

Annual Report

2019/20



CLARE & GILBERT
VALLEYS COUNCIL

Clare & Gilbert Valleys Council
4 Gleeson Street
CLARE 5453
South Australia

Telephone
08 8842 6400

Email
admin@cgvc.sa.gov.au

Website
www.claregilbertvalleys.sa.gov.au



CLARE & GILBERT
VALLEYS COUNCIL

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Overview

Council Snapshot

Council is committed to transparent reporting and accountability to the community. This Annual Report provides the community with information about Council's operations and performance during the financial year, and meets all obligations under Section 131 of the Local Government Act 1999.



COUNCIL AREA
189,251 hectares

ELECTORS
6,799

POPULATION
9,429

ROADS
1,833km

Message from Mayor and Chief Executive Officer

2019/20 has been a challenging year for business and the community of Clare & Gilbert Valleys Council area. On top of a second year of drought the world has had to work out how to keep going in a pandemic. In particular the tourism and hospitality sector were significantly impacted by the compulsory three months of lock down in early 2020. Despite this, the Council continued to operate because Local Government was designated as an essential service. Operational work practices were altered to minimise the risks, but the focus was and has continued to be on delivery of services and projects in line with the Annual Business Plan.

Council focused on updating its Strategic Plan. With support from the community, an Open Space Strategy has been developed creating a clear path forward for the investment in infrastructure to ensure all community members have reasonable access to areas for sport and recreation. Council also took a significant step towards dealing with Clare's ongoing flood risk with the adoption of the Clare Stormwater Implementation Plan.

Council received a \$1million Drought Communities Grant in 2018/19 and after having the range of projects approved by the Federal Government, delivered all projects within a six month period. A second Drought Communities Grant was received in late 2019 but fortunately administration has the whole of the 2020 calendar year to deliver its list of projects. The purpose of the Drought Communities Grants is to provide support to those secondary businesses or employees that are impacted by drought. With the longer timeframe for delivery in 2020 there has been a focus on providing employment opportunities and support to local businesses.

CGVC, along with the rest of the local government sector, has been part of the development of the new Planning and Design Code which was implemented on 31 July 2020.

Despite the challenges of the ongoing pandemic, Council completed a comprehensive review of the cost of providing its community wastewater management systems and kerbside waste collection service with a view of moving towards full cost recovery, rather than a service that is subsidised by Council rates.

Council recorded an operating deficit of \$1,122,000 for the 2019/20 financial year. This is significantly larger than Council had planned and is primarily due to a decrease in income, because of COVID and early grant payments made by the Federal Government. In addition, Council decided to provide financial support to community infrastructure projects in Watervale and Clare; it also had \$462,000 increased depreciation costs along with additional COVID related expenses.

For the first time, Council undertook a customer satisfaction survey and the results were very encouraging indicating that 48.2% of respondents were satisfied or very satisfied with Council's services, 32.3% reported feeling neutral. However, there is room for improvement as 19.5% reported they were unsatisfied or very unsatisfied with Council, and strategies have been implemented to improve service response.

Mayor Wayne Thomas

Dr Helen Macdonald
Chief Executive Officer

Elected Members



Left to Right

Back Row

Councillor Brian Koch, Councillor Ian Burfitt, Councillor Ann Alder, Councillor Malcolm Bartholomaeus, Councillor Nedd Golding

Front Row

Councillor Leon Bruhn, Deputy Mayor Elizabeth Calvert, Mayor Wayne Thomas, Councillor Cate Hunter, Councillor Lucy Drummond

Representation Structure & Quota

The Council is the decision-making body on all matters of policy and strategic direction. It is comprised of the Mayor and nine Councillors who are elected by the whole community. A Deputy Mayor is appointed every two years.

Clare & Gilbert Valleys' total number of electors is 6,799. The quota for Clare & Gilbert Valleys is one(1) elected member to 679 electors.

Clare & Gilbert Valleys Council at a Glance

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

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

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

The cornerstones of the economy are the productive and fertile lands of the Clare & Gilbert Valleys, combined with favourable climatic conditions which result in excellent broad acre cropping opportunities and livestock production. This strength provides a strong foundation for enviable food experiences and an increasing trend towards value-adding before and beyond the farm gate.

The Clare & Gilbert Valleys has a population of 9,429 (ABS, 30 June 2019) spread across service towns of Clare, Riverton, Saddleworth and Auburn and the villages of Stockport, Tarlee, Rhynie, Manoora, Mintaro, Watervale, Sevenhill, Armagh, Waterloo, Hilltown, Leasingham, Stanley Flat and Marrabel. The population is growing slowly, with a total population increase of 1.94% between 2016 and 2019.

The Clare & Gilbert Valleys is a focal point for 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, Kidman and Lavender Trails also traverse the Council's landscape offering a diversity of active experiences.

Education is a focus for the Clare & Gilbert Valleys with excellent public and private schools and a number of training organisations. A quality library service is provided through full time libraries at Clare, Saddleworth and Riverton, with an agency in Auburn. The University of the Third Age is also located within the region.

There is a high level of health and associated services available locally, including two hospitals and an ambulance service. The Mid North Community Passenger Network Scheme helps fill the gaps for a region that has no public transport.

The Clare & Gilbert Valleys has active and efficient emergency services throughout the region provided by dedicated and trained volunteers of the Country Fire Service, State Emergency Services and SA Ambulance.

The region has a number of State and Federal Government agencies including: Primary Industries and Regions SA, Natural Resource Management and Department of Environment and Water, Regional Development Australia Yorke and Mid North, Department of Education and Children's Services, Country Health SA, SA Water, Department of Planning, Transport and Infrastructure and Centrelink.

Councils of similar size and type

Council	Electors	Elected Members (inc. Mayor)	Representation Quota
Clare & Gilbert Valleys	6,799	10	679
Renmark Paringa	6,498	9	722
Mid Murray	6,527	10	652
Walkerville	5,720	9	635
Adelaide Plains	6,187	10	618
Naracoorte Lucindale	5,851	11	531
Wakefield Regional	4,782	10	478
Northern Areas	3,399	9	377

Representation Review

Every eight years, in accordance with Section 12 of the Local Government Act 1999, the Clare & Gilbert Valleys Council is required to review the composition of the Council. Clare & Gilbert Valleys Council completed a review in 2017 of its composition and elector representation arrangements which was approved by the Electoral Commissioner.

The result of the review confirmed the:

- principal member of Council be the Mayor elected by the community;
- Council area not be divided into wards; and
- elected body of Council to comprise of the Mayor and nine area Councillors.

The Local Government election in November 2018 proceeded on this basis with the election of a Mayor and nine Councillors.

Council Members Allowances

The Local Government Act 1999 and the Local Government (Members Allowances and Benefits) Regulation 2010, provides for the payment of Council Member allowances. The annual allowance for a Council Member was determined by the Remuneration Tribunal of South Australia in November 2018. Those allowances have since been subject to an adjustment by CPI on the first, second, third and fourth anniversary of the periodic elections.

Allowances effective for November 2019 are:

Mayor	\$57,668
Deputy Mayor	\$18,021
Councillor	\$14,417

Travel time allowance for members on non-Metropolitan Councils has also been determined where the Member's residence is located:

> 30kms to < 50km from Council's principal office	\$426 per annum
> 50kms to < 75kms from Council's principal office	\$726 per annum
> 75kms to < 100kms from Council's principal office	\$1,089 per annum
> 100kms from Council's principal office	\$1,546 per annum

In addition, Council Members are provided with an iPad to receive information from Council, including a communication allowance of \$600 per annum. A travel allowance for "eligible journeys" as defined in Regulation 3 of the Local Government (Members Allowance and Benefits) Regulations 1999 at the rate per kilometre prescribed in the Income Tax Assessment Act 1936 is available.

Council Members Training

The Local Government Act 1999 states that Council must ensure that its Council Members undertake regular training in accordance with the Council Members Training and Development Policy and that training complies with the Local Government Association training standards.

Training and development opportunities focus on assisting Council Members in the performance and discharge of their functions and duties and contribute to achieving the strategic and good governance objectives of Council. Council maintains a register of training and development activities attended by Council Members.

Over the last 12 months, activities have included:

- Governance & Meeting Procedure training facilitated by Norman Waterhouse
- Council Meeting Procedures & Chamber Etiquette facilitated by Local Government Association
- Local Government Association Tourism Forums
- Local Government Association AGM
- General Overview – Audit Committee – facilitated by Local Government Association
- Local Government Women's Association meetings

Decision Making Structure of the Council

Decisions of Council are made through Council meetings, Committee meetings or by employees through delegated authority. Informed decision making is critical to ensuring that decisions are made in the best interests of the wider community. During 2019/20 Council's formal decision-making structure comprised Council, Audit Committee, Council Assessment Panel and Section 41 Committees.

All Council and Committee meetings are open to the public. Documentation for each meeting (notice of meeting, agendas with reports, attachments and minutes) are available from Council offices and on Council's website.

Council Meetings

As at 30 June 2020, Council held a total of 12 ordinary Council meetings and 12 Special Council meetings. Council Members attended the following meetings from 1 July 2019 to 30 June 2020:

Council Member	Ordinary Meetings	Special Meetings
	12 meetings held	12 meetings held
Mayor Wayne Thomas	12/12	12/12
Cr Ann Alder	11/12	9/12
Cr Malcolm Bartholomaeus	12/12	12/12
Cr Leon Bruhn	10/12	12/12
Cr Ian Burfitt	10/12	11/12
Cr Elizabeth Calvert	11/12	12/12
Cr Lucy Drummond	10/12	4/12
Cr Nedd Golding	12/12	12/12
Cr Cate Hunter	9/12	12/12
Cr Brian Koch	12/12	12/12

Audit Committee

The Audit Committee is established in accordance with the Local Government Act 1999 to operate as an independent and objective advisory committee to Council. It assists Council to evaluate and improve the effectiveness of financial reporting, internal controls and risk management systems. Clare & Gilbert Valleys Council has three independent members on Council's Audit Committee, one being the Presiding Member.

Allowances for Council's Audit Committee are:

Presiding Member	\$1,200 per meeting
Independent Members	\$ 300 per meeting

In addition, independent members are paid for travel where applicable.

The Audit Committee met on four occasions during the 2019/20 financial year with the following attendance:

Committee Members	No of Meetings Attended
Mr Mark Jeffreson	4/4
Mr Alan Rushbrook	3/4
Mr Ian Swan	4/4
Mayor Wayne Thomas	4/4
Cr Ian Burfitt	1/4

Council Assessment Panel

Council has a Council Assessment Panel established in accordance with the Development Act 1993. The Panel's functions are to act as a delegate of the Council in accordance with the requirements of the Development Act 1993.

The Clare & Gilbert Valleys Council - Council Assessment Panel consists of four Independent Members and one Council Member. The Presiding Member is one of the Independent Members.

Allowances for Council Assessment Panel:

Presiding Member	\$454 per meeting
Independent Members	\$210 per meeting

In addition, independent members are paid for travel and overnight accommodation if required.

Committee Members	No of Meetings Attended
Mr Stephen Haines	2/2
Mr Paul Mickan	2/2
Mr Greg Pulford	2/2
Mr Ben Plowman	2/2
Cr Malcolm Bartholomaeus	2/2

Section 41 Committees

Council has the following Committees established under Section 41 of the Local Government Act 1999:

- Auburn Recreation Park Management Committee
- Clare Town Hall Committee
- Riverton Recreation Ground Committee
- Fire Prevention Committee
- Mid North Community Passenger Network Committee
- Dry Zone Committee
- CEO Performance Management Panel

Delegations to the Chief Executive Officer

The Council has provided the Chief Executive Officer with the delegated authority to make decisions on a number of specified administrative and policy matters. A copy of the Delegations is available on the website: www.claregilbertvalleys.sa.gov.au.

Council reviews these delegations as regularly as required by legislation. In keeping with legislative requirements Council:

- Determines the policies to be applied by the Council in exercising its discretionary powers.
- Determines the type, range and scope of projects to be undertaken by the Council.

Confidentiality

Under Section 90 (2) & 91 (7) of the Local Government Act, the following information is provided with regard to the Confidential Items raised at Council Meetings from 1 July 2019 to 30 June 2020.

- The number of orders that expired or ceased to apply during the 2019/20 year: 18
- The number of orders that were revoked during the 2019/20 year: 0
- The number of orders that remained operative during the 2019/20 year: 3

Council undertakes a review of any orders made under Section 91 (7). A confidential Items Register is kept on any orders made under Section 91(7) which contains the date of the original meeting, subject, section and date of release.

Date	Subject	Section	Released
15/7/19	The Domain Sale – 202 Main North Road, Clare	(b)	29/07/19
15/7/19	Office Additions - Clare Valley Wine Food & Tourism Centre Tender	(b)	19/08/19
15/7/19	CEO Performance Review Panel – minutes & KPI's	(a)	15/07/19
12/8/19	Supply & Delivery of Grader Tender	(b)	22/08/19
19/8/19	Supply & Delivery of Grader Tender	(b)	22/08/19
16/9/19	Bituminous Surfacing of Roads Tender	(b)	04/10/19
16/9/19	Supply of Tandem Axle Truck Tender	(b)	19/09/19
18/11/19	CEO Performance Review Panel minutes	(a)	18/11/19
9/12/19	Australia Day Awards	(a)	13/12/19
9/12/19	CEO Key Performance Indicators	(a)	09/12/19
13/1/20	Performance Review 2019 & Future Assessments of the Performance of the CEO	(a)	17/02/20
29/1/20	CEO Performance Review Panel – minutes	(a)	17/02/20
3/2/20	Performance Review 2019	(a)	17/02/20
3/2/20	Legal Matters	(j)	
17/2/20	CEO Performance Review Panel, Minutes, Reports	(a)	17/02/20
12/3/20	Legal Matters	(j)	
18/5/20	CEO Performance Review Panel – Minutes & KPI Report	(a)	18/05/20
15/6/20	Audit Committee Minutes – Confidential appointment of External Auditor	(k)	15/06/20
15/6/20	CEO Performance Management Panel Minutes	(a)	15/06/20
15/6/20	ICAC – Independent Commissioner Against Corruption	(j)	
15/6/20	Audit Committee Minutes – Confidential appointment of External Auditor	(k)	15/06/20

Management Team

The Management Team is led by Chief Executive Officer, Dr Helen Macdonald.

Director Corporate Services	Mrs Leanne Kunoth
Director Development & Community	Mr Andrew Christiansen
Director Works & Infrastructure	Mr Ken Dolan

Salary packages for these officers include over Award salary in a band from \$151,770 to \$222,529 and may also include private use of a motor vehicle, superannuation and mobile phone.

Total Employees: 61 employees, with a full time equivalent of 54.

Equal Employment Opportunity

Clare & Gilbert Valleys Council maintains its commitment to equal employment opportunities. Council has staff who span a wide range of age groups and Council maintains a balanced gender representation. The Chief Executive Officer is appointed as the Equal Opportunity 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 resource and personnel practices, policies and procedures are reviewed annually.

Work Health and Safety

Clare & Gilbert Valleys Council continues its endeavours to maintain a high standard of Work Health and Safety. Pursuant to the WorkCover Exempt Employer Standards, Council is required, as an exempt employer, to set its own Work Health & Safety objectives based on the organisation's own gap analysis and to integrate Work Health and Safety into Council's Strategic Plan.

Risk Management

Clare & Gilbert Valleys Council is committed to a high standard of governance and accountability. Council manages its strategic, operational and financial risks in accordance with the Australian Standard. This framework ensures that risks and internal controls are identified, assessed, managed and reported, whilst ensuring that effective policies, operating guidelines and actions are in place.

In 2016, an Organisational Risk Register was developed profiling Council's corporate and operational risk. This register has been reviewed and further refined in 2019. Risks identified through this process are managed and mitigated through inclusion in annual work area plans and other programs.

External Auditor and Remuneration

Galpins, Accountants, Auditors and Business Consultants were appointed by Council as the External Auditors for a five-year contract expiring at the completion of the 2019/20 financial audit. This appointment is in accordance with the Local Government Act 1999.

The remuneration paid to Galpins, Accountants, Auditors and Business Consultants for the audit in 2019/20 was \$21,230 (GST inclusive).

The external Auditors findings are reported to the Audit Committee and Council at the completion of the Audit each year. The Audit Committee meets with Council's Auditors on an annual basis to discuss internal controls, risk management and to seek clarification on financial matters.

Registers

The following is a list of registers that are held at Council's Clare office:

Members Register of Interests	Officers Register of Salaries
Members Register of Allowances & Benefits	Officers Register of Interests
Fees and Charges	Register of Confidential Items
Community Land	Development Register
Public Roads	Gifts and Benefits Register
Contracts, Agreements, Leases, Licences, Registers	
Register of Interests (CAP Members)	

Codes

The following is a list of Codes required under the Local Government Act 1999:

- Code of Practice Access to Council and Committee Meetings
- Code of Conduct – Council Members
- Code of Conduct – Council Employees

Policies

Council has adopted the following Policies:

Additional Connection to CWMS Policy
Application to lay an underground service
Art Collection Policy
Asset Management & Accounting Policy
Australia Day Awards Policy
Budget Policy
CAP Complaint Handling Policy
Caretaker Policy
Car Parking Contribution Policy
Code of Conduct for Council Employees
Code of Conduct for Council Members
Code of Practice for Access to Council Meetings and Documents Policy - Electronic
Community Financial Assistance Policy
Complaint Handling Policy
Corporate Card Policy
Council Emergency Management Policy
Council Meeting Procedures
Council Member Appointment to External Board
Council Member Complaint Handling Code of Conduct
Council Members Induction and Training Policy
Council Members Allowances and Benefits Policy
Council Member Casual Vacancy Policy
Customer Service Protocol Policy
CWMS Customer Service Charter Policy
Debt Collection Policy
Development Assessment Procedures Policy
Development Plan Consent Delegations Policy
Disposal of Land & Assets Policy 2019
Dog Management After Hours Policy 2019
Enforcement & Order Making Policy 2019
Equity Reserve Policy
European Wasp Policy
Event Management Policy
Events - Financial Support Policy
Financial Hardship CWMS Policy
Flag Flying Policy 2019
Footpath Verge Policy
Fraud, Corruption, Misconduct & Maladministration Policy
Gifts & Benefits Register Council Members
Heritage Restoration Fund Policy
Informal Gatherings Policy

Inspection of Building Work Policy, Swimming Pool Amendment Policy
Interaction of the Development Act, the State Records Act, the Freedom of
Information Act with the Copyright Act 1968 Policy
Internal Financial Control Policy
Internal Review of Council Decisions Policy 2019
Media Policy
Outdoor Dining Policy 2019
Outdoor Dining Policy Procedure
Procurement Policy 2019
Prudential Management Policy
Public Consultation Policy 2020
Public Interest Disclosure Policy 2019
Rate Rebate Policy and Application Form 2020
Rates Deferment Due to Hardship Policy 2019
Records Management Policy
Recycled Water Policy
Request for Service Policy 2019
Risk Management Framework
Risk Management Policy
Road Naming Policy 2019
Safe Environment Policy
Scholz Park – August Scholz Travelling Trunk Policy
Secondhand Transportable Dwellings Policy
Shipping and or Sea Container Policy
Treasury Management Policy
Tree Management Policy
Unreasonable Complaint Policy
Volunteer Policy
Waiving of Development Fees for Not for Profit Organisations Policy
Welcome to Country – Acknowledgement of Country
Work Health and Safety Return To Work Policy

Review of Decisions

As required by the Local Government Act 1999, Council has an Internal Review of Council Decisions Policy, outlining how decisions of Council or decisions of people acting on behalf of Council are reviewed. One application for review of a decision was received during 2019/20.

Community Land Management Plans

All local government land became classified as Community Land when the Local Government Act 1999 came into effect from 2000. The Clare & Gilbert Valleys Council progressively determined which lands should be excluded pursuant to Section 193 of the Local Government Act 1999, with community consultation occurring throughout that process. Following consideration of submissions, Council made its decision on the land to be excluded. A Community Land Register is maintained by Council. Community Land Management Plans have been prepared for all remaining Community Land.

