



CLARE & GILBERT VALLEYS COUNCIL

ANNUAL REPORT

2006/2007



Clare and Gilbert Valleys is known internationally and nationally for its fine wines and splendid living conditions. This unique part of South Australia incorporates a number of towns with distinct characteristics.

The Clare & Gilbert Valleys experiences distinctive seasons and hosts a variety of annual events to correlate with the seasonal changes. The indigenous Australians of the region, Ngadjuri, survived times of drought using the mallee root and underground soakages for water.

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 operating quarries and superbly maintained heritage buildings, many available as tourist accommodation.

Riverton is situated in the heart of the fertile Gilbert Valley, some 30 minutes from Clare. Farmers in the Gilbert Valley produce cereal crop, sheep, cattle, pigs and poultry, and in recent times they have diversified into small seed crops, vines, olives, and hatcheries.

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 27km path. 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 its close proximity to Adelaide, the Clare and Gilbert Valleys offer an escape for the domestic city dweller. With its 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 have welcomed and capitalised on tourist numbers with careful management of their natural resources. Award winning wines from the region help attract international tourists to the Valleys as well as winemakers who wish to experience the wine producing qualities of this market.





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.

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.



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“It’s really about their tomorrow”

Welcome to the Annual Report for 2006/2007 for the Clare & Gilbert Valleys Council.

Council has worked very hard since November 2006 with meetings and workshops occurring almost every Monday evening for the first nine months . A full suite of plans and programs are being compiled including a 10 year Financial Plan and an Asset Management Plan.

The very first Audit Committee has been instituted with one objective being to help guide improvement in financial governance and performance. The Audit Committee will be a potentially powerful tool of fiscal influence.



Council since its election has worked closely with staff to realize cash savings to fund the 2005/2006 cash deficit of \$250,698 and with this being achieved, a small surplus of \$125,603 to be carried forward into 2007/2008. A cash deficit of \$219,794 has been budgeted for and will be a challenge to administration and Council to rein back via efficiencies and external funding opportunities.

The ageing of essential infrastructure has been identified as a financial challenge that Council cannot and will not ignore. Bridge replacement, road re-sealing and re-sheeting is to be addressed in future budgets.

I thank the Councillors for their exemplary investment of time and effort that they have made for the wellbeing of our region and residents. Staff are to be commended for their contributions to the advancement of the community.

Exciting prospects and projects, crafted on sound economic fundamentals can be looked forward to in the coming years.

A fitting future for our local children to inherit.



ALLAN AUGHEY
MAYOR



Clare and Gilbert Valleys is a region of South Australia which is rapidly progressing and changing. Council has also changed significantly with the recent election, which has seen Mayor Aughey and a new team of Councillors come together. Such change requires significant effort to ensure continuity and delivery of outcomes for the benefit of the community. I am pleased to report that Council on behalf of the community has responded well to the challenges put before it, is capable of continuing its good work and looks forward to the coming year.

There is strong business and residential growth evident, with a number of unprecedented land divisions and commercial developments having occurred in the past 12 months.

A number of key projects have occurred and include:

- The Valleys Lifestyle Centre
- Clare Skate Park developed
- Stockport shelter shed constructed
- Stockport BMX track constructed
- Deep drainage installed in Clare
- Riverton swimming pool upgraded

This report provides an overview of Council's achievements during the year. I consider that the financial report presents fairly the financial position of the Clare and Gilbert Valleys Council as at 30 June 2007 and the results of its operations for the financial year.

It is evident that the people who work for the Clare and Gilbert Valleys Council are loyal and committed. I would like to express my thanks and appreciation to the Mayor and Elected Members for their dedication to the Council and the community and to the Council staff, who have worked to the best of their abilities and most importantly as a team.

Mark Goldstone
Chief Executive Officer



Pre Election November 2006



Back: Chief Executive Officer Mark Goldstone, Deputy Mayor John Koch, Don Hannaford, John Young, Martin Pynor, Trevor Ackland, Deputy Chief Executive Officer Des Jennings

Front: Don Bengner, Sue Wurst, Mayor Patricia Jacka, Rosemary Dunn, Wayne Thomas

Councillors elected in November 2006



Mayor Allan Aughey, Deputy Mayor Elizabeth Calvert, Trevor Ackland, Elizabeth Burns, Nedd Golding



Helen Perry, Alan Rye, Dianne Schwarz, Wayne Thomas, Sue Wurst



Mayor:	Allan Aughey	Lot 101 CLARE SA 5453
Deputy Mayor:	Elizabeth Calvert	PO Box 78 SADDLEWORTH SA 5413
Councillors:	Trevor Ackland	PO Box 77 WATERVALE SA 5452
	Elizabeth Burns	PO Box 80 TARLEE SA 5411
	Nedd Golding	PO Box 542 CLARE SA 5453
	Helen Perry	PO Box 5001 CLARE SA 5453
	Alan Rye	PO Box 73 SEVENHILL 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

(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.



COUNCILLOR ATTENDANCE

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

Meetings attended pre election November 2006

	Ordinary Meetings	Special Meetings
Mayor Patricia Jacka	4	3
Deputy Mayor John Koch	3	2
Cr Trevor Ackland	3	3
Cr Don Bengier	4	3
Cr Rosemary Dunn	4	3
Cr Don Hannaford	3	3
Cr Martin Pynor	3	3
Cr. Wayne Thomas	4	3
Cr Sue Wurst	4	3
Cr John Young	4	3

Meetings attended post election November 2006

	Ordinary Meetings	Special Meetings
Mayor Allan Aughey	8	2
Deputy Mayor Elizabeth Calvert	8	2
Cr Trevor Ackland	7	2
Cr Elizabeth Burns	8	2
Cr Nedd Golding	8	2
Cr Helen Perry	7	1
Cr Alan Rye	6	2
Cr Dianne Schwarz	5	2
Cr. Wayne Thomas	7	2
Cr Sue Wurst	7	2

Information on allowances paid to Elected Members of the Council

	\$
Mayor	21,800
Deputy Mayor	6,800
Councillors	5,450

In addition, Elected Members are provided a notebook computer, fax machines to receive information from Council and are paid 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.



Elected Member training

Elected Members have been provided and participated in the following training opportunities:

February 2007	Post Election Training
March 2007	Financial Sustainability & Asset Management Overview
March 2007	LGA Residential Seminar
March 2007	Media Training for Council Spokespersons
March 2007	Development Assessment Member Training
April 2007	LGA Conference
June 2007	LGA Residential Seminar



Mark Goldstone
Chief Executive Officer

Mark was appointed Chief Executive Officer of Council in January 2002 and has extensive experience in Local Government.

Responsible for:

- Governance
- Strategy
- Council Operations
- Community
- Environmental Services



Des Jennings
Deputy Chief Executive Officer

The past 12 months have been a challenging period with a number of important matters progressed and resolved. Provided is a brief summary of the important events of the past year.

- The finalisation of the design and documentation of the development of the Benny's Hill site in Clare, which will include the construction of the Council's new depot, a transfer station and facility for the Community Wastewater Treatment Scheme.
- The completion and operating of the new Valleys Lifestyle Centre, incorporating a new heated indoor pool, outdoor pools, gym and a new upstairs Sports Club facility of the highest standard. The usage of the facility particularly in the heated pool and gym has been well above expectation and continues to grow.
- Financial sustainability continues high on Council's agenda with Council achieving savings of \$250,698 in 2006/2007 financial year to fund the deficit brought forward for 2005/2006. Asset Management Plans are coming to fruition with 10 year resealing programs prepared along with a bridge replacement and maintenance program and an open surface resheeting program finalized. The 10 year Financial Plan will be completed in 2007/2008 and be a living document that is reviewed annually.
- Management Plans are being prepared for the Riverton and Clare Caravan Parks that identifies future improvements and a staging program that will be achieved within the financial constraints of Council's capacity to fund the works.

The next 12 months will continue to be challenging as Council and staff implement the 2007/2008 Annual Business Plan, which provides for a number of significant projects on the ground and the continuation of plans for future projects.

I would like to thank the staff for the continued professional approach to their duties and the way they continue to deliver effective service and projects to the community.

Des Jennings
Deputy Chief Executive Officer



Information on remuneration of Senior Executive Officers

Council has a Senior Executive Team of 2 members led by the Chief Executive Officer as follows:

Chief Executive Officer - Mark Goldstone
Deputy Chief Executive Officer – Des Jennings

The salary packages of the members of the group includes private use of a motor vehicle in lieu of overtime and penalty rates.

The Register of Salaries and Allowances is available for inspection at the Clare Office, 4 Gleeson Street, Clare.



