred a 99-year lease.

In 1967 a new District Nursing Centre was proposed for the Peninsula as the Council was concerned by the state of the Koonya District Nursing Centre. In 1974 a deputation waited on Council and presented a case for geriatric home units to be attached to the District Hospital at Nubeena.

Council purchased land adjacent to the hospital for the elderly citizen units in 1975 and can be justly proud of its care of our aged. Although always prepared to fund health care, the earlier councils' were not always prepared to assist with the building of recreational facilities.

As late as the 1960s when the Nubeena Hall was condemned, Council was not prepared to assist with grants. More recent Councils have been more sympathetic with excellent sporting facilities such as the sports centre at Taranna, Tasman Civic Centre at Nubeena and the oval at Port Arthur.

Finance, of course, is the key word and like all tiers of government, local government

on the Peninsula went through difficult times. In May 1925, as there was a £700 overdraft and outstanding cheques of £400 Council approved that the Warden and Treasurer act in an honorary capacity, forgoing their allowances of £25 and £5 per year respectively.

In 1938 the Municipality's financial position was again in a precarious position due, in part, from the loss of revenue from the turnstiles at Port Arthur. A deputation was taken to the then Premier and after discussion it was unanimously decided to appoint a Commission to handle the affairs of the Municipality. The Warden was appointed Chairman with two other Commissioners.

In 1941 a petition for the return of an elected council was presented by ratepayers and the new Council met on 27 November 1941. A Warden was elected on a salary of £25.

In the 1950s and 1960s ratepayers tended to lack interest in council matters and from time to time vacancies on the Council had to be filled by appointment.

In 2010 Council has an indoor staff of 11 and outdoor staff number 10 (21 in total or 18.8FTE), a far cry from 1908 when councillors from each ward organised works by casual labourers in their own particular ward. Today Council continues to face the challenges of cost shifting from State and Federal Governments as well as long-term sustainability.



## Message from the Mayor

The past year has presented a number of significant challenges to Council ranging from the flow-on effects of the global financial crisis, changing General Managers and senior management, an interrupted Capital Works program and Council elections. However, some hard and decisive decisions by Council has enabled it to finish the year in a sound financial position.

The challenge now is for Council to ensure future planning, financial management and decision making is soundly based to give best value in the delivery of services to the community.

Some of Council's ceremonial duties for 2009-10 included opening the new toilets at the Koonya and Saltwater River Halls; launching Seniors Week; officially opening the Marlene Broughton and Rose Solomon Art Exhibition, officially re-opening the Eaglehawk Neck Hall; the presentation of the Australia Day Citizens Awards; presenting awards at the Tasman District School Achievement Recognition Assembly; appreciation speech to grade 3 and 4 students for their efforts on Clean Up Australia Day; launching the Beacon Foundation Transitional Education Community Partnership; speech at memorial service for former Councillor Mr. Keith Heyward; speech for the Anzac Day Service; launching the Healthy Heart Week, Heart Foundation Walking Group; Australian Citizenship Ceremonies.

### Some highlights and achievements for both the Council and the Community include:

- The provision of Paramedics and a new Ambulance Station.
- Commitment from the State and Federal Government for funding for the Three Capes Walk.
- Council funding, in kind assistance and successful grant application to the Tasmanian Community Fund of \$100,000 for the Tasman Community Op Shop.
- Commitment from the State Government of \$18 million to upgrade the Arthur Highway.
- State Government commitment of \$500,000 to replace Robertson's Bridge on the Wielangta Road, this project is almost completed.
- Developing a new Strategic Plan.
- The World Heritage Listing of the Historic Sites.



- Developed Vision East 2030 planning strategy.
- Reviewed and updated many of Council's policies.
- Following a unanimous vote at a Local Government Association of Tasmania General Meeting to seek funding from the State Government to assist Councils with rain damaged roads, Tasman received \$60,000 grant funding for this purpose.
- Grant funding from Marine and Safety Tasmania for the replacement of the Batchelor Street Jetty and upgrading the Taranna/Norfolk Bay boat ramp.
- Grant funding from Parks and Wildlife for the upgrading of parking facilities for the Tunnel Bay and Shipsterns Bluff walking tracks.
- Developed the Southern Tasmania Regional Land Use Strategy 2010-2035.
- Developing and updating the Tasman Tourism Development Strategy.
- Reinstating the webcam overlooking Pirates Bay at Eaglehawk Neck.
- Assisted with a public pedestrian access to the Sommers Bay Jetty.
- Assisted and project managed the erection of a stage at the Tasman Civic Centre.
- The Auditor-General tabled a report in Parliament that examined and compared the financial sustainability of all 29 Tasmanian Councils for the 2006 to 2009 financial years. Tasman



## Message from the Mayor (Continued)

performed very well in this report and is also the fourth lowest rating Municipality in the State.

- Developed the Southern Tasmanian Regional Transport Plan and the Southern Tasmanian Councils Authority "Fair Go For Our Roads" State Election campaign and "Fair Go For The South" Federal Election campaign.

Following the resignation of our former General Manager, Mr. Michael Boyd in December 2009, Council appointed Dr. Wendy Hunter to this position in January 2010.

Although she was on a very steep learning curve for the first few months, we greatly appreciate hers and her family's contribution to the Tasman community.

Wendy has further improved and refined our restructured office environment and Council greatly appreciates her professionalism, abilities, advice, commitment and dedication together with all Council Staff members.

Council also appointed a new Infrastructure Coordinator, much of his time has been spent concentrating on improving Councils road maintenance programs.

Council thanks all of our staff for their outstanding efforts, commitment and dedication during the 2009/2010 financial year.

I also thank my fellow Councillors for their hard work, support and assistance throughout the year. I also thank and our Community Representatives on Council's various committees for their dedication and highly valued input and to the community as a whole for their valuable contribution, in many and varied ways.

Please refer to the General Manager's Report and the other Departmental reports for additional achievements and details. Of particular interest is the General Manager's detailed report about the Centralised Administration Facility pilot project between Tasman and Brighton.

Jan Barwick  
**MAYOR**



## Report from the General Manager

I am delighted to present my first Annual Report to the Community as General Manager. I am impressed by the commitment of Tasman Council staff to achieve the outcomes and strategic direction set by Council.

Throughout 2009-10 council staff were engaged with numerous initiatives and reforms that will provide a good platform for the way in which we operate into the future. The most significant of these initiatives involve:

- Governance and Management
- Planning and Regulation
- Roads and Infrastructure
- Natural Resource Management
- Tourism, Economic and Community Development

Staff recruitment, retention and training continue to present challenges in a small organization such as ours.

With the resignation of our part-time accountant toward the end of the financial year Council was able to access the resource sharing opportunities provided via Brighton Council to see us through this important period.

Council continues to be actively involved with the Local Government Association of Tasmania and the Southern Tasmanian Councils Authority

The Second Partnership Agreement was finalised in 2009-10 and has since been signed-off by the Premier, on behalf of the State Government and the Mayor on behalf of Council.

Work continued on the new Strategic Plan and a new Enterprise Bargaining Agreement was negotiated.

Capital works were deferred for the second half of the year.

Projects commenced or completed included Roaring Beach Road, Batchelor Street Jetty and Pearls Court Units refurbishment.

The maintenance schedule continued for the year and included work on roads and bridges, jetties and boat ramps, parks and reserves, cemeteries and the independent living units. Council continued to support the activities of the State Emergency Services throughout 2009-10.

Waste management operations continued throughout the year and Council participated



actively as members of the Southern Waste Strategy Authority and the Copping Refuse Disposal Site Joint Authority.

The Vision East 2030 Land Use Framework was adopted in 2009-10. An historic amendment to the Planning Scheme was introduced, providing an overlay for the Port Arthur and Coal Mines Historic Sites, to ensure that the Port Arthur Historic Site Management Authority are to be notified of any discretionary use as both sites are now world heritage sites.

Council continued its emphasis on reviewing failing septic tanks, undertaking inspections of buildings and facilities, leachate monitoring and improving food handling practices.

As part of Council's building compliance program, a building amnesty was held from 1 October - 31 December 2009. The Building Amnesty provided an opportunity for people who had undertaken building work without receiving Council approval to legalise these structures without the repercussion of having a penalty in the form of an infringement notice or prosecution being applied.

Implementation of the Tasman Weeds Strategy commenced in 2009-10. Partnerships continued to be built through the activities of the Landcare and Coastcare groups.

Over the past 12 months Tasman Council has been involved with Brighton Council in a Centralised Administration Facility Project. Financial support from the *Stronger Councils, Better Services* initiative, allowed a pilot program to take place.

The pilot project allowed Brighton and Tasman Councils to identify opportunities whereby they



## Report from the General Manager (Continued)

could work together to maximise cost savings through efficiency gains, reduced duplication, greater access to the latest technology, reduced overheads and greater service delivery choices.

The estimated cost savings in 2009-10 for both councils was around \$200,000 - a saving of \$120,000 for Tasman and a saving of \$80,000 for Brighton. This scale of savings could be replicated by councils across the state.

The pilot Centralised Administration Facility provided a range of vital services to Tasman Council, which included the following functions:

1. Rates administration
2. Payroll and related services
3. Accounts payable
4. Accounts receivable
5. Debt management
6. Customer billing

Funding for the project allowed Brighton and Tasman Councils to develop, trial, and evaluate the Centralised Administration Facility.

I believe this pilot project could be expanded to encompass other like-minded mid-size and small councils, thereby reducing costs and improving services in local government throughout regional Tasmania.

The aim and objectives of the Centralised Administration Facility Project were to:

- Balance the peaks and troughs when professional staff are required;
- Maximise the productivity of current staff;
- Reduce the effects of the skill shortage within the State; and
- Ensure remote areas have access to professional staff.

The long-term benefits of the pilot Centralised Administration Facility are greater flexibility and scope for efficiency in service provisions, by ensuring that administrative functions are delivered in a co-ordinated manner. The sharing of administrative functions between councils offers councils an opportunity to improve their capacity to meet their communities' needs and expecta-

tions in the long term. I take this opportunity to thank Brighton Council staff for their assistance and in particular Mr Robert Higgins.

As well as the above, the review of the tourism strategy commenced in 2009-10. An interpretation strategy was completed. Council continued to support the numerous hall committees and the Pearls Court independent living units.

Although the 2009-10 financial year presented its share of challenges, I firmly believe that the Councillors, Staff and Community Representatives have not only met these challenges but have provided a good basis for Council to grow and prosper. For their continued support and dedication, I say thank you.

