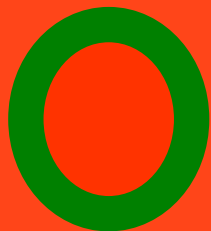
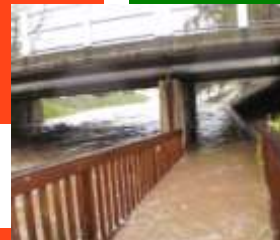


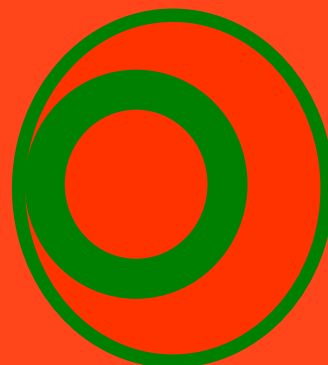
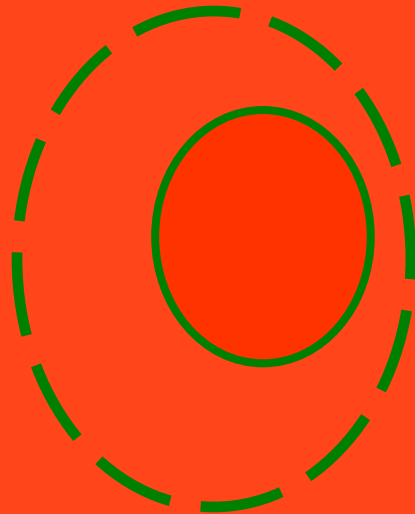


Clare & Gilbert Valleys Council



Annual Report

09/10



HISTORY AND PROFILE

Clare and Gilbert Valleys is well known for its high quality fine wines and productive agricultural lands, natural environment and interesting towns and villages creating a wonderful place to live, work and visit.

Clare received its name in 1846 from Edward Gleeson who settled in the area as a sheep farmer and named it after his native county in Ireland. Settlers from England, Wales, Austria and Poland moved in to the region, creating its rich heritage and assorted architectural styles. In 1845 copper was discovered in nearby Burra, hence a transport corridor was built to convey the ore to the Gulf of St Vincent. Around this passageway, towns sprang up: Mintaro, Watervale, Auburn and Leasingham, which all still stand today. Mintaro has world class slate deposits with an operating quarry and superbly maintained heritage buildings, many available as tourist accommodation.

Riverton is situated in the heart of the fertile Gilbert valley. Farmers in the Gilbert valley mainly produce cereal, legume and hay crops, sheep, cattle, pigs and poultry with recent diversification into small seed crops, vines, olives, and intensive animal keeping.

The Clare valley, renowned for its Riesling has another landmark named after the wine: the Clare Valley Riesling Trail. The trail utilises a disused railway line for cycling and walking and incorporates many of the wineries and vineyards during its 24km path from Barinia to Auburn. The trail is currently being extended from Auburn through to Riverton. Almost 30 wineries in this region are supported by a visitor information centre which assists tourists in discovering the excellent services, food and wines of the area.

With their close proximity to Adelaide, the Clare and Gilbert valleys offer an escape for the city dweller. With their array of accommodation, bed and breakfast, hotels, motels and camping facilities, tourists can be satisfied with the range available. The natural beauty of the Clare and Gilbert valleys also attracts gifted artists to the region for inspiration.

The residents of the Clare and Gilbert valleys welcome visitors to the district and have worked together to enhance tourist numbers with careful management of their natural resources. Award winning wines from the region help attract international tourists as well as winemakers who wish to experience the wine producing qualities of this region.



Clare Main Street from North



Tarlee Crane

STATEMENT OF PURPOSE

Our Community Vision:

Vibrant communities working together to grow in a dynamic, innovative and sustainable way.

Our Statement of Purpose:

To be a Council respected for making a meaningful positive difference to people's lives

To achieve our Statement of Purpose we will:

- *be ethical and professional at all times*
- *promote open and effective community consultation, which facilitates discussion, involvement, action and partnership*
- *provide excellence in customer service by facilitating prompt, accurate and effective response to customer concerns*
- *adopt sound business principles in the management of Council resources*
- *encourage quality, innovation and continuous improvement in the delivery of services to the community.*

The following extract from the *Local Government Act 1999* details Council's statutory requirements for the production of the Annual Report.

1. A Council must, on or before 30 November in each year, prepare and adopt an annual report relating to the operations of the Council for the financial year ending on the preceding 30 June.
2. The annual report must include the material, and include specific reports on the matters, specified in schedule 4 as amended from time to time by regulation.
3. The annual report must comply with any requirement prescribed by the regulations.
4. A copy of the annual report must be provided by the Council to each member of the Council.
5. A copy of the annual report must be submitted by the Council
 - a) to the Presiding Members of both Houses of Parliament; and
 - b) to the persons or bodies prescribed by the regulations, on or before a day determined under the regulations.
6. The Presiding Members of the Houses of Parliament must within six sitting days after receiving a copy of annual report under subsection (5), lay the copy before their respective Houses.
7. A Council may provide to the electors for its area an abridged or summary version of its annual report.
8. A Council must ensure that copies of its annual report are available for inspection (without charge) and purchase (on payment of a fee fixed by the Council) by the public at the principal office of the Council.



Tarlee Community Bike Ride

















Clare Street Party



Riverton Tour Down Under

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Watervale – Tour Down Under



Auburn – Tour Down Under

MAYOR'S OVERVIEW



Welcome to the Annual Report for 2009/2010 for the Clare & Gilbert Valleys Council.

Your Council continues to carefully create and maintain community assets and infrastructure, whilst balancing these needs against a background of debt and need for responsible rating.

Council has had a productive year in providing vital infrastructure and important community services for communities across the district.

The budget for 2009/2010 was subject to extensive deliberation that allowed for the following major projects to be undertaken, whilst delivering ongoing efficiencies and financial prudence, a balance that must be continued by the Council.

Major projects for this year in review include:

- | | |
|-------------------------|--|
| Completed | <ul style="list-style-type: none">- Skate Park Extension- Dog Pound- Public Toilets at Multipurpose Court Facility at the Clare Oval- Tour Down Under/Breakaway Festival- Auburn Institute- Clare Caravan Park Essential Fire Safety Services- Saddleworth Hall Salt Damp Treatment- Manoora Public Toilets- Manoora Institute fire exit ramp and stairs |
| Substantially Completed | <ul style="list-style-type: none">- Clare, Riverton and Saddleworth CWMS- Pioneer Avenue Bridge- Bennys Hill Transfer Station- Northern Roundabout- Riverton Hall renovations |

Mayor's Overview

Volunteers across the district continue to make an enormous contribution to the quality of life, services and facilities enjoyed by our citizens and visitors alike. Whether this be through our Service Clubs, Oval Management, Town Hall Committees, Churches, History Groups, Emergency and Fire Services, Health and Allied Services, Bush Care, Community Passenger Transport Network, Libraries, Trails and Sporting Clubs (to name but a few), their unstinting efforts to create community cohesion and provide the facilities and services for a stronger, healthier community are to be commended.

The work of volunteers is an important complement to Council's role in helping communities work together. To support the work of volunteers, the Clare & Gilbert Valleys library service has created a network that provides a volunteer resource capability. With start up funding provided through the State Government the scope of this resource centre will be an important opening for budding volunteers seeking to engage with the Community in a meaningful and productive way.

I was immensely proud of the way communities across our district embraced the Tour Down Under and the Clare Valley Breakaway Festival to create a wonderful event. Coverage of our district was sensational and your creativity was rewarded with the 2010 Santos Tour Down Under Best Dressed Town Award for Innovation and Special Effects Award.

The South Australian Tourism Commission calculated the media coverage, (local, state, national and global) achieved for our district to a value of more than \$5 million.

I look forward to the opportunity for the Clare and Gilbert Valleys Council to return to the Tour Down Under program in 2012.

The demands of office have grown exponentially as I seek a better deal for the people of the Clare & Gilbert Valleys. This cannot be achieved without the unstinting support of Deputy Mayor Alan Rye, Councillors Ackland, Calvert, Golding, Molineux, Perry, Schwarz, Thomas and Wurst and all members of Council Staff. Councillor Rye was appointed Deputy Mayor in February 2009. I thank them all for discharging their duties with diligence and enthusiasm and pay tribute to the many hours of their own time that they quietly contribute so generously to the community they serve.

The Council will be open for general elections with all positions declared vacant in September 2010. The call for nominations will be followed by a ballot conducted entirely by postal voting. I encourage you all to consider the requirements for Council's Elected Member representation and to vote in any ensuing elections.

**Allan Aughey
Mayor**

CHIEF EXECUTIVE OFFICER



Council continues to focus on its long term financial sustainability and the indicators again show an improvement over the previous year.

The Statement of Comprehensive Income shows an operating surplus of \$3.02m well over the budget estimate for the year due to a substantial contribution towards future road works from the Waterloo Windfarm developers along with Government 'Black Spot' road grants received.

The total capital expenditure was \$7.31m, of which \$5.3m was spent on asset renewal. The asset sustainability ratio was 148%, being above the target range (between 90% and 100%) due to the renewal and upgrade of the Community Wastewater Management Schemes (CWMS) in Clare, Riverton and Saddleworth. These works were still in progress at the end of the financial year and it is anticipated that they will be completed by the end of the year.

Financial Indicators

These financial Indicators have been calculated in accordance with Information Paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Further detail is provided in Note 15 of the Financial Statements included as an appendix to this report.

	2010	2009	2008	2007
Operating Surplus	\$3,022,482	(\$38,414)	\$170,554	(\$549,835)
Operating Surplus Ratio	34%	0%	2%	(8%)
Net Financial Liabilities	\$8,177,953	\$8,208,365	7,472,685	\$7,202,524
Net Financial Liabilities Ratio	54%	65%	65%	69%
Interest Cover Ratio	4.1%	4.6%	3.1%	2.7%
Asset Sustainability Ratio	148%	81%	68%	74%
Asset Consumption Ratio	62%	58%	59%	60%

Council's loan liability reduced by \$672,670 no additional borrowings being drawn although provision was made in the budget for loans to cover the CWMS works required. Sufficient funds were held in reserve to cover work completed up to 30 June 2010 but the situation will be reviewed on completion of the projects.

General reserves totalled \$5.418m at 30 June 2010 of which \$1.27m is set aside for the CWMS, \$1.585m for future roadworks in respect of the Waterloo windfarm and \$1.889m in unspent grant and loan funds.

November 2010 will conclude the 4 years term of the current Council with the conduct of general Council elections for the office of Mayor and nine Area Councillors. I thank Mayor Allan Aughey for his leadership of the Council and all Councillors for their representation and work on behalf of the district. The time and energy committed by our Elected Members contributes to building a brighter future for everyone.

Electoral Representation Review

In accordance with the requirements of the Local Government Act the Council conducted a periodical review of elected members representation. Public submissions were sought and considered by Council together with an independent evaluation by CL Rowe & Associates.

The Council subsequently determined that no changes would be made and accordingly reported that the Electoral Representation for Clare and Gilbert Valleys Council would be retained with a Mayor elected at large and nine Area Councillors.

Roy Blight
Chief Executive Officer



Mayor and Roy (CEO) enjoying Tour Down Under

ELECTED MEMBERS



Back Row: Trevor Ackland, Mayor Allan Aughey, Nedd Golding, Roy Blight (Chief Executive Officer),
Grant McKenzie (Works Manager), Pat Flood (Risk Manager)
Front Row: Deputy Mayor Alan Rye, Dianne Schwarz, Wayne Thomas, Sue Wurst, Elizabeth Calvert,
Helen Perry
Insert: Wayne Molineux

Mayor:	Allan Aughey	Lot 101 CLARE SA 5453
Deputy Mayor:	Alan Rye	PO Box 73 SEVENHILL SA 5453
Councillors:	Trevor Ackland	PO Box 77 WATERVALE SA 5452
	Elizabeth Calvert	PO Box 78 SADDLEWORTH SA 5413
	Nedd Golding	PO Box 542 CLARE SA 5453
	Wayne Molineux	PO TARLEE SA 5411
	Helen Perry	PO Box 5001 CLARE SA 5453
	Dianne Schwarz	3 Glynn Street RIVERTON SA 5412
	Wayne Thomas	PO Box 37 MANOORA SA 5414
	Susan Wurst	12 Henry Street CLARE SA 5453

Elected Members

(The *Local Government (Elections) Act 1999* requires that elections will be held at intervals of four years, with the next election occurring in November 2010)

Ordinary meetings of Council are usually held every third Monday of the month, commencing at 7pm. Members of the public are welcome to attend all regular Council meetings. Public question time is held during the meetings and anyone wishing to ask a question of Council is encouraged to attend. Further information about public question time and Council meetings is available from the Council offices.

Meeting Attendance

A total of 12 Ordinary Council meetings and 5 Special Council meetings were held during the year.

Meetings attended from July 2009 to June 2010

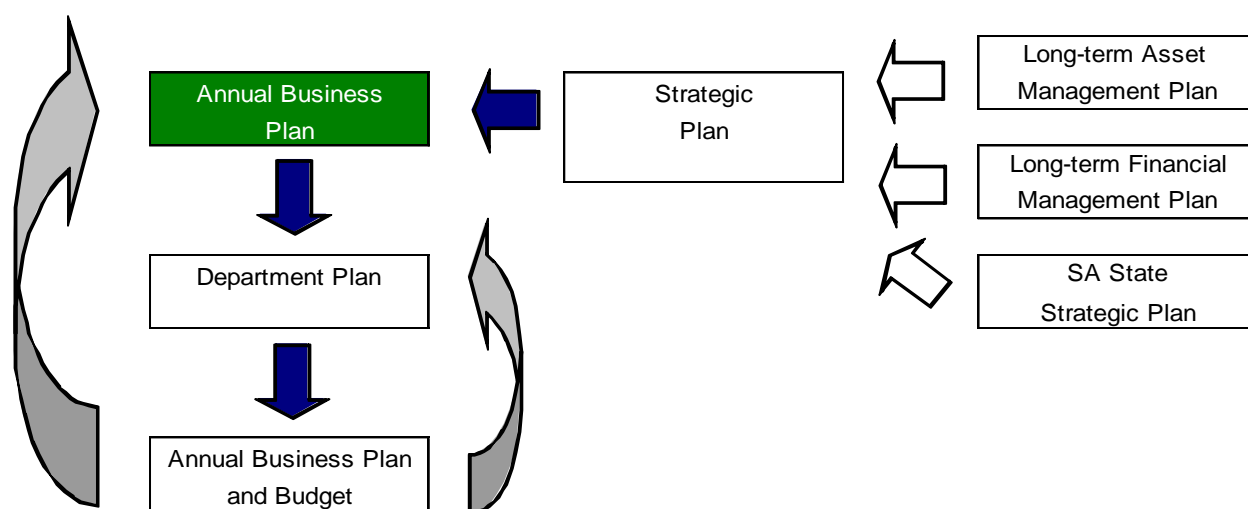
	Ordinary Meetings	Special Meetings
Mayor Allan Aughey	12	4
Deputy Mayor Cr Alan Rye	12	5
Cr Trevor Ackland	9	3
Cr Elizabeth Calvert	10	5
Cr Nedd Golding	10	5
Cr Wayne Molineux	11	5
Cr Helen Perry	11	3
Cr Dianne Schwarz	11	5
Cr. Wayne Thomas	12	4
Cr Sue Wurst	9	5

Information on allowances paid to Elected Members of the Council

- | | |
|-----------------------------|--------------------|
| 1. Mayoral Allowance | \$22,800 per annum |
| 2. Deputy Mayoral Allowance | \$ 7,110 per annum |
| 3. Members Allowance | \$ 5,700 per annum |

In addition, Elected Members are provided a notebook computer and fax machine to receive information from Council. A travel allowance for "eligible journeys" (as defined in Regulation 3 of the Local Government (Members Allowances and Benefits) Regulations 1999) at the rate per kilometre prescribed in Section 82KX(1)(a) of the Income Tax Assessment Act 1936 is available.

STRATEGIC PLAN PROGRESS



Strategic Plan Overview

This section presents an overview of the Clare and Gilbert Valleys strategic plan.

The Clare and Gilbert Valleys Council vision is:

Vibrant communities working together to grow in a dynamic, innovative and sustainable way.

This vision is not just how Clare & Gilbert Valleys will physically look in the future, but just as importantly it is also about our ideals, way of living and sense of belonging to our community.

Strategic Direction

Legend: Complete Incomplete Ongoing

Asset & Enterprise Management


Goal	Strategies	
Develop, maintain and manage Council assets and enterprises in a sustainable way for current and future generations.	1. Research and identify current and future assets and enterprise needs.	
	2. Develop, implement, monitor and evaluate a sustainable Asset Management Plan.	
	3. Strengthen the performance of Council owned enterprises.	

Finance




Goal	Strategies	
Ensure long-term financial viability.	1. Develop and implement sound financial policies and plans.	
	2. Ensure effective monitoring and reporting of Council's financial performance.	
	3. Recruitment of external funding.	

Strategic Plan Progress





Environment

Goal	Strategies	
Increase environmentally sustainability practices.	1. Develop an environmental sustainability policy	
	2. Commit to a 10% reduction in Council's carbon footprint.	
	3. Implement sustainable water use principles for public infrastructure.	
	4. Implement effective and sustainable waste management systems.	
	5. Develop partnerships to promote environmental advisory services.	



