CLARE & GILBERT VALLEYS COUNCIL

Annual Business Plan 2026-2027

We acknowledge the Ngadjuri people as the Traditional Custodians of these lands, And we honour their ongoing connection to Country, culture and community.

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INTRODUCTION

This *Annual Business Plan* (ABP) sets out Clare & Gilbert Valleys Council's (Council) proposed services, programs and projects for the 2026-2027 financial year.

It aims to maintain efficient services for the community and continue progress towards the longer-term objectives for Council as set out in the *Strategic Plan 2026-2030*, adopted 20 May 2026.

Specific objectives proposed for this year are consistent with Council's *Long-Term Financial Plan* (LTFP) and *Asset Management Plans* (AMP)to ensure the long-term sustainability of Council's financial performance and position.

Highlights of these objectives for 2026-2027 are:

- Establish service levels for the management of Council's infrastructure and open spaces.
- Progress the *2026-2030 Four Year Sealed Roads Capital Works Program*.
- Progress the *2026-2030 Four Year Unsealed Roads Capital Works Program*.
- Progress the *2026-2030 Four Year Sealed Roads Upgrade Program*.
- Continued delivery of actions within Council's *Disability Access & Inclusion Plan* (DAIP).
- Continue the refurbishment of the Riverton Town Hall.
- Undertake a rating review to assess equity across the various rating categories to determine appropriate levels of rating to be applied.
- Continued implementation of Council's IT Strategic Plan to deliver updated software solutions and improve business efficiencies.
- Implement Council's corporate risk framework.
- Manage the Local Government Elections and induct & train new elected members.

COUNCIL'S AREA

With vineyard covered landscapes set in rolling golden hills of fertile agricultural lands, the Clare & Gilbert Valleys district is made up of a collection of historic towns with thriving communities. A tapestry of towns, villages and rural landscapes, the Clare & Gilbert Valleys are home to an estimated population of over 9,400 people.

Forming part of the traditional lands of the Ngadjuri people, their rich connection and association with this country is acknowledged.

The fertile agricultural lands within the district are the cornerstones of the region's economy. Combined with favourable climate conditions, the region boasts premium vineyards and broad acre cropping opportunities as well as quality livestock production.

As well as a holiday destination, the region is where people live and thrive in a location close 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 service towns of Clare, Riverton, Saddleworth and Auburn through to the villages of Stockport, Tarlee, Rhynie, Manoora, Mintaro, Watervale, Sevenhill, Armagh, Waterloo, Hilltown, Leasingham, Penwortham, Stanley Flat and Marrabel, all have a proud history, great stories and present a vibrant future for the Clare & Gilbert Valleys community.



ELECTED MEMBERS

The Council is responsible for policy making and decisions that impact on current and future plans for the district, and the lives and livelihoods of individuals, organisations and businesses within it.

The role of Elected Members is to:

- Represent the interests of residents and ratepayers, to provide community leadership and guidance and to facilitate communication between the community and the Council.
- Participate in the deliberations and civic activities of the Council.
- Formulate the Council's objectives and policies.
- Keep the Council's objectives and policies under review to ensure they are appropriate and effective.
- Keep Council's resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery under review.

The Council is made up of the Mayor, and nine Councillors*.



Back: Cr Brian Koch, Cr Malcolm Bartholomaeus, Cr Leon Bruhn
Middle: Cr Elizabeth Calvert, Cr David Willson, Cr Ann Alder, Cr Jeannine Naughton
Front: Mayor Allen Aughey OAM

*Due to the resignation of two Councillors, current membership is seven elected members

STRATEGIC PLAN

Council's *Strategic Plan 2026-2030* (the Plan) was developed and reviewed by both Council and members of the public and provides high level direction for the future investment and delivery of services by Council. The Plan is structured around three Strategic Pillars and 14 Community Priorities and outlines our Vision and Mission statements that guide our Plan.

OUR VISION

Our vision is to be a thriving district with strong communities and opportunities for all.

OUR MISSION

As the local council, our mission is to look after our district, support our community and plan responsibly for the future. We do this by delivering reliable services; being collaborative; supporting economic growth; advocating; caring for our environment; and building trust through good communication and customer experience.

OUR 3 STRATEGIC PILLARS

- ***Our Sustainable Lifestyle***

  A liveable, resilient region where growth is well-planned, housing is diverse and affordable, infrastructure is reliable, and our landscapes, biodiversity and unique character are protected for future generations.

  - Structured planning for growth, housing & land supply.
  - Housing diversity, affordability & ageing in place.

- Roads & physical infrastructure.
- A protected & sustainable environment.
- Heritage, rural character & the natural beauty of towns.

- ***Our Connected Community***

  A welcoming, inclusive region where people feel supported, can access valued facilities and essential services, move safely and easily, and benefit from digital connectivity that supports daily life and participation.

  - Community facilities, halls & shared spaces.
  - Welcoming & inclusive communities.
  - Local services, health, emergency management & community care.
  - Transport & mobility.
  - Digital connectivity & smart infrastructure.

- ***Our Vibrant Economy***

  A confident, diverse regional economy with thriving main streets, strong industries, a leading visitor experience, and a skilled workforce supported by quality education, training and employment opportunities.

  - Vibrant main street, retail & local business support.
  - Tourism, events, trails & visitor-ready places.
  - Industry, agribusiness & value-adding.
  - Workforce opportunities & education

SIGNIFICANT INFLUENCES

A number of significant factors have influenced the preparation of Council's 2026-2027 *Annual Business Plan* (ABP). These include:

- Consumer Price Index (CPI) increases on relevant goods and services of **4.1%** for the previous year;
- Enterprise agreements which provide for wages and salary increases;
- Council's provision, maintenance and renewal of infrastructure assets including roads, footpaths, lighting, stormwater drainage, street trees and plantings, open space and council properties;
- Service and infrastructure needs of an evolving population;
- Commitments to continuing projects and partnership initiatives over more than one year;
- Changes to State/Commonwealth grant funding for services that Council proposes to continue providing;
- Instability of fuel prices; and
- New or increased fees and charges imposed by other levels of government e.g. waste levy.

In response to these factors, and to minimise the burden upon ratepayers, the ABP has been prepared with the following guidelines:

- A budget that will result in the total revenue raised through general rates increasing by **4.95%**;
- Community wastewater management system charge will be **$565**, to promote cost recovery through sustainable assets management practices;
- Waste & Recycling collection charge will be **$300**, which will make the collection scheme entirely self-funded;
- Major projects, including those delivered in partnership with Federal, State, and private entities.

CONTINUING SERVICES

All councils have basic responsibilities under the *Local Government Act 1999* and other relevant legislation. These include:

- regulatory activities e.g. parking and dog & cat management;
- setting rates, preparing an annual budget and determining longer-term strategic management plans for the area;
- management of infrastructure and other assets including roads, footpaths, parks, public open space, street lighting and stormwater drainage;
- community wastewater management systems;
- rubbish collection and waste management;
- development planning and control, including building safety assessment;
- emergency management including flood and fire season preparedness; and
- various environmental health services.

In response to community needs, Council also provides further services and programs including:

Library and youth services (incl Riverton Community Library)	Community funding, including Grants & Peak Body funding
Community & cultural spaces	Tourism & economic development
Cemetery management and maintenance	Playgrounds & open spaces
Sports & recreational facilities, including The Valleys Lifestyle Centre and Riverton Outdoor Pool	Environmental programs (eg food business inspections, reserve maintenance)

In all services, Council seeks to be responsive to changing needs.

Council also operates a number of facilities and services on a fee for service basis. These provide important community benefits while also generating revenue for services and projects of benefit to the Clare & Gilbert Valleys.

These include:

Auburn Caravan Park	Clare Town Hall
Riverton Caravan Park	Open space and community building hire
Community Wastewater Management Systems	Rubbish collection

BUSINESS EFFICIENCIES

To ensure that Council is continually striving for business efficiencies, there is a significant focus placed upon reviewing the organisation's underlying processes and procedures to achieve an optimisation of resources. Staff are encouraged to challenge current methods in terms of what is legislatively required against existing frameworks to ensure best practice is implemented across the business. These include:

- A strategic plan that has been implemented to deliver Council's strategic objectives to reflect and accommodate evolving community needs.
- A strengthening of procurement and project management processes to ensure the best value for money is achieved.
- Corporate risk review to minimise losses, improve performance, enhance stakeholder confidence, and promote a positive risk culture. This will also facilitate improved resource allocation and regulatory compliance and strengthen business continuity planning.
- Improving the budget and annual business planning processes to ensure Council's strategic objectives are effectively reflected and funded.
- The implementation of Council's IT Strategy, to deliver updated software to enhance business processes in finance, payroll and records management.

ANNUAL BUSINESS PLAN & BUDGET 2026-2027 – SNAPSHOT

Overall budget

This year's budget is $24.65 million.

What will Council deliver?

Council will continue to deliver services and programs to support the community, businesses and visitors including waste collection, road reseals, resheeting and grading, library services, environmental health services, development control, dog and cat management, as well as key projects to enhance, renew and build the District's assets.

How will it be funded?

A budget of $24.65 million will be funded through Council rates (75%), State and Federal grants (15%), fees and charges (6%), investment and other sources (4%).

For every $100 spent, we provide the following services:	$
Business Undertakings	9.10
Community Services	8.90
Culture	5.80
Economic Development	2.20
Environment	16.90
Recreation	12.20
Regulatory Services	5.90
Transport	39.00

KEY ACTIVITIES

The *Annual Business Plan and Budget 2026–2027* sets out the actions we will take this financial year to progress towards achieving our goals in the Strategic Plan.

Key Activities	Our Sustainable Lifestyle	Our Connected Community	Our Vibrant Economy	Performance Measure
Ongoing partnerships with service organisations and community groups for the management of Council owned open spaces and buildings.	●	●	●	Open spaces and buildings are maintained and activated to meet Council's service levels.
Customer Requests	●	●		○ 90% of Customer Requests acknowledged within two (2) business days and completed within adopted service level timeframes. ○ Monthly reporting on Customer Request response and completion rates against benchmark targets. ○ Reduction in overdue Customer Requests compared to previous
Undertake refurbishment of the Riverton Town Hall.	●	●	●	Refurbishment works have been tendered and project underway, for completion within two years.