Wendy Hunter  
**GENERAL MANAGER**



## Councillors as at 30 June 2010

### **Cr Jan Barwick (MAYOR)**

301 White Beach Road  
WHITE BEACH 7184

**Mayor** -Term Expires October 2011  
Councillor term expires October 2013



### **Cr Roseanne Heyward (DEPUTY MAYOR)**

468 Nubeena Road  
KOONYA 7187

**Deputy Mayor** -Term expires October 2011  
Councillor Term expires October 2013



### **Cr Gary Alexander ASM**

PO Box 913  
NUBEENA 7184

Term expires October 2011



### **Cr Allen Briggs**

296 Safety Cove Road  
PORT ARTHUR 7182

Term expires October 2011





## Councillors as at 30 June 2010 (Continued)

**Cr Joan Fazackerley**  
PO Box 640  
Nubeena 7184

Term expires October 2011



**Cr Pam Fenerty**  
21 Osprey Road  
EAGLEHWAK NECK 7179

Term expires October 2013



**Cr Dave Moser**  
413 Pirates Bay Drive  
EAGLEHAWK NECK 7179

Term expires October 2011



**Cr Roger Larner**  
PO Box 1374  
PORT ARTHUR 7182

Term expires October 2013



**Cr Glenn Skeggs**  
PO Box 741  
NUBEENA 7184

Term expires October 2011





## Statistics

Area	659.3 sq klms
Population (2008)	2317
Percentage of State Population	0.47
Non Current Assets	\$15,641,000
Non Current Liabilities	\$1,304,000
Full Time Equivalent Employees:-	18.8 FTE
Revenue (inc capital) (Estimate)	\$4,334,018
Loan Debt	\$1,111,000
Roads Length:-	187km
Sealed	70km
Unsealed	117km
Bridges	52km
Rateable Properties	3357
Rateable Residential Properties	1925
Electors (2009)	2448
Voter Turnout	1793 (73.24%)

## Council Meeting Attendance Record

ORDINARY MEETINGS	J Barwick	R Heyward	G Alexander	R Self	J Fazack-erley	B Wiggins	A Briggs	D Moser	G Skeggs
22 July 09	√	√	√	√	√	√	√	√	√
17 Aug 09	√	√	√	√	√	√	√	√	√
21 Sept 09	√	√	√	√	√	√	√	√	√
19 Oct 09	√	√	√	√	√	√	√	√	√
				P Fenerty		R Larner			
16 Nov 09	√	√	√	√	√	√	√	√	√
21 Dec 09	√	√	√	√	√	√	√	√	√
18 Jan 10	√	√	√	√	√	√	√	√	√
22 Feb 10	√	√	√	√	√	√	√	√	√
22 Mar 10	√	√	√	√	√	√	√	√	√
26 April 10	√	√	√	√	√	√	√	√	√
24 May 10	√	√	√	√	√	√	√	√	apology
28 June 10	√	√	√	√	√	√	√	√	√
SPECIAL MEETINGS	J Barwick	R Heyward	G Alexander	P Fenerty	J Fazack-erley	R Larner	A Briggs	D Moser	G Skeggs
01 Dec 09	√	√	√	√	√	√	√	√	√
22 Jan 10	√	√	√	√	√	√	√	√	√
AGM	J Barwick	R Heyward	G Alexander	P Fenerty	J Fazack-erley	R Larner	A Briggs	D Moser	G Skeggs
15 Dec 09	√	√	apology	apology	√	√	√	√	apology



## Community Development

### Australia Day Local Citizen Awards

This year highlighted a terrific response to acknowledging those individuals and events that give so much back to our community. The awards were held at The Peninsula Feast and were presided over by Mayor Jan Barwick.

An extra award was given this year in a new category that will be introduced as a selection alternative for nominations. Given that this community has an astonishing number of voluntary based community organisations, the committee felt that it was necessary to introduce the Volunteer Organisation / Group of the Year award.

The Australia Day Local Awards 2010 went to:

- Lola Smith – Citizen of the Year
- Dale Batchelor – Junior Citizen of the Year
- The Art & Craft Fair – Event of the Year
- The Tasman Op-Shop – Volunteer Organisation / Group of the Year



*Lola Smith & Mayor Jan Barwick*

### Australian Citizenship Ceremonies

Several Citizenship ceremonies were conducted throughout the year including a ceremony held, by special request, at the home of a resident on Australia Day.

### Christmas on the Peninsula

Tasman Council funded the Christmas Pageant and Fun Day whilst the Business Community generously supported the Christmas Lights Competition which were all held in December 2009

The Christmas Pageant and Fun Day was facilitated by Neighbourhood House in conjunction with a dedicated committee of volunteers who worked hard to ensure that families enjoyed a visit by Santa Claus and the pageant.

This was followed by an afternoon of activities for all ages and sizes including market stalls to allow for some last minute Christmas shopping.



*Christmas Parade*

### Community Roadside Safety Partnership

The Community Roadside Safety Partnership (CRSP) hosted a public meeting at the CWA Hall in Nubeena on Friday 12<sup>th</sup> March 2010 at midday.

This provided members of the community with the opportunity to raise issues or ideas they may have to improve Roadside Safety and to meet the CRSP working group and Department of Infrastructure, Energy and Resources (DIER) representatives. Several members of the community joined the existing working group following this public meeting.

DIER awarded Tasman Council a grant to purchase a Digital Speed Display Trailer that can be utilised to educate drivers as to what speed they are travelling, display safety messages and collate data which may identify areas where drivers travel at unsafe speeds.



## Community Development (Continued)

### Council supported Events

Tasman Council provided in-kind support to the Peninsula Feast & Regatta, Koonya Acoustic Roots Festival and Clean Up Australia Day. Tasman Council Community Development has



also designed an Event Application package to assist event organisers to provide a concise assessment of an event's requirements and impact for the relevant Council departments' evaluation. It contains an Event Application Form and a handy Event Management Plan. Tasman Council has also ratified an Event Policy which underpins the significance Council places on both Community and Commercial event development.

### Rural Health Week

Tasman Council, in conjunction with Glamorgan Spring Bay and Sorell Council jointly managed The Scarecrow People project with the aim of promoting awareness of health and safety in rural communities throughout the South-East region.

### Rural Health Week (Continued)...

Workshops were held for members of community to participate in making scarecrows that displayed various health messages and these were situated along roadsides throughout all three municipalities.

The launch of the Scarecrow trail was officially opened by the Honourable Michael Polley and was followed by the Mayoral Scarecrow Challenge which was won by Mayor Jan Barwick.



### Pearls Court Independent Living Units

Council continues to provide and manage low cost housing at Suckling Street Nubeena, known as Pearls Court units. One of the units has been painted throughout complete with new carpet and flooring. A new tank has been plumbed in for the bottom units and a maintenance schedule is being devised to enable ongoing preservation and repairs for all of the units.

### Port Arthur & Tasman Tourism Association

Tasman Council has continued to support the local tourism association by making available a General Manager's Nominee to the Committee and purchasing advertising space in the PATTA brochure.



## Community Development (Continued)

### Community Grants Program

Tasman Council's Community Grants Program provides financial and in-kind assistance to support community / sporting groups and individuals to develop projects, facilities and activities that contribute to the development and promotion of the community. Grants between \$150 and \$2,000 are considered.

ORGANISATION/ INDIVIDUAL	PURPOSE	AMOUNT
Tasman Croquet Club	Purchase of croquet equipment	\$905.00
Peninsula Aquatic Club	Purchase of new front doors for Aquatic Club	\$2,000.00
Tasman Golf Club	Subsidised coaching program	\$995.00
Out on a Limb	Hire of film maker	\$890.00
Shelley Beach Coastcare	Plants and materials	\$500.00
Tasman Community Broadcasters Assn Inc	New console	\$2,000.00
Eaglehawk Neck Coast-care	Plants and materials	\$500.00
Tasman Digital Collective	Launch promotion and catering	\$600
PATTA	Website update	\$1,000.00
<b>Total Requested</b>		<b>\$9,390.00</b>

### Tourism and Economic Development

Tasman Council, with support from Tourism Tasmania, Port Arthur Historic Site Management Authority and Parks and Wildlife Service, engaged consultants to undertake a review of the Tasman Tourism Development Strategy 2005-2008

The 2005-2008 Strategy provided strategic support for priority developments such as the Three Capes Track and can be attributed to the development of the Pirates Bay Visitors Service Zone among other achievements.

The current review of the strategy will refine the vision for the future development of tourism in the Tasman region and provide a forward looking implementation plan. It will articulate new strategies and actions that will enable the continued growth of sustainable tourism in the Tasman Region.

It is envisaged the 2011-2016 plan will address, but not be limited to:

- Strategic Direction;
- Brand Positioning;
- Marketing including target markets, demand potential and digital solutions;
- Experience development, identifying new gaps and opportunities;
- Infrastructure & investment development; and
- Key challenges, impediments and implications for broader regional development.



## Natural Resource Management

2009-2010 has been a very productive year for Natural Resource Management within the Tasman Municipality. Several existing projects have been successfully wrapped up, and many exciting new projects have commenced.

Coastcare community groups and the Tasman Landcare Group have been undertaking outstanding work on their own patches. Highlights have included regular events such as the Bone-seed Blitz as part of Weedbuster Week, National Tree Planting Day events, and the annual feral oyster cleanups. Externally funded Envirofund projects have been wrapped up at Fortescue Bay, Sucklings Creek, and Roaring Beach.

Major new project responsibilities have developed in the fields of climate change and sustainability, and also a southeast Tasmanian regional biodiversity offsets project.



**Feral Oyster Control**

### Tasman Weed Management

Tasman Council has been very proactive in the control of high priority environmental weeds throughout the Municipality in 2009-10. A part-time weeds officer was employed, with funding provided by NRM South. The role of this position was to undertake on-ground control of priority weeds, and to educate the public about weeds, and to provide residents with the skills to manage their own weeds into the future.

The aim of this project was to control all Weeds Of National Significance (W.O.N.S.), including gorse (31 sites), boneseed (150 sites), pampas (91 sites), African boxthorn (28 sites), asparagus fern (1 site) and serrated tussock (1 site) on the

Tasman. We have also requested Tasman residents to notify us of any new occurrences of these weeds.

All weed control sites will receive follow-up treatments in 2010-2011, and we are currently seeking funding to ensure these sites all receive an annual inspection and follow-up treatment for several years after that.

NRM South also funded a major weed control operation on Slopens Island, and a priority weed corridors project on the Tasman.



**Gorse Control**

The Slopens Island project controlled many infestations of serrated tussock, African boxthorn, and Spanish heath on the island, despite appalling weather during the field operations. There was no potable water available on the island for mixing with herbicides, and many hundreds of litres of water had to be transported to the island by boat, along with all other field equipment.

The Parks and Wildlife Service, Greening Australia, and the Dodges Ferry Sea Patrol were major partners in this project.

The Tasman priority weed corridors project resulted in the control of many roadside weeds, especially some of the worst occurrences of Spanish heath.



## Natural Resource Management (Continued)

### Tasman Landcare Group

The Tasman Landcare Group has obtained funding from the federal government's Caring For our Country program to undertake landcare activities on the Tasman and in the SE parts of Sorell Municipality. Landowners and land managers throughout the Tasman are implementing many on-ground projects, including wallaby fencing, rehabilitation and protection of remnant and riparian vegetation, controlling WONS weeds and planting shelter belts.

Three well attended field days have been conducted, covering themes including soil management, grazing management, no-til pasture-cropping techniques, and serrated tussock management. Good conditions in 2009-10 enabled 3000 trees to be planted throughout the region, with a similar number proposed for 2010-11. The landcare group has now planted over 20,000 trees through its NLP and CFCO programs over the last 5 years



*Tasman Landcare Field Day*

### Fortescue Bay Envirofund Project

An upgrade of the two campgrounds at Fortescue Bay is now complete. This project was a combined effort between Tasman Council, the Parks and Wildlife Service, and the Friends of Fortescue Bay group, funded by Envirofund.