Community Culture and Recreation

Goal	Strategies	
Provide innovative and effective community services.	1. Build community capacity and participation in community services, culture and recreation.	
	2. Increase the diversity, quality and coverage of arts, culture, libraries, history, youth and aged care programs and facilities.	
	3. Identify and respond to current and future open space, sport, recreation and playground needs.	

Leadership and Communication

Goal	Strategies	
Provide sound leadership, clear direction and effective communication.	1. Provide progressive and accountable governance.	
	2. Ensure effective communication, representation and advocacy.	
	3. Develop, attract and retain an appropriately skilled Council workforce.	
	4. Provide sound planning and policy development for sustainable growth.	

Economic Development

Goal	Strategies	
Encourage and environment that supports business growth, tourism and employment.	1. Develop initiatives to attract people to live, work, visit and invest in local business opportunities.	
	2. Encourage the expansion of State and Federal Government services at the local level.	

COUNCIL STAFF

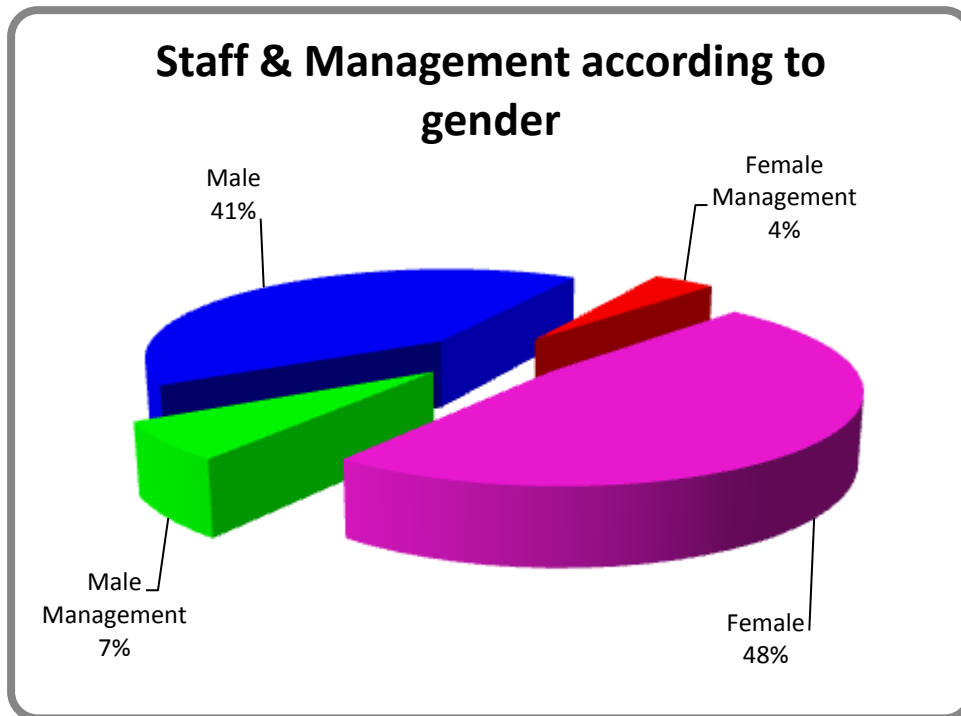
Information on remuneration of Senior Officers

The eight members of the Leadership Team are paid a salary package which varies from individual to individual. These packages are summarised below:-

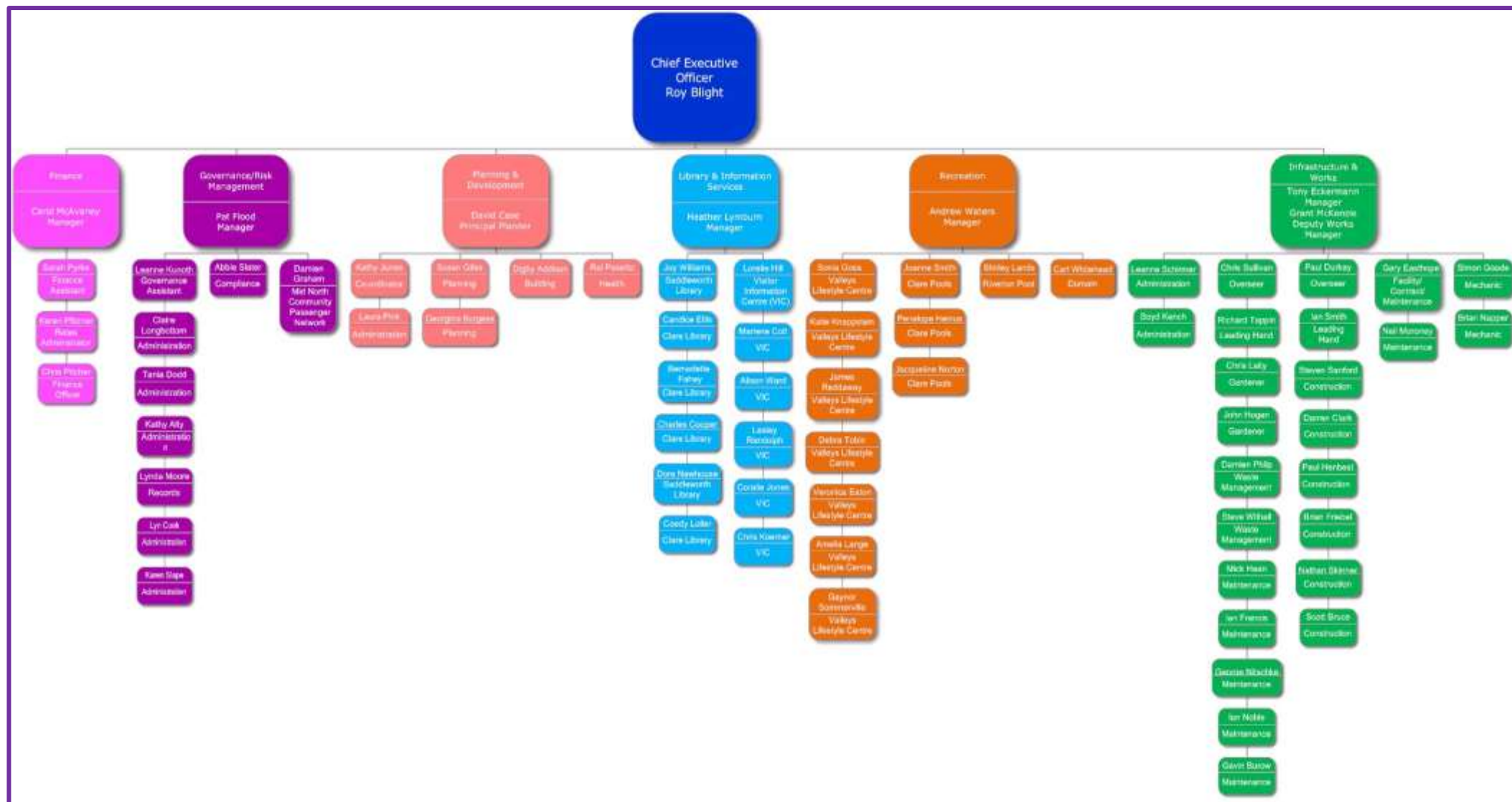
- All packages include the 9% compulsory superannuation
- Five packages include the provision of a motor vehicle for private use. One includes provision of a motor vehicle for commuter use only.

HUMAN RESOURCES – COUNCIL STAFF

Council employed a total workforce of 75 people as at 30 June 2010.



Council Staff



COUNCIL COMPOSITION

The Council comprises of a total area of 185,142 hectares. There are 9 Councillors, plus the position of Mayor. The current representation quota for the Council is 718 electors per Elected Member.

As required under Schedule 4 of the Local Government Act 1999, a comparison with councils of similar size/type reveals the following:

Council	Councillors	Electors	Rep. Quota
Berri	10	7207	720
Clare & Gilbert Valleys	9	6466	718
Grant	9	5618	624
Light	10	10527	1052
Mallala	11	5386	489
Naracoorte	10	5788	578
Renmark Paringa	8	6261	782
Tatiara	9	5596	621
Wakefield	11	6108	555

Confidentiality

In accordance with Council's adopted Code of Practice for use of Confidentiality Provisions in the Local Government Act, the following report confirms the use or otherwise of all of the confidentiality provisions during 2009/2010.

- Number of occasions each of the provision of Section 90(3) and 91(7) were utilised:
 - 89 occasions
- Number of occasions each of the provisions of Section 90(3) and 91(7) were utilised, expressed as a percentage of total agenda items considered:
 - 2.15% (being 10 of 372 minute items)
- An indication of any particular issues that contributed to the use of confidentiality provision on more than one occasion:
 - 1 issue was dealt with on more than one occasion
- An indication of the categories of Section 90(3) that were used:
 - 1 occasion – disclosure which would involve the unreasonable disclosure of information concerning personal affairs of any person.
 - 5 occasions – disclosure which could reasonably be expected to confer a commercial advantage on a person with whom Council is conducting or proposing to conduct business or to prejudice the commercial position of Council.
 - 1 occasions – tender for supply of goods, provision of services or carrying out of works.
 - 1 occasion – would divulge information provided on a confidential basis by public authority or official.
- Number of occasions that information originally declared confidential has subsequently been made publicly available:
 - 4 occasions
- Number of occasions that information declared has still not subsequently been made publicly available and the reasons for this in each case:
 - 4 occasions

COUNCIL COMMITTEES

Council has three independent members one being the Presiding Member on the Council Audit Committee. The Presiding Member receives an allowance of \$1,200 per meeting and the independent members are paid an allowance of \$100 per meeting plus travelling.

The Council Development Assessment Panel consists of four independent members and three Council members. The Presiding Member receives an allowance of \$400 per meeting plus overnight accommodation and the independent Members receive an allowance of \$200 per meeting.

EQUAL EMPLOYMENT OPPORTUNITY

Council maintains its commitment to equal employment opportunities. Council has staff which cover a wide range of age groups, and Council maintains a relatively balanced gender representation. The Chief Executive Officer is appointed as the Equal Employment Officer.

The Chief Executive Officer is responsible for:

- developing and implementing an equal employment opportunity program relating to employment with the Council;
- developing and implementing other initiatives to ensure that employees have equal employment opportunities in relation to that employment.

Human Resources and Personnel Practices, Policies and Procedures are reviewed annually.

RETIREMENT VILLAGES

Pursuant to the requirements of Section 23(4) of the Local Government Act (Implementation) Act 1999 it is reported that Council did not receive any applications for rebates of rates under Section 166(1)(h) (Retirement Villages) during 2009/2010.

COMPETITIVE TENDERING ARRANGEMENTS

Council is required to report on Competitive Tendering arrangements and other measures to ensure services are delivered cost effectively.

The Clare & Gilbert Valleys Council is committed to ensuring a fair, transparent and accountable process in the provision of services, purchasing of goods and services and in the disposal of land and other assets.

The following methods of obtaining goods and services for the Council are:

- | | | |
|--------------------------------------|---|--|
| a) Over \$25,000 | - | By Tender |
| Between \$500 and \$25,000 inclusive | - | By either verbal or written informal quotation |
| Less than \$500 | - | No quotations necessary |
- b) The Chief Executive Officer and Senior Staff are authorised to engage consultants and contractors provided the expenditure complies with Council's budget.
- c) The Chief Executive Officer and Senior Staff are authorised to call tenders or quotations where there is a need for urgency, or it is evident that a sole acceptable supplier situation exists and where expenditure complies with Council's budget.

The Competitive Tendering Policy is available for inspection at Council's principal office.

FREEDOM OF INFORMATION

The Freedom of Information Act 1991 provides legislation and guidelines for access and provision of information to the public. Clare & Gilbert Valleys Council recognises its responsibility for public accountability and therefore makes a range of information available.

The following documents are available for public inspection at the Clare & Gilbert Valleys Council offices free of charge (or copies may be purchased at a set fee):

- Annual Business Plan
- Annual Report
- Annual Budget
- Policy Manual
- Agendas and Minutes of all meetings
- Audited Financial Statements

Clare & Gilbert Valleys Council has a Freedom of Information Statement on their website. Council is pleased to comply with the Freedom of Information Act and welcomes all enquiries.

In the financial year ending 30 June 2010, four applications (for access to Council documents under the Freedom of Information Act 1991) were processed.

ACCESS TO COUNCIL DOCUMENTS

The following documents are also available for public inspection at the Clare & Gilbert Valleys Council offices free of charge or may be purchased for a set fee:

Documents (general, codes, policies and registers)

- Additional Connections to CWMS
- Art Collection Policy
- Audit Committee Policy
- Australia Day Awards Policy
- Banner Policy
- Building Fire Safety Committee
- Car Parking Contribution Policy
- Caretaker Policy
- Childsafe Environment Policy
- CDAP Complaint Handling Policy
- Clare Library Borrowing Policy
- Clare Town Hall Hire Policy
- Code of Conduct for Council Members
- Code of Conduct for Employees
- Code of Practice for Access to Council Meetings & Documents
- Community Owned Property Rate Rebate & Service Charge Donation Policy
- Competitive Tendering, Contracting, Purchasing etc Policy
- Concession Pricing Policy
- Corporate Card Usage Policy
- Council Meeting Rotations
- Customer Service Protocol
- Deferral of Rates Due to Hardship Policy
- Development Assessment Procedures Policy
- Elected Member Vacancy Policy
- Elected Members Appointment to External Boards

- Ennis Park Policy
- Environmental Sustainability Policy
- Entranceways Policy
- European Wasp Policy
- Fines on Rates of Estate Properties
- Inspection of Building Work Policy
- Internal Review of Council Decisions Policy
- Issue of Official Orders
- Keeping of Animals with Township Boundaries
- Loans & Council Policy
- Media Contact Policy
- Mobile Food Vehicles Policy
- No Smoking Policy
- Nomenclature Policy
- Occupational Health Safety & Welfare & Injury Management Policy
- Opening Prayer Policy
- Order Making Policy
- Outdoor Dining Policy
- Planting of Vines – Town Centre Policy
- Private Water Pipes on Public Roads Policy
- Public Consultation Policy
- Purchase of Closed or Rented Roads Policy
- Rate Rebate Policy 2009
- Risk Management Policy
- Riverton Parklands Policy
- Scholz Park – August Scholz Travelling Trunk Policy
- Secondhand Transportable Dwellings Policy
- Section 41 Committees Financial Support
- Tree Planting on Roadsides Policy
- Underground ETSA Services Policy
- Unmade Road Reserves Policy
- Volunteer Policy
- Waiving of Development Fees for Not for Profit Organisations Policy
- Waste Management Charge Rebate
- Water Connection to Council Property Policy
- Elected Member Register of Interest
- List of Fees and Charges
- Record of Delegations
- Register of Salaries

APPLICATION OF COMPETITION PRINCIPLES – NATIONAL COMPETITION POLICY

The Clare & Gilbert Valleys Council is committed to the application of national competition principles, the process for which is set out in the “Statement on the Application of Competition Principles for Local Government” known as the Clause 7 Statement.

All Councils in South Australia are required to identify activities that they are involved in which would be classified as “significant business activities” as defined in the National Competition Policy.

In broad terms “significant business activities” are defined as those activities where the costs are met predominantly from the user, rather than from rates or other revenue sources, and Council is conducting the activity with a view of earning a return, rather than meeting a community need that would not otherwise be met. The National Competition Policy is not intended to apply to non business, non profit government activities.

Any identified “significant business activities” must then be categorised further into category one and category two activities.

Category One business activities are those with an annual revenue in excess of \$2 million, or employing assets with a value in excess of \$20 million.

In accordance with the above the Clare & Gilbert Valleys Council has not identified any category one significant business activities.

Category Two business activities are those that either generate income or consume resources and which are significant to the Council concerned.

The Clare & Gilbert Valleys Council has not identified any category two business activities.

The National Competition Policy principles also extend to the application of Council by-laws and the extent that their application may restrict competition.

Council is preparing a number of by-laws in accordance with this principle ensuring that competition principles are adhered to. During the reporting period, Council did not receive any complaints about the application of competitive neutrality.

PUBLIC CONSULTATION

The Clare & Gilbert Valleys Council maintains a Public Consultation Policy. This was developed and adopted in accordance with Section 50 of the Local Government Act 1999. Section 50 requires the policy to identify steps Council intends to take where the Act requires consultation and provides for the steps to vary according to the class of decisions to be made by Council.

The purpose of this Policy is to outline the principles and procedures that the Council will follow to involve the community in planning and decision making in the local area, and to ensure accountability of the Council to the community through effective communication and consultation strategies.

To fulfill the requirements of this Policy, Council will, or has, identified a range of options available to it to communicate information to interested persons and invite submissions.