Key Activities	Our Sustainable Lifestyle	Our Connected Community	Our Vibrant Economy	Performance Measure
Resource critical personnel positions and implement organisational systems to improve operational efficiency, service delivery, reporting, and informed decision-making across Infrastructure operations.	●	●	●	Key identified positions filled within approved budget allocations and priority operational systems implemented to support data management, reporting, asset management, and informed decision-making outcomes.
Undertake strategic planning for the local area, planning for projected housing and employment growth, and identifying requirements and timing for local infrastructure and services.	●			Successful completion before mandated December 2027 deadline, informing future updates to the YP&MN Regional Plan.
Inspect high-risk food businesses to minimise the probability of foodborne illness outbreaks.			●	Zero confirmed foodborne illness outbreaks associated with registered high-risk food businesses.
Coordinate the preparation and implementation of the Council's strategic Plan of Management Relating to Dogs and Cats.		●		The adoption of the Plan by Council.
Implement treatment measures for identified assets in the 2024-2028 Mid North & Yorke (bushfire) Static Risk Reduction Plan.		●		Evaluation and reporting through Mid North and Yorke Bushfire Management Committee and State Bushfire Coordination Committee, and Annual reduction in Schedule 6/Section 105F notices.
Develop an *Ageing Strategy* to support ageing in place and improve housing availability more broadly.	●			Council's *Ageing Well Strategy* developed by June 2027.

Key Activities	Our Sustainable Lifestyle	Our Connected Community	Our Vibrant Economy	Performance Measure
Strengthen support for volunteers managing community facilities by providing training, grants, templates and partnerships to help reduce the operational burden on committees managing halls and community buildings.		●		Relevant volunteer support resources developed and delivered by June 2027.
Complete a district-wide facilities audit to review the condition, utilisation and accessibility of all community halls, shared spaces and Council buildings to identify clear priorities for renewal and activation.		●		Audit completed by June 2027.
Establish a strengthened community support program to empower local groups - including reviewing and refining Council's grants and asset support programs to better enable community-led initiatives rather than Council prescribing solutions.		●		Grant programs reviewed and refined by 30 June 2027.
Review and update the district-wide *Disability, Access & Inclusion Plan* to identify priority groups at risk of isolation, set clear inclusion principles for Council events and facilities, and outline actions to support welcoming, connected communities in every township.		●		Council's *Disability, Access & Inclusion Plan* reviewed and updated by 2027. Further development of welcoming, connected and inclusive programs across the District.

Key Activities	Our Sustainable Lifestyle	Our Connected Community	Our Vibrant Economy	Performance Measure
Embed accessibility considerations into planning and infrastructure design - including footpath gradients, kerb ramps, crossings and infrastructure that supports mobility aids such as walkers and wheelchairs – to make townships easier to navigate for everyone.		●		Accessibility considerations embedded into planning and infrastructure designs.
Position the Clare and Gilbert Valleys as a complementary destination to nearby tourism hubs, encouraging linked itineraries, multiday visits and stronger regional tourism collaboration.			●	Support the implementation of the *Clare Valley Destination Management Plan 2026-2030.*
Build strong partnerships with local high schools, TAFE and universities to connect young people with local employers, expand relevant training in the district, and strengthen pathways into work and further education across key industries.			●	Key partnerships identified and developed with local high schools, TAFE and universities by 2027.
Establish Council-hosted student placements, internships, cadetships and graduate roles to position Council as a local employer of choice and help retain young people and skilled workers in the district.			●	Council-hosted placement opportunities and roles identified and mapped against organisational responsibilities.
Continue to develop the Clare Town Hall		●	●	Clare Town Hall Business Case is developed and a plan for progression has been established.
Continue to implement IT upgrades to Council systems			●	IT upgrades are being implemented in stages.

Key Activities	Our Sustainable Lifestyle	Our Connected Community	Our Vibrant Economy	Performance Measure
Undertake a comprehensive review of Council Policies and update where necessary.	●	●	●	Policies are updated by 30 June 2027.
Run a successful election process for the 2026 Local Government Election, including induction and training for new elected members.	●	●	●	Elected body is inducted and mandatory training is undertaken.
Develop and deliver Adult, Children's and Digital Literacy Library Programs		●		Increased attendance at programs and use of the library service; Improved AEDC results; Development of a library events program for planning and marketing.
Update the CGVC Library Service Strategic Plan 2022-2027		●		Adoption of the Plan by Council.
Digitisation of local history information and resources.		●		Local history materials can be accessed online; Local History Groups provide prioritised collections for digitisation and access.
Finalise landholder negotiations and progress options for the replacement of the Clare Boardwalk.		●		Landholder negotiations are finalised and the Clare Boardwalk project is progressing.

HOW WE SUPPORT THE COMMUNITY

Council acknowledges the Clare and Gilbert Valleys' community volunteers for providing invaluable services crucial to the delivery of Council provided programs and initiatives.

Volunteers enhance community services, build stronger connections, and contribute to a more vibrant and resilient community. Volunteers provide a diverse range of skills and experiences that complement the work of council staff, allowing Council to expand its reach and impact.

Council provides support to the Clare & Gilbert Valleys Communities and Volunteers in a number of ways, including:

- Grants and Donations,
- Free or subsidised use of community buildings and utilities,
- Support for Community Events.

Community Group	Annual Financial Support
Auburn Bike Park project	$50,000
Clare Model Engineers – Melrose Park	$1,100
Civic events (Bizen Sister City, Australia Day)	$25,700
Clare History Group	$3,600
Clare Lions Club – Gleeson Wetlands	$3,100
Clare Town Hall, Auburn & Riverton Caravan Park Committees	$1,500
Clare Valley Wine, Food & Tourism Centre	$268,020
Community Asset Grants	$60,000
Disbursement of funds from sale of built assets (Auburn)	$100,000
Donations on request	$20,000
Events Support Program	$25,000
Lions Club of Gilbert Valleys – Riverton Cemetery	$1,000
Peak Body Funding	$71,800
Riesling and Rattler Trail Committees	$6,000
Riverton Community Management Committee	$5,500
Riverton History Group	$7,500
Trees for Life	$10,000
Total	**$659,820**

BUDGET 2026-2027

Funding the Business Plan

Consistent with Council's *Long-Term Financial Plan*, a small surplus is being targeted in 2026-2027. The operating surplus/(deficit) measures the difference between operating revenue and expenses for the period. Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue.

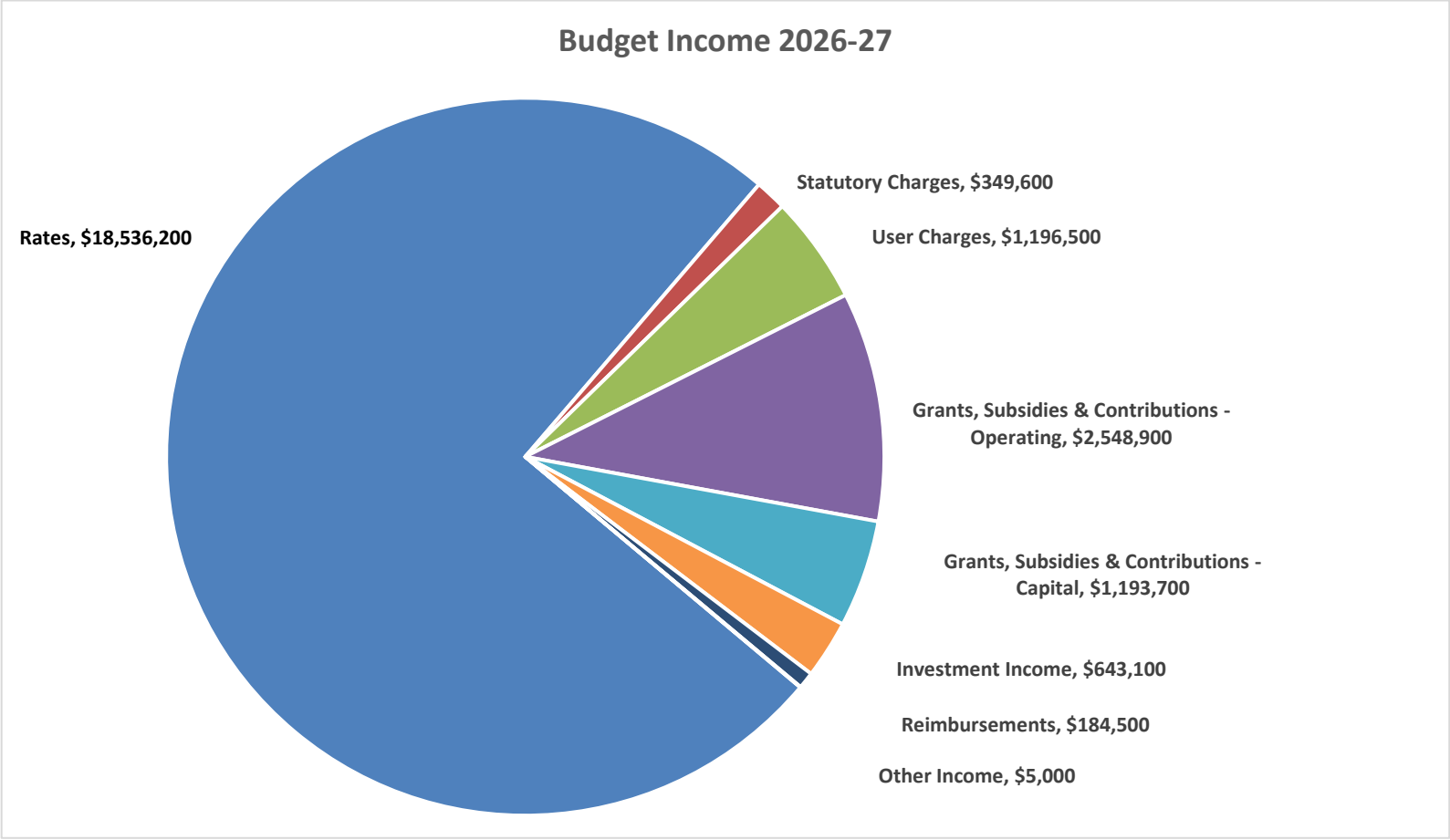
Council's operating revenue in 2026-2027 is estimated at $24.65 million, with rates being the primary source of funding.

Other sources of revenue for Council are:

- Fees and charges levied on services (Statutory and User Charges);
- Grants received from State and Commonwealth Governments;
- Interest from investing excess cash in short-term investments;
- Reimbursements and other sundry income.

Income

Figure 1 2026-2027 Estimated Budget Income



Rates

Rates are the primary source of funding for the activities undertaken by Council.

A projected total of $18.54 million in rates will be levied in 2026-2027.

Statutory Charges

Statutory charges are fees and fines levied in accordance with legislation including development application fees, animal registrations, *South Australian Public Health Act* registrations and parking fines.

Council estimates that it will collect statutory charges of $350,000 in 2026-2027.

User Charges

User charges relate to the recovery of service delivery costs through the charging of fees to users of Council's services. These include charges for the use of Council facilities, commercial leases and licences, rural rubbish collection, and road and reserves rent.

Council estimates user charges income of $1.197 million in 2026-2027.

Grants, Subsidies & Contributions

Grants, subsidies, and contributions income includes monies received from State and Commonwealth Government sources that fund the delivery of Council's services to ratepayers. Grants income for the 2026-2027 financial year has been budgeted based on both confirmed and estimated funding levels. Council estimates grants and subsidies income of $3.743 million in 2026-2027.

Investment Income

Council earns investment income primarily in the form of interest from the investment of cash surpluses throughout the financial year.

Council estimates investment income for 2026-2027 at $643,100.

Reimbursements & Other Income

Reimbursements & other income relates to payments made on behalf of community organisations and other entities that are reimbursed. These items are typically for utilities such as water, electricity and insurance.

Council estimates that it will receive reimbursements & other income of $189,500 in 2026-2027.

How the Budget is spent

To meet its strategic objectives, Council's operating expenditure focusses upon delivering ongoing services and projects for the community.

The following graph (see Figure 2) illustrates an estimated 2026-2027 financial year operating expenditure of $24.645 million separated into the following main expenditure categories:

- **Employee Costs**

  Employee costs include all labour related expenditure such as salaries, wages, allowances and on-costs (including annual leave, long service leave, superannuation, workers compensation insurance, etc.). Council employs 58.54 Full Time Equivalent employees, across three departments.

  During the 2026-2027 financial year, employee costs are forecast at $6.199 million which anticipates Council's requirements in terms of:

  - the provisions in its Enterprise Bargaining Agreements,
  - graduate progression through classification levels,
  - resourcing levels that enable business obligations to be met, provide necessary community services, meet legislative requirements, and deliver significant infrastructure programs, and
  - Estimated employee costs 'capitalised' to infrastructure construction projects.

- **Materials, Contracts & Other Expenses**

  Materials include items such as electricity, water, fuel, civil construction materials, library books and stationery costs.

  Contracts relate to the provision of council services by external providers and include items such as waste collection, and infrastructure repairs and maintenance.

  Other Expenses relate to a range of items including contributions to community groups, advertising, insurances, motor vehicle registrations, payment of the Landscape Levy and other miscellaneous expenditure.

  It is estimated that $10.402 million will be spent on materials, contracts and other expenses during the 2026-2027 financial year.

- **Depreciation, Amortisation & Impairment**

  Depreciation is an accounting charge that measures consumption of Council's property, plant and equipment (including infrastructure assets such as roads and drains) over the estimated effective useful life of the assets. Another measure of infrastructure sustainability is a comparison of the long-term average infrastructure renewal expenditure with the long-term average depreciation.

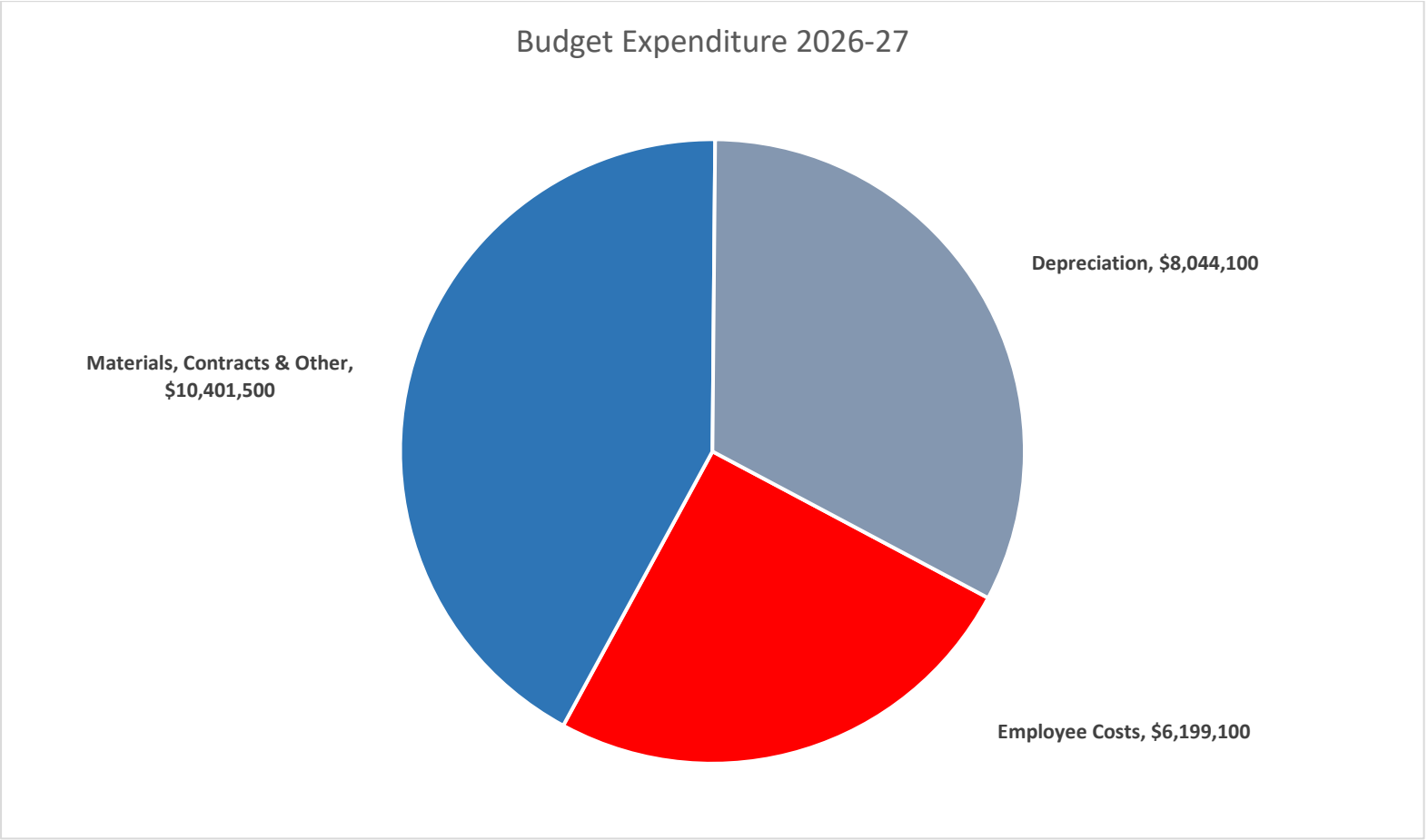
  The forecast amount of depreciation for 2026-2027 is $8.044 million.

- **Finance Costs**

  Finance costs relate to interest charged by the Local Government Financing Authority on funds that have been borrowed. Interest costs have been estimated based on the current loan portfolio as of June 2026.

  Interest costs for 2026-2027 are forecast to be $0.

Figure 2 2026-2027 Estimated Budget Expenses

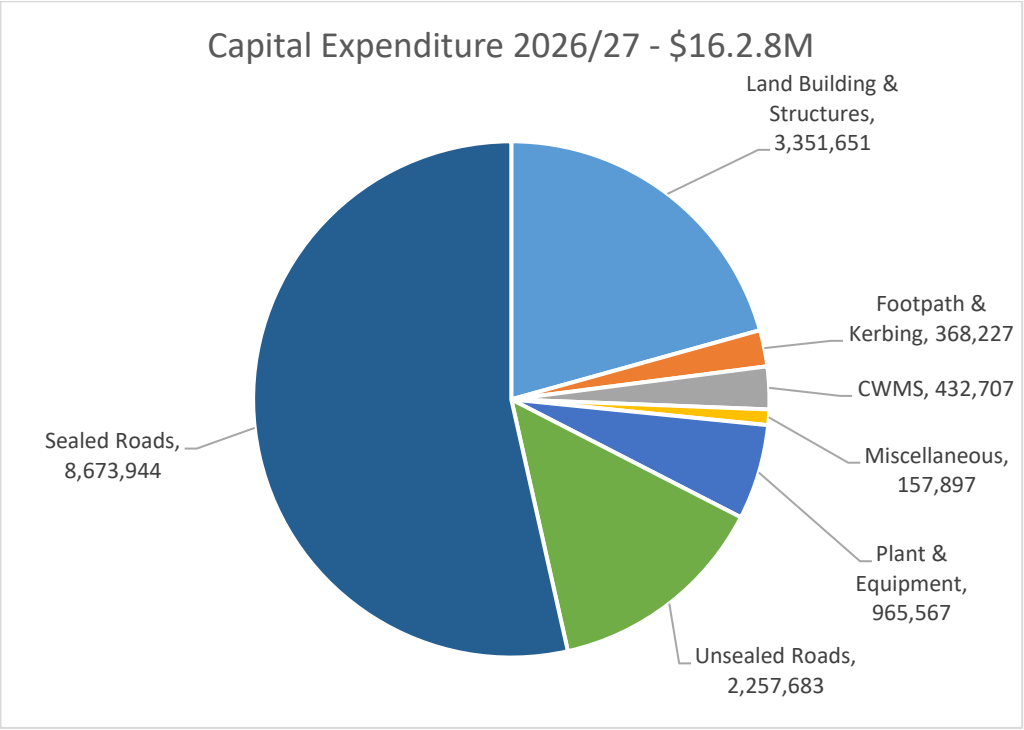


Capital Expenditure

Capital expenditure refers to money spent on acquiring, upgrading, or renewing fixed assets like roads, footpaths, and buildings for long-term improvements that benefit the community. Renewals expenditure is $9.58 million and represents 59% of the total Capital Budget of $16.208 million, with new & upgrade asset expenditure of $6.628 million. A full listing of capital projects can be found at **Appendix A**.

	Renewal	New & Upgrade
Land Building & Structures	3,202,000	150,000
Footpaths & Kerbing	368,000	0
CWMS	433,000	0
Stormwater	0	0
Plant & Equipment	966,000	0
Unsealed Roads	2,258,000	0
Sealed Roads	2,196,107	6,478,000
Miscellaneous	150,000	0
Total	**9,580,000**	**6,628,000**

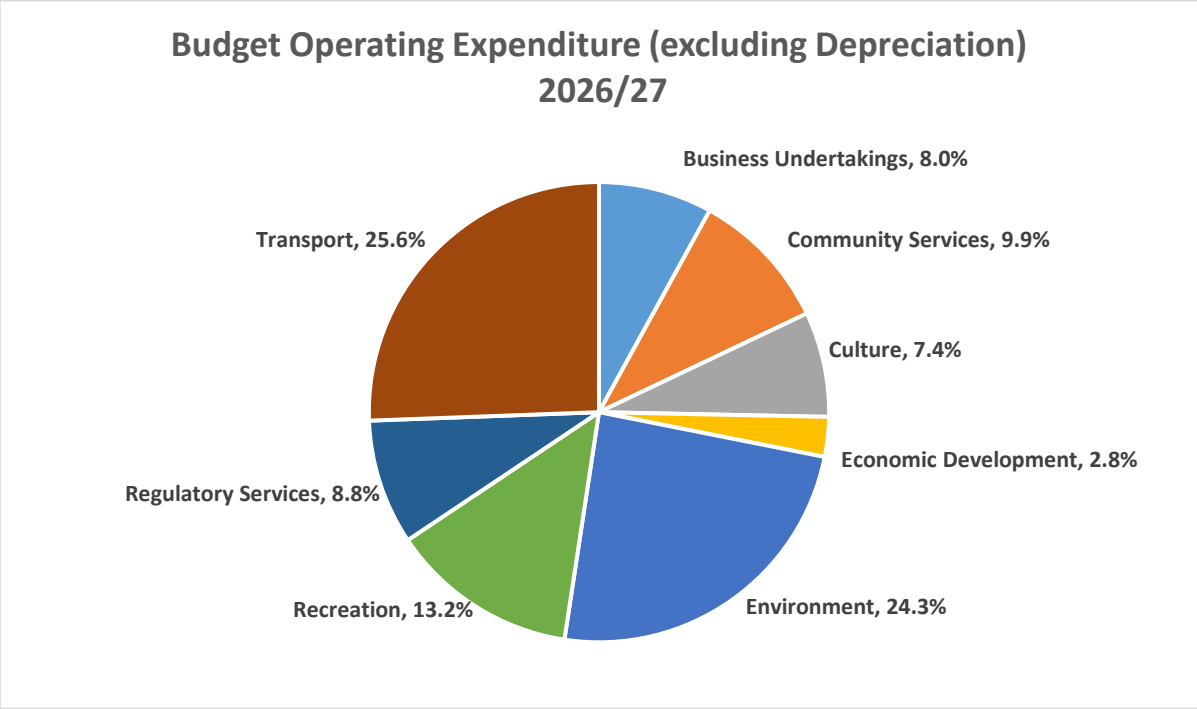
Figure 3 2026-2027 Capital Expenditure



Operating Expenditure

Operating expenditure refers to the ongoing costs council incurs to maintain and deliver its services and assets. These are the daily expenses that keep the council running, distinct from capital investments in new or upgraded assets. The following graph shows operating expenditure for the 2026-2027 year by the following functions in support of the provision of the services outlined.

Figure 4 2026-2027 Budget Operating Expenditure (excluding depreciation)



FINANCIAL SUSTAINABILITY & PLANNING PROCESS

Financial sustainability is considered to encompass intergenerational equity, as well as program (service level) and rates stability.

Pursuant to the *Local Government Act 1999* (the Act), the Essential Services Commission (ESCOSA), South Australia's independent economic regulator and advisory body, has been given a role by the State Parliament to provide advice on material changes proposed by local councils in relation to elements of their strategic management plans and on the proposed revenue sources, including rates, which underpin those plans.

Under the *Local Government Advice Scheme* (the Scheme) ESCOSA supports councils to make 'financially sustainable' decisions relating to their annual business plans and budgets in the context of their LTFPs and AMPs. The other main purpose is for ESCOSA to consider ratepayer contributions in the context of revenue sources, as outlined in the LTFP.

In February 2024, Council received ESCOSA's *Local Government Advice*. A copy of the Advice, and Council's responses setting out how it will address ESCOSA's recommendations for improved sustainability has been included at **Appendix C**.

Long Term Financial Plan

The purpose of the *Long Term Financial Plan* (LTFP) is to guide the future direction of Council in a financially sustainable manner and to express, in financial terms, the activities that Council proposes to take over the medium to longer term to achieve its stated objectives in its strategic plans. It is an important management tool to be used as a guide for future action and encourages Council to consider future impacts of decisions made today on Council's long-term financial sustainability.

Asset Management

Asset revaluations and the updating of Council's Asset Management Plans (AMPs) promotes certainty in expected useful life and renewal costs, and improves data for the LTFP. AMPs ensure that there is accuracy in the calculation of asset lives, rates of consumption and consequently depreciation expenses, to better inform Council's management of its assets, and modelling for its LTFP.

Following extensive review and consultation, Council adopted the following *Asset Management Plans* on 21 May 2025.

- *Infrastructure Asset Management Plan - Buildings & Structures*
- *Infrastructure Asset Management Plan - CWMS*
- *Infrastructure Asset Management Plan - Stormwater*
- *Infrastructure Asset Management Plan – Transport*

Rating Policy

Council has limited means to raise the revenue it requires to pay for the services that it provides to the community. It receives some State and Federal Government grants and subsidies and raises income from some fee paying activities (e.g. hire of community facilities), fines and expiations etc., however the principal source of revenue for councils is a property based tax, namely council rates.

In the establishment of Council's rating frameworks, Council has prepared and adopted a rating policy to guide its annual declaration of rates. Council's decision regarding its rating is underpinned by:

- accountability and transparency with its community;
- equitable and fair distribution of the general rate responsibility across the whole community; and
- consistency with Council's strategic and financial direction and budgetary requirements.

Therefore, Council's *Rate Policy 2026-2027* outlines the principles governing:

- Council's revenue raising powers;

- Principles of taxation;
- Method used to value land;
- Adoption of valuations;
- Differential general rates and fixed charges;
- Service charges;
- Regional Landscape Levy;
- Payment of rates and payment plans;
- Late payment of rates and collection of overdue rates;
- Remission and postponement of rates;
- Rebate of rates; and
- Sale of land for non-payment of rates.

Council adopted its *Rate Policy 2026-2027* on 17 June 2026.

KEY FINANCIAL INDICATORS

Key Financial Indicator	Budgeted position for 2026-2027	Target
Operating Surplus Ratio This ratio expresses the operating surplus as a percentage of operating revenue. A positive ratio indicates the percentage of operating income available to help fund proposed capital expenditure. If a Council consistently achieves a modest positive operating surplus ratio and has soundly based projections showing that it can continue to do so in future, having regard to asset management and its community's service level needs, then it is financially sustainable.	0.06%	The target is to achieve an operating surplus ratio of between 0 and 10 per cent, in line with the Local Government Association's (LGA) Financial Sustainability Information Paper No. 9 – Financial Indicators.
Adjusted Operating Surplus Ratio This ratio expresses the operating surplus as a percentage of operating revenue adjusted for grants related to capital works and timing variances in the receipt of financial assistance grants.	(2.8%)	The target is to achieve an operating surplus ratio of between 0 and 10 per cent, in line with the LGA's Financial Sustainability Information Paper No. 9 – Financial Indicators.
Net Financial Liabilities Ratio Net financial liabilities are defined as total liabilities, less financial assets. The net financial liabilities ratio is calculated by expressing net financial liabilities at the end of a financial year as a percentage of operating income for the year. If the ratio falls, over time, this indicates that Council's capacity to meet its financial obligations from operating income is strengthening.	(30.7%)	The target is to achieve a Net Financial Liabilities ratio of between 0 and 100 per cent, in line with the LGA's Financial Sustainability Information Paper No. 9 – Financial Indicators.
Asset Renewal Funding Ratio 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. Net Asset Renewals covers additional	414%	The target is for expenditure on renewal of assets to be greater than 80 per cent but less than 120 per cent of expenditure, in line with the LGA's Financial Sustainability Information Paper No. 9 – Financial Indicators.

Key Financial Indicator	Budgeted position for 2026-2027	Target
expenditure forecast on top of that included in AMPs which is the predominant driver of the excessive ratio in 2026-27. The Asset Renewal Funding Ratio expresses the total expenditure on asset renewals as a percentage of the indexed spending required based on the Council's current Asset Management Plans.		
Percentage of Asset Renewal v Depreciation 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. While asset data is available for 2024-25 for asset renewals, the information is continuing to be verified to ensure that the renewal values is in line with Depreciation. As such using Depreciation as a measure of asset renewal gives a more accurate ratio at this time than using the AMP values. Net Asset Renewals covers all expenditure forecast on asset renewals for all asset classes (Plant & Fleet, Footpaths, CWMS, Bridges etc).	119%	The target is for expenditure on renewal of assets to be greater than 80 per cent but less than 120 per cent of expenditure, in line with the LGA's Financial Sustainability Information Paper No. 9 – Financial Indicators.

RATES

General Rate Increase

As part of the financial planning and budget processes, Council proposes to increase the overall general rates by **4.95%** over that raised in the 2025-2026 financial year.

The actual increase payable by any individual ratepayer may be more or less than this depending on the movement in the capital value of their property relative to other properties.

What is Growth?

Growth is defined as growth in the number of rateable properties within the District.

Council has applied growth to general rates based on the increase or decrease in the number of rateable properties for each land use category.

The net increase in rateable assessments for 2026–2027 is four (4) properties. This increase is not considered material and, therefore, no percentage increase for growth has been applied. Refer to Table 1 Net change in Rateable Properties below.

Table 1 Net change in Rateable Properties

	2026-2027	2025-2026
Number of rateable properties	7,135	7,131

Disclaimer

Rate figures within this Annual Business Plan are subject to change with updated valuation reports from Valuer-General.

Minimum Rates

The Minimum Rate provides a mechanism where lower valued properties do not pay less than a minimum amount as determined by Council. Typically, only a small number of all properties (no more than 35%) pay a minimum rate.

Where two or more adjoining properties have the same owner and/or are occupied by the same occupier, only one minimum rate is payable by the ratepayer.

Council proposes to set a minimum rate of **$820** for 2026-2027. For 2026-2027, Council's minimum rate currently applies to approximately **10.81% or 771** of total rateable assessments**.**

Differential General Rates

Differential General Rates refer to a system where Council applies a different "rate in the dollar" to various categories of rateable land. This means that different classes of properties, like residential, commercial, or primary production, may pay different percentages of their property value. Council uses a differential rating system based upon Land Use Codes as the factor to apply such differential rates. Council has regard to the relative movements in valuations over the last few years.

Differential rating allows Council to shift part of the rate burden from some groups of ratepayers to others to equitably distribute the rate burden for all property owners. The differential rate that Council has set is outlined in Table 2 below.

Table 2 Differential General Rates

Land Use Category	Differential 2026-2027	Differential 2025-2026
Residential	No differential	No differential
Primary Production	(25.00%)	(31.00%)
Commercial	38.50%	36.00%
Industry	45.00%	37.00%
Vacant	0.00%	3.00%
Other	20.00%	9.50%

Rate Rebate – Discretionary & Mandatory

Councils are required, under the *Local Government Act 1999*, to provide a mandatory rebate to qualifying properties under a number of categories.

Table 3 Rate rebates

Category	Rebate
Heath Services	100%
Religious Purposes	100%
Public Cemeteries	100%
Community Services	100%
Educational Purposes	75%

The rates which are foregone via a Mandatory Rebate are redistributed across the ratepayer base (i.e. all other ratepayers are subsidising the rate contribution for those properties who receive a rebate).

Council may determine a discretionary rebate of rates in respect of any rateable land in the council area, and will be available in accordance with the *Local Government Act 1999* and Council's *Rate Rebate Policy*. The policy provides guidance as to the eligibility upon which a ratepayer is entitled to a rebate of rates. Please refer to Council's *Rate Rebate Policy* for further information.

Hardship

Postponement and the remissions of rates, fines and interest on the basis of hardship are provided for under the Local Government Act, 1999. In particular Section 182 contains provisions for remission or postponement of rates in whole or in part on the basis of hardship.

Ratepayers who are experiencing hardship in paying rates are encouraged to contact Council's Rates Officer on 08 8842 6400 or make an application under Council's *Rates – Postponement due to Hardship Policy*.

Average Rates Table 4 shows the proposed rating for 2026-2027, compared to 2025-2026, and its impact using average valuations. Rate changes for individual assessments will likely vary from these amounts. The calculations are based on the average valuation as at 30 June 2026 from the Land Services Office.

Table 4 Average Rates

Land Use	Year	Average Valuation $	Rate in Dollar $	Minimum Rate $	Median General Rates $	Average General Rates $	Ave Rate Change $ pa	% Average Total Increase
Residential: residential dwellings, flat, units	2025-2026	475,753	0.0033138	775	1,458	1,576	34	2.22
	2026-2027	**526,952**	**0.0031310**	**820**	**1,534**	**1,650**	**74**	**4.69**
Commercial: Retail shops, professional services e.g. accounting, legal, engineering, etc.	2025-2026	536,321	0.0045067	775	1,470	2,417	85	3.27
	2026-2027	**585,771**	**0.0043365**	**820**	**1,453**	**2,540**	**129**	**5.33**
Industry: Vehicle reports, workshops, wineries, manufacturing, etc.	2025-2026	536,632	0.0045399	775	1,589	2,436	36	1.66
	2026-2027	**560,547**	**0.0045400**	**820**	**1,657**	**2,545**	**109**	**4.46**
Primary Production: Agriculture, livestock, horticulture, commercial forestry	2025-2026	1,301,948	0.0022865	775	1,966	2,977	63	2.17
	2026-2027	**1,324,451**	**0.0023483**	**820**	**2,090**	**3,110**	**134**	**4.51**
Vacant Land: Vacant allotments	2025-2026	148,993	0.0034132	775	775	680	15	2.30
	2026-2027	**170,673**	**0.0031310**	**820**	**820**	**534**	**41**	**8.21**
Other: Government agencies, education, public utilities	2025-2026	332,048	0.0036286	775	775	1,205	110	6.82
	2026-2027	**316,775**	**0.0037572**	**820**	**820**	**1,190**	**-20**	**-1.64**

In order to obtain the average valuations, the above data did not include past assessments that were removed and/or new assessments in 2026-2027.
Vacant Land: Average general rates includes properties rated as a single farm enterprise and/or adjoining properties, which accounts for those less than the minimum rate.

Rate Statistics 2026-2027

Table 5 Rate Statistics

	Budget 2026-2027 (Valuations as at 30 June 2026)			2025-2026		
Land Use	**Rate in Dollar $**	**Rates $**	**Rates %**	**Rate in Dollar $**	**Rates $**	**Rates %**
Residential	0.00313103	6,205,629	40.86	0.0033138	5,894,354	40.73
Commercial	0.00433648	896,341	5.90	0.0045067	860,560	5.95
Industry	0.00453999	225,243	1.48	0.0045399	210,895	1.46
Primary Production	0.00234827	7,485,037	49.29	0.0022865	7,155,845	49.45
Vacant	0.00313103	297,043	1.96	0.0034132	274,110	1.89
Other	0.00375724	77,853	0.51	0.0036286	75,039	0.52
Total		**$15,187,146**	100.00		**14,470,804**	100.00

**concessions have been deducted*

Rate Rebate Totals & Comparisons

The percentage change in expected revenue, excluding mandatory rebates, between 2025-2026 and 2026-2027 is 6.3%.

Table 6 Percentage change in expected revenue

Year	Gross Rates $	Mandatory Rebates $	Net Rates $
2025-2026	14,705,910	178,309	14,527,601
2026-2027	**15,426,614**	**179,089**	**15,247,524**
		Difference by total rates raised	**719,923**
		Difference by percentage	**4.96%**

Table 7 2025-2026 Rates income & rebates by land use categories

2025-2026				
Land Use	Gross Rates $	Mandatory Rebates $	Discretionary Rebates $	Net Rates $
Residential	5,947,693	50,986	2,353	5,894,354
Commercial	919,697	44,058	15,079	860,560
Industry	216,700	2,452	3,353	210,895
Primary Production	7,158,989	-	3,144	7,155,845
Vacant	277,210	1,550	1,550	274,110
Other	185,621	79,263	31,318	75,039
Total	14,705,910	178,309	56,797	14,470,804
	Total Rebates			**235,106**

Table 8 2026-2027 Rates income & rebate by land use categories

2026-2027				
Land Use	**Gross Rates $**	**Mandatory Rebates $**	**Discretionary Rebates $**	**Net Rates $**
Residential	6,251,442	43,368	2,446	6,205,629
Commercial	958,218	47,444	14,433	896,341
Industry	231,320	2,679	3,398	225,243
Primary Production	7,488,278	-	3,241	7,485,037
Vacant	300,323	1,640	1,640	297,043
Other	197,033	83,959	35,221	77,853
Total	**15,426,614**	179,089	60,378	**15,187,146**
	Total Rebates			**239,468**

VALUATION METHOD & ADOPTION

Council uses capital value (the value of the land and all of the improvements on the land) as the basis for calculating annual rates within the Council area. Council considers that this method of valuation provides the fairest method of distributing the rate burden across all ratepayers.

The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth.

Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

Refer to Table 9 below for the total property valuations provided by the Land Services Office as of 30 June 2026.

Table 9 Total Property Valuations

As of 30 June	2026-2027	2025-2026
Total Capital Value	$5,603,014,060	$5,310,683,540
Rateable Capital Value (excluding non-rateable)	$5,531,957,917	$5,242,616,027

Valuation Statistics

Table 10 Valuations

Budget 2026-2027 Valuations as at 30 June 2026					2025-2026		
Land Use	**Rateable Capital Value $'000**	**Capital Value Proportion %**	**Valuation Movement %**	**Number of Rateable Properties**	Rateable Capital Value $'000	Capital Value Proportion	Number of Rateable Properties
Residential	1,976,913	35.72	11.31	3,751	$1,775,291	33.86	3,734
Commercial	213,103	3.85	8.26	365	$196,844	3.75	371
Industry	49,328	0.89	6.89	88	$46,150	0.88	86
Primary Production	3,177,774	57.44	1.81	2,389	$3,121,291	59.54	2,407
Vacant	71,041	1.28	18.65	415	$59,874	1.14	403
Other	44,598	0.81	3.32	127	$43,166	0.82	130
Total	**5,531,958**	**100.00**	**5.52**	**7,135**	$5,242,616	100	7,131

SERVICE CHARGES

Refuse Collection

Council provides a kerbside waste, recycling and Food Organics Garden Organics (FOGO) collection service within the townships and settlements of Clare, Saddleworth, Riverton, Mintaro, Sevenhill, Auburn, Watervale, Manoora, Rhynie, Marrabel, Stockport, Tarlee, Waterloo, Armagh, and Golfview Heights (Stanley Flat).

The full cost of collecting and disposal of the various waste streams is recovered through the application of a service charge (under Section 155 of the *Local Government Act 1999*) for each property within the listed towns. Where the service is provided to non-rateable land, a service charge is levied against that land.

The service charge for refuse collection within the designated townships and collection areas of the Council will be **$300** per year with the total to be collected $1,188,000.

Community Wastewater Management Scheme

Council provides a Community Wastewater Management Scheme (CWMS) in Riverton, Saddleworth & Clare.

Council has moved to a "full cost recovery" model for the operations of all three Community Wastewater Management Schemes in line with its license with the Essential Services Commission of SA. This is to ensure the charge covers the cost of capital and maintenance costs both now and in the future. Where the income exceeds the expenditure in any given year, those surplus funds are transferred to the CWMS Reserve and quarantined for future years activities.

The 2026-2027 CWMS charge is **$565** per unit per year with the total to be collected $1,600,100.

Regional Landscape Levy

The Regional Landscape Levy is a State Government tax. Councils are required, under the *Landscape South Australia Act 2019*, to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources. These responsibilities include regional landscape planning, water allocation planning, community capacity building, education and compliance activities.

For further information regarding this levy, or the work the levy supports, visit www.landscape.sa.gov.au. Council does not retain this revenue or determine how the revenue is spent.

Total Revenue for the Regional Landscape Levy being $488,255 in 2026-2027.

Separate & Special Rates (including Electricity Supply)

Council does not currently use any separate or special rates or provide any electricity supply.

COMMUNITY ENGAGEMENT

Before a council adopts its Annual Business Plan it must prepare a draft Annual Business Plan and undertake a community engagement process.

The engagement period for the *Draft 2026-2027 Annual Business Plan & Budget* commenced on **26 June 2026** with written submissions closing at **9am** on **17 July 2026**.

Public Notice was published on Council's website and the Plains Producer, with the *Draft 2026-2027 Annual Business Plan & Budget* available at:

- Council Offices – 4 Gleeson Street, Clare
- Saddleworth Community Centre – 19 Belvidere Road, Saddleworth
- Clare Library – 33 Old North Road, Clare
- Riverton Post Office – 28 Torrens Road, Riverton

The online Feedback Form was available on Council's website: www.claregilbertvalleys.sa.gov.au/consultation

Community Budget Briefing Sessions were held in Clare (1 July), Auburn (2 July), Saddleworth (8 July) and online (8 July).

Community members who registered were able to present verbally in support of their written submission to Council via the electronic meeting process or in person at 4 Gleeson Street, Clare, during the Council meeting of **15 July 2026**, with all written and verbal submissions presented to Council for its consideration.

The following changes were made to the *Annual Business Plan & Budget 2026-2027* prior to its adoption as a result of submissions received during community engagement:

Change	Reason for Change
Reduced General Rates Income from 6.28% to 4.95%	Affordability featured in the feedback and Council aimed to keep rates as low as possible without impacting on services
Revenue from Investments Increased	Council received 80% of its Financial Assistance Grants early and hence has more funds invested than it originally predicted.

Change	Reason for Change
Reduced Expenditure Costs	In its original budget estimates Council used a Monthly CPI rate of 4.9% as its driver however for consistency has used the quarterly rate as in previous years.
The discount (differential) applied to primary production land use changed to 25% less than the residential rate.	This differential was 28% less than the residential rate, in response to community feedback, this was reduced.
Removed percentage increase for growth.	The increase (four rateable properties) was not considered to be material and therefore not applied.
Addition of Percentage of Asset Renewal v Depreciation ratio.	Using Depreciation as a measure of asset renewal gives a more accurate ratio at this time than using the AMP values
Removed King William Street from Year 1 of the Sealed Roads Program	This road has already been completed.
Addition of Auburn Bike Park Project	This project came to fruition during the consultation period.
Addition of Auburn Tennis Court netting project	This project came to fruition during the consultation period.
Update to number of rateable property figures for 2025-26 in tables 1 & 10	The data originally listed referenced the number of rateable properties in 2024-2025.
Swap Giles Corner Road & Alma Road in Appendix A.	Works for Alma Road is scheduled for 2026/2027 and 2027/2028 and work to Giles Corner Road should be 2027/2028 and 2028/2029

APPENDIX A
ASSET RENEWAL, NEW & UPGRADE PROGRAM

Capital Renewal, New & Upgrade Project Listing	Type	2026 27 Draft Budget $
CWMS		
CWMS To Be Allocated once WGA Report is Finalised in early 2026/2027	Renewal	$432,707
Subtotal - CWMS		**$432,707**
LAND BUILDING & STRUCTURES		
Riverton Town Hall	Renewal	$1,477,000
Clare Boardwalk	Renewal	$500,000
Clare Valley Wine Food & Tourism Centre Deck	Renewal	$50,000
Clare Town Hall Design	Renewal	$50,000
Nat Dunstan **Playground** Rubber Soft Fall Repair	Renewal	$164,417
The Valleys Hydrotherapy Pool Sliding Doors	Renewal	$18,920
The Valleys Carpark Lighting	Renewal	$6,930
The Valleys Chemical Store Room Repairs	Renewal	$45,463
The Valleys Chemical Storage	Renewal	$33,000
The Valleys Leaking 25M Pool & tile replacement	Renewal	$75,993
The Valleys Lifestyle Centre Roof- Air con rerplacement	Renewal	$26,840
The Valleys Lifestyle Centre Roof- pool heating	Renewal	$27,390
The Valleys Lifestyle Centre Roof, Ceiling in main Stadium	Renewal	$115,698
The Valleys Lifestyle Fire Indicator PanelReplacement	Renewal	$50,000
Riverton RSL Building	Renewal	$50,000
Disabled Carparks	Renewal	$15,000
Niche walls cremonument	Renewal	$20,000
Clare WTS - fence replace.construct	Renewal	$50,000
Saddleworth Institute Front Porch and Two front windows	Renewal	$20,000
Riverton Oval Recreation Ground - Public Toilets	New & Upgrade	$150,000
AED - remote monitoring	Renewal	$20,000
Clare Office Air Conditioning	Renewal	$40,000
Manoora Hall Roof Replacement	Renewal	$195,000
Minor Capital Community Works	Renewal	$150,000
Subtotal - Land, Buildings & Structures		**$3,351,651**
PLANT & EQUIPMENT (net costs)		
Portable traffic lights	Renewal	$12,000
12t Vibratory roller	Renewal	$220,000
3 x replacement vehicles	Renewal	$170,000
140M Cat grader	Renewal	$563,567
Gross Expenditure on Plant		$965,567
Sale of surplus equipment	Sale	$170,000
Subtotal - Plant & Equipment		**$795,567**
OFFICE & DEPOT EQUIPMENT		
EM & Admin Computer	Renewal	$60,000
EM & Admin Equipment	Renewal	$60,000
Works Miscellaneous	Renewal	$37,897
Office & Depot Equipment		**$157,897**
TRANSPORT - FOOTPATHS & KERBING		
Footpath Repairs - Farrell Flat Road, Clare	Renewal	$50,000
34-36 Main North Road, Auburn	Renewal	$148,227
Matthew Place (Walhara), Riverton	Renewal	$170,000
Subtotal - Footpaths & Kerbing		**$368,227**
TRANSPORT - ROADS SEALED		
Road Seal Renewal		
Barinia Road	Renewal	$115,952
Barinia Road	Renewal	$115,693
Bayes Road	Renewal	$44,472
Bayes Road	Renewal	$9,815
Bennys Hill Road	Renewal	$154,252
Bruce Road	Renewal	$138,875
Bungaree Road	Renewal	$187,756

Capital Renewal, New & Upgrade Project Listing	Type	2026 27 Draft Budget $
Calcannia Road	Renewal	$15,653
Carlsruhe Road	Renewal	$29,590
Charles Street	Renewal	$23,573
Church Road	Renewal	$3,262
Daly Street	Renewal	$25,264
Elder Street	Renewal	$7,716
Elder Street	Renewal	$9,163
Elder Street	Renewal	$17,273
Finns Road	Renewal	$3,810
Frederick Place	Renewal	$19,008
Gilbert Street	Renewal	$13,649
Gillentown Road	Renewal	$18,106
Hare Road	Renewal	$10,883
Hector Street	Renewal	$11,375
Hilltown Road	Renewal	$24,098
King William Street	Renewal	$12,502
Kingston Road	Renewal	$47,414
Lallys Road	Renewal	$29,297
Main Road 45	Renewal	$112,730
Milde Road	Renewal	$34,165
Mill Street	Renewal	$16,000
Min-Man Road	Renewal	$65,765
Mintaro Road	Renewal	$115,655
Moorhouse Terrace	Renewal	$22,165
Mt Rufus Road	Renewal	$5,899
North Street	Renewal	$35,232
North Street	Renewal	$25,600
Possingham Pit Road	Renewal	$7,358
Railway Terrace	Renewal	$11,262
Rices Creek Road - North	Renewal	$8,150
River Road, Tarlee	Renewal	$4,363
Saddle Road	Renewal	$11,942
Saddle Road	Renewal	$20,196
Sheep Dip Road	Renewal	$14,574
Slate Quarry Road	Renewal	$102,628
Sollys Hill Road	Renewal	$14,568
Spring Farm Road/Farrell Road Intersection	Renewal	$16,500
Spring Farm Road/Quarry Road Intersection	Renewal	$34,000
Stockport Road	Renewal	$126,534
Stockport Road	Renewal	$128,994
Toyota Access Road	Renewal	$12,000
Waterloo Road	Renewal	$161,376
Subtotal - Footpaths & Kerbing		**$2,196,107**
TRANSPORT - ROADS UNSEALED		
Unsealed Roads Renewals		
Betterson Road (015)	Renewal	$11,628
Betterson Road (025)	Renewal	$25,000
Blockers Road (015)	Renewal	$38,315
Bowmans Road (005)	Renewal	$55,165
Bowmans Road	Renewal	$144,000
Calcannia Road (005)	Renewal	$22,587
Catholic Church Road (005)	Renewal	$34,457
Chinkford Lane (010)	Renewal	$1,080
Chinkford Lane (005)	Renewal	$8,438
Coles Road	Renewal	$13,564

Capital Renewal, New & Upgrade Project Listing	Type	2026 27 Draft Budget $
Crawfords Road (010)	Renewal	$36,187
Freeman Road (010)	Renewal	$51,489
Giles Corner Road (015)	Renewal	$126,050
Gregor Road (005)	Renewal	$43,673
Hannaford Road	Renewal	$46,699
Hentschkes Road (005)	Renewal	$30,375
Hill Road (010)	Renewal	$63,076
Hutt Street	Renewal	$6,048
Jones Lane (005)	Renewal	$6,840
Kidmans Road (015)	Renewal	$22,764
Klems Road (005)	Renewal	$21,696
McInerney Road(020)	Renewal	$19,402
McInerney Road (015)	Renewal	$45,000
Mountain Street (005)	Renewal	$24,928
Navan Cemetery Road (005)	Renewal	$20,985
No. 8 Hill Road (005)	Renewal	$58,562
Noble Road (010)	Renewal	$15,020
North Terrace, Leasingham (010)	Renewal	$8,565
Old Main Road - North (025)	Renewal	$15,396
Old Main Road - South	Renewal	$60,220
Quondong Road	Renewal	$25,394
Rices Creek Road - South (010)	Renewal	$75,000
Rices Creek Road - South (005)	Renewal	$112,643
Ricketts Road (005)	Renewal	$65,020
Robins Road (010)	Renewal	$55,658
Roehr Road (010)	Renewal	$42,392
Sandows Road (010)	Renewal	$30,999
Saw Mill Road (015)	Renewal	$82,332
Saw Mill Road (010)	Renewal	$59,572
Shannon Creek Road	Renewal	$85,708
Sheoak Rd (005)	Renewal	$49,423
Short Street (010)	Renewal	$12,000
Short Street (005)	Renewal	$7,549
Sollys Hill Road (005)	Renewal	$33,292
Strabrooke Road (025)	Renewal	$56,817
Tank Road	Renewal	$21,732
Whyte Park Road (010)	Renewal	$43,320
Woodlands Brae Road (005)	Renewal	$48,148
Woolshed Flat Road (015)	Renewal	$35,000
Woolshed Flat Road (025)	Renewal	$172,084
Woolshed Flat Road (02)	Renewal	$66,391
Subtotal - Transport - Roads - Unsealed		**$2,257,683**
TRANSPORT - ROADS SEALED		
Road Seal Upgrade		
Bruce Road - Stage 1a SLRP	New & Upgrade	$959,000
Bruce Road - Stage 1b SLRP	New & Upgrade	$1,020,650
Bruce Road - Stage 2 (Design only)	New & Upgrade	$30,277
Vandeleur Road - Stage 1 SLRP	New & Upgrade	$968,000
Vandeleur Road - Stage 1b SLRP	New & Upgrade	$1,391,500
Giles Corner Road (Design Only)	New & Upgrade	$49,368
Auburn Streetscape Design	New & Upgrade	$40,000
Adelaide North Road	New & Upgrade	$321,588
Adelaide North Road	New & Upgrade	$310,948
West Road	New & Upgrade	$312,360
Spencer Street, Rhynie (Design only)	New & Upgrade	$22,750
James Street, Rhynie (Design only)	New & Upgrade	$5,664

Capital Renewal, New & Upgrade Project Listing	Type	2026 27 Draft Budget $
Harriet Street, Rhynie (Design only)	New & Upgrade	$11,123
Hilltown Road (Design Only)	New & Upgrade	$34,609
Skilly Creek bridge - SLRIP	New & Upgrade	$1,000,000
Subtotal - Transport - Roads - Unsealed		**$6,477,837**

TOTAL CAPITAL		**$16,037,676**
	New & Upgrade	$6,627,837
	Renewal	$9,579,839
	Sale	$170,000

2026-2030 Four Year Unsealed Road Capital Works Program – Year 1

Segment Description	Township	Year 1	$2,257,683
Betterson Rd (015) from Toringa Rd to 200m East of Toringa Rd	Farrell Flat	☑	$11,628
Betterson Rd (025) from 240m East of Toringa Rd to Copper Ore Rd Intersection	Farrell Flat	☑	$25,000
Blockers Rd (015) from Angas Ct to Roach Rd	Stanley Flat	☑	$38,315
Bowmans Rd (005) from Merildin Rd to Martindale Rd	Mintaro	☑	$55,165
Bowmans Rd from Martindale Rd to Water Reserve Rd	Mintaro	☑	$144,000
Calcannia Rd (005) from Roach Rd to Start of Seal	Stanley Flat	☑	$22,587
Catholic Church Rd (005) from Burton Rd Intersection to Copper Ore Rd Intersection	Stanley	☑	$34,457
Chinkford Ln (005) from Mintaro-Manoora Rd to St Anthonys Rd	Manoora	☑	$8,438
Chinkford Ln (010) from Bend 70m North of Mintaro-Manoora Rd to End	Manoora	☑	$1,080
Coles Rd (010) from 700m East of Horrocks Hwy to End	Marrabel	☑	$13,564
Crawfords Rd (010) from Hazeleigh Rd to Steelton Rd	Saddleworth	☑	$36,187
Freeman Rd (010) from Moores Rd to Allen Rd	Auburn	☑	$51,489
Giles Corner Rd (015) from Branson Rd to Alma Rd	Tarlee	☑	$126,050
Gregor Rd (005) from Balaklava Rd (North) to Diagonal Rd	Halbury	☑	$43,673
Hannaford Rd (005) from Bruce Rd Intersection to Windy Hill Rd	Riverton	☑	$46,699
Hentschkes Rd (005) from Golfcourse Rd to Winkler Rd	Saddleworth	☑	$30,375
Hill Rd (005) from Bond St to Salt Creek Rd	Tarlee	☑	$63,076
Hutt St (010) from Fisher St to End	Hilltown	☑	$6,048
Jones Ln (005) from Main North Rd to Mountain St	Sevenhill	☑	$6,840
Kidmans Rd (015) from Farm Driveway at RRD 1440 to Tarlee Rd (South Side) Intersection	Tarlee	☑	$22,764
Klems Rd (005) from Golf Course Rd to End of Sheeting at RRD 915	Saddleworth	☑	$21,696

Segment Description	Township	Year 1	$2,257,683
McInerney Rd (020) from Road Reserve at RRD 3395 to Garryowen Rd	Riverton	☑	$19,402
McInerney Rd (015) from Start of Sheeting at RRD 1820 to Road Reserve at RRD 3395	Riverton	☑	$45,000
Mountain St (005) from Church St to End	Sevenhill	☑	$24,928
Navan Cemetery Rd (005) from Barrier Hwy Intersection to Old Main Rd (South)	Riverton	☑	$20,985
No. 8 Hill Rd (005) from Woolshed Flat Rd to Salter Springs Rd	Woolshed Flat	☑	$58,562
Noble Rd (010) from Roach Rd to End	Stanley Flat	☑	$15,020
North Tce (Leasingham) (010) from High St to West Tce	Leasingham	☑	$8,565
Old Main Rd (North) (025) from Marrett Rd to Ashton Rd	Saddleworth	☑	$15,396
Old Main Rd (South) (030) from Navan Cemetery Rd to Leeward Rd	Riverton	☑	$60,220
Quondong Rd (005) from Horrocks Hwy to Golf Course Rd	Undalya	☑	$25,394
Rices Creek Rd (South) (010) from 2.35km North of Brothers Hill Rd to Blatchford Rd	Manoora	☑	$112,643
Rices Creek Rd (South) (005) from Brothers Hill Rd Intersection to 2.35km North of Brothers Hill Rd	Auburn	☑	$75,000
Ricketts Rd (005) from Barrier Hwy Intersection to Steelton Rd	Saddleworth	☑	$65,020
Robins Rd (010) from Farm Driveway at RRD 2475 to Hills Rd	Tarlee	☑	$55,658
Roehr Rd (010) from Nash Rd to Kapunda Rd	Tarnma	☑	$42,392
Sandows Rd (010) from St Andrews Rd to Quigley Rd	Mintaro	☑	$30,999
Saw Mill Rd (020) from Leighton Rd to Spring Gully Rd	Spring Gully	☑	$82,332
Saw Mill Rd (015) from Trevarrick Rd to Leighton Rd	Sevenhill	☑	$59,572
Shannon Creek Rd (015) from Molineux Rd to Farrows Rd	Tarlee	☑	$85,708
Sheoak Rd (005) from Ashon Rd to Marrett Rd	Saddleworth	☑	$49,423
Short St (010) from Creek Crossing (End Formed Section) to End	Mintaro	☑	$12,000

Segment Description	Township	Year 1	$2,257,683
Short St (005) from Wakefield St to Creek Crossing (End Formed Section)	Mintaro	☑	$7,549
Sollys Hill Rd (010) from End of Seal to Mt Horrocks Rd	Watervale	☑	$33,292
Stradbrooke Rd (010) from Basham Rd to Rossmore Rd	Stanley Flat	☑	$56,817
Tank Rd (010) from Farm Driveway at RRD 950 to Schober Rd	Auburn	☑	$21,732
Whyte Park Rd (010) from Main Road 45 (East) Intersection to Light River Rd	Steelton	☑	$43,320
Woodlands Brae Rd (005) from Council Boundary (West) to Muanu Rd	Spring Gully	☑	$48,148
Woolshed Flat Rd (025) from Glynard Rd to Plew Rd	Woolshed Flat	☑	$172,084
Woolshed Flat Rd (015) from No.8 Hill Road to Long Rd	Rhynie	☑	$66,391
Woolshed Flat Rd (020) from Long Rd to Glynard Rd	Woolshed Flat	☑	$35,000

2026-2030 Four Year Unsealed Road Capital Works Program – Year 2

Segment Description	Township	Year 2	$2,289,591
Old Main Rd (North) (025) from Marrett Rd to Ashton Rd	Saddleworth	☑	$50,290
Molineux Rd from Shannon Creek Rd to Ryelands Rd	Tarlee	☑	$63,000
Hannaford Rd (005) from Bruce Rd Intersection to Windy Hill Rd	Riverton	☑	$50,419
McInerney Rd (015) from Start of Sheeting at RRD 1820 to Road Reserve at RRD 3396	Riverton	☑	$50,483
Coles Rd (010) from 700m East of Horrocks Hwy to End	Marrabel	☑	$50,548
Hutt St (010) from Fisher St to End	Hilltown	☑	$50,612
Old Main Rd (South) (030) from Navan Cemetery Rd to Leeward Rd	Riverton	☑	$50,676
Klems Rd (005) from Golf Course Rd to End of Sheeting at RRD 916	Saddleworth	☑	$50,741
Kidmans Rd (015) from Farm Driveway at RRD 1440 to Tarlee Rd (South Side) Intersection	Tarlee	☑	$50,805
Sandows Rd (010) from St Andrews Rd to Quigley Rd	Mintaro	☑	$50,870
Tank Rd (010) from Farm Driveway at RRD 950 to Schober Rd	Auburn	☑	$50,934
Hentschkes Rd (005) from Golfcourse Rd to Winkler Rd	Saddleworth	☑	$50,998
Hill Rd (005) from Bond St to Salt Creek Rd	Tarlee	☑	$51,063
Roehr Rd (010) from Nash Rd to Kapunda Rd	Tarnma	☑	$51,127
Freeman Rd (010) from Moores Rd to Allen Rd	Auburn	☑	$51,191
Rices Creek Rd (South) (010) from 2.35km North of Brothers Hill Rd to Blatchford Rd	Manoora	☑	$51,256
Hill Rd (010) from Salt Creek Rd to Robins Rd	Tarlee	☑	$39,571
Ryelands Rd (050) from Ballard Rd to Bruce Rd	Riverton	☑	$73,729
Lallys Rd (005) from Farrell Flat Rd Intersection to Farm Driveway at RRD 2730	Hill River	☑	$131,735
Lallys Rd (010) from Farm Driveway at RRD 2730 to Angas Ct	Hill River	☑	$145,211
Shamrock Hills Rd 20005 (005) from Salter Springs Rd to Farm Driveway	Salter Springs	☑	$11,701

Segment Description	Township	Year 2	$2,289,591
Slant Rd (Saddleworth) (005) from Barrier Hwy to Golf Course Rd	Saddleworth	☑	$22,234
Blocks Rd (Leasingham) (010) from Bend at RRD 2320 to Horrocks Hwy	Leasingham	☑	$28,856
Koonoona Rd (005) from Council Boundary (North) to Black Springs Rd	Black Springs	☑	$150,832
Rohde Rd (005) from Horrocks Hwy to Bethel Rd	Stockport	☑	$87,428
Main Road 45 (106) from Eckermann Rd to Seal Change 135m North of Eckermann Rd	Waterloo	☑	$7,780
The Gap Rd (North) (005) from Council Boundary (North) to Barrier Hwy Intersection	Farrell Flat	☑	$132,754
Great Northern Rd (015) from End of Seal to Watervale Rd	Watervale	☑	$43,834
Mt Rufus Rd (030) from Road Reserve at RRD 6670 to Polish Hill Rd	Stanley	☑	$52,903
Polish Hill Rd (015) from End of Seal to Blue Stone Rd	Polish Hill River	☑	$33,005
Benbournie Rd (015) from End of Seal at Emu Rock Rd to Basham Rd	Stanley Flat	☑	$13,685
Bethel Rd (010) from Rhodes Rd to Ruradene Rd	Stockport	☑	$64,782
Old Main Rd (South) (035) from Leeward Rd to Barrier Hwy Intersection	Riverton	☑	$70,616
Roach Rd (020) from White Hut Rd to Blockers Rd	Stanley Flat	☑	$11,864
Sheoak Rd (010) from Marrett Rd to Schulz Rd	Riverton	☑	$32,939
Steelton Rd (065) from Rawlins Rd to Back Track Rd	Tothill Belt	☑	$88,360
Meller St (005) from North St to End	Auburn	☑	$3,361
Railway Tce (005) from 145m South of Mill St (End) to Mill St	Riverton	☑	$4,176
Seipelt St (005) from Horrocks Hwy to End	Penwortham	☑	$6,424
West Tce (Leasingham) (005) from North Tce to Wakefield Rd	Leasingham	☑	$13,457
West Tce (Leasingham) (010) from Wakefield Rd to South Tce	Leasingham	☑	$2,945
Wolta Wolta Rd (005) from Victoria Rd to End	Clare	☑	$7,732

Segment Description	Township	Year 2	$2,289,591
Main Road 45 (100) from End of Seal to Schwartz Rd	Waterloo	☑	$13,828
Main Road 45 (105) from Schwartz Rd to Eckermann Rd	Waterloo	☑	$14,146
Main Road 45 (110) from Seal Change 330m North of Eckermann Rd to Mollers Gap Rd	Waterloo	☑	$76,633
Salter Springs Rd (030) from Granny Creek Rd to Road Reserve at RRD 5110	Salter Springs	☑	$34,624
Ulandi Rd (005) from Marrabel Rd to Belvidere Rd	Marrabel	☑	$43,436

2026-2030 Four Year Unsealed Road Capital Works Program – Year 3

Segment Description	Township	Year 3	$1,612,073
Webbs Gap Rd (005) from Council Boundary (East) to Tothill Belt Rd	Tothill Belt	☑	$52,559
Koorama Rd (005) from Gaelic Cemetery Rd to Farm Driveway at RRD 700	Stanley Flat	☑	$12,194
Great Northern Rd (025) from End of Seal to Mt Horrocks Rd	Watervale	☑	$40,975
Woolshed Flat Rd (030) from Plew Rd to Nyowee Rd	Woolshed Flat	☑	$110,047
Toringa Rd (010) from 840m South of Council Boundary (Farm Driveway) to Betterson Rd	Farrell Flat	☑	$9,383
Dame St (010) from Mine St to St Patricks Tce	Armagh	☑	$5,368
Winders Rd (005) from Barrier Hwy Intersection to Cemetery Rd	Black Springs	☑	$96,906
Bowmans Rd (025) from Bruce Rd to Farm Driveway at RRD 8790	Mintaro	☑	$107,540
Diagonal Rd (North) (005) from Bennys Hill Rd to Spring Gully Rd Intersection	Emu Flat	☑	$16,402
Leeward Rd (020) from Flavels Rd to Farm Driveway at RRD 5040	Riverton	☑	$42,174
Ryelands Rd (020) from Molineux Rd to Gants Hill Rd	Tarlee	☑	$79,507
Ryelands Rd (045) from Hesters Rd to Ballard Rd	Riverton	☑	$116,806
Scobie Rd (010) from Blyth Rd to Start of Seal	Armagh	☑	$29,676
Mt Rufus Rd (020) from Claremont Rd to The Gap Rd	Polish Hill River	☑	$35,052
Woolshed Flat Rd (045) from Gregor Rd to Diagonal Rd	Halbury	☑	$45,586
Woolshed Flat Rd (050) from Diagonal Rd to Anderson Rd	Halbury	☑	$62,584
Harvey Hwy (005) from RM Williams Way to Start of Seal at Bridge	Hilltown	☑	$37,709
Harvey Hwy (015) from End of Seal at Bridge to Lehman Creek Rd	Hilltown	☑	$66,456
Thomas Rd (South) (010) from Stockport Rd to Ruradene Rd	Stockport	☑	$32,851
Trillians Hill Rd (005) from Jolly Way Intersection to Spring Farm Rd	Mintaro	☑	$38,951
Bethel Rd (015) from Ruradene Rd to Start of Seal	Stockport	☑	$7,092

Segment Description	Township	Year 3	$1,612,073
Blocks Rd (Riverton) (010) from Windy Hill Rd to Farm Driveway at RRD 2730	Riverton	☑	$33,487
Leeward Rd (025) from Farm Driveway at RRD 5040 to Finnis Point Rd	Riverton	☑	$57,302
Morrison Rd (010) from Fairfield Rd to Farm Driveway 970m E of Fairfield Rd	Penwortham	☑	$30,491
Mt Horrocks Rd (010) from Horrocks Hwy to Great Northern Rd	Watervale	☑	$17,095
Rucioch Rd (005) from Jolly Way Intersection to Farm Driveway at RRD 730	Mintaro	☑	$14,317
Toringa Rd (005) from Council Boundary (North) to 840m South of Council Boundary (Farm Driveway)	Farrell Flat	☑	$24,310
Clampett Rd (005) from Farrell Flat Rd to Dunns Range Rd	Hill River	☑	$57,115
Ryelands Rd (015) from Shearers Rd to Molineux Rd	Tarlee	☑	$74,948
Salter Springs Rd (025) from Glynnard Rd to Granny Creek Rd	Woolshed Flat	☑	$12,677
College Rd (015) from End of Seal at Town Boundary to Spring Farm Rd	Sevenhill	☑	$16,186
Old Main Rd (South) (028) from Francis St (Navan Cemetery) to Navan Cemetery Rd	Riverton	☑	$29,874
Tothill Creek Rd (010) from Salt Creek Rd to Frederick Rd	Tothill Creek	☑	$79,264
Woolshed Flat Rd (035) from Nyowee Rd to Road Reserve	Halbury	☑	$119,190

2026-2030 Four Year Unsealed Road Capital Works Program – Year 4

Segment Description	Township	Year 4	$1,285,538
Sheep Dip Rd (015) from End of Seal to Weckert Rd	Hill River	☑	$12,188
Bowmans Rd (030) from Farm Driveway at RRD 8790 to Hogben Rd	Manoora	☑	$69,356
Bowmans Rd (040) from Hogben Rd to Start of Seal	Manoora	☑	$96,162
Bradleys Rd (010) from 2.1km East of Copper Ore Rd to Salt Creek Road	Farrell Flat	☑	$19,910
Fitzgerald Rd (005) from Leighton Rd to End of Sheeting at RRD 340	Spring Gully	☑	$9,740
Gardiner Rd (020) from Farm Driveway to Greenwood Park Rd	Auburn	☑	$18,217
Griffiths Rd (010) from 270m North of Riverton Rd (Property Driveway) to Bailey Rd	Riverton	☑	$33,667
McCord Ln (010) from Farm Driveway at RRD 325 to Farm Driveway at RRD 975	Gillentown	☑	$19,477
Old Rd (010) from End of Seal to Gate No. 58	Watervale	☑	$3,781
Pugsleys Rd (005) from Mintaro-Manoora Rd Intersection to Farm Driveway at RRD 1310	Manoora	☑	$36,844
Richardson Farm Rd (005) from Horrocks Hwy to End	Sevenhill	☑	$2,524
Riley Rd (005) from The Gap Rd (Council Boundary) to Gate No. 90 (Farm Driveway)	Farrell Flat	☑	$26,095
South Tce (Leasingham) (005) from Horrocks Hwy to Farm Driveway at RRD 136	Leasingham	☑	$3,928
Tip Rd (005) from Saddleworth Rd to End	Saddleworth	☑	$27,106
Willow Glen Rd (005) from Horrocks Hwy to Hughes Park Rd	Sevenhill	☑	$32,252
Muanu Rd (005) from Spring Gully Rd Intersection to Jacobs Range Rd	Emu Flat	☑	$33,805
Blocks Rd (Riverton) (020) from Road Reserve at RRD 3570 to Old Main North Rd	Riverton	☑	$36,587
McDermid Rd (005) from St Andrews Rd to Road Reserve at RRD 2260	Auburn	☑	$68,402
Molineux Rd (015) from Finnis Point Rd to Shannon Creek Rd	Tarlee	☑	$73,871
Steelton Rd (060) from Corner at RRD to Rawlins Rd	Steelton	☑	$37,238
Blatchford Rd (015) from Halls Rd to 43m from Min Man Rd	Mintaro	☑	$104,879

Segment Description	Township	Year 4	$1,285,538
Holm Hill Rd (005) from Barrier Hwy Intersection to Farm Driveway at RRD 200	Black Springs	☑	$5,858
Hydedale Rd (005) from Council Boundary (South) to Murrays Rd	Marrabel	☑	$33,485
Light River Rd (035) from Carlesruh Rd to Schutz Rd	Waterloo	☑	$33,576
Slape Rd (001) from Horrocks Hwy to 60m East of McInerney Rd	Riverton	☑	$51,871
Slape Rd (003) from Garryowen Rd to Mitchells Rd	Riverton	☑	$29,035
Observatory Rd (015) from 1.1km West of Murray St to 2.2km West of Murray St (70m Sth of Farm Driveway)	Stockport	☑	$41,129
Range Rd (West) (025) from Branson Rd (Council Boundary) to Alma Rd	Alma	☑	$60,648
Tothill Rd (010) from Light River Rd to Quarry Rd	Marrabel	☑	$121,334
Mt Rufus Rd (025) from The Gap Rd to Road Reserve at RRD 6670	Polish Hill River	☑	$54,409
Sheep Dip Rd (005) from Farrell Flat Rd to Start of Seal	Hill River	☑	$88,162

2026-2030 Four Year Sealed Road Capital Works Program – Year 1

Segment Description	Township	Year 1	$2,196,107
Barinia Rd (005) from Change in Seal RRD 16 to Gaelic Cemetery Rd	Stanley Flat	☑	$115,952
Barinia Rd (020) from White Hut Rd to Bates Hill Rd	Stanley Flat	☑	$115,693
Bayes Rd (010) from Church St to Gillentown Rd	Sevenhill	☑	$44,472
Bayes Rd (005) from Main North Rd Intersection to Church St	Sevenhill	☑	$9,815
Bennys Hill Rd (005) from Bend at Waste Transfer Station to Emu Flat Rd	Emu Flat	☑	$154,252
Bruce Rd (010) from Blocks Rd to 1.9km East of Blocks Rd	Riverton	☑	$138,875
Bungaree Rd (030) from 1500m North of Mt Tinline Rd (Cross Drain) to Horrocks Highway (North)	Bungaree	☑	$187,756
Calcannia Rd (011) from Barinia Rd Intersection to End of Seal	Stanley Flat	☑	$15,653
Carlsruhe Rd (015) from 500m East of Powerline North Rd (St Johns Church) to 600m East of Powerline North Rd	Waterloo	☑	$29,590
Charles St (Riverton) (005) from Torrens Rd to Swinden St	Riverton	☑	$23,573
Church Rd (012) at Main Road 45 Intersection	Marrabel	☑	$3,262
Daly St (Clare) (005) from Main North Road to King St	Clare	☑	$25,264
Elder St (030) from Arthur St to Archer St	Auburn	☑	$7,716
Elder St (020) from Church St to King St	Auburn	☑	$17,273
Elder St (015) from Young St to Church St	Auburn	☑	$9,163
Frederick Pl (Auburn) (005) from Elder St to King St	Auburn	☑	$19,008
Finns Rd (005) at Horrocks Hwy Intersection	Auburn	☑	$3,810
Gilbert St (Tarlee) (020) from Prescott St to Hallet St Intersection	Tarlee	☑	$13,649
Gillentown Rd (005) from Spring Gully Rd to 240m Sth of Spring Gully Rd	Gillentown	☑	$18,106
Hare Rd (010) from Start of Seal to End of Seal	Mintaro	☑	$10,883

Segment Description	Township	Year 1	$2,196,107
Hector St (010) from Kingston Rd to Burra St	Mintaro	☑	$11,375
Hilltown Rd (025) from Bates Hill Rd to Intersection at Smart Rd	Hilltown	☑	$24,098
Kingston Rd (010) from Young St to Hector St	Mintaro	☑	$47,414
Lallys Rