



CLARE &  
GILBERT  
VALLEYS  
COUNCIL

ANNUAL REPORT 2011-2012



## Introduction

The Clare & Gilbert Valleys Council has produced the 2011/2012 Annual Report to communicate with its residents and ratepayers about Council business, services, performances and achievements for the financial year. The publishing of this report enables Council to meet the legislative requirements of the Local Government Act 1999 and the report becomes a record of Council's activities for historical purposes.

The Annual Report is provided to interested parties such as the Government, media, other Councils, South Australian Local Government Grants Commission, State Library and is readily available from Council's offices and web site.

## Our Vision

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

## Contact Details

For further information on the Annual Report of Clare & Gilbert Valleys Council contact the Chief Executive Officer at the Council's Principal Office

### Principal Office

4 Gleeson Street,  
CLARE SA 5453

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Facsimile 08 8842 3624

Email: [admin@cgvc.sa.gov.au](mailto:admin@cgvc.sa.gov.au)  
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Front Cover photo - Gleeson Wetlands





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# Mayor's Overview



It is my pleasure to present the Annual Report for Clare & Gilbert Valleys Council for the year ended 30 June 2012.

Last year I reported on the dramatic and drastic impact of the December 2010 floods on the district's road network and drainage infrastructure. The financial assistance provided to the Council through the Local Government Disaster Fund \$4.05m and insurers Local Government Risk Services \$765k has been instrumental in the recovery campaign and has alleviated some of the distress on Council finances. Council gratefully acknowledges the support of the South Australian Government and the Local Government Association of South Australia in the recruitment of funding and advocacy on behalf of Council.

Significant on ground works have been completed as part of the flood reconstruction program during this reporting year. It is expected that the remaining work together with the final instalment from the Local Government Disaster fund of \$800k will be settled in 2012/13.

Headline projects in the flood reconstruction program included

- Riverton/Finnis Point Bridge
- Rhynie/Salter Springs Bridge
- Stockport/Giles Corner Bridge
- Tothill Belt Road
- Stockport/Giles Corner Road
- Molineux Road
- Shannon Creek Road
- Tarlee/Alma Road

Full details on the extent of Council's works program are contained in the Departmental report.

The erosion of external funding support for the operation of the Clare Valley Visitor Information Centre and the stresses on the net financial result for the Centre have caused Council to rethink its role in running the service. Council is seeking expressions of interest in the leasing of the property, preferably with a continuation of the provision of visitor information services. It is expected that the operation of the information service alongside a viable commercial enterprise will create a new destination for Clare Valley visitors.





In January 2012 the lease agreement with Discovery Holiday Parks for the Clare Caravan Park property was implemented. In addition to the purchase of the lease and the annual lease fee Discovery Holiday Parks have committed to a capital investment program of \$1.5 million over 3 years to upgrade the park. The introduction of Discovery Holiday Parks to the district is an exciting development. With an Australia wide network of 33 parks the cross marketing and networking opportunities are significant.

Council has commenced the statutory review of its Strategic Management Plan under the Local Government Act and the Development Plan for the Council area through the Strategic Directions Review. There has been an excellent level of interest through the public consultation phases of these reviews and I look forward to the production and adoption of the final reports.

The completion of the stormwater management projects at Riverton (Riverton Duck Pond Reserve) and Clare (Gleeson Wetlands) draws together the long term vision of the Council for an integrated waste water management and stormwater management solution for the respective towns. Water reuse options combined with environmental improvements have resulted in an excellent outcome for the community and the environment. The support and funding from the Australian Government through the Australian Government's Water for the Future Initiative through Water Smart Australia and the National Water Security Plan for Cities and Towns program is gratefully acknowledged.

Analysis of the Council's financial performance for 2011/12 shows the following results

An operating surplus of \$3.202m was achieved, largely due to the high amount of grants, subsidies and contributions included.

Expenditure on renewal of Council assets amounted to \$4.533m with a further expenditure of \$765k on either new assets or the upgrade of existing assets. The renewal of assets continues to be a priority as it is essential for Council's long term financial sustainability.

The use of three financial indicators has been recommended for the measurement of financial sustainability throughout Local Government and the results for the reporting year are shown in Note 15 of the General Purpose Financial Reports.

Council's net lending for the year (refer Note 16) was \$6.31m and at 30 June 2012, Council's general reserves totalled \$9.962m including net surplus of Community Wastewater Management Systems (CWMS) of \$942k, Waste Management Scheme surplus \$610k, proceeds from the sale of the Clare Caravan Park Lease \$1.94m, unspent grants and works carried over to the 2012./2013 year \$4.2m.

2011/12 has been a productive year for the Council and I thank Councillors and Staff for their contributions and work. I also acknowledge the invaluable role performed by our Peak Body and Section 41 Committees in serving the local needs of the community. The volunteer ethic and contribution across our district is significant and is vital in the provision of community services and public amenity.

Allan Aughey  
MAYOR

# Background



Curio – Marrabel

Our district comprises some of the most productive lands and scenic landscapes in Australia with the capacity to deliver premium products and experiences. Located adjacent to the outer metropolitan area of South Australia's capital Adelaide, the Clare & Gilbert Valleys district enjoys the advantages of proximity and accessibility with an enviable rural lifestyle.

The Clare Valley wine region is famous for its world class Rieslings and has achieved recognition as Australia's Capital of Riesling. Combined with shiraz as another staple, and emerging wine varieties, the Clare Valley has a strong future in viticulture and winemaking.

The productive and fertile lands of the Clare and Gilbert Valleys combined with favourable climatic conditions result in excellent broad acre cropping opportunities and livestock production. This strength provides a strong foundation for Clare Valley Cuisine and an increasing trend towards value adding before the farm gate.

The vision for the Clare & Gilbert Valleys district is described as "*vibrant communities working together to grow in a dynamic, innovative and sustainable way*". This statement embraces the tapestry of towns, villages and rural landscapes across which our population of 8749 (2011 Census) is dispersed. Ranging from the district service towns of Clare, Riverton, Saddleworth and Auburn through to the villages of Stockport, Tarlee, Rhynie, Manoora, Mintaro, Watervale and Sevenhill each has a proud history, great stories and positive future.

The Clare & Gilbert Valleys district forms part of the traditional lands of the Kurna and Ngadjuri peoples and their rich connection and association with this place is recognised.

The Clare & Gilbert Valleys district attracts the focus of South Australia's trails network. Home to the renowned Riesling Trail which hosts cycling and walking from Barinia in the north to Auburn in the south, it covers more than 35kms along the old railway corridor. A southern extension through the Rattler Trail from Auburn through to Riverton makes a total distance of 60kms. The Heysen, Mawson and Kidman Trails also traverse the district's landscape offering a diversity of experiences and interests.



# Profile

The Clare & Gilbert Valleys Council was proclaimed on 1st July, 1997, having been formed through the amalgamation of the District Council of Clare, the District Council of Riverton and the District Council of Saddleworth & Auburn.

Distance of Principal Office to Adelaide 143km

Area of Council 1,840 km<sup>2</sup>

Distance of Council's sealed roads 209km

Distance of Council's unsealed roads 1,615km

Number of Rateable Assessments 6,632

Number of Non-Rateable Assessments 614

Number of Electors

State Roll 6,370

Council Roll 100

Total 6,470

Principal Office:

4 Gleeson Street, Clare

Postal Address:

4 Gleeson Street, Clare SA 5453

Branch Offices:

21 Torrens Road, Riverton

19 Belvidere Road, Saddleworth

Libraries:

33 Old North Road, Clare

19 Belvidere Road, Saddleworth

6 St Vincent Street, Auburn

Riverton High School/Community Library

Website: [claregilbertvalleys.sa.gov.au](http://claregilbertvalleys.sa.gov.au)

Email: [admin@cgvc.sa.gov.au](mailto:admin@cgvc.sa.gov.au)

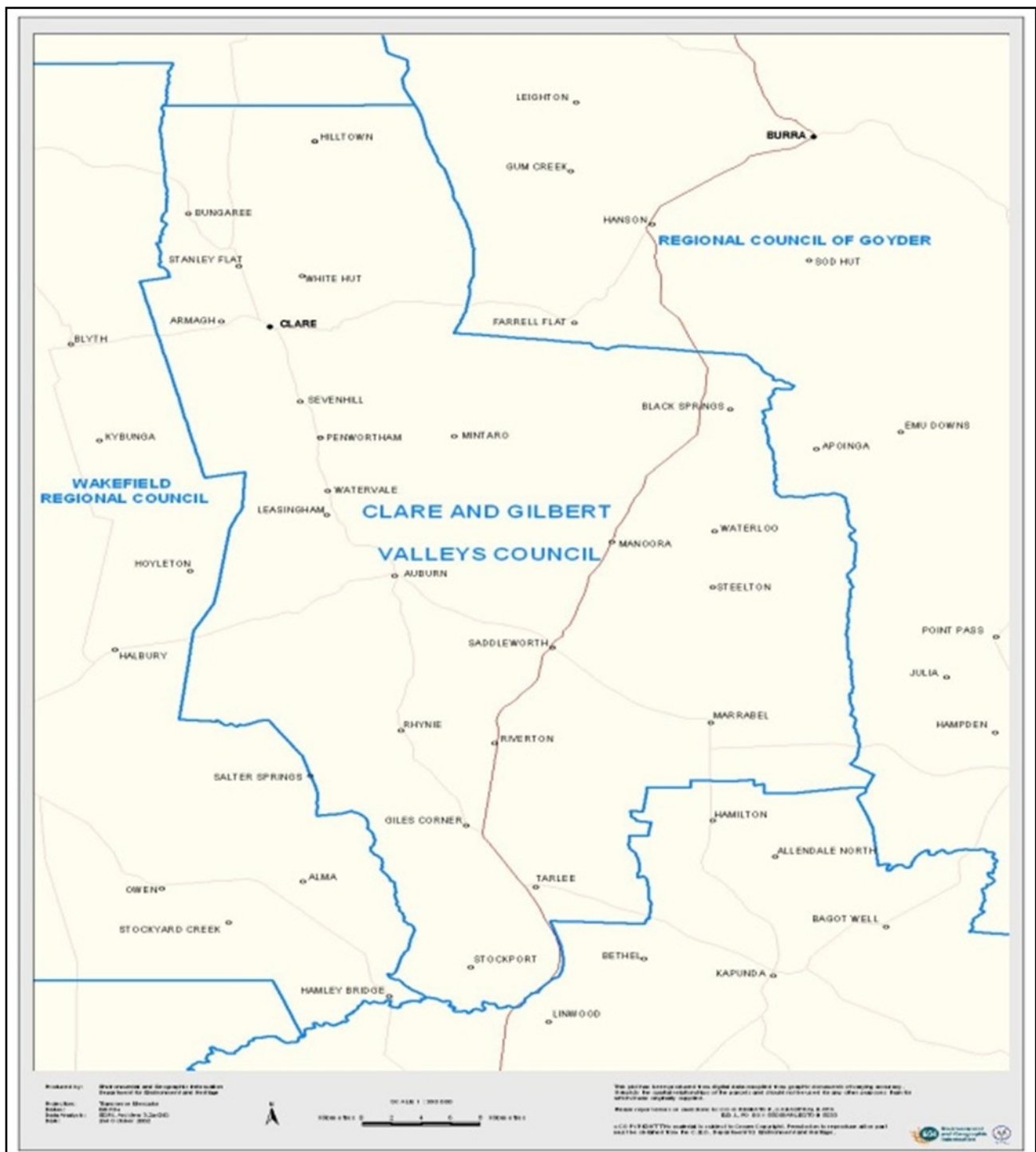
## Council Composition

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

Council's next Elector Representation Review is due in 2017.

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

Council	Councillors (excluding Mayor)	Electors	Representation Quota
Berri Barmera	8	7258	907
<b>Clare &amp; Gilbert Valleys</b>	<b>9</b>	<b>6,470</b>	<b>718</b>
Grant	9	5,680	631
Light	10	8,610	861
Mallala	10	5,580	558
Naracoorte Lucindale	10	5,956	596
Renmark Paringa	8	6,403	800
Tatiara	9	4,566	507
Wakefield	10	4,835	483



### Localities within the Clare & Gilbert Valleys Council area

Alma, Anama, Armagh, Auburn, Barinia, Benbournie, Black Springs, Boconnoc Park, Bungaree, Clare, Emu Flat, Farrell Flat, Giles Corner, Gillentown, Halbury, Hill River, Hilltown, Hoyleton, Leasingham, Manoora, Marrabel, Minaro, Penwortham, Polish Hill River, Rhynie, Riverton, Saddleworth, Salter Springs, Sevenhill, Spring Farm, Spring Gully, Stanley, Stanley Flat, Steelton, Stockport, Tarlee, Tarnma, Tothill Belt, Tothill Creek, Undalya, Waterloo, Watervale and Woolshed Flat,



# Elected Members



Standing: Cr Elizabeth Calvert, Cr Alan Rye, Cr Wayne Thomas, Cr Dianne Schwarz,  
Cr Janet Kench, Cr Sue Wurst, Cr Nedd Golding (Deputy Mayor)

Seated: Cr Helen Perry, Mayor Allan Aughey, Cr Wayne Molineux

The *Local Government (Elections) Act 1999* requires that elections will be held at intervals of four years, with the last election occurring in November 2010. The next scheduled election will be in November 2014.

Ordinary meetings of Council are 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 an adjournment of the meeting and anyone wishing to ask a question of Council is encouraged to attend. Further information about public question time and Council meetings is available from the Council offices.

## Meeting Attendance

A total of 12 Ordinary Council meetings and six (6) Special Council meetings were held during the year.

### Meetings attended from July 2011 to June 2012

Elected Members	Ordinary Meetings	Special Meetings
Mayor Allan Aughey	11	4
Deputy Mayor Cr Nedd Golding	10	5
Cr Elizabeth Calvert	10	6
Cr Janet Kench	10	6
Cr Wayne Molineux	9	4
Cr Helen Perry	10	6
Cr Alan Rye	12	6
Cr Dianne Schwarz	12	6
Cr Wayne Thomas	10	4
Cr Sue Wurst	11	5

### Information on allowances paid to Elected Members of the Council

Elected Members allowances	
Per Annum	
Mayoral	\$32,000
Deputy Mayor	\$10,000
Councillors	\$8,000

The allowances after the November 2010 Election were determined by the South Australian Remuneration Tribunal in accordance with the Local Government Act, 1999.

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

### Elected Members Training

Council maintains a register of training and development activities attended by Elected Members. Over the last 12 months activities have included:-

- Local Government Association – Rating Review Process
- Local Government Association—Register of Interests
- Council and Committee Meetings
- Australian Local Government Association – National General Assembly of Local Government.
- Local Government Association – Annual General Meeting
- Local Government Association – Online Training Modules
- Wallmans Lawyers—Independent Commissioner Against Corruption

This year Elected Members were provided with a Local Government Association sponsored Online Self Assessment Tool which will enable them to have an appreciation of their own training and development needs and will assist Council to prepare future training and development plans.