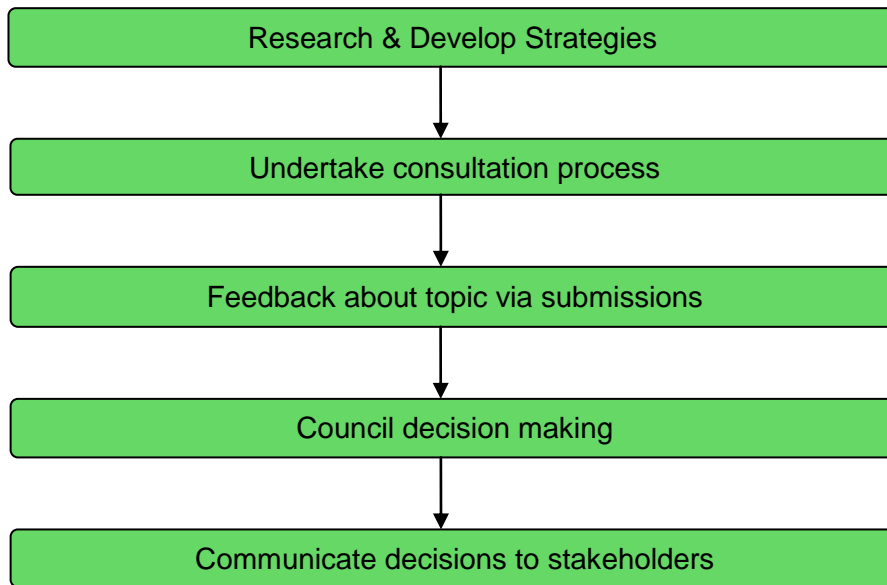
As a minimum, Council will publish a notice in a newspaper circulating in the area describing the matter for which public consultation is required, and inviting persons to make submissions to the Council within a period, being at least twenty one days from the date of the notice. Council will consider any submission received as part of its decision making process and will have regard to any relevant legislation.

The Clare & Gilbert Valleys Council is committed to transparent decision making processes and to providing access to a fair and objective procedure for the internal review of decisions.

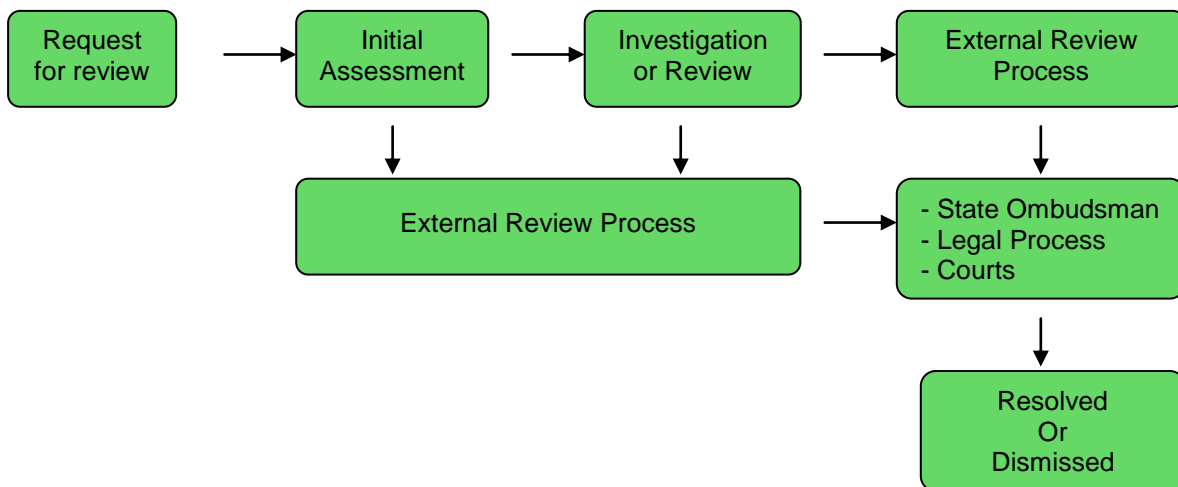
SUBSIDIARIES

The Central Local Government Region was incorporated under provisions of the Local Government Act 1999. A regional subsidiary of its member Councils: Barossa, Barunga West, Clare & Gilbert Valleys, Copper Coast, Flinders Ranges, Light, Mallala, Mount Remarkable, Northern Areas, Orroro/Carrieton, Peterborough, Port Pirie, Wakefield and Yorke Peninsula. The Central Region is established to undertake co-ordinating, advocacy and representation roles on behalf of its Constituent Councils at a regional level. A copy of the 2010 Annual report is attached. (See page 94).

DECISION MAKING PROCESS



INTERNAL REVIEW OF COUNCIL DECISIONS



LOCAL GOVERNMENT LAND — CHAPTER 11 LOCAL GOVERNMENT ACT 1999

All Local Government land became classified as Community Land when the Local Government Act came into effect from 1st January 2000.

The Clare & Gilbert Valleys Council progressively determined which land should be excluded pursuant to Section 193 of the Local Government Act, with community consultation occurring throughout this process. Following consideration of submissions Council made its decision on the land to be excluded.

A Community Lands Register for Council was completed by 31st December 2002.

Where community land is being used for a specific purpose (eg being leased or a permit issued) management plans were prepared detailing the use of the land.

2009/2010 KEY ACTIONS	2009/2010 OUTCOMES
Hold regular Council meetings and Council workshops.	All meetings and workshops conducted with one Council meeting held in Riverton and one in Auburn. Council adopted an Annual Corporate Calendar which details all Council meetings and workshops.
Hold community forums on particular issues of importance to the community.	TDU Steering Committee formed to guide community involvement in the 2010 Santos Tour Down Under. Section 41 & Peak Body recognition evenings held in February and March 2010.
Promote the roles and responsibilities of Elected Members annually in the Council newsletter.	Annual report published reflecting statutory requirements.
Identify all appropriate and relevant legislation standards and codes pertaining to local government business.	All relevant legislation standards and codes pertaining to the local government identified and adhered to.
Design policy, procedures, systems and processes to reflect legislation.	Council Policy Manual reviewed and adopted in November 2009
Amend Councils delegations register to reflect changes to legislation.	Delegations register reviewed and adopted by Council in July 2009.
Continue to support peak body projects which range in diversity and complexity and insurance reimbursement with an annual allocation of \$30,000 in the budget.	Peak Body projects supported and insurance reimbursed as per Peak Body Agreements.
Promote the Mid North Community Passenger Network which is hosted by Council to continue the improvement trend of the services to the community.	Mid North Community Passenger Network continuing to grow in usage in all 4 partner Council areas. A 15% increase in patronage has been achieved for Clare & Gilbert Valleys Council.



Councillors on tour in front of Domain



New Dog Pound



New Dog Trailer

DEVELOPMENT

Council provides a wide range of services, many of which are prescribed by various state Government Acts and Regulations.

This includes:

- The Development Act
- The Heritage Act
- The Building Code of Australia
- The Public and Environmental Health Act
- The Food Act
- The Environment Protection Act
- The Dog and Cat Management Act

The Development Act

Local Government plays a significant role in the development of policies and management of the environment at the local level and also assists at regional and State level. Provision is made under the Development Act, for Council to receive and assess applications for development. These applications range from verandahs, garages and dwellings to relatively large scale commercial development.

The Heritage Act

Local Government also plays a significant role in the assessment of development proposed in the State Heritage Area of Mintaro, the Historic Conservation Zone in Auburn and numerous State and Local listed buildings and properties – throughout the Council area. These development applications are also assessed in accordance with the Heritage Act 1993, with the assistance of the Department of Environment & Heritage, via a Heritage Adviser.

The Development Plan

Management of land uses is also controlled using the provisions of the Clare & Gilbert Valleys Council Development Plan, in conjunction with the Development Act. This is regularly updated and the process to amend it is known as a Development Plan Amendment (DPA). A key requirement of this process is the two month consultation period of a draft DPA with the community.

Development Applications - Planning

The majority of planning applications assessed by Council under the Development Act were “*Consent Applications*” which do not involve public notification and are dealt with by Council staff using delegated authority.

Other applications considered as Category 2 or 3 forms of development pursuant to the Development Act required public notification procedures to be followed. Similarly, those forms of development classed as non-complying also followed the public notification procedure.

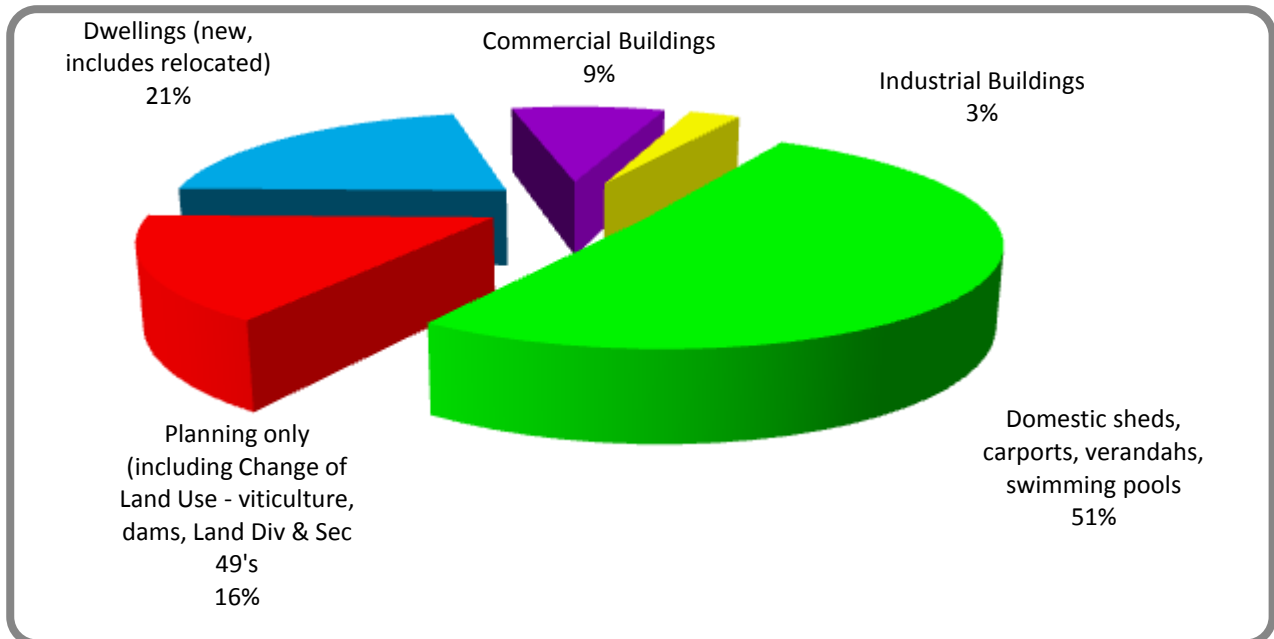
Under the Development Act, any persons aggrieved by a decision of Council, with respect to their application, or who are third parties who have lodged representations during the public notification period, are able to lodge an appeal against that decision to the Environment, Resources and Development Court. Compromises are usually reached on all matters which are the subject of an appeal to the Court, however this process was only required for several decisions during 2009/2010.

Development

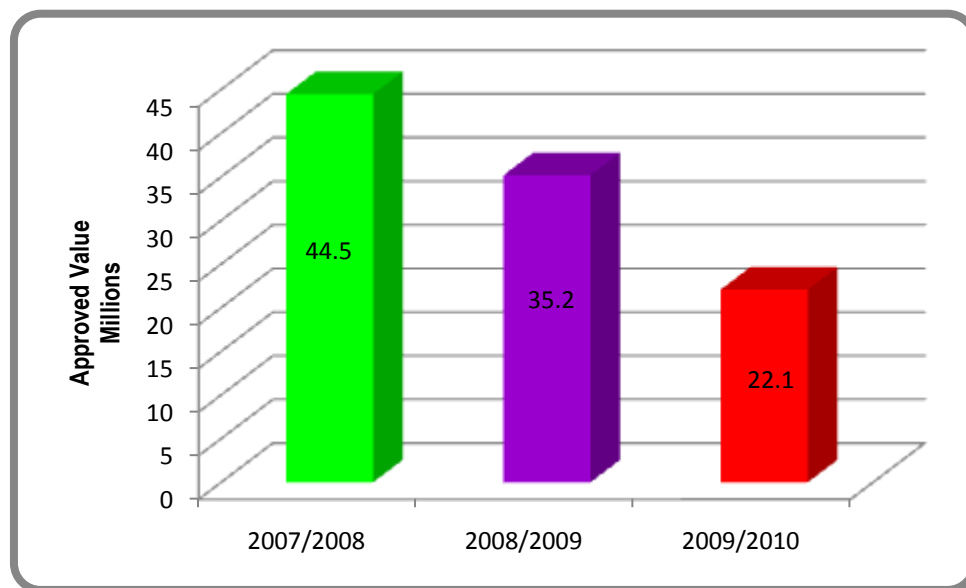
Development applications received between 1 July 2009 and 30 June 2010 are shown, and as a comparison, development applications received between 1 July 2008 and 30 June 2009 and 1 July 2007 and 30 June 2008 are also provided.

The \$ value decreased from \$35.2M in 2008/09 to \$22.1M in 2009/10, due to the decreased number of domestic type applications as well as commercial applications. It should be noted that these figures relate to planning assessments only and not 'as built' work.

PLANNING APPLICATIONS 2009/2010



Development Applications



Building Fire Safety Committee

Pursuant to Section 71 of the Development Act 1993, the Clare and Gilbert Valleys Council Building Fire Safety Committee carried out inspections and provided guidance for many licensed premises. The committee aims for improvements in fire safety and essential safety provisions for premises inspected, primarily through co-operation with building owners.

Disability Discrimination Act 1992

Pursuant to the requirements of the Disability Discrimination Act 1992, Council's Disability Action Plan was reviewed and upgraded, to ensure that people with disabilities can access Council functions, facilities and services. As a result, several of Council's public buildings were altered to ensure they are Disability Discrimination Act compliant.



Development at Clare Country Club



Waterloo Windfarm

Development

2009/2010 KEY ACTIONS	2009/2010 OUTCOMES
Encourage best practice development that reflects the desired character outcomes for the Clare & Gilbert Valleys.	All development applications are assessed against relevant objectives and principles of development control, this ensures that development approvals are consistent with the Development Plan.
Continue with and complete the Clare Residential and Centre Development Plan Amendment (DPA) Review and Better Development Plan	The Better Development Plan Conversion of the Clare & Gilbert Valleys Council Development Plan was approved by the Minister and was gazetted on 3 September 2009. The Clare Residential and Centre Development Plan Amendment (DPA) was deferred to await the outcome of the Clare North East DPA, which is being undertaken as a Ministerial amendment.
Continue and complete the two Developer Funded Development Plan Amendment Reports (DPA), Clare South West DPA and Clare North East DPA.	The Clare South West DPA has progressed and received Council authorisation in May 2010 to be submitted for Agency Consultation. The Clare North East DPA was prepared by the Minister at the request of Council, it went to public consultation in April 2010 and now awaits determination by the Minister.
Communicate to applicants and developers the intent and vision of the Development Plan through the preparation of urban design guidelines that incorporate safety of people and security of public spaces.	The Better Development Plan Conversion has incorporated provisions relating to safety of people and security of public spaces within the transportation and access sections of the Development Plan. The forthcoming Strategic Directions Review will provide further opportunities to consider whether additional amendments may enhance urban design outcomes.
Encourage development to be above the minimum Energy Efficiency star rating for environmental sustainability.	Development assessment is conducted against relevant provisions within the Development Act and the Building Code of Australia, to ensure necessary requirements are met. Local context is assessed so that development best practice is able to meet local circumstances and conditions.
Encourage where appropriate the retention of native vegetation and prominent exotic trees.	Liaison regularly occurs between Council and Native Vegetation Council to determine appropriate native vegetation management. Landscaping plans are assessed and conditions placed on development approvals to achieve desired character outcomes for the various zones and policy areas with the Development Plan.
Promote the preservation of heritage buildings.	Extensive consultation and assessment occurs in relation to State and Local Heritage places within the Council area. Council provides annual funding to the Department of Environment & Heritage to enable Heritage advice and assessment to be delivered in relation to State Heritage Places. Local heritage places are listed within the Development Plan and applications are assessed to ensure that proposals for development are compatible with the heritage characteristics of the listed place.

RISK MANAGEMENT

Occupational Health Safety & Welfare

The Clare & Gilbert Valleys Council continues its endeavour to maintain a high standard of Occupational Health Safety & Welfare Management. Pursuant to the WorkCover Exempt Employer Standards, Council is required as an exempt employer, to set its own Occupational Health Safety & Welfare (OHS&W) objectives based on the organisations own gap analysis and to integrate Occupational Health Safety & Welfare into the Councils Strategic Plan.

Council's Occupational Health Safety and Welfare Committee, which comprises management and employee representatives, continues to update its program, policies and procedures in line with LGAWC One System, for the use of employees. Council, the committee, (which meets quarterly to address occupational health safety and welfare issues), and all employees have a continuing commitment to Occupational Health Safety & Welfare. This includes achieving the best possible policies, practices and procedures for the Occupational Health Safety & Welfare of all employees. The Committee currently consists of: five workplace OHSW Representatives: Charles Cooper; Lynda Moore, Simon Goode, Robert McMurray and Joanne Smith, three management Representatives: Roy Blight; Grant McKenzie, Pat Flood with Leanne Kunoth, providing secretarial services.

All Member Councils of Local Government Association Workers Compensation Scheme (LGAWCS) have participated in the *Bonus/Penalty System* at contribution time, since 1991. Each year Council receives a rebate or penalty in relation to their Workers Compensation premium from LGAWCS on our overall Safety, Rehabilitation and Claims performance in line with a Rebate Penalty formula. This is calculated over a 4 year period with the current Rebate/Penalty trading window being from 1 April 2006 to 31 March 2010. The maximum rebate is 50% of premium and the maximum penalty is 100% of premium.