COUNCIL STAFF

Governance

Mark Goldstone - Chief Executive Officer
Beverley Goode

Corporate Services

Des Jennings – Deputy Chief Executive Officer
Leanne Kunoth

Administration

Abbie Slater
Claire Longbottom
Karen Slape
Karen Pfitzner
Chris Pitcher
Tania Dodd

Finance

Carol McAvaney
Sarah Pyrke
Lyn Cook
Cynthia Price

OHSW/Risk Management

Patricia Flood

Environmental Services

Robert Veitch - Manager

Planning

Susan Giles
Alex MacKenzie

Building

Colin Sharp

Health

Mirjana Ostojic

Administration

Kathy Jones
Georgina Burgess

Library Services

Heather Lymburn
Joy Williams
Candice Ellis
Bernadette Fahey
Charles Cooper
Dora Newhouse
Lurlene Simpson
Janice Kelly



Community Services

Joanne Lawrie

The Valleys Lifestyle Centre

Caroline Goldstone

Julie McEwin

Lucretia Sperring

Katie Knappstein

Daniel Bowman

Nick Martin

Jo Smith

Community Assistance

Elizabeth Connell

Visitor Information Centre

Marlene Coty

Alison Ward

Lesley Randolph

Dianne Meany

Claire Longbottom

Michelle Harvey

Works

Tony Eckermann – Manager

Administration

Leanne Schirmer

Alicia Dutschke

Overseers

Chris Sullivan

Paul Durkay

Leading Hands

Richard Tappin

Ian Smith

Asset Management

Geoff Duke

Boyd Kench

Facility/Contract/Maintenance Supervisor

Gary Easthope

Asset Maintenance

Neil Moroney

Mechanic

Barrie Simpson

Gardeners

Andrew Sandal

Robert McMurray

Mick Headon

Waste Disposal

Des Elson

Steven Withall

Maintenance/Construction

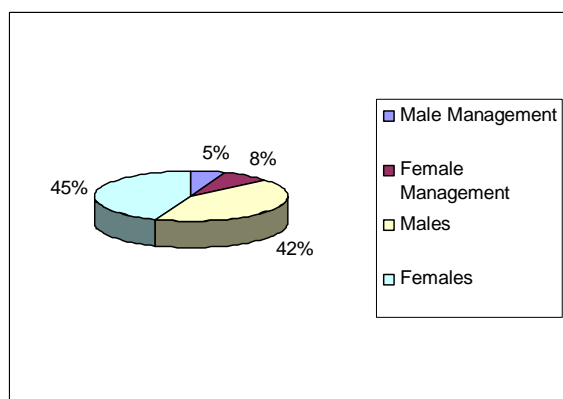
Damien Philp
Stephen Sanford
John Hogan
Ian Francis
Graham Lands
Ian Nitschke
Darren Clark
Ian Noble

HUMAN RESOURCES – COUNCIL STAFF

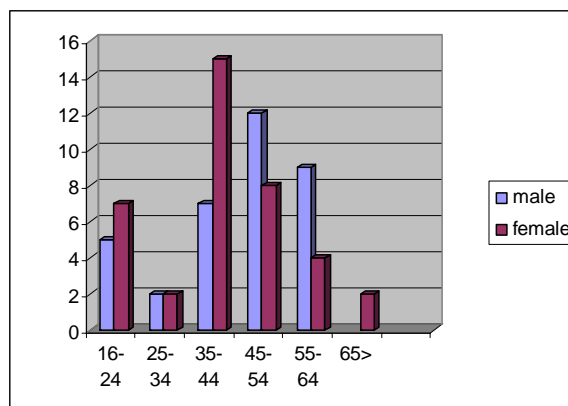
(as at 30th June 2007)

Council employs a total workforce of 73 people (including 10 Casual, 27 being part of the external work force).

Council services for the year were provided through two broad teams – Corporate & Infrastructure Services and Engineering Services.



Staff & Management according to gender



Staff according to gender and age



COUNCIL COMPOSITION

The Council comprises of a total area of 185,142 hectares. Therefrom arises the positions of 9 Councillors, with the position of Mayor being elected by the whole area. The average representation quota for the Council is 746 electors per Elected Member.

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

Council	Elected Members	Electors	Rep. Quota
Wakefield	12	5914	493
Tatiara	10	5536	553
Mallala	11	6653	605
Clare & Gilbert Valleys	10	7460	746
Grant	10	6928	692
Naracoorte	11	6500	591
Renmark Paringa	9	7003	778
Berri	11	8202	746
Light	11	10115	920

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 2006/2007.

- Number of occasions each of the provision of Section 90(3) and 91(7) were utilised:
 - 9 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:
 - 1.74% (being 9 of 518 minute items)
- An indication of any particular issues that contributed to the use of confidentiality provision on more than one occasion:
 - 2 issues were dealt with on more than one occasion
- An indication of the categories of Section 90(3) that were used:
 - 8 occasions – disclosure which would involve the unreasonable disclosure of information concerning personal affairs of any person.
 - 1 occasion – 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.
- Number of occasions that information originally declared confidential has subsequently been made publicly available:
 - 7 occasions
- Number of occasions that information declared has still not subsequently been made publicly available and the reasons for this in each case:
 - 2 occasions



COUNCIL COMMITTEES

Council has one independent member on the Council Audit Committee who is paid an allowance of \$100 per meeting plus mileage.

The Community Development Assessment Panel consists of four independent members and three Council representatives. The presiding members receives an allowance of \$150 per meeting and the independent members receive an allowance of \$100 per meeting.

EQUAL EMPLOYMENT OPPORTUNITY

Council maintains its commitment to equal employment opportunities. As shown in the above graphs, 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.

PARLIAMENTARY 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 2006/2007.

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 \$500.00 and \$25,000 inclusive | - | By either verbal or written informal quotation |
| Less than \$500.00 | - | 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.

In the event of all factors being equal, preference shall be given to local suppliers.

FREEDOM OF INFORMATION

Council recognises its responsibility for public accountability and to this end makes available a variety of information to the public.

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

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

Council also has a policy to provide information to the community as provided for by the Freedom of Information Act 1991.

Council received one application for access to Council documents in the financial year ended 30th June 2007. In accordance with the FOI guidelines, access in this particular area was denied. An internal review resulted in the decision being upheld. The requests were processed within the required time frames.

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)

- | | |
|-----------------------------------|---|
| • Australia Day Awards Policy | • Clare Town Hall Hire Policy |
| • Banner Policy | • Code of Conduct for Council Members |
| • Building Fire Safety Committee | • Code of Conduct for Employees |
| • Car Parking Contribution Policy | • Code of Practice for Access to Council Meetings & Documents |
| • Clare Library Borrowing Policy | |



- Colour of Sheds Policy
- Competitive Tendering, Contracting, Purchasing, Sale &
- Disposal of Land & Other Assets Policy
- Community Owned Property Rate rebate & Service Charge
- Donation Policy
- Concession Policy
- Connection to STEDS Policy
- Corporate Card Usage Policy
- Council Meeting Rotations
- Deferment of Rates Due to Hardship Policy
- Department of Correctional Services Policy
- Development Assessment Procedures Policy
- Economic Incentive Development Policy
- Elected Members Appointment to External Boards
- Entranceways Policy
- European Wasp Policy
- Fines on Rates of Estate Properties
- Heartbeat Inc – Trash & Treasure Markets Ennis Park Policy
- Inspection of Building Work Policy
- Interim Farm Buildings Policy
- Internal Review of Council Decisions Policy
- Keeping of Animals Policy
- Land Development Incentive Policy
- Loans & Council Funding Documents (general, codes, policies and registers)
- Media Contact Policy
- Mobile Food Vehicles Policy
- No Smoking Policy
- Occupational Health Safety & Welfare & Injury Management
- Opening Prayer Policy
- Order Making Policy
- Planting of Vines – Town Centre Policy
- Public Consultation Policy
- Purchase of Closed or Rented Roads Policy
- Rate Capping Rebate Policy
- Rate Rebate Policy 2006
- Rating Policy 2006
- Rhynie - Low Lying Land Policy
- Risk Management Policy
- Riverton Parklands Policy
- Rotary Art Prize Policy
- Scholz Park – August Scholz Travelling Trunk Policy
- Secondhand Transportable Dwellings Policy
- Section 41 Committees Financial Support
- Signs Policy
- Slashing of Township Allotments Policy
- Temporary Occupation of Buildings for Living Purposes Policy
- Tree Management Policy
- Tree Planting on Roadsides Policy
- Underground ETSA Services Policy
- Unmade Road Reserves Policy
- Use of Bird Scarers (Gas Guns etc) Policy
- Volunteer Policy
- Waste Management Charge Rebate
- Water Connection to Council Property Policy
- Elected Member Register of Interests
- 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 (refer attachment one). 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.

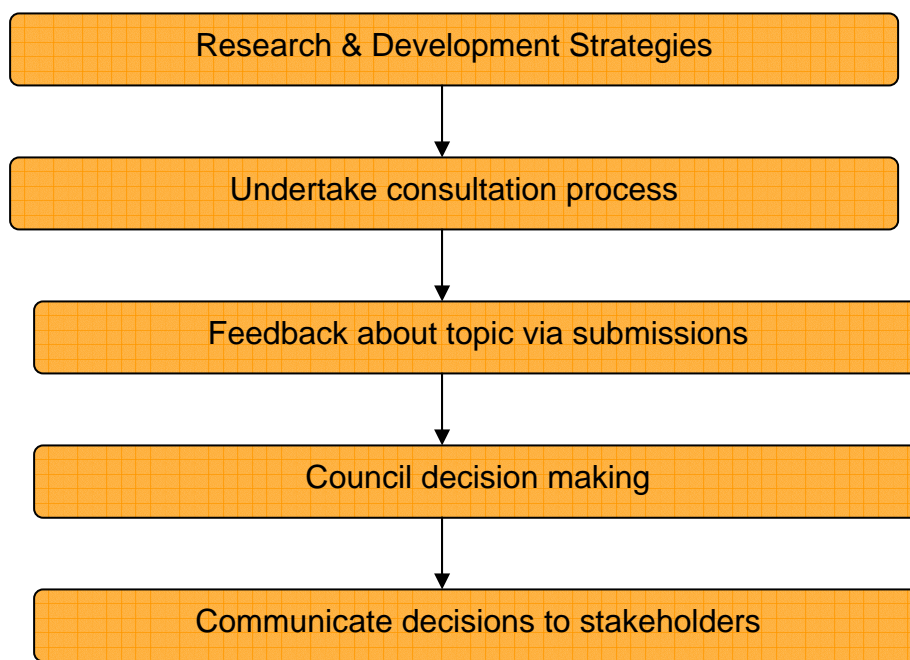
To fulfill the requirements of this Policy, Council will, or has, identified a range of options available to it to communicate information to interested persons and invite submissions.