Penwortham - Tour Down Under 2012

## Council Committees

### Audit Committee

Council has three independent members one being the Presiding Member on the Council Audit Committee. The Presiding Member receives an allowance of \$1,200 per meeting and the independent members are paid an allowance of \$100 per meeting plus travelling. The Audit Committee Annual Report 2011-2012

	Appointed	Term Expires
Presiding Member—Mr John Comrie	Council Meeting April 2011	April 2015
Independent Member—Mr Grant Norman	Council Meeting April 2011	April 2015
Independent Member—Ms Jillian Wood	Council Meeting April 2011	July 2015
<b>Elected Members</b>		
Mayor Allan Aughey	Council Meeting November 2011	November 2014
Councillor Wayne Thomas	Council Meeting November 2011	November 2014

### Development Assessment Panel

The Council Development Assessment Panel consists of four independent members and three Council members. The Presiding Member is also one of the independent members of the Panel. The Presiding Member receives an allowance of \$432 per meeting plus overnight accommodation and the independent Members receive an allowance of \$200 per meeting.

	Appointed	Term Expires
Presiding Member - Stephen Haines	Council Meeting January 2011	January 2013
Deputy Presiding Member - Councillor Elizabeth Calvert	Council Meeting January 2011	January 2013
Independent Member - Hermann Weber	Council Meeting January 2011	January 2013
Independent Member - Trevor Peek	Council Meeting January 2011	January 2013
Independent Member - Greg Pulford	Council Meeting January 2011	January 2013
Councillor - Helen Perry	Council Meeting January 2011	January 2013
Councillor - Dianne Schwarz	Council Meeting January 2011	January 2013

# CLARE & GILBERT VALLEYS COUNCIL

## Community

Residents, Advisory Groups, Committees, Boards, Peak Bodies, Stakeholders

**Council** Mayor & Nine Councillors

### Chief Executive Officer

The role of the Chief Executive Officer is to provide leadership to the Council on issues of importance to its Communities and the Region, as well as managing the assets and affairs of the Council, effectively and efficiently coordinating its corporate resources, managing the legislative and strategic financial framework and the provision of strategic intervention as required. The Chief Executive Officer is responsible for implementing Council decisions and policies, day to day operations and affairs of the Council, proper management and maintenance of Council assets and resources, coordination of proposals, providing advice to the Council, application of proper management practices and assisting Council to assess performance against its strategic management plans.

### Corporate Governance

Responsible for the statutory requirements and corporate governance policies and procedures of Council, ensuring that Council is effectively and efficiently coordinating its resources. Responsible for risk mitigation, OHSW, insurance, customer service, regulatory compliance and community liaison.

### Recreation Facilities

Responsible for performance, management and operations of the Valleys Lifestyle Centre, Riverton Swimming Pool, the Domain and recreation facilities and services.

### Development, Infrastructure & Environment

Responsible for transport infrastructure planning, design, construction, maintenance and parks and reserves. Responsible for asset and property management, community wastewater

Responsible for management and delivery of planning, building and health, policy development and services

### Library & Information

Responsible for management and delivery of public library service & visitor information centre.

### Finance

Responsible for the provision of sound financial management including annual financial statements management accounting, budget preparation, rates collection, electoral roll, payroll and creditors.





Tour Down Under

## Performance against Annual Business Plan for the financial year by Department

A summary of functions and core services of each of Council's six departments is provided. In addition, the achievements against the objectives listed in the Annual Business Plan, for each department for the financial year is listed.

The core services for each department are funded from the Council operating budget and the key actions for each department for the 2011/2012 financial year, which are derived from the Strategic Plan, are funded from a combination of the operating budget and the capital budget.

## Corporate Governance

2011/2012 Key Actions	2011/2012 Outcomes
Hold regular Council meetings and Council workshops.	All meetings and workshops conducted with two Council meetings held in communities of Tarlee & Riverton.
Hold community forums including Peak Bodies & Section 41 Recognition evenings.	Community Committees & Peak Body recognition evenings held in February & March 2012.
Promote and support the role of the Mayor including the conduct of civic receptions and twinning arrangements.	Civic receptions & Twinning visits were held throughout the year.
Promote and support the roles of Elected Members, including self assessment and training.	Councillors have completed the on-line LGA self assessment and completed online and formal training.
Identify and implement all appropriate and relevant legislation standards and codes pertaining to local government business.	All relevant legislation standards and codes pertaining to the local government identified and adhered to.
Design policy, procedures, systems and processes to reflect legislation and good governance.	All Council policies were reviewed in 2011.
Amend Councils delegations register to reflect changes to legislation and organisational structure.	Delegations register reviewed as required by legislation.
Continue to work towards the development of the "OHSW Local Government One System" in compliance with Local Government Workers Compensation Scheme and Workcover requirements.	Work has continued with the development of "One System" for OHSW compliance for local government.
Continue to support Council employees in training, including employees currently undertaking nationally recognised training, ranging from certificate to graduate diploma level. While this reflects in the budget it should also be noted that funding has been obtained for much of this training through a range of government and federal funded programs.	Training continues to be undertaken by employees in nationally recognised training. State and Federal Government funding is sourced to support training with Council. Council staff continue to undertake a range of in house training in accordance with Council's training program.
Continue to maintain an asbestos register, in accordance with legislation, to identify the type, condition and location of asbestos in all Council buildings and structures. Council has contracted Carter Corporation, Asbestos Consultants to conduct this inspection annually.	Council has continued to engage Carter Corporation to assess and maintain the Asbestos Register for all Council properties. Council continues to remove asbestos according to Hazard Risk Priority.
Continue to support peak body projects which range in diversity and complexity and insurance reimbursement with an annual allocation of \$45,500 in the budget.	Peak Body projects supported and insurance reimbursed as per Peak Body Agreements.
Continue to support Section 41 Committees to achieve their goals.	Community Committees supported through funding allocation.



## Corporate Governance

2011/2012 Key Actions	2011/2012 Outcomes
Promote the Mid North Community Passenger Network which is hosted by Council to continue the improvement trend of services to the community.	Mid North Community Passenger Network continues to grow in usage in all 4 partner Council areas. (Clare & Gilbert Valleys Council, Regional Council of Goyder, Regional Council Wakefield Regional and District Council of Mallee)
Develop an annual compliance register and program to ensure Council is meeting all statutory requirements.	Council meets all statutory requirements with regard to compliance.
Continue to develop Council's Bushfire Management Plan & Animal Management Plans.	Council continues to sit on the regional Bushfire Prevention committee to develop the regional Bushfire Management Committee
Develop, implement and manage the Clare Caravan Park lease.	Negotiated with Park Australia to achieve a successful lease arrangement with Discovery Holiday Parks for the Clare Caravan Park.
Continue to assist the community to promote and risk manage community events.	A very successful Clare Valley Breakaway Festival was held across the Council region in January at the Finish of Stage 1, Santos Tour Down Under 2012 and was won by A Greipel



Winner – Stage 1 Tour Down Under 2012

## Recreation Facilities

2011/2012 Key Actions	2011/2012 Outcomes
<p>A Business Plan has been developed and implemented giving The Valleys Lifestyle Centre and the recreation sector direction over the next 5 years to meet goals of the Clare and Gilbert Valleys Council Strategic Plan 2008 – 2012. The Business Plan will be used for development of individual business cases for future projects as well as a guiding framework for a marketing plan for The Valleys Lifestyle Centre.</p>	<p>The Business Plan is a living document with ongoing reviews and will be reviewed in entirety during 2012 .</p>
<p>Key Actions and Future projects for The Valleys Lifestyle Centre include:</p> <ul style="list-style-type: none"> <li>• Initiate and coordinate new user groups such as Gymnastics, Indoor Soccer, Volleyball and Netball, and help to build the current users groups of The Clare Sports Club, Squash, Basketball, Valleys Play-Gym and Swim Club.</li> <li>• Continue to grow and build bootcamp, the group fitness program, boxing and Zumba classes and introduce new programs and classes where necessary.</li> <li>• Works will include installation of new stadium floor to increase safety, aesthetic and player comfort.</li> <li>• Increase social marketing through facebook, twitter and a website specific to The Valleys Lifestyle Centre.</li> </ul>	<p>The Clare Gymnastics Club Inc. continues to grow with a strong membership of over 100</p> <p>Indoor Soccer (Futsal) has now been a consistent performer for 3 years with a solid team base an excellent standard of play.</p> <p>Ladies Netball is consistently held each summer and provides social and fitness benefits for all involved.</p> <p>The Clare Sports Club has appointed a new manager Anita Maunders. The Valleys management will look to work closely with her to help generate increased patronage and bookings.</p> <p>Squash, Basketball and Swim Club have all increased members numbers during their seasons.</p> <p>Play-Gym is now owned and operated by Council with a successful handover in early 2010 and continues to go from strength to strength.</p> <p>Boxing and Zumba classes are now a steady performer on the group fitness timetable with 4 timeslots per week and group fitness classes are frequently booked by school groups and sporting clubs.</p> <p>A successful grant application will enable the stadium floor to be resurfaced with a contribution of \$44,000 to be received from Recreation South Australia.</p>
<p>Council continues to operate the Riverton Pool. Work planned will include general maintenance as required. The centre has completed an upgrade of the plant and reinstatement of the diving board. Council will continue to review the needs of this facility on a year to year basis and maintenance program will be ongoing.</p>	<p>Work completed included installation of a new ball-cock water replacement system and sealing of the bund water catchment. A new acid dosing system was implemented to increase pool operator safety and reduce workload. Changeroom upgrades and maintenance were completed and asbestos removed. Concourse also completed with painting of new 'no running' and 'no diving, shallow water' around all pools</p>



## Development, Infrastructure & Environment

2011/2012 Key Actions	2011/2012 Outcomes
Approximately \$1,500,000 to be spent on repairing bridges damaged in the December 2010 flood event, plus the repair or replacement of various pipes, culverts and floodways valued at \$290,000.	Complete – Bowden's Bridge on Rhynie/Balaklava Road deferred to 2012/13.
New or upgraded footpath and kerbing work valued at \$270,000, and renewal work totalling \$50,000.	Completed, with the exception of works associated with Lennon St PLEC, to be completed in 2012/13.
Approximately \$700,000 will be spent on new sealing work, with a further \$400,000 to be spent on resealing.	Completed, with the exception of works associated with Lennon St PLEC, to be completed in 2012/13.
Approximately 30 km of unsealed roads have been listed for resheeting, as identified in Council's Asset Management Plan, at a total of \$760,000.	Complete, in addition to reconstruction work undertaken with funding from the State Disaster Fund.
Repair or renewal work valued at approximately \$500,000 has been listed to be carried out on various Council buildings throughout the district.	Complete, with the exception of \$50,000 to be spent on Public Toilets at Stockport, deferred to 2012/13.
To facilitate sustainable development and the protection of the environment that reflects the desired character outcomes for the Clare & Gilbert Valleys.	All development applications are assessed against relevant objectives and principles of development control; this ensures that development approvals are consistent with the Development Plan.
Undertake the Strategic Direction Review of the Development Plan for the Clare & Gilbert Valleys Council area.	The Mid North Regional Land Use Framework was endorsed by the Minister in May 2011. Expressions of interest were called from suitably qualified consultants to undertake Council's Strategic Directions Review process. A Vision Setting Workshop with Dr Peter Ellyard, Futurist and Council Members was conducted in May 2012, and extensive public consultation with community groups was also held in May 2012. The information gathered from these workshops and submissions are being compiled into a draft Strategic Directions Review report that will be out for public consultation in the pursuing months.
Facilitate the Biannual Industry Breakfast.	To provide stakeholders in the relevant industries with an update on the requirements and legislative changes in all aspects of town planning, building and environmental health.
Communicate to applicants and developers the intent and vision of the Development Plan.	Development assessment is conducted against relevant provisions within the Development Act and the Building Code of Australia, to ensure necessary requirements are met. Local context is assessed so that development best practice is able to meet local circumstances and conditions.
Encourage where appropriate the retention of native vegetation and prominent exotic trees.	Liaison regularly occurs between Council and Native Vegetation Council to determine appropriate native vegetation management. Landscaping plans are assessed and conditions placed on development approvals to achieve desired character outcomes for the various zones and policy areas with the Development Plan.

## Development, Infrastructure & Environment (cont)

2011/2012 Key Actions	2011/2012 Outcomes
Promote the preservation of heritage buildings.	Extensive consultation and assessment occurs in relation to State and Local Heritage places within the Council area. Council provides annual funding to the Department of Environment & Heritage to enable Heritage advice and assessment to be delivered in relation to State Heritage Places. Local heritage places are listed within the Development Plan and applications are assessed to ensure that proposals for development are compatible with the heritage characteristics of the listed place.



Clare Transfer Station



## Library & Information

2011/2012 Key Actions	2011/2012 Outcomes
Maintain core services. Investigate and implement possible efficiencies in service delivery through the use of new technology.	Core services maintained. There was a 163% increase in the number of SMS notices sent and 71% increase in the number of email notices sent from 2010/11. Wireless access available at all branches.
Library materials purchases (\$45,570 offset by grant of \$30,570). Local purchases library material \$14,500. Riverton contribution \$14,000.	Materials purchased. Grant received
Early literacy development programs	Toddler Tales program held at Clare and Saddleworth branches. Little Big Book Club, Learning for life Library packs continue to be distributed. LBBC displays and promotion. School Holiday program and Children's Book week were successful. Outreach to community via visits by and to Kindy, schools and other community groups.
Maintain the Library and Information NetworkK (LINK). Continue to build partnerships with Riverton School Community Library and other LINK partner Library services	Network active. Collaborative cataloguing group and managers group meets regularly. Consortium purchase of Libraries anywhere App and other network resources.
Investigate and implement publicity and promotion, through the use of new technology and social networking tools	Facebook pages set up for the Library and the Visitor Centre. <a href="https://www.facebook.com/CGVCLibrary">https://www.facebook.com/CGVCLibrary</a>
Investigate options for extending the Clare Library building	Potential building extension plans commissioned and completed.





## Finance

2011/2012 Key Actions	2011/2012 Outcomes
Steer the annual budget setting processes.	Annual Business Plan and Budget 2011/2012 was adopted by Council on 4 June 2011 following a period of public consultation.
Provide financial reports as required by departments to allow for effective monitoring.	Monthly reports provided with budget reviews quarterly.
Prepare external reports including Annual Financial Statements and Australian Bureau of Statistics Returns.	Annual Financial Statements for the year ended 30 June 2011 were adopted on 21 November 2011 following a successful audit by Council's independent external auditors.
Prepare Long Term Financial Plan incorporating details from the Infrastructure and Asset Management Plan (IAMP).	The Long Term Financial Plan was revised with further revision to occur upon completion of the IAMP.
Continue to assist the audit committee as required by the Local Government Act.	Refer Audit Committee Annual Report 2011/2012, page 52.



Riverton Duck Pond





# Leadership and Communication

“Provide sound leadership, clear direction and effective communication”

## Strategic Directions

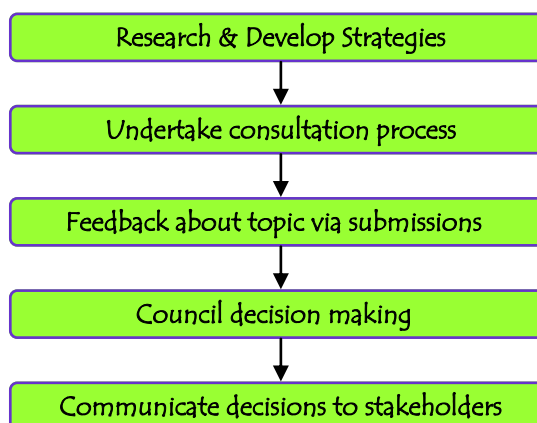
Goals from the Strategic Plan 2008 to 2012 related to the Leadership & Communication are:

- ➡ Provide progressive leadership with open and accountable governance.
- ➡ Ensure effective communication, representation and advocacy.
- ➡ Develop, attract and retain an appropriately skilled Council workforce.
- ➡ Provide sound planning and policy development for sustainable growth.

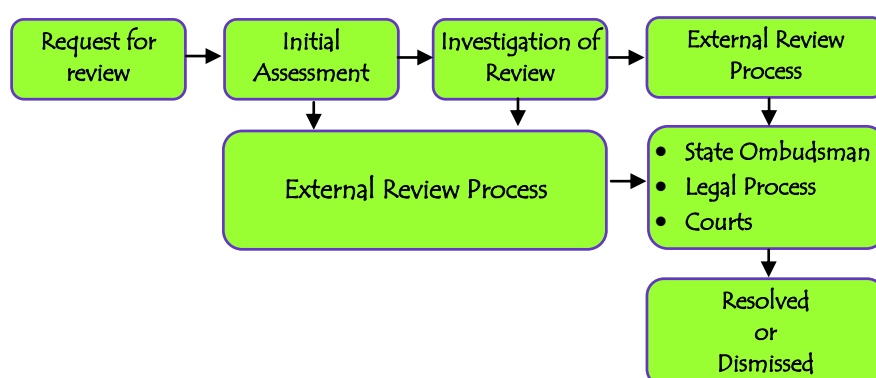
Legend: Complete  Incomplete  Ongoing 

Gleeson Wetlands

## Decision Making Process



## Internal Review of Council Decisions



## 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 2011/2012.

- Number of occasions each of the provision of Section 90(3) and 91(7) were utilised:  
18 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:  
3.8% (being of 18 minute items)
- An indication of any particular issues that contributed to the use of confidentiality provision on more than one occasion:  
3 issues were dealt with on more than one occasion
- An indication of the categories of Section 90(3) that were used:  
4 occasion – disclosure which would involve the unreasonable disclosure of information concerning personal affairs of any person.  
14 occasions – disclosure which could reasonably be expected to confer a commercial advantage on a person with whom Council is conducting or proposing to conduct business or to prejudice the commercial position of Council.  
Nil occasion – tender for supply of goods, provision of services or carrying out of works.  
Nil occasion – would divulge information provided on a confidential basis by public authority or official.
- Number of occasions that information originally declared confidential has subsequently been made publicly available:  
16 occasions
- Number of occasions that information declared has still not subsequently been made publicly available and the reasons for this in each case:  
5 occasions

## Equal Employment Opportunity

Council maintains its commitment to equal employment opportunities. Council has staff who 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.

## Freedom of Information

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

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

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

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

In the financial year ending 30 June 2012, four (4) applications (for access to Council documents under the Freedom of Information Act 1991) were processed.

## Access to Council Documents

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

Documents (general, codes, policies and registers)

- Additional Connections to CWMS
- Application to Lay Underground Services
- Art Collection Policy
- Audit Committee Policy
- Australia Day Awards Policy
- Banner Policy
- Building Fire Safety Committee
- Car Parking Contribution Policy
- Caretaker Policy
- CDAP Complaint Handling Policy
- Clare Town Hall Hire Policy



- Code of Conduct for Council Members
- Code of Conduct for Employees
- Code of Practice for Access to Council Meetings & Documents
- Community Owned Property Rate Rebate & Service Charge Donation Policy
- Competitive Tendering, Contracting, Purchasing etc Policy
- Concession Pricing Policy
- Corporate Card Usage Policy
- Council Meeting Rotations
- Council Member Conduct Complaint Handling Policy
- Council Members' Allowances and Benefits Policy
- Customer Service Protocol
- Deferment of Rates Due to Hardship Policy
- Development Assessment Procedures Policy
- Elected Member Vacancy Policy
- Elected Members Appointment to External Boards
- Elected Members Training and Development Policy
- Ennis Park Policy
- Entranceways Policy
- European Wasp Policy
- Fines on Rates of Estate Properties
- Inspection of Building Work Policy
- Internal Review of Council Decisions Policy
- Media Contact Policy
- Mobile Food Vehicles Policy
- Nomenclature Policy
- Occupational Health Safety & Injury Management Policy
- Official Purchase Orders Policy
- Opening Prayer Policy
- Order Making Policy
- Outdoor Dining Policy
- Planting of Vines – Town Centre Policy
- Public Consultation Policy
- Rate Rebate Policy 2012
- Riverton Parklands Policy
- Scholz Park – August Scholz Travelling Trunk Policy
- Secondhand Transportable Dwellings Policy
- Section 41 Committees Financial Support
- Tree Management Policy
- Tree Planting on Roadsides Policy
- Unmade Road Reserves Upgrading Road(s) adjacent Development Policy
- Visitor Information Centre Accommodation Membership Policy
- Visitor Information Centre Brochure Display Policy
- Volunteer Policy
- Waiving of Development Fees for Not for Profit Organisations Policy
- Waste Management Charge Rebate
- Water Connection to Council Property Policy

## 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.

## Public Consultation

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

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

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

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

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

## Subsidiaries

**The Central Local Government Region** was incorporated under provisions of the Local Government Act 1999. A regional subsidiary of its member Councils: Barossa, Barunga West, Clare & Gilbert Valleys, Copper Coast, Flinders Ranges, Light, Mallala, Mount Remarkable, Northern Areas, Orroro/Carrieton, Peterborough, Port Pirie, Wakefield and Yorke Peninsula. The Central Region is established to undertake co-ordinating, advocacy and representation roles on behalf of its Constituent Councils at a regional level. A copy of the 2011 Annual report is available from Council's website [www.claregilbertvalleys.sa.gov.au](http://www.claregilbertvalleys.sa.gov.au).



Stage 1—Tour Down Under 2012

## 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 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 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.

## Information on remuneration of Senior Officers

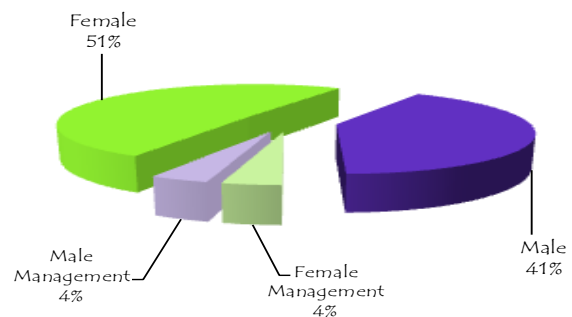
As at 30 June 2012 six members of the Leadership Team are paid a salary package which varies from individual to individual. These packages are summarised below:-

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

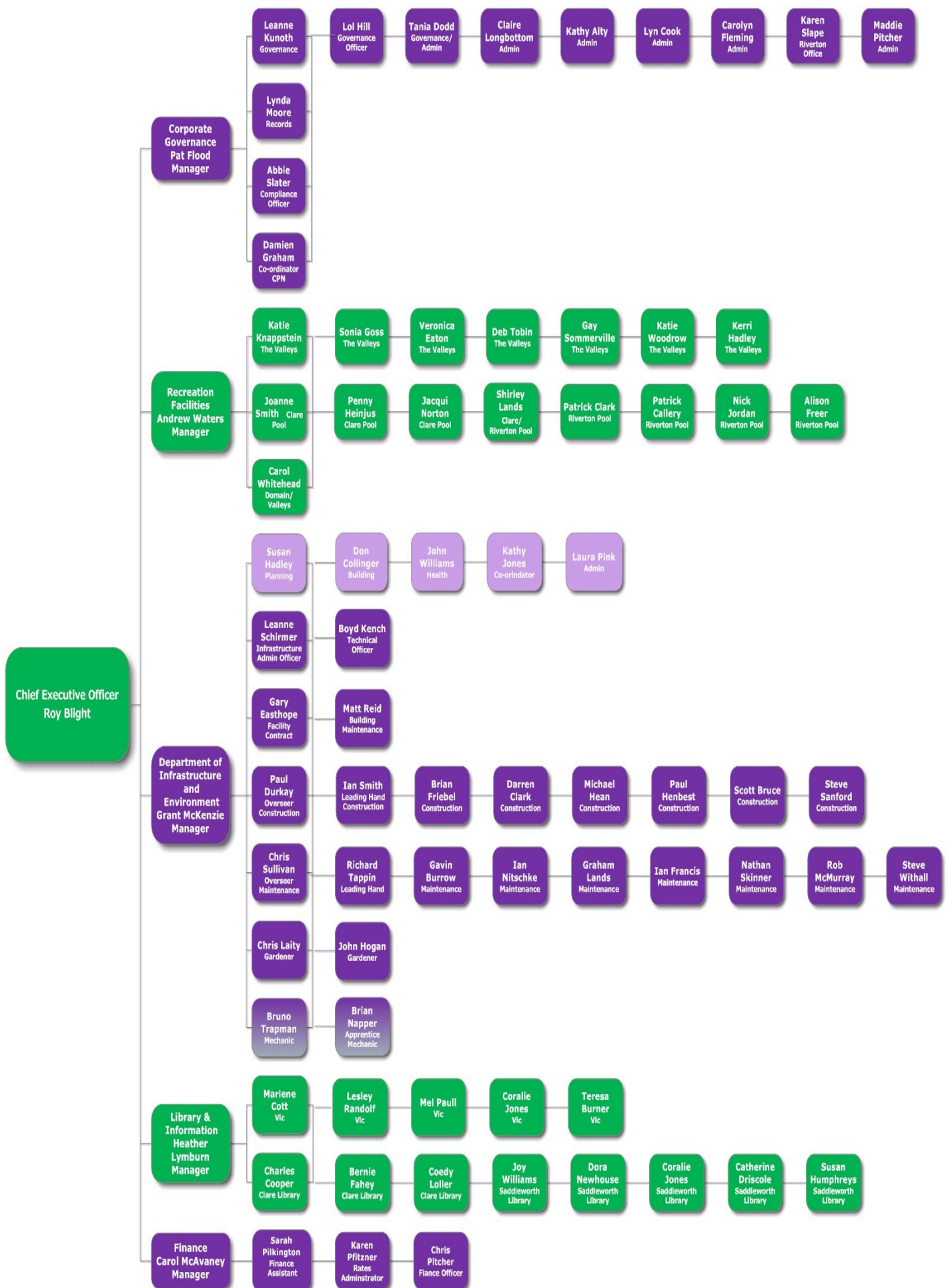
## Human Resources – Council Staff

Council employed a total workforce of 75 people which was equivalent to 61 full time, as at 30 June 2012.

## Management & Staff according to gender







## Council Committees

Council has the following Advisory Council Committees established under Section 41 of the Local Government Act:

### Facilities Management

Auburn Institute  
Auburn Recreation Park  
Clare Town Hall  
Manoora Hall  
Riverton Community Hall  
Riverton Recreation Ground  
Saddleworth Institute  
Saddleworth Recreation Ground  
Winkler Park  
Scholz Park

### Working Parties

Youth Advisory Committee  
Dry Zone Working Party  
Fire Prevention Committee  
Clare and Gilbert Arts Committee

### External Committees

Council also has Partnership Agreements with Community Peak Bodies from each of its townships to assist Council liaise with ratepayers.

These Peak Bodies are:

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

## 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 Work Cover Exempt Employer Standards, Council is required as an exempt employer, to set its own Occupational Health Safety & Welfare (OHS&W) objectives based on the organisations own gap analysis and to integrate Occupational Health Safety & Welfare into the Councils Strategic Plan.

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

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

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

The bonus results in 2011/12 compared to 2009/10, show an increase in percentage from 23.1% to 31.9% overall. 50% (\$28,864) was applicable to the OHS Self Audit completed by Council and LGAWCS in late 2010, in which Council scored 92. This equates to a Rebate cheque of \$57,728.

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

Once again during 2011/12 a Risk Management Review was undertaken by the Local Government Association Mutual Liability Scheme (LGAMLS) to assess the level of application of risk management strategies in Council. Risk Management has widely been recognised as the key to good corporate governance and compliance and there is a growing trend in the area of legislation and certification to require that risk management principles be in place.

This annual review of LGAMLS Members, of which Clare & Gilbert Valleys Council is one, forms the Risk Management component to the Performance Bonus System for the 2012/13 contribution period. The Review gives Council the opportunity to be rewarded by way of a "discount" off its Gross Contribution.

Council Risk Management review score of 84.6% continues to be above the Local Government Regional average of 80.5% and the Local Government average of 83.5%. This shows a continued commitment by all Council staff to embrace Risk Management systems and practices.



## Training

Many staff attended training in 2011/2012 and some have completed certificates in their chosen field.

Council's Manager Development Infrastructure & Environment and Manager Recreation & Lifestyle have commenced a Professional Management Program with University of SA.

Within the Development, Infrastructure & Environment department of Council the Building Officer has completed his Diploma of Building Surveying and has now commenced the Diploma in LG Planning together with the Planning & Development Co-ordinator from this department.

Council has one (1) works employee that has completed his Certificate 3 in Horticulture this year. There are also three (3) works employees that have commenced their studies in Certificate 3 in Civil Construction and one (1) ongoing in Certificate 4 in Civil Construction. Further to this the Compliance Officer is working through the Certificate 4 in Regulatory Services.

A Customer Service employee has completed her Certificate 4 in LG Admin and the Community Liaison Officer and Records Manager have commenced their studies in Diploma in LG Admin. Further to this the Payroll/Finance Officer is working through Certificate 4 in Finance/Accounting.

Many of Council's employees are completing higher levels of studies with assistance of Council but primarily in their own time. Many of these were eligible for training incentive through the State Government.

Completed 2011/2012	
Certificate 4 Local Government Administration	Kathy Alty
Diploma of Building Surveying	Don Collinge
Certificate 3 Horticulture	Chris Laity







# Asset and Enterprise Management

“Develop, maintain and manage Council assets and enterprises in a sustainable way for current and future generations”

## Strategic Directions

Goals from the Strategic Plan 2008 to 2012 related to the Asset & Enterprise Management are:

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

Legend: Complete  Incomplete  Ongoing 

Riverton Duck Pond

## Asset Management Plan

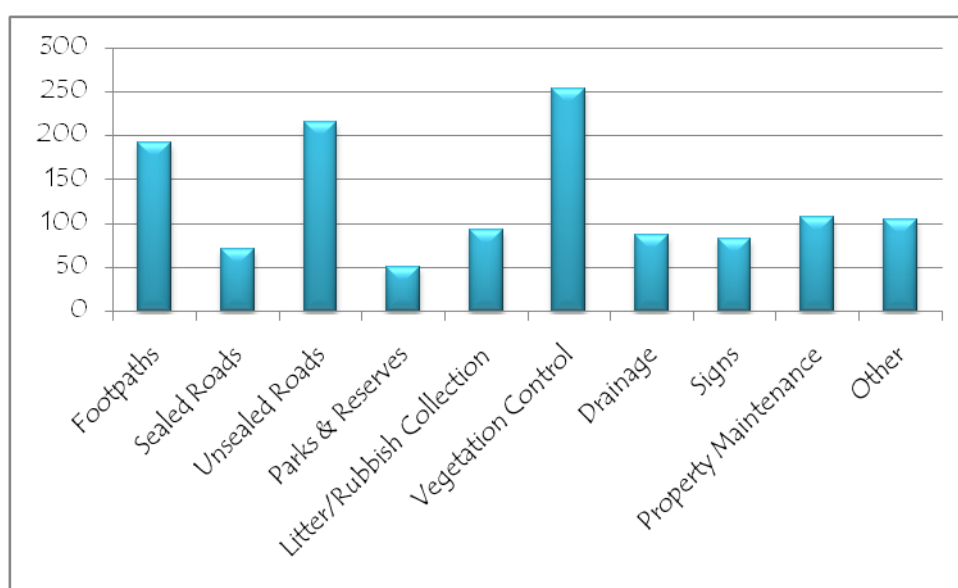
Considerable work has been undertaken to develop and enhance Council's asset management planning for key asset classes. The Asset and Infrastructure Management Plan was adopted by Council in April 2010. This Plan will impact on the allocation of resources for maintenance or renewal work as well as providing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

## Building Assets

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

## Minor Works Requests

In order to ensure Council infrastructure is kept up to a serviceable standard, Council's Works Staff endeavour to respond to all minor works requests and complaints in a timely and efficient manner. The following graph shows the number and types of requests received in the 2011/2012 financial year.