50% of the Rebate Entitlement is allocated to calculate the OHSW performance rebate. This is calculated by an annual self audit set against Key Performance Indicators set by LGAWCS. This rebate amount is available to Council in full should our audit score be above 90. If Council achieves less than 90 the Maximum Rebate Entitlement is reduced proportionately.

The bonus results in 2009/10 compared to 2008/09, show an increase in percentage from 20.9% to 23.1% overall. 50% (\$21,893) was applicable to the OHS Self Audit completed by Council and LGAWCS in late 2009, in which Council scored 98. This equates to a Rebate cheque of \$43,786.

These results can be attributed to the continued support of Council, Management and Employees and to the dedicated work put in by Council's OHSW Representatives and OHSW Committee.

RISK MANAGEMENT REVIEW

Once again during 2009/2010 a Risk Management Review was undertaken by the Local Government Association Mutual Liability Scheme (LGAMLS) to assess the level of application of risk management strategies in Council. Risk Management has widely been recognised as the key to good corporate governance and compliance and there is a growing trend in the area of legislation and certification to require that risk management principles be in place.

This annual review of LGAMLS Members, of which Clare & Gilbert Valleys Council is one, forms the Risk Management component to the Performance Bonus System for the 2010/11 contribution period. The Review gives Council the opportunity to be rewarded by way of a "discount" off its Gross Contribution.

Risk Management

The Risk Management Review covers most areas of Council operations and specifically areas that have a level of civil liability exposure according to LGAMLS experience, or areas that require a formal risk management approach to prevent potential civil liability claims. As the main pieces of legislation that are administrated by Local Government, focus is given to compliance with legislation such as the Local Government Act 1999 and the Development Act 1993.

Council's gross contribution was \$94,420, which was an overall premium decrease of \$954. With the resolution of a long term claim this contribution will continue to decrease.

Council has continued to improve its Risk Management performance. This improvement coupled with Council's Claims Loss Ratio 10% gave Council a Performance Bonus of \$9,651 which is deducted from the 2010/2011 contribution.

Council Risk Management review score of 91.9% continues to be above the Local Government Regional average of 83% and the Local Government average of 86.2%. This shows a continued commitment by all Council staff to embrace Risk Management systems and practices.

FIRE PREVENTION

The Clare & Gilbert Valleys Council encouraged all ratepayers and residents to undertake necessary and timely fire prevention measures on their properties.

Inspections of township properties were undertaken and 342 hazard reduction notices were issued (down from 547 the previous year). Very few of these proceeded to the next level of non-compliance.

Council believes this is due to the success of the education programs being implemented.

Advertisements were placed in local papers, a fire prevention newsletter was distributed to all residents and ratepayers and community fire safe information sessions were held.

The majority of residents were better prepared and informed, which assisted in fulfilling our obligations and ensuring the safety of our community this fire danger season.



Inchiquin Lake, Clare

Risk Management

TRAINING

Many staff attended training in 2009/2010 and significantly many have completed certificates in their chosen field.

Council's Records Management Officer has completed studies in Certificate 3 in Business (Record Keeping).

Within the Environmental Services department of Council the Building Officer is working through a Diploma in Building and Surveying. Two of our employees are studying through University of South Australia with one completing a Graduate Certificate in Urban & Regional Planning this year and now moved onto the Graduate Diploma in the same field with the employee from last year continuing her studies in the same Graduate Diploma. Further, another employee that has completed her Certificate 4 in Local Government Admin is now studying Certificate 4 in Environmental Health.

Council has 4 works employees that have completed their Certificate 3 in Civil Construction this year. 1 Employee that has moved from the gardening team to the maintenance team and 1 new employee have commenced their Certificate 3's in Civil Construction and the new Team Leader of the Gardening team has commenced Certificate 3 in Horticulture. Further to this two works employees are continuing their studies in Certificate 4 in Civil Construction.

Council's Rates Administrator who has previously completed her Certificate 3 in Local Government Admin has now gone on to complete the relevant Certificate 4 in Rates Administration. Further Council's Occupational Health, Safety & Welfare Co-ordinator is working through a Certificate 4 in Occupational Health, Safety and Welfare and a new Front Counter employee has enrolled in a Certificate 4 in Local Government Administration.

Many of Council's employees are completing higher levels of studies with the assistance of Council but primarily in their own time.

Many of these employees were eligible for training incentives and therefore Council has received \$4,000 per eligible employee and lower course fees. All excess funding provides funding for other employees who are not eligible for training incentives to complete certificates in their chosen field.

Certificate 3 In Civil Construction	Paul Henbest
Certificate 3 in Civil Construction	Ian Francis
Certificate 3 in Civil Construction	Gavin Burow
Certificate 3 in Civil Construction	Nathan Skinner
Certificate 3 in Business Record Keeping	Lynda Moore
Certificate 4 in Local Government Rates Administration	Karen Pfitzner
Graduate Certificate in Building & Planning	Georgina Burgess



Unloading lining for CWMS pond

Risk Management

2009/2010 KEY ACTIONS	2009/2010 OUTCOMES
Continue to work towards the development an "OHSW Local Government One System" in compliance with Workcover requirements.	Continuing with the development of a "One System" for OHSW compliance for local government.
Continue to support Council employees and elected members in training, including the employees currently undertaking nationally recognised training, ranging from certificate to diploma level. While this reflects in the budget it should also be noted that funding has been obtained for much of this training through a range of government and federal funded programs.	Training is being undertaken by 18 employees in nationally recognised training with 6 completing this training in 2009/2010. Funding through State and Federal Government is being sourced to support training with Council.
Continue to maintain an asbestos register, in accordance with legislation, to identify the type, condition and location of asbestos of all Council buildings and structures. Council has contracted Carter Corporation, Asbestos Consultants to conduct this inspection annually.	Council has continued to engage Carter Corporation to assess and maintain Asbestos Register for all Council properties. Council continues to remove asbestos according to Hazard Risk Priority.
Engage an Arborist to assess the trees at the Clare Caravan Park and provide a five year treatment plan.	Assessment of trees at the Clare Caravan Park is ongoing.
Develop an annual compliance register and program to ensure Council is meeting all statutory requirements.	Council meets all statutory requirements with regards to compliance.



Playground at Auburn Centennial Park

LIBRARY SERVICE

The Clare & Gilbert Valleys Library Service endeavours to engage, inspire and inform community members and help build strong communities. The role of the library service includes supporting reading, research and providing social connections.

Contemporary libraries provide opportunities for people to equip themselves with the life skills that are essential for participation in the information age. They help ensure that all families have the opportunity to reach their potential through promoting lifelong learning and literacy development.

Above all, the Clare & Gilbert Valleys Council Library Service is a community hub, which seeks to provide a quality service which meets the communities ongoing information, education, recreation and cultural needs through the free communication of ideas to develop and enhance all members of the community regardless of age, race, ability or economic situation.

The Clare & Gilbert Valleys Library Service consist of 2 branches and 3 depots. The central branch is at Clare, and the Saddleworth Library and Community Centre offers a library, Council and a range of other community services. Library depots are located at Auburn, Manoora and Watervale.

History Collections are located at Clare and Saddleworth and Riverton. Council also contributes to the Riverton School Community Library, located at Riverton High School.

FACTS:

- The library service has approximately 4,469 borrowers
- The library service contains more than 43,353 items
- 129,796 loans were processed in 2009/10
- 101,887 people visited the library in 2009/10

Performance measures indicate that there has been a 15% increase in the number of memberships, 13% increase in the number of loans and 12% increase in the number of visits per year since the year ending 30 June 09.

Items available for loan include books, DVDs, magazines, materials in languages other than English, and materials in formats for the visually impaired, such as audio books and large print books. Library members also have access to a range of electronic resources, through the web catalogue, including Your Tutor, which provides live homework help, interactive picture books and readers, and databases including encyclopaedias and health resources.

During 2009/10 work began on the Riverton School Community Library management system, joining with the Clare and Gilbert Valleys Library Service management system, within the LINK network. The LINK partnership utilizes Spydus software, which allows access to the library catalogue online 24/7 at <http://cgvc.spydus.com>.

The LINK network is a partnership with the Barossa, Light and Gawler Library Services and allows resources to be shared over the regions. Adelaide Hills Library Service joined the LINK partnership in 2009/10. The library also provides access to materials held in public libraries across South Australia, through the PLAIN inter-library loan network.

Programs for children were conducted and a home library service was provided to individuals, organisations and institutions. All branches have free access to the internet and word processing and publishing tools, with assistance provided either formally with training sessions or informally as required. Wireless internet access is available at the Clare Library.

YOUTH

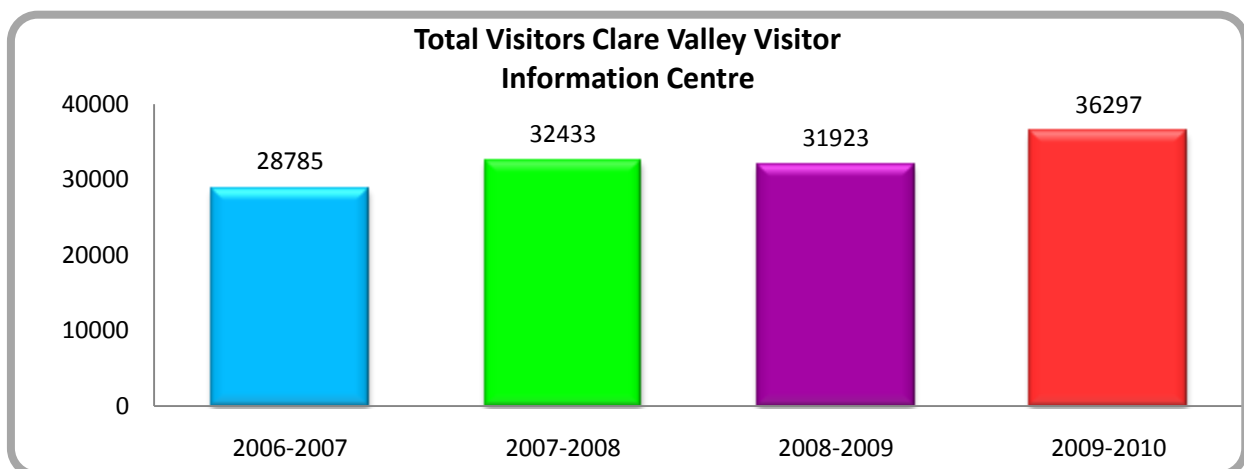
BOBfest 10 was held in Clare on 20th March 2010, in the Pavilion at the Clare Show Grounds. It was a great success with over 300 young people attending. The Clare & Gilbert Valleys Council Youth Advisory Committee (YAC) continue to be active, working collaboratively with other YAC groups in the region to host BOBfest, and helping to organize Youth Week celebrations. They also supported grant applications, to extend the Clare Skate Park.

The Domain Internet Centre continues to be a base for a range of user groups including the University of the Third Age, Superstars (a group of young people with disabilities), as well as other community groups.

VISITOR INFORMATION CENTRE

Located at the southern end of Clare, the architecturally designed rammed earth facility was completed in 2005. The centre had 36300 visitors throughout the year, with the majority of visitors coming from the Adelaide metropolitan area.

The Visitor Information Centre provides a one stop shop for visitors to the region. Accommodation bookings, souvenirs, tours and an extensive range of brochures on activities and attractions are among the many facilities and services available to visitors. The Centre is open 7 days a week and every day except Christmas Day and is an accredited tourism facility.



New Sign at Clare Library

2009/2010 KEY ACTIONS	2009/2010 OUTCOMES
Continue to actively seek partner Councils to join Library and Information NetworK (LINK). Adelaide Hills Council will join the network in 2009/2010, which will facilitate savings to Council due to savings in network costs due to economies of scale.	Adelaide Hills Library service successfully joined the LINK network on 27 April 2010, when the merged system "went live" and system upgrade completed. Network evaluation progressing.
Integrate the Riverton School Community Library into LINK - \$12,150	Integration is progressing. Data extraction of Riverton data from Amlib system will be complete 10 June 2010. Data merge and testing within LINK system will occur late June 2010.
Implement SMS, system generated Library notices with a potential savings of up to 50% of postage cost and decreased labour costs.	System implemented. First notices, reminders and reservations notices are now generated for all customers who wish to receive notices via SMS. Cost savings achieved due to notice generation via SMS being cheaper and totally machine generated.
Enhance the use of the library service to provide increased opportunities for cultural, recreational, informational and lifelong learning experiences - \$2,000	Café facilities expanded and additional computers added, via Seniors online grant. School Holiday program and Children's Book week carried out successfully. Outreach to community via home library service visits to and by Kindy, schools and other community groups
Purchase library materials (\$45,080 offset by grant of \$29,980). Total Council expenditure - \$15,100 plus local purchase library material \$11,500. Riverton – Contribution \$11,240 Extra books \$2,000.	Materials purchased. Grant received.
Continue to facilitate successful cultural programs including meet the author and display programs.	Big Book Club author event Sep 09, Friends Of Library author events throughout the year. Children's Christmas "Hooley Dooley" concert facilitated. Display program ongoing, and staff marketing training implemented.
Enhance early literacy development programs \$1,500	Toddler Tales program at Clare and Saddleworth branches executed. Little Big Book Club, Learning for life, and newborn welcome to the Library packs continue to be distributed.
Develop the Clare Library to include a Volunteers resource centre and a Women's Information Centre, utilizing grant funding of \$15,000 and \$2,000, respectively.	Women's Information centre implemented. Volunteer's resource centre development progressing with access to resources available via computer. Meeting space is available. Volunteers skills building workshops to be held June 2010
Youth programs including the hosting of Bobfest and other youth festivals - \$4,000	Successful Bobfest held at Clare Show grounds 20 March 2010. Youth Week celebration held at Clare skate park 17 April 2010.
Install Self Service Module - \$10,000	Self service module ordered. Awaiting cabinet/ desk to be constructed.



Clare Library



Saddleworth Library



New computers at Clare Library

RECREATION

The Valleys Lifestyle Centre is in the business of creating a healthy and active community through a range of tailored services, facilities and meeting places to meet everyone's need in an accessible and affordable manner. The development of The Valleys Lifestyle Centre Business Plan in May 2009 in line with Council strategic plan has given the recreation staff direction and guidance throughout the period.

Business goals that were outlined in the business plan that have been achieved include:

- Creating more user groups to the centre such as netball and futsal
- The development of Clare Gymnastics Club with now over 100 participants
- A successful handing over of Kindergym from the volunteer program
- Increase in the group fitness timetable with new classes Boxing, Control and TTB
- Installation of heating in the change rooms, stadium entrance re-fit and introduction of more baby change tables
- New trophy cabinet
- Re-developed kiosk area for a more user friendly environment and to increase sales
- Continue the growth of the indoor pool, particularly swimming lessons. This includes the development of our 'Junior Squad' program
- Maintain and continue the relationships with user groups such as Squash Club, Clare Sports Club, Swim Club, Physiotherapists, and Basketball Club
- Installation of security cameras, which has been very successful in prosecuting, in particular the youths who vandalised local toilets blocks
- New stadium emergency exit doors to comply with OHSW regulation
- Development of email database, to use for marketing of newsletters and promotions, and also continue the use of social networking marketing schemes such as facebook and twitter
- Build a team of enthusiast and passionate staff to create an environment that the community enjoys

The Riverton Pool over the period has had many successful developments. The removal of the existing concourse and installation of new pool surrounds has removed all trips hazards and creates a better surface for the users. New concourse and edging for the toddler and baby pools have also created a better environment for the users of these areas. A leak was discovered in piping and cracked areas were apparent in the toddler pool, which have been rectified. The change rooms had asbestos removed and new shower cubicle wall installed. Major work to the operation of the pool systems has been completed with the installation of a ballcock to maintain water levels and a new acid drum and bund system for safer and more efficient delivery.



New trophy cabinet

Recreation

2009/2010 KEY ACTIONS	2009/2010 OUTCOMES
The Valleys Lifestyle Centre is entering its third year of operation. This facility has been able to attract the Australian Open Squash Championships in July for the third successive year.	3 rd National Championship held in Clare was an excellent event. According to the rotation of the Australian Open through the States of Australia the next competition will be held in Canberra.
A Business Plan has been developed and implemented giving The Valleys Lifestyle Centre direction over the next 5 years to meet goals of the Clare and Gilbert Valleys Council Strategic Plan 2008 - 2012. The Business Plan will be used for development of individual business cases for future projects as well as a guiding framework for a marketing plan for The Valleys Lifestyle Centre	The Business Plan is a living document with ongoing reviews.
Council continues to operate the Riverton Pool. Upgrades to the changerooms and removal of asbestos is planned along with new concouring to 75% of the main pool and the entirety of the toddler pool. The centre has completed an upgrade of the plant and reinstatement of the diving board. Council will continue to review the needs of this facility on a year to year basis and maintenance program will be ongoing.	Changeroom upgrades and maintenance were completed and asbestos removed. Concouring also completed with painting of new 'no running' and 'no diving, shallow water' around all pools.