Freedom of Information - Information Statement Public Access to Official Documents and Records

The Freedom of Information Act 1991 (the FOI Act) gives the right to request access to documents held by Councils and plays a vital role in the overall transparency of government. To meet the requirements of Section 9(1a) of the FOI Act, Councils are required to publish an Information Statement. The purpose of this is to provide the public with an overview of information held by Council and details how to access the information. The information Statement is updated annually and published on Council's website.

Information Requests

During the 2019/20 financial year, the Clare & Gilbert Valleys Council received one request for information under the provisions of the Freedom of Information Act (compared to 4 in the previous year). Freedom of Information application forms, as well as details of applicable processing fees and conditions can be obtained from Council's website www.cgvc.sa.gov.au.

All applications should be submitted in writing and forwarded to:

The FOI Officer
Clare & Gilbert Valleys Council
4 Gleeson Street
CLARE SA 5453

Competitive Tendering & Cost-Effective Services

Clare & Gilbert Valleys Council continues to strive to provide value for money in service delivery to the ratepayers of the Clare & Gilbert Valleys Council through the adoption and utilisation of purchasing and procurement Policies.

Clare & Gilbert Valleys Council aims to ensure that its methods of service provision, including the carrying out of works and purchasing goods are transparent, cost effective and represent best value for money while meeting the needs of Council and the community. At the same time, Council is committed to pursuing a convention of purchasing locally wherever possible and practical. More detailed information is available in the Procurement Policy.

National Competition Policy – Clause 7 Statement Reporting

Local Government is required to comply with the Competition Policy Reform (South Australia) Act 1996 to ensure the application of competitive neutrality principles and practices when significant “business activities” are being carried out by Councils. Whether an activity is a significant business activity to which competitive neutrality principles should be applied is a matter for Council to determine.

This determination should be made taking into account:

- The intent of the National Competition Policy
- Whether the business activity possesses sufficient market power to create a competitive impact in the market that is more than nominal or trivial.
- Whether the size of the business activity relative to the size of the market as a whole is more than nominal or trivial

The National Competition Policy categorises significant business activities as:

- Category 1 – business activities with an annual revenue in excess of \$2 million or employing assets in excess of \$20 million
- Category 2 – all other significant activities

Competitive Neutrality Principles under National Competition Policy require that Councils must report annually on:

- The determination of significant business activities undertaken by Council, and the creation or cessation of significant business activities
- The application, or change in application, of competitive neutrality
- Complaints about the application of competitive neutrality and the structure reform of public monopolies

Significant Business Activities

Category 1

- Council has determined that it has no significant business activities to declare under Category 1

Category 2

- Council has determined that it has no significant business activities to declare under Category 2

Commencement or Cessation of Significant Business Activities

Council has neither commenced nor ceased a significant business activity during the course of the reporting period.

Complaints Concerning the Application of Competitive Neutrality

Council has not received any complaints concerning the application of competitive neutrality principles during the 2019/20 financial year.

Structural Reform of Public Monopolies

These provisions do not apply to any Council activity.



Autumn in the Clare Valley

The Year in Review

COVID-19

The COVID-19 global pandemic has been a challenge that Council and the community has had to endure in the second half of the financial year. Council's business and meeting practices have undergone periodic changes to meet South Australia's Emergency Declarations.

Council, through the Local Government Association continues to work with SA Health and other State Government agencies to disseminate health information and encourage COVID safe practices amongst our communities whilst continuing to deliver Council services.

Works

The works department had a busy year with capital and programmed maintenance works. A total of 62km of the rural road network was re-sheeted and approximately 15km of rural and township sealed roads had pavement failures repaired, widening works done and failing sections reconstructed.

Main Road 45, between Steelton Road and Panchapoo Road received a capital upgrade that resulted in the sealing of approximately 2.3km of the unsealed road.

Moorhouse Lane, Riverton also received a capital upgrade, with the laneway being sealed and the stormwater management upgraded.

Footpath and kerbing upgrades were completed on various roads in Riverton.

Safety barriers were installed on Roach Road Bridge and capital repairs were undertaken on the Woolshed Flat Road Bridge.

The upgrade works on the Clare main street continued and structural roof repairs on the Clare Town Hall were completed. Automatic doors at the Saddleworth Library and concrete surrounds at Catford Park public toilets have been replaced.

Stormwater and drainage works continued in Clare, Auburn, Mintaro and Stockport, with all planned works completed.

Channel remediation works continued in the Hutt River from the Gleeson Wetlands to the Clare Township and at the Gilbert River, Saddleworth to assist with flow management.

The pump station upgrade was completed on the Community Waste Water Management Scheme system in Riverton.

Drought Communities Program

Council has received another round of \$1 million from the Federal Government's Drought Communities Program. Council and the various community groups are delivering the following projects which are due for completion at the end of 2020/beginning of 2021:

The Vale Community Centre, Watervale	Adventure Playground Equipment, Riverton Recreation Ground	New Greenkeepers Shed, Clare Golf Club
New Lights, Mintaro Bowling Club	Clare Showgrounds Outdoor Kitchen	Clare Valley Short Walks Project
Tarlee Information Bay and Public Toilets improvements	Communities Emergency Risk Assessment and Recovery Plans	Operation Flinders, Clare and Riverton High Schools
District stormwater drainage clearing	District river and creek clearing	

A project officer has also been engaged to assist the delivery of the projects.

YMCA – Valleys Lifestyle Centre – Clare

2019/20 saw YMCA complete the final year of the YMCA's initial contract with the Clare & Gilbert Valleys Council. The year produced many highlights but culminated in the centre being closed for a total of 79 days from March-June due to the global COVID-19 pandemic.

The YMCA continued to reinvest in facility upgrades which saw numerous projects completed. These projects included:

- New tile surface installed on the hydrotherapy pool concourse
- \$50,000 of new gym equipment
- Increased gym floor space through structural redevelopment
- Upgrades to pool plant room WHS equipment including new dump showers and eye wash

The 2019/20 financial year also saw the introduction of services/programs aimed at the disability sector and people dealing with mental health issues. The two programs Move n Include and the Holistic Wellness Program were collaborations with Novita and the Clare Medical Centre. The program also provided tangible lifestyle improvements and saw employment opportunities arise for multiple participants.

Continuing to have community impact, YMCA introduced Child Free Memberships. In what was an industry first, The Valleys Lifestyle Centre offered members free memberships to the pool, kindy gym and stadium sports facilities for their children under the age of 10.

The YMCA is looking forward to the challenges ahead, which include being an integral part of the rebuilding of our community following the COVID-19 crisis.

YMCA – The Riverton Swimming Pool

The 2019/20 financial year was another successful year of YMCA management at the Riverton Outdoor Pool. The year commenced with exciting facilities upgrades including:

- Retiling of 25m pool wall tiles
- Upgrade of both male and female toilets
- Installation of 4 picnic tables
- Installation of dry acid system - which was a major advancement in work, health and safety protocol.

The year saw many events hosted at the facility, both beneficial to the local community and the wider region, these included:

- Annual Riverton High School Swim Carnival
- School Holiday Vacswim Program
- SAPSASA Swim Carnival
- Local primary school swim carnivals
- Australia Day Pool Party

Management will look to continue to build on these successes to grow community attendance and ensure the viability and sustainability of the Riverton Outdoor Pool.

Libraries

It has been an interesting and challenging 12 months with the impact of the COVID-19 pandemic on our Library services. Clare & Gilbert Valleys Libraries were closed on 23 March 2020, due to the COVID-19 pandemic. The Library quickly pivoted and reconnected with the community using Facebook, the Council webpage and local print media to provide information on a range of services, resources and programs available online and assisted by email and phone. Our staged re-opening continues, while operating within SA Health guidelines. As expected, our statistics do not show the anticipated upward trends due to the Library closure and impact of COVID-19. The use of the Library's e-Collection has, however, increased by 75%.

While closed, the Libraries remained relevant to the local community by undertaking initiatives such as limited access to click and collect services from Clare and Saddleworth branch libraries; staff interaction with clients by phone and email and providing library materials that had been discarded during collection maintenance to take and keep, as part of a "pay it forward" campaign, from the front of the Clare and Saddleworth Library buildings.

During the Library shutdown, many customers discovered our e-Collection books, magazines and online research services such as the genealogical database, Ancestry, which is provided by the State Library of SA.

Restrictions on use for many of these services were removed, allowing more people to access them from home with their library card. Staff assisted members through the online process over

the phone and provided details by email. From April to June 2020, online children's reading sessions were available from the SA Public Libraries Facebook page and promoted using our Facebook page. Our Facebook page 'likes' increased by 25% during this time. On 11 May 2020, Clare and Saddleworth Libraries re-opened, with restrictions, limited services and capacity, as recommended and required by SA Health. Auburn Library remained closed due to COVID-19 restrictions. In-house library programs could not be held during the April school holiday periods, so take-home packs were produced, including crafts, information, activities and colouring-in competitions. 198 kits were picked up.

The Clare & Gilbert Valleys Council Libraries service the needs of a broad range of people of all ages. As part of the Libraries SA (Public Libraries Board) One Card system they welcome registered users from all SA public libraries to access their collections and services. In 2019/20 Clare, Auburn and Saddleworth Libraries hosted 42,618 visitors (number of people counted as they entered the Library) with 85,205 physical loans (books, DVDs and magazines) and 32,418 loans from the e-Collection.

Clare and Saddleworth libraries have access to free internet and Wi-Fi provided by the Libraries Board of SA.

In 2019/20, 235 children's library programs were conducted at the Clare and Saddleworth Libraries. Preschool story time (Toddler Tales), Baby Bounce and Rhyme Time and School holiday programs help build essential literacy skills and establish life-long library users. Saddleworth Primary School R-2 and 3-4 classes visited the Saddleworth Library each week for reading time, and to borrow materials.

Assistance was provided to 37 people with one-on-one digital help sessions during the year, and 368 adults participated in digital literacy programs: Adult Learners Week, Be Connected, Get Online Week and Tech Savvy Seniors Program. The Home Library Service connected less mobile community members to the Library.

Partnership continued with the University of Adelaide through the Children's University program and Inspiring Australia, through Science Week and the Little Bang Discovery Club programs. Coding Club, Maker Space table, puzzle tables and VR Sessions helped develop vital skills and opportunities to explore and create in a safe and instructive space.

The Library also hosted community displays, and celebrated community and author events. Volunteers provided ongoing valuable assistance at the Clare and Auburn Libraries. Friends of the Library gave support through fundraising and coordinating events such as the annual literature competition for young local writers with the topic of 'Fire'.

Citizenship Ceremonies

Australian citizenship is an important bond for all Australians and lies at the heart of a unified, cohesive and inclusive Australia. Citizenship celebrates Australian values including democracy and equality under the law and respect for each other's 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.

During 2019/20, 15 Citizenship ceremonies were performed by Mayor Wayne Thomas.

Australia Day

Council hosted Australia Day breakfasts in Clare, Riverton, Saddleworth and Auburn. These functions are open to all residents of the Council area and visitors, with attendances for the 2020 breakfasts being approximately 600 people. Council presents awards to acknowledge outstanding efforts by local people and groups who contribute to community development.

Australia Day Awards 2020

Northern Area:

Allan Mayfield	Australia Day Citizen of the Year
Jasmine Lawrie	Australia Day Young Citizen of the Year
Clare Royal Flying Doctor Support Group	Community Event of the Year

Central Area:

Peter Richardson	Australia Day Citizen of the Year
No Award	Australia Day Young Citizen of the Year
Manoora Christmas Party 2018	Community Event of the Year

Southern Area:

Mandy Clark	Australia Day Citizen of the Year
Ellen Callery	Australia Day Young Citizen of the Year
Riverton Community Christmas Carnival	Community Event of the Year

Mid North Community Passenger Network

The Mid North Community Passenger Network (MNCNP) provided transport services to support the needs of the transport disadvantaged in our region. These services are provided with the assistance of a group of highly dedicated and fully accredited volunteer drivers. Clare & Gilbert Valleys Council hosts the services, which cover Adelaide Plains Council, Wakefield Regional Council and the Regional Council of Goyder.

- MNCNP has seven SUVs and one wheelchair access vehicle
- MNCNP has 55 volunteers
- MNCNP has a 10-seater wheelchair accessible bus contracted to the Network.

Fire Prevention

Prior to the commencement of the Fire Danger Season, Council's Fire Prevention Officers carry out inspections in line with the requirements of the Flinders, Mid North, & Yorke Bushfire Management Area Plan. These inspections are conducted in locations of elevated risk, with the intent of modifying fuel loads in areas susceptible to bushfire. In the 2019/20 Fire Danger Season:

- Council issued 443 Section 105F notices requiring private landowners take action on their properties.
- Council inspected Government Properties 35 times to ensure fuel loads were adequately managed.
- Council enforced non-compliance against 43 landowners who failed to take action on their properties.

In addition to the modification of fuel loads, Council continued to work with the South Australian Country Fire Service in educating the community on the importance of bushfire prevention and preparedness.

Development Applications

Council staff assess development applications to ensure their consistency with Council's Development Plan. Development applications may be required to proceed to public consultation. Category 2 applications require Council to notify adjoining land owners and Category 3 applications require the notification of adjoining landowners and public notification in the local newspaper. Both categories can be assessed by the Council Assessment Panel (CAP) which meets as required.

The future of planning will be significantly different from 31 July 2020 onwards with the implementation of the Planning and Design Code and the new ePlanning system. New development applications have to be lodged online and assessed against the Statewide Code with the current Development Plans being revoked. Council has progressed to the formation of the Mid North Regional Assessment Panel (RAP) in conjunction with the Regional Council of Goyder, Wakefield Regional Council and Northern Areas Council. The new RAP will take over the former responsibilities of the previous CAP and assessed notifiable development applications under the Code.

2019/20 Development Applications

Developments are diverse within the Council area with a high percentage being:

- sheds (including farm sheds)
- garages and carports
- offices
- shops and factories

COVID-19 had an initial impact in terms of low development applications from March till April 2020, however from May onwards, there were significant increases in development applications, approvals and enquiries. Interest in building or moving to the Council area was

high with there being a more muted impact associated with the pandemic than originally thought and a renewed interest in moving to the region as a lifestyle change. Interest in tourism developments has also been high compared to previous years.

Development Applications	227
Category 2 application	1
Category 3 applications	14
Land Division applications	15
New allotments created	7
Boundary realignment applications	44

Animal Management

Council has continued to maintain the accuracy of the information stored in Dogs and Cats Online. Council has continued to hold Chipblitz \$10 microchipping days to help facilitate the mandatory requirement to microchip all dogs and cats.

Registrations	1,861
Stray Dogs	197
Impounded Dogs	166
Harassment Incidents	73
Attack Incidents	41

Local Nuisance and Litter Control Act 2016

The Local Nuisance and Litter Control Act 2016 is legislation Council uses to regulate litter control, illegal dumping, and local nuisances within the community.

In 2019/20 Council received 358 complaints relating to local nuisance and litter. Of those, 101 complaints related to animal nuisances, 86 local nuisances (noise, smoke, odour), and 85 unsightly property nuisances.

The remaining 86 complaints received were in relation to illegal dumping throughout the Clare & Gilbert Valleys region.

Strategic Plan 2019-2029

Clare & Gilbert Valleys Council – Vision

Grow our population while maintaining an engaged, vibrant and attractive community with a shared respect for our natural and built environment and a productive economy that fosters innovation and excellence.

The Strategic Plan is an important document guiding the direction of Council. It is structured so that Council's decision making can be informed by the outcomes and actions set out in the Strategic Plan.

Performance against the Strategic Plan and the 2019/20 Annual Business Plan and Budget objectives

1 Community Well Being

ACTIONS

Outcome: An exceptional quality of living for all, with opportunities available for people of all ages and abilities	
<ul style="list-style-type: none"> Ongoing financial support for a Youth Development Officer 	Financial support provided to the Youth Development role by Council and supporting key activities
<ul style="list-style-type: none"> Work with current Youth Advisory Committee to support their key initiatives for Youth Development across Council 	
<ul style="list-style-type: none"> Support for the Clare & Gilbert Valleys Library Service to organise, inspire and inform community members and help build strong communities by encouraging reading and literacy, research, digital literacy and provide social connection 	The Clare & Gilbert Valleys Library Service has provided resources and opportunities for community members to learn
Outcome: Strong community leadership and an active and engaged volunteer sector	
<ul style="list-style-type: none"> Ongoing support of Peak Body Projects which build & maintain a sense of community 	13 Peak Body organisations across the Council were provided financial support for community projects. There are 300 plus volunteers directly involved in these organisations
<ul style="list-style-type: none"> Ongoing support of Community Asset Grant Program to help maintain a range of community buildings & facilities 	24 Community Asset Grants awarded to help maintain a range of community buildings, facilities and activities
<ul style="list-style-type: none"> Hold Community Forums for Peak Bodies and Council Committees 	A joint Peak Body and Council Committee Forum was held on 24 February 2020 at Riverton
<ul style="list-style-type: none"> Support Council Committees, including Auburn Recreation Ground, Riverton Recreation Ground and Clare Town Hall 	Three Council Committees financially supported

<ul style="list-style-type: none"> Support Town Christmas Celebrations, ANZAC & Australia Day events 	Christmas celebrations, Australia Day breakfasts and ANZAC Day ceremonies financially supported
Outcome: A united, transparent and equitable vision for the whole local area	
<ul style="list-style-type: none"> Undertake a comprehensive review of Strategic Plan, Asset Management Plan and Long Term Financial Plan together with the Clare & Gilbert Valleys Community. 	Strategic Plan 2019-2029 – Adopted Asset Management Plan – Adopted (excluding Built Assets) Long Term Financial Plan – Adopted

2 Recreation and Lifestyle

ACTIONS

Outcome: A vibrant arts and cultural sector where creative people thrive and residents and visitors can enjoy visual arts and performances

- Places and spaces for performance and creative expression
- Events and festivals all year round
- Night time entertainment including restaurants, bars and activities

<ul style="list-style-type: none"> Continue to provide assistance to the community to manage community events 	Provided assistance to manage community events that were held
<ul style="list-style-type: none"> Sponsor Rotary Art Acquisitive Prize and Rotary Sculpture Acquisitive Prize 	May 2020 Rotary Art Exhibition cancelled due to COVID-19
<ul style="list-style-type: none"> Implementation of "Community Event Grants" which provides grants for events across the Council area 	Successful community event grants provided to: Clare Valley Festival of the Lamb Tasting Australia Market Soiree – Mintaro Adelaide Guitar Festival – Clare Main Street South Australia Conference
<ul style="list-style-type: none"> Employment of an Arts & Cultural Events Coordinator – commence 1/1/2020 (subject to Country Arts SA funding) 	Country Arts Funding not successful therefore Arts & Cultural Events Coordinator not engaged

Outcome: A healthy and active community supported by a range of tailored services and facilities

<ul style="list-style-type: none"> Replace Playground items identified in Audit 	Playground items identified in audit repaired, replaced or removed as necessary
<ul style="list-style-type: none"> Caravan Park Septic System, Auburn 	Project not able to be undertaken, therefore relisted in 2020/21 Annual Business Plan
<ul style="list-style-type: none"> Caravan Park Sites, Auburn 	Project did not proceed due to delay in above Septic System installation
<ul style="list-style-type: none"> Solar Panels Riverton Caravan Park, Riverton 	Project withdrawn by Riverton Recreation Ground Committee
<ul style="list-style-type: none"> Operate and maintain the Valleys Lifestyle Centre 	Completed the final year of the YMCA's initial three-year contract
<ul style="list-style-type: none"> Operate and maintain the Riverton Swimming Pool 	
<ul style="list-style-type: none"> Continue to support Star Club Officer in conjunction with Regional Council of Goyder and Wakefield Regional Council 	Star Club Officer working with Sporting organisations within CGVC. Also assisting communities to achieve their goals, be sustainable, be welcoming and well run.
<ul style="list-style-type: none"> Nat Dunstan Memorial Playground to be fenced 	Nat Dunstan Memorial Playground fence completed