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.

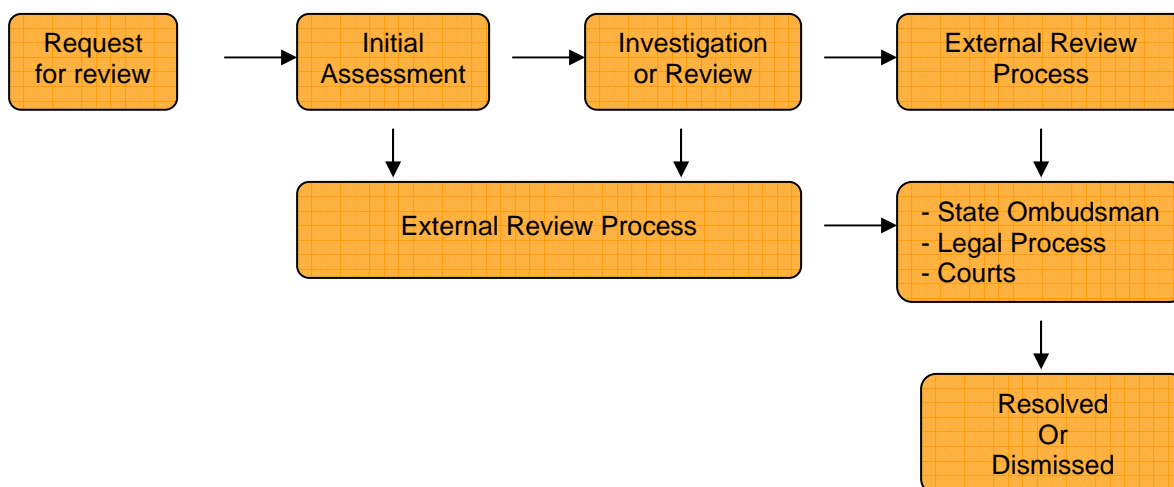
The Clare & Gilbert Valleys Council is committed to transparent decision making processes and to providing access to a fair and objective procedure for the internal review of decisions.



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 the 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.



FINANCIAL SERVICES

KEY SERVICES PROVIDED TO COUNCIL DURING 2006/2007 BUDGET PREPARATION

The annual budget process generally commences in March/April with the preparation of a draft budget document by the finance staff under the direction of department managers and in consultation with other relevant staff members. Once the initial draft document has been prepared, a number of budget workshops are held with elected members to refine the document prior to its adoption for the following financial year.

The budget document discloses the potential financial impact that the proposed budget will have on the local community. Proposed expenditure and revenue is listed under the various functions and activities carried out by Council and notes are included in the document to clarify the contents and assist Council in the budget deliberation process.

A comparison of the 2005/2006 adopted budget to the 2006/2007 adopted budget is included in the table below:

	2005/2006	2006/2007
Total Budget Value	\$13.1M	\$13.09M
General Rate Revenue	\$5.9M	\$6.5M
General Rate Revenue as % of total revenue	45%	49.7%
Operating Expenditure	\$11.05M	\$12.1M
Operating Revenue (excluding General Rates)	\$3.78M	\$6.6M

MONTHLY FINANCIAL REPORTING

It is important that elected members are kept informed of the financial performance of the Council on a regular and timely basis.

To facilitate this, detailed financial reports outlining the financial performance of Council against the adopted budget are prepared and included in the meeting agenda for consideration by elected members at each monthly Council meeting.

BUDGET REVIEWS

In accordance with the provisions of the Local Government (Financial Management) Regulations, reviews of the budget are considered by Council on a quarterly basis.



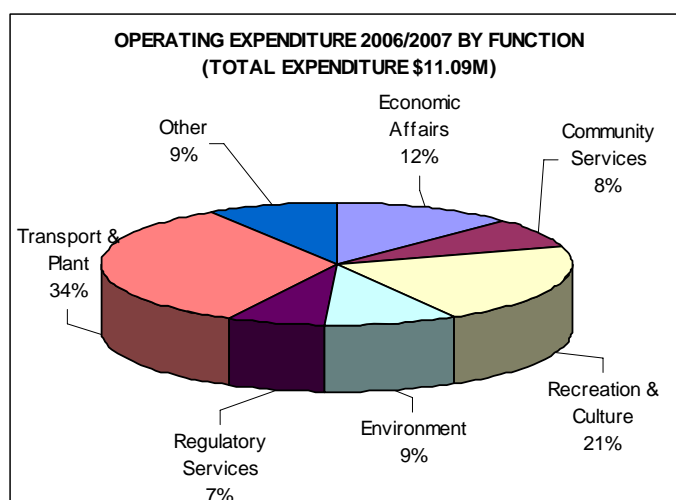
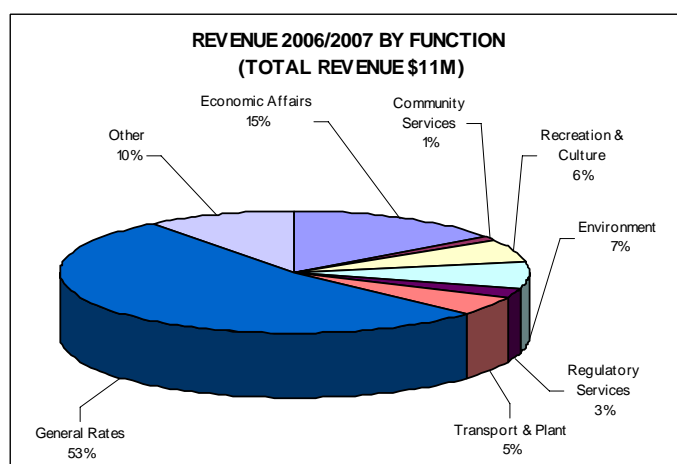
These reviews assist Council in monitoring its financial performance and also assist with developing the framework of the following year's budget.

During the 2006/2007 financial year, budget reviews were prepared as at the end of October, January and April.

ANNUAL FINANCIAL STATEMENTS

At the completion of each financial year the Annual Financial Statements are prepared. These detail the financial result of the Council for the entire financial year and are independently audited by external auditors, Dean Newbery & Partners, appointed by Council. Remuneration paid to the auditor in the 2006/2007 year was \$5406.00.

The 2006/2007 Financial Statements which were independently audited in November 2007 are attached as an appendix to the report.



ECONOMIC AFFAIRS

Caravan Parks, Land Development, Effluent Drainage, Regional Development, Tourism

COMMUNITY SERVICES

Public Order & Safety, Health Services, Senior Citizens Facilities, Other Services for the Aged & Disabled, Child & Youth Services, Community Assistance, Other Community Support, Cemeteries, Public Conveniences, Car Parking

CULTURE & RECREATION

Libraries, Heritage, Museums, Parks & Gardens, Indoor Sports Facilities, Outdoor Sports Facilities, Swimming Centres, Halls

ENVIRONMENT

Animal/Plant Boards, Waste Management, Stormwater & Drainage, Street Cleaning, Street Lighting, Streetscaping, Other

REGULATORY SERVICES

Dog Control, Building Control, Town Planning, Health Inspection, Parking Control, Other

TRANSPORT

Bridges, Footpaths & Kerbing, Roads, Traffic Management

OTHER EXPENDITURE

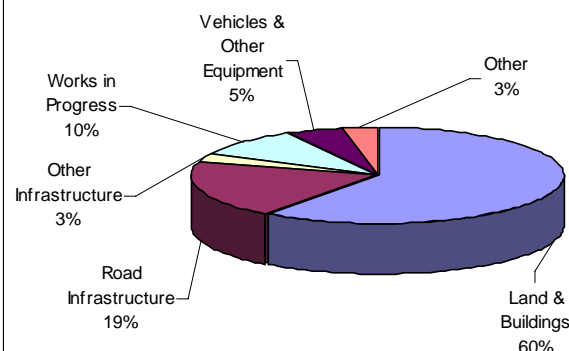
Governance, Elected Members Expenses, Unclassified Expenditure

OTHER INCOME

Government Grants, Interest

**2006/2007 CAPITAL EXPENDITURE**

Land & Buildings	\$ 5,050,661
Road Infrastructure	\$ 1,619,864
Other Infrastructure	\$ 223,664
Vehicles & Other Equipment	\$ 432,095
Works in Progress	\$ 794,336
Other	\$ 247,117

CAPITAL EXPENDITURE 2006/2007**BALANCE SHEET SUMMARY 30 JUNE 2007****Assets**

Current Assets	\$5.69M
Infrastructure, Property, Plant & Equipment	\$80.97M
Other	\$0.90M
	<u>\$87.56M</u>

Liabilities

Trade & Other Payables	\$1.52M
Provisions	\$0.35M
Loans	\$10.98M
	<u>\$12.85M</u>

Equity\$74.71M



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 applications for development. These applications range from carports, verandahs and garages 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 Heritage 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 a Heritage Adviser.

The Development Plan

Management of land uses is also controlled using the provisions of Council's Development Plan, in conjunction with the Development Act. This is regularly updated and the process to amend it is known as a Plan Amendment Review (PAR). A key requirement of this process is the two month consultation period of a draft PAR with the community, which occurred in 2007, for a Heritage PAR for Mintaro and will next occur late 2007 for a Residential & Centre PAR for Clare.