Health Expo



2009/2010 KEY ACTIONS	2009/2010 OUTCOMES
<p>Future projects for The Valleys Lifestyle Centre include:</p> <p>Development and implementation of a Marketing Plan.</p> <ul style="list-style-type: none"> • Initiate and coordinate new user groups such as Gymnastics, Indoor Soccer, Volleyball, Netball and Badminton, and help to build the current users groups of The Clare Sports Club, Squash, Basketball, Kindergym, Swim Club and Table Tennis. • Continue to grow and build bootcamp and group fitness classes and establish boxing classes. • Works will include installation of security cameras, changeroom heating, new fire exit doors and an ongoing maintenance plan. 	<p>Gymnastics is now held all year round with 90 children attending with 20-30 on a waiting list. A \$6,000 Grant was successfully received by the Clare Gymnastics Club Inc to purchase new equipment which has been donated to council to facilitate the program.</p> <p>Indoor Soccer (Futsal) is also all year round with 13 Summer Teams and 10 Winter teams, increasing centre attendance by an average of 300 people per month. The new sport will generate an annual return of \$10,000 - \$12,000 with an initial set up cost of only \$500 (including advertising) with minimal ongoing running costs to Council.</p> <p>Ladies Netball will also be a year round sports with 10 summer teams and 6 winter teams. This will generate \$4,000 - \$5,000 per annum income with minimal running costs.</p> <p>Volleyball is currently gaining expressions of interest to begin a new competition.</p> <p>Badminton did not receive sufficient expressions of interest to begin a competition.</p> <p>The CSC has increased functions bookings.</p> <p>Squash, Basketball and Swim Club have all increased members numbers during their seasons.</p> <p>Kindergym is now owned and operated by Council with a successful handover in early 2010.</p> <p>Unfortunately Table Tennis has moved to an alternative venue due to a clash of bookings and the inflexibility to be able to move to another night.</p> <p>Bootcamp improved in membership and also included the introduction of baby bootcamp (for mothers during crèche hours)</p> <p>Boxing classes are now a steady performer on the group fitness timetable with 3 timeslots per week and boxing classes are frequently booked by school groups and sporting clubs.</p> <p>All mentioned works have been completed, with the security cameras being very successful having recorded 2 illegal entries over the summer period, with all offenders being prosecuted by local police using vision from the footage. The cameras also helped in prosecuting the youths that damaged local toilet blocks. The cameras have been beneficial to show staff footage of 2 separate incidences where children had to be rescued by lifeguards during the summer pool season.</p> <p>The heating in the changerooms has been successful with a smaller reduction in swim school drop offs during the winter period.</p> <p>The fire exit doors have been installed in the basketball stadium and now comply with OHSW guidelines and regulations.</p>



Kindergym



INFRASTRUCTURE, ASSETS & PROJECTS

In its Strategic Plan Council has as one of its goals to develop, maintain and manage Council assets and enterprises in a sustainable way for current and future generations. In order to achieve this goal strategies include:

- 1 Research and identify current and future asset and enterprise needs
- 2 Develop, implement, monitor and evaluate a sustainable Asset Management Plan
- 3 Strengthen the performance of Council owned enterprises.

ASSET MANAGEMENT PLAN

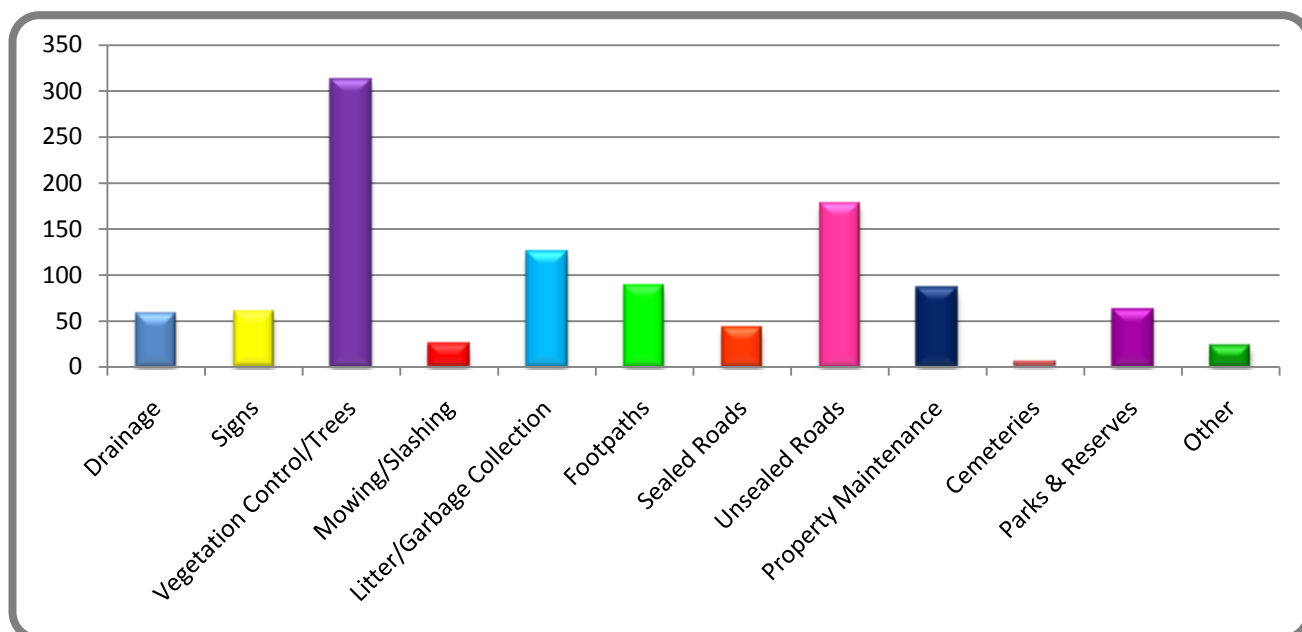
Considerable work has been undertaken to develop and enhance Council's asset management planning for key asset classes. The Asset and Infrastructure Management Plan was adopted by Council in April 2010. This Plan will impact on the allocation of resources for maintenance or renewal work as well as providing for new infrastructure where needed and is subject to ongoing review.

BUILDING ASSETS

Work is continuing to gather more information on Council's buildings and structures, including current condition and determining costs of ongoing maintenance and periodic renewal. This information will help determine the future of these assets and improve performance.

MINOR WORKS REQUESTS

In order to ensure Council infrastructure is kept up to a serviceable standard, Council's Works Staff endeavour to respond to all minor works requests and complaints in a timely and efficient manner. The following graph shows the number and types of requests received in the 2009/10 financial year.



Infrastructure, Assets & Projects

2009/2010 KEY ACTIONS	2009/2010 OUTCOMES
Renew bridges, fords, pipes and culverts - \$291,890.	Work is continuing on the new Pioneer Avenue bridge in Clare, with the removal of the old ford and footbridge and the installation of box culverts and backfilling currently underway. Following completion of the bridge the section of Farrell Flat Road from the Anglican Church entrance to Old North Road will be closed for all but local traffic, with all through traffic from Farrell Flat Road continuing onto Pioneer Avenue.
Renew kerb and watertables - \$40,000.	Complete
Prepare 3km of MR 45 (to be sealed in 2010/2011) – approximately \$278,000.	Approx \$200,000 transferred to Mintaro/Manoora road to prepare approx 2km for sealing in 2010/2011 on account of Windfarm construction project.
Reseal roads prioritized in Council's Asset Management Plan - \$299,020	
Resheet approximately 26 km of unsealed roads as identified in Council's Asset Management Plan - \$644,000.	Complete
Install new signs and replace defective signs throughout the district - \$110,000	Complete

New holding tanks at CWMS site



New CWMS Pond near golf course

FINANCIAL SERVICES

Long Term Financial Plan

Long term financial viability was one of the goals identified in Council's Strategic Plan and, during the year, Council adopted the *Long Term Financial Plan 2009/2010 to 2018/2019 (LTFP)* to guide its future direction in a sustainable manner and to show the future impact of today's decisions. The 2009/2010 budget provided the detail for the first year of the LTFP.

Councils care for vast amounts of infrastructure and assets on behalf of their communities and there has been a strong focus throughout Local Government on making appropriate financial provisions for the maintenance and renewal of such assets. To this end Council's Long Term Financial Plan includes required expenditure on assets as identified in its Infrastructure and Asset Management Plan (IAMP). There is also provision for expenditure on new or upgraded assets in line with the IAMP.

Annual Business Plan and Budget

The Annual Business Plan and Budget for 2009/2010 was formulated with a strong emphasis on long term sustainability, with the greater proportion of expenditure on assets being for renewal. Details of major projects included in the budget have been listed earlier in this report.

Council, as with other Councils in the State, uses the Local Government Financial Indicators to measure financial sustainability and these indicators are included in Note 15 of the Financial Statements and summarised in the Chief Executive Officer's Report.

Elected Members are regularly informed of the financial performance through reports included in the Chief Executive Officer's Information Report in the monthly Council meeting agenda.

In addition to these reports and in accordance with the provisions of the Local Government (Financial Management) Regulations, reviews of the budget were prepared at the end of October 2009, January 2010 and May 2010.

Operating Result and Cash Flow

A small operating surplus was budgeted with an overall surplus of \$1.473m after the inclusion of income for new and upgraded assets. The actual operating surplus was \$3.02m and the overall surplus \$3.92m.

Expenses were slightly less than budgeted and user charges were more than expected, but a substantial developer's contribution along with a number of grants received were the main reasons for the improved result.

Council's adopted budget included new borrowings for the renewal and upgrade of the Community Wastewater Management Schemes in Clare, Riverton and Saddleworth. These borrowings were not required to be drawn in the reporting year as the projects had not reached completion and expenditure to 30 June 2010 was covered by the use of existing reserve funds previously set aside for that purpose. The situation will be reviewed on completion of the projects.

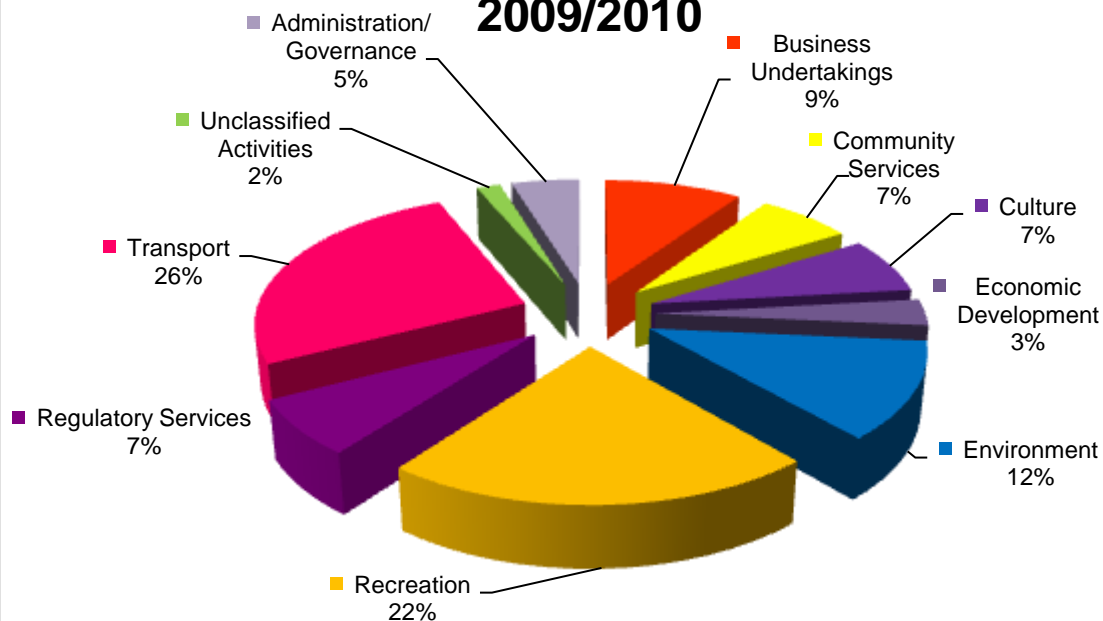
Due to projects carried over to the following year and the receipt of substantial grants and contributions the net decrease in cash was reduced from the \$3,971m shown in the budget to an actual \$0.651m.

Uniform Presentation of Finances

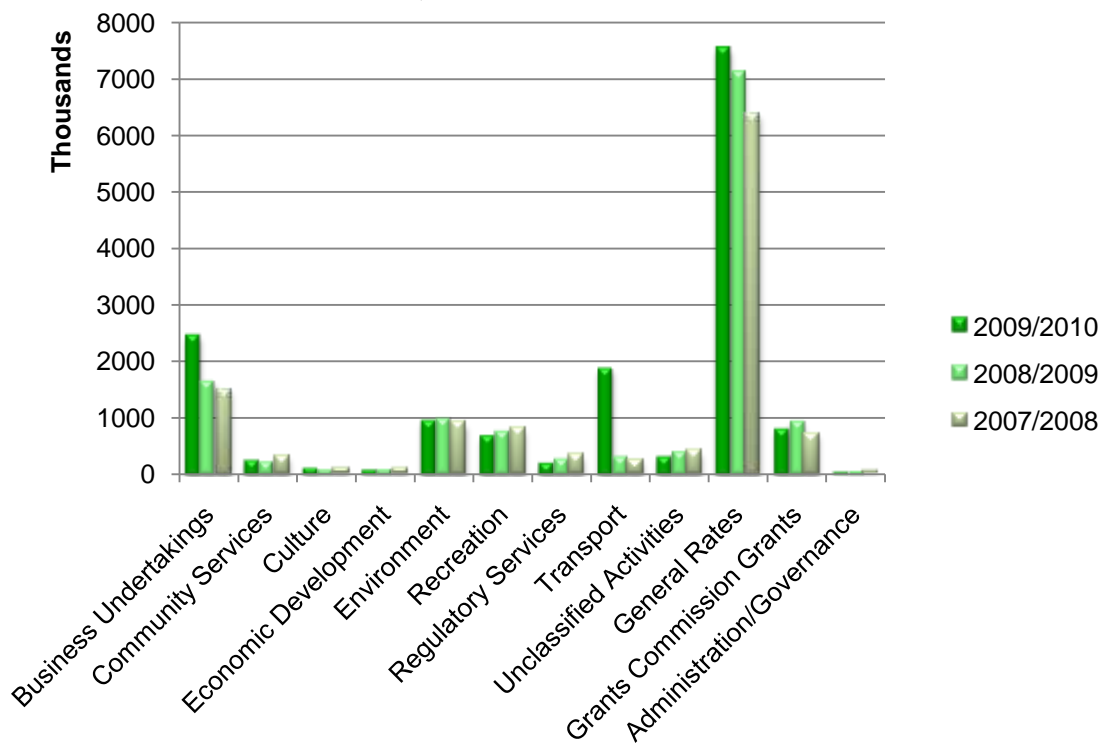
	Actual 2010	Adopted Budget 2010	Actual 2009
	\$,000	\$,000	\$,000
Income	15,485	12,568	13,026
less Expenses	12,463	12,454	13,065
	3,022	114	(38)
less Net Outlays on Existing Assets			
Capital Expenditure on renewal and replacement of Existing Assets	4,743	9,280	2,594
less Depreciation, Amortisation and Impairment	3,155	3,120	3,107
less Proceeds from Sale of Replaced Assets	85	272	77
	1,503	5,888	(590)
less Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	1,911	2,144	2,222
less Amounts received specifically for New and Upgraded Assets	848	1,340	415
less Proceeds from Sale of Surplus Assets	252	-	474
	811	804	1,333
Net Lending / (Borrowing) for Financial Year	708	(6,578)	(781)
Variations to Budget During Year:			
Increase in Income		2,464	
less Increase in Operating Expenses		66	
less: Increase in Capital Expenditure		552	
		1,846	
Net Lending / (Borrowing) for Financial Year as per Revised Budget		(4,732)	

The adopted Annual Business Plan and Budget forecast net borrowing for the year of \$6.578m compared to the actual result of \$0.781m. Variations amounting to \$1.846m were made to the adopted budget during the year as shown above. Approximately \$4.5m of capital works carried over to 2010/2011 along with \$0.66m of grant funds included in the budget but outstanding at the end of the financial year account for the greater part of the remaining variance.