## Competitive Tendering Arrangements

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

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

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

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

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



The Assets and Infrastructure Department is responsible for the management of roads, footpaths, bridges, stormwater drainage, community wastewater management systems, parks and gardens, playground equipment, community buildings and street lighting. The major flood event of December 2010 continues to impact on Council's time and resources to remediate damage incurred to Council's infrastructure.

Major capital works programs completed during 2011/12 included:

### BRIDGE CONSTRUCTION

Riverton-Finnis Point Road  
Rhynie-Salter Springs Road  
Stockport-Giles Corner Road

### ROAD SEALING/RESEALING & RESHEETING

Sealed/Resealed 4 roads  
Resheeted 11 roads

### BUILDINGS/PROPERTIES

Auburn Institute – Kitchen upgrade  
Marrabel Park – upgrade  
Manoora Oval – power upgrade  
Mintaro Oval Toilets – plumbing upgrade  
Tarlee Institute – DDA access  
BJ Long Function Room – Ceiling tiles, doors  
Manoora Institute – Internal paint & salt damp repairs

### OTHER PROJECTS

Gleeson Wetlands  
Riverton Duck Pond  
Flood damage remediation  
Rhynie Landfill remediation  
Clare Landfill remediation



Days Hill Road





Nat Dunstan Memorial Playground







Susan Hadley, Planner – Industry Breakfast

## Economic Development

“Encourage an environment that supports business growth, tourism and employment”

### Strategic Directions

Goals from the Strategic Plan 2008 to 2012 related to the Economic Development are:

- ➔ Develop initiatives to attract people to live, work visit and invest in local business opportunities.
- ➔ Encourage the expansion of State and Federal Government services at the local level.



Old Hall/Church, Rhynie

Legend: Complete  Incomplete  Ongoing 



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 Development Act

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

### 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.

As part of Council’s legislative requirements under section 30 of the Development Act 1993, Council is required to prepare a Strategic Direction Report. The report addresses strategic planning issues that are identified within the Council area. The process began in November 2011 when Council called for expressions of interest from suitably qualified consultants to undertake the process on behalf of Council. An extensive consultation process has been undertaken, a draft report will be prepared and will be presented for public consultation in 2012/13.

300 development applications were received between 1 July 2011 and 30 June 2012, and as a comparison, 310 development applications were received between 1 July 2010 and 30 June 2011 and 307 received between 1 July 2009 and 30 June 2010.

The value decreased from \$19.9m in 2010/11 to \$18.4m in 2011/12, due to the decreased number of domestic type applications as well as commercial applications. It should be noted that these figures relate to planning assessments only and not ‘as built’ work.

### The Heritage Act

Local Government also plays a significant role in the assessment of development proposed in the State Heritage Area of Mintaro, the Historic Conservation Zone in Auburn and numerous State and Local listed buildings and properties – throughout the Council area. These development applications are assessed and referred to the Department of Environment, Water and Natural Resources (DEWNR) Heritage Branch for assessment in accordance with the Heritage Act 1993.

The Heritage Advisory Service has undergone a review into the administration of the service. The outcome of the review was to discontinue using independent Heritage Advisors and all referral be dealt with in house by DEWNR heritage staff.

## Disability Discrimination Act 1992

Pursuant to the requirements of the Disability Discrimination Act 1992, Council has developed a Disability Action Plan to assess Council's public buildings and infrastructure in line with the Act. Improvements have been made to improve access and egress for people with disabilities.

## Health Services

### Public and Environmental Health Act

The Public and Environmental Health Act 1987 is being phased out with the implementation of the Public Health Act 2011. The new Act is the result of a review of the old Act and consultation with local government and other key stakeholders.

The aims of the new Act are to provide a modernized, flexible legislative framework so South Australia can respond to new public health challenges as well as the traditional ones. Regulations under the Public and Environmental Health Act which local government have responsibilities for include the waste control regulations, swimming pool regulations and legionella regulations and these will remain the same under the new Act. The new Act is being progressively introduced over two years and commenced in June 2011.

### Immunisation

The Clare and Gilbert Valleys Council in conjunction with the City of Playford continued to provide school based vaccinations at the Clare and Riverton High Schools in accordance with the National Immunization Program with good rates of vaccine uptake.

### Septic Applications

A total of 73 waste control system applications were approved in 2011/2012. Almost all of these which weren't connections into Council owned and operated community wastewater management schemes were for "aerobic" wastewater treatment systems. Both under floor plumbing and drain inspections are undertaken during the installation process.

### Insanitary Conditions

Council's Environmental Health Officer acts on complaints from the public or from general inspections and investigates premises that may be deemed as an insanitary condition. Action is then instigated if the complaint is upheld.

Rats, mice and other vermin infestation complaints are investigated and advice or direction of eradication is given where appropriate.

### Food Act

Council's environmental health officer undertakes routine inspections of the various food businesses within the Council area on an ongoing basis for compliance with the South Australian Food Act, 2001 and the National Food Safety Standards which form a section of the Food Standards Code.

The Food Safety Standards outline both the structural and hygiene requirements with which the various food businesses are required to comply. Notifications of any food borne related illnesses in the Council area are received by Council's environmental health officer from the Communicable Disease Control Branch of SA Health and are investigated or followed up when required.

## Economic Development

The Clare & Gilbert Valleys Council recognises that liveability is an important influence on the region's economic growth and development. Issues such as access to services, infrastructure, amenities, job and career opportunities, health and education facilities, housing and the opportunity for cultural and sporting pursuits are important considerations for both individuals and investors choosing a location to reside or operate a business.

Council actively works with and supports the Community to maintain a diverse range of arts and cultural experiences, tourist attraction, lifestyle and public open spaces. Promoting the strengths of the area is an important element in encouraging economic growth and development, particularly in regional areas.

Council is a funding body to the resource agreement that supports the operation of Regional Development Australia Yorke & Mid North.

The Clare & Gilbert Valleys is well positioned for the future, our rich resources include wine, agriculture, tourism and food. Distances are shrinking with the development of technology, the National Broadband Network rollout has brought the Valleys even closer to the world.

Working together with businesses and the community we will strive to continue to build the Clare & Gilbert Valleys economy and secure our economic future, not just for the short term, but for generations to come. Council will continue to work with new investors, including existing businesses that are looking to expand, and to navigate the development path.

Council will continue to work closely with other Council's, Government Agencies and Organisations to attract people to live, work, visit and invest in local business opportunities.

## Visitor Information Centre

Located at the southern end of Clare, the facility was completed in 2005. The centre is focused on increasing visitor numbers to the region and providing a gateway destination. The centre had 33,060 visitors throughout the year and answered 7,200 phone enquiries, with the majority of visitors coming from the Adelaide metropolitan area.







Community Bike Ride – Tarlee



## Community Culture and Recreation

“Provide innovative and effective community services”

### Strategic Directions

Goals from the Strategic Plan 2008 to 2012 related to the Community Culture & Recreation are:

- ➔ Build community capacity and participation in community services, culture and recreation
- ➔ Increase the diversity, quality and coverage of arts, culture, libraries, history, youth and aged care programs and facilities.
- ➔ Identify and respond to current and future open space, sport, recreation and playground needs.

Legend: Complete  Incomplete  Ongoing 

### Citizenship Ceremonies

Australian Citizenship is an important common bond for all Australians (whether Australians by birth or by choice) and lies at the heart of a unified, cohesive and inclusive Australia. Citizenship celebrates Australian values including democracy, equality under the law and respect for each others' beliefs. It is a unique symbol of formal identification with Australia, acknowledging responsibilities and conferring substantive privileges which allow people to participate fully in the community.

Citizenship ceremonies are public ceremonial occasions which provide an important opportunity to formally welcome new citizens as full members of the Australian Community. Representatives of all three levels of government (Federal, State or Territory, and Local), community leaders, friends and relatives of the candidates are invited to attend.

Local Governments conduct most citizenship ceremonies. Mayor Allan Aughey has been authorised as a person who may receive the pledge as a citizen of the Commonwealth of Australia. During the last year, five Citizenship Ceremonies were conducted by Mayor Aughey.

### Australia Day

Every year Council hosts an Australia Day Breakfast at four venues, being Clare, Riverton, Saddleworth and Auburn. These functions are open to all residents of the Council area and attract around 1,000 people. Council presents awards to acknowledge outstanding efforts made by local people and groups to community development. Citizen of the Year and Young Citizen of the Year Awards, are presented to individuals and a Community Event of the Year Award is presented to an outstanding group.

#### Australia Day Awards for 2011

##### Citizen of the Year

Northern	David Bond
Central	Pat Quick
Southern	Rhonda (Carrie) Twigden

##### Young Citizen of the Year

Northern	Amanda Litchfield
Southern	Kelsey Forrest

##### Community Event of the Year

Northern	Clare Quilters
Central	Auburn Open Garden Day
Southern	Riverton Lawn Tennis Club Tournament



### Mid North Community Passenger Network Scheme

The Mid North Community Passenger Network Scheme provides support services to support the needs of the transport disadvantaged to our region. These services are provided with the professional assistance of a group of highly dedicated and skilled volunteer drivers and carers.

The transport team ensures the smooth operation of this program utilising six sedans and a ten seater wheelchair access bus contracted by Yorke Peninsula Coaches together with a team of 49 volunteers.

## Library Services

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

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

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

The Clare & Gilbert Valleys Library Service consist of 2 branches and 1 depot. The central branch is at Clare, and the Saddleworth Library and Community Centre offers a library, Council and a range of other community services. A Library depot is located at Auburn. The Manoora depot closed in February 2012.

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

### FACTS:

- The library service has approximately 7,729 borrowers
- The library service contains 40,534 items
- 121,074 loans were processed in 2011/2012
- 99,799 people visited the library in 2011/2012
- 8323 individual computer bookings were made in 2011/2012

Performance measures indicate that there has been a 24% increase in the number of memberships, 1% decrease in the number of loans and 3% decrease in the number of visits per year since the year ending 30 June 11.

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

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

Riverton School Community Library shares the Clare and Gilbert Valleys Library Service electronic library management system, within the LINK network. The LINK partnership utilizes Spydus software, which allows access to the library catalogue online 24/7 at <http://cgvc.spydus.com>. Materials from all Library branches are now able to be shared across the Council area and all Library users have access to the 24/7 online catalogue.

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

To actively reduce the carbon footprint the Library actively encourages customers to select electronic forms of notice delivery either SMS or email.



## Youth

Youth Week events were planned in conjunction with Wakefield Regional Council and Regional Council of Goyder with a band night held at the Valleys Lifestyle Centre. Young people from the Clare and Gilbert Valleys Council Youth Advisory Committee planned and assisted with events held in all Council regions.

The Clare and Gilbert Valleys Council Youth Advisory Committee (YAC) continued to be active and to work on projects such as youth week and the future of the Clare and Riverton youth spaces. The YAC are working towards a movie event to be held in Riverton. The YAC group have been involved in several one off training sessions such as Muso Magic and strategic planning workshops and will be involved in the implementation of the Wicked Youth Forum. The YAC continues to enjoy representation of young people from both the Riverton and Clare High Schools as well as young people who have left senior school.

## Recreation

The Valleys Lifestyle Centre is in the business of building a healthy and active community through a range of professional services, facilities and activities to cater for the wider community in an accessible and affordable manner. The business plan provides direction and guidance for the recreation staff outlining strategic marketing, areas in need of development, programs to maintain and areas to be capitalised.

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

- Creating new user groups such as The Valleys Volleyball Competition and to build on the successful programs implemented such as Valleys Futsal and Valleys Netball.
- Continued growth of the Clare Gymnastics Club Inc. to over 100 participants with plans put in place to compete in judged events.
- Build on the successful transition and handover of the Kindergym program and implement new initiatives such as Twilight Kindergym
- Development of a birthday party package offering multiple options for children and their families to hold a party at the centre. Staff can deliver a party, arrange food, conduct games and use any facet of the facility.
- Strive to increase and build the group fitness program such as Boxing, TTB, Aerobics, Circuits and create new and exciting programs that follow the fitness trends such as Zumba and Bootcamp.
- Continue the success of the indoor pool and the swim school program. A target of 500 swim school participants was identified and in December 2010 a total of 520 participants were active users. More classes and options are available including the initiation of a Junior Squad to develop swimming technique as children grow older.
- Maintain strong relationships with the user groups of the centre including The Clare Sports Club, Clare Basketball Association, Clare Squash Club, Clare Amateur Swimming Club, Health Professionals and local Physiotherapists. Building a strong network with community schools and childcare centres was also identified and achieved.
- Continual promotion of the centre through The Clare & Gilbert Valleys Council website and the use of social network sources as a point of marketing such as Facebook and Twitter. Also ongoing emails and use of the centre database have been well received and utilised.
- Grow the successful Strength For Life program that focuses on the over 50 years of age group and helping to get them active through affordable and social gym sessions.
- Update policy and procedures to increase customer satisfaction especially in the area of swim school make-up lessons and credits. New membership forms were also completed to make memberships sign ups / renewals more efficient.
- incorporation of direct debit memberships including gym, gymnastics and swimming lessons.
- The success and continued growth of recreation and The Valleys Lifestyle Centre can be attributed to the guidance of the Business Plan to develop passionate, multi-skilled and dedicated staff to provide professional services to the community.
- The Riverton Pool continues to provide a valuable facility enabling the community to maintain a healthy lifestyle by providing affordable and professional aquatic services.

# Environment

"Increase environmentally sustainability practices"

## Strategic Directions

Goals from the Strategic Plan 2008 to 2012 related to the Environment are:

- ↑ Develop an environmental sustainability policy
- Commit to a 10 % reduction in Council's carbon footprint.
- Implement sustainable water use principles for public infrastructure.
- ↑ Implement effective and sustainable waste management systems.
- Develop partnerships to promote environment advisory services.

Legend: Complete ↑ Incomplete ↓ Ongoing →



Council staff testing indoor pool

## Environmental Sustainability Policy

Council's Environmental Sustainability Policy demonstrates the organisation's commitment to improvement in environmental performance. It also provides the overall sense of direction and sets guiding principles for the setting of environmental objectives and targets. Council is committed to establishing, promoting and maintaining a culture of sustainability and environmental responsibility.

Clare & Gilbert Valleys Council aims for environmental best practice and the integration of environmental responsibility in all aspects of the Council's work. The policy statement provides a framework for establishing environmental objectives, ecological targets, action plans, procedures and review and evaluation mechanisms.