Deteriorating fencing was replaced, individual campsites delineated, soils were aerated, and the campsites were revegetated.

Much of the on-ground work was undertaken by teams from Conservation Volunteers Australia.

Replanted areas are now flourishing, providing campers with greater privacy, and improving the biodiversity values of the area.



*Fortescue Bay Campground Revegetation & Fencing*

### Climate Change and Energy Efficiency

This has been a major new function of the NRM section in 2009-2010.

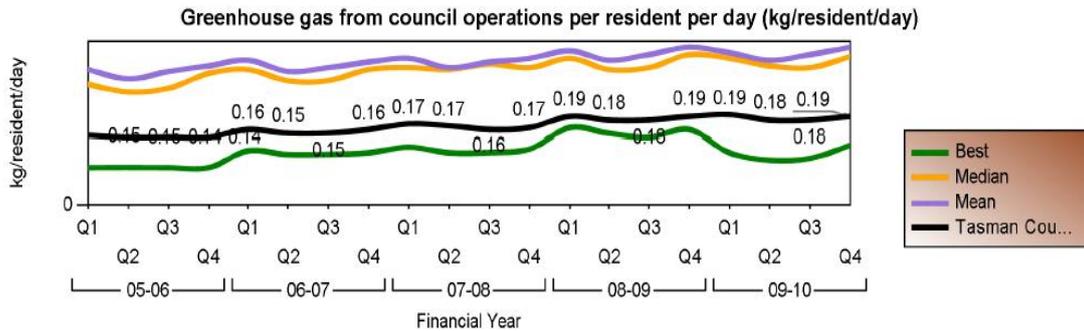
Tasman Council has participated with all other Tasmanian Councils in a program to audit each council's energy use and greenhouse gas emissions.

Tasman Council's energy use is among the best in the nation, per head of population. Its greenhouse gas emissions are likewise among the best in the nation.

Council is also proud to consider itself carbon neutral, due to its emissions being "offset" by the number of trees planted at revegetation projects coordinated by council.



## Natural Resource Management (Continued)



			Financial Quarter 4, 2009-2010			
			Best	Median	Mean	Tasman Council
Greenhouse gas from council operations per resident per day	kg/resident/day	33 Councils	0.13	0.32	0.34	0.19

### Tasman Council Greenhouse Emissions Report

Council also now holds a Home Energy Audit Toolkit (H.E.A.T.), which residents can borrow to undertake self audits of their homes to determine energy efficiency and identify ways to save energy and money. Tasman Council's NRM Officer provides residents with assistance in using the H.E.A.T. and applying it to individual circumstances.

### Biodiversity Offsets

This is an exciting new initiative involving all southern Tasmanian councils discussing a regional approach to "offsetting" the biodiversity lost from vegetation clearance and other new developments. Whilst the details are currently being investigated by a consultant, the draft concept is to pool together "offset credits" from new developments throughout southeast Tasmania, and use these for greater outcomes. For example, if 20 separate projects throughout southeast Tasmania resulted in the loss of 1 hectare of native vegetation at each site, the offsets could be pooled to purchase 20ha of native vegetation in a high priority area, rather than having 20 separate sites each having a few dozen trees planted.



### Home Energy Audit Toolkit



## Planning and Environment

A total of 146 planning applications was received during the 2009-10 financial year which represents a 2% increase from the 2008/09 financial year. Of these applications, 120 were approved, 2 were refused and 3 were withdrawn. Of the 146 applications received, 21 applications were awaiting the payment of fees and/or additional information at the conclusion of the 2009-10 financial year.

Council has continually focused on improving their performance as the statutory planning authority, ensuring the assessment and determination of all applications are carried out objectively and pragmatically based on the relevant Planning Scheme and applicable State legislation. This approach extends to the advice Council's planning staff provide to ratepayers, developers and State agencies.

P

Average processing times for permitted applications was 21 days, and 31 days for discretionary applications, compared against the statutory time limit of 42 days. Two planning scheme amendments were submitted to and approved by the Tasmanian Planning Commission (TPC) in 2009-2010. The first approved amendment was a minor rezoning. The other approved amendment was the introduction of the Port Arthur Historic Sites Visual Significance Overlay. The approval of this amendment concludes the lengthy consideration of that issue by the Council. Two other amendments were submitted to Council but were subsequently withdrawn.

Council in conjunction with the Department of Economic Development and Tourism and the three east coast Councils of Break O'Day, Glamorgan Spring Bay and Sorell prepared a joint land use strategy for the east coast sub-region known as *Vision East 2030*. This important strategic planning exercise was completed in December 2009 and will assist in the preparation of new planning schemes for these councils.

Recently Council has initiated the preparation of a structure planning project for Nubeena and White Beach. This exercise will provide a detailed analysis of the land use planning issues, requirements and opportunities for this area ahead of the preparation of the new planning scheme. The project is being conducted in conjunction with other structure plans for Glamorgan Spring Bay Council and Huon Valley Council and with assistance from the Department of Economic Development and Tourism, in an effort to gain a coordinated approach and cost savings for the councils involved. Council has also been in-

projects that have been initiated by the State Government. The introduction of regional planning projects and the review of Planning Directive No. 1 (planning scheme template) have been progressing this year and will eventually lead to the preparation of new planning schemes for all councils in the state. Council has been involved where possible with the Southern Regional Planning Project. This project will assist in the provision of a strategic and co-ordinated approach to managing the various residential, rural, commercial, tourism, natural values, transport, servicing, visual impact and associated issues need to be considered in the new planning scheme for Tasman and other southern councils.

The timeline for the completion of the strategic projects has been delayed which unfortunately has also delayed the preparation of draft planning schemes. Council continues to liaise with the appropriate State agencies to communicate the urgency of this issue in the Tasman Municipality.

## Building & Plumbing

With private certification of building permits, Council has the role of Permit Authority. Council's role as Permit Authority involves an assessment of the relevant documentation to ensure that it has been prepared in accordance with the *Building Act 2000* prior to issuing permits. Council engages a consultant plumbing inspector to inspect and issue plumbing permits in accordance with the Plumbing Regulations 2004.

A Council of a municipal area, as far as is reasonably practicable, is to ensure that the owners of the property are informed of their duties under the *Building Act 2000* in relation to any building work and in maintaining and using a building. A total of 105 building permits was issued during the 2009-10 financial year, with a total value of \$8,282,842.00. The number of permits issued has slightly increased from the 2008/09 financial year.

An extensive audit of Council's building files was undertaken during 2009/2010. As a result of the audit, approximately 200 Certificates of Completion were issued by Council with the properties also being listed for revaluation. Advertising has been undertaken to ensure that property owners are aware of their requirements in relation to undertaking building work. As a result, the number of applications received by Council has increased.



## Planning and Environment (Continued)

### Building & Plumbing (Continued)

Information documents and brochures have been prepared to provide applicants to ensure that they understand the building process, and the documentation required. This has resulted in the streamlining of the permit issue process.

Historic building permit files are currently being archived, and scanned to Council's record management system with a view to reducing storage of building files.

### Compliance

As Permit Authority, Council must make itself aware of building work and plumbing work being undertaken within the Municipality and ensure that proceedings are instituted against any person or body failing to comply with the *Building Act 2000*.

Under the *Building Act 2000*, permit authorities are not specifically required to enforce the legislation, however, the role may be delegated to them by the General Manager.

Enforcement is carried out through notices and orders, possibly leading to demolition of the building and/or prosecution. A total of 36 Building Notices were issued during the 2009-10 financial year.

During the 2009-10 financial year Council held a Building Amnesty, which provided property owners with the opportunity to declare illegal building work without the repercussion of receiving an infringement notice or fine being issued. Approximately 50 applications were received during the Amnesty period.

Following the conclusion of the amnesty, an audit of all properties was commenced by Council's contract compliance officers. The audit of properties should be completed by the end of the 2010/11 financial year.

### Environmental Health

Council employs a Contract Environmental Health Officer to ensure that all obligations under *The Public Health Act 1997*, the Environ-

mental Management and Pollution Control Act 1994, the Food Act 2003 and the Local Government Act 1993 are met.

### On-site Wastewater Management

The Environmental Health Officer is also required to undertake inspections of on-site wastewater management systems and to issue Special Plumbing approval for the installation of any new on-site wastewater management systems. 53 Special Plumbing Permits were issued during 2009-10 and approximately 46 inspections were carried out. Two Abatement Notices were issued in relation to failing wastewater facilities.

### Immunisation

A Nurse Immuniser works closely with Council's Environmental Health Officer to carry out the immunisation program at the Tasman Multi Purpose Service. The Tasman Council School Immunisation Program currently managed by Tasman Multi Purpose Service Nurse Immuniser, Lexman Patel, is up to date. Vaccines were administered as part of the National Immunisation Program schedule for 2008 under the Guidelines of the Department of Health and Human Services.

### Water Monitoring

All suppliers and users of private water supplies within the Municipality are required to be licensed. Council had 5 licensed water carriers for the year and 4 registered private water suppliers.

To comply with the Drinking Water Guidelines issued by the Director of Public Health under the *Public Health Act 1997*, Council requires water carters who sell untreated water to provide a boil water alert to their customers, which explains the source of the water and general precautionary information about untreated water from natural sources.



## Infrastructure and Works

### Capital Works

Inclement weather that the Peninsula experienced well into the year continued to slow down the Capital Works Program.

Unplanned works caused by storm damage has been carried out on many areas such as Blackjack Road, Stormlea Road, Andersons Road, Sloping Main Drive, Safety Cove Road, Kelletts Road, Hurdle Road, Lyne Street, Norfolk Bay, Sommers Bay Road, Roaring Beach Road, Edward Street, George Street and White Beach Road.

Potholing and grading continued, however it is an endless process and at times extremely frustrating, but with sheer persistence the Depot crew managed to juggle capital upgrade works and routine maintenance works simultaneously together with our slashing program.



*White Beach Road*

### Roaring Beach Road

Maintenance and capital drainage upgrade works were completed on the land slip area along Roaring Beach Road as well as three (3) major bends along that section of the road. This has now improved the road giving a better "line of sight" and realignment of the gradient of the super elevated bend.

Works were also carried out to stabilise the rock faced section prone to rock slips.



*Roaring Beach Road after winter rain and before repairs*



### Road Maintenance & Works Programming

Stornoway have been assisting Tasman Council with road maintenance budget development and works programming.

Stornoway Maintenance is Tasmania's leading supplier of road network maintenance services, providing long term asset management, routine maintenance and minor capital works services to State agencies, local councils and private clients.

Tasman Council's aim, with the assistance from Stornoway, is to improve delivery of service to ratepayers, while still addressing asset, safety and financial risk management.



## Infrastructure and Works (Continued)

Over the past 15 years there has been a steady increase in the subdivision of coastal land. This development has seen at times a 10 fold increase in traffic volumes and a change of use to many roads. With the standard of roads built not coping with the changing and growing use patterns, there has been pressure on Council to play catch up. Tourism has also increased significantly, and with that, the expectations of the users of the roads.