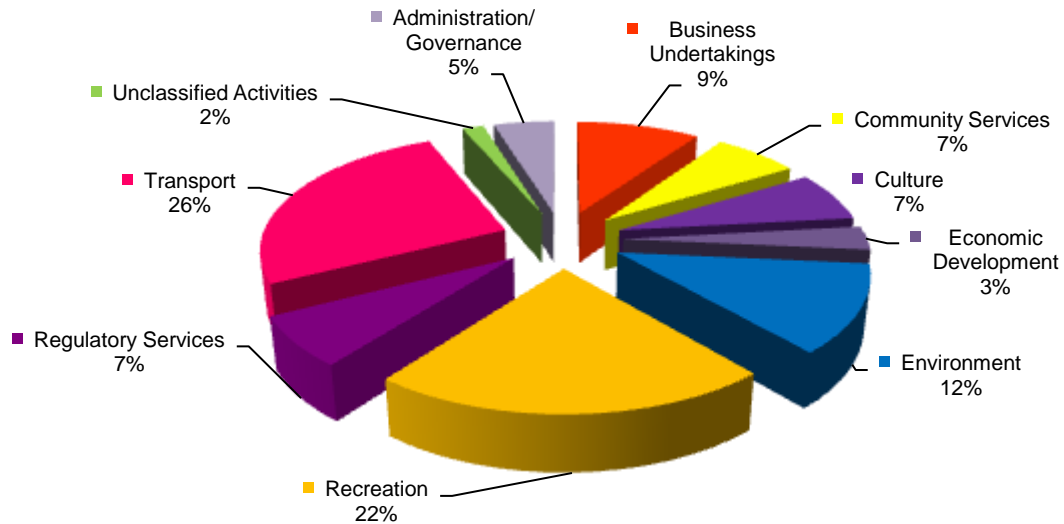
Operating Expenses by Function 2009/2010



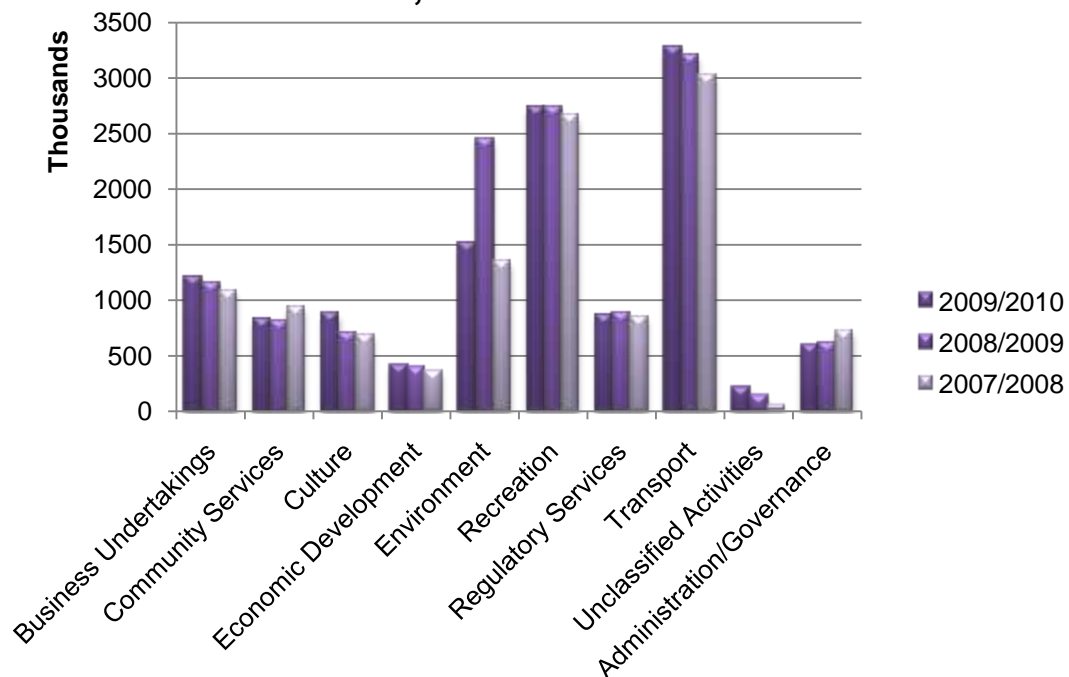
COMPARISON OPERATING INCOME 2007/2008, 2008/2009 & 2009/2010



Operating Expenses by Function 2009/2010

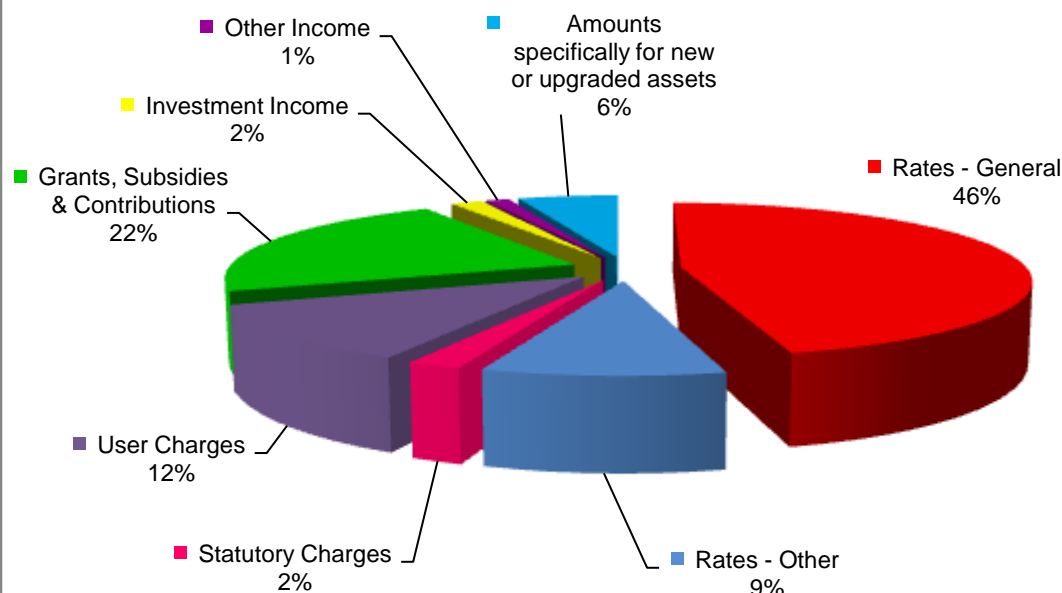


COMPARISON OPERATING EXPENSES 2007/2008, 2008/2009 & 2009/2010

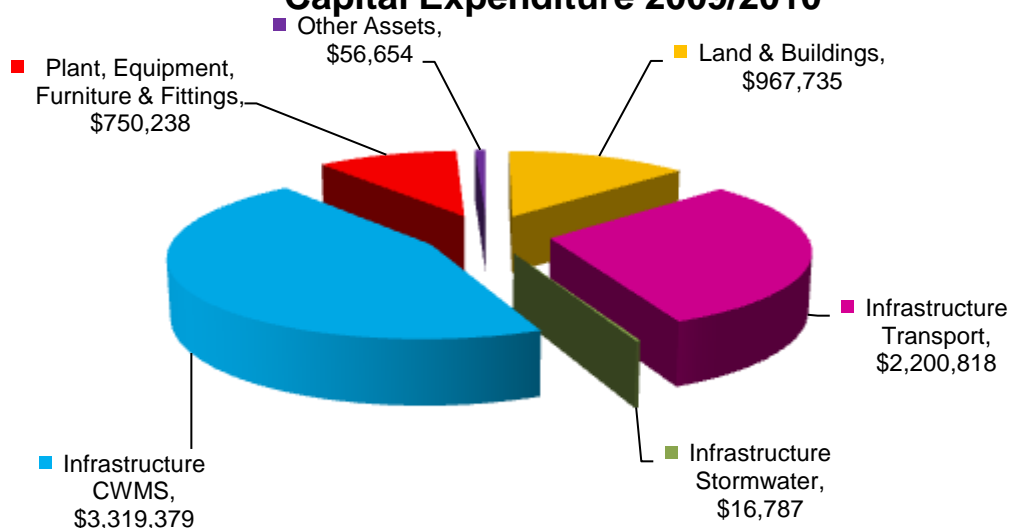


For details of functions refer to the Note 12 of the Financial Statements for the year ended 30 June 2010 included as an appendix to this report.

Total Income by Type - 2009/2010



Capital Expenditure 2009/2010



Details of Council Functions are to be found in Note 12 of the General Purpose Financial Reports.

General Purpose Financial Reports

The General Purpose Financial Reports for the year ended 30 June 2010 have been reviewed by Council's Audit Committee and audited by independent auditors, Dean Newbery and Partners. The statements are attached as an appendix to this report.

2009/2010 KEY ACTIONS	2009/2010 OUTCOMES
Steer the annual budget setting processes.	Annual Business Plan and Budget 2009/2010 was adopted by Council on 20 July 2009 following a period of public consultation.
Provide financial reports as required by departments to allow for effective monitoring.	Monthly reports provided with budget reviews quarterly.
Prepare external reports including Annual Financial Statements and Australian Bureau of Statistics Returns.	Annual Financial Statements for the year ended 30 June 2009 were adopted on 16 November 2009 following a successful audit by Council's independent external auditors..
Prepare Long Term Financial Plan incorporating details from the Infrastructure and Asset Management Plan.	The Long Term Financial Plan was adopted and will be revised annually
Continue to operate an audit committee as required by the Local Government Act.	Independent Chair has been appointed by Council. Committee now comprises 3 Independent and 2 Elected Members.





FINANCIAL REPORTS

GENERAL PURPOSE FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2010

CLARE & GILBERT VALLEYS COUNCIL

General Purpose Financial Reports for the year ended 30 June 2010

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CLARE & GILBERT VALLEYS COUNCIL

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2010

	Notes	2010 \$	2009 \$
INCOME			
Rates	2	9,080,788	8,579,874
Statutory charges	2	343,508	328,925
User charges	2	1,954,893	1,758,207
Grants, subsidies and contributions	2	3,608,294	1,669,708
Investment income	2	282,742	370,179
Reimbursements	2	49,823	57,393
Other income	2	165,163	262,016
Total Income		15,485,211	13,026,302
EXPENSES			
Employee costs	3	3,751,804	3,561,081
Materials, contracts & other expenses	3	4,620,218	5,432,115
Finance costs	3	935,831	964,219
Depreciation, amortisation & impairment	3	3,154,876	3,107,301
Total Expenses		12,462,729	13,064,716
OPERATING SURPLUS / (DEFICIT)		3,022,482	(38,414)
Asset disposal & fair value adjustments	4	335	79,035
Amounts received specifically for new or upgraded assets	2	900,613	415,000
NET SURPLUS / (DEFICIT)		3,923,430	455,621
transferred to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	23,683,379	-
Total Other Comprehensive Income		23,683,379	-
TOTAL COMPREHENSIVE INCOME		27,606,809	455,621

This Statement is to be read in conjunction with the attached Notes.

CLARE & GILBERT VALLEYS COUNCIL

BALANCE SHEET as at 30 June 2010

	Notes	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	5,792,747	6,443,448
Trade & other receivables	5	1,591,933	931,969
Other financial assets	5	344,649	320,239
Inventories	5	288,767	185,198
Total Current Assets		8,018,096	7,880,854
Non-current Assets			
Financial Assets	6	478,529	505,957
Infrastructure, Property, Plant & Equipment	7	105,056,291	82,062,839
Other Non-current Assets	6	6,162,248	1,682,872
Total Non-current Assets		111,697,068	84,251,668
Total Assets		119,715,164	92,132,522
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8	2,054,205	1,374,186
Borrowings	8	710,513	673,616
Provisions	8	1,106,520	758,067
Total Current Liabilities		3,871,238	2,805,869
Non-current Liabilities			
Borrowings	8	12,280,691	12,990,261
Provisions	8	233,882	613,848
Total Non-current Liabilities		12,514,573	13,604,109
Total Liabilities		16,385,811	16,409,978
NET ASSETS		103,329,353	75,722,544
EQUITY			
Accumulated Surplus		8,127,493	3,561,801
Asset Revaluation Reserves	9	89,784,034	66,100,655
Other Reserves	9	5,417,826	6,060,088
TOTAL EQUITY		103,329,353	75,722,544

This Statement is to be read in conjunction with the attached Notes.

CLARE & GILBERT VALLEYS COUNCIL

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2010

	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$	TOTAL EQUITY \$
2010					
Balance at end of previous reporting period		3,561,801	66,100,655	6,060,088	75,722,544
Net Surplus / (Deficit) for Year		3,923,430	-	-	3,923,430
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment	9	-	23,683,379	-	23,683,379
Transfers between reserves		642,262	-	(642,262)	-
Balance at end of period		8,127,493	89,784,034	5,417,826	103,329,353
2009					
Balance at end of previous reporting period		1,668,381	66,470,061	7,128,481	75,266,923
Net Surplus / (Deficit) for Year		455,621	-	-	455,621
Other Comprehensive Income					
Transfer to accumulated surplus on sale of infrastructure, property, plant & equipment		369,406	(369,406)	-	-
Transfers between reserves		1,068,393	-	(1,068,393)	-
Balance at end of period		3,561,801	66,100,655	6,060,088	75,722,544

This Statement is to be read in conjunction with the attached Notes

CLARE & GILBERT VALLEYS COUNCIL

CASH FLOW STATEMENT for the year ended 30 June 2010

	Notes	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		15,450,360	13,267,519
Investment receipts		273,819	391,447
<u>Payments</u>			
Operating payments to suppliers & employees		(9,293,488)	(8,794,995)
Finance payments		(944,974)	(972,818)
Net Cash provided by (or used in) Operating Activities	11	<u>5,485,717</u>	<u>3,891,153</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		848,113	415,000
Sale of replaced assets		84,711	76,697
Sale of surplus assets		252,000	473,872
Repayments of loans by community groups		49,426	18,470
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(4,743,310)	(2,593,736)
Expenditure on new/upgraded assets		(1,911,217)	(2,222,071)
Net purchase of investment securities		(24,410)	(17,774)
Loans made to community groups		-	(345,000)
Net Cash provided by (or used in) Investing Activities		<u>(5,444,687)</u>	<u>(4,194,542)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		-	35,284
Proceeds from Trust Funds		943	-
<u>Payments</u>			
Repayments of Borrowings		(658,787)	(618,649)
Repayment of Finance Lease Liabilities		(13,887)	(12,431)
Repayment of Aged Care Facility deposits		(20,000)	(20,000)
Repayment of Trust Funds		-	(11,805)
Net Cash provided by (or used in) Financing Activities		<u>(691,731)</u>	<u>(627,601)</u>
Net Increase (Decrease) in cash held		<u>(650,701)</u>	<u>(930,990)</u>
Cash & cash equivalents at beginning of period	11	<u>6,443,448</u>	<u>7,374,438</u>
Cash & cash equivalents at end of period	11	<u>5,792,747</u>	<u>6,443,448</u>

This Statement is to be read in conjunction with the attached Notes

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under clause 11 of the Local Government (Financial Management) Regulations 1999.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest Dollar (\$).

2 The Local Government Reporting Entity

The Clare & Gilbert Valleys Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at 4 Gleeson Street, Clare. These financial statements include the consolidated fund and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes 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 amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 1 - Significant Accounting Policies (cont)

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

5 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

5.2 Other Real Estate held for resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

All assets are initially recognised at cost.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. 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.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 1 - Significant Accounting Policies (cont)

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are as follows. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$10,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$5,000
Reticulation extensions	\$5,000
Sidelines & household connections	\$5,000
Artworks	\$5,000

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Plant, Furniture & Equipment	
Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	5 to 8 years
Other Plant & Equipment	5 to 15 years
Building & Other Structures	
Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years
Infrastructure	
Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	80 to 100 years
Culverts	50 to 75 years
Flood Control Structures	80 to 100 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 1 - Significant Accounting Policies (cont)

Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years
Other Assets	
Library Books	10 to 15 years
Artworks	indefinite

6.5 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

7 Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

8 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 1 - Significant Accounting Policies (cont)

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

10 Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

11 Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

12 Leases

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class, and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

13 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 1 - Significant Accounting Policies (cont)

14 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2010 reporting period.