Council commenced the PAR process in early 2004, with a Section 30 Review of the whole Plan. Following on from this a Heritage Study for Mintaro was completed in December 2005 and a Residential & Centre Study for Clare completed late 2006. The processes will finally conclude in late 2007 when agreed amendments are proposed to be authorised and included in an updated version of Council's Development Plan.



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.

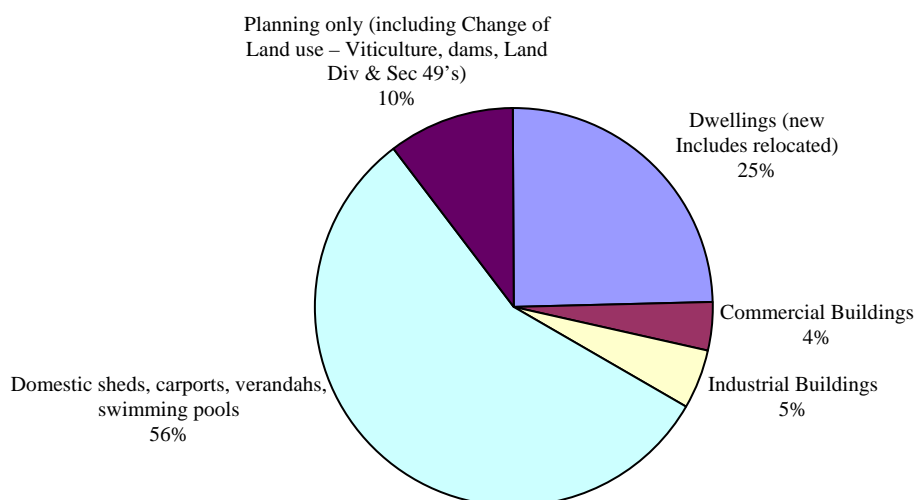
Other applications considered as Category 2 or 3 forms of development pursuant to the Development Act required public notification procedures to be followed. Similarly, those forms of development classed as non-complying also followed the public notification procedure.

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 2006/2007.

Development applications received between 1st July 2006 and 30th June 2007 are shown, and as a comparison, development applications received between 1st July 2005 and 30th June 2006 and 1st July 2004 and 30th June 2005 are also provided.

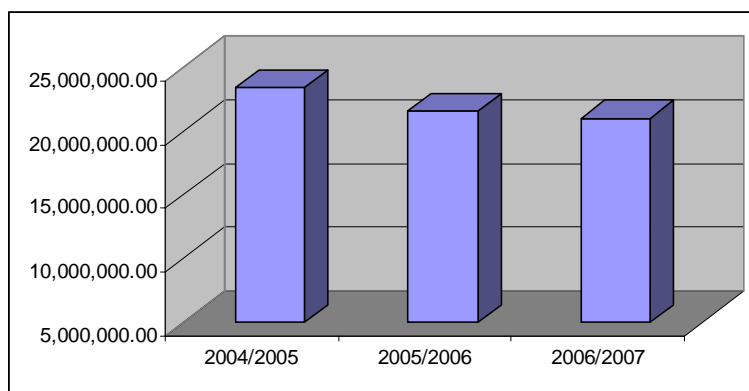
It is worth noting that 40 less development applications were received for the 2006/07 financial year than the previous year. Also, the \$ value dropped slightly from \$26M in 2005/06 to \$25.5M, due to the increased number of domestic type applications versus less commercial applications. It should be noted that these figures relate to planning assessments only and not ‘as built’ work.

PLANNING APPLICATIONS 2006/2007





Development Applications - Buildings



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 over 10 licensed premises, 2 nursing homes, 1 large new retail premises, and the Clare Recreation Centre/Pool Upgrade. 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 DDA compliant.



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 for the use of employees. Council, the committee, (which meets regularly 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: administration: Sarah Pyrke & Abbie Slater; Works: George Nitschke & Damien Philp. Des Jennings and Tony Eckermann are the Management Representatives, with Pat Flood Risk Manager Officer making up the last member.

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 2002 to 31 March 2006. The maximum rebate is 60% of premium and the maximum penalty is 100% of premium.

As of this year 35%, (30% last year), 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. Next Year this amount will be increased to 40% and increased by 5% each year until it reaches 50%. This rebate amount is available to Council in full should our audit score be 30/30. If Council gets less than 30 the Maximum Rebate Entitlement is reduced proportionately.

The results in 2006/07 compared to 2005/06, show a decrease in percentage from 46.2% to 40.2%. Of this 40% was applicable to the OHS Self Audit completed by Council and LGAWCS in late 2006, in which Council scored 91%. This equates to a **Rebate Cheque of \$75,220**.

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 2006/2007 a Risk Management Review was undertaken by the Local Government Association Mutual Liability Scheme (LGAMLS) to assess the level of application of risk management in Local Government in South Australia. 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 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 2007/08 Contribution period. The Review gives Council the opportunity to be rewarded back as a “discount” off its Gross Contribution.

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 administered by Local Government, focus is given to compliance with legislation such as the Local Government Act 1999 and the Development Act 1993.

Council has continued to improve with Risk Management. This improvement coupled with Council’s Claims Loss Ratio of 56% gave Council a **Performance Bonus of \$12,893** which is deducted from the 2007/2008 contribution.

Council’s gross contribution was \$93,162, which was an overall premium increase of 2.7%. Due to the costs associated with a long term claim council’s loss ratio remains at 56% which only gave a bonus of \$4,043. *However with an increase in Risk Management performance, Council received a further bonus \$8,850.*

Council continues to score above the Regional Council’s average and also on par with the Metropolitan Council’s average and therefore above the Local Government average across the board. This shows a continued commitment by all Council staff to embrace Risk Management systems and practices.



COMMUNITY SERVICES

The Valleys Lifestyle Centre has been a major focus for the past year with construction completed and the opening of the Centre held in May 2007. This facility will provide a large number of recreational and fitness activities for a broad cross section of the community and will be an asset for the whole community.

Council applied for a range of grants and assisted community groups to apply for external funding.

Asset grants were again a positive way for community groups to access additional funding for projects from Council and to improve grant writing skills.

The Clare Skate Park was opened in April 2007 during Youth Week. This project has provided a safe place for people to skate and ride bicycles.

The Riverton Pool underwent a change in management and an upgrade in plant and equipment and Council continues to look at opportunities to improve this facility.

The Youth Advisory Committee continues to operate with representatives from around the Council region. Youth were involved in the planning and implementation of BoBfest 06 held at Freeling and pursued a range of issues affecting young people in the Council region.

Peak Bodies

The Peak Body program continues to deliver positive outcomes for the Clare and Gilbert Valleys Council and the fourteen participating communities. The program is designed to improve communication and deliver on projects that are a priority to each community. Peak bodies are encouraged to plan strategically projects that will meet the identified needs of the community.

Peak bodies have been implementing a range of projects from upgrading town facilities (e.g. playground, grandstand and community halls) to projects with an economic and health basis (eg provision of a doctor's house and postal service). Peak bodies have a Partnership Agreement with Council and receive financial support and assistance in project planning and implementation to access external funding.

The Peak Bodies have become an important communication link between Council and local residents operating at a grassroots level. Council is being kept informed of local priorities quickly and can often respond more efficiently to concerns. The program has increased the capacity of communities and has enabled them to influence local issues.

The skill base of volunteers in Peak bodies is growing and once again funding for significant local projects through external grants has been successful totalling many tens of thousand of dollars.



The fourteen Peak Bodies are:

- Tarlee Hall and Community Services
- Saddleworth District Community Assoc.
- Rhynie Improvement Scheme
- Watervale Community Assoc.
- Mintaro Progress Assoc.
- Stanley Flat Soldiers Memorial Hall Inc.
- Manoora Community Committee
- Marrabel and District Community Association
- Riverton Community Management Committee
- Auburn Community Development Committee
- Stockport Community Association
- Clare Positive Futures
- Waterloo Soldiers Memorial Hall Committee
- Armagh Community Committee

Visitor Information Centre

In July 2006, Council took over the management of the Clare Valley Visitor Information Centre. Located at the southern end of Clare the architecturally designed rammed earth facility was completed in 2005. The centre had 31,900 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. The Centre was one of the recipients of the Clare Valley Regional Tourism Awards for 2007.

LIBRARY SERVICES

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

FACTS:

- The library service has approximately 6,600 borrowers.
- The library service contains more than 35,700 items.
- 114,288 loans were processed in 2006/07, an increase of **6.7%** since 2005/06.
- 55,815 people visited the library in 2006/07.



Loans by Branch	2004/05	2005/06	2006/07
Clare	69,272	81,100	87,934
Saddleworth & Depots	20,856	24,143	26,117
TOTAL	90,128	105,243	114,051

Items available for loan include books, DVD's, magazines, videos, materials in languages other than English, and materials in formats for the visually impaired, such as cassette books and large print books.

The library provides access to materials held in public libraries across South Australia. In 2006/07 the library changed to a new library management system which allows access to the library catalogue online 24/7 at <http://cgvc.spydus.com>. The system which is called LINK, is in partnership with the Barossa and Light Library Services and allows resources to be shared over the regions.

Access to databases and online homework help was also available through the library or council websites. 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, word processing facilities and CD-ROM's, with assistance provided either formally with training sessions or informally as required.