<ul style="list-style-type: none"> Open space recreational strategy to assess all open space and recreational assets in the Council area and strategically prioritise future investment 	CGVC Open Space and Recreational Strategy consulted on and adopted by Council in May 2020
<ul style="list-style-type: none"> Support the Clare Oval Redevelopment Committee to upgrade the Clare Oval Precinct Stage 1, including the consideration of the inclusion of \$250,000 (of the \$1.96million commitment) at the first budget review to assist with full design and engineering 	Financial Support provided to the Clare Oval Redevelopment Committee to assist with full design and engineering

Outcome: A warm and welcoming local area with a rich rural identity

<ul style="list-style-type: none"> Work with the Clare Valley Alliance on opportunities to implement the Clare Valley brand more broadly 	Continued to work with Regional Development Australia to integrate the Clare Valley Brand into Council communications and built form.
<ul style="list-style-type: none"> Provide in-kind support to Clare Valley Winemakers Inc. on the construction of new Clare Valley branded entrance signage 	In-kind support provided to Clare Valley Winemakers for new entry statement signage
<ul style="list-style-type: none"> Clare & Gilbert Valley Brand Implementation 	Continued to implement the new Clare & Gilbert Valleys Council branding across Council signage

3 Natural & Built Environment

ACTIONS

Outcome: Sustainable land use development, affordable, appropriate and accessible housing

<ul style="list-style-type: none"> Encourage development that reflects the desired character outcomes for the Clare & Gilbert Valleys 	Continue to process development applications in accordance with Development Plan requirements
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Outcome: Distinctive heritage buildings are protected and celebrated

<ul style="list-style-type: none"> Ongoing support for Clare Regional History Group Collection, Riverton History Centre and Mt Horrocks Historical Society 	Financial support provided to Clare Regional History Group, Riverton History Centre and Mt Horrocks Historical Society
<ul style="list-style-type: none"> Continuation of the "Renewing our Built Heritage Grant Program" which provides small grants for owners to improve their heritage listed properties 	Successfully funded 1 project in the second year of the "Renewing our Built Heritage Grant Program"
<ul style="list-style-type: none"> Work with the Local "National Trust" on opportunities to support conservation and heritage assets 	Continue to work with the local National Trust organisations to support conservation and heritage assets

Outcome: Parks, streets and public spaces are attractive, safe and promote social interaction

<ul style="list-style-type: none"> Support ongoing improvement of visitor facilities and recreation parks in Riverton and Auburn 	Ongoing improvement to the Auburn and Riverton Caravan Parks
<ul style="list-style-type: none"> Collaborate with Discovery Holiday Parks to upgrade the Clare Caravan Park and the ongoing management of their lease 	Negotiations with Discovery Holiday Parks underway for an extended lease and major capital improvements to the Clare Caravan Park.
<ul style="list-style-type: none"> Consistent with the recommendations of the 'Colours of Clare Town Centre Study' - complete stage 1 and implement stage 2 of the Clare Streetscape Plan 	Stage 1 is complete with Stage 2 currently under way

<ul style="list-style-type: none"> Explore opportunities for State Government to financially support the implementation of the Clare Streetscape Plan 	Places for People funding granted towards Stages 1 and 2 of the project.
Outcome: Natural bush land, river systems and habitats are healthy and protected	
<ul style="list-style-type: none"> As part of the implementation of the various Stormwater Management plans, Stormwater upgrades have been listed for Clare & Stockport as well as minor works in Saddleworth & Auburn. 	The following Storm water upgrades were commenced with most being completed in 2019/20

STORMWATER

<ul style="list-style-type: none"> Clare William Street - Neagles Rock - Stage 2 	Clare William Street - Neagles Rock - Stage 2 - Complete
<ul style="list-style-type: none"> Clare - Gleeson Street Upgrades (after William Street) 	Clare - Gleeson Street Upgrades (after William Street) – Project Carried Forward to 2020-21 Annual Business Plan
<ul style="list-style-type: none"> Clare - James Road 	Clare - James Road - Complete
<ul style="list-style-type: none"> Clare - West Terrace 	Clare West Terrace - Complete
<ul style="list-style-type: none"> Stockport - Watts Terrace drainage upgrades 	Stockport - Watts Terrace drainage upgrades - Complete
<ul style="list-style-type: none"> Saddleworth - Clean Out Gilbert River 	Saddleworth - Clean Out Gilbert River - Complete
<ul style="list-style-type: none"> Auburn - St Vincent Street Floodway Upgrades 	Auburn - St Vincent Street Floodway Upgrades - Complete
<ul style="list-style-type: none"> Support for Bush For Life sites across the Council 	Financial support provided to Bush For Life sites across CGVC- Complete

Outcome: Energy, Water and Natural Resources are used sensibly and waste is reduced

<ul style="list-style-type: none"> Development and operation of a satellite Waste Transfer Station at Riverton 	Development of Waste Transfer Station at Riverton – Complete
<ul style="list-style-type: none"> Comprehensive reviews of the CWMS & Waste Management costs 	A comprehensive review undertaken on costings for the delivery of CWMS and Waste

4 Business & Economy

ACTIONS

Outcome: The local area is internationally recognised for its high quality, niche products and services attracting investment and talent

<ul style="list-style-type: none"> Continued implementation of the actions of the Economic Development Plan in conjunction with Regional Development Australia 	<p>Completion of an Investment Prospectus for Luxury Accommodation and the release of Expression of Interest for a potential site.</p> <p>Delivery of the "Clare Valley New Tourism Experiences Roadmap" which identified trail development as a key regional opportunity.</p> <p>Commenced implementation of the "Clare Valley Short Walks" as a new tourism product.</p> <p>Delivery of the "Clare Valley Tourism Destination Management & Marketing Plan" which is now being implemented by the RDA.</p>
<ul style="list-style-type: none"> Ongoing financial support to Regional Development Australia, Yorke and Mid North 	<p>Ongoing financial support provided to Regional Development Australia Yorke and Mid North</p>
<p>Support the growth of tourism in partnership with Clare Valley Alliance through the implementation of the Clare Valley Brand;</p> <ul style="list-style-type: none"> Clare Valley Destination Management & Marketing Plan; attraction of investors into luxury accommodation and product development 	<p>Continued adoption of the Clare Valley brand in Council materials and streetscaping.</p> <p>Completion of an Investment Prospectus for Luxury Accommodation and the release of Expression of Interest for a potential site.</p> <p>Delivery of the "Clare Valley Tourism Destination Management & Marketing Plan" which is now being implemented by the RDA.</p>
<ul style="list-style-type: none"> In partnership with neighbouring Councils, create the Adelaide Wine Capital Cycle Trail 	<p>Applied for a Building Better Regions Fund grant towards detailed design for the proposed trail.</p>
<ul style="list-style-type: none"> Continued financial support for the operation of the Clare Valley Wine, Food & Tourism Centre 	<p>Ongoing financial support provided to the Clare Valley Wine, Food and Tourism Centre in accordance with current funding agreement.</p>
<ul style="list-style-type: none"> Funding support for twinning celebrations with Yoshinaga Japan 	<p>Yoshinaga Japan delegations cancelled all trips due to COVID-19</p>

Outcome: Employment and Training opportunities are available for young professionals

<ul style="list-style-type: none"> Employment opportunity for a Trainee Maintenance Worker 	<p>Trainee Maintenance Worker employed</p>
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Outcome: High-Speed communications to connect businesses, residents and visitors

<ul style="list-style-type: none"> Continue to work with NBN as it continues to develop the network 	Ongoing work with NBN to assist with development across the whole Council
<ul style="list-style-type: none"> Promote the availability of the State Government funded free WiFi in Clare, Auburn and Mintaro 	Worked with SATC on identification and implementation of the hot spots.

Outcome: The road network is safe and efficient

The following Township Sealed Roads/Intersection surfaces have reached intervention and end of life as per Council's Transport Asset Management Plan. Remediation works will include pavement repairs, rehabilitation and resealing.

Auburn	
<ul style="list-style-type: none"> South St at Horrocks Hwy - hotmix Intersection only 	Works Completed
Clare	
<ul style="list-style-type: none"> Dominic St from Main North Rd to Archer Pl 	Works Completed
<ul style="list-style-type: none"> King St from Sabine St to Buchanan St 	Works Completed
<ul style="list-style-type: none"> Maynard Rd from Main North Rd to Warenda Rd 	Works Completed
<ul style="list-style-type: none"> Paxton St from Beare St to Houghton St 	Works Completed
<ul style="list-style-type: none"> Plant Ave at Main North Rd - hotmix intersection only 	Works Completed
<ul style="list-style-type: none"> Sunnyside Rd - hotmix intersection only 	Works Completed
<ul style="list-style-type: none"> Temple Rd from King St to Victoria Rd 	Works Completed
<ul style="list-style-type: none"> Toyota Access - hotmix intersection only 	Works Completed
<ul style="list-style-type: none"> Powell St from Main North Rd to Albert St 	Works Completed
Leasingham	
<ul style="list-style-type: none"> Wakefield Rd at Horrocks Hwy - hotmix intersection only 	Works Completed
Mintaro	
<ul style="list-style-type: none"> Burra St from Burton St to Merildin Rd 	Works Completed
Penwortham	
<ul style="list-style-type: none"> Horrocks Rd at Horrock Hwy - hotmix intersection only 	Works Completed
<ul style="list-style-type: none"> Horrocks St at Horrocks Hwy - hotmix intersection only 	Works Completed
<ul style="list-style-type: none"> Morrison Rd at Horrocks Hwy - hotmix intersection only 	Works Completed
Riverton	
<ul style="list-style-type: none"> Gilbert St from Torrens Rd to Swinden Rd 	Works Completed
<ul style="list-style-type: none"> Moorhouse Lane - upgrade and seal 	Works Completed
<ul style="list-style-type: none"> Railway Tce from Mill St to end of seal (south) 	Works Completed
Saddleworth	
<ul style="list-style-type: none"> Mary St from Michael St to Curb St 	Works Completed
<ul style="list-style-type: none"> Saddle Rd from Bridle St to Charles St 	Works Completed
<ul style="list-style-type: none"> Saddle Rd from Burra Rd to Bridle St 	Works Completed
<ul style="list-style-type: none"> Saddle Rd from Spur St to Whip St - hotmix intersection only 	Resolved not to proceed with works due to damage on intersection
<ul style="list-style-type: none"> Saddle Rd from Ship St to McAuliffes Rd - hotmix intersection only 	Resolved not to proceed with works due to damage on intersection
Sevenhill	
<ul style="list-style-type: none"> Anton Street at Bays Rd - hotmix intersection only 	Works Completed
<ul style="list-style-type: none"> Bayes Rd from Main North Rd to Church St - hotmix intersection only 	Works Completed
<ul style="list-style-type: none"> College Rd at Main North Rd - hotmix intersection only 	Works Completed
Tarlee	
<ul style="list-style-type: none"> Hallet St and Gilbert St - hotmix intersection only 	Works Completed
Watervale	
<ul style="list-style-type: none"> Bryksys Hill Rd from North Tce to end of seal 	Works Completed
<ul style="list-style-type: none"> Commercial Rd from St Vincent Rd to South Tce 	Works Completed
<ul style="list-style-type: none"> Main St (Watervale) from Main North Rd to North Tce 	Works Completed

• North Tce from Main North Rd to Commercial Rd	Works Completed
• South Tce at Horrocks Hwy - hotmix intersection only	Works Completed
• South Tce from Commercial Rd to Glaetzer St	Works Completed
• St Vincent from West Rd to Glaetzer Rd	Works Completed
• St Vincent Rd from Commercial Rd to West Rd	Works Completed

Outcome: The road network is safe and efficient

The following Rural sealed surfaces have reached intervention as per Council's Transport Asset Management Plan:

Sevenhill	
• Quarry Rd from Horrocks Hwy to Spring Farm Rd	Works Completed
• Quarry Rd from Spring Farm Rd to end of seal	Works Completed
Stanley	
• Copper Ore Rd from Merildin to Wookiee Creek	Works Completed
Steelton	
• Main Road 45 from Steelton Rd to 2.1km north (Subject to Special Local Roads Program – Grant Funding)	Works Completed
Waterloo	
• Main Road 45 from Quinns Gap Rd to end of seal	Works Completed
• Main Road 45 from Sydney St to Quinns Gap Rd	Works Completed
• Main Road 45 from Waterloo Rd to Sydney St	Works Completed
• Waterloo Rd from Mile Long Rd to Powerline North Rd	Works Completed
• Waterloo Rd from Powerline North Rd to Main Road 45	Works Completed
Watervale	
• Old Rd from Cemetery Rd to end of seal	Works Completed

Outcome: The road network is safe and efficient

The following Rural Sheeted Road surfaces have reached intervention and end of life as per Council's Transport Asset Management Plan. Remediation works will include reshaping existing formation, upgrading drainage (where required) and re-sheeting.

Alma	
• Giles Corner Rd from Vandeleur Rd to Alma Rd	Works Completed
Auburn	
• Allen Rd from Saddleworth Rd to Freeman Rd	Works Completed
• Dennison Rd from Balaklava Rd to Farm Driveway	Works Completed
• Flaxmill Rd from Bend at farm driveway to start of seal	Works Completed
• Flaxmill Rd from Taylors Rd to Bend at farm driveway	Works Completed
• Gregor Rd from Road Reserve at RRD 2535 to Nyowee Rd	Works Completed
• Maddern Rd from Horrocks Hwy to Dennis Rd	Works Completed
• Stephens Road from Pine Creek Rd to Moores Rd	Works Completed
Benbournie	
• Benbournie Rd from Ingomar Rd to Council boundary (west)	Works Completed
• Benbournie Rd from Stradbroke Rd to Ingomar Rd	Works Completed
Halbury	
• Herds Hill Rd from Council Boundary (west) to Balaklava Rd	Works Completed
• Woolshed Flat Rd from Diagonal Rd to Anderson Rd	Works Completed
• Woolshed Flat Rd from Gregor Rd to Diagonal Rd	Works Completed
Hilltown	
• Harvey Hwy from RM Willams Way to Start of Seal at Bridge	Works Completed
• Hilltown Rd from Cornwell Rd to Harvey Highway	Works Completed
• Hilltown Rd from End of Seal 30m North of Smart Rd to Cornwell Rd	Works Completed
• Hilltown Rd from Harvey Hwy to South Tce	Works Completed

Leasingham	
• Blocks Rd from Leasingham Rd to Bend at RRD 2320	Works Completed
Marrabel	
• Arends Rd from Farm Driveway to Council boundary (south)	Works Completed
• Arends Rd from Murrays Rd to Farm Driveway	Works Completed
• Golf Course Rd from Champion Rd to Links Rd	Works Completed
• Golf Course Rd from Links Rd to Quarry Rd	Works Completed
• Golf Course Rd from Marrabel Rd to Champion Rd	Works Completed
Penwortham	
• Pawelski Rd from Horrocks Hwy to Spring Farm Rd	Works Completed
Riverton	
• Ettrick Rd from Windy Hill Rd to Hondows Rd	Works Completed
• Finnis Point Rd from Farrows Rd to Leeward Rd	Works Completed
• Leeward Rd from Barrier Hwy to farm driveway at RRD 1160	Works Completed
• Leeward Rd from farm driveway at RRD 1160 to Callery Rd	Works Completed
• Ryelands Rd from Finnis Point Rd to start of seal	Works Completed
• Gants Hill Rd from Ryelands Rd to End of Council Boundary (East)	Works Completed
• Hesters Rd from Ryelands Rd to End of Sheeting at RRD 1415	Works Completed
Saddleworth	
• Bruce Rd from Schnaitmann Rd to Saddleworth Rd	Works Completed
Sevenhill	
• Spring Farm Rd from Quarry Rd to College Rd	Works Completed
Stanley Flat	
• Angas Ct from End of Seal to Blockers Rd	Works Completed
• Lookout Rd (Nth of Clare) from Horrocks Highway to Rossmore Rd	Works Completed
Stockport	
• Giles Corner Rd from Stribling Rd 1.8km towards Branson Rd	Works Completed
• Giles Corner Rd from Murray St to Stribling St	Works Completed
• Kochs Rd from Ayliffe Bridge Rd to Watts Tce	Works Completed
• Watts Tce from Gardiner Tce to Pine Ridge Rd	Works Completed
Tarnma	
• Pfitznern Gap Rd from Frederick Rd to Council boundary (east)	Works Completed
Tothill Creek	
• Salt Creek Rd (east) from Tothill Creek Rd to Michalanney Rd	Works Completed
Watervale	
• Watervale Rd from end of seal to Springvale Rd	Works Completed
Woolshed Flat	
• Plew Rd from Long Rd to RRD 1480	Works Completed
Waterloo	
• Carlsruhe Rd from end of seal to Main Road 45	Works Completed

Outcome: The road network is safe and efficient

Council has 32 Bridge Structures listed on the Transport Asset Database. Following detailed bridge inspections in 2017, significant repairs and replacement of existing structures are required to maintain the continuity of the road network.