As a result it is necessary to reassess the nature of road use and the risks associated with that use, together with the expectations of rate payers. The first step in classifying roads has been to establish a hierarchy of importance. This hierarchy, along with road user safety, types of road users and traffic volumes must be used as the basis for budget allocation and work scheduling.

### Jetpatching our Potholes

Prior to the State Elections, the State Government acknowledged that the winter of 2009 had had a detrimental effect on State and Local Government Roads. To assist, the State Government allocated \$6.0m to Local Government. Once this was allocated Tasman Council was allocated \$60,000.

To achieve the best outcome for the dollar, Council opted to seal potholes using a piece of equipment known as a Jet-patcher. Making use of the dry weather before Easter, Council was able to seal over 1000m<sup>2</sup> of potholes in our sealed road, which included edge breaks.

### Batchelor Street Jetty

Construction of a new jetty structure at Council's Boat Launching facility along White Beach was completed earlier this year. The Jetty was constructed in two parts. The first section was created from large boulders from Council's Robinson Road Quarry. The second section between the new concrete ramp and the new stacked boulders was concreted and a concrete footway formed. The second section of the jetty extends 17.0m and extends approximately 3.0m passed the end of the concrete ramp.

### New Toilet Blocks At Community Halls

Koonya and Saltwater River Community Hall new toilet blocks were opened by Hon. Dick Adams on the 22 September 2009. The new toilets are a great asset to both hall committees and will enable a greater variety of events at each hall.



**Koonya & Saltwater River Toilet Blocks**

Council allocated \$100,000 toward this project from a Federal Stimulus Grant. Without these facilities the hall didn't meet current standards and could only be utilised by 20 people at any one time.

### Pearls Court Independent Living Units

New Heat Pump units have been installed in all 8 units. This, along with the installation of stainless steel handrails between the two sets of Units, are all part of Council's upgrade program for Pearls Court.



## Council and Special Committees

### Tourism & Economic Development Committee

The Tourism and Economic Development Committee's main purpose is to assist in creating, coordinating and promoting opportunities for business growth and economic development. The Committee has acted as the steering committee for the implementation of the Tasman Tourism Development Strategy and has made recommendations to Council on tourism and economic development issues. Membership is made up of Mayor Jan Barwick (Chair); Mr Roger Self (PATA Chair); Deputy Mayor Roseanne Heyward; Councillor Allen Briggs; Councillor Dave Moser; Dr Wendy Hunter (General Manager); Ms Kate McCarthy (Tourism & Economic Development Officer); Mr Stephen Large (PAHSMA CEO); {Ms Maria Stacey; Mr Rob Rolf; Mr David Daniels and Ms Kathy Weidner (Community Representatives)}.

### Tasman Civic Centre Committee

The Tasman Civic Centre Committee was established in January 2007 to:

- Prepare and authorise a Management Agreement between the Department of Education and the Council on behalf of the community;
- Examine opportunities for the development and use of the building known as the Tasman Civic Centre located at Nubeena;
- Investigate funding options for capital works associated with this building;
- Recommend priorities and strategies for use of the building; and
- Recommend operating procedures that will ensure that the building is used to achieve the priorities and strategies identified.

Members are appointed by Council and consist of Mr Shane Bogus (Coordinator Property Management Director of Finance & Facilities Education Department); Mr Steve Bowes (Principal Tasman District School); Councillor Joan Fazackerley; Dr Wendy Hunter (General Manager); Mr Chris Mole (Infrastructure Coordinator); Ms Kate McCarthy (Tourism & Economic Development Officer); and three community members—Mrs Kath Noye; Mrs Betty Wylie and Mr Tom Purdon.

### Halls & Grounds Committees

Council has established five special committees made up of volunteers who feel passionate about community facilities to manage Council's halls and recreation grounds. The six committees are:

- Koonya Hall Committee;
- Saltwater River Hall Committee;
- Tasman Community Centre;
- Pt Arthur Recreational Ground Committee;
- Nubeena Recreational Ground; and
- Premaydena Cricket Ground.

### Works Infrastructure & Assets Committee

The Works Infrastructure and Assets Committee was established in December 2008 and meets monthly to:

- Advise Council in relation to replacement of major plant;
- Review waste management issues;
- Advise Council in relation to major capital development;
- Develop and review asset and services 10 year plan;
- Assist in the development and review of relevant Council policies and practices;
- Review Council's resource and asset use to determine is compliance with Council's operation plan, annual plan, strategic plan, council policies, and effective work practices; and
- To include any other matter deemed appropriate by the General Manager.

Members are appointed by Council and consist of Councillor Glenn Skeggs (Chair); Mayor Jan Barwick; Deputy Mayor Roseanne Heyward; Councillor Allen Briggs; Councillor Gary Alexander; Councillor Joan Fazackerley; Councillor Pam Fenerty; Councillor Roger Larner; Dr Wendy Hunter (General Manager); and Mr Chris Mole (Infrastructure Coordinator).



## Council and Special Committees (Continued)

### Finance & Administration Committee

The Finance and Administration Committee was established in December 2008 and meets monthly to:

- Examine and review financial statements, external auditor's opinion and reports to members, and seek assurance that action has been taken where necessary;
- Identify where and how financial policies and practices can be improved;
- Examine the effectiveness of the Council's anti-fraud and anti corruption arrangements;
- Seek assurance that action is being taken on risk related issues identified by auditors;
- Be satisfied that the Council has in place appropriate plans, policies and arrangements to manage and mitigate the organizations business risks
- Ensure that there are effective relationships between inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted;
- Identify and direct any special projects/ investigations deemed necessary;
- Assess compliance with Council's Code of Conduct, Strategic Plans and Annual Business Plan, and ensure that these documents support the future financial sustainability of Council;
- Review councils:
  - (a) Complaints management service delivery in accordance with legislative requirements, both internal and external;
  - (b) HR processes eg leave processes;
  - (c) Licences, permits and fines management; Key Performance Indicators; and
  - (d) To include any other matter deemed appropriate by the General Manager.

Members are appointed by Council and consist of Mayor Jan Barwick (Chair); Deputy Mayor Roseanne Heyward; Councillor Gary Alexander; Councillor Dave Moser; Councillor Roger Larner; Dr Wendy Hunter (General Manager) and Ms Rhonda Tomlinson (Accountant).



## Governance

The Local Government Act 1993 specifies the functions of the Council, Councillors and the General Manager paraphrased as follows:

### Councillors Collectively

- To develop and monitor the implementation of strategic plans and budgets;
- To determine and monitor the application of policies, plans and programs for the provision of services and facilities, the management of assets and the fair and equitable treatment of employees of the Council;
- to facilitate and encourage the planning and development of the municipal area in the best interest of the community.
- To determine and review the Council's resource allocation and expenditure activities; and
- To monitor the manner in which services are provided by the Council.

### Councillors Individually

- To represent the community;
- To act in the best interests of the community;
- To facilitate communication by the Council with the community;
- To participate in the activities of Council; and
- To undertake duties and responsibilities as authorised by Council.

### Mayor

- To act as a leader of the community;
- To act as chairperson of the Council;
- To act as the spokesperson of the Council;
- To oversee the Councillors in the performance of their functions and in the exercise of their powers;
- To liaise with the General Manager on the activities of the Council and the performance of its functions and exercise of its powers; and
- Both the Mayor and Deputy Mayor are to represent accurately the policies and decisions of the Council in performing their functions.

### General Manager

- To provide advice and reports to the Council on the exercise and performance of its powers and functions and any other matter requested by the Council;
- To implement the decision of the Council;
- To co-ordinate proposals for the development of objectives; policies and programs for the consideration of Council;
- To assist the Council in the preparation of the strategic and annual plans, annual report and assessment of the Council's performance against the plans;
- To implement the policies, plans and programs of the Council;
- To manage the resources and assets of the Council
- To be responsible for the day-to-day operations and affairs of the Council;
- To liaise with the Mayor on the affairs of the Council and the performance of its functions; and
- To perform any other function the Council decides.

### Council Meetings

Council is required to conduct its ordinary meetings on not less than a monthly basis and currently meetings are held every fourth Monday of the month commencing at 10:00am. The public are invited to attend. The timing of Council Meetings is reviewed following each ordinary election.



## Governance (Continued)

### In-Kind Support Provided by Council

In kind support was provided to the following organizations during the 2009-2010 year:

Individual Landowners	Shelly Beach Coastcare Group
Sucklings Creek Catchment Management Group	Eaglehawk Neck Coastcare Group
Friends of Judd Park	Fortescue Bay Coastcare Group
Saltwater River Coastcare Group	Sommers Bay Coastcare Group
Stewarts Bay Coastcare Group	Tasman Landcare Group

### Allowances and Expenses Statement

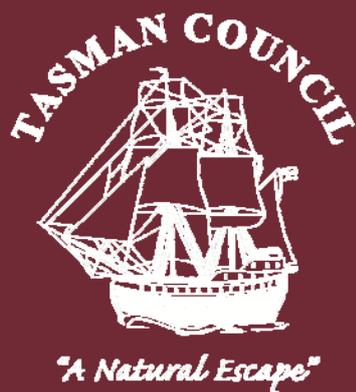
(Under the Local Government Act 1993)

	Allowances	Expenses
In 2009/2010 Council provided allowances and reimbursements for reasonable expenses to the Mayor, Deputy Mayor and Councillors.		
This includes telephone rental and telephone calls and travelling. The total amount of these allowances and expenses is shown opposite	\$90,359	\$16,031

### Total Salaries for Senior Staff

In accordance with Section 72(1)(cd), 72(4) and 72(5) of the Local Government Act 1993, Council is to include within its Annual Report a statement relating to the total annual remuneration paid to employees of the Council who hold positions designated by it as being senior positions. Total annual remuneration includes the salary paid, contributions to superannuation, value of the use of any motor vehicle and any other allowances or benefits paid.	Annual Remuneration	No. of Employees
	\$20,000 - \$40,000	0
	\$40,001 - \$60,000	4
	\$60,001 - \$80,000	3
	\$80,001 - \$100,000	1

**No Contracts were Awarded Over \$100,000**



# TASMAN COUNCIL

## FINANCIAL REPORT

2009—2010

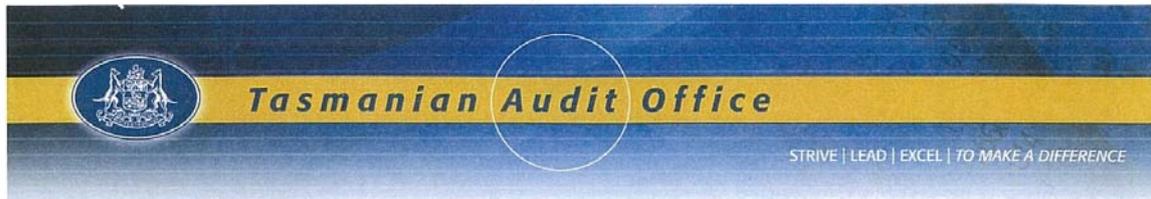
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# Audit Report



## INDEPENDENT AUDIT REPORT

To the Councillors of Tasman Council

Financial Report for the Year Ended 30 June 2010

### Report on the Financial Report

I have audited the accompanying financial report of Tasman Council (Council), which comprises the balance sheet as at 30 June 2010, the comprehensive income statement, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the General Manager's statement.