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

Council Offices

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

Branch Offices

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

21 Torrens Road, Riverton SA 5412

Telephone: 8847 2305

Facsimile: 8847 2500

Business Hours: Thursday & Friday 8.30am – 5.00pm



FINANCIAL REPORT

**FOR THE REPORTING PERIOD ENDED
30 JUNE 2007**

**CLARE & GILBERT VALLEYS COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**



CLARE & GILBERT VALLEYS COUNCIL

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

CLARE & GILBERT VALLEYS COUNCIL

General Purpose Financial Reports for the year ended 30 June 2007

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CLARE & GILBERT VALLEYS COUNCIL

INCOME STATEMENT for the year ended 30 June 2007

	Notes	2007 \$	2006 \$
INCOME			
Rates	3	6,824,442	6,321,188
Statutory charges	3	517,971	323,832
User charges	3	1,396,006	1,228,039
Grants, subsidies and contributions	3	1,172,668	1,511,928
Investment income	3	319,704	282,644
Reimbursements	3	75,075	65,552
Other revenues	3	225,457	111,394
Total Revenues		10,531,323	9,844,577
EXPENSES			
Employee costs	4	3,008,185	2,890,811
Materials, contracts & other expenses	4	3,584,230	3,902,225
Finance costs	4	579,417	302,601
Depreciation, amortisation & impairment	4	3,909,326	3,780,480
Total Expenses		11,081,158	10,876,117
OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS		(549,835)	(1,031,540)
Net gain (loss) on disposal or revaluation of assets	5	(6,587)	(35,033)
Amounts specifically for new or upgraded assets	3	470,000	577,574
Physical resources received free of charge	3	-	55,000
NET SURPLUS (DEFICIT)		(86,422)	(433,999)

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

CLARE & GILBERT VALLEYS COUNCIL

BALANCE SHEET as at 30 June 2007

		2007	2006
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	6	4,503,174	6,966,190
Trade & other receivables	6	743,944	993,505
Other financial assets	6	293,070	276,468
Inventories	6	146,010	229,973
Total Current Assets		5,686,198	8,466,136
Non-current Assets			
Financial Assets	7	113,776	5,734
Infrastructure, Property, Plant & Equipment	8	80,967,921	65,838,185
Other Non-current Assets	7	794,336	-
Total Non-current Assets		81,876,033	65,843,919
Total Assets		87,562,231	74,310,055
LIABILITIES			
Current Liabilities			
Trade & Other Payables	9	1,520,544	1,411,800
Borrowings	9	524,263	418,027
Short-term Provisions	9	293,623	119,384
Total Current Liabilities		2,338,430	1,949,211
Non-current Liabilities			
Trade & Other Payables	9	-	82,589
Long-term Borrowings	9	10,459,436	8,952,699
Long-term Provisions	9	58,622	222,057
Total Non-current Liabilities		10,518,058	9,257,345
Total Liabilities		12,856,488	11,206,556
NET ASSETS		74,705,743	63,103,499
EQUITY			
Accumulated Surplus		4,288,690	981,696
Asset Revaluation Reserve	10	66,470,061	54,781,395
Other Reserves	10	3,946,992	7,340,408
TOTAL EQUITY		74,705,743	63,103,499

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 2007

	2007 \$	2006 \$
Notes		
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	981,696	5,095,479
Net Result for Year	(86,422)	(433,999)
Transfers to Other Reserves	(3,938,192)	(9,015,377)
Transfers from Other Reserves	<u>7,331,608</u>	<u>5,335,593</u>
Balance at end of period	<u>4,288,690</u>	<u>981,696</u>
 ASSET REVALUATION RESERVE		
10		
Balance at end of previous reporting period	54,781,395	45,633,653
Gain on revaluation of infrastructure, property, plant & equipment	<u>11,688,666</u>	<u>9,147,742</u>
Balance at end of period	<u>66,470,061</u>	<u>54,781,395</u>
 OTHER RESERVES		
10		
Balance at end of previous reporting period	7,340,408	3,660,624
Transfers from Accumulated Surplus	3,938,192	9,015,377
Transfers to Accumulated Surplus	<u>(7,331,608)</u>	<u>(5,335,593)</u>
Balance at end of period	<u>3,946,992</u>	<u>7,340,408</u>
TOTAL EQUITY AT END OF REPORTING PERIOD	<u>74,705,743</u>	<u>63,103,499</u>
 <i>Total of all revenues recognised directly in Equity</i>	<i>11,688,666</i>	<i>9,147,742</i>
<i>Total of all expenses recognised directly in Equity</i>	<i>-</i>	<i>-</i>
NET CHANGE IN EQUITY	<u>11,688,666</u>	<u>9,147,742</u>

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 2007

	Notes	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		11,199,112	10,219,934
Investment receipts		365,308	186,294
<u>Payments</u>			
Operating payments to suppliers & employees		(8,042,917)	(8,101,788)
Finance payments		(568,609)	(147,844)
Net Cash provided by (or used in) Operating Activities	12	<u>2,952,894</u>	<u>2,156,596</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Grants specifically for new or upgraded assets		780,226	291,181
Sale of replaced assets		110,273	624,731
Repayments of loans by community groups		6,461	13,805
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(2,989,402)	(4,525,465)
Expenditure on new/upgraded assets		(4,801,276)	(1,964,562)
Net purchase of investment securities		(16,602)	(14,660)
Loans made to community groups		(116,079)	-
Net Cash provided by (or used in) Investing Activities		<u>(7,026,399)</u>	<u>(5,574,970)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		2,031,000	6,440,000
Proceeds from Trust Monies		-	2,153
<u>Payments</u>			
Repayments of Borrowings		(418,027)	(138,651)
Repayment of Trust Monies		(2,484)	(40,538)
Net Cash provided by (or used in) Financing Activities		<u>1,610,489</u>	<u>6,262,964</u>
Net Increase (Decrease) in cash held		<u>(2,463,016)</u>	<u>2,844,590</u>
 Cash & cash equivalents at beginning of period		<u>6,966,190</u>	<u>4,121,600</u>
Cash & cash equivalents at end of period		<u>4,503,174</u>	<u>6,966,190</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 2007

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 equivalents to International Financial Reporting Standards

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

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

1.2 Historical Cost Convention

Except where 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 AIFRS 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

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.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports. A separate statement of moneys held in the Trust Fund is available for inspection at the Council Office by any person free of charge.

3 Revenue recognition

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

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 1 - Significant Accounting Policies (cont)

Where grants, contributions and donations recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as revenues in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

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 (as amended). 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.

6 Infrastructure, Property, Plant & Equipment

6.1 Transitional Provisions

Council has elected not to recognise land under roads in accordance with the deferral arrangements available under AASB 1045.

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".

6.2 Initial Recognition

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

6.3 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

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 1 - Significant Accounting Policies (cont)

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

6.4 Subsequent Recognition

Certain 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 8.

6.5 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
Pumps & Telemetry	15 to 25 years
Other Assets	
Library Books	10 to 15 years
Artworks	indefinite

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 1 - Significant Accounting Policies (cont)

6.6 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.

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.

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.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 1 - Significant Accounting Policies (cont)

Accumulation Fund Members

The accumulation fund receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9% in 2006/07; 9% in 2005/06). 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.

Defined Benefit Members

Council makes employer contributions to the defined benefits categories of the Scheme at rates determined by the Scheme's Trustee. The rate is currently 6% (6% in 2005/2006) of superannuation salary. 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 Fund's Defined Benefit 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 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.

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 is a member of the Central Local Government Region of South Australia.

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 as assets under lease, 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 2007

Note 1 - Significant Accounting Policies (cont)

14 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with AIFRS.

15 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2007 reporting period.

- AASB 7 *Financial Instruments: Disclosures* and AASB 2005-10 *Amendments to AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB1, AASB4 AASB 1023 & AASB 1038*
- AASB 2006-1 *Amendments to AASB 121*
- AASB 2006-3 *Amendments to AASB 1045*
- AASB 2006-4 *Amendments to AASB 134*
- AASB 2007-1 *Amendments to AASB 2 arising from AASB Interpretation 11*
- AASB 2007-2 *Amendments to AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139 arising from AASB Interpretation 12*
- AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038 arising from AASB 8*
- AASB 2007-4 *Amendments to AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038 arising from ED 151 and Other Amendments*
- Interpretation 10 *Interim Financial Reporting and Impairment*
- Interpretation 11 *AASB 2 – Group and Treasury Share Transactions*
- Interpretation 12 *Service Concession Arrangements*
- Interpretation 129 *Disclosure – Service Concession Arrangements*

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.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 2 - FUNCTIONS

REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES										
REVENUES		EXPENSES		OPERATING RESULT		GRANTS INCLUDED IN REVENUES		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)		
ACTUAL	2007	ACTUAL	2007	ACTUAL	2006	ACTUAL	2007	2006	2007	2006
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Business Undertakings	1,548,872	1,227,988	1,037,171	1,025,638	511,701	202,350	-	-	7,502,692	5,689,207
Community Services	110,592	164,923	853,220	898,039	(742,628)	(733,116)	19,400	13,748	3,516,894	3,593,893
Culture	94,603	111,062	534,883	589,892	(440,280)	(478,830)	61,024	69,362	1,367,467	1,591,759
Economic Development	116,536	108,728	346,230	407,712	(229,694)	(298,984)	18,000	107,750	780,275	784,963
Environment	769,978	575,192	1,038,314	1,170,393	(268,336)	(595,201)	110,548	69,809	2,130,893	1,212,219
Recreation	578,156	842,238	1,837,456	1,582,386	(1,259,300)	(740,148)	180,571	566,818	21,674,831	16,812,643
Regulatory Services	297,738	298,238	742,711	619,667	(444,973)	(321,429)	-	5,000	117,423	149,921
Transport	553,267	658,075	3,721,738	3,940,458	(3,168,471)	(3,282,383)	545,947	638,257	37,349,467	28,718,944
Plant and Depot	-	4,500	-	-	-	4,500	-	-	3,457,518	3,558,423
Unclassified	431,411	312,336	164,020	67,679	267,391	244,657	40,376	-	1,861,504	1,990,141
Administration	6,500,170	6,173,871	812,002	609,286	5,688,168	5,564,585	666,802	618,758	7,803,267	10,207,942
TOTALS	11,001,323	10,477,151	11,087,745	10,911,150	(86,422)	(433,999)	1,642,668	2,089,502	87,562,231	74,310,055

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 2 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Business Undertakings

Caravan Parks, Development of Land for Resale, Sewerage/CWMS

Community Services

Emergency Services, Other Fire Protection, Other Public Order and Safety, Immunisation, Preventive Health Services, Other Health Services, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Child Care Centres, Children and youth Services, community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Bus Shelters, Cemeteries/Crematoria, public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

Culture

Library Services, Mobile Libraries and Housebound Services, Static Libraries, Other Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services.