Mintaro	
<ul style="list-style-type: none"> Burra Street, Mintaro 	Burra Street, Mintaro Bridge – Project Carried Forward to 2020-21 Annual Business Plan
Stanley Flat	
<ul style="list-style-type: none"> Roach Road, Stanley Flat 	Works Completed
<ul style="list-style-type: none"> Lookout Rd (Nth of Clare) from Horrocks Highway to Rossmore Rd, Stanley Flat 	Works Completed
Woolshed Flat	
<ul style="list-style-type: none"> Woolshed Flat Road, Woolshed Flat 	Works Completed
Outcome: The road network is safe and efficient	
Work with DPTI on the \$55m allocation of funding towards improving the Horrocks Highway	Continue to work with DPTI to advocate for funding for improving Horrocks Highway
Undertake a 30m Road Train risk analysis and Rate Assessment	Works Completed
Outcome: Footpaths are safe, attractive and well maintained	
As part of the continual upgrade of the Clare & Riverton Main Streets, footpath & kerbing works are to be Works Completed as follows:	
Riverton	
<ul style="list-style-type: none"> Masters St, Torrens Rd to accountant's business 	Works Completed
<ul style="list-style-type: none"> Masters St access around nursing home 	Works Completed
<ul style="list-style-type: none"> Gilbert St access to nursing home car park 	Works Completed
<ul style="list-style-type: none"> Gilbert St at Swinden St access around nursing home 	Works Completed
<ul style="list-style-type: none"> Swinden St at Paul St access to Primary School 	Works Completed
<ul style="list-style-type: none"> Paul St - primary school oval to Castine St 	Works Completed
<ul style="list-style-type: none"> Moorhouse Tce - Torrens Rd to past Uniting Church 	Works Completed
<ul style="list-style-type: none"> Masters St - Torrens Rd to Matthews Pl 	Works Completed
<ul style="list-style-type: none"> Moorhouse Tce - Moorhouse Lane to Kelly St 	Works Completed
<ul style="list-style-type: none"> Swinden St - primary school frontage 	Works Completed
<ul style="list-style-type: none"> Paul St - Swinden St to Cooper St 	Works Completed
<ul style="list-style-type: none"> Frederick Pl - primary school frontage 	Works Completed
<ul style="list-style-type: none"> Oxford Tce - primary school frontage 	Works Completed
Clare	
<ul style="list-style-type: none"> Clare Main St - Burton St to Gleeson St 	Clare Main Street Footpath Project Carried Forward to 2020/21 Annual Business Plan
<ul style="list-style-type: none"> Farrell Flat Rd intersection at Webb St and Anglican Church 	Works Completed
<ul style="list-style-type: none"> Agnes St from Harriet St to Daly St 	Works Completed
<ul style="list-style-type: none"> Pedestrian activated crossing - design specifications 	Works Completed
Outcome: Bicycle and walking trails are connected, accessible, safe and attractive	
<ul style="list-style-type: none"> Ongoing financial support for Riesling Trail & Rattler Trail 	Financial support provided to Riesling Trail and Rattler Trail
Outcome: Community transport is accessible and well used	
<ul style="list-style-type: none"> Promote the Mid North Community Passenger Network which is hosted by Council to continue the improvement of services to the community 	Ongoing financial support for the Mid North Community Passenger Network.
<ul style="list-style-type: none"> Mid North Community Passenger Network Vehicle Clare - Hyundai Tucson equivalent 	

Outcome: Car Parking is safe and accessible	
<ul style="list-style-type: none"> Car parking is provided for as part of new developments and a contribution is made to the Car Parking Fund 	Car Parking Fund discussed with developers
Outcome: Council-owned land and buildings are fulfilling a useful function and providing public value	
<ul style="list-style-type: none"> Refurbishment of Catford Park Toilets 	Refurbishment Work Completed on Catford Park Toilets
<ul style="list-style-type: none"> Saddleworth Office - Automatic Doors 	Automatic doors installed at Saddleworth Office / Library
<ul style="list-style-type: none"> Auburn Library - New Doors 	New doors installed at Auburn Library
<ul style="list-style-type: none"> Removal of Billygoat Hill viewing platform, vegetation removal and fencing to improve lookout and public safety 	Unsafe viewing platform removed from Billygoat Hill lookout, replaced with safety fencing and vegetation.
<ul style="list-style-type: none"> Boardwalk behind On The Run (OTR) and The Valleys Lifestyle Centre, design specifications 	Works Completed
<ul style="list-style-type: none"> New Mintaro Hall Septic System 	Mintaro Hall Septic System works delayed - project relisted in the 2020-21 Annual Business Plan
<ul style="list-style-type: none"> Clare Town Hall - Projector & Screen 	Project not proceeded with by Clare Town Hall committee due to COVID-19
<ul style="list-style-type: none"> Undertake building revaluation and condition Audit of all Council owned buildings 	Building revaluation and condition audit undertaken of 108 buildings and 499 structures – all Council owned

6 Council Leadership & Organisational Sustainability **ACTIONS**

Outcome: A resilient community	
<ul style="list-style-type: none"> Collaborate with State Emergency Services and partners in emergency preparedness and recovery 	<p>Organised the holding of Community Led Emergency Resilience Workshops in conjunction with the Red Cross to be undertaken in October 2020.</p> <p>Collaborate closely with the Country Fire Service (CFS) through Council's Fire Protection Officers.</p>
<ul style="list-style-type: none"> Community partnership programs that support the communities to upgrade their facilities and to hold events 	<p>Undertake the annual Community Asset Grants Scheme which enables communities to upgrade their facilities.</p> <p>Community Engagement Officer works closely with the various peak bodies on grants and development opportunities.</p> <p>Provided funding towards a number of events through the Events Support Program.</p>

Outcome: Improved financial sustainability	
<ul style="list-style-type: none"> Review and update the Strategic Plan 	A new Strategic Plan consulted on and adopted.
<ul style="list-style-type: none"> Review and update the Asset Management Plan and Long-Term Financial Plan 	Council has adopted the reviewed and consulted Long Term Financial Plan. Asset Management Plans are being reviewed on an ongoing basis.
<ul style="list-style-type: none"> Conduct a review of the CWMS Schemes at Clare, Riverton and Saddleworth 	Review of CWMS and full cost recovery undertaken
<ul style="list-style-type: none"> Conduct a review of the Waste Management Services 	Review of Waste Management services and full cost recovery undertaken
<ul style="list-style-type: none"> Undertake Energy Audit of key Council buildings 	Energy Audit of key buildings Completed
<ul style="list-style-type: none"> Continue to participate in Local Government Professionals Benchmarking 	Participated in LG professionals benchmarking project
<ul style="list-style-type: none"> Upgrade CWMS Infrastructure 	The following CWMS projects were Completed Upgrade Riverton Plan Station Upgrade Clare Pump Station and Treatment Plant
<ul style="list-style-type: none"> Riverton Pump Station 	
<ul style="list-style-type: none"> Clare Pump Station and Treatment Plant 	
<ul style="list-style-type: none"> Scheduled purchase of plant & equipment to improve productivity 	The purchase of the following items of plant and machinery were undertaken: Maintenance Grader Maintenance Truck Weighing system for backhoe Twin Drum Roller Leaf / Debris sucker / loader CWMS Officer, Overseer & Compliance Officer work utilities
<ul style="list-style-type: none"> Maintenance Grader 	
<ul style="list-style-type: none"> Maintenance Truck 	
<ul style="list-style-type: none"> Weighing system for backhoe 	
<ul style="list-style-type: none"> Pedestrian Twin Drum Roller 	
<ul style="list-style-type: none"> Leaf/debris sucker/loader 	
<ul style="list-style-type: none"> CWMS Officer, Overseer, Compliance Officer Vehicle 	

Outcome: Streamlined Council processes and procedures that meet legislative requirements	
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<ul style="list-style-type: none"> Implementation of the Planning and Design Code and transition to the new State Planning System 	Worked closely with the State Government's planning department on implementation of the Code which went live on 31 July 2020.
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Outcome: A modern, efficient and accessible IT system and Council website	
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<ul style="list-style-type: none"> Information Communication Technology - Administration upgrades 	Completion of Stage 1 and commencement of Stage 2 of IT Upgrade program
<ul style="list-style-type: none"> Improve our capacity to provide works requests, rates, dogs & cats and online feedback forms and Talk to Us online community engagement 	Increasing number of users that access the online works requests, Dogs & Cats and rates payments. Used the Talk to Us community engagement platform 10 times
<ul style="list-style-type: none"> Continue to explore opportunities to communicate Council decisions and activities to the community including email newsletters and Facebook 	Facebook followers up to 3250 and electronic newsletters continue to

	provide the community with up to date information regularly
Outcome: Strong leadership	
Promote and support the role of Mayor including the conduct of the following:	Mayor & CEO attended Legatus Meetings and LGA events
<ul style="list-style-type: none"> • Attending Legatus & LGA events and lobbying State & Federal politicians to promote Council's interests 	Mayor & CEO continued to lobby State and Federal politicians promoting Council's interest.
<ul style="list-style-type: none"> • Civic Receptions 	No civic receptions held due to COVID-19
<ul style="list-style-type: none"> • Hold regular Council Meetings, including 1 meeting per year in the community 	12 Council Meetings held, with one meeting held in Riverton.
Outcome: Working in partnership to achieve the best outcomes for the local area	
<ul style="list-style-type: none"> • Continue to collaborate with neighbouring Councils to find ways to reduce service delivery costs 	Continued to provide dog services for the Regional Council of Goyder.

Finance

Financial Statements

In the 2019/20 financial year the Council recorded an operating deficit of \$1,122,000. The deficit position is due to various factors outlined below.

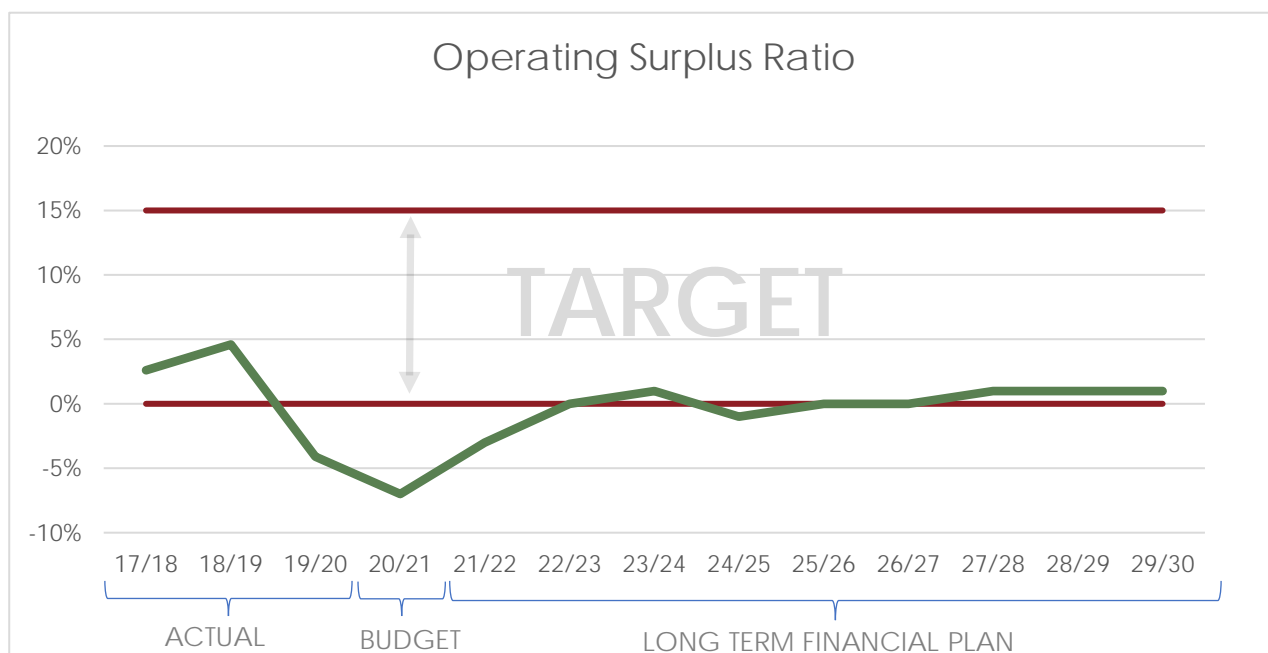
Council provided financial support to the Clare Oval Redevelopment Committee and Watervale Community Association for their respective sporting precinct projects. Watervale's building "the Vale" will be completed by the end of 2020 and will be a great community centre for the determined community of Watervale.

Grant funding for Supplementary Local Roads Financial Assistance were paid in advance in 2018/19 and therefore has resulted in a reduction in income this financial year. Other grant funding was returned to numerous state government departments for funding outcomes which were either completed, not going ahead or postponed due to COVID-19. All of which contributed to Council's deficit position.

The COVID-19 pandemic has impacted the financial statements by increasing Council's deficit position. This includes: financial support in the form rates remission for the fourth quarter for ratepayers directly affected by COVID-19, financial support in the form of temporary suspension of fines and interest on outstanding rates and debt collection, lease rental abatement for Council's lessees directly impacted, reduced income from events and hire facilities, and increased expenditure for cleaning and health safety initiatives.

A revaluation of Council's land, buildings and other structures increased annual depreciation. This increase has arisen from improved asset condition data which provided more detailed componentisation of the building assets. Consequently, some components had to be depreciated over a shorter life reflecting more accurately the true consumption of the asset.

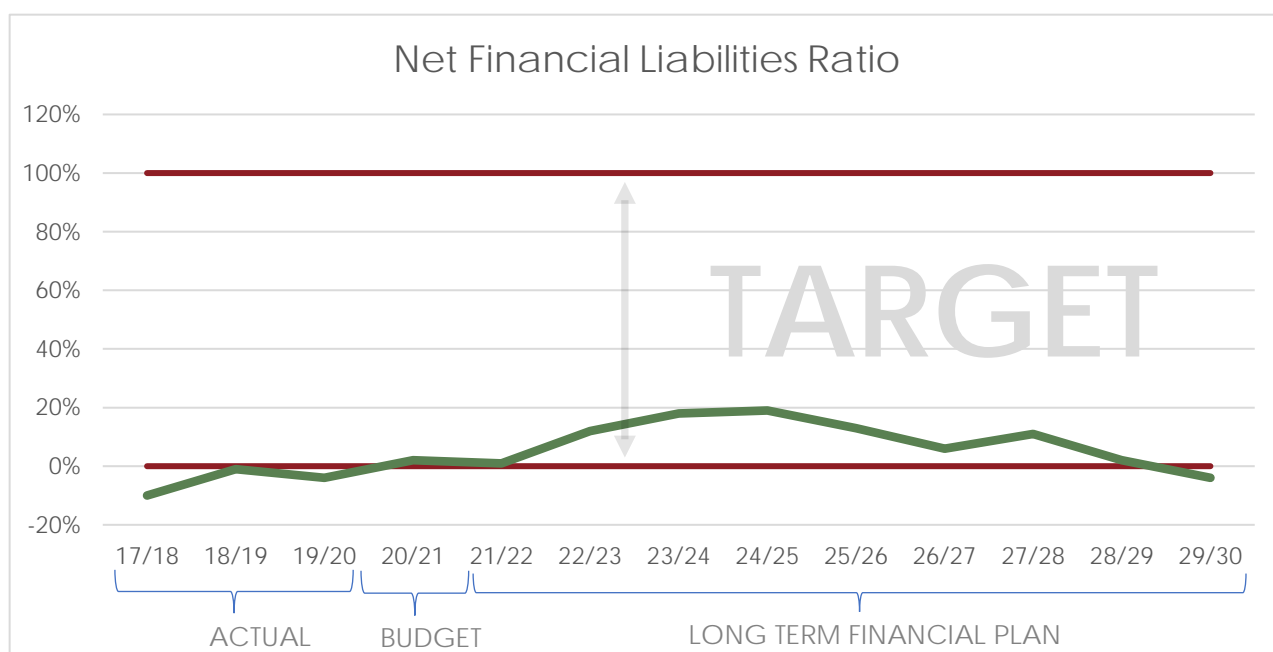
Council continues to move closer to the target of an operating surplus ratio of between zero (0) and fifteen (15) percent over any five-year period.



Operating Surplus Ratio

An operating surplus (or deficit) arises when operating income exceeds (or is less than) operating expenses for a period (usually a year). Over time Council will be financially sustainable if its expenses are less than income. The Operating Surplus Ratio expresses the surplus (or deficit) as a percentage of total operating income. The operating surplus ratio has been adjusted consistent with the treatment in the model financial statements.

Council's net financial liabilities ratio was -4%, highlighting a net financial asset position. Council has maintained cash balances and not taken out new borrowings. These cash funds will be applied to the completion of capital projects and the renewal of infrastructure assets over the next few years.



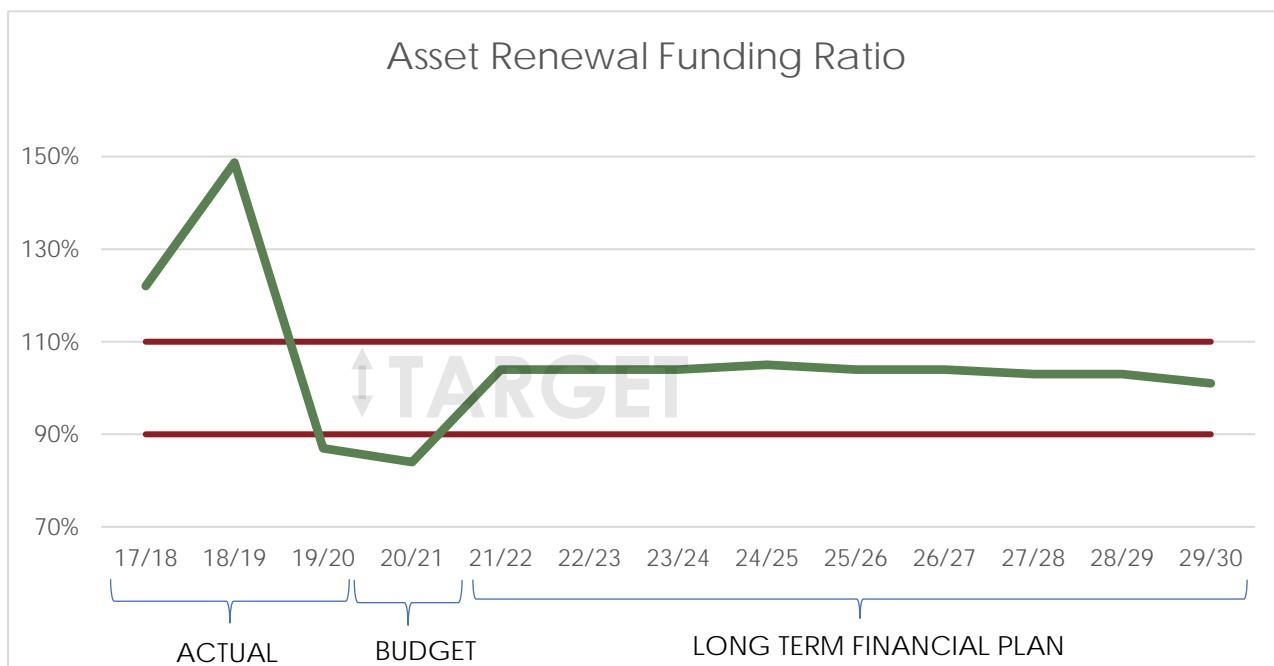
Net Financial Liabilities Ratio

Net Financial Liabilities is equal to Council's total liabilities less its financial assets providing information on Council's overall indebtedness.

The Net Financial Liabilities Ratio expresses Net Financial Liabilities as a percentage of total operating income.

The net financial liabilities ratio has been adjusted consistent with the treatment in the model financial statements.

Council spent \$4.2 million on the renewal and replacement of its physical assets. \$3.2 million was applied to Council's transport network.



Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio expresses the total funds expended on asset replacement and renewal as a percentage of asset replacement and renewal identified as warranted in Council's Asset Management Plan.

The Actual results are based on Council's adopted Asset Management Plans, 2020 for Stormwater, CWMS, Transport Bridges, Transport Other and the last adopted Buildings and Other Structures Asset Management Plan, 2017. The budget and long term financial plan depicted was based off Council's draft Asset Management Plans at the time of compiling the budget.

Attachments

Attachment 1- General Purpose Financial Statements



CLARE & GILBERT
VALLEYS COUNCIL

Clare & Gilbert Valleys Council

General Purpose Financial Statements
for the year ended 30 June 2020

General Purpose Financial Statements

for the year ended 30 June 2020

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Council Certificate of Audit Independence	
Audit Certificate of Audit Independence	

General Purpose Financial Statements

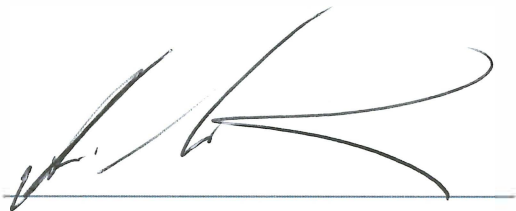
for the year ended 30 June 2020

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 2020 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.



Helen MACDONALD
Chief Executive Officer

16 November 2020



Wayne THOMAS
Mayor

16 November 2020

Statement of Comprehensive Income

for the year ended 30 June 2020

	Notes	2020 \$ '000	2019 \$ '000
Income			
Rates	2a	13,384	13,158
Statutory Charges	2b	226	229
User Charges	2c	771	884
Grants, Subsidies and Contributions	2g	3,147	4,078
Investment Income	2d	115	205
Reimbursements	2e	370	288
Other income	2f	29	65
Total Income		18,042	18,907
Expenses			
Employee costs	3a	4,349	4,218
Materials, Contracts and Other Expenses	3b	8,766	8,051
Depreciation, Amortisation and Impairment	3c	5,729	5,399
Finance Costs	3d	320	396
Total Expenses		19,164	18,064
Operating Surplus / (Deficit)		(1,122)	843
Asset Disposal & Fair Value Adjustments	4	(1,082)	(1,019)
Amounts Received Specifically for New or Upgraded Assets	2g	702	591
Net Surplus / (Deficit)		(1,502)	415
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	8,255	5,998
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	9a	–	(44)
Total Amounts which will not be reclassified subsequently to operating result		8,255	5,954
Total Other Comprehensive Income		8,255	5,954
Total Comprehensive Income		6,753	6,369

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2020

	Notes	2020 \$ '000	2019 \$ '000
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	5,729	7,380
Trade & Other Receivables	5b	829	1,059
Other Financial Assets (Investments)	5c	271	264
Inventories	5d	156	456
Non-Current Assets Held for Sale	19	—	310
Total current assets		6,985	9,469
Non-current assets			
Financial Assets	6a	175	199
Other Non-Current Assets	6b	169	989
Infrastructure, Property, Plant & Equipment	7a	155,456	147,428
Total non-current assets		155,800	148,616
TOTAL ASSETS		162,785	158,085
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	692	1,838
Borrowings	8b	983	1,078
Provisions	8c	1,198	1,066
Total Current Liabilities		2,873	3,982
Non-Current Liabilities			
Borrowings	8b	2,746	3,729
Provisions	8c	38	16
Liability - Member Councils - Mid North Community Passenger Network	8d	309	292
Total Non-Current Liabilities		3,093	4,037
TOTAL LIABILITIES		5,966	8,019
Net Assets		156,819	150,066
EQUITY			
Accumulated surplus		11,203	9,808
Asset revaluation reserves	9a	139,370	131,115
Other reserves	9b	6,246	9,143
Total Equity		156,819	150,066

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2020

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2020					
Balance at the end of previous reporting period		9,808	131,115	9,143	150,066
Net Surplus / (Deficit) for Year		(1,502)	—	—	(1,502)
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	8,255	—	8,255
- IPP&E Impairment (Expense) / Recoupments					
Offset to ARR	7a	—	—	—	—
Other comprehensive income		—	8,255	—	8,255
Total comprehensive income		(1,502)	8,255	—	6,753
Transfers between Reserves		2,897	—	(2,897)	—
Balance at the end of period		11,203	139,370	6,246	156,819
2019					
Balance at the end of previous reporting period		9,393	125,161	9,143	143,697
Net Surplus / (Deficit) for Year		415	—	—	415
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	5,998	—	5,998
- IPP&E Impairment (Expense) / Recoupments					
Offset to ARR	7a	—	(44)	—	(44)
Other comprehensive income		—	5,954	—	5,954
Total comprehensive income		415	5,954	—	6,369
Balance at the end of period		9,808	131,115	9,143	150,066

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2020

	Notes	2020 \$ '000	2019 \$ '000
Cash flows from operating activities			
<u>Receipts</u>			
Rates		13,490	13,391
Statutory Charges		226	229
User Charges		1,126	1,491
Grants, Subsidies and Contributions (operating purpose)		3,147	4,078
Investment Receipts		126	217
Reimbursements		289	288
Other Receipts		79	29
<u>Payments</u>			
Payments to Employees		(4,162)	(4,206)
Payments for Materials, Contracts & Other Expenses		(9,023)	(7,825)
Finance Payments		(325)	(363)
Net cash provided by (or used in) Operating Activities	10b	<u>4,973</u>	<u>7,329</u>
Cash flows from investing activities			
Amounts Received Specifically for New/Upgraded Assets		702	591
Sale of Replaced Assets		182	32
Sale of Non Current Assets "Held for Sale"		171	–
Repayments of Loans by Community Groups		227	61
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(4,470)	(6,910)
Expenditure on New/Upgraded Assets		(2,018)	(447)
Net Purchase of Investment Securities		(7)	(4)
Loans Made to Community Groups		(283)	–
Net cash provided (or used in) investing activities		<u>(5,496)</u>	<u>(6,677)</u>
Cash flows from financing activities			
<u>Payments</u>			
Repayments of Borrowings		(1,078)	(1,165)
Repayment of Bonds & Deposits		(50)	–
Net Cash provided by (or used in) Financing Activities		<u>(1,128)</u>	<u>(1,165)</u>
Net Increase (Decrease) in Cash Held		<u>(1,651)</u>	<u>(513)</u>
plus: Cash & Cash Equivalents at beginning of period		7,380	7,893
Cash and cash equivalents held at end of period	10a	<u>5,729</u>	<u>7,380</u>
Additional Information:			
plus: Investments on hand – end of year	5c	271	264
Total Cash, Cash Equivalents & Investments		<u>6,000</u>	<u>7,644</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the Principal Financial Statements

for the year ended 30 June 2020

Contents of the Notes accompanying the General Purpose Financial Statements

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements 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 on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

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

1.2 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.

1.3 Rounding

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

(2) The Local Government Reporting Entity

Clare & Gilbert Valleys Council is incorporated under the South Australian 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

The Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

In recent years the payment of untied grants (financial assistance grants / local roads / supplementary grants) has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2017/18	\$1,110,916	\$1,152,443	- \$41,527
2018/19	\$1,825,436	\$1,140,695	\$684,741
2019/20	\$1,262,900	\$1,249,284	\$13,616

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 14 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

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. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

For works undertaken on a fixed price contract basis, revenues are recognised over time using the input method, with costs incurred compared to total expected costs used as a measure of progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

(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, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 12.

(5) Inventories

Inventories held in respect of stores have been valued at the cost of acquisition.

(6) Infrastructure, Property, Plant & Equipment**6.1 Land under roads**

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

6.2 Initial Recognition

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

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

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.

6.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year are given in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.4 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.5 Depreciation of Non-Current Assets

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

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are shown in Note 7. 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.

6.6 Impairment

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

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

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.

6.7 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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(7) Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

Amounts other than grants 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".

(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 *Employee Benefits*.

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 except where the accrued entitlement is in excess of 400 hours. This entitlement is dependent on years of service upon retirement, resignation, redundancy or death. The entitlement is paid based on the following sliding scale;

Years of Service	Entitlement
10 years	2 weeks
15 years	3 weeks
20 years	4 weeks

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide 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 17.

(10) GST Implications

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

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

(11) New accounting standards and UIG interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

Clare & Gilbert Valleys Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The Council applied AASB 15 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). Details of the accounting policy adopted for these standards can be found in Note 1 Significant Accounting Policies. The Council has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019. The cumulative effect of initially applying AASB 15 and AASB 1058 is recognised at the date of initial application as an adjustment to the opening balance of Accumulated Surplus. Therefore, the comparative information was not restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related Interpretations.

The Council has determined the impact of the new standards will mainly impact the timing of revenue recognition in relation to special purpose grants. These grants are provided to the Council to construct or acquire an asset to be controlled by the Council. They are accounted for under AASB 1058 and as such, amounts received in relation to these grants are recorded as a liability "Amounts in Advance" and recorded in revenue as the asset is constructed. The impact of adopting the new standards as at 1 July 2019 was nil.

AASB 16 Leases

The Council applied AASB 16 Leases, for the first time from 1 July 2019. This standard requires that the right of use conveyed by leasing contracts (except leases with a maximum term of 12 months and leases for low-value assets) be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2019, Council has no leases to which this treatment will need to be applied.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

Effective for NFP annual reporting periods beginning on or after 1 January 2020

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

Effective for NFP annual reporting periods beginning on or after 1 January 2021

- AASB 17 Insurance Contracts

Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

(12) Impact of COVID-19

The COVID-19 pandemic has impacted the 2019/20 financial statements, which may impact on the comparability of some line items and amounts reported in these financial statements and associated notes.

The financial impacts are a direct result of either Council's response to the pandemic or due to the mandatory shut downs as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

Examples include:

- reduced income from events and facility hire
- financial support in the form of rates remission and business support grants
- financial support in the form of temporary suspension of fines and interest on outstanding rates and debt collection
- additional costs for cleaning and health and safety initiatives

Council estimates that the reduction in income and increase in expenditure resulted in a increase of approximately \$290,000 in the 2019/20 operating deficit. It is expected that further financial impacts will flow into the 2020/21 financial year.

Council has considered the consequences of COVID-19 and other events and condition, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Council's ability to continue as a going concern.

(13) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(14) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 2. Income

	2020 \$ '000	2019 \$ '000
(a) Rates		
General Rates		
General Rates	11,419	11,069
Less: Mandatory Rebates	(185)	(146)
Less: Discretionary Rebates, Remissions & Write Offs	(112)	(49)
Total General Rates	11,122	10,874
Other Rates (Including Service Charges)		
Natural Resource Management Levy	515	498
Waste Collection	708	722
Community Wastewater Management Systems	1,004	1,005
Total Other Rates (Including Service Charges)	2,227	2,225
Other Charges		
Penalties for Late Payment	35	59
Total Other Charges	35	59
Total Rates	13,384	13,158

(b) Statutory Charges

Development Act Fees	67	48
Town Planning Fees	86	78
Health & Septic Tank Inspection Fees	22	24
Animal Registration Fees & Fines	49	51
Parking Fines / Expiation Fees	1	2
Environmental Control Fines	1	1
CWMS Fees	–	25
Total Statutory Charges	226	229

(c) User Charges

Cemetery/Crematoria Fees	47	43
Caravan Park Fees	347	471
Hall & Equipment Hire	13	23
Library Services	7	11
Community Transport	27	29
Sundry	147	103
Recreation Fees	76	92
Tourism	37	36
Waste Management Fees	55	59
Water Sales	15	17
Total User Charges	771	884

Notes to the Financial Statements

for the year ended 30 June 2020

Note 2. Income (continued)

	2020 \$ '000	2019 \$ '000
(d) Investment Income		
Interest on Investments		
- Local Government Finance Authority	93	178
- Banks & Other	5	6
- Loans to Community Groups	17	21
Total Investment Income	115	205
(e) Reimbursements		
Other	370	288
Total Reimbursements	370	288
(f) Other income		
Sundry	29	65
Total Other income	29	65
(g) Grants, Subsidies, Contributions		
Amounts Received Specifically for New or Upgraded Assets	702	591
Total Amounts Received Specifically for New or Upgraded Assets	702	591
Untied - Financial Assistance Grant	1,263	1,240
Roads to Recovery	593	–
Flood Damage Disaster Recovery	–	1,152
Home and Community Care Grant	202	202
Library and Communications	25	36
Sundry	47	9
Transport	140	905
National Disaster Resilience	59	231
Drought Communities	793	303
Training Grants	25	–
Total Other Grants, Subsidies and Contributions	3,147	4,078
Total Grants, Subsidies, Contributions	3,849	4,669
The functions to which these grants relate are shown in Note 12.		
(i) Sources of grants		
Commonwealth Government	1,494	544
State Government	2,017	3,716
Other	338	409
Total	3,849	4,669

Notes to the Financial Statements

for the year ended 30 June 2020

Note 2. Income (continued)

	2020 \$ '000	2019 \$ '000
(h) Conditions over Grants & Contributions		
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	566	690
Less:		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Recreation	(250)	(80)
Cemeteries	(58)	(51)
Other	–	(2)
Roads Infrastructure	(249)	–
Libraries	(9)	–
Subtotal	(566)	(133)
Plus:		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Libraries	–	9
Subtotal	–	9
Unexpended at the close of this reporting period	–	566
Net increase (decrease) in assets subject to conditions in the current reporting period	(566)	(124)

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Expenses

	Notes	2020 \$ '000	2019 \$ '000
(a) Employee costs			
Salaries and Wages		3,743	3,649
Employee Leave Expense		514	452
Superannuation - Defined Contribution Plan Contributions	17	303	291
Superannuation - Defined Benefit Plan Contributions	17	60	67
Workers' Compensation Insurance		103	104
Other		9	12
Less: Capitalised and Distributed Costs		(383)	(357)
Total Operating Employee Costs		4,349	4,218
Total Number of Employees (full time equivalent at end of reporting period)			
		54	52
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		20	19
Elected Members' Expenses		223	226
Election Expenses		3	44
Subtotal - Prescribed Expenses		246	289
(ii) Other Materials, Contracts and Expenses			
Contractors		4,259	4,288
Energy		648	646
Insurance		444	416
Legal Expenses		119	96
Levies Paid to Government - NRM levy		516	503
Levies - Other		71	41
Parts, Accessories & Consumables		708	729
Sundry		1,478	780
Water		277	263
Subtotal - Other Material, Contracts & Expenses		8,520	7,762
Total Materials, Contracts and Other Expenses		8,766	8,051

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Expenses (continued)

	Notes	2020 \$ '000	2019 \$ '000
(c) Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Land Improvements		58	15
Buildings & Other Structures		1,216	1,096
Infrastructure			
- Stormwater Drainage		67	55
- CWMS		361	349
- Roads, Footways & Kerbing		3,308	3,284
- Bridges		140	134
- Other Road Infrastructure		73	73
Plant, Machinery & Equipment		553	489
Furniture & Fittings		12	17
Library Books		34	61
Subtotal		5,822	5,573
Less: Capitalised and Distributed costs		(93)	(130)
Less: Impairment Expense Offset to Asset Revaluation Reserve	9	–	(44)
Total Depreciation, Amortisation and Impairment		5,729	5,399

(d) Finance Costs

Interest on Loans	310	384
Unwinding of Present Value Discounts	10	12
Total Finance Costs	320	396

Note 4. Asset Disposal & Fair Value Adjustments

	2020 \$ '000	2019 \$ '000
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	182	32
Less: Carrying Amount of Assets Sold	(1,264)	(1,051)
Gain (Loss) on Disposal	(1,082)	(1,019)
Net Gain (Loss) on Disposal or Revaluation of Assets	(1,082)	(1,019)

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Current Assets

	2020 \$ '000	2019 \$ '000
--	-----------------	-----------------

(a) Cash & Cash Equivalent Assets

Cash on Hand at Bank	51	749
Deposits at Call	5,678	6,631
Total Cash & Cash Equivalent Assets	5,729	7,380

(b) Trade & Other Receivables

Rates - General & Other	319	425
Accrued Revenues	48	14
Debtors - General	91	392
GST Recoupment	115	172
Prepayments	–	1
Loans to Community Organisations	256	55
Subtotal	829	1,059
Total Trade & Other Receivables	829	1,059

(c) Other Financial Assets (Investments)

Investment	271	264
Total Other Financial Assets (Investments)	271	264

Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13.

(d) Inventories

Stores & Materials	156	456
Total Inventories	156	456

Notes to the Financial Statements

for the year ended 30 June 2020

Note 6. Non-Current Assets

	2020 \$ '000	2019 \$ '000
(a) Financial Assets		
Receivables		
Loans to Community Organisations	175	199
Subtotal	<u>175</u>	<u>199</u>
Total Receivables	<u>175</u>	<u>199</u>
<u>Total Financial Assets</u>	<u>175</u>	<u>199</u>
(b) Other Non-Current Assets		
Other		
Capital Works-in-Progress	169	989
Total Other	<u>169</u>	<u>989</u>
<u>Total Other Non-Current Assets</u>	<u>169</u>	<u>989</u>

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7. Infrastructure, Property, Plant & Equipment (continued)

(a) Infrastructure, Property, Plant & Equipment

	Fair Value Level	as at 30/06/19				Asset movements during the reporting period							as at 30/06/20			
		At Fair Value \$ '000	At Cost \$ '000	Accumulated Depreciation \$ '000	Carrying amount \$ '000	Asset Additions New / Upgrade \$ '000	Asset Additions Renewals \$ '000	WDV of Asset Disposals \$ '000	Depreciation Expense (Note 3c) \$ '000	Impairment Loss (recognised in Equity) (Note 9) \$ '000	Adjustments & Transfers \$ '000	Revaluation Increments to Equity (ARR) (Note 9) \$ '000	At Fair Value \$ '000	At Cost \$ '000	Accumulated Depreciation \$ '000	Carrying amount \$ '000
Land	2	1,997	40	—	2,037	—	—	—	—	—	—	1,197	3,234	—	—	3,234
Land	3	10,206	177	—	10,383	—	—	—	—	—	—	1,491	11,874	—	—	11,874
Land Improvements	2	—	197	—	197	—	—	—	(1)	—	—	(176)	21	—	(1)	20
Land Improvements	3	263	69	(54)	278	38	102	(19)	(57)	—	—	1,287	2,380	140	(891)	1,629
Buildings & Other Structures	2	3,229	78	(2,188)	1,119	—	—	—	(31)	—	—	(344)	775	—	(31)	744
Buildings & Other Structures	3	52,388	1,189	(27,381)	26,196	273	280	(117)	(1,185)	—	—	4,800	58,105	553	(28,411)	30,247
Infrastructure																
- Stormwater Drainage	3	4,269	832	(1,013)	4,088	594	31	(5)	(67)	—	—	—	4,262	1,457	(1,078)	4,641
- CWMS	3	20,211	548	(10,030)	10,729	42	5	(11)	(361)	—	—	—	20,190	595	(10,381)	10,404
- Roads, Footways & Kerbing	3	116,329	4,093	(40,224)	80,198	775	3,212	(862)	(3,308)	—	—	—	113,364	8,080	(41,429)	80,015
- Bridges	3	10,443	1,194	(4,122)	7,515	—	481	(18)	(140)	—	—	—	10,311	1,675	(4,148)	7,838
- Other Road Infrastructure		—	741	(441)	300	—	—	—	(73)	—	—	—	—	741	(514)	227
Plant, Machinery & Equipment		—	7,347	(3,430)	3,917	270	716	(232)	(553)	—	—	—	—	7,776	(3,658)	4,118
Furniture & Fittings		—	575	(513)	62	—	2	—	(12)	—	—	—	—	564	(512)	52
Library Books	3	423	58	(72)	409	—	38	—	(34)	—	—	—	447	—	(34)	413
Total Infrastructure, Property, Plant & Equipment		219,758	17,138	(89,468)	147,428	1,992	4,867	(1,264)	(5,822)	—	—	8,255	224,963	21,581	(91,088)	155,456
Comparatives		221,495	18,957	(99,729)	140,723	484	7,158	(1,052)	(5,529)	(44)	(310)	5,998	219,758	17,138	(89,468)	147,428

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7. Infrastructure, Property, Plant & Equipment (continued)

(b) Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

Valuation of Assets

General Valuation Principles

Accounting procedure: Upon revaluation, the current new replacement cost and accumulated depreciation are restated such that the difference represents the fair value of the asset determined in accordance with AASB 13 *Fair Value Measurement*: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, fair value is taken to be the current replacement cost.

Highest and best use

Highest and best use - For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land.

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

Information on Valuations

Fair value hierarchy level 2 valuations - Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Fair value hierarchy level 3 valuations of land - Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Capitalisation Thresholds

Capitalisation thresholds used by Council for a representative range of assets are shown below. 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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7. Infrastructure, Property, Plant & Equipment (continued)

Park & Playground Furniture & Equipment	2,000
Road construction & reconstruction	10,000
Paving & Footpaths, Kerb & Gutter	2,000
Drains & Culverts	5,000
Reticulation Extensions	5,000
Sidelines & household connections	5,000
Artworks	5,000

Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Plant, Furniture & Equipment

Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equipment	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	20 to 75 years
Sealed Roads - Structure	60 to 120 years
Unsealed Roads	8 to 35 years
Bridges - Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	20 to 70 years
Drains	80 to 100 years
Culverts	50 to 70 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	7 years
Artworks	indefinite

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7. Infrastructure, Property, Plant & Equipment (continued)

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 1 July 2019 by Tonkin Consulting at current replacement cost. Additions are recognised at cost.

Buildings & Other Structures

Buildings and other structures were valued as at 1 July 2019 by Tonkin Consulting. Buildings for which leases exist which vest responsibility to the lessees have been excluded from the Statement of Financial Position.

Infrastructure

Roads, footways and kerbing were valued by Tonkin Consulting as at 1 July 2018 at written down current replacement cost, based on rates current at the time and removing residual values as required by the standards.

Bridge infrastructure were valued by Tonkin Consulting as at 1 July 2016 at written down current replacement cost, based on rates current at the time and removing residual values as required by the standards.

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

Stormwater drainage infrastructure were valued by Tonkin Consulting as at 1 July 2017 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2017. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system assets were valued by Tonkin Consulting as at 1 July 2017 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2017. 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

Library books and other lending materials are capitalised in bulk when purchased and revalued annually based upon a stocktake applying a unit cost. Adjustments arising from the revaluation are recognised as an expense. All other assets are recognised on the cost basis.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Liabilities

	2020 Current \$ '000	2020 Non Current \$ '000	2019 Current \$ '000	2019 Non Current \$ '000
(a) Trade and Other Payables				
Goods & Services	461	–	1,533	–
Payments Received in Advance	15	–	22	–
Accrued Expenses - Employee Entitlements	104	–	71	–
Accrued Expenses - Other	75	–	85	–
Deposits, Retentions & Bonds	37	–	87	–
Other	–	–	40	–
<u>TOTAL Trade and Other Payables</u>	<u>692</u>	<u>–</u>	<u>1,838</u>	<u>–</u>
(b) Borrowings				
Loans	983	2,746	1,078	3,729
<u>TOTAL Borrowings</u>	<u>983</u>	<u>2,746</u>	<u>1,078</u>	<u>3,729</u>
All interest bearing liabilities are secured over the future revenues of the Council				
(c) Provisions				
Employee Entitlements (including oncosts)	1,198	38	1,066	16
<u>TOTAL Provisions</u>	<u>1,198</u>	<u>38</u>	<u>1,066</u>	<u>16</u>
(d) Liability - Member Councils				
Mid North Community Passenger Network	–	309	–	292
<u>TOTAL Liability Accounted</u>				
<u>Investments in Council</u>				
<u>Businesses</u>	<u>–</u>	<u>309</u>	<u>–</u>	<u>292</u>

Notes to the Financial Statements

for the year ended 30 June 2020

Note 9. Reserves

	as at 30/06/19				as at 30/06/20
	Opening Balance \$ '000	Increments (Decrements) \$ '000	Transfers \$ '000	Impairments \$ '000	Closing Balance \$ '000
(a) Asset Revaluation Reserve					
Land	10,563	2,688	—	—	13,251
Land Improvements	222	1,111	—	—	1,333
Buildings & Other Structures Infrastructure	24,377	4,456	—	—	28,833
- Stormwater Drainage	2,406	—	—	—	2,406
- CWMS	7,513	—	—	—	7,513
- Roads, Footways & Kerbing	81,163	—	—	—	81,163
- Bridges	4,871	—	—	—	4,871
Total Asset Revaluation Reserve	131,115	8,255	—	—	139,370
Comparatives	125,161	5,998	—	(44)	131,115

	as at 30/06/19				as at 30/06/20
	Opening Balance \$ '000	Tfrs to Reserve \$ '000	Tfrs from Reserve \$ '000	Other Movements \$ '000	Closing Balance \$ '000
(b) Other Reserves					
CWMS Reserve	3,738	649	—	—	4,387
Clare Off-Street Parking Reserve	3	—	—	—	3
Clare Caravan Park Reserve	1,940	—	(93)	—	1,847
Waste Management Reserve	1,283	—	(1,283)	—	—
General Reserve	1,169	—	(1,169)	—	—
Clare Open Space Reserve	26	—	(26)	—	—
Riverton Open Space Reserve	12	—	(12)	—	—
Mid North Community Passenger Network Reserve	191	—	(191)	—	—
Windfarm Roads Infrastructure Reserve	781	—	(781)	—	—
Open Space Reserve	—	9	—	—	9
Total Other Reserves	9,143	658	(3,555)	—	6,246
Comparatives	8,595	548	—	—	9,143

Note 9. Reserves (continued)

PURPOSES OF RESERVES

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

CWMS Reserve - For maintenance and upgrade of Community Wastewater Management Systems in Clare, Riverton and Saddleworth.

Clare Off-Street Parking Reserve - For Developers' contributions to parking provision.

Clare Caravan Park Reserve - Proceeds from sale of Clare Caravan Park cabins and equipment to lessee.

Waste Management Reserve - For provision of refuse collection and disposal.

General Reserve - Includes unexpended grants and other funds set aside for future expenditure.

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 Community Passenger Network Reserve - Funding for community passenger network scheme.

Windfarm Roads Infrastructure Reserve - For future works required on access roads to Waterloo Windfarm.

Open Space Reserve - Developer contributions towards future acquisition of open space areas.

Additional Disclosures

During the 2019/20 financial year Council resolved to:

- Retain the CWMS reserve and that the balance be updated to incorporate unspent depreciation.
- Retain the Clare Off-Street Parking Reserve, consistent with S50A of the Development Act 1993.
- Retain the Clare Caravan Park Reserve until it is exhausted or reduced to an insignificant balance.
- Close the Waste Management Reserve on the basis that it will follow full cost recovery pricing principles where council defines the service it is providing via the service charge and reviews its pricing annually.
- Close the General Reserve on the basis that it will account for grants and contributions consistent with accounting standards, recognising amounts as the performance obligations of the agreement are performed.
- Close the Riverton and Clare Open Space Reserves and create one Open Space Reserve consistent with S50 of the Development Act 1993, with an adjusted opening balance of \$8,941.
- Close the Mid North Community Passenger Network Reserve on the basis that it accounts for other council's interest in the activity consistent with accounting standards, recognising any amounts owed to other councils as a liability.
- Close the Windfarm Roads Infrastructure Reserve, instead accounting for any performance obligations based on Australian Accounting Standards.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 10. Reconciliation to Statement of Cash Flows

	Notes	2020 \$ '000	2019 \$ '000
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(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 Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

Total Cash & Equivalent Assets	5	5,729	7,380
Balances per Statement of Cash Flows		5,729	7,380

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

Net Surplus/(Deficit)	(1,502)	415
Non-Cash Items in Income Statements		
Depreciation, Amortisation & Impairment	5,729	5,399
Grants for capital acquisitions treated as Investing Activity	(702)	(591)
Net (Gain) Loss on Disposals	1,082	1,019
Unwinding of Present Value Discounts	10	12
	4,617	6,254
Add (Less): Changes in Net Current Assets		
Net (Increase)/Decrease in Receivables	449	825
Net (Increase)/Decrease in Inventories	300	(245)
Net Increase/(Decrease) in Trade & Other Payables	(554)	402
Net Increase/(Decrease) in Unpaid Employee Benefits	144	48
Net Increase/(Decrease) in Other Liabilities	17	45
Net Cash provided by (or used in) operations	4,973	7,329

(c) Financing Arrangements

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

Corporate Credit Cards	11	11
LGFA Cash Advance Debenture Facility	2,000	—

Notes to the Financial Statements

for the year ended 30 June 2020

Note 11a. Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.
Details of these Functions/Activities are provided in Note 11b.

	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2020 \$ '000	2019 \$ '000	2020 \$ '000	2019 \$ '000	2020 \$ '000	2019 \$ '000	2020 \$ '000	2019 \$ '000	2020 \$ '000	2019 \$ '000
Functions/Activities										
Business Undertakings	1,430	1,607	1,399	1,134	31	473	—	—	12,404	12,461
Community Services	310	327	1,598	2,173	(1,288)	(1,846)	202	204	13,869	12,765
Culture	63	49	946	1,010	(883)	(961)	55	36	4,347	3,127
Economic Development	874	357	629	453	245	(96)	809	303	1,086	1,209
Environment	1,401	1,539	2,793	2,918	(1,392)	(1,379)	59	231	6,346	5,412
Recreation	184	265	3,000	2,238	(2,816)	(1,973)	1	—	22,448	18,740
Regulatory Services	232	215	1,010	1,021	(778)	(806)	—	—	116	56
Transport	782	1,573	6,480	6,048	(5,698)	(4,475)	733	1,471	88,080	88,468
Plant Hire & Depot/Indirect	33	41	254	29	(221)	12	24	8	3,984	3,839
Council Administration	12,733	12,934	1,055	1,040	11,678	11,894	1,264	1,825	10,105	12,008
Total Functions/Activities	18,042	18,907	19,164	18,064	(1,122)	843	3,147	4,078	162,785	158,085

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 11b. Components of Functions

The activities relating to Council functions are as follows:

BUSINESS UNDERTAKINGS

Caravan Parks, Community Wastewater Management Systems (CWMS).

COMMUNITY SERVICES

Public Order and Safety - Emergency Services, Fire Protection, Other Public Order and Safety, Health Services Community Support – Community Halls, 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, Cultural Services - Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services.

ECONOMIC DEVELOPMENT

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

ENVIRONMENT

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

RECREATION

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

REGULATORY SERVICES

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

TRANSPORT

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

PLANT HIRE & DEPOT

Plant and machinery operations, Depot, Indirect Infrastructure.

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, Revenue – General Rates, Local Government Grants Commission Grants.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates between 0.01% and 1.35% (2019: 0.01% and 1.50%). Short term deposits have an average maturity of 56 days and an average interest rate of 1.10% (2019: 100 days and 2.11%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Rates & Associated Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 0.5292% (2019: 0.5500%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Fees & Other Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Other Levels of Government

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Financial Instruments (continued)

Liabilities - Creditors and Accruals

Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities - Interest Bearing Borrowings

Accounting Policy:

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Terms & Conditions:

Secured over future revenues, borrowings are repayable 6 monthly; interest is charged at fixed rates between 5.00% and 7.90% (2019: 5.00% and 7.90%).

Carrying Amount:

Approximates fair value.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Financial Instruments (continued)

	Due < 1 year \$ '000	Due > 1 year & ≤ 5 years \$ '000	Due > 5 years \$ '000	Total Contractual Cash Flows \$ '000	Carrying Values \$ '000
2020					
Financial Assets					
Cash & Equivalents	5,730	—	—	5,730	5,729
Receivables	829	196	—	1,025	1,004
Other Financial Assets	271	—	—	271	271
Total Financial Assets	6,830	196	—	7,026	7,004
Financial Liabilities					
Payables	448	—	—	448	513
Current Borrowings	1,242	—	—	1,242	983
Non-Current Borrowings	—	3,132	—	3,132	2,746
Total Financial Liabilities	1,690	3,132	—	4,822	4,242
2019					
Cash & Equivalents	7,379	—	—	7,379	7,380
Receivables	886	190	9	1,085	1,258
Other Financial Assets	264	—	—	264	264
Total Financial Assets	8,529	190	9	8,728	8,902
Financial Liabilities					
Payables	1,553	—	—	1,553	1,682
Current Borrowings	1,403	—	—	1,403	1,078
Non-Current Borrowings	—	4,509	23	4,532	3,729
Total Financial Liabilities	2,956	4,509	23	7,488	6,489

	2020		2019	
The following interest rates were applicable to Council's Borrowings at balance date:	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
	\$ '000	\$ '000	\$ '000	\$ '000
Overdraft	2.20%	—	0.00%	—
Fixed Interest Rates	7.36%	3,729	7.16%	4,807
		3,729		4,807

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 impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Financial Instruments (continued)

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA 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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Capital Expenditure and Investment Property Commitments

	2020 \$ '000	2019 \$ '000
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Bridges	6	16
Buildings & Other Structures	–	55
CWMS	4	172
Furniture and Fittings	5	2
Land Improvements	–	14
Library Books	–	1
Plant & Equipment	3	–
Roads, Footpaths & Kerbing	–	123
Stormwater	–	27
	18	410
These expenditures are payable:		
Not later than one year	18	410
	18	410

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Financial Indicators

\$ '000	Amounts 2020	Indicator 2020	Prior periods	
			2019	2018

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.

1. Operating Surplus Ratio

Operating Surplus	(1,122)	(6.2)%	4.5%	13.5%
Total Operating Income	18,042			

This ratio expresses the operating surplus as a percentage of total operating revenue.

2. Net Financial Liabilities Ratio

Net Financial Liabilities	(1,347)	(7.5)%	(6.2)%	(12.0)%
Total Operating Income	18,042			

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.

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

Adjusted Operating Surplus Ratio

Operating Surplus	(753)	(4.1)%	4.8%	2.6%
Total Operating Income	18,411			

Adjusted Net Financial Liabilities Ratio

Net Financial Liabilities	(662)	(3.6)%	(1.0)%	(10.0)%
Total Operating Income	18,411			

3. Asset Renewal Funding Ratio

Net Asset Renewals	4,288	92.6%	148.7%	122.0%
Infrastructure & Asset Management Plan required expenditure	4,631			

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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Uniform Presentation of Finances

	2020 \$ '000	2019 \$ '000
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.		
Income	18,042	18,907
less Expenses	(19,164)	(18,064)
Operating Surplus / (Deficit)	(1,122)	843
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(4,470)	(6,910)
add back Depreciation, Amortisation and Impairment	5,729	5,399
add back Proceeds from Sale of Replaced Assets	182	32
	1,441	(1,479)
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(2,018)	(447)
add back Amounts Received Specifically for New and Upgraded Assets	702	591
add back Proceeds from Sale of Surplus Assets (including investment property, real estate developments & non-current assets held for resale)	171	—
	(1,145)	144
Net Lending / (Borrowing) for Financial Year	(826)	(492)

Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Leases

(i) Council as a lessor

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

Investment Property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a noncancellable basis wherever practicable.

	2020 \$ '000	2019 \$ '000
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	403	397
Later than one year and not later than 5 years	2,135	1,711
Later than 5 years	2,178	3,042
	4,716	5,150

Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2019/20; 9.50% in 2018/19). 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 Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2018/19) of "superannuation" salary.

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

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, 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 Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2020. 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.

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Controlled Entities

Subsidiaries

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 2020.

(a) Mid North Community Passenger Network

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 Adelaide Plains Council.

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.

The liability to member Councils in the event of the dissolution of the network has been recognised in the Statement of Financial Position. (Note 8)

(b) Other

Auburn Recreation Park Committee
Clare Town Hall Committee
Riverton Recreation Grounds Committee
Clare & Gilbert Valleys Dry Zone Committee
Bushfire Prevention Committee

Regional Subsidiaries

Council is a member of the Central Local Government Region of South Australia (referred to as Legatus Group). The objectives of the Region are set out in Clause 2 of the Charter as follows:

- (a) undertake co-ordinating, advocacy and representational roles for its constituent councils at a regional level.
- (b) facilitate and co-ordinate activities of Local Government at a regional level related to community and economic development with the object of achieving improvement for the benefit of the communities of its constituent councils.
- (c) 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) develop further co-operation between its constituent councils for the benefit of the communities of the region.
- (e) develop and manage policies which guide the conduct of programs and projects in the region with the objective of securing the best outcomes for the for the communities of the region
- (f) undertake projects and activities that benefit the Region and its communities
- (g) associate, collaborate and work in conjunction with other regional local government boards for the advancement of matters of common interest
- (h) provide strong advocacy speaking with one voice on what matters most to the communities of the constituent councils
- (i) work together to make the best use of available resources
- (j) collaborate to deliver effective services
- (k) build partnerships with those who can contribute to stronger and more sustainable communities
- (l) develop and implement a robust Business Plan consistent with the Regions Plan

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Non-Current Assets Held for Sale & Discontinued Operations

Sale of 202 Main North Road

Council resolved to sell 202 Main North Road, Clare in December 2018 and settlement occurred on 29 July 2019.

The sale included all land and buildings at 202 Main North Road, Clare.

	2020 \$ '000	2019 \$ '000
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(i). Financial Performance & Cash Flow Information

Net Cash Inflow (Outflow) from Investing Activities	171	–
Total	171	–

Carrying Amounts of Assets and Liabilities**Assets**

Infrastructure, Property, Plant and Equipment	–	310
Total Assets	–	310
Net Assets	–	310

This disposal group was previously classified as part of community services in Note 11.

As the consideration expected to be received is less than the carrying amount, these assets have been recognised at the recoverable amount.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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

1. LAND UNDER ROADS

As reported in the Financial 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 the 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.

2. BANK GUARANTEES

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

Note 21. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 11 persons were paid the following total compensation:

	2020 \$ '000	2019 \$ '000
The compensation paid to Key Management Personnel comprises:		
Salaries, allowances & other short term benefits	643	824
Long-Term Benefits	–	7
Termination Benefits	–	110
Total	643	941

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

Key management personnel own retail and consulting business from which various supplies and services were purchased as required on account. Total purchases amounted to \$2,204, with nil unpaid at the end of the year.

An elected member or an employee is a member of the following management committees; Riverton Community Management Committees, Riverton Recreation Ground Committee, Rattler Trail Committee and the Stockport Community Association. In accordance with the Local Government Act 1999, these persons declare a conflict of interest and leave the meeting environs when any matter affecting their club or group is discussed or voted upon.

Key management personnel or close family members (including related parties) lodged two development applications during the year. In accordance with the Local Government Act 1999, these persons declared conflicts of interest and took no part in the assessment or approval processes for these applications. All applications were approved during the year. Total fees paid to the Council in respect to the applications were \$2,160.

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Renae Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CA, CPA
Daniel Moon CA



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Mount Gambier

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P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood

3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
F: (08) 8332 3466
E: norwood@galpins.com.au

W: www.galpins.com.au

ABN: 30 630 511 757

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INDEPENDENT AUDITOR'S REPORT

To the members of Clare and Gilbert Valleys Council

Opinion

We have audited the accompanying financial report of Clare and Gilbert Valleys Council (the Council), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of Clare and Gilbert Valleys Council.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (Including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council's responsibility for the financial report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Partner

26 November 2020

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Rena Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CA, CPA
Daniel Moon CA



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AUSTRALIA • NEW ZEALAND

Mount Gambier

233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood

3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
F: (08) 8332 3466
E: norwood@galpins.com.au

W: www.galpins.com.au

ABN: 30 630 511 757

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INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS

To the members of Clare and Gilbert Valleys Council

Opinion

We have audited the compliance of Clare and Gilbert Valleys Council (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2019 to 30 June 2020 have been conducted properly and in accordance with law.

In our opinion, Clare and Gilbert Valleys Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2019 to 30 June 2020.

Basis for opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2019 to 30 June 2020. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

The Council's responsibility for internal controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2019 to 30 June 2020. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

Limitations of controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Limitation of use

This report has been prepared for the members of the Council in Accordance with Section 129 of the *Local Government Act 1999* in relation to the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than for which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Partner

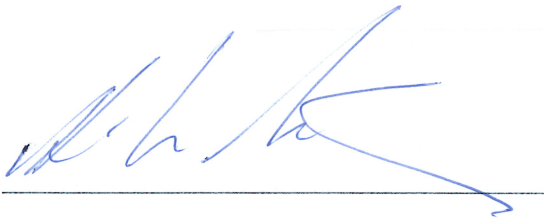
26 November 2020

General Purpose Financial Statements
for the year ended 30 June 2020


Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Clare & Gilbert Valleys Council for the year ended 30 June 2020, the Council's Auditor, Galpins has maintained its 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*.



Helen MACDONALD
Chief Executive Officer



Mark JEFFRESON
Presiding Member, Audit Committee

Date: 09 November 2020

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Renae Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CA, CPA
Daniel Moon CA



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E: stirling@galpins.com.au

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CLARE AND GILBERT VALLEYS COUNCIL

GENERAL PURPOSE FINANCIAL STATEMENTS For the year ended 30 June 2020

Statement by Auditor

I confirm that, for the audit of the financial statements of Clare and Gilbert Valleys Council for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, 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) Regulation 2011*.

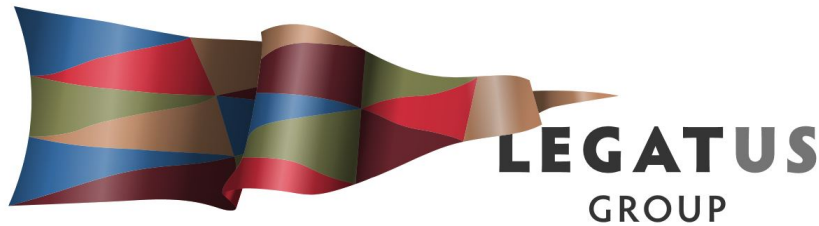
GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor

Partner

3 November 2020

Attachment 2 - Legatus Group Annual Report and Financial Statements



2019/2020 ANNUAL REPORT

The Legatus Group AGM held on Friday 4 September 2019 adopted the annual report.

The Legatus Group Charter requires that the AGM receive the Legatus Group's Annual Report which may incorporate reports from committees and any representatives reports from other organisations.

2019/2020 ANNUAL REPORT

The Legatus Group Charter clause 6.3 Annual Report

6.3.1 The Legatus Group must each year, produce an Annual Report summarising the activities, achievements and financial performance of the Legatus Group for the preceding Financial Year.

6.3.2 The Annual Report must incorporate the audited financial statements of the Legatus Group for the relevant Financial Year.

6.3.3 The Annual Report must be provided to the Constituent Councils by 30 September each year.

The Legatus Group is a regional subsidiary of:

- Adelaide Plains Council
- Barunga West Council
- Clare & Gilbert Valleys Council
- Copper Coast Council
- District Council of Mount Remarkable
- District Council of Orroroo/Carrieton
- District Council of Peterborough
- Light Regional Council
- Northern Areas Council
- Port Pirie Regional Council
- Regional Council of Goyder
- The Barossa Council
- The Flinders Ranges Council
- Wakefield Regional Council
- Yorke Peninsula Council

The Central Local Government Region was established in 1998 under Section 200 of the Local Government Act 1934 as a controlling authority. It now continues in existence as a regional subsidiary of its member Councils under Part 2 of Schedule 2 of the Local Government Act 1999 by the provisions of Section 25 of the Local Government (Implementation) Act 1999. In 2016 the

Central Local Government Region of South Australia adopted the trading name of Legatus Group to which it is referred. The Legatus Group is established to:

- undertake co-ordinating, advocacy and representational roles on behalf of its Constituent Councils at a regional level
- facilitate and co-ordinate activities of local government at a regional level related to community and economic development with the object of achieving improvement for the benefit of the communities of its Constituent Councils
- 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
- develop further co-operation between its Constituent Councils for the benefit of the communities of the region
- develop and manage policies which guide the conduct of programs and projects in the region with the objective of securing the best outcomes for the communities of the region
- undertake projects and activities that benefit the region and its communities
- associate collaborate and work in conjunction with other regional local government bodies for the advancement of matters of common interest.

The Legatus Group is a body corporate and is governed by a Board of Management which has the responsibility to manage all activities of the group and ensure that they act in accordance with its Charter.

Contact Details: Address: 155 Main North Road CLARE SA 5453 PO Box 419 CLARE SA 5453
Telephone: 0407819000 Email: ceo@legatus.sa.gov.au Website: www.legatus.sa.gov.au

Legatus Group Board of Management: The Board consists of all principal members (Mayors) of the Constituent Councils which for 2019/2020 were:

Council	Delegate
Adelaide Plains Council	Mayor Mark Wasley
Barunga West Council	Mayor Leonie Kerley
Clare & Gilbert Valleys Council	Mayor Wayne Thomas
Copper Coast Council	Mayor Roslyn Talbot
District Council of Mount Remarkable	Mayor Phillip Heaslip
District Council of Orroroo Carrieton	Mayor Kathie Bowman
District Council of Peterborough	Mayor Ruth Whittle OAM
Light Regional Council	Mayor Bill O'Brien
Northern Areas Council	Mayor Denis Clark
Port Pirie Regional Council	Mayor Leon Stephens

Regional Council of Goyder	Mayor Peter Matthey OAM
The Barossa Council	Mayor Bim Lange OAM
The Flinders Ranges Council	Mayor Peter Slattery
Wakefield Regional Council	Mayor Rodney Reid
Yorke Peninsula Council	Mayor Darren Braund

Office Bearers for 2019/20

Chairman:	Mayor Peter Matthey OAM
Deputy Chairs:	Mayor Kathie Bowman Mayor Bill O'Brien
South Australian Regional Organisation of Councils	Mayor Peter Matthey Mayor Bill O'Brien
Chief Executive Officer:	Mr Simon Millcock
Auditor:	Dean Newbery and Associates

Chairman's Report

It has been my pleasure to serve as Chairman in 2019/20 and take this opportunity to report on some highlights of the past year.

The Legatus Group provides a pivotal role in supporting member councils and advocating state-wide in the areas of Rating Equity for major energy producers, Community Wastewater Management Schemes, regional roads and coastal management. It is also taking a leadership role in the Regional Waste Management Strategy for the South Australian Regional Organisation of Councils (SAROC).

The organisation assisted all member councils in their successful efforts to access the Drought Communities Programme. The commitment by the Legatus Group on issues such as wellbeing, were a contributing factor for the State Government increasing resources to the Family and Business Support program, where two extra positions were made available. The drought continues to have a significant impact to regional SA, and our advocacy around inconsistencies re needs, assistance and funding are continued to be raised as appropriate.

The impacts of COVID-19 have been wide reaching, and I wish to recognise all councils in their efforts to support their communities. The disruptions to local government and Legatus will have an ongoing impact. Future implications are yet to be known, however as an organisation, strategic planning will assist in developing a way forward. As a broader region we escaped the devastating impact of bush fires in the summer of 2020. However, we acknowledge that there were significant impacts on the Yorke Peninsula, where member councils played a pivotal role in supporting communities.

Local government have been operating under the new LGA structure and this has meant a heavy load on our resources, for example, the new Planning and Design Code and consultation on the Local Government Reform Bill.

Announcements made by the state and federal government regarding funding for both the Horrocks and Barrier Highways are yet to result in any tangible results. The Road and Transport Infrastructure Advisory Committee have been active this year, and resulted in the renewed Deficiency Action Plan, a robust assessment of this year's Special Local Roads Program funding applications; and the release of the 2030 Industry Engagement report on the Legatus Group Regional Transport Plan. The Legatus Group 2019 Road and Transport Forum held in early July 2019 represented a very successful outcome by the committee, and future events are planned.

The region has been proactive in supporting the challenges and changing environment through the management of the Sector Agreement for the Climate Change Adaptation Plan, the release of a second report on a Regional Sustainability Hub, and the commencement of the Sustainability Hub Concept Plan (a Legatus Group funded project). The Legatus Group also managed the Yorke Mid North Coastal Management Action Plan which was released in early 2020 and have commenced (through funding from the Landscape Board) the implementation of the plan. In line with these initiatives the Legatus Group delivered a Regional Climate Ready webinar series throughout June due to COVID-19 restrictions.

We continue to encourage and foster closer working relationships with the three Regional Development Australia (RDA) organisations and Natural Resource Management Boards. Legatus Group was to have hosted the Yorke Regional Planning Forum in Clare, (impacted by COVID-19) a series of successful webinars took its place.

Legatus Group CEO committed large amounts of time to the development of the Conference and Forum and Mr Simon Millcock demonstrated immeasurable flexibility in changing these events to webinars at short notice. These events are available on our website as a result and provide a great resource. I also note with positivity his efforts to support regional councils through his role with the Functional Support Group re Waste and as the Chair of the Regional LGA Executive Officers Forum. On these collaborations, and his input, I again commend his work.

Collaborations have continued with regional organisations through the delivery of the Creative Industries report, Visitor Information Services report and Youth into Volunteering report. The collaboration and establishment of MoUs and partnerships with South Australian Universities, the City of Prospect and the Smarter Regions CRC are fruitful associations with long term benefit. The board through its CEO continues to position the Legatus Group as a proactive force in the region for engagement with all tiers of government. These advocacy and collaborative activities have enabled the securing of valuable and cost-effective research in areas that are of significance to local government, stakeholders and community.

The Audit and Risk Management Group Committee have ensured that the work plan has assisted us in improving our governance, and recommendations around variations to our policies and charter.

There has been valuable feedback gained from the Legatus Group Management Group meetings and information sharing opportunities by and for the CEO group. I note with interest their involvement with the Planning Commission and the ongoing discussions on Local Government Risk.

The Community Wastewater Management Advisory Committee assisted in the extension of the Joint CWMS program, staging of a successful SA conference and overseeing the release of the regional sludge viability report. Their continued work on issues around training and reduction in red tape is to be commended.

Whilst still in its infancy the Legatus Group Visitor Information Services Advisory Committee, are a great support via recent webinar, on the reopening of tourism in our region.

It has been pleasing to see the continued dialogue with the six State Government Members of Parliament, and our Federal Member. We are particularly enthused by their attendance at our board meetings.

In closing I would like to thank everyone who has taken a proactive role in progressing the strategic initiatives of the region. I thank Mayors Bill O'Brien (and also in his role on SAROC) and Kathie Bowman for your roles as Deputy Chairs.

Feedback tells that the reports prepared by Legatus Group CEO are progressed to the South Australian Regional Organisation of Councils (SAROC), and to other stakeholders and partners in all tiers of government. The organisation strives to continue to provide and improve upon strong partnerships and a collaborative approach, with our other regional local government associations, stakeholders and tiers of government. These activities are coordinated and managed by our CEO Mr Simon Millcock. I wish to thank him for his committed, dedicated and consistent approach in the development and delivery of the of the goals and directions of the board.

I would like to acknowledge all the Board members and those who have committed time to the Advisory Committees in what has been a tumultuous year. Your valuable service to the communities and the region continues to provide much needed leadership into the future.

Mayor Peter Matthey OAM
Chairman Legatus Group

CEO Report

In 2019-2020 the Legatus Group undertook a series of research papers and completed or commenced projects associated with the Legatus Groups Strategic and Business Plans, Yorke Mid North Regional Plan, Regional Climate Change Sector Agreement and the SAROC Strategic and Business Plans. The effort this year was to identify key projects in these plans and ensure that engagement and data were to be the drivers for ongoing programs. This was designed to increase the level of interest from other possible partners and to secure increased funding for the region by ensuring alignment with grant programs.

There was a significant increase in interest in partnering with the Legatus Group which has seen the Legatus Group become one of only 2 South Australian Showcase regions for both the Smarter Regions Cooperative Research Centre submission and for the Hub and Spoke Regional Innovation Hub project. Coupled with the Legatus Group support has been securing for the region the 2020 Parks and Leisure SA/NT and Mainstreet SA Conferences.

This year included a number of successful grant applications which have been acquitted or reporting on accordingly with \$550,340 (75%) of the Legatus Group's income coming from outside membership fees. This has placed the Legatus Group in a solid financial position which is reflected in the forthcoming 2020 – 2021 business plan and budget.

This year saw my attendance and deliver of the agendas, minutes and reports to over 30 Legatus Group Board / Committee, Yorke Mid North Alliance and SAROC meetings whilst managing the delivery of several regional forums, workshops and webinars. Administration responsibilities included the added roles of Chairing the Regional LGA Executive Officers, Secretariat to the Murray Darling Association Region 8 and a member of LGA Functional Support Groups associated with COVID-19 reference groups.

There were a series of forums and workshops including the 2019 Legatus Group Road and Transport Forum (plus a further information session on the progress of Major Road works by DPTI) and the 2019 SA Community Wastewater Management Conference. These provided a valuable opportunity for increased knowledge for both Elected Members and Operational Staff for member councils.

In response to COVID-19 there was a digital preparedness webinar which included topics such as cyber security and a Tourism Recovery webinar. Both were developed specifically for the Legatus Group councils recognising the competing demands on operational staff and programs being run by the LGA and others.

Due to COVID-19 restrictions the planned Yorke Mid North Forum and SA Climate Ready Conference were cancelled after the planning had been completed. In their place were the successful 7 week series of webinars which included 23 presenters and over 250 people registered. These are a great resource for councils and can be found at: <https://legatus.sa.gov.au/regional-learning/>

The Drought played a significant role with input into the Future Drought Fund Consultative Committee and efforts to develop and identify a strategic approach to funding opportunities for the region. A working group was established and the delivery of a gap analysis on emerging themes for drought response and climate change resilience report <https://legatus.sa.gov.au/wp-content/uploads/2020/06/Drought-resilient-region-Gap-analysis-and-emerging-themes-report-v2.pdf> was completed. This is being used to position Legatus Group projects such as the Smart Irrigation for Public Spaces, Stormwater Harvesting and Reuse of Wastewater along with support for Wellbeing projects at a broader strategic level.

Whilst unsuccessful for funding of one of the two regional wellbeing officer roles via the LGA the Legatus Group was successful in securing a Local Government Information Linkages and Capacity Building Program for an Inclusive and Accessible Tourism Experiences for the Yorke Peninsula project for 20/21.

Support has been provided to the Legatus Management Group for key presenters at their meetings and their dialogue around Local Government Risk Management and changes to Planning.

Partnerships have been strengthened in the year with regional and state-based State Govt agencies including: SA Water, DIPT, PIRSA, DIS and DHS. This has led to new programs and forums / workshops being held and or supported for our region. Further work is required in the health sector and offers to assist continue.

The following is a list of 2019/2020 Legatus Group reports and projects:

1. Rating Equity report (completed) <https://legatus.sa.gov.au/wp-content/uploads/2020/03/Rating-Equity-Impact-Assessment-Final-Report-03Feb20.pdf> Note that the Legatus Group supports the approach by SAROC seeking a commitment from the State Government in working with local government on amendments to rating policy with regards to electricity generators.
2. Visitor Information Services report (completed and formation of advisory group) <https://legatus.sa.gov.au/wp-content/uploads/2019/08/Legatus-Group-Tourism-Visitor-Information-Services-Report-July-2019-Final.pdf>
3. Regional Transport Industry Engagement report (complete) <https://legatus.sa.gov.au/wp-content/uploads/2020/06/Industry-Engagement-Document-.pdf>
4. Regional Sludge viability report (completed) <https://legatus.sa.gov.au/wp-content/uploads/2019/08/Final-Report-Draft-Legatus-Group-Sludge-Viability-Project-.pdf>
5. Local Roads updated deficiency report (completed) <https://legatus.sa.gov.au/wp-content/uploads/2020/06/Regional-Transport-Plan-Road-Deficiency-Action-Plans-Apr-20-endorsed.pdf>

6. Coastal Management Action Plan (completed and implementation project commenced) https://landscape.sa.gov.au/files/sharedassets/northern_and_yorke/coast_and_marine/ny_coastactionplan_final_050520.pdf
7. Creative Industries report (completed) <https://legatus.sa.gov.au/wp-content/uploads/2020/06/Final-Creative-Industries-Report-April-2020.pdf>
8. Youth in Music (commenced) <https://legatus.sa.gov.au/yim/>
9. Youth into Volunteering (report completed and projects commenced) <https://legatus.sa.gov.au/wp-content/uploads/2020/06/Final-Report-Youth-Volunteering-20-April-2020.pdf>
10. Brighter Futures – Project completed in Yongala, Mundoorra, Balaklava, Crystal Brook and Jamestown and commenced with Orreroo Carrieton and Flinders Ranges.
11. CWMS (ongoing) with significant communication with CWMS staff, at the annual conference and in a series of communications sessions. The work has grown to have a state-wide scope and involves close collaboration with the LGA CWMS Manager. The work has focused on addressing the training needs, including for regulatory compliance; developing applications of new technology to equipment monitoring (in cooperation with UniSA); undertaking research into equipment selection and design criteria for new Schemes; and, advancing the concept of a biosolids composting plant to deal with CWMS sludge. More generally, the work is addressing the broader strategic aim of enhancing the governance of CWMS.
12. SA Regional Waste Management Strategy (commenced)
13. MoU and Strategic Research Action Plan established with University of SA and MoU established with the University of Adelaide
14. Reconciliation Action Research project (commenced)
15. Pit and Quarry Management report to SAROC (completed)
16. Restricted Access Vehicle Route Assessment Tool (completed and progressed to SAROC)

Benefits to constituent councils:

- Identify training needs for the Legatus Region Constituent Councils.
- Regional collaboration and priority setting and sharing of knowledge and resources in the areas outlined above.
- Delivery of regional strategic and business plans and annual work plans.
- Operate Legatus Group in accordance with legislative requirements and board policies and procedures.
- Well regarded by members and stakeholders as valid and relevant through regional collaboration and undertaking or supporting actions on identified priorities.
- Identify regional priorities through collaboration with members and stakeholders and develop agreed actions and/or support.
- Advocate with a single and united voice and in partnership with other Regional LGA's.
- Fostering of economic, environmental and social sustainability through pro-active, innovative, efficient and collaborative approaches to priority issues.

Benefits across the local government sector:

- Assistance with coordinating workshops and consultation sessions and improved regional delivery of LGA services.
- Identified and aided with regional and longer-term outcomes for Constituent Councils.
- Facilitates stronger regional collaboration on projects and areas for sharing of knowledge and services.
- Being able to undertake research projects on the needs specific to regional councils.

Observation:

This has been an extremely difficult year for all sectors of the community which is replicated in the local government sector. Working in isolation with increased workloads has been compounded with increased levels of anxiety and, as organisations we need to ensure the wellbeing occurs internally as well as with the support being provided to our communities.

The focus on securing data to assist in decision making and to assist with raising policy issues has seen continued constructive dialogue with Constituent Councils, Members of Parliament, Ministers, the Local Government Association SA, public servants and other regional stakeholders. The platform is in place to now expand on these reports and projects via tangible and constructive programs.

Simon Millcock
CEO Legatus Group

The Legatus Group Audit and Risk Committee summary of activities undertaken, and recommendations made during 2019-2020. The committee met on 4 occasions during 2019-2020 with the following attendance.

Date	No of Members Attending
22 Aug 2019	4
1 Nov 2019	3
13 March 2020	3
22 May 2020	4

Committee Member	No of Meetings Attended
Chairman Kathie Bowman	4
Mayor Denis Clark	2
Peter Ackland	4
Colin Byles	3
Ian McDonald	4

The following table sets out the principal issues addressed by the Committee for 2019-20 year.

Principal Issues Examined	Recommendations to Board
Financial Report	No issues, unqualified audit, adopted for the 18/19 financial year.
Review of budget against actuals	Noted no issues and supported the allocation of the expenditure identified of carry over reserves and accumulated surplus for 20/21 business plan and budget.

Review of work plan, internal controls	Work planned maintained and review undertaken of policies including 3 new policies (1) Working from Home (2) Agenda items and Meeting Presentations (3) Board Members Code of Conduct being adopted
Charter	Variations to charter supported re the 5.1 budget via report on ways to assist with streamlining the current charter and the process for seeking approval of the budget and its reviews.
Business, Budget and Strategic Plan	Noted the development of the 2019-2020 business plan and budget and recommended streamlining of the presentation of current budget when reviewed.
Membership	Recommendations to Board re membership of Audit Committee
Equity / reserves	Recommendations to Board on levels to be held

Chairman Kathy Bowman

Chairman Legatus Group Audit and Risk Management Committee

Financial Statement

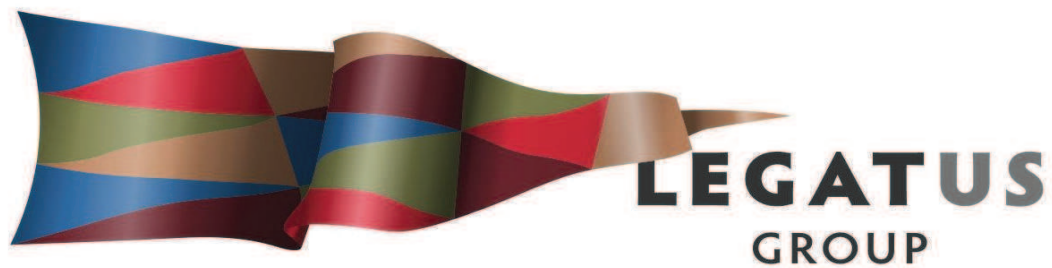
The financial statement for the year ending 30 June 2019 was presented at the 4 September 2020 Legatus Group AGM. The Legatus Group Charter requires that the AGM receive the audited financial statement for the preceding financial year.

The 2019/2020 Legatus Group audited annual financial report was undertaken by Dean Newberry and Partners. This report was prepared by Mr Sean Cheriton The Flinders Ranges Council Acting Finance and Administration Manager and was an agenda item at the Legatus Group Audit and Risk Committee meeting held on 21 August 2020. This meeting endorsed the Legatus Group annual financial statement for the year ending 30 June 2019 as presenting a fair view of the state of the financial affairs of the Legatus Group and that the board adopt the annual financial statement. The meeting also recommended that the Legatus Group retain Dean Newberry and Partners as Auditors for the year end 30 June 2021.

The reports and statements form part of the Legatus Group Annual Report and will be distributed to Constituent Councils for inclusion with their own annual reporting requirements.

The regulations also require that on an annual basis, the Chief Executive Officer of each Constituent Council, the Legatus Group Chair and the Chair of the Audit Committee provide a statement of certification that the auditor is independent of the subsidiary. This has been completed.

CENTRAL LOCAL GOVERNMENT
REGION of SA
trading as



Annual Financial
Statements

For the financial year

1 July 2019 – 30 June 2020

LEGATUS GROUP

General Purpose Financial Reports for the year ended 30 June 2020

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LEGATUS GROUP

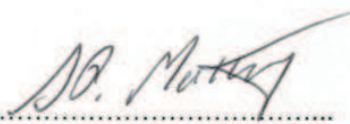
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Group 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 Group's financial position at 30 June 2020 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Group provide a reasonable assurance that the Group's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Group's accounting and other records.


.....
Simon Francis MILLCOCK
CHIEF EXECUTIVE OFFICER


.....
Mayor Samuel Peter MATTEY
PRESIDENT

Date: 4 SEPT 2020.

LEGATUS GROUP

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
INCOME			
Grants, subsidies and contributions	2	485,336	509,232
Investment income	2	10,845	16,573
Reimbursements	2	37,787	37,664
Other income	2	193,397	169,431
Total Income		<u>727,366</u>	<u>732,899</u>
EXPENSES			
Employee costs	3	221,194	191,317
Materials, contracts & other expenses	3	273,479	355,899
Depreciation, amortisation & impairment	3	5,695	6,311
Total Expenses		<u>500,368</u>	<u>553,527</u>
OPERATING SURPLUS / (DEFICIT)		226,998	179,372
Asset disposal & fair value adjustments	4	(3,690)	-
NET SURPLUS / (DEFICIT)		<u>223,308</u>	<u>179,372</u>
transferred to Equity Statement			
TOTAL COMPREHENSIVE INCOME		<u>223,308</u>	<u>179,372</u>

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

LEGATUS GROUP

STATEMENT OF FINANCIAL POSITION as at 30 June 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,258,006	972,087
Trade & other receivables	5	93,845	69,801
Total Current Assets		1,351,851	1,041,888
Non-current Assets			
Infrastructure, property, plant & equipment	6	24,850	11,177
Total Non-current Assets		24,850	11,177
Total Assets		1,376,701	1,053,065
LIABILITIES			
Current Liabilities			
Trade & other payables	7	135,189	46,729
Provisions	7	10,314	2,568
Total Current Liabilities		145,503	49,297
Non-current Liabilities			
Provisions	7	7,069	2,947
Total Non-current Liabilities		7,069	2,947
Total Liabilities		152,572	52,244
NET ASSETS		1,224,129	1,000,821
EQUITY			
Accumulated Surplus		704,359	166,358
Other Reserves	8	519,770	834,463
TOTAL EQUITY		1,224,129	1,000,821

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

LEGATUS GROUP

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2020

		Accumulated Surplus	Other Reserves	TOTAL EQUITY
2020	Notes	\$	\$	\$
Balance at end of previous reporting period		166,358	834,463	1,000,821
Net Surplus / (Deficit) for Year		223,308	-	223,308
Other Comprehensive Income				
Transfers between reserves	8	314,693	(314,693)	-
Balance at end of period		704,359	519,770	1,224,129
2019				
Balance at end of previous reporting period		55,336	766,113	821,449
Net Surplus / (Deficit) for Year		179,372	-	179,372
Other Comprehensive Income				
Transfers between reserves	8	(68,350)	68,350	-
Balance at end of period		166,358	834,463	1,000,821

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

LEGATUS GROUP

STATEMENT OF CASH FLOWS for the year ended 30 June 2020

		2020	2019
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Investment receipts		11,352	18,714
Grants utilised for operating purposes		561,336	454,232
Reimbursements		37,787	37,664
Other revenues		193,398	161,248
<u>Payments</u>			
Employee costs		(210,531)	(186,562)
Materials, contracts & other expenses		(284,365)	(322,084)
Net Cash provided by (or used in) Operating Activities	9	308,977	163,211
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of replaced assets		5,909	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(28,967)	-
Net Cash provided by (or used in) Investing Activities		(23,058)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>		-	-
<u>Payments</u>		-	-
Net Cash provided by (or used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		285,919	163,211
Cash & cash equivalents at beginning of period	9	972,087	808,876
Cash & cash equivalents at end of period	9	1,258,006	972,087

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

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

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

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

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

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 the Group'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.

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

1.1 Historical Cost Convention

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

1.2 The Local Government Reporting Entity

The Legatus Group ("the Group") is a regional subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999.

The Constituent Councils are:

- | | |
|--------------------------------------|--|
| 1. The Barossa Council | 2. District Council of Mount Remarkable |
| 3. Barunga West Council | 4. Northern Areas Council |
| 5. Clare and Gilbert Valleys Council | 6. District Council of Orroroo/Carrieton |
| 7. Copper Coast Council | 8. District Council of Peterborough |
| 9. The Flinders Ranges Council | 10. Port Pirie Regional Council |
| 11. Regional Council of Goyder | 12. Wakefield Regional Council |
| 13. Light Regional Council | 14. Yorke Peninsula Council, and |
| 15. Adelaide Plains Council. | |

All funds received and expended by the Group have been included in the Financial Statements forming part of this Financial Report.

1.3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Group 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 Group's operations for the current reporting period.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Group'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 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 11.

1.5 Property, Plant & Equipment

All non-current assets purchased are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". All assets are recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Group for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are as follows:

Office Furniture & Equipment	\$5,000
Motor Vehicles, Other Plant & Equipment	\$5,000

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Group, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually. Major depreciation periods for each class of asset are shown below.

Office Furniture & Equipment	5 to 10 years
Motor Vehicles, Other Plant & Equipment	3 to 5 years

1.6 Payables

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

Amounts received from external parties in advance of service delivery are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

1.7 Employee Benefits

Salaries, Wages & Compensated Absences

The Group has two employees as at the 30th June 2020, a Chief Executive Officer and a Project Officer. 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.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

No accrual is made for sick leave as the Group's 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. The Group does not make payment for untaken sick leave.

1.8 Superannuation

The Group contributes the statutory 9.5% SGC superannuation to the nominated superannuation funds for the Chief Executive Officer and Project Officer.

1.9 GST Implications

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

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

1.10 Leases

In the current year, the Group performed an assessment of the potential impact of AASB 16 *Leases*. The Group is only engaged in a short-term lease as per Section 5 of AASB 16 and therefore the lease is recognised as an operating expense on a straight-line basis over the term of the lease.

1.11 New Accounting Standards

In the current year, the Group adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to the Group's accounting policies.

The Group has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2020 reporting period and have not been used in preparing these reports.

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

AASB 17 Insurance Contracts

AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

The Group 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.

1.12 Economic Dependencies

The Group is aware of its current dependence on Grants Revenue received from the Commonwealth Government, State Government and the Local Government Association for the ongoing operations of the Group. Should the Group not secure funding or a significantly reduced level of funding in future years, it may impact on the ability of the Group to continue operating as a going concern.

1.13 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 2 - INCOME

	2020 \$	2019 \$
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	10,807	16,507
Banks	39	65
	<u>10,845</u>	<u>16,573</u>
REIMBURSEMENTS		
- for Legal, Climate Change, USGRPG	37,787	37,664
	<u>37,787</u>	<u>37,664</u>
OTHER INCOME		
Council Contributions	177,025	165,225
Sundry	16,372	4,206
	<u>193,397</u>	<u>169,431</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Sundry	485,336	509,232
	<u>485,336</u>	<u>509,232</u>
Sources of grants		
Commonwealth government	17,000	-
State government	70,500	115,000
LGA	397,836	394,232
	<u>485,336</u>	<u>509,232</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 3 - EXPENSES

	2020 \$	2019 \$
EMPLOYEE COSTS		
Salaries and Wages	166,435	141,645
Employee leave expense	27,745	23,815
Superannuation	17,828	15,217
Workers' Compensation Insurance	2,087	1,333
Professional Development	400	664
FBT	6,699	8,644
Total Operating Employee Costs	221,194	191,317
Total Number of Employees	1.5	1.3
<i>(Full time equivalent at end of reporting period)</i>		
MATERIALS, CONTRACTS & OTHER EXPENSES		
Prescribed Expenses		
Auditor's Remuneration	2,100	2,000
Subtotal - Prescribed Expenses	2,100	2,000
<u>Other Materials, Contracts & Expenses</u>		
Contractors & Consultants	210,349	303,167
Legal Expenses	-	-
Unleaded Fuel	3,003	4,734
Other Motor Vehicle Costs	362	3,540
Members Allowances & Support	5,500	4,600
Meetings & Conferences	14,517	6,937
Insurance	7,934	7,735
Rental - Premises	10,126	9,009
Advertising	28	1,650
Accommodation	1,022	768
Airfares	338	-
Travel - Reimbursement	834	425
Catering & Meals	3,293	1,040
Telephone & Internet	3,432	4,894
Postage/Stationery/IT	3,792	3,575
Sundry	6,849	1,826
Subtotal - Other Materials, Contracts & Expenses	271,379	353,899
	273,479	355,899
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Motor Vehicle	5,695	6,311
	5,695	6,311

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2020 \$	2019 \$
PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	5,909	-
Less: Carrying amount of assets sold	9,599	-
Gain (Loss) on disposal	(3,690)	-
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	 (3,690)	 -

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS		
Cash at Bank	77,756	78,151
Deposits at Call	1,180,250	893,936
	1,258,006	972,087
 TRADE & OTHER RECEIVABLES		
Accrued Revenues	436	944
Debtors - General	93,409	55,000
GST Recoupment	-	13,857
	93,845	69,801

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 6 - PLANT & EQUIPMENT

	Fair Value Level	2019 \$				2020 \$			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Motor Vehicles Computers & Software		- -	33,353 3,948	(22,176) (3,948)	11,177 -	- -	28,967 3,948	(4,117) (3,948)	24,850 -
TOTAL PLANT & EQUIPMENT		-	37,301	(26,124)	11,177	-	32,915	(8,065)	24,850
Comparatives		-	37,301	(19,813)	17,488	-	37,301	(26,124)	11,177

	CARRYING AMOUNT MOVEMENTS DURING YEAR										2020
	2019 \$	\$								Net Revaluation	CARRYING AMOUNT \$
		CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers			
			New/Upgrade	Renewals				In	Out		
Motor Vehicles	11,177	-	28,967	(9,599)	(5,695)	-	-	-	-	24,850	
Computers & Software	-	-	-	-	-	-	-	-	-	-	
TOTAL PLANT & EQUIPMENT	11,177	-	28,967	(9,599)	(5,695)	-	-	-	-	24,850	
Comparatives	17,488	-	-	-	(6,311)	-	-	-	-	11,177	

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 7 - LIABILITIES

	2020		2019	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	2,143	-	24,196	-
Payments received in advance	110,500	-	-	-
Accrued expenses - employee entitlements	5,890	-	6,637	-
GST & PAYG	16,656	-	15,896	-
	135,189	-	46,729	-
PROVISIONS				
Employee entitlements - Annual Leave	10,314	-	2,568	-
Employee entitlements - Long Service Leave	-	7,069	-	2,947
	10,314	7,069	2,568	2,947

Note 8 - RESERVES

OTHER RESERVES	1/7/2019	Transfers to Reserve	Transfers from Reserve	30/6/2020
General Reserve	66,093	466,677	(263,000)	269,770
Rubble Royalties Projects	-	250,000	-	250,000
1 A009-Special Projects	9,825	-	(9,825)	-
2 P003-Waste Management	16,273	-	(16,273)	-
3 P022-Roads & Transport	46,087	377,570	(423,657)	-
4 P024-Climate Change Co-Ordinator 2015-17	11,694	-	(11,694)	-
5 P025-LG Outreach Phase 2	132,922	-	(132,922)	-
6 P027-LG Reform - Incentive Risk	144,000	-	(144,000)	-
7 P028-Regional Capacity Building	407,569	-	(407,569)	-
TOTAL OTHER RESERVES	834,463	1,094,247	(1,408,940)	519,770
Comparatives	766,113	75,000	(6,650)	834,463

PURPOSES OF RESERVES

(Other Reserves)

Rubble Royalties / Projects Reserve

This reserve was established from the Region's rubble royalty payments, with a percentage returned for allocation towards projects that provide a benefit to Member Councils

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 9 - 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	2020 \$	2019 \$
Total cash & equivalent assets	5	1,258,006	972,087
Balances per Cash Flow Statement		1,258,006	972,087

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

Net Surplus (Deficit)	223,308	179,372
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	5,695	6,311
Net increase (decrease) in unpaid employee benefits	10,663	4,755
Net (Gain) Loss on Disposals	3,690	-
	243,356	190,438
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(33,993)	33,815
Net increase (decrease) in trade & other payables	(10,886)	(61,042)
Net increase (decrease) in other liabilities	110,500	-
Net Cash provided by (or used in) operations	308,977	163,211

(c) Non-Cash Financing and Investing Activities

(d) Financing Arrangements

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

Corporate Credit Cards	1,000	-
------------------------	--------------	---

Note 10 - FUNCTIONS

The activities of the Region are categorised into the following programmes

- 1 Corporate Function
- 2 P003 - Regional Waste Management
- 3 P015-Local Government Reform
- 4 P022-Roads & Transport
- 5 P024-Climate Change Co-Ordinator
- 6 P027-LG Reform - Incentive Risk
- 7 P028-Regional Capacity Building
- 8 P029 - LGA R&D Projects
- 9 P030 - Emerging Leaders Project
- 10 P031 - Digital Maturity Index Project
- 11 P032 - Sustainability Hub
- 12 P033 - Coastal Strategic Priorities
- 13 P034 - N&Y Coastal Management Action Plan
- 14 P037 - Creative Industries Project
- 15 P038 - Regional Waste Strategy

Income and expenses have been attributed to the functions/activities throughout the financial year.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 11 - FINANCIAL INSTRUMENTS

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned. Terms & conditions: Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 0.45% as at 30 June 2020 Carrying amount: approximates fair value due to the short term to maturity.
Receivables - Trade & other debtors	Accounting Policy: Carried at nominal value. Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. Carrying amount: approximates fair value.
Liabilities - Creditors and Accruals	Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group. Terms & conditions: Liabilities are normally settled on 30 day terms. Carrying amount: approximates fair value.

Liquidity Analysis

2020	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	1,258,006	-	-	1,258,006	1,258,006
Receivables	93,845	-	-	93,845	93,845
Total	1,351,851	-	-	1,351,851	1,351,851
Financial Liabilities					
Payables	129,299	-	-	129,299	129,299
Total	129,299	-	-	129,299	129,299

2019	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	972,087	-	-	972,087	972,087
Receivables	69,801	-	-	69,801	69,801
Total	1,041,888	-	-	1,041,888	1,041,888
Financial Liabilities					
Payables	24,196	-	-	24,196	24,196
Total	24,196	-	-	24,196	24,196

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 Group.

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 Group is the carrying amount, net of any allowance for doubtful debts. All Group investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Group'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 the Group'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 the Group will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 12 - FINANCIAL INDICATORS

	2020	2019	2018
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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.

The Information Paper was revised in May 2015 and the financial indicators for previous years have been re-calculated in accordance with the revised formulas.

Operating Surplus Ratio

<u>Operating Surplus</u>	31.2%	24.5%	18.8%
Total Operating Income			

This ratio expresses the operating surplus as a percentage of total operating revenue.

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	(165%)	(135%)	(143%)
Total Operating Income			

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

Asset Renewal Funding Ratio

<u>Net Asset Renewals</u>	305%	0%	0%
Depreciation 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.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 13 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Group 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

	2020 \$	2019 \$
Income	727,366	732,899
Expenses	<u>(500,368)</u>	<u>(553,527)</u>
Operating Surplus / (Deficit)	226,998	179,372
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(28,967)	-
Add back Depreciation, Amortisation and Impairment	5,695	6,311
Proceeds from Sale of Replaced Assets	<u>5,909</u>	<u>-</u>
	(17,363)	6,311
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	-	-
Amounts received spec. for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>-</u>	<u>-</u>
	-	-
Net Lending / (Borrowing) for Financial Year	<u>209,635</u>	<u>185,683</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 14 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Group include the 15 Mayors/Chairpersons of the constituent Councils and the CEO. In all, 2 persons were paid the following total compensation:

	2020 \$	2019 \$
Salaries, allowances & other short term benefits	194,180	165,460
Member Allowance	5,500	4,600
Post-employment benefits	17,828	15,217
FBT	6,699	8,644
TOTAL	224,208	193,921

The Group received the following amounts in total:

	2020 \$	2019 \$
Contributions for fringe benefits tax purposes	-	-
TOTAL	-	-

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

During the reporting period, no Key Management Personnel or parties related to them had any transactions on more favourable terms than those available to the general public.

OTHER RELATED PARTIES

Amounts received from Related Parties during the financial year and owed by Related Parties at the end of the financial year.	Received 2020 \$	Outstanding 2020 \$
The Barossa Council	11,135	-
Barunga West Council	12,635	1,500
Clare and Gilbert Valleys Council	11,135	-
Copper Coast Council	12,635	1,500
The Flinders Ranges Council	16,135	-
Regional Council of Goyder	11,135	-
Light Regional Council	11,135	-
Adelaide Plains Council	11,135	-
District Council of Mount Remarkable	11,135	-
Northern Areas Council	11,135	-
District Council of Orroroo / Carrieton	16,135	-
District Council of Peterborough	11,135	-
Port Pirie Regional Council	11,135	-
Wakefield Regional Council	11,135	-
Yorke Peninsula Council	12,635	1,500
TOTAL	181,525	4,500

Description of Services provided to all Related Parties above:

The Legatus Group is the peak regional local government organisation that is focused on the interests of its communities. The Legatus Group's primary purpose focuses on the wealth, wellbeing and social cohesion of these communities via a sustainable approach of productive landscapes and natural environment. Its focus is on the key roles of local government.

The Group has Five Primary Goals and numerous strategies to achieve these are outlined in the Group's Strategic Plan 2018-2028 which is available on the Group's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEGATUS GROUP

Opinion

We have audited the financial report of the LEGATUS Group (the Authority), which comprises the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the Certification of Financial Statements.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and the Australian Accounting Standards (including Australian Accounting Interpretations).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information other than the Financial Report and Auditor's Report Thereon

The Authority is responsible for the other information. The other information comprises the information included in the Authority's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility for the Financial Report

The Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. The Authority's responsibility includes establishing and maintaining internal control relevant to preparation and fair presentation of the financial report so that it is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Authority is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report


Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS



JIM KEOGH
PARTNER

Signed on the 8th day of September 2020,
at 214 Melbourne Street, North Adelaide

LEGATUS GROUP

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Legatus Group for the year ended 30 June 2020, the Council's Auditor, East Ninety & Partners, has maintained its 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.


CHIEF EXECUTIVE OFFICER
The Hawkes Bay Council


CHIEF EXECUTIVE OFFICER
Clare & Gilbert Valley's Council


CHIEF EXECUTIVE OFFICER
The Pukekohe District Council


CHIEF EXECUTIVE OFFICER
South Regional Council


CHIEF EXECUTIVE OFFICER
District Council of Mount Remarkable


CHIEF EXECUTIVE OFFICER
Fox Glen Regional Council


CHIEF EXECUTIVE OFFICER
York-Paerahi Council


CHIEF EXECUTIVE OFFICER
Wairarapa Regional Council

Date:


CHIEF EXECUTIVE OFFICER
District Council of Bay of Plenty


CHIEF EXECUTIVE OFFICER
District Council of the Coromandel


CHIEF EXECUTIVE OFFICER
Regional Council of Otago


CHIEF EXECUTIVE OFFICER
Adelaide Plains Council


CHIEF EXECUTIVE OFFICER
North Otago Council


CHIEF EXECUTIVE OFFICER
District Council of Otago Central


CHIEF EXECUTIVE OFFICER
District Council of Pukekohe


CHAIRMAN
Legatus Group
Board of Management

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the LEGATUS Group for the year ended 30 June 2020, 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*.



Jim Keogh

Partner

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS

Dated the 8th September 2020