- | | | |
|---|---|---|
| ➤ | AASB 1 | First-time Adoption of Australian Accounting Standards |
| ➤ | AASB 5 | Non-current Assets Held for Sale and Discontinued Operations |
| ➤ | AASB 7 | Financial Instruments: Disclosures |
| ➤ | AASB 9 | Financial Instruments |
| ➤ | AASB 101 | Presentation of Financial Statements |
| ➤ | AASB 107 | Statement of Cash Flows |
| ➤ | AASB 108 | Accounting Policies, Changes in Accounting Estimates and Errors |
| ➤ | AASB 110 | Events after the Reporting Period |
| ➤ | AASB 117 | Leases |
| ➤ | AASB 118 | Revenue |
| ➤ | AASB 119 | Employee Benefits |
| ➤ | AASB 132 | Financial Instruments: Presentation |
| ➤ | AASB 136 | Impairment of Assets |
| ➤ | AASB 137 | Provisions, Contingent Liabilities and Contingent Assets |
| ➤ | AASB 139 | Financial Instruments: Recognition and Measurement |
| ➤ | AASB 1031 | Financial Instruments: Recognition and Measurement |
| ➤ | AASB 2009-11 | Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] |
| ➤ | AASB 2009-12 | Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] |
| ➤ | AASB 2009-13 | Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] |
| ➤ | AASB 2010-1 | Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters [AASB 1 & AASB 7] |
| ➤ | Interpretation 4 | <i>Determining whether an Arrangement contains a Lease</i> |
| ➤ | Interpretation 14 | <i>AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i> |
| ➤ | <i>(Standards not affecting local government have been excluded from the above list.)</i> | |

Council is of the view that none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

The Australian Accounting Standards Board is currently reviewing AASB 1004 Contributions. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 2 - INCOME

	Notes	2010 \$	2009 \$
RATES REVENUES			
<u>General Rates</u>		7,595,866	7,150,993
Less: Mandatory rebates		(79,103)	(75,426)
Less: Discretionary rebates, remissions & write offs		(22,027)	(23,183)
		<u>7,494,736</u>	<u>7,052,384</u>
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		304,798	302,614
Waste collection		533,466	509,541
Community wastewater management systems		694,827	662,603
		<u>1,533,091</u>	<u>1,474,758</u>
<u>Other Charges</u>			
Penalties for late payment		52,961	52,732
		<u>9,080,788</u>	<u>8,579,874</u>
STATUTORY CHARGES			
Development Act fees		45,290	71,781
Town planning fees		84,191	115,990
Animal registration fees & fines		51,902	51,299
Health inspection fees		26,371	39,771
CWMS connection fees		128,450	42,583
Other fines, penalties & expiations		7,304	7,501
		<u>343,508</u>	<u>328,925</u>
USER CHARGES			
Cemetery/crematoria fees		31,048	30,853
Caravan park fees		1,068,613	936,995
Library services		11,435	6,821
Elderly citizens facilities		22,424	34,716
Tourism		82,105	96,502
Recreation fees		565,017	490,438
Waste management fees		91,208	95,568
Sundry		83,043	66,314
		<u>1,954,893</u>	<u>1,758,207</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

NOTE 2 - INCOME (continued)

	Notes	2010 \$	2009 \$
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		222,794	294,663
Banks & other		21,264	38,953
Loans to community groups		38,684	36,563
		<u>282,742</u>	<u>370,179</u>
REIMBURSEMENTS			
- other		49,823	57,393
		<u>49,823</u>	<u>57,393</u>
OTHER INCOME			
Donations		92,661	212,871
Sundry		72,502	49,145
		<u>165,163</u>	<u>262,016</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		900,613	415,000
Other grants, subsidies and contributions		1,833,604	1,495,147
Individually significant items	refer to comments below	1,774,690	174,561
		<u>4,508,907</u>	<u>2,084,708</u>
<i>The functions to which these grants relate are shown in Note 2.</i>			
Sources of grants, subsidies, contributions			
Specifically for new or upgraded assets			
State Government		900,613	415,000
		<u>900,613</u>	<u>415,000</u>
Other grants, subsidies and contributions			
Commonwealth Government		50,000	147,000
State Government		1,953,294	1,517,708
Other		1,605,000	5,000
		<u>3,608,294</u>	<u>1,669,708</u>
		<u>4,508,907</u>	<u>2,084,708</u>
Individually Significant Items			
<i>In June 2009 Council received payment of the first quarter instalment of the 2009/2010 Grants Commission (FAG grant). This represented a significant increase in income from this source for 2008/2009. In June 2010 the first quarter instalment of the 2010/2011 grant was received, with an equivalent reduction expected in 2010/2011.</i>			
		189,690	174,561
<i>Contribution from windfarm developer to compensate for future roadworks which will be required due to increased and heavier traffic levels</i>			
		1,585,000	-
		<u>1,774,690</u>	<u>174,561</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

NOTE 2 - INCOME (continued)

	Notes	2010 \$	2009 \$
Conditions over grants & contributions			
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>			
<i>Unexpended at the close of the previous reporting period</i>		492,154	1,166,597
<i>Less: expended during the current period from revenues recognised in previous reporting</i>			
<i>Roads Infrastructure</i>		(68,487)	(245,944)
<i>Community services</i>		(1,500)	(2,760)
<i>Culture</i>		(10,737)	(5,543)
<i>Tourism</i>		(6,003)	(5,997)
<i>Environment</i>		(24,700)	(17,491)
<i>Recreation</i>		(17,060)	(764,007)
<i>Planning</i>		-	(5,000)
<i>Grants Commission</i>		(174,561)	-
<i>Subtotal</i>		(303,048)	(1,046,742)
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Roads Infrastructure</i>		177,907	130,478
<i>Contribution by windfarm developer for future roadworks associated with the development</i>		1,585,000	-
<i>Community services</i>		-	1,500
<i>Culture</i>		-	24,000
<i>Environment</i>		25,106	24,700
<i>Recreation</i>		13,022	17,060
<i>Grants Commission 2009/2010</i>		189,690	174,561
<i>Subtotal</i>		1,990,725	372,299
<i>Unexpended at the close of this reporting period</i>		2,179,831	492,154
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>			
		1,687,677	(674,443)

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 3 - EXPENSES

	Notes	2010 \$	2009 \$
EMPLOYEE COSTS			
Salaries and Wages		3,463,837	3,341,036
Employee leave expense		415,753	389,083
Superannuation - defined contribution plan contributions	18	197,871	116,709
Superannuation - defined benefit plan contributions	18	123,918	215,244
Workers' Compensation Insurance		147,150	119,621
Other		31,916	30,781
Less: Capitalised and distributed costs		(628,641)	(651,393)
Total Operating Employee Costs		3,751,804	3,561,081
Total Number of Employees		64	65
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		5,610	5,470
Elected members' expenses		120,962	115,109
Election expenses		8,290	18,320
Operating Lease Rentals - non-cancellable leases	17		
- minimum lease payments		4,411	7,388
Subtotal - Prescribed Expenses		139,273	146,287
<u>Other Materials, Contracts & Expenses</u>			
Contractors		2,118,281	2,161,036
Energy		550,110	557,343
Insurance		317,441	296,370
Refuse sites remediation expense		-	814,334
Levies paid to government - NRM levy		302,869	303,004
- Other Levies		59,794	57,675
Parts, accessories & consumables		638,886	654,438
Professional services		55,589	-
Sundry		437,975	441,628
Subtotal - Other Materials, Contracts & Expenses		4,480,945	5,285,828
		4,620,218	5,432,115

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 3 - EXPENSES (cont)

	2010	2009
Notes	\$	\$
FINANCE COSTS		
Interest on Loans	890,134	930,816
Charges on Finance Leases	1,763	5,013
Unwinding of present value discounts	43,934	28,390
	<u>935,831</u>	<u>964,219</u>
 DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Land fill restoration cost	36,148	-
Buildings and other structures	832,703	819,685
Infrastructure	1,839,962	1,847,872
Plant and equipment	491,581	475,534
Furniture and fittings	33,702	35,850
Other Assets	34,583	32,131
	<u>3,268,679</u>	<u>3,211,072</u>
Less: Capitalised and distributed costs	<u>(113,803)</u>	<u>(103,771)</u>
	<u>3,154,876</u>	<u>3,107,301</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2010	2009
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	252,000	76,697
Less: Carrying amount of assets sold	<u>241,365</u>	<u>39,368</u>
Gain (Loss) on disposal	<u>10,635</u>	<u>37,329</u>
 <i>Assets surplus to requirements</i>		
Proceeds from disposal	1,820	473,872
Less: Carrying amount of assets sold	<u>12,120</u>	<u>432,166</u>
Gain (Loss) on disposal	<u>(10,300)</u>	<u>41,706</u>
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	 <u>335</u>	 <u>79,035</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 5 - CURRENT ASSETS

	Notes	2010 \$	2009 \$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		177,670	392,379
Deposits at Call		5,615,077	6,051,069
		<u>5,792,747</u>	<u>6,443,448</u>
TRADE & OTHER RECEIVABLES			
Rates - General & Other		525,940	467,738
Accrued Revenues		70,933	62,011
Debtors - general		767,937	291,932
GST Recoupment		198,990	75,677
Loans to community organisations		28,133	34,611
		<u>1,591,933</u>	<u>931,969</u>
OTHER FINANCIAL ASSETS			
Investment		344,649	320,239
		<u>344,649</u>	<u>320,239</u>
INVENTORIES			
Stores & Materials		288,767	185,198
		<u>288,767</u>	<u>185,198</u>

Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 6 - NON-CURRENT ASSETS

	2010	2009
Notes	\$	\$
FINANCIAL ASSETS		
Receivables		
Loans to community organisations	478,529	505,957
TOTAL FINANCIAL ASSETS	<u>478,529</u>	<u>505,957</u>
 OTHER NON-CURRENT ASSETS		
Capital Works-in-Progress	6,162,248	1,682,872
	<u>6,162,248</u>	<u>1,682,872</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2009				2010			
	\$				\$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	10,831,252	103,146	-	10,934,398	12,604,582	-	-	12,604,582
Land fill restoration cost	-	108,444	-	108,444	-	108,444	(36,148)	72,296
Buildings and other structures	35,203,066	7,807,621	(20,345,240)	22,665,447	68,396,166	-	(23,720,312)	44,675,854
Infrastructure Transport	57,258,468	4,038,249	(23,264,827)	38,031,890	57,258,468	5,150,820	(24,932,499)	37,476,789
Infrastructure CWMS	8,377,480	-	(3,902,893)	4,474,587	8,377,480	-	(4,042,455)	4,335,025
Infrastructure Stormwater	1,794,585	231,198	(488,446)	1,537,337	1,794,585	314,057	(521,175)	1,587,467
Equipment	-	6,392,992	(2,624,471)	3,768,521	-	6,463,489	(2,695,090)	3,768,399
Furniture and fittings	-	464,649	(211,611)	253,038	-	469,944	(245,313)	224,631
Other assets	-	547,987	(258,810)	289,177	-	604,641	(293,393)	311,248
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	113,464,851	19,694,286	(51,096,298)	82,062,839	148,431,281	13,111,395	(56,486,385)	105,056,291
<i>Previous Year Totals</i>	<i>114,134,074</i>	<i>15,661,177</i>	<i>(48,388,973)</i>	<i>81,406,278</i>	<i>113,464,851</i>	<i>19,694,286</i>	<i>(51,096,298)</i>	<i>82,062,839</i>

This Note continues on the following pages.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2009	CARRYING AMOUNT MOVEMENTS DURING YEAR					2010
	\$	\$					\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Net Revaluation	CARRYING AMOUNT
		New /Upgrade	Renewals				
Land	10,934,398	-	-	-	-	1,670,184	12,604,582
Land fill restoration cost	108,444	-	-	-	(36,148)	-	72,296
Buildings and other structures	22,665,447	485,173	344,742	-	(832,703)	22,013,195	44,675,854
Infrastructure Transport	38,031,890	146,234	966,336	-	(1,667,671)	-	37,476,789
Infrastructure CWMS	4,474,587	-	-	-	(139,562)	-	4,335,025
Infrastructure Stormwater	1,537,337	41,430	41,429	-	(32,729)	-	1,587,467
Equipment	3,768,521	91,128	653,815	(253,484)	(491,581)	-	3,768,399
Furniture and fittings	253,038	5,295	-	-	(33,702)	-	224,631
Other assets	289,177	-	56,654	-	(34,583)	-	311,248
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	82,062,839	769,260	2,062,976	(253,484)	(3,268,679)	23,683,379	105,056,291
Previous year Totals	81,406,278	2,073,480	2,265,687	(471,534)	(3,211,072)	-	82,062,839

This Note continues on the following pages.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 7 (cont) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.19 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent additions at cost, this remains as the basis of recognition of non-material asset classes.

Land & Land Improvements

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Freehold land and land over which Council has control, but does not have title, is recognised based on a valuation by Maloney Field Services as at 30 June 2010. Additions are recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised at current replacement cost based on a valuation at 30 June 2010 by Maloney Field Services. Additions are recognised at cost.

Land Fill Restoration Costs

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1) and depreciated over the estimated remaining life of the relevant asset.

Buildings & Other Structures

Buildings and other structures are recognised at written down replacement cost deriving from a valuation by Maloney Field Services as at 30 June 2010. The effect of the revaluation on depreciation will be reflected in the Financial Statements for the 2010/2011 year. Additions are recognised on the cost basis.

Infrastructure

Transportation, stormwater drainage and community wastewater management system infrastructure is recognised at written down current replacement cost based on a valuation by Maloney Field Services as at 30 June 2007. All acquisitions made after the date of valuation are recorded at cost.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other assets

These assets are recognised on the cost basis.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 8 - LIABILITIES

	2010		2009	
	\$		\$	
Notes	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	1,177,440	-	652,323	-
Payments received in advance	54,422	-	54,157	-
Accrued expenses - employee entitlements	477,491	-	393,225	-
Accrued expenses - other	197,154	-	160,307	-
Aged Care Facility Deposits	10,000	-	30,000	-
Deposits, Retentions & Bonds	106,981	-	54,400	-
Other	30,717	-	29,774	-
	2,054,205	-	1,374,186	-
BORROWINGS				
Loans	701,547	12,280,691	658,787	12,982,238
Finance Leases	15 8,966	-	14,829	8,023
	710,513	12,280,691	673,616	12,990,261

All interest bearing liabilities are secured over the future revenues of the Council.

PROVISIONS

Employee entitlements (including oncosts)	393,763	109,933	369,717	79,420
Refuse sites remediation	712,757	123,949	388,350	534,428
	1,106,520	233,882	758,067	613,848

Movements in Provisions - 2010 year only

(current & non-current)

Opening Balance

Add Unwinding of present value discounts

(Less) Payments

Add (Less) Remeasurement Adjustments

Closing Balance

Future
Reinstate-
ment

922,778

27,684

(55,529)

(58,227)

836,706

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2009	Net Increments (Decrements)	Transfers, Impairments	30/6/2010
Notes	\$	\$	\$	\$
Infrastructure, land & buildings	66,100,655	23,683,379	-	89,784,034
TOTAL	66,100,655	23,683,379	-	89,784,034
2009 Totals	66,470,061	-	(369,406)	66,100,655

OTHER RESERVES	1/7/2009	Transfers to Reserve	Transfers from Reserve	30/6/2010
Plant Replacement Reserve	111	3	-	114
Clare CWMS Reserve	2,486,792	1,026,258	(2,375,392)	1,137,658
Library Reserve	47,660	17,949	(10,949)	54,660
Computer Replacement Reserve	1,901	358	-	2,259
Administration Equipment Replacement Reserve	6	666	-	672
Development Infrastructure Reserve	5,622	702	-	6,324
Fauna Park Reserve	6,444	231	-	6,675
Off Street Car Parking Reserve	355	13	-	368
International Relations Reserve	107	4	-	111
Christison Park Capital Reserve	1,031	37	-	1,068
Mistletoe Control Reserve	11,972	611	(3,213)	9,370
Clare Caravan Park Lease Reserve	44,093	626	(44,120)	599
Residential Development Reserve	1,156	42	-	1,198
Riverton RSL Building Reserve	39,764	1,424	-	41,188
Saddleworth CWMS Reserve	255,757	133,426	(389,183)	-
Waste Management Reserve	5,577	165,828	-	171,405
Riverton CWMS Reserve	361,882	-	(230,435)	131,447
Clare Swimming Centre Reserve	616	22	-	638
Ngadjuri Lodge Reserve	36,971	1,340	(11,796)	26,515
Section 41 Committee Funds Reserve	68,968	12,807	-	81,775
Unspent Grants & Loans Reserve	2,488,249	615,978	(1,215,318)	1,888,909
Clare Friends of the Library Reserve	8,527	349	(6,000)	2,876
Gilbert Friends of the Library Reserve	6,331	256	-	6,587
Riverton Caravan Park & Recreation Grounds Reserve	15,343	343	-	15,686
Clare Open Space Reserve	53,400	1,912	-	55,312
Riverton Open Space Reserve	49,905	1,787	-	51,692
Yoshinaga Friendship Group Reserve	463	-	(463)	-
Mid North Passenger Transport Reserve	59,402	47,539	-	106,941
Strategic Funds Reserve	-	148,000	(148,000)	-
Windfarm Roads Infrastructure Reserve	-	1,615,779	-	1,615,779
Auburn CWMS Reserve	1,683	52	(1,735)	-
TOTAL OTHER RESERVES	6,060,088	3,794,342	(4,436,604)	5,417,826
2009 Totals	7,128,481	1,716,678	(2,785,071)	6,060,088

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 9 - RESERVES (continued)

PURPOSES OF RESERVES

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets and available-for-sale financial assets.

Other Reserves

Plant Replacement Reserve - for the purchase of items of major plant and machinery

Clare CWMS Reserve - for maintenance and upgrade of the Clare Community Wastewater

Library Reserve - for LINK (Library Information Network) licence and set up and sundry art and literacy programs

Computer Replacement Reserve - for maintenance and upgrade of computers as required

Administration Equipment Replacement Reserve - for replacement of administration equipment and fittings

Development Infrastructure Reserve - for budgeted projects and unexpected infrastructure requirements

Fauna Park Reserve - for maintenance of fauna park located at the Clare Caravan Park

Off Street Car Parking Reserve - for provision of car parking within the townships of the area

International Relations Reserve - to further links with 'twin' towns in Ireland, Japan and Spain

Christison Park Capital Reserve - for capital improvements to the Clare Caravan Park

Mistletoe Control Reserve - for environmental and vegetation issues such as mistletoe control

Clare Caravan Park Lease Reserve - for loan repayments Clare recreation and aquatic centre

Residential Development Reserve - to promote residential development

Riverton RSL Building Reserve - for building maintenance and upgrade

Saddleworth CWMS Reserve - for maintenance and upgrade of the Saddleworth Community Wastewater Management System

Waste Management Reserve - for provision of refuse collection and disposal

Riverton CWMS Reserve - for maintenance and upgrade of the Riverton Community Wastewater Management System

Clare Swimming Centre Reserve - unspent loan funds for capital works at Clare Recreation and Aquatic Centre

Ngadjuri Lodge Reserve - for the operation of elderly citizens' facility in Clare

Section 41 Committee Funds Reserve - funds set aside for use of various Section 41 committees

Unspent Grant and Loan Funds Reserve - unexpended grant and loan funds carried forward

Clare Friends of the Library Reserve - funds set aside for use of the Clare Friends of the Library

Gilbert Friends of the Library Reserve - funds set aside for use of the Gilbert Friends of the Library

Riverton Caravan Park and Recreation Grounds Reserve - for maintenance and upgrade of the Riverton Caravan Park and Recreation Grounds

Clare Open Space Reserve - developer contributions towards future acquisition of open space areas

Riverton Open Space Reserve - for developer contributions towards future acquisition of open space areas

Yoshinaga Friendship Group Reserve - to maintain links with sister city in Japan

Mid North Passenger Transport Reserve - funding for community passenger network scheme

Strategic Funds Reserve - to fund strategic projects

Windfarm Roads Infrastructure Reserve - for future works required on access roads to Waterloo windfarm

Auburn CWMS Reserve - to investigate service provision

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

	Notes	2010 \$	2009 \$
CASH & FINANCIAL ASSETS			
Unexpended amounts received from Federal Government		13,022	17,060
Community wastewater management schemes (CWMS)		1,269,105	3,104,431
Waste management schemes		171,405	5,577
Other		365,067	115,802
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		1,818,599	3,242,870

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Notes	2010 \$	2009 \$
Total cash & equivalent assets	5	<u>5,792,747</u>	<u>6,443,448</u>
Balances per Cash Flow Statement		<u>5,792,747</u>	<u>6,443,448</u>

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)	3,923,430	455,621
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	3,154,876	3,107,301
Net increase (decrease) in unpaid employee benefits	168,564	108,394
Premiums & discounts recognised & unwound	43,934	28,390
Grants for capital acquisitions treated as Investing Activity	(900,613)	(415,000)
Net (Gain) Loss on Disposals	<u>(335)</u>	<u>(79,035)</u>
	6,389,856	3,205,671
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(712,353)	(230,189)
Net (increase) decrease in inventories	(103,569)	78,818
Net increase (decrease) in trade & other payables	25,539	(85,925)
Net increase (decrease) in other provisions	<u>(113,756)</u>	<u>922,778</u>
Net Cash provided by (or used in) operations	<u>5,485,717</u>	<u>3,891,153</u>

(c) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Corporate Credit Cards	<u>13,000</u>	<u>13,000</u>
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Council also has immediate access to a short-term draw-down facility, and variable interest rate borrowings under a cash advance facility, both from the Local Government Finance Authority of SA.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 12 - FUNCTIONS

	INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2010	2009	2010	2009
	2010	2009	2010	2009	2010	2009				
	\$	\$	\$	\$	\$	\$				
Business Undertakings	2,476,198	1,655,238	1,196,075	1,152,691	1,280,123	502,547	584,308	5,000	11,590,790	7,395,901
Community Services	268,496	236,986	825,210	813,627	(556,714)	(576,641)	121,926	103,764	5,116,831	3,467,742
Culture	123,295	96,072	868,910	705,930	(745,615)	(609,858)	52,986	84,228	3,782,009	1,791,142
Economic Development	91,655	102,502	409,208	389,574	(317,553)	(287,072)	6,000	6,000	552,332	758,933
Environment	970,383	999,344	1,506,406	2,439,824	(536,023)	(1,440,480)	30,000	62,220	2,830,634	2,557,226
Recreation	702,177	774,079	2,724,308	2,728,100	(2,022,131)	(1,954,021)	100,000	189,500	39,768,216	22,460,582
Regulatory Services	212,791	290,583	865,848	879,517	(653,057)	(588,934)	-	4,000	79,014	79,708
Transport & Communication	1,883,463	328,833	3,267,089	3,202,601	(1,383,626)	(2,873,768)	278,393	655,942	39,064,931	38,531,784
Plant Hire & Depot/Indirect	5,350	-	-	-	5,350	-	-	-	4,006,046	3,355,441
Unclassified Activities	331,321	418,873	208,815	140,322	122,506	278,551	7,100	21,400	2,425,053	1,824,068
Council Administration	8,420,082	8,123,792	590,860	612,530	7,829,222	7,511,262	822,581	952,654	10,499,308	9,909,995
TOTALS	15,485,211	13,026,302	12,462,729	13,064,716	3,022,482	(38,414)	2,003,294	2,084,708	119,715,164	92,132,522

Excludes net gain (loss) on disposal or revaluation of assets, net gain (loss) from joint ventures & associated entities, amounts received specifically for new or upgraded assets and physical resources received free of charge.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 12 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Business Undertakings

Caravan Parks, Community Wastewater Management Systems (CWMS).

Community Services

Public Order and Safety

Emergency Services, Other Fire Protection and Other Public Order and Safety.

Health Services

Immunisation, Preventive Health Services and Other Health Services

Community Support

Elderly Citizens Facilities, Other Services for the Aged and Disabled, Children and Youth Services, Community Assistance, Community Transport, and Other Community Support.

Community Amenities

Cemeteries, Public Conveniences, Car Parking (non-fee-paying) and Other Community Amenities.

Culture

Library Services

Mobile Libraries and Housebound Services, Static Libraries, Other Library Services,

Cultural Services

Heritage, Museums and Art Galleries, and Other Cultural Services.

Economic Development

Regional Development, Tourism, and Other Economic Development.

Environment

Natural Resource Management Levy

Waste Management

Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility and Other Waste Management

Other Environment

Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, and Other Environment.

Recreation

Parks and Gardens, Indoor Sports Facilities, Outdoor Sports Facilities, Outdoor Swimming Centres and Other Recreation.

Regulatory Services

Dog and Cat Control, Building Control, Town Planning, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

Transport & Communication

Bridges, Footpaths and Kerbing, Sealed Roads, Formed Roads, Natural Formed Roads, Unformed Roads, and Traffic Management,

Plant Hire & Depot/Indirect

Plant, Machinery and Council Depot

Unclassified Activities

Interest Received, Interest Expense, Miscellaneous Council Properties.

Council Administration

Governance - Elected Members & Organisational

Support Services

Accounting/Finance, Payroll, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services

Revenues – LGGC Untied Grants and Separate and Special Rates

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 13 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates of 4.5% (2009: 2.5% and 7%). Short term deposits have an average maturity of 180 days and an average interest rates of 6% (2009: 180 days, 7.15%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated Charges (including legals & penalties for late payment)	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 0.5833% (2009: 0.9375%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of Government	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth & State.</p> <p>Carrying amount: approximates fair value.</p>
Receivables - Retirement Home Contributions	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Retirement Home Contributions	<p>Accounting Policy: To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.</p> <p>Terms & conditions: Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.</p> <p>Carrying amount: approximates fair value for short tenancies; may be non-materially over-stated for longer tenancies.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 6.12% and 7.77% (2009: 6.17% and 7.9%)</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2010	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Liabilities					
Payables	1,379,560	-	-	1,379,560	1,379,560
Current Borrowings	1,567,356	-	-	1,567,356	710,513
Non-Current Borrowings	-	6,232,255	11,942,639	18,174,894	12,280,691
Total	2,946,916	6,232,255	11,942,639	21,121,810	14,370,764

2009	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Liabilities					
Payables	820,654	-	-	820,654	820,654
Current Borrowings	1,574,742	-	-	1,574,742	673,616
Non-Current Borrowings	-	6,240,519	13,500,702	19,741,221	12,990,261
Total	2,395,396	6,240,519	13,500,702	22,136,617	14,484,531

The following interest rates were applicable to Council's borrowings at balance date:

	30 June 2010		30 June 2009	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Other Variable Rates	0	1,379,560	0	820,654
Fixed Interest Rates	6.69	12,991,204	6.68	13,663,877
		14,370,764		14,484,531

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. Council also has available a range of bank overdraft and short-term draw down facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 14 - COMMITMENTS FOR EXPENDITURE

	2010	2009
<u>Notes</u>	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	91,500	-
Infrastructure	3,528,000	-
	<u>3,619,500</u>	<u>-</u>
These expenditures are payable:		
Not later than one year	3,619,500	-
	<u>3,619,500</u>	<u>-</u>

Other Expenditure Commitments

Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

Audit Services	-	5,610
Employee Remuneration Contracts	626,920	392,800
	<u>626,920</u>	<u>398,410</u>
These expenditures are payable:		
Not later than one year	161,090	162,730
Later than one year and not later than 5 years	465,830	235,680
	<u>626,920</u>	<u>398,410</u>

Finance Lease Commitments

Council leases various plant and equipment with a carrying amount of \$8,966 (2009 - \$22,852) under finance leases expiring within 1 year. At expiry, Council may re-lease, or return or acquire the leased assets.

Commitments under finance leases at the reporting date are as follows:

Not later than one year	8,966	14,829
Later than one year and not later than 5 years	-	8,023
Minimum lease payments	<u>8,966</u>	<u>22,852</u>
Net Lease Liability	<u>8,966</u>	<u>22,852</u>
Representing lease liabilities:		
Current	8,966	14,829
Non-Current	-	8,023
	<u>8,966</u>	<u>22,852</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 15 - FINANCIAL INDICATORS

2010 2009 2008

These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

Operating Surplus	3,022,482	(38,414)	170,554
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Being the operating surplus (deficit) before capital amounts .

Adjusted Operating Surplus	3,007,353	(212,975)	170,554
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*In June 2009 and June 2010 the Commonwealth Government made advance payments approximately equal to one quarter of the 2009/10 and 2010/2011 Financial Assistance Grant (see Note 2). This income has distorted the amount of the Operating Result, the distortion being particularly material for the 2008/09 reporting period. The **Adjusted Operating Surplus** and **Adjusted Operating Surplus Ratio** adjust for this distortion.*

Operating Surplus Ratio

<u>Operating Surplus</u>	34%	0%	2%
Rates - general & other less NRM levy			

Adjusted Operating Surplus Ratio	34%	(3%)	2%
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This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.

Net Financial Liabilities

8,177,953	8,208,365	7,472,685
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Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	54%	65%	65%
Total Operating Revenue less NRM levy			

Interest Cover Ratio

<u>Net Interest Expense</u>	4.1%	4.6%	3.1%
Total Operating Revenue less NRM levy less Investment Income			

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	148%	81%	68%
Depreciation Expense			

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

Asset Consumption Ratio

<u>Carrying value of depreciable assets</u>	62%	58%	59%
Gross value of depreciable assets			

Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 16 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

	2010 \$	2009 \$
Income	15,485,211	13,026,302
less Expenses	<u>12,462,729</u>	<u>13,064,716</u>
	3,022,482	(38,414)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	4,743,310	2,593,736
less Depreciation, Amortisation and Impairment	3,154,876	3,107,301
less Proceeds from Sale of Replaced Assets	<u>84,711</u>	<u>76,697</u>
	1,503,723	(590,262)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	1,911,217	2,222,071
less Amounts received specifically for New and Upgraded Assets	848,113	415,000
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	<u>252,000</u>	<u>473,872</u>
	811,104	1,333,199
Net Lending / (Borrowing) for Financial Year	<u>707,655</u>	<u>(781,351)</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 17 - OPERATING LEASES

Leases providing revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

Lease payment commitments of Council

Council has entered into non-cancellable operating leases for a multiscreen communication system.

The lease imposes no additional restrictions on Council in relation to additional debt or further leasing.

Council may, at the expiry of the lease, elect to re-lease, return or acquire the equipment leased.

	2010	2009
	\$	\$
Not later than one year	4,410	4,433
Later than one year and not later than 5 years	1,470	5,910
	<u>5,880</u>	<u>10,343</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 18 – SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector have the option to contribute to Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2009/10 for Marketlink members and 3% for Salarylink members; 9% and 3% respectively in 2008/09). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6% (6% in 2008/2009) of "superannuation" salary. Given that Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation, the remaining 3% for Salarylink members is allocated to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent full actuarial investigation conducted by the Scheme's actuary, L C Brett, BSc., FIA, FIAA, of Brett and Watson Pty Ltd as at 30 June 2009, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES

Section 41 Committees

The financial statements of the following Section 41 Committees have been consolidated into Council's statements for the year ended 30 June 2010

(a) Mid North Passenger Transport Network

Wakefield Regional Council, Regional Council of Goyder and District Council of Mallala with input from an advisory committee of interested parties.

A funding deed exists between the Clare & Gilbert Valleys Council and the Minister for Transport with additional funding coming from the partner Councils.

The aim of the MNPTN is to address the transport needs of communities in the region particularly the transport disadvantaged, by coordinating and brokering transport services within the region, providing an information service and delivering transport where no other appropriate services exist.

(b) Other

Saddleworth Institute Committee
Auburn Institute Committee
Auburn Recreation Park Committee
Manoora Hall Committee
Saddleworth Recreation Ground Committee
Winkler Park Development Committee
Riverton Community Hall Committee
Riverton Recreation Grounds Committee
Scholz Park Committee

Regional Subsidiaries

Council is a member of the Central Local Government Region of South Australia. The objects of the regional are set out in Clause 2 of its Constitution as follows:

- (a) To undertake co-ordinating, advocacy and representational roles for its constituent councils at a regional level.
- (b) To facilitate and co-ordinate activities of Local Government at a regional level related to community and economic development with the object of achieving continual improvement for the benefit of the communities of its constituent councils.
- (c) To develop, encourage, promote, foster and maintain consultation and co-operation and to strengthen the representation and status of Local Government when dealing with other governments, private enterprise and the community.
- (d) To develop further co-operation between its constituent councils for the benefit of the communities of the region.

The financials of this regional committee have not been included into Council's statements as they are not considered to be material.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 20 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The following assets and liabilities do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

LAND UNDER ROADS

As reported elsewhere in these Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

BANK GUARANTEES

No loans or banking facilities advanced to community organisations and sporting bodies, have been guaranteed by Council.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

Note 21 - EVENTS AFTER THE BALANCE SHEET DATE

No subsequent events have occurred.

CLARE & GILBERT VALLEYS COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010

STATEMENT BY CHIEF EXECUTIVE OFFICER

I, Roy D Blight, the person for the time being occupying the position of Chief Executive Officer of the Clare & Gilbert Valleys Council, do hereby state that the Financial Statements of the Council for the year ended 30 June 2010 are to the best of my knowledge presented fairly, and in accordance with accounting procedures which have been maintained in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999* made under that Act.



Roy D Blight

CHIEF EXECUTIVE OFFICER

Dated this 16th day of November 2010

ADOPTION STATEMENT

Laid before the Clare & Gilbert Valleys Council and adopted on the 22nd day of November 2010.



Allan Aughey
MAYOR

DEAN NEWBERY & PARTNERS CHARTERED ACCOUNTANTS

ABN 30 164 612 890

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CLARE & GILBERT VALLEYS COUNCIL

We have audited the accompanying financial report of the Clare & Gilbert Valleys Council, which comprises the balance sheet as at 30 June 2010 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Chief Executive Officer's Statement.

The Responsibility of the Chief Executive Officer for the Financial Report

The Chief Executive Officer of the Clare & Gilbert Valleys Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999. This responsibility includes designing, implementing and maintaining internal control 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

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from 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 the risks of material misstatement of the financial report, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for an audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999. We confirm that the Independence declaration required by the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999, provided to the Chief Executive Officer on 12 July 2010, would be in the same terms if provided to the Chief Executive Officer as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Clare & Gilbert Valleys Council as of 30 June 2010, and its financial performance and cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 1999 and the Australian Accounting Standards (including Australian Accounting Interpretations).

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS



DON VENN
PARTNER

Signed on the 22nd day of November 2010,
at 214 Melbourne Street, North Adelaide, South Australia 5006.

214 MELBOURNE STREET
NORTH ADELAIDE SA 5006

ALL CORRESPONDENCE
PO BOX 755
NORTH ADELAIDE SA 5006

T: (08) 8267 4777
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CLARE & GILBERT VALLEYS COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2010

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Clare & Gilbert Valleys Council for the year ended 30 June 2010, the Council's Auditor, Dean Newbery & Partners has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 1999* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



.....
Roy D Blight
CHIEF EXECUTIVE OFFICER



.....
John Comrie
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 16 November 2010

Auditor's Independence Declaration Under Section 16A of the Local Government (Financial Management) Regulations 1999 to the Clare and Gilbert Valleys Council.

I confirm that, for the audit of the financial statements of the Clare and Gilbert Valleys Council for the year ended 30 June 2010, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A (4) *Local Government (Financial Management) Regulations 1999*.



DON VENN

Partner

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS
214 MELBOURNE STREET
NORTH ADELAIDE SA 5006**

NORTH ADELAIDE, this 12th day of July 2010

FURTHER DOCUMENTS AVAILABLE FOR INSPECTION

Members Code of Conduct

Employees Code of Conduct

Code of Practice for access to Meetings and documents

Public Consultation Policy

Annual Business Plan

FURTHER INFORMATION

Principal Office

4 Gleeson Street, Clare SA 5453

Telephone: 8842 6400

Facsimile: 8842 3624

Email: admin@cgvc.sa.gov.au

Website: www.claregilbertvalleys.sa.gov.au

Business Hours: Monday - Friday 8.30am – 5.00pm

Saddleworth Office

19 Belvidere Road, Saddleworth SA 5413

Telephone: 8847 4096

Facsimile: 8847 4215

Business Hours: Tuesday to Friday 8.30am – 5.00pm
Saturday 9.30am – 12 noon

Riverton Office

21 Torrens Road, Riverton SA 5412

Telephone: 8847 2305

Facsimile: 8847 2500

Business Hours: Thursday & Friday 8.30am – 5.00pm

APPENDIX

Central Local Government Region of South Australia Annual Report for 2009-2010