Economic Development

Employment Creation Programs, Regional Development, Support to Local Businesses, Tourism, and Other Economic Development.

Environment

Agricultural Services, Agricultural Water, Animal/Plant Boards, Landcare, Other Agricultural Services, Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

Recreation

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

Regulatory Services

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

Transport

Aerodrome, Bridges, Bus Service, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

Plant & Depot

Plant & Machinery, Council Depot, Training Reimbursements

Unclassified Activities

Interest Received, Miscellaneous Council Properties

Council Administration

Governance, Administration n.e.c., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Housing for Council Employees, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, and Separate and Special Rates.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 3 - REVENUES

	Notes	2007 \$	2006 \$
RATES REVENUES			
<u>General Rates</u>		5,890,781	5,602,966
Less: Discretionary rebates, remissions & write offs		(126,644)	(116,143)
		<u>5,764,137</u>	<u>5,486,823</u>
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		95,896	-
Waste collection		456,758	423,768
Community wastewater management schemes		478,184	381,891
		<u>1,030,838</u>	<u>805,659</u>
<u>Other Charges</u>			
Penalties for late payment		29,467	28,706
		<u>29,467</u>	<u>28,706</u>
		<u>6,824,442</u>	<u>6,321,188</u>
STATUTORY CHARGES			
Development Act fees		44,236	55,522
Town planning fees		157,259	148,581
Animal registration fees & fines		43,482	40,366
Health Inspection		45,447	40,042
CWMS connection fees		224,318	35,000
Sundry		3,229	4,321
		<u>517,971</u>	<u>323,832</u>
USER CHARGES			
Cemetery/crematoria fees		36,279	36,659
Caravan Parks		846,370	808,597
Tourism		93,757	978
Hall & equipment hire		19,646	22,398
Recreation Centres & Pools		202,549	164,922
Libraries		7,883	10,767
Waste disposal facility		70,049	63,650
Sundry		119,473	120,068
		<u>1,396,006</u>	<u>1,228,039</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		290,038	273,716
Banks & other		29,066	8,730
Loans to community groups		600	198
		<u>319,704</u>	<u>282,644</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

NOTE 3 - REVENUES (continued)

	Notes	2007 \$	2006 \$
REIMBURSEMENTS			
- other		<u>75,075</u>	<u>65,552</u>
		<u>75,075</u>	<u>65,552</u>
OTHER REVENUES			
Donations		202,942	79,310
Sundry		<u>22,515</u>	<u>32,084</u>
		<u>225,457</u>	<u>111,394</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts specifically for new or upgraded assets		470,000	577,574
Other grants, subsidies and contributions		<u>1,172,668</u>	<u>1,511,928</u>
		<u>1,642,668</u>	<u>2,089,502</u>
<i>The functions to which these grants relate are shown in Note 2.</i>			
Sources of grants			
Commonwealth government		1,578,222	1,869,871
State government		<u>64,446</u>	<u>219,631</u>
		<u>1,642,668</u>	<u>2,089,502</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

NOTE 3 - REVENUES (continued)

	Notes	2007 \$	2006 \$
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>		1,040,130	260,520
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>			
<i>Heritage & Cultural Services</i>		589,078	67,120
<i>Subtotal</i>		589,078	67,120
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Roads Infrastructure</i>		300,000	245,944
<i>Heritage & Cultural Services</i>		93,535	600,786
<i>Subtotal</i>		393,535	846,730
<i>Unexpended at the close of this reporting period and</i>		844,587	1,040,130
<i>Net increase (decrease) in restricted assets in the current reporting period</i>		(195,543)	779,610
PHYSICAL RESOURCES RECEIVED FREE OF CHARGE			
<i>Land & Improvements</i>			55,000
TOTAL PHYSICAL RESOURCES RECEIVED		-	55,000

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 4 - EXPENSES

	Notes	2007 \$	2006 \$
EMPLOYEE COSTS			
Salaries and Wages		2,838,143	2,482,147
Employee leave expense		74,942	236,303
Superannuation - defined contribution plan contributions	20	175,354	177,176
Superannuation - defined benefit plan contributions	20	109,540	102,394
Workers' Compensation Insurance		83,133	82,179
Less: Capitalised and distributed costs		(272,927)	(189,388)
Total Operating Employee Costs		3,008,185	2,890,811
 Total Number of Employees			
(Full time equivalent at end of reporting period)		60	59
 MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		4,930	4,910
- Other services		-	-
Elected members' expenses		133,452	96,165
Election expenses		28,418	17,691
Subtotal - Prescribed Expenses		166,800	118,766
 <u>Other Materials, Contracts & Expenses</u>			
Contractors		1,701,844	2,057,231
Contributions, Donations & Subsidies		-	217,793
Insurance		258,394	213,586
Materials		959,197	1,001,206
Levies paid to government - NRM levy		94,226	-
- Other Levies		31,095	25,183
Sundry		372,674	268,460
Subtotal - Other Materials, Contracts & Expenses		3,417,430	3,783,459
		3,584,230	3,902,225

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 4 - EXPENSES (cont)

	2007	2006
Notes	\$	\$
FINANCE COSTS		
Interest on Loans	579,417	302,601
	<u>579,417</u>	<u>302,601</u>
 DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Buildings	662,804	467,951
Infrastructure	2,919,463	2,862,041
Equipment	386,697	406,944
Furniture & Fittings	18,851	17,850
Other Assets	27,657	25,694
Less: Capitalised and distributed costs	(106,146)	-
	<u>3,909,326</u>	<u>3,780,480</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 5 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2007 \$	2006 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
Proceeds from disposal		110,273	443,231
Less: Carrying amount of assets sold		<u>116,860</u>	<u>478,264</u>
Gain (Loss) on disposal		<u>(6,587)</u>	<u>(35,033)</u>
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS			
		<u>(6,587)</u>	<u>(35,033)</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 6 - CURRENT ASSETS

	2007	2006
	\$	\$
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	616,450	581,347
Deposits at Call	3,886,724	6,384,843
	<u>4,503,174</u>	<u>6,966,190</u>
 TRADE & OTHER RECEIVABLES		
Rates - General & Other	257,206	195,390
Accrued Revenues	50,746	96,350
Debtors - general	201,850	108,029
Debtors - capital	150,000	460,226
GST Recoupment	71,105	122,049
Loans to community organisations	13,037	11,461
	<u>743,944</u>	<u>993,505</u>
 OTHER FINANCIAL ASSETS		
Investment	293,070	276,468
	<u>293,070</u>	<u>276,468</u>
 INVENTORIES		
Stores & Materials	146,010	229,973
	<u>146,010</u>	<u>229,973</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 7 - NON-CURRENT ASSETS

	2007	2006
	\$	\$
FINANCIAL ASSETS		
Receivables		
Loans to community organisations	113,776	5,734
TOTAL FINANCIAL ASSETS	<u>113,776</u>	<u>5,734</u>
 OTHER NON-CURRENT ASSETS		
Inventories		
Capital Works-in-Progress	794,336	-
	<u>794,336</u>	<u>-</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 8 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2006 \$				2007 \$			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Land	11,206,136	-	-	11,206,136	11,206,136	95,275	-	11,301,411
Buildings	36,522,132	187,894	(19,022,930)	17,687,096	36,540,363	5,143,280	(19,685,734)	21,997,909
Infrastructure	66,113,666	6,241,840	(39,459,505)	32,896,001	67,430,533	-	(23,958,031)	43,472,502
Equipment	-	5,533,283	(1,825,433)	3,707,850	-	5,866,518	(2,212,130)	3,654,388
Furniture & Fittings	-	231,625	(121,769)	109,856	-	433,415	(140,620)	292,795
Other	-	400,831	(169,585)	231,246	-	446,158	(197,242)	248,916
TOTAL PROPERTY, PLANT & EQUIPMENT	113,841,934	12,595,473	(60,599,222)	65,838,185	115,177,032	11,984,646	(46,193,757)	80,967,921
2006 Totals					113,841,934	12,595,473	(60,599,222)	65,838,185

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 2007

Note 8 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	CARRYING AMOUNT MOVEMENTS DURING YEAR							2007 \$ CARRYING AMOUNT
	2006 \$ CARRYING AMOUNT	Additions	Disposals	Depreciation	Impairment	Blank	Net Revaluation	
Land	11,206,136	95,275	-	-	-	-	-	11,301,411
Buildings	17,687,096	4,955,386	(18,000)	(662,804)	-	-	36,231	21,997,909
Infrastructure	32,896,001	1,843,529	-	(2,919,463)	-	-	11,652,435	43,472,502
Equipment	3,707,850	432,095	(98,860)	(386,697)	-	-	-	3,654,388
Furniture & Fittings	109,856	201,790	-	(18,851)	-	-	-	292,795
Other	231,246	45,327	-	(27,657)	-	-	-	248,916
TOTAL PROPERTY, PLANT & EQUIPMENT	65,838,185	7,573,402	(116,860)	(4,015,472)	-	-	11,688,666	80,967,921
2006 Totals	53,971,436	6,977,751	(478,265)	(3,780,479)	-	-	9,147,742	65,838,185

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 2007

Note 8 (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 for the purposes of AIFRS.