Council has been actively working towards reducing its Carbon Footprint by 10%. This is being achieved by:

- reducing waste through waste minimisation practices, and effective resource recovery practices
- the reduction of the amount of waste being taken to landfill, through recycling systems and green waste disposal
- Council's Planning and Development Department have been working to improve the energy efficiency of buildings – commercial, industrial and residential
- Council promotes sustainable water use and foster innovative options for supplies of water, including stormwater reuse and recycled water
- Core business activities and the provision of services are being undertaken in an ecologically sustainable manner

## Wastewater Treatment Plant

During 2010–2011 the construction of Community Wastewater Treatment Systems (CWMS) at Clare, Saddleworth and Riverton was completed and became operational. The construction phase of these projects began in 2009 and has resulted in the implementation of state of the art facilities that produce reclaimed treated water from the three townships' systems. This water is being utilised on town parks and recreational facilities and, in the case of Clare excess "B" Class water is on-sold to third parties, helping to spread the environmental efficiency benefits through private enterprise.

## drumMUSTER

Established in late 1998, the *drumMUSTER* program is run in conjunction with local councils to host collection sites for empty and pre-cleaned agricultural and veterinary chemical containers. The program is funded via a levy on the purchase price of crop protection and animal health chemical products sold in eligible non-returnable, rigid plastic and steel containers.

Residents in the Clare and Gilbert Valleys Council region have supported the *drumMUSTER* program since it began in the area and in 2011/12 a total of 10,348 containers were collected at the Rhynie site and processed for recycling.



### Animal Management

Whilst Council's Dog & Cat Management Plan is currently being renewed pursuant to the Dog and Cat Management Act, Council aims to generate an environment that encourages responsible pet ownership, where people and pets integrate safely and harmoniously within the community, whilst ensuring that the needs of animals and their owners are accommodated and the differing needs of all members of the community, such as non pet owners, are recognised.

Council received 2,306 dog registrations /renewals during the 2011-2012 year. For the first time Council offered free registration for all new dogs, no matter what their age. This has added to the increase in registrations as well as enabling on the spot registration for dog owners whilst Council Officers are out in the field. Council will engage a Contractor to undertake door knocks of owners who allow their dogs registration to lapse once the annual fee becomes applicable, which will ensure the renewal of these registrations.

Whilst Council has resolved not to introduce cat management legislation, residents are afforded advice and use of a cat trap free of charge to assist in the removal of stray or feral cats to lessen their impact on the environment and society.

During 2011-2012, 70 dogs were found wandering at large; much lower than the 111 dogs in the previous financial year. Of these 70 dogs 59 were successfully returned to their owners, often within a day or two of going missing.



Abbie Lilliecrapp - Compliance Officer

Council's dog holding facilities allow Council to temporarily hold a lost dog in a safe, clean and dry environment until the dog owner is located, usually within 3 days. Dogs that are not claimed are generally transferred to the animal welfare league for possible re-homing.

Council actively promotes responsible pet ownership including vaccination, desexing and microchipping. We offer support to the local dog obedience clubs and advise the general public.

### Fire Prevention

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

Inspections of township properties were undertaken and 261 hazard reduction notices were issued (significantly down from 419 for the previous year). This is an indication of increased community vigilance in ensuring that hazard reduction is undertaken on their properties prior to the need for enforcement action by Council. Very few of the hazard reduction notices proceeded to the next level of non-compliance.

Council in conjunction with the CFS Education Unit conducted two community meetings, one in Riverton and one in Watervale, whilst there were only a few in attendance at the Riverton session, the Watervale session was very well attended. Our aim being to assist in the communities' preparedness.

The annual newsletter was published and distributed to all occupiers and ratepayers (including absentee land owners), and was very well received.

We are confident that Council's involvement in fire prevention has created a safer environment for the members of our community.





Kilikanoon Cellar Door Cabernet Vineyard



# Finance

“Ensure long-term financial viability”

## Strategic Directions

Goals from the Strategic Plan 2008 to 2012 related to the Finance are:

- ➡ Develop and implement sound financial policies and plans.
- ➡ Ensure effective monitoring and reporting of Council’s financial performance.
- ➡ Recruitment of external funding.

Legend: Complete  Incomplete  Ongoing 

Clare CWMS Effluent Pond—Class B Water

### Long Term Financial Plan and Annual Business Plan and Budget

The current Long Term Financial Plan (LTFP) was first adopted in 2010 and revisions have continued to focus on the maintenance of service provision along with the renewal of Council's substantial infrastructure assets. This plan will be updated to reflect the expenditure on asset renewal identified in the revision of the Infrastructure and Asset Management Plan (IAMP).

The goals outlined in Council's IAMP have been significantly affected by the need to carry out renewal of infrastructure assets affected by the widespread flooding experienced throughout the district in December 2010.

The IAMP will be revised in 2012/2013 following a reassessment of the assets and the prioritisation of renewal works required.

The LTFP includes financial indicators designed to assist Council to assess its past results and to make decisions impacting on future sustainability. The following chart shows the indicators for the last five year period. (Refer to Note 15 of the General Purpose Financial Statements for definitions).

	2012	2011	2010	2009	2008
Operating Surplus Ratio	33%	0%	34%	0%	2%
Adjusted Operating Surplus Ratio	30%	0%	34%	0%	2%
Net Financial Liabilities Ratio	14%	51%	54%	65%	65%
Asset Sustainability Ratio	68%	79%	148%	81%	68%

### Comparisons of Budget to Actual 2010/2011

#### Operating Result and Cash Flow

Summary of Statement of Comprehensive Income		
	2012 Actual \$'000	2012 Revised Budget \$'000
Income	20,674	19,613
Expenses	17,472	13,366
Operating Surplus / (Deficit)	3,202	6,246
Capital Revenues	641	637
Net Surplus / (Deficit)	3,843	6,884

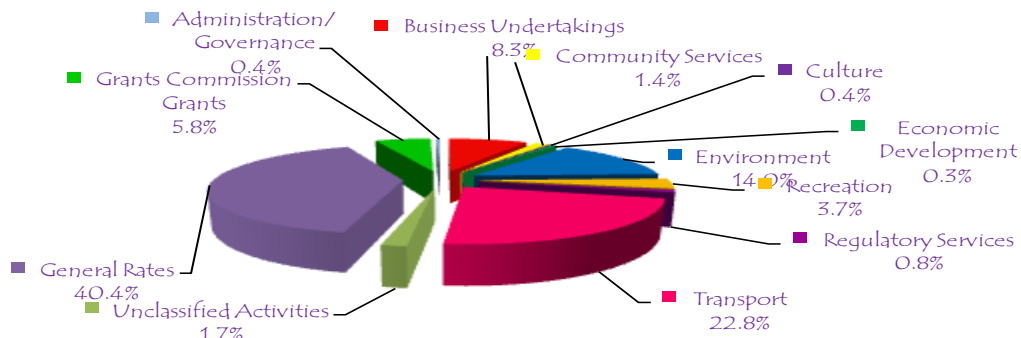


## Variations to the Net Surplus from the original budget include:

### Income

Early payment by Local Government Grants Commission in respect of 2012/2013 \$447k  
 Natural Resource Grant received for Gilbert River \$71k  
 Additional investment income \$193k  
 Increased user charges of \$180k

Operating Income by Function 2011/2012

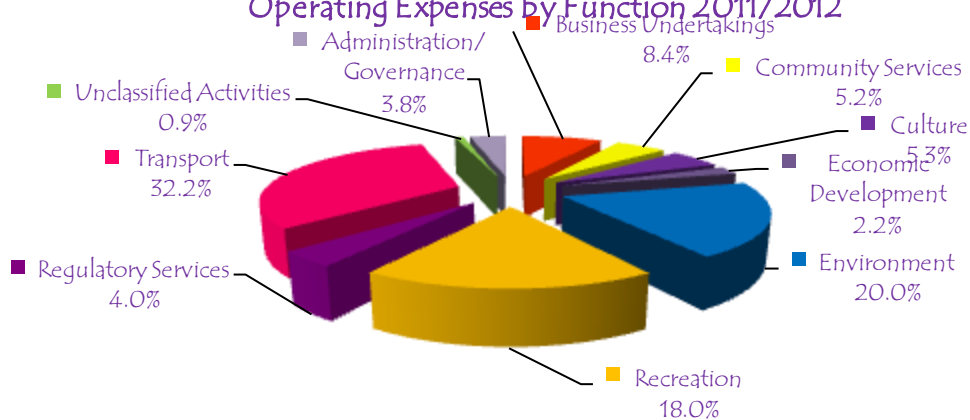


### Expenses

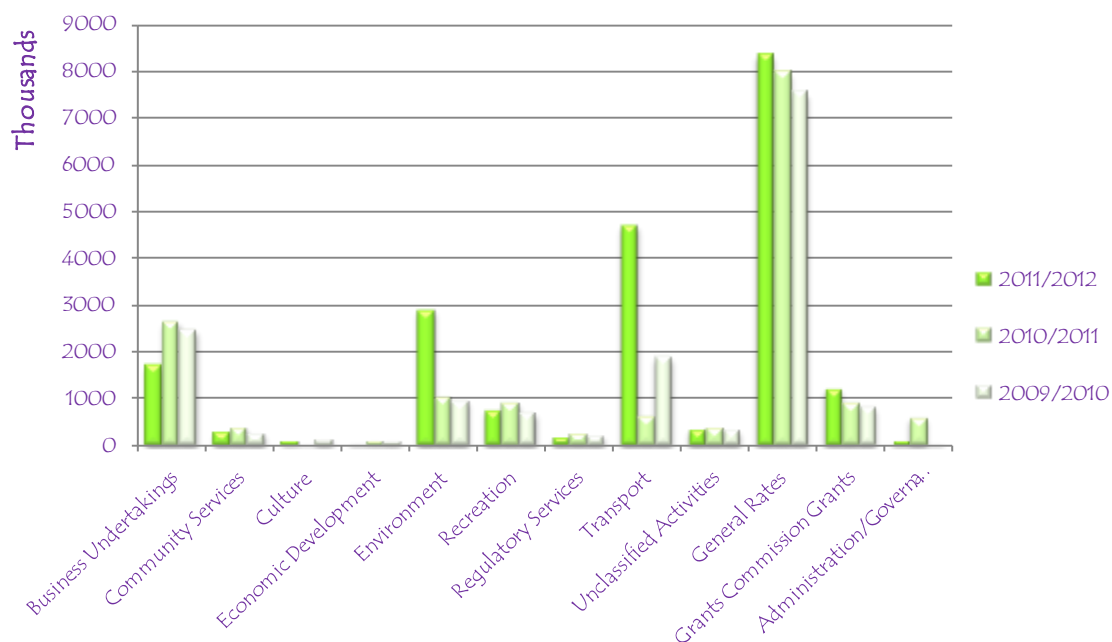
Expenditure of grant funds received for stormwater reuse projects in Clare and Riverton \$1.34m  
 Additional road infrastructure maintenance \$417k  
 Increased depreciation due to revaluation of road infrastructure \$1.66m  
 Increased maintenance of the Community Wastewater Management Systems \$380k

As a result of these variations the net surplus was reduced to \$3,843. This result however was achieved due to the receipt of significant grant funds and if these were excluded Council would have experienced an operating deficit.

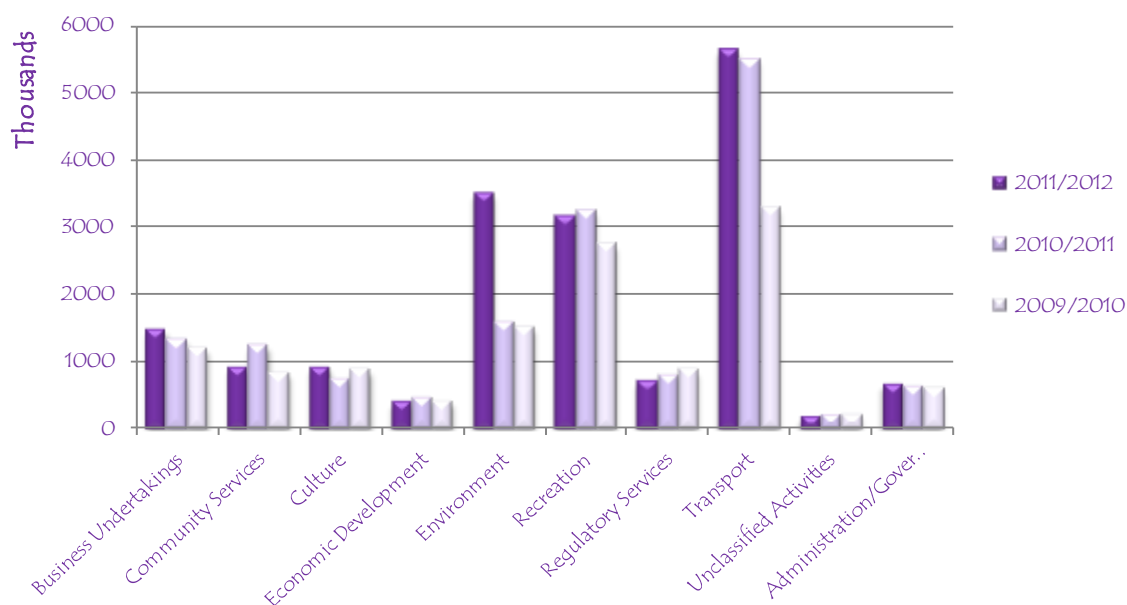
Operating Expenses by Function 2011/2012



### COMPARISON OPERATING INCOME 2009/2010, 2010/2011 & 2011/2012



### COMPARISON OPERATING EXPENSES 2009/2010, 2010/2011 & 2011/2012





## Capital Expenditure and Remediation Works

Budget	\$9.511m
Actual	\$5.297m

Works which were uncompleted have been scheduled for completion in 2012/2013 and include road works associated with power line undergrounding in Clare \$469k, road resealing \$729k, building renewal \$201k and storm-water reuse projects \$295k.

Stormwater reuse project expenditure of \$1.34m in the reporting year was included in the capital budget but the works were actually expensed.

The completion of refuse site remediation and land remediation for which provisions of \$903k had been made are also scheduled for completion in the 2012/2013 year.

## Loans

Council's loan liability at 30 June 2012 was \$10.833m, a reduction of \$748k over the previous year.

A loan of \$804k was included in the budget but not drawn, with all costs being sourced from existing cash reserves.

## Cash Flow

Cash at the end of the period was \$7.968m compared with the projected balance of \$7.354m.

This variation was the net effect of increased operating expenses, decreased capital expenditure and the non drawing of the loan.



## Audit Committee

In compliance with Section 126 of the Local Government Act, Council has an Audit Committee which provides an oversight and advisory function for Council's financial management and risk management frameworks.

This Committee provides reports to Council regarding the effectiveness of these frameworks. The Audit Committee Annual Report 2010/2011 follows.

## Audit Committee Annual Report 2010/2011

**This report** presents a summary of the activities undertaken by the Clare & Gilbert Valleys Council Audit Committee (herewith after referred to as the "Committee") and the recommendations made during the 2011-2012 financial year.

The Committee comprises five members, three of whom are Independent Members and two being Elected Members. The Presiding and Independent Members are appointed by Council for a four year term.

Appointed		Term Expires
Presiding Member—Mr John Comrie	Council Meeting April 2011	April 2015
Independent Member—Mr Grant Norman	Council Meeting April 2011	April 2015
Independent Member—Ms Jillian Wood	Council Meeting April 2011	July 2015
Elected Members		
Mayor Allan Aughey	Council Meeting November 2011	November 2014
Councillor Wayne Thomas	Council Meeting November 2011	November 2014

## Conduct of Meeting

The Committee met on three occasions during the 2011-2012 financial year with the following attendance:

Date	No of Members attending
26 September 2011	5
7 November 2011	4
21 May 2012	4

Committee Members	No of Meetings attend
Mr John Comrie	3/3
Mr Grant Norman	3/3
Ms Jillian Wood	3/3
Mayor Allan Aughey	2/3
Cr Wayne Thomas	2/3

Meetings of the Committee have also been attended by the Chief Executive Officer, Finance Manager, Manager of Corporate Governance and the Works Manager.