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

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

#### *Auditor's Responsibility*

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

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 •

*Making a Difference*



## Audit Report

Manager, as well as evaluating the overall presentation of the financial report.

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

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

### Independence

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

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

### Auditor's Opinion

In my opinion the financial report of Tasman Council:

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

### TASMANIAN AUDIT OFFICE



A J Knight  
**Acting Director – Financial Audit**  
**Delegate of the Auditor-General**

HOBART  
25 November 2010

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## Statement By General Manager

### TASMAN COUNCIL

### Financial Report for the Year Ended 30 June 2010

### Statement by the General Manager

In my opinion:

- (a) the financial statement represents fairly the financial position of the Tasman Council as at 30 June 2010 and the results of its operations and cash flows for the year then ended in accordance with Statements of Accounting Concepts, Australian Accounting Standards and Urgent Issues Group consensus views; and
  
- (b) the financial statements have been prepared in accordance with the requirements of the *Local Government Act 1993*.

GENERAL MANAGER

Wendy Munter

Dated: 30 September 2010



# Statement Of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2010

	Note	Actual 2009 \$'000	Budget 2010 \$'000	Actual 2010 \$'000
<b>Revenue</b>				
Rates and charges	3	2,917	2,617	3,223
Government grants	4	2,652	891	1,337
User charges	5	613	670	553
Interest received		130	-	58
Other revenue	6	84	45	478
<b>Total revenue</b>		<b>6,396</b>	<b>4,223</b>	<b>5,649</b>
<b>Expenses</b>				
Employee costs	8	2,483	1,187	1,143
Materials & contractors	9	2,231	2,018	2,081
Depreciation and amortisation	10	984	869	960
Borrowing costs	11	103	113	85
Net (profit)/loss on disposal of fixed assets	7	129	-	15
Other	12	134	120	417
<b>Total expenses</b>		<b>6,064</b>	<b>4,307</b>	<b>4,701</b>
<b>Surplus before:</b>		<b>332</b>	<b>(84)</b>	<b>948</b>
Expenses against previously recognised grants	4	(1,493)	-	(278)
Grants recognised not expended		167	-	235
Share of profit/(loss) in associates using the equity method	17	7	-	(10)
Fair value adjustment for investment in Southern Water				258
<b>Surplus/(Deficit) for the year</b>		<b>(987)</b>	<b>(84)</b>	<b>1,153</b>

The accompanying notes form part of this financial report



# Balance Sheet

AS AT 30 JUNE 2010

	Note	2009 \$'000	2010 \$'000
<b>Current assets</b>			
Cash assets	13	844	1677
Receivables	14	292	274
<b>Total current assets</b>		<b>1,136</b>	<b>1,951</b>
<b>Non-current assets</b>			
Property, plant & equipment	15	15,517	14,595
Intangibles	16	46	48
Investments	17	78	993
<b>Total non-current assets</b>		<b>15,641</b>	<b>15,636</b>
<b>Total assets</b>		<b>16,777</b>	<b>17,587</b>
<b>Current liabilities</b>			
Payables	18	345	307
Interest-bearing liabilities	19	219	219
Provisions	20	134	69
Other	21	43	177
<b>Total current liabilities</b>		<b>741</b>	<b>772</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	19	1,209	907
Provisions	20	48	49
Other	21	47	39
<b>Total non-current liabilities</b>		<b>1,304</b>	<b>995</b>
<b>Total liabilities</b>		<b>2,045</b>	<b>1,767</b>
<b>Net assets</b>		<b>14,732</b>	<b>15,820</b>
<b>Equity</b>			
Accumulated surplus		9,756	10,374
Reserves	22	4,976	5,446
<b>Total equity</b>		<b>14,732</b>	<b>15,820</b>

The accompanying notes form part of this financial report



# Statement Of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2010

	Note	2009 \$ '000	2010 \$ '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from government grants		2,790	1,074
Leave Provision & Bonds Transferred		(239)	-
General rates		2,914	3,222
Payments to suppliers		(4,634)	(2,367)
Employee costs		(2,589)	(1,143)
Interest received		153	56
Interest paid		(103)	(85)
Other receipts		752	669
<b>Net cash provided by/(used in) operating activities</b>	24(b)	<b>(956)</b>	<b>1,426</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(1,572)	(765)
Proceeds from disposal of property, plant and equipment		731	90
<b>Net cash used in investing activities</b>		<b>(841)</b>	<b>(675)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of interest-bearing liabilities		(247)	(215)
<b>Net cash provided by/(used by) financing activities</b>		<b>(247)</b>	<b>(215)</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		<b>(2,044)</b>	<b>536</b>
Transfer from Restructure		-	297
Add cash at the beginning of the year		2,888	844
<b>CASH AT THE END OF THE YEAR</b>	24(a)	<b>844</b>	<b>1,677</b>

The accompanying notes form part of this financial report



## Statement of Changes In Equity

FOR THE YEAR ENDED 30 JUNE 2010

2009	Accumulated surplus \$ '000	Reserves \$ '000	Total \$ '000
Balance at the beginning of the year	10,737	4,982	15,719
Deficit for the year	(987)	-	(987)
Transfers from (to) other reserves	6	(6)	-
<b>Balance at the end of the financial year</b>	<b>9,756</b>	<b>4,976</b>	<b>14,732</b>

2010	Accumulated surplus \$ '000	Reserves \$ '000	Total \$ '000
Balance at the beginning of the year	9,756	4,976	14,732
Surplus for the year	1,153	-	1,153
Transfers from (to) other reserves	(535)	470	(65)
<b>Balance at the end of the financial year</b>	<b>10,374</b>	<b>5,446</b>	<b>15,820</b>

The accompanying notes form part of this financial report



# Notes To And Forming Part Of The Financial Report

## FOR THE YEAR ENDED 30 JUNE 2010

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1 The Local Government Reporting Entity

All funds through which the local government controls resources to carry on its functions have been included in this report.

##### (a) Basis of Accounting

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example loans and transfers between funds) have been eliminated in full.

This general purpose financial report has been prepared on an accruals basis in accordance with the Framework for the Preparation and Presentation of Financial Statements, applicable Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Australian Standards include Australian equivalents to International Financial Reporting Standards. It is presented in Australian dollars. All values are rounded to the nearest thousand dollars (\$'000).

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of non-current assets. These accounting policies have been consistently applied and except where there is a change in accounting policy, are consistent with those of the previous year.

Under AASB 1051 Council has elected not to recognise Land under Roads. From 1 July 2008 no Land Under Roads has been recognised as the balance is immaterial.

##### (b) Revenue recognition

Rates, grants, donations and other contributions are recognised as revenues when Council obtains control over assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier upon receipt of the rates. The collectability of debts is assessed at period end and specific provision is made for any doubtful accounts. Control over granted assets is normally obtained upon their receipt or upon notification that a grant has been secured.

Unreceived contributions over which Council has control are recognised as receivables.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of any amounts pertaining to those undischarged conditions are disclosed in the notes to these accounts. Those notes also disclose the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of Council's operations for the current reporting period.

Interest revenues are recognised as they accrue.



# Notes To And Forming Part Of The Financial Report

FOR THE YEAR ENDED 30 JUNE 2010

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(c) Revaluations of Non Current Assets

### ***Land, buildings, roads and streets, other structures and infrastructure***

Revaluations of a class of asset occurs at such time as there has been a significant movement in current replacement cost of that asset class relative to the value disclosed in the financial statement. Variables influencing such movements in current replacement cost will include inflation, changes in available technology and materials, and general industry movements and trends. In any event, each class of assets will normally be subject to a revaluation at intervals of no greater than five years. Revaluation of land, buildings and other structures occurred in 2005/06 when all properties in the Tasman Municipality were re-valued by the Valuer General. The use of indices are considered between revaluations to reflect fair value and applied where materially significant.

### ***Other non-current assets***

Council has continued to apply the cost basis for other non-current assets.

## (d) 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 are:

	<u>Years</u>
Buildings	20 to 95
Plant & Equipment	
- Small Plant	2
- Other	5 to 15
Office Equipment and Furniture	5
Motor Vehicles	2 to 5
Computers	3 to 5
Roads - Sealed Pavements	20 to 60
Roads - Unsealed Pavements	5 to 20
Roads - Seal	15 to 20
Bridges & Culverts	5 to 80

## (e) Valuation of property, plant and equipment.

Land, Buildings, roads and streets are valued at fair value.

All other categories of property, plant and equipment are valued at cost.

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architect's fees and engineering fees and all other costs incurred in getting the assets ready for use.

For assets valued at fair value, fair value is deemed to be Council value or Valuer-General value.

For initial acquisitions of those categories which are valued at fair value, fair value is deemed to be cost.



# Notes To And Forming Part Of The Financial Report

## FOR THE YEAR ENDED 30 JUNE 2010

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (f) Non Current Assets Constructed by the Council

The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

#### (g) 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 amortisation are reviewed for impairment events or changes in circumstances that indicate that the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

#### (h) Employee Entitlements

##### (i) Wages and salaries

The amount of wages and salaries earned but not paid at balance date is recognised and brought to account as an accrual at expected rates of pay. The accrual is included as a current liability in payables.

##### (ii) Annual leave

Liabilities for annual leave are measured at their nominal amounts, using remuneration rates (including all on-cost components) the entity expects to pay at the balance date.

##### (iii) Long service leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services up to the balance date. Long service leave which is not expected to be settled within 12 months of balance date is discounted using the appropriate indicative mid-rates on selected Commonwealth Government securities. In determining the provision for long service leave, consideration has been given to future increases in wages and salary rates, and the Council's experience with staff departures. Related oncosts have been included in the liability. Staff are eligible for long service leave after 10 years service.

##### (iv) Superannuation

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 accumulation schemes was \$184,415 (2008-09 \$199,330). Contributions to defined benefit schemes were nil.



## Notes To And Forming Part Of The Financial Report

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (v) Sick Leave

No amount is shown for non-vested sick leave for Council employees as experience indicates that, on average, sick leave taken for each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods.

A provision of Nil (2008-09 \$37,586) has been recognised for MPS employees whose employment was transferred to Hobart District Nursing Services Inc in 2008-09.

#### (i) Inventories

Inventories are no longer held by Council, as materials are expended at time of purchase.

#### (j) Materiality

Items are deemed to be material by the Council if their omission, non disclosure or mis-statement has the potential to adversely affect;

- decisions about the allocation of resources
- the discharge of accountability by Council

#### (k) Trust Funds

The financial report incorporates only those trust items of which Council has control.

Amounts received as tender deposits and retention amounts controlled by Council are included in the amount disclosed as trade creditors within the current liabilities

#### (l) Assets that are leased from the State Government

Council Chambers are leased from the State Government. These assets have been capitalised in the Financial Statements because Council has control over these assets..

#### (m) Receivables

##### (i) Settlement terms

Rate debtors are generally settled within 60 days of demand and are carried at amounts due. Should amounts be unpaid outside these terms a 10.4% penalty applies and Council may instigate collection proceedings in accordance with the Local Government Act 1993 (*as amended*).

Sundry debtors are generally settled within 30 days of issue of the account. Should amounts be unpaid outside these terms Council may instigate collection proceedings in accordance with the *Local government Act 1993 (as amended)*.

##### (ii) Credit risk

Council does not have any significant exposure to any individual customers or counterparty.

##### (iii) Net fair value

Council considers that the carrying amount of receivables approximates their net fair value.

#### (n) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to Council. Trade accounts payable are normally settled within 30 days. The carrying amount of creditors approximates net fair value.



## Notes To And Forming Part Of The Financial Report

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (o) Interest-bearing liabilities

Borrowings are carried on the Balance Sheet at their principal amount. The carrying amount of the borrowings is their current value. The Net Fair Value of the loan portfolio is \$1,125,740.12 (2008/09 \$1,427,316). This estimate is based on present value calculations applied to each loan using interest rates prevailing at balance date.

#### (p) Other liabilities

The carrying amount of the deferred cost of valuation and hostel contributions approximates their net fair value. Hostel contributions are accommodation bonds held on behalf of aged care residents.

#### (q) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except when 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 cost of acquisition of the asset or as part of an item of the expense or revenue.

Receivables and payables are stated with the amount of GST included.

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 recoverable from, or payable to, the ATO are classified as operating cash flows.

#### (r) Income Statement - Budget Amounts

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

#### (s) Resources provided free of charge

Assets provided free of charge by Council, are recognised as a revenue when fair value can be reliably determined.

#### (t) Resources received free of charge

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition.

#### (u) New Accounting Standards

The Council has decided against early adoption of certain accounting standards, including interpretations, that have been published but are not mandatory for the 30 June 2010 reporting period.



# Notes To And Forming Part Of The Financial Report

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### u) New Accounting Standards continued

AASB 101 Presentation of Financial Statements – This Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of this revised Standard.

AASB 123 Borrowing Costs – This Standard has been revised to mandate the capitalisation of all borrowing costs attributable to the acquisition, construction or production of qualifying assets. However, AASB 2009-1 Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities issued in April 2009 allows not-for-profit public sector entities to continue to choose whether to expense or capitalise borrowing costs relating to qualifying assets. There is no financial impact resulting from the application of this revised Standard.

AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101 - This Standard changes the term “general purpose financial report” to “general purpose Financial Statements” and the term “financial report” to “Financial Statements”, where appropriate, in Australian Accounting Standards (including Interpretations) and the Framework to better align with IFRS terminology. There is no financial impact resulting from the application of this revised Standard.

AASB 2008-3 Amendments to Accounting Standards arising from AASB 3 and AASB 127 - The focus of this Standard is to reduce alternatives in accounting for subsidiaries in consolidated Financial Statements and in accounting for investments in the separate Financial Statements of a parent. There is no financial impact resulting from the application of this revised Standard.

AASB 2009-1 Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities - In respect of not-for-profit public sector entities, this Standard amends AASB 123 by reintroducing the option to expense borrowing costs in the period in which they are incurred and thereby allow an entity to choose whether it expenses or capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. There is no financial impact resulting from the application of this revised Standard.

AASB 2009-2 Amendments to Australian Accounting Standards: Improving Disclosures about Financial Instruments - Introduces new disclosure requirements for fair value measurement and refines existing disclosures on liquidity risk for financial instruments.



# Notes To And Forming Part Of The Financial Report

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### u) New Accounting Standards continued

There is no financial impact resulting from the application of this revised Standard.

AASB 2009-6 Amendments to Australian Accounting Standards - The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact resulting from the application of this revised Standard.

AASB 2009-7 Amendments to Australian Accounting Standards - The Standard makes amendments to a number of Australian Accounting Standards and Interpretations which are the result of editorial corrections by the AASB and by the International Accounting Standards Board (IASB). There is no financial impact resulting from the application of this revised Standard.

Accounting policies adopted for the current reporting period are consistent with those of the previous reporting period.

### v) Future periods

Council has not yet applied the following Australian Accounting Standards and Interpretations which have been issued but are not yet effective. These will be applied from their application dates.

AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements

AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB

AASB 2009-12 Amendments to Australian Accounting Standards

AASB 2009-14 Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement



## Notes To And Forming Part Of The Financial Report

### FUNCTIONS OF COUNCIL

2(a) Revenue, expenses and assets have been attributed to the following functions.

A detailed explanation of each function is outlined in Note 2(b).

	Revenue Grants \$ '000	Revenue Other \$ '000	Expenses \$ '000	Surplus (Deficit) \$ '000	Assets \$ '000
<b>2009</b>					
Administration	0	0	112	(112)	406
Public service & amenities	108	8	375	(259)	4,700
Tasman Multi Purpose Service	1,500	460	1,933	27	1142
Economic development and tourism	233	128	1,858	(1,497)	1,030
Transport & associated infrastructure	424	2	1,002	(605)	7,035
Waste & environment	118	463	533	37	700
Sewerage	0	13	120	(107)	744
Depot & workshop	0	34	337	(303)	61
Non - attributable	436	2,643	1,286	1821	959
<b>TOTAL</b>	<b>2,819</b>	<b>3,751</b>	<b>7,556</b>	<b>(987)</b>	<b>16,777</b>
<b>2010</b>					
Administration	0	58	213	(155)	406
Public service & amenities	34	37	85	(14)	4,700
Community welfare services	21	0	14	7	10
Health Service	0	19	1	18	1,142
Economic development and tourism	96	180	50	226	1,030
Transport & associated infrastructure	793	9	169	633	7,485
Waste & environment	2	749	365	386	0
Sewerage	0	0	0	0	0
Depot & workshop	0	0	0	76	61
Private works	0	3	0	3	0
Non - attributable	391	3,167	3,521	(27)	986
<b>TOTAL</b>	<b>1,337</b>	<b>4,224</b>	<b>4,418</b>	<b>1,153</b>	<b>15,820</b>



# Notes To And Forming Part Of The Financial Report

## FUNCTIONS OF COUNCIL

2(b) Council has adopted the following functional areas by which it manages the municipal area.

### Administration

To provide a high level of Corporate Services to the other functions carried on by Council efficiently and at a reasonable cost.

Activities include:

- General operations

### Public service & amenities

To provide a diverse range of needs based community facilities and an aesthetically pleasing recreational environment encouraging increased usage by members of the community at a minimum cost.

Activities include:

- Cemeteries
- Parks and reserves
- Community halls
- Fire protection
- Animal control
- Disaster planning
- Emergency services
- Preventative health services
- Other health services
- Community health
- Council residences
- Other public services - library
- Public amenities

### Tasman Multi Purpose Services, Pearls Court Independent Living Units

To administer residential care and associated services within approved funding allocated by the State Community and Health Services - Southern Region Aged and Disability Support Program. This function is now undertaken by Hobart District Nursing Service Inc on 1 February 2009. Council maintains 8 Independent Living Units at Pearls Court and will continue with these units for the foreseeable future.

Activities include:

- Nursing home
- Hostel
- Surgery
- Community health
- Childcare
- Board
- Emergency care
- Home and Community Care
- Emergency relief
- Other community services



# Notes To And Forming Part Of The Financial Report

## FUNCTIONS OF COUNCIL

### 2(b) (Continued)

#### **Economic Development and Planning**

To direct corporate effort towards the creation of sustainable employment opportunities and improved quality of life in line with Council's strategy for the regions development and the aspirations of the community.

To promote and provide a diverse range of tourist based activities in the municipality so as to maximise financial returns while maintaining high aesthetic and environmental standards.

Activities include:

- Town planning
- Development
- Building control
- Tourism & area promotion

#### **Transport & associated infrastructure**

To provide a safe and efficient land transportation system for the municipality through better management, increased inspection and adequate maintenance.

Activities include:

- Local roads
- Bridges
- Footpaths
- Kerb & channel
- Drainage
- Street lighting

#### **Waste & environment**

To provide an efficient and environmentally sound waste management service for the municipality with an emphasis on recycling waste materials and the protection of public health.

Activities include:

- Waste disposal
- Waste & environment

To provide an efficient and environmentally sound sewerage management service for the municipality with an emphasis on the safe disposal of domestic sewerage effluent.

#### **Depot & workshop**

To provide an efficient and safe base for the outdoor workforce and a base for the storage of plant and vehicles along with materials and supplies.

#### **Private works**

To provide a service to undertake works not capable of being undertaken by local contractors on a full cost recovery basis.

#### **Non-attributable**

To provide a basis for accounting for any revenue and expense which cannot be directly associated with any one particular functional area.



## Notes To And Forming Part Of The Financial Report

	Note	2009 \$ '000	2010 \$ '000
<b>3 RATES AND CHARGES</b>			
General		2,452	2,739
Waste Management		169	185
Waste Collection		270	299
Sewerage Levy		13	-
Fire Levy (commission only shown 2009)		13	-
		<b>2,917</b>	<b>3,223</b>
<b>4 (i) GOVERNMENT GRANTS</b>			
Roads to Recovery		29	116
Roads - Financial Assistance Grant		300	551
General - Financial Assistance		360	390
NRM		-	34
Tourism Strategy		-	15
Capital Grants MPS		59	-
Community Grants - State		-	21
Weeds of National Significance		51	-
Emergency Relief Program		11	-
Tripartite Grant - State		514	-
Tripartite Grant - Commonwealth		780	-
RLCIP		-	30
Childcare DEEWR		51	-
Community RHS		85	-
Tasmanian Community Fund		8	-
Water & Sewerage		67	2
Federal Regional Infrastructure		100	-
State grants		-	58
Marine and Safety Tasmania		43	81
Parks & Wildlife Service		190	37
		<b>2,652</b>	<b>1,337</b>

#### 4 (ii) Expenditure on Grants from previous years

Grants of \$235,000 (2008-2009 \$166,987) were recognised as revenues during the year which were obtained under the condition they be expended on a specific project but are as yet to be applied in that manner at the reporting date.

Expenses against previously recognised grants	(1,493)	(278)
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## Notes To And Forming Part Of The Financial Report

	Note	2009 \$ '000	2010 \$ '000
<b>5 USER CHARGES</b>			
MPS Resident fees and Contributions		202	-
MPS Other services		206	-
Council fees and charges		205	553
		<b>613</b>	<b>553</b>
<b>6 OTHER REVENUE</b>			
Other		84	478
		<b>84</b>	<b>487</b>
<b>7 GAIN/(LOSS) ON NON-CURRENT ASSETS SOLD OR RETIRED</b>			
Proceeds from sales		731	15
Less Carrying amount of assets sold or retired		(860)	30
Gain/(Loss) on Disposal/Retirement		<b>(129)</b>	<b>(15)</b>
<b>8 EMPLOYEE COSTS</b>			
Wages and salaries		1,806	877
Superannuation		199	184
All other employee costs		478	82
		<b>2,483</b>	<b>1,143</b>
<b>9 MATERIALS AND SERVICES</b>			
Contract payments		2,125	1,861
Utilities		106	65
Discounts & remissions (net of revenue 2009)		-	200
		<b>2,231</b>	<b>2,081</b>



## Notes To And Forming Part Of The Financial Report

	Note	2009 \$ '000	2010 \$ '000
<b>10 DEPRECIATION &amp; AMORTISATION</b>			
Expense for the year is as follows:			
Motor Vehicles		52	42
Buildings		56	50
Plant and equipment		74	68
Roads		616	641
Infrastructure		69	78
Other structures		61	69
Office equipment, furniture and fittings		40	-
<b>Depreciation total</b>		<b>968</b>	<b>948</b>
Software Amortised		16	12
		<b>984</b>	<b>960</b>
<b>11 BORROWING COSTS</b>			
Interest - Borrowings		<b>103</b>	<b>85</b>
<b>12 OTHER EXPENSES</b>			
Auditors remuneration			
- Audit services		39	27
Bad debts		1	0
Payments to elected members			
- Fees and allowances		94	106
- Other expenses		-	284
		<b>134</b>	<b>417</b>
<b>13 CASH ASSETS</b>			
Cash at bank and on hand		46	237
Cash investments		798	1,677
		<b>844</b>	<b>1,951</b>
There is a restriction on the expending of \$68,000 (2008 \$68,000) of cash at bank that relates to public open space money. The Local Government (Buildings and Miscellaneous Provisions) Act 1996 restricts the use of these funds.			
<b>14 RECEIVABLES</b>			
<b>Current</b>			
Sundry debtors	29	138	153
Rate debtors	8	171	142
Other debtors		20	5
Prepayments		-	3
		<b>329</b>	<b>303</b>
Less provision for doubtful debts		(37)	(29)
		<b>292</b>	<b>274</b>



## Notes To And Forming Part Of The Financial Report

### 15 PROPERTY, PLANT & EQUIPMENT

2010	Cost or valuation \$ '000	Accumulated depreciation \$ '000	Written down value \$ '000
<b>Land</b>			
- at fair value	1,942	0	1,942
<b>Buildings</b>			
- at fair value	3,008	184	3,361
<b>Roads and bridges</b>			
- at fair value	17,155	11,070	6,085
<b>Other structures</b>			
- at fair value	1,738	236	1,502
<b>Plant and equipment</b>			
- at cost	691	332	359
<b>Office equipment, furniture and fittings</b>			
- at cost	328	222	106
<b>Infrastructure</b>			
- at fair value	1,653	985	671
<b>Motor vehicles</b>			
- at cost	392	143	249
<b>Works in progress</b>			
- at cost	222	0	322
	<b>27,229</b>	<b>13,172</b>	<b>14,595</b>



## Notes To And Forming Part Of The Financial Report

2009	Cost or valuation \$ '000	Accumulated depreciation \$ '000	Written down value \$ '000
<b>Land</b>			
- at fair value	1,997	0	1,997
<b>Buildings</b>			
- at fair value	3,391	158	3,233
<b>Roads and Bridges</b>			
- at fair value	16,714	10,420	6,294
<b>Other Structures</b>			
- at cost	1,710	168	1,542
<b>Plant and equipment</b>			
- at cost	701	355	346
<b>Office equipment, furniture and fittings</b>			
- at cost	379	244	135
<b>Infrastructure</b>			
- at cost	1,728	318	1,410
<b>Motor vehicles</b>			
- at cost	391	118	273
<b>Works in progress</b>			
- at cost	287	0	287
	<b>27,298</b>	<b>11,781</b>	<b>15,517</b>

Reconciliations	2009 \$ '000	2010 \$ '000
<b>Land</b>		
Carrying amount at beginning of year	1,997	1,997
Disposals	-	(55)
Carrying amount at end of year	1,997	1,942

A valuation of land was undertaken as at 30 June 2006. The valuation of land then held by Council was based on an independent valuation by the Valuer General.



## Notes To And Forming Part Of The Financial Report

Reconciliations (Continued)	2009	2010
	\$ '000	\$ '000
<b>Buildings</b>		
Carrying amount at beginning of year	3,177	3,233
Additions	112	495
Depreciation	(56)	(183)
Carrying amount at end of year	3,233	3,361

A valuation of buildings was undertaken as at 30 June 2006. The valuation of buildings then held by Council was based on an independent valuation by the Valuer General.

### Roads and Bridges

Carrying amount at beginning of year	6,181	6,294
Additions	729	441
Depreciation	(616)	(650)
Carrying amount at end of year	6,294	6,085

Roads assets were revalued as at 30 June 2005 by an independent valuer. The valuation was updated on 30 June 2007 by applying an index of 10.56%. The index was based on the movement in the Producer Price Indexes issued by the Australian Bureau of Statistics and related to the period from 1 July 2005 to 30 June 2007.

### Other Structures

Carrying amount at beginning of year	1,345	1,543
Additions	259	195
Depreciation	(61)	(236)
Carrying amount at end of year	1,543	1,502



## Notes To And Forming Part Of The Financial Report

<b>Reconciliations (Continued)</b>	<b>2009</b>	<b>2010</b>
<b>Plant and Equipment</b>	<b>\$ '000</b>	<b>\$ '000</b>
Carrying amount at beginning of year	392	346
Additions	100	53
Disposals	(87)	-
Depreciation	(59)	(40)
Carrying amount at end of year	346	359
<b>Office Equipment, Furniture and Fittings</b>		
Carrying amount at beginning of year	160	135
Additions	20	-
Assets sold or retired	-	-
Accumulated Depreciation on sold or retired assets	(5)	-
Depreciation	(40)	(29)
Carrying amount at end of year	135	106
<b>Infrastructure</b>		
Carrying amount at beginning of year	1,344	1,410
Additions	135	-
Disposal	-	(40)
Depreciation	(69)	(699)
Carrying amount at end of year	1,410	671



## Notes To And Forming Part Of The Financial Report

Reconciliations (Continued)	2009 \$ '000	2010 \$ '000
<b>Motor Vehicles</b>		
Carrying amount at beginning of year	318	272
Additions	77	28
Assets sold or retired	(56)	-
Accumulated Depreciation on sold or retired assets	-	-
Depreciation	(67)	(51)
Carrying amount at end of year	272	249
<b>Work in Progress</b>		
Carrying amount at beginning of year	936	282
Additions	282	871
Completed works	(936)	(831)
Carrying amount at end of year	282	322

	Cost or valuation \$ '000	Accumulated amortisation \$ '000	Written down value \$ '000
<b>16 INTANGIBLE ASSETS</b>			
<b>2009</b>			
<b>Software</b>	157	111	46
	<b>157</b>	<b>111</b>	<b>46</b>
<b>2010</b>			
<b>Software</b>	177	129	48
	<b>177</b>	<b>129</b>	<b>48</b>

	2009 \$ '000	2010 \$ '000
<b>Software</b>		
Carrying amount at beginning of year	56	39
Additions	-	21
Amortisation	17	(12)
Carrying amount at end of year	39	48



## Notes To And Forming Part Of The Financial Report

17 (i) INVESTMENTS	Note	2009 \$ '000	2010 \$ '000
Investment in Southern Water		-	657
Fair Value Adjustment		-	258
Balance at end of financial year		-	<b>915</b>
Copping Refuse Disposal Site Joint Council		78	78
Investment in Southern Water		-	915
		<b>78</b>	<b>993</b>
<b>Share of associate's assets and liabilities –Copping Refuse Site</b>			
Current assets		125	66
Non-current assets		595	484
Total assets		720	550
Current liabilities		105	69
Non-current liabilities		537	499
Total liabilities		642	568
Net Assets		<b>78</b>	<b>(18)</b>
<b>Share of associate's income, expenses and results</b>			
Income		253	237
Expenses		246	247
Operating results		<b>7</b>	<b>(10)</b>
Council's ownership interest		10%	10%
<b>Movement in carrying value of investment</b>			
Opening balance at beginning of year		71	78
Share of operating results		7	(10)
Share of increase (decrease) in equity		-	(10)
Closing balance at end of year		<b>78</b>	<b>58</b>
Councils share of expenditure commitments		-	-



## Notes To And Forming Part Of The Financial Report

	Note	2009 \$ '000	2010 \$ '000
<b>18 PAYABLES</b>			
<b>Current</b>			
Trade Creditors		222	25
Accruals		123	292
		<b>345</b>	<b>307</b>
<b>19 INTEREST-BEARING LIABILITIES</b>			
<b>Current</b>			
Borrowings		219	219
		<b>219</b>	<b>219</b>
<b>Non-Current</b>			
Borrowings		1209	907
		<b>1209</b>	<b>907</b>
<b>Total Interest-bearing Liabilities</b>		<b>1,428</b>	<b>1,126</b>
Borrowings are secured over the general rates of the Council.			
<b>20 PROVISIONS</b>			
<b>Provisions</b>		<b>2009</b>	<b>2010</b>
		<b>\$ '000</b>	<b>\$ '000</b>
<b>Current</b>			
Employee Benefits - Annual & Sick Leave		104	42
Employee Benefits - Long service leave <sup>1</sup>		3	-
Employee Oncost <sup>1</sup>		8	8
Landfill		19	19
		<b>134</b>	<b>69</b>
<b>Non-Current</b>			
Employee Benefits - Long service leave <sup>1</sup>		16	17
Employee Oncost <sup>1</sup>		3	3
Landfill		29	29
		<b>48</b>	<b>49</b>
<b>Total Provisions</b>		<b>182</b>	<b>118</b>
<sup>1</sup> Refer Note 32			
Number of employees at year end (incl part-time & casual)		25	18



## Notes To And Forming Part Of The Financial Report

	Note	2009 \$ '000	2010 \$ '000
<b>21 OTHER LIABILITIES</b>			
<b>Current</b>			
Hostel contributions		-	-
Other		43	177
		<b>43</b>	<b>177</b>
<b>Non-Current</b>			
Rent Received in advance		47	39
		<b>47</b>	<b>39</b>

### 22 RESERVES

	Balance as at 30 June 2009	Transfers to Reserves	Transfers from Reserves	Balance as at 30 June 2010
Public open space	86	21	-	107
Revaluation reserve	4,876	460	-	5336
Sewerage Reserve	11	-	(11)	-
Tasman Civic Centre	3	-	-	3
	<b>4,976</b>	<b>481</b>	<b>(11)</b>	<b>5,446</b>

#### *Nature and purpose of reserves:*

The amount standing to the credit of the public open space reserve and the sewerage reserve resulted from allocation of accumulated surplus for the purpose of identifying the surplus set aside for specific works to be conducted in future years. The reserve will be released to accumulated surplus when the specific works are undertaken.

The Asset Revaluation Reserve represents the net revaluation increments arising from the revaluation of Non-Current Assets.

The amount standing to the credit of the Tasman Civic Centre Reserve resulted from funds donated to Council to be used for future expenditure at the Tasman Civic Centre.

### 23 OPERATING LEASE COMMITMENTS

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of vehicles and equipment within Council's activities (these liabilities are not recognised as liabilities):

Not later than one year	13	34
Later than one year and not later than five years	-	13
Later than five years	-	-
	<b>13</b>	<b>47</b>



## Notes To And Forming Part Of The Financial Report

	Note	2009 \$ '000	2010 \$ '000
<b>24 STATEMENT OF CASH FLOWS</b>			
<b>(a) Reconciliation of cash</b>			
For the purposes of the statement of cash flows, cash includes cash-on-hand and in banks, net of outstanding bank overdraft. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position.			
Cash at bank and on hand & Investment	13	844	1677
	33		
<b>(b) Reconciliation of increase (decrease) in net assets resulting from ordinary activities to net cash inflow from operating activities</b>			
Increase (decrease) in net assets resulting from ordinary activities		(987)	953
Net (profit) loss on disposal of property, plant and equipment		129	15
Share of (profit) loss in associates using the equity method		(7)	10
Depreciation and amortisation		984	790
Write-off capital WIP		143	-
Movements in assets and liabilities			
- (Increase)/Decrease in receivables		105	(208)
- Increase/(Decrease) in payables		(978)	50
- Increase/(Decrease) in other liabilities		(73)	(119)
- Increase/(Decrease) in provisions		(272)	(64)
<b>Net cash provided by operating activities</b>		<b>(956)</b>	<b>1426</b>



## Notes To And Forming Part Of The Financial Report

### 25 COUNCIL COMMITTEES

The transactions of Council's special committees have been included in the financial statements of Council, as listed below.

	Balance 30-June-2009 \$	Revenue \$	Expense \$	Balance 30-June-2010 \$
Tasman Community Centre Committee	7,517	3,040	3,756	6,801
Nubeena Recreation Ground Committee	3,197	2,030	1,682	3,545
Koonya Hall Committee	7,382	1,083	2,974	5,491
Saltwater River Hall Committee	2931	669	793	2,807
Port Arthur Sports Ground Committee	4918	2,749	3,907	3,760
Tasman Civic Centre Committee	5001	4,826	647	9,180
	<b>30,946</b>	<b>14,397</b>	<b>13,759</b>	<b>31,584</b>

Each Committee's accounts have been audited or certified by the Council's General Manager or Accountant.

### 26 SIGNIFICANT BUSINESS ACTIVITIES

Tasman Council has identified the Tasman Multi Purpose Services Centre as its only Significant Business Activity in accordance to Section 84 (2) (da) of the *Local Government Act 1993*.

In the process of reporting notional tax expenses, these have not been included for this activity because all other aged care facilities within this State are exempt from those costs associated with competitive neutrality.

The operation of the Tasman Multi Purpose Centre by Council ceased on 31 January 2009.



# Notes To And Forming Part Of The Financial Report

## 27 REGISTER OF INTERESTS

Councillors are required to disclose pecuniary interests in matters, which come before Council. Under Section 84(2) of the Local Government Act 1993, Council is required to "specify any interests as notified to the General Manager of any Councillor in respect of any body or organisation with which the Council has major financial dealings."

Councillors/ Position	Summary of Nature of Interest	Date Interest Existed	Nature of Relevant Dealings by Council
Councillor Jan Barwick (Mayor)			No material disclosures
Councillor Roseanne Heyward (Deputy Mayor)			No material disclosures
Councillor Pam Fenerty			No material disclosures
Councillor Garry Alexander ASM			No material disclosures
Councillor Roger Larnier			No material disclosures
Councillor Joan Fazackerley			No material disclosures
Councillor Allen Briggs			No material disclosures
Councillor Glenn Skeggs			No material disclosures
Councillor Dave Moser			No material disclosures

## 28 COMMITMENTS AND CONTINGENT LIABILITIES

Council is aware that there may be planning issues that may not be covered by Council's fidelity insurance. Council is taking legal advice and no estimate of costs can be made.

## 29 ECONOMIC DEPENDENCE

Council received substantial funding from the Commonwealth Government, State Government and others for the provision of services to the community through the Tasman Multi Purpose Service. This function was transferred to Hobart District Nursing Service Inc effective 1 February 2009.



# Notes To And Forming Part Of The Financial Report

## 30 FINANCIAL INSTRUMENTS

### 1 Financial Risk Management and Risk Exposures

#### (a) Risk Management Policies And Processes

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

Credit Risk;  
Liquidity risk; and  
Market risk.

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

#### (b) Credit Risk Exposures

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

The amount of any credit risk associated with financial assets is the carrying amount net of any provision for doubtful debts. Such a risk crystallises when one party to the transactions fails to discharge their obligations. The Council's financial assets comprise receivables and cash and cash equivalents.

There is no significant concentration of credit risk with any single debtor or group of debtors. The amount of the debt written off in any one year is immaterial.

The Council's credit risk is therefore immaterial. There has been no change in its exposure to or management of this risk since the previous period.

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

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

#### *Rate Debtors*

Rates and charges are required to be paid in full by 30 September and no early payment discount of rates is offered by Council. Ratepayers may choose to pay rates and charges by installments, subject to approved terms and conditions. Should amounts remain unpaid outside of approved payment options, Council will instigate collection proceedings. Rates and charges outstanding past three years may be recouped through sale of property under the Local Government Act.

#### *Other Debtors (including loans and advances)*

Debtors are required to settle within 30 days of issue of the account. Debtors may apply to the Council to pay accounts by installments, subject to approved terms and conditions. Should amounts remain unpaid outside approval payment options, Council will instigate collection proceedings.



## Notes To And Forming Part Of The Financial Report

### Impairment Losses

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

	Gross 2009 \$ '000	Impairment 2009 \$ '000	Gross 2010 \$ '000	Impairment 2010 \$ '000
Not past due date-Current	67	-	-	-
Past due 0-30 days	70	-	-	-
Past due 31-60 days	108	-	-	-
Past due 61-90 days	20	9	-	-
More than 90 days - Rates	38	-	27	-
More than 90 days - Sundry	26	26	-	-
	329	35	27	-

A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. The movement in the allowance for impairment in respect of trade and rate receivables during the year was as follows

	2009 \$'000	2010 \$ '000
Balance at 1 July	40	32
Charge for the year		
Amounts written off	(3)	(3)
Balance at 30 June	37	29

#### Currency risk -

This is the risk that the fair value for future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Council has no exposure to currency risk.

#### Other price risk -

This is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Council is not aware of having any exposure to this risk.

#### (c ) Liquidity Risk

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

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

Except with the approval of the Minister, a Council may not borrow additional money for any purpose if the annual payments required to service the total borrowings would exceed 30% of its revenue of the preceding financial year. Grants made to an Council for specific purposes are to be excluded in calculating 30% of the revenue of the Council. The current annual payments of loans by Council equate to 3.4% of the revenue of the preceding financial year.



## Notes To And Forming Part Of The Financial Report

### Maturity analysis for financial liabilities

The following tables detail the undiscounted cash flows payable by the Council by remaining contractual maturity for its financial liabilities. The Cash Flows represent principal repayments only.

	Less than 1 year \$ '000	1-5 years \$ '000	More than 5 years \$ '000	Total contractual cash flows \$ '000	Carrying amount \$ '000
<b>30 June 2009</b>					
Payables	345		-	345	345
Other liabilities					
Interest bearing liabilities					
- bank loans	219	576	633	1,428	1,428
<b>Total</b>	<b>564</b>	<b>576</b>	<b>633</b>	<b>1,773</b>	<b>1,773</b>
<b>30 June 2010</b>					
Payables	25	-	-	25	25
Other liabilities	292			292	292
Interest bearing liabilities					
- bank loans	219	907	-	1,126	1,126
<b>Total</b>	<b>536</b>	<b>907</b>	<b>-</b>	<b>1,443</b>	<b>1,443</b>

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

#### (d) Market risk

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

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

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

	2009 \$ '000	2010 \$ '000
<b>Financial assets</b>		
Cash at bank and on hand	844	1,677
Investments		
<b>Total</b>	<b>844</b>	<b>1,677</b>
<b>Financial liabilities</b>		
Interest bearing liabilities	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Net Total</b>	<b>844</b>	<b>1677</b>



## Notes To And Forming Part Of The Financial Report

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

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

At 30 June 2010, if interest rates had moved, as illustrated in the table below, profit and equity would have been affected as follows:

	Profit or loss		Equity	
	2010 \$ '000	2009 \$ '000	2010 \$ '000	2009 \$ '000
	increase	decrease	increase	decrease
+1% (100 basis points)	8	29	8	29
-1% (100 basis points)	(8)	(29)	(8)	(29)

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

### 2 Net Fair Values and Categories of Financial Assets and Liabilities

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

Fair Values	30 June 2009		30 June 2010	
	Carrying amount \$ '000	Fair Value \$ '000	Carrying amount \$ '000	Fair Value \$ '000
<b>Financial assets</b>				
Cash and cash equivalents	844	844	1677	1677
Investment				
Receivables	292	292	274	274
Accrued revenue				
	1,136	1,136	1951	1951
<b>Financial liabilities</b>				
Payables	317	317	307	307
Interest bearing liabilities	1,428	1,428	1126	1126
Other liabilities	90	90	327	327
	1,835	1,835	1792	1792
Net financial assets / (liabilities)	(699)	(699)	159	159

#### Carrying amounts classified as:

	30 June 2009 \$ '000	30 June 2010 \$ '000
<b>Financial assets</b>		
Loans and receivables	292	274
Investments		
Cash and cash equivalents	844	1,677
	1,136	1,951
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	1,835	1877
	1,835	1877
Net financial assets / (liabilities)	(699)	74

The basis for determining fair values is disclosed in Note 1.



## Notes To And Forming Part Of The Financial Report

### 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 (i.e. prices) or indirectly (i.e. derived from prices)

Level 3 - inputs for the asset or liability that are not based on observable market data

### 31 WATER AND SEWERAGE REFORM

On 25 February 2008, the Treasurer announced that the Government was proceeding with a major regulatory and structural reform of the Tasmanian water and sewerage sector designed to facilitate the sustainability of the sector.

The timing of the reforms resulted in the new companies commencing minimal operations from 1 January 2009. Councils transferred assets, rights liabilities and employees directly and indirectly associated with water and sewerage functions to the new companies on 1 July 2009.

#### Investment in Water Corporation

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 service 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 the 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 (trading as Onstream).

Council will derive returns from the three new corporations, mainly in the form of dividends.

The following assets and liabilities relating to water and sewerage were transferred to Southern Water from 1 July 2009. Council's opening ownership interest in the new corporation will be represented by the net assets transferred.



## Notes To And Forming Part Of The Financial Report

The following assets and liabilities relating to water and sewerage were transferred to Southern Water from 1 July 2009. Council's opening ownership interest in the new corporation will be represented by the net assets transferred.

Cash and cash equivalents	14
Inventories	
Land	10
Buildings	
Water infrastructure	
Sewerage infrastructure	640
Other property, plant and equipment	
Work in Progress	
Investment in Southern Water	657
Payables	
Financial Liabilities	101
Employee provisions	
<b>Net assets transferred</b>	<b>\$657</b>

Council has an ownership interest of 1% in Southern Water. Council does not have significant influence to allow it to use the equity method to account for this interest.

The fair value of the investment in the Water Corporation was based on advice from Southern Water of Tasmania. Council's ownership share is 1% in the net assets of the Water Corporation.

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 Comprehensive Income Statement each year. Council's investment is disclosed on the face of the Balance Sheet with the value being determined as disclosed above. Dividends received from Southern Water are brought to account as income is received.

Council's share of the Corporation's net assets at 30 June 2010 is \$915,000

	<b>30-Jun-10</b>
Net assets transferred from 1 July 2009	657,000
Change in fair value of investment	258,000
<b>Total investment in water corporation</b>	<b>\$915,000</b>