Plant, Furniture & Equipment

Pursuant to Council's election, these assets are recognised on the cost basis.

Land & Land Improvements

Land and land improvements are recognised at fair value being written down replacement cost basis, originally deriving from a valuation by Maloney Field Services as at 30 June 2006. Additions are recognised at cost.

Buildings & Other Structures

Buildings and other structures are recognised at fair value being written down replacement cost basis, originally deriving from a valuation by Maloney Field Services as at 30 June 2006. Additions are recognised at cost.

Infrastructure

Infrastructure is recognised at fair value being written down replacement cost basis, deriving from a revaluation by Maloney Field Services as at 30 June 2007.

All other assets

Pursuant to Council's election, these assets are recognised on the cost basis. Library books and other lending materials are capitalised in bulk, and written out when fully depreciated.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 9 - LIABILITIES

		2007		2006	
		\$		\$	
	Notes	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Operating Goods & Services		347,553	-	864,278	-
Capital Goods & Services		588,708	-	117,793	-
Payments received in advance		21,609	-	24,814	-
Accrued expenses - employee entitlements		234,719	-	175,600	47,589
Accrued expenses - other		200,897	-	187,973	-
Aged Care Facility Deposits		35,000	-	-	35,000
Operating Deposits, Retentions & Bonds		53,200	-	-	-
Other Deposits, Retentions & Bonds		38,858	-	41,342	-
		<u>1,520,544</u>	<u>-</u>	<u>1,411,800</u>	<u>82,589</u>
BORROWINGS					
Loans		524,263	10,459,436	418,027	8,952,699
		<u>524,263</u>	<u>10,459,436</u>	<u>418,027</u>	<u>8,952,699</u>

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

PROVISIONS

Employee entitlements (including oncosts)	293,623	58,622	119,384	222,057
	<u>293,623</u>	<u>58,622</u>	<u>119,384</u>	<u>222,057</u>

Movements in Provisions - 2007 year only (current & non-current)

Opening Balance	341,441
Add: additional amounts recognised	75,978
Less: Payments	65,174
Closing Balance	<u>352,245</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 10 - RESERVES

ASSET REVALUATION RESERVE	01/07/2006	Net Increments (Decrements)	Transfers on Sale	30/06/2007
	Notes	\$	\$	\$
Infrastructure, Land & Buildings		54,781,395	11,688,666	66,470,061
Total Infrastructure, Property, Plant & Equipment		54,781,395	11,688,666	66,470,061
TOTAL		54,781,395	11,688,666	66,470,061
2006 Totals		45,633,653	9,147,742	54,781,395

OTHER RESERVES	01/07/2006	Transfers to Reserve	Transfers from Reserve	30/06/2007
Plant Replacement Reserve	3,528	71	(3,500)	99
Clare CWMS Reserve	789,420	548,919	(380,801)	957,538
Library Reserve	89,417	4,386	(66,063)	27,740
Computer Replacement Reserve	10,859	7,322	-	18,181
Administration Equipment Replacement Reserve	18,256	1,432	-	19,688
Development Infrastructure Reserve	179,150	191,664	(149,444)	221,370
Fauna Park Reserve	5,443	327	-	5,770
Off Street Car Parking		317	-	317
International Relations	2,090	434	(1,243)	1,281
Christison Park Capital Reserve	67,273	18,975	(63,960)	22,288
Mistletoe Control Reserve	4,639	28,195	(6,320)	26,514
Riverton Community Bus	60,706	605	(61,311)	
Residential Development Reserve	50,141	2,626	(52,767)	
Riverton Tourism Reserve	22,195	1,336	-	23,531
Riverton RSL Building Reserve	33,586	2,021	-	35,607
Saddleworth CWMS Reserve	126,160	44,423	(1,498)	169,085
Waste Management Reserve	-	483,173	(436,677)	46,496
Riverton CWMS Reserve	70,269	88,944	(47,117)	112,096
Clare Caravan Park Lease Reserve	313,901	325,146	(535,073)	103,974
Clare Swimming Centre Capital Reserve	3,180,238	75,711	(3,231,949)	24,000
Ngadjuri Lodge Entrance Fees Reserve	74,728	5,125	(31,491)	48,362
Riesling Trail Reserve	12,165	174	(12,339)	
Section 41 Committee Funds Reserve	46,745	8,333	-	55,078
Unspent Grants and Loans Reserve	2,043,859	2,060,399	(2,185,599)	1,918,659
Clare Friends of the Library Reserve	8,089	958	-	9,047
Gilbert Friends of Library	7,062	377	(289)	7,150
Riverton Caravan Park and Recreation Grounds Reserve	2,538	5,344	(7,882)	
Skate Park Reserve	53,049	3,236	(56,285)	
Open Space Reserve Clare	21,956	26,477	-	48,433
Open Space Reserve Riverton	42,946	1,742	-	44,688
TOTAL OTHER RESERVES	7,340,408	3,938,192	(7,331,608)	3,946,992
2006 Totals	3,660,624	9,015,377	(5,335,593)	7,340,408

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

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 Caravan Park Lease Reserve - for loan repayments Clare Recreation and Aquatic Centre

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

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

Riesling Trail Auburn Reserve - balance of funds allocated for provision of walking trail in Auburn

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

Unspent Grant and Loan Funds Reserve - unexpended grant and loan funds carried forward for use in the following year

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

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

Riverton Swimming Pool Reserve - for maintenance and upgrade of the Riverton Swimming Pool

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

Clare Skate Park Reserve - donations and proceeds of fundraising for the provision of a skate park at Clare

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

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 11 - 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	2007 \$	2006 \$
CASH & FINANCIAL ASSETS			
Unexpended Loans		1,122,587	1,638,028
Other unexpended amounts from other levels of Government		796,072	405,831
CWMS schemes		1,238,719	985,849
Waste Management scheme		46,496	-
		<u>3,203,874</u>	<u>3,029,708</u>
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		<u>3,203,874</u>	<u>3,029,708</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 12 - 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 Statement of Financial Position as follows:

	Notes	2007 \$	2006 \$
Total cash & equivalent assets	6	<u>4,503,174</u>	<u>6,966,190</u>
Balances per Cash Flow Statement		<u>4,503,174</u>	<u>6,966,190</u>

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

Net Surplus (Deficit)	(86,422)	(433,999)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	3,909,326	3,780,480
Non-cash asset acquisitions	-	(55,000)
Grants for capital acquisitions treated as Investing Activity	(470,000)	(751,407)
Net (Gain) Loss on Disposals	<u>6,587</u>	<u>35,033</u>
	<u>3,359,491</u>	<u>2,575,107</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(59,088)	(350,650)
Net (increase) decrease in inventories	83,963	(102,441)
Net increase (decrease) in trade & other payables	(220,448)	147,594
Net increase (decrease) in other provisions	<u>(211,024)</u>	<u>(113,014)</u>
Net Cash provided by (or used in) operations	<u>2,952,894</u>	<u>2,156,596</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	3	<u>-</u>	<u>55,000</u>
Amounts recognised in Income Statement		<u>-</u>	<u>55,000</u>

(d) Financing Arrangements

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

Corporate Credit Cards	13,000	13,000
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CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

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 between 6% and 7% (2006: 5% and 6%). Short term deposits have an average maturity of 180 days and an average interest rates of 6% (2006: 180 days. 5%).</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 0.8% (2006: 0.85%). 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 Loans	<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, loans are repayable by equal 6 monthly instalments of principal & interest; interest is charged at fixed rates between 5% and 7% (2006: 5% and 6%).</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 2007