The following table sets out the main issues addressed by the committee during 2011–2012.

Principal Issues	Comments	Recommendations from meeting
26 September 2011		
Asset Registers	Allowance made in the 2011/2012 budget to purchase an Asset Register Program.	Noted.
Policy for Community Loans	Discussion to occur at the October Council Workshop.	Draft policy, when formulated, to be presented to the Committee.
Good Governance Assessment Program & Financial Sustainability Audit	Results from both audits have been presented to the Committee.	Priority action list to be developed from the Audits and presented to the Committee.
Issue of Official Orders Policy	Policy being presented for consideration at Council Meeting 17 October	Noted
Treasury Management Policy	A policy is being developed in the current financial year	Committee to be kept updated on progress.
Council Property Holdings	Work is proceeding on categorisation of Council property assets to facilitate an assessment by Council of their future use.	The Committee to be kept informed of the progress.
Interim Audit – Ian G McDonald FCA	A copy of the letter from Ian G McDonald was presented to the Committee.	That the letter be reported to Council and a copy of the administrations response be provided to both Council and the Committee.
Draft Annual Financial Statements		Recommended for adoption subject to minor adjustments as identified by the Committee and the inclusion of a note regarding the successful application to the Local Government Disaster Fund.
Flood Disaster Funding	A report from Tonkin Consulting on Flood Damage Assessment, Storm Event 7 December 2010 was presented.	Noted
Asset Revaluation	A report on the revaluation of Road Infrastructure as a result of damage caused by the December flood event. Impairment to the road system will be reflected in the 2010/2011 Financial Statements	Recommended to Council that the revaluation of outstanding infrastructure assets be initiated and that the Infrastructure and Asset Management Plan and the Long Term Financial Plan be updated to reflect the impact of the floods.



Principal Issues	Comments	Recommendations from meeting
<b>7 November 2011</b>		
Good Governance Assessment Program & Financial Sustainability Audit	A list of the top 27 Priority Action list was presented to the Committee.	The list to be broken down into relevant components and responsible officers and due dates to be included. The Committee is given regular progress reports.
Management response letter to Ian G McDonald FCA	Copy of letter provided.	Noted.
Draft Annual Financial Statements	Amended statements presented.	Changes endorsed and statements recommended to Council for adoption. That Council asked to note that building assets shown in the statements at their depreciated replacement costs. Work to be undertaken in 2011/12 to ensure building assets valued using an appropriate method.
Review of Terms of Reference	The Terms of Reference were provided to the Committee.	That the Terms of Reference be adopted subject to minor amendments identified.
Audit Committee Self Assessment	Examples were provided to the Committee for their direction.	It was resolved that John Comrie would develop a survey to be completed and discussed at the next meeting.
Audit Committee Annual Report	A draft report detailing the Committees achievements in the 2010-2011 year.	That the report, after minor amendments as identified be endorsed for submission to Council and for inclusion in Council's Annual Report.
Audit Committee Works Program	The program was presented for review.	A review of the Annual Works Program was completed.
Council Properties Valuations and Leases/Occupiers		A record of tenancies/occupiers of Council properties (and their rights and obligations) to be prepared and maintained.
<b>21 May 2012</b>		
Good Governance Assessment Program & Financial Sustainability Audit	A more detailed Priority List and action plan was presented.	Management to ensure that all items have a completion date and that regular updates be provided to the Committee.
Building Asset Valuations	An update provided about work that is currently being undertaken within the Local Government sector to clarify how building assets should be valued.	The Committee to be kept informed of progress on this matter.

Principal Issues	Comments	Recommendations from meeting
2010/2011 Financial Statements – Ian G McDonald FCA	A copy of the letter from Ian G McDonald was presented to the Committee.	Noted.
Draft Annual Business Plan and Budget 2012/2013	The draft plan was presented to the Committee for comment.	Minor adjustments made as identified by the Committee and the amended Draft Annual Business Plan and Budget 2012/2013 recommended for adoption by Council.
Audit Committee Self Assessment	The Committee worked through the Self Assessment question developed by John Comrie.	The Presiding Member along with Councils administration will prepare a draft report, which will be presented to Members and to Council.

### Audit Committee Evaluation

The Committee undertook a Self Assessment of its performance at its May meeting. Refer to Attachment A for a summary of the Committee's Self Assessment prepared by the Presiding Member.

### Work Program for 2012–2013 Financial Year

As outlined in the Committee's Work Program the following key items will be included as items for discussion in the coming year;

- Adoption of a Treasury Management Plan
- Review Annual Financial Statements 2011–2012
- Financial Internal Controls
- Review of the Long Term Financial Plan
- Draft Annual Business Plan 2013–2014
- Review Terms of Reference
- Self Assessment
- Infrastructure and Asset Management Plan Review
- Risk Assessment of the Current Assets Register
- Strategic Management Plan Review

## APPENDIX A

### *Audit Committee's Self-Assessment of its 2011/12 Performance– conducted 21 May 2012*

The Committee considered that:

1. Its membership had a diverse and balanced mix of relevant expertise and experience;
2. The next update to its work program should include an annual review of training needs of members to ensure members' skills and knowledge are kept up to date (it was noted that as a new member Jillian Wood attended LGA Audit Committee member training in November). It also felt that members would benefit from participating in a 'refresher' course re their roles say every 2 years;
3. It enjoyed a positive, constructive relationship with Council and the senior management team. It particularly appreciated having the Council's CEO and other senior staff attend its meetings and was very satisfied with the commitment of staff in supporting the Committee's work;
4. Its work program was appropriate and that it had been focusing on core functions;
5. It had access to appropriate Council information to fulfill its role;

6. It was effectively carrying out its terms of reference and contributing to the sound financial governance of the Council;
7. In terms of improvements or changes it was suggested that;
  - a) We should strive to have more regular meetings (say 4, approximately equally spaced in time) in 2012/13 to enable progression of outstanding items. The meeting schedule also needs to have regard to co-ordinating a meeting to coincide with development of Council's draft annual business plan;
  - b) (at Mayor Aughey's suggestion) Council consider amending the Committee's terms of reference to have the mayor as an ex officio member;
  - c) There would be merit in progressively rotating council member representation on the Committee in order to broaden understanding and knowledge of council members collectively.

JOHN COMRIE  
CHAIRPERSON  
7 October 2012





# GENERAL PURPOSE FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2012

**CLARE & GILBERT VALLEYS COUNCIL**

**GENERAL PURPOSE FINANCIAL REPORTS**

**for the year ended 30 June 2012**

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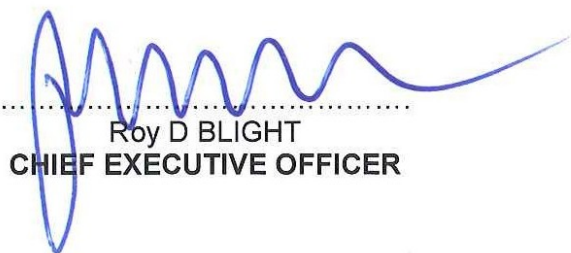
## CLARE & GILBERT VALLEYS COUNCIL

### ANNUAL FINANCIAL STATEMENTS for the year 30 June 2012

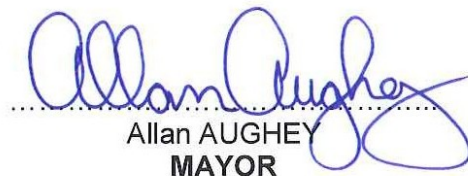
#### CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Council to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2012 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.



Roy D BLIGHT  
CHIEF EXECUTIVE OFFICER



Allan AUGHEY  
MAYOR

Date: 24 October 2012



# CLARE & GILBERT VALLEYS COUNCIL

## STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
<b>INCOME</b>			
Rates	2	10,165	9,674
Statutory charges	2	186	304
User charges	2	1,698	2,100
Grants, subsidies and contributions	2	7,486	2,751
Investment Income	2	326	323
Reimbursements	2	84	93
Other income	2	729	530
<b>Total Income</b>		<b>20,674</b>	<b>15,775</b>
<b>EXPENSES</b>			
Employee costs	3	4,097	3,875
Materials, contracts & other expenses	3	7,331	5,895
Depreciation, amortisation & impairment	3	5,209	5,085
Finance costs	3	835	914
<b>Total Expenses</b>		<b>17,472</b>	<b>15,769</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>3,202</b>	<b>6</b>
Asset disposal & fair value adjustments	4	557	(10)
Amounts received specifically for new or upgraded assets	2	53	146
Physical resources received free of charge	2	31	31
<b>NET SURPLUS / (DEFICIT)</b>		<b>3,843</b>	<b>173</b>
transferred to Equity Statement			
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	(235)	44,298
Impairment (expense) / recoupments offset to asset revaluation reserve	9	(848)	(1,683)
Transfer to accumulated surplus on sale of available-for-sale Financial Instruments		-	44
<b>Total Other Comprehensive Income</b>		<b>(1,083)</b>	<b>42,659</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>2,760</b>	<b>42,832</b>

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

# CLARE & GILBERT VALLEYS COUNCIL

## BALANCE SHEET as at 30 June 2012

	Notes	2012 \$'000	2011 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	7,968	5,122
Trade & other receivables	5	3,138	1,095
Other financial assets	5	399	377
Inventories	5	1,032	319
<b>Total Current Assets</b>		<b>12,537</b>	<b>6,913</b>
<b>Non-current Assets</b>			
Financial assets	6	463	497
Infrastructure, property, plant & equipment	7	150,296	152,583
Other non-current assets	6	386	1,188
<b>Total Non-current Assets</b>		<b>151,145</b>	<b>154,268</b>
<b>Total Assets</b>		<b>163,682</b>	<b>161,181</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	1,799	1,331
Borrowings	8	797	749
Provisions	8	1,308	1,287
<b>Total Current Liabilities</b>		<b>3,904</b>	<b>3,367</b>
<b>Non-current Liabilities</b>			
Borrowings	8	10,784	11,582
Provisions	8	117	115
<b>Total Non-current Liabilities</b>		<b>10,901</b>	<b>11,697</b>
<b>Total Liabilities</b>		<b>14,805</b>	<b>15,064</b>
<b>NET ASSETS</b>		<b>148,877</b>	<b>146,117</b>
<b>EQUITY</b>			
Accumulated surplus		7,555	8,894
Asset revaluation reserves	9	131,360	132,443
Other reserves	9	9,962	4,780
<b>TOTAL EQUITY</b>		<b>148,877</b>	<b>146,117</b>

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 2012

	Notes	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
<b>2012</b>					
Balance at end of previous reporting period		8,894	132,443	4,780	146,117
<b>Net Surplus / (Deficit) for Year</b>		3,843	-	-	3,843
<b>Other Comprehensive Income</b>					
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	(235)	-	(235)
Impairment (expense) / recoupments offset to asset revaluation reserve		-	(848)	-	(848)
Transfers between reserves		(5,182)	-	5,182	-
<b>Balance at end of period</b>		<b>7,555</b>	<b>131,360</b>	<b>9,962</b>	<b>148,877</b>
<b>2011</b>					
Balance at end of previous reporting period		8,127	89,784	5,418	103,329
<b>Net Surplus / (Deficit) for Year</b>		173	-	-	173
<b>Other Comprehensive Income</b>					
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	44,298	-	44,298
Impairment (expense) / recoupments offset to asset revaluation reserve		-	(1,683)	-	(1,683)
Transfer to accumulated surplus on disposal of infrastructure, property, plant & equipment		(44)	44	-	-
Transfers between reserves		638	-	(638)	-
<b>Balance at end of period</b>		<b>8,894</b>	<b>132,443</b>	<b>4,780</b>	<b>146,117</b>

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 2012

	Notes	2012 \$'000	2011 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Rates - general & other		10,324	9,643
Statutory charges		230	304
User charges		1,854	2,298
Investment receipts		311	332
Grants utilised for operating purposes		5,892	3,175
Reimbursements		112	53
Other revenues		1,176	1,418
<u>Payments</u>			
Employee costs		(3,948)	(3,873)
Materials, contracts & other expenses		(9,416)	(6,851)
Finance payments		(847)	(923)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>5,688</b>	<b>5,576</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		53	198
Sale of replaced assets		322	74
Sale of surplus assets		2,192	12
Repayments of loans by community groups		32	28
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(3,882)	(4,066)
Expenditure on new/upgraded assets		(786)	(1,747)
Net purchase of investment securities		(22)	(32)
Loans made to community groups		-	(50)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(2,091)</b>	<b>(5,583)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Proceeds from borrowings		-	50
Proceeds from trust funds		-	2
<u>Payments</u>			
Repayment of borrowings		(750)	(702)
Repayment of finance lease liabilities		-	(9)
Repayment of aged care facility deposits		-	(5)
Repayment of trust funds		(1)	-
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(751)</b>	<b>(664)</b>
<b>Net Increase (Decrease) in cash held</b>		<b>2,846</b>	<b>(671)</b>
Cash & cash equivalents at beginning of period	11	5,122	5,793
<b>Cash &amp; cash equivalents at end of period</b>	11	<b>7,968</b>	<b>5,122</b>

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 2012

#### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

##### **1. Basis of Preparation**

###### **1.1 Compliance with Australian Accounting Standards**

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

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011.

###### **1.2 Historical Cost Convention**

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

###### **1.3 Critical Accounting Estimates**

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

###### **1.4 Rounding**

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

##### **2 The Local Government Reporting Entity**

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

##### **3 Income Recognition**

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

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

## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

##### 5 Inventories

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

##### 6 Infrastructure, Property, Plant & Equipment

###### 6.1 Initial Recognition

All assets are initially recognised at cost.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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

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

###### 6.2 Materiality

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

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



## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 6.3 Subsequent Recognition

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

##### 6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

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

##### 6.5 Impairment

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

## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

#### 6.6 Borrowing Costs

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

#### 7 Payables

##### 7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid between 7 and 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.

## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 9.2 Superannuation

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

##### 10 Construction Contracts

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

##### 11 Joint Ventures and Associated Entities

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

##### 12 Leases

Lease arrangements are accounted for in accordance with AASB 117.

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

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

##### 13 GST Implications

In accordance with UIG (Urgent Issues Group) 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.

##### 14 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2012 reporting period and have not been used in preparing these reports.

- AASB 9 Financial Instruments
- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities



## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

- AASB 13 Fair Value Measurement
  - AASB 119 Employee Benefits
  - AASB 127 Separate Financial Statements
  - AASB 128 Investments in Associates and Joint Ventures
  - AASB 2010-6 Amendments to Australian Accounting Standards [AASBs 1 & 7]
  - AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 [AASBs 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and Interpretations 2, 5, 10, 12, 19, & 127]
  - AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]
  - AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 & AASB 131]
  - AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]
  - AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]
  - AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]
  - AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]
  - AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]
- (Standards not affecting local government have been excluded from the above list.)

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

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

# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 2 - INCOME

	Notes	2012 \$'000	2011 \$'000
<b>RATES REVENUES</b>			
<u>General Rates</u>		8,407	8,005
Less: Mandatory rebates		(100)	(82)
Less: Discretionary rebates, remissions & write offs		(24)	(23)
		<u>8,283</u>	<u>7,900</u>
<u>Other Rates</u> (including service charges)			
Natural resource management (NRM) levy		323	294
Waste collection		586	558
Community wastewater management systems (CWMS)		910	868
		<u>1,819</u>	<u>1,720</u>
<u>Other Charges</u>			
Penalties for late payment		63	54
		<u>63</u>	<u>54</u>
		<u>10,165</u>	<u>9,674</u>
<b>STATUTORY CHARGES</b>			
Building fees		22	49
Planning fees		77	102
Health & septic tank inspection fees		24	25
Dog registration fees & fines		49	49
Parking fines / expiation fees		1	2
CWMS connection fees		10	65
Other licences, fees, & fines		3	12
		<u>186</u>	<u>304</u>
<b>USER CHARGES</b>			
Cemetery fees		40	38
Caravan park fees		671	1,154
Library services		9	10
Elderly citizens facilities		14	18
Tourism		66	85
Recreation fees		648	595
Waste management fees		96	102
Cultural activities		32	-
Hall & equipment hire		24	27
Sundry		98	71
		<u>1,698</u>	<u>2,100</u>
<b>INVESTMENT INCOME</b>			
<u>Interest on investments</u>			
Local Government Finance Authority		260	251
Banks & other		28	35
Loans to community groups		38	37
		<u>326</u>	<u>323</u>

# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 2 - INCOME (continued)

	Notes	2012 \$'000	2011 \$'000
<b>REIMBURSEMENTS</b>			
For private works		19	21
Other		65	72
		<u>84</u>	<u>93</u>
<b>OTHER INCOME</b>			
Insurance & other recoupments - infrastructure, property, plant & equipment		516	250
Rebates received		83	206
Sundry		130	74
		<u>729</u>	<u>530</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		53	146
Other grants, subsidies and contributions		1,637	2,484
Individually significant item - additional Grants Commission payment	see below	239	17
Individually significant items other		5,610	250
		<u>7,539</u>	<u>2,897</u>
The functions to which these grants relate are shown in Note 12.			
<b>Sources of grants</b>			
Commonwealth Government		1,810	51
State Government		5,571	2,543
Other		158	303
		<u>7,539</u>	<u>2,897</u>
<b>Individually Significant Items</b>			
Cities & Towns Grant for water re-use projects		1,810	-
Disaster Fund contribution		3,800	250
		<u>5,610</u>	<u>250</u>
Net Additional Grants Commission Payment		239	17
<p>On 28 June 2011, Council received payment of the first instalment of the 2011/12 Grants Commission (FAG) grant. Similarly, on 28 June 2012 Council received payment of the first two instalments of the 2012/13 grant.</p> <p>This has materially increased Council's operating results in the current year, as these amounts are recognised as income upon receipt.</p> <p>Similarly material <u>adverse</u> effects will be experienced when the timing of these grant payments is restored to normal schedule in 2012/2013.</p>			
		<u>5,849</u>	<u>267</u>



# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 2 - INCOME (continued)

	2012 Notes \$'000	2011 \$'000
<b>Conditions over grants &amp; contributions</b>		
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:		
Unexpended at the close of the previous reporting period	2,284	2,180
Less: expended during the current period from revenues recognised in previous reporting periods		
Roads Infrastructure	(722)	(179)
Grants Commission	(207)	(190)
Other	(38)	(141)
Subtotal	(967)	(510)
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Roads Infrastructure	2,104	334
Grants Commission	447	207
Other	111	73
Subtotal	2,662	614
Unexpended at the close of this reporting period	3,979	2,284
Net increase (decrease) in assets subject to conditions in the current reporting period	1,695	104
<b>PHYSICAL RESOURCES RECEIVED FREE OF CHARGE</b>		
Library Books	31	31
	31	31

# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 3 - EXPENSES

	Notes	2012 \$'000	2011 \$'000
<b>EMPLOYEE COSTS</b>			
Salaries and wages		3,359	3,414
Employee leave expense		459	388
Superannuation - defined contribution plan contributions	18	172	179
Superannuation - defined benefit plan contributions	18	172	152
Workers' compensation insurance		115	146
Other		33	34
Less: Capitalised and distributed costs		(213)	(438)
<b>Total Operating Employee Costs</b>		<b>4,097</b>	<b>3,875</b>
<b>Total Number of Employees</b>		<b>61</b>	<b>60</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		9	6
Elected members' expenses		161	153
Election expenses		2	28
Operating Lease Rentals - non-cancellable leases	18		4
- minimum lease payments		-	
		<b>172</b>	<b>191</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		2,919	2,744
Energy		685	603
Insurance		385	368
Individually significant items		1,285	-
Levies paid to government - NRM levy		322	293
- Other levies		59	70
Parts, accessories & consumables		904	940
Professional services		170	106
Sundry		430	580
		<b>7,159</b>	<b>5,704</b>
		<b>7,331</b>	<b>5,895</b>
<b>Individually Significant Items</b>			
Wetlands projects in Clare & Riverton		<b>1,339</b>	<b>-</b>

# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 3 - EXPENSES (continued)

	Notes	2012 \$'000	2011 \$'000
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<u>Depreciation</u>			
Land improvements		36	36
Buildings & other structures		1,080	1,103
Infrastructure			
- Roads, footways and kerbing		3,148	3,194
- Bridges		112	108
- Other road infrastructure		29	25
- CWMS		320	139
- Stormwater drainage		33	33
Plant & equipment		483	464
Furniture & fittings		32	30
Other Assets		39	37
<u>Impairment</u>			
Infrastructure			
- Roads, footways and kerbing		-	1,201
- Bridges		-	482
- CWMS		848	-
		<u>6,160</u>	<u>6,852</u>
Less: Capitalised and distributed costs		(103)	(84)
Less: Impairment expense offset to asset revaluation reserve	9	<u>(848)</u>	<u>(1,683)</u>
		<u>5,209</u>	<u>5,085</u>
<b>FINANCE COSTS</b>			
Interest on loans		804	847
Charges on finance leases		-	1
Unwinding of present value discounts		31	66
		<u>835</u>	<u>914</u>



## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2012 Notes \$'000	2011 \$'000
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<u>Assets renewed or directly replaced</u>		
Proceeds from disposal	357	74
Less: Carrying amount of assets sold	395	93
<b>Gain (Loss) on disposal</b>	<u>(38)</u>	<u>(19)</u>
 <u>Assets surplus to requirements</u>		
Proceeds from disposal	2,192	13
Less: Carrying amount of assets sold	1,597	4
<b>Gain (Loss) on disposal</b>	<u>595</u>	<u>9</u>
 <b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>		
	<u>557</u>	<u>(10)</u>

# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 5 - CURRENT ASSETS

	Notes	2012 \$'000	2011 \$'000
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on hand and at bank		534	329
Deposits at call		7,434	4,793
		<u>7,968</u>	<u>5,122</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - general & other		395	556
Council rates postponement scheme		4	2
Accrued revenues		77	61
Debtors - general		2,404	288
GST recoupment		224	156
Loans to community organisations		34	32
		<u>3,138</u>	<u>1,095</u>
<b>OTHER FINANCIAL ASSETS</b>			
Investment		399	377
		<u>399</u>	<u>377</u>
<b>INVENTORIES</b>			
Stores & materials		1,032	319
		<u>1,032</u>	<u>319</u>

# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 6 - NON-CURRENT ASSETS

	Notes	2012 \$'000	2011 \$'000
<b>FINANCIAL ASSETS</b>			
Loans to community organisations		<u>463</u>	<u>497</u>
		<b>463</b>	<b>497</b>
<b>OTHER NON-CURRENT ASSETS</b>			
Capital works-in-progress		<u>386</u>	<u>1,188</u>
		<b>386</b>	<b>1,188</b>



# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2011 \$'000				2012 \$'000			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Land	12,605	144	-	12,749	12,605	144	-	12,749
Land improvements	-	108	(72)	36	-	-	-	-
Buildings & other structures	68,396	315	(24,823)	43,888	66,139	1,893	(25,162)	42,870
Infrastructure								
- Roads, footways and kerbing	118,887	2,256	(46,442)	74,701	118,887	4,858	(49,590)	74,155
- Bridges	8,047	1,303	(4,131)	5,219	8,047	1,935	(4,243)	5,739
- Other road infrastructure	-	268	(51)	217	-	312	(80)	232
- CWMS	8,377	5,713	(4,181)	9,909	7,052	5,713	(4,024)	8,741
- Stormwater drainage	1,795	314	(555)	1,554	1,794	314	(587)	1,521
Plant & equipment	-	6,679	(2,931)	3,748	-	6,174	(2,435)	3,739
Furniture & fittings	-	506	(275)	231	-	500	(303)	197
Other assets	-	661	(330)	331	-	723	(370)	353
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>218,107</b>	<b>18,267</b>	<b>(83,791)</b>	<b>152,583</b>	<b>214,524</b>	<b>22,566</b>	<b>(86,794)</b>	<b>150,296</b>
<b>Comparatives</b>	<b>148,431</b>	<b>13,111</b>	<b>(56,486)</b>	<b>105,056</b>	<b>218,107</b>	<b>18,267</b>	<b>(83,791)</b>	<b>152,583</b>

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 2012

### Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (continued)

	CARRYING AMOUNT MOVEMENTS DURING YEAR							2012 \$'000 CARRYING AMOUNT
	2011 \$'000 CARRYING AMOUNT	\$'000					Net Revaluation	
		New/Upgrade	Additions Renewals	Disposals	Depreciation	Impairment		
Land	12,749	-	-	-	-	-	-	12,749
Land improvements	36	-	-	-	(36)	-	-	-
Buildings & other structures	43,888	1,490	88	(1,281)	(1,080)	-	-	42,870
Infrastructure								
- Roads, footways and kerbing	74,701	342	2,260	-	(3,148)	-	-	74,155
- Bridges	5,219	-	632	-	(112)	-	-	5,739
- Other road infrastructure	217	30	14	-	(29)	-	-	232
- CWMS	9,909	-	-	-	(320)	(848)	-	8,741
- Stormwater drainage	1,554	-	-	-	(33)	-	-	1,521
Plant & equipment	3,748	-	1,183	(709)	(483)	-	-	3,739
Furniture & fittings	231	-	-	(2)	(32)	-	-	197
Other assets	331	-	61	-	(39)	-	-	353
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	152,583	1,862	4,238	(1,992)	(5,312)	(848)	-	150,296
Comparatives	105,056	2,729	7,449	(97)	(5,169)	(1,683)	44,298	152,583

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 2012

#### Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (continued)

##### Valuation of Assets

At 1 July 2004 upon the transition to Australian International Financial Standards (AIFRS), Council elected pursuant to Australian Accounting Standard AASB 1.19 to retain a previously established deemed cost under generally accepted accounting practice as its deemed cost. With subsequent additions at cost, this remains as the basis of recognition of non-material asset classes.

##### Land & Land Improvements

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

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 2010 at current replacement cost. Additions are recognised at cost.

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

##### Buildings & Other Structures

Buildings and other structures generally are recognised at fair value, based on current market values. However, special purpose buildings (such as public toilets) for which there is no market are valued at depreciated current replacement cost. These assets were revalued as at 30 June 2010 by Maloney Field Services. Work is currently being undertaken to determine buildings which Council does not intend to replace at the end of their useful life, and these will be valued at the market value of the "highest and best" use.

##### Infrastructure

Roads, footways and kerbing infrastructure was valued by Tonkin Engineering as at 1 July 2010 at written down current replacement cost, based on rates current at that time.

Bridges and other infrastructure assets were valued at written down current replacement cost based on a valuation by Maloney Field Services as at 30 June 2007. A revaluation of these assets will be undertaken effective 1 July 2012.

All acquisitions made after the respective dates of valuation are recorded at cost.

##### Plant, Furniture & Equipment

These assets are recognised on the cost basis.

##### All other assets

These assets are recognised on the cost basis.



# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 8 - LIABILITIES

	2012 \$'000		2011 \$'000	
Notes	Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>				
Goods & services	1,001	-	516	-
Payments received in advance	12	-	46	-
Accrued expenses - employee entitlements	514	-	485	-
Accrued expenses - other	177	-	189	-
Aged care facility deposits	5	-	5	-
Deposits, retentions & bonds	59	-	59	-
Other	31	-	31	-
	<u>1,799</u>	<u>-</u>	<u>1,331</u>	<u>-</u>
<b>BORROWINGS</b>				
Loans	797	10,784	749	11,582
	<u>797</u>	<u>10,784</u>	<u>749</u>	<u>11,582</u>

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

### PROVISIONS

Employee entitlements (including oncosts)	501	117	383	115
Refuse sites remediation	757	-	856	-
Land remediation	50	-	48	-
	<u>1,308</u>	<u>117</u>	<u>1,287</u>	<u>115</u>

*Amounts included in provisions that are not expected to be settled within 12 months of reporting date.*

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### Movements in Provisions - 2012 year only (current & non-current)

	Employee Entitlements	Future Reinstatement	Land Remediation
Opening balance	498	856	48
Add Unwinding of present value discounts	24	-	-
(Less) Payments	(6)	(117)	-
Add (Less) remeasurement adjustments	102	18	2
Closing balance	<u>618</u>	<u>757</u>	<u>50</u>

# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 9 - RESERVES

	1/7/2011	Net Increments (Decrements)	Transfers, Impairments	30/6/2012
Notes	\$'000	\$'000	\$'000	\$'000
<b>ASSET REVALUATION RESERVES</b>				
Land	10,360	-	-	<b>10,360</b>
Buildings & other structures	33,358	-	(235 )	<b>33,123</b>
Infrastructure				
- Roads, footpaths, kerbing	78,469	-	-	<b>78,469</b>
- Bridges	4,672	-	-	<b>4,672</b>
- Other road infrastructure	612	-	-	<b>612</b>
- CWMS	4,972	-	(848 )	<b>4,124</b>
<b>TOTAL</b>	<b>132,443</b>		<b>(1,083 )</b>	<b>131,360</b>
<b>Comparatives</b>	<b>89,784</b>	<b>44,342</b>	<b>(1,683 )</b>	<b>132,443</b>
	1/7/2011	Transfers to Reserve	Transfers from Reserve	30/6/2012
<b>OTHER RESERVES</b>				
CWMS Reserves	389	553	-	<b>942</b>
Library Reserve	41	3	(2 )	<b>42</b>
Development Infrastructure Reserve	6	-	(6 )	<b>0</b>
Fauna Park Reserve	7	-	(7 )	<b>0</b>
International Relations Reserve	8	-		<b>8</b>
Clare Caravan Park Reserve	-	1,940		<b>1,940</b>
Mistletoe Control Reserve	10	1		<b>11</b>
Riverton RSL Building Reserve	43	1		<b>44</b>
Waste Management Reserve	383	227		<b>610</b>
Ngadjuri Lodge Reserve	29	2	(16 )	<b>15</b>
Section 41 Committee Funds Reserve	90	26	(5 )	<b>111</b>
Unspent Grants and Loans Reserve	1,456	3,644	(809 )	<b>4,291</b>
Clare Friends of the Library Reserve	10	5	(1 )	<b>14</b>
Gilbert Friends of the Library Reserve	8	-	(1 )	<b>7</b>
Riverton Caravan Park and Recreation				
Grounds Reserve	19	33		<b>52</b>
Clare Open Space Reserve	58	3		<b>61</b>
Riverton Open Space Reserve	54	2		<b>56</b>
Mid North Community Passenger				
Network Reserve	137	17		<b>154</b>
Windfarm Roads Infrastructure Reserve	2,023	194	(617 )	<b>1,600</b>
Other Reserves	9	-	(5 )	<b>4</b>
<b>TOTAL OTHER RESERVES</b>	<b>4,780</b>	<b>6,651</b>	<b>(1,469 )</b>	<b>9,962</b>
<b>Comparatives</b>	<b>5,418</b>	<b>1,811</b>	<b>(2,449 )</b>	<b>4,780</b>

## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 9 - RESERVES (continued)

##### **PURPOSES OF RESERVES**

##### **Asset Revaluation Reserves**

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

##### **Other Reserves**

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

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

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

**Library Reserve** - for sundry art and literacy programs and future capital renewal

**Development Infrastructure Reserve** - for budgeted projects and unexpected infrastructure

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

**International Relations Reserve** - to further relationships with 'sister' cities in Ireland and Japan

**Clare Caravan Park Reserve** - proceeds from sale of Clare Caravan Park cabins and equipment to

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

**Riverton RSL Building Reserve** - for building maintenance

**Waste Management Reserve** - for provision of refuse collection and disposal

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

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

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

**Clare Friends of the Library Reserve** - funds raised by the Clare Friends of the Library Committee

**Gilbert Friends of the Library Reserve** - funds raised by the Gilbert Friends of the Library Committee

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

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

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

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

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

**Other Sundry Reserves** - for various minor works including community projects



**CLARE & GILBERT VALLEYS COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2012**

**Note 10 - ASSETS SUBJECT TO RESTRICTIONS**

No Assets are subject to externally imposed restrictions.

## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

**(a) Reconciliation of Cash**

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

	Notes	2012 \$'000	2011 \$'000
Total cash & equivalent assets	5	<u>7,968</u>	<u>5,122</u>
Balances per Cash Flow Statement		<u>7,968</u>	<u>5,122</u>

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

Net Surplus (Deficit)	3,843	173
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	5,209	5,085
Net increase (decrease) in unpaid employee benefits	118	(27)
Premiums & discounts recognised & unwound	31	67
Non-cash asset acquisitions	(31)	(31)
Grants for capital acquisitions treated as Investing Activity	(53)	(146)
Net (Gain) Loss on Disposals	<u>(557)</u>	<u>10</u>
	8,560	5,131
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(2,006)	448
Net (increase) decrease in inventories	(713)	(30)
Net increase (decrease) in trade & other payables	(56)	(2)
Net increase (decrease) in other provisions	<u>(97)</u>	<u>29</u>
<b>Net Cash provided by (or used in) operations</b>	<u>5,688</u>	<u>5,576</u>

**(c) Non-Cash Financing and Investing Activities**

Acquisition of assets by means of:

- Physical resources received free of charge	3	<u>31</u>	<u>31</u>
<i>Amounts recognised in Income Statement</i>		31	31
- Estimated future reinstatement etc. costs		<u>(99)</u>	<u>(18)</u>
		<u>(68)</u>	<u>13</u>

**(d) Financing Arrangements**

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

Corporate Credit Cards	7	13
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# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 12 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES										
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Business Undertakings	1,712	2,637	1,466	1,341	246	1,296	-	539	11,103	13,650
Community Services	296	346	911	1,237	(615)	(891)	153	133	4,806	5,073
Culture	74	76	919	741	(845)	(665)	24	57	3,714	3,753
Economic Development	66	85	390	454	(324)	(369)	-	-	513	532
Environment	2,897	1,019	3,492	1,596	(595)	(577)	1,881	50	3,227	3,023
Recreation	764	915	3,150	3,249	(2,386)	(2,334)	40	177	38,484	39,083
Regulatory Services	174	244	701	805	(527)	(561)	-	-	60	63
Transport & Communication	4,704	614	5,622	5,501	(918)	(4,887)	4,183	613	80,281	80,126
Plant Hire & Depot/Indirect	-	-	-	-	-	-	-	-	4,127	4,066
Unclassified Activities	352	378	163	208	189	170	1	17	2,416	2,422
Council Administration	9,635	9,461	658	637	8,977	8,824	1,204	1,165	14,951	9,390
<b>TOTALS</b>	<b>20,674</b>	<b>15,775</b>	<b>17,472</b>	<b>15,769</b>	<b>3,202</b>	<b>6</b>	<b>7,486</b>	<b>2,751</b>	<b>163,682</b>	<b>161,181</b>

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



## **CLARE & GILBERT VALLEYS COUNCIL**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012**

#### **Note 12 – FUNCTIONS (continued)**

##### **COMPONENTS OF FUNCTIONS**

The activities relating to Council functions are as follows:

##### **Business Undertakings**

Caravan Parks  
Community Wastewater Management Schemes (CWMS)

##### **Community Services**

Public Order and Safety - Emergency Services, Fire Protection, Other Public Order and Safety  
Health Services  
Community Support - Elderly Citizens Facilities, Other Services for the Aged and Disabled, Children and Youth Services, Community Assistance, Community Transport, Other Community Support  
Community Amenities - Cemeteries, Public Conveniences, Car Parking – non-fee-paying  
Other Community Amenities.

##### **Culture**

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

##### **Economic Development**

Regional Development, Support to Local Businesses, Tourism, Other Economic Development.

##### **Environment**

Natural Resource Management Levy  
Waste Management - Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management  
Other Environment - Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping

##### **Recreation**

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

##### **Regulatory Services**

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

##### **Transport**

Bridges, Footpaths and Kerbing, Roads, Traffic Management, Other Transport.

##### **Plant Hire & Depot**

##### **Unclassified Activities**

Interest

##### **Council Administration**

Governance - Elected Members, Organisational  
Support Services - Accounting/Finance, Payroll, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services  
Revenues – General Rates, Local Government Grants Commission Grants

# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 13 - FINANCIAL INSTRUMENTS

#### Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning interest rates of 3.5% (2011: 4.75%). Short term deposits have an average maturity of 180 days and an average interest rate of 5.05% (2011: 180 days, 6.25%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables</b> - Rates & associated charges (including legals & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following	<p><b>Accounting Policy:</b> 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><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 0.7708% (2011: 0.75%) 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><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables</b> - Fees & other charges	<p><b>Accounting Policy:</b> 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><b>Terms &amp; conditions:</b> 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><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables</b> - other levels of government	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> 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 &amp; State.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Receivables</b> - Retirement home contributions	<p><b>Accounting Policy:</b> 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><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Liabilities</b> - Creditors and accruals	<p><b>Accounting Policy:</b> 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><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities</b> - Retirement home contributions	<p><b>Accounting Policy:</b> To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.</p> <p><b>Terms &amp; conditions:</b> 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><b>Carrying amount:</b> approximates fair value for short tenancies; may be non-materially overstated for longer tenancies.</p>
<b>Liabilities</b> - Interest bearing borrowings	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 6.12% and 7.9% (2011: 6.12% and 7.9%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities</b> - Finance leases	<p><b>Accounting Policy:</b> 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 2012

**Note 13 - FINANCIAL INSTRUMENTS (continued)**

**Liquidity Analysis**

2012	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash & equivalents	7,968	-	-	7,968	7,968
Receivables	2,775	277	399	3,451	3,202
Other financial assets	399	-	-	399	399
<b>Total</b>	<b>11,142</b>	<b>277</b>	<b>399</b>	<b>11,818</b>	<b>11,569</b>
<b>Financial Liabilities</b>					
Payables	1,108	-	-	1,108	1,108
Current borrowings	1,563	-	-	1,563	797
Non-current borrowings	-	6,254	8,875	15,129	10,784
<b>Total</b>	<b>2,671</b>	<b>6,254</b>	<b>8,875</b>	<b>17,800</b>	<b>12,689</b>

2011	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash & equivalents	5,122	-	-	5,122	5,122
Receivables	1,034	-	-	1,034	1,034
Other financial assets	447	281	466	1,194	874
<b>Total</b>	<b>6,603</b>	<b>281</b>	<b>466</b>	<b>7,350</b>	<b>7,030</b>
<b>Financial Liabilities</b>					
Payables	657	-	-	657	657
Current borrowings	1,563	-	-	1,563	749
Non-current borrowings	-	6,254	10,438	16,692	11,582
<b>Total</b>	<b>2,220</b>	<b>6,254</b>	<b>10,438</b>	<b>18,912</b>	<b>12,988</b>

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

	30 June 2012		30 June 2011	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
Fixed interest rates	6.72	11,581	6.7	12,331
		<u>11,581</u>		<u>12,331</u>

**Net Fair Value**

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

**Risk Exposures**

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

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

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (Local Government Association Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

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



## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 14 - COMMITMENTS FOR EXPENDITURE

	2012 Notes \$'000	2011 \$'000
<b>Capital Commitments</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	80	-
	<u>80</u>	<u>-</u>
These expenditures are payable:		
Not later than one year	80	-
	<u>80</u>	<u>-</u>

#### **Other Expenditure Commitments**

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

Audit services	36	45
Waste management services	4,110	-
Employee remuneration contracts	698	475
CWMS plant maintenance contract	280	-
	<u>5,124</u>	<u>520</u>
These expenditures are payable:		
Not later than one year	598	176
Later than one year and not later than 5 years	2,270	344
Later than 5 years	2,256	-
	<u>5,124</u>	<u>520</u>

## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 15 - FINANCIAL INDICATORS

	2012	2011	2010
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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 Ratio

<u>Operating Surplus</u>	33%	0%	34%
Rates - general & other less NRM levy			

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

#### Adjusted Operating Surplus Ratio

	30%	0%	34%
--	-----	----	-----

*In each of June 2009, 2010 and 2011 the Commonwealth Government made an advance of one quarterly payment of the Financial Assistance Grant. In June 2012 an advance of two quarterly payments was made (see Note 2). Accordingly there were four "quarterly" payments in 2010 and 2011, and five payments in 2012. The **Adjusted Operating Surplus Ratio** adjusts for this distortion. In addition, the operating surplus includes an amount of \$3.8m which was received from the Local Government Disaster Fund (see Note 2) and a net amount of \$471,000 for water re-use projects (see Notes 2 & 3). The impact of netting out these amounts would be an Adjusted Operating Surplus Ratio for 2012 of (13.3%).*

<u>Net Financial Liabilities</u>	14%	51%	54%
Total Operating Revenue less NRM levy			

*Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue (excluding NRM levy). The impact of excluding the one-off receipts from the Local Government Disaster Fund and for the water re-use projects (refer previous note) would be a Net Financial Liabilities ratio for 2012 of 37%.*

#### Asset Sustainability Ratio

<u>Net Asset Renewals</u>	68%	79%	148%
Infrastructure & Asset Management Plan required expenditure	*	*	*

*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.*

*Amounts shown above an asterisk (\*) indicate that depreciation expense has been used as a proxy, pending finalisation of the Infrastructure & Asset Management Plan.*

## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2012 \$'000	2011 \$'000
Income	20,674	15,775
/less Expenses	<u>17,472</u>	<u>15,769</u>
<b>Operating Surplus / (Deficit)</b>	<b>3,202</b>	<b>6</b>
<b>/less Net Outlays on Existing Assets</b>		
Capital expenditure on renewal and replacement of existing assets	3,882	4,066
/less Depreciation, amortisation and impairment	5,209	5,085
/less Proceeds from sale of replaced assets	<u>322</u>	<u>74</u>
	<b>(1,649)</b>	<b>(1,093)</b>
<b>/less Net Outlays on New and Upgraded Assets</b>		
Capital expenditure on new and upgraded assets	786	1,747
/less Amounts received specifically for new and upgraded assets	53	198
/less Proceeds from sale of surplus assets	<u>2,192</u>	<u>12</u>
	<b>(1,459)</b>	<b>1,537</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>6,310</u></b>	<b><u>(438)</u></b>

**CLARE & GILBERT VALLEYS COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2012

**Note 17 - OPERATING LEASES**

**Lease payment commitments of Council**

Council has no operating lease commitments. The communication system lease held at 30 June 2011 has expired and the equipment returned.

	2012 \$'000	2011 \$'000
Not later than one year	-	1
	<u>-</u>	<u>1</u>



## **CLARE & GILBERT VALLEYS COUNCIL**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012**

#### **Note 18 – SUPERANNUATION**

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

##### **Marketlink (Accumulation Fund) Members**

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2011/12; 9% in 2010/11). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

##### **Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6.3% (6.3% in 2010/2011) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of salary for Salarylink members to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

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

The most recent actuarial investigation was conducted by the Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2011. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES

##### Section 41 Committees

The financial statements of the following Section 41 Committees have been consolidated into Council's statements for the year ended 30 June 2012.

(a) Mid North Passenger Community Passenger Network (MNCPN)

This Committee is an advisory committee of interested parties including representatives of the Clare & Gilbert Valleys Council, Wakefield Regional Council, Regional Council of Goyder and District Council of Mallala.

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

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

(b) Other

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

##### Regional Subsidiaries

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

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

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

## **CLARE & GILBERT VALLEYS COUNCIL**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012**

#### **Note 20 - ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET**

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

##### **LAND UNDER ROADS**

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

##### **BANK GUARANTEES**

No loans or banking facilities advanced to community organisations have been guaranteed by Council.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE CLARE & GILBERT VALLEYS COUNCIL**

I have audited the accompanying financial report of the Clare & Gilbert Valleys Council which comprises the balance sheet as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity, cash flow statement, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2012.

**Chief Executive Officer's Responsibility for the Financial Report**

The Chief Executive Officer 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 together with the Local Government (Financial Management) Regulations 2011. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or 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 Board of Management, as well as evaluating the overall presentation of the financial report.

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

**Independence**

In conducting my audit I followed applicable independence requirements of Australian professional and ethical pronouncements and the Local Government Act 1999.

**Auditor's Opinion**

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Clare & Gilbert Valleys Council as of 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011.



**IAN G MC DONALD FCA  
CHARTERED ACCOUNTANT  
REGISTERED COMPANY AUDITOR**

Liability limited by a scheme approved under Professional Standards Legislation

Signed 4 day of November 2012, at Eastwood, South Australia

1st Floor,  
206 Greenhill Road,  
Eastwood, SA, 5063

PO Box 75  
Henley Beach  
SA 5022

Mobile: 0419 620 906  
Residence: 8356 0825  
Facsimile: 8356 6397

Email: [imd1962@bigpond.net.au](mailto:imd1962@bigpond.net.au)



**CLARE & GILBERT VALLEYS COUNCIL**

**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 30 June 2012**

**STATEMENT BY THE AUDITOR**

I confirm that, for the audit of the financial statements of Clare & Gilbert Valleys Council for the year ended 30 June 2012, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



**Ian G McDonald FCA**

Date: 26/9/12

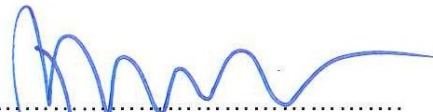
**CLARE & GILBERT VALLEYS COUNCIL**

**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2012

**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Clare & Gilbert Valleys Council for the year ended 30 June 2012, the Council's Auditor, Ian G McDonald FCA, has maintained his independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

  
.....  
Roy D BLIGHT  
**CHIEF EXECUTIVE OFFICER**  
.....  
John COMRIE  
**PRESIDING MEMBER  
AUDIT COMMITTEE**

Date: 22 OCTOBER 2012

## Appendix

### Central Local Government Regional of South Australia

### Annual Report for 2011/2012

Will be available from Council's website  
[www.claregilbertvalleys.sa.gov.au](http://www.claregilbertvalleys.sa.gov.au)