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2007	Floating Interest Rate \$	≤ 1 year \$	Fixed interest maturing in > 1 year ≥ 5 years \$	> 5 years \$	Non- interest bearing \$	Total \$
Financial Assets						
Fair Value through P&L						
Cash Assets	4,500,029				3,145	4,503,174
Other Financial Assets		293,070			-	293,070
Loans & Receivables						
Receivables		6,036	110,042		690,896	806,974
Total	4,500,029	299,106	110,042	-	694,041	5,603,218
<i>Weighted Average Interest Rate</i>	<i>6.00%</i>	<i>7.00%</i>	<i>7.00%</i>			
Financial Liabilities						
Payables					1,084,928	1,084,928
Borrowings		524,263	2,450,530	8,008,906	-	10,983,699
Total	-	524,263	2,450,530	8,008,906	1,084,928	12,068,627
<i>Weighted Average Interest Rate</i>		<i>7.00%</i>	<i>7.00%</i>	<i>7.00%</i>		
NET FINANCIAL ASSETS (LIABILITIES)	4,500,029	(225,157)	(2,340,488)	(8,008,906)	(390,887)	(6,465,409)
2006	Floating Interest Rate \$	≤ 1 year \$	Fixed interest maturing in > 1 year ≥ 5 years \$	> 5 years \$	Non- interest bearing \$	Total \$
Financial Assets						
Fair Value through P&L						
Cash Assets	6,963,695				2,495	6,966,190
Other Financial Assets		276,468			-	276,468
Loans & Receivables						
Receivables					902,889	902,889
Total	6,963,695	276,468	-	-	905,384	8,145,547
<i>Weighted Average Interest Rate</i>	<i>6.50%</i>	<i>6.50%</i>				
Financial Liabilities						
Payables					1,083,227	1,083,227
Borrowings		418,027	1,942,522	7,010,177	-	9,370,726
Total	-	418,027	1,942,522	7,010,177	1,083,227	10,453,953
<i>Weighted Average Interest Rate</i>		<i>6.14%</i>	<i>6.14%</i>	<i>6.14%</i>		
NET FINANCIAL ASSETS (LIABILITIES)	6,963,695	(141,559)	(1,942,522)	(7,010,177)	(177,843)	(2,308,406)

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 13 (cont) - FINANCIAL INSTRUMENTS

Credit 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 provision for doubtful debts. Except as detailed in Notes 6 & 7 in relation to individual classes of financial assets, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Reconciliation of Financial Assets & Liabilities

	2007 \$	2006 \$
Net financial assets from above		
Financial Assets	5,603,218	8,145,547
Financial Liabilities	<u>12,068,627</u>	<u>10,453,953</u>
	(6,465,409)	(2,308,406)
Non-financial assets and liabilities		
Accrued Revenues	50,746	96,350
Inventories	146,010	229,973
Property, Plant & Equipment	80,967,921	65,838,185
Other Assets	794,336	0
Accrued Expenses	(435,616)	(411,162)
Provisions	<u>(352,245)</u>	<u>(341,441)</u>
	<u>81,171,152</u>	<u>65,411,905</u>
Net Assets per Balance Sheet	<u>74,705,743</u>	<u>63,103,499</u>

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. With the exception of investments, there is no recognised market for the financial assets of the Council.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 14 - COMMITMENTS FOR EXPENDITURE

	2007	2006
<u>Notes</u>	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings and Infrastructure	174,880	3,576,333
	<u>174,880</u>	<u>3,576,333</u>
These expenditures are payable:		
Not later than one year	174,880	3,576,333
	<u>174,880</u>	<u>3,576,333</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 15 - FINANCIAL INDICATORS

2007 2006

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 (549,835) (1,031,540)

Being the operating surplus (deficit) before capital amounts .

Operating Surplus Ratio

Operating Surplus (8%) (16%)

Rates - general & other less NRM levy

This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.

Net Financial Liabilities

7,202,524 2,964,659

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).

Net Financial Liabilities Ratio

Net Financial Liabilities 69% 30%

Total Operating Revenue less NRM levy

Interest Cover Ratio

Net Interest Expense 2.6% 0.2%

Total Operating Revenue less NRM levy less
Investment Income

Asset Sustainability Ratio

Net Asset Renewals 74% 103%

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

Carrying value of depreciable assets 60% 47%

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 2007

Note 16 - UNIFORM PRESENTATION OF FINANCES

The Local Government Association's General Meeting in March 2006 resolved that a high level summary of both operating and capital investment activities of each council be prepared on a uniform and consistent basis, thereby enabling more meaningful comparisons between councils.

It also is intended that annual budgets and long-term financial plans be summarised on the same basis.

A feature of the arrangement is that it facilitates the reporting of a standard set of key financial indicators of the Council's financial sustainability – all of which are shown in Note 15 above.

	2007 \$	2006 \$
Operating Revenues	10,531,323	9,844,577
<i>less</i> Operating Expenses	<u>(11,081,158)</u>	<u>(10,876,117)</u>
Operating Surplus / (Deficit) before Capital Amounts	<u>(549,835)</u>	<u>(1,031,540)</u>
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	2,879,129	5,013,188
<i>less</i> Capitalised Depreciation	(106,146)	
<i>less</i> Depreciation, Amortisation and Impairment	(3,909,326)	(3,780,480)
<i>less</i> Proceeds from Sale of Replaced Assets	<u>(110,273)</u>	<u>(443,230)</u>
	<u>(1,246,616)</u>	<u>789,478</u>
<i>less</i> Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	5,488,609	1,964,562
<i>less</i> Amounts received specifically for New and Upgraded Assets	(470,000)	(577,574)
<i>less</i> Donated Assets		(55,000)
	<u>5,018,609</u>	<u>1,331,988</u>
Net Lending / (Borrowing) for Financial Year	<u>(4,321,828)</u>	<u>(3,153,006)</u>

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 17 – SUPERANNUATION

Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme (the Scheme). The Scheme has two categories of membership, each of which is funded differently.

The Scheme's accumulation category, Local Super, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). 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 Scheme.

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

Council makes employer contributions to the defined benefit category of the Scheme at rates determined by the Trustee on the advice of the Scheme's Actuary. On the basis of the results of 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 2002, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities.

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 18 - JOINT VENTURES & ASSOCIATED ENTITIES

	2007	2006
(a) Section 41 Committees		
Clare Caravan Park Committee		
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 Swimming Pool Committee		
Riverton Recreation Grounds Committee		
Clare Sport and Recreation Centre Committee		
Riverton RSL House Committee		
Scholz Park		

These financial statements have been consolidated.

(a) Regional Subsidiaries

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

- 2.1 To undertake co-ordinating, advocacy and representational roles for its constituent councils at a regional level.
- 2.2 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.
- 2.3 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.
- 2.4 To develop further co-operation between its constituent councils for the benefit of the communities of the region.

Contribution to Region	8,370	8,126
Total Contribution	8,370	8,126

CLARE & GILBERT VALLEYS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 19 - EVENTS AFTER THE BALANCE SHEET DATE

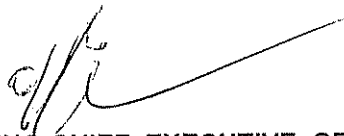
No subsequent events have occurred.

CLARE & GILBERT VALLEYS COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2007

STATEMENT BY CHIEF EXECUTIVE OFFICER

I, Desmond Perce Jennings, the person for the time being occupying the position of Acting 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 2007 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.

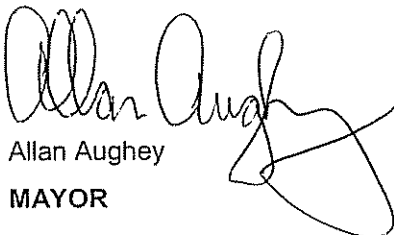


ACTING CHIEF EXECUTIVE OFFICER

Dated this 15th day of November 2007

ADOPTION STATEMENT

Laid before the Clare & Gilbert Valleys Council and adopted on the 19th day of November 2007.



Allan Aughey
MAYOR

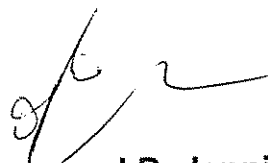
CLARE & GILBERT VALLEYS COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

STATEMENT BY CHIEF EXECUTIVE OFFICER

I, Desmond P. Jennings, confirm that, for the audit of the financial statement of Clare & Gilbert Valleys Council for the year ended 30 June 2007, Council's Auditor, Dean Newbery and Partners, Chartered Accountants has maintained its independence in accordance with the requirements of the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 and Variation Regulations 2007* made under that Act

This statement is prepared in accordance with the requirements of Regulation 16A (2) *Local Government (Financial Management) Variation Regulations 2007*.



Desmond P. Jennings
Acting Chief Executive Officer

Dated this 15 day of November 2007

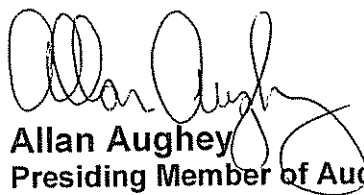
CLARE & GILBERT VALLEYS COUNCIL

ANNUAL FINANCIAL STATEMENTS For the year ended 30th June 2007

STATEMENT BY THE PRESIDING MEMBER OF THE AUDIT COMMITTEE

I, Allan Aughey, confirm that, for the audit of the financial statements of Clare & Gilbert Valleys Council for the year ended 30 June 2007, Council's Auditor, Dean Newbery and Partners, Chartered Accountants, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 1999 and Variation Regulations 2007* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A (2) *Local Government (Financial Management) Variation Regulations 2007*.



Allan Aughey
Presiding Member of Audit Committee

Dated this 15TH day of November 2007

DEAN NEWBERY & PARTNERS CHARTERED ACCOUNTANTS

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

Report on the Financial Report

We have audited the accompanying financial report of the Clare and Gilbert Valleys Council which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity, cash flow statement, a summary of the significant accounting policies, other explanatory notes and the Chief Executive Officer's Statement for the year ended on that date.

Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer of the Clare and 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) and 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 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 3 September 2007, 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 of the Clare and Gilbert Valleys Council is in accordance with the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999 including:

- (a) giving a true and fair view of the Clare and Gilbert Valleys Council financial position as at 30 June 2007 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (c) complying with Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999; and
- (d) where applicable, in accordance with the provisions relating to subsidiaries (and regional subsidiaries) of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999.

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS


DON VENN
PARTNER

Signed on the nineteenth day of November 2007,
at 214 Melbourne Street, North Adelaide, South Australia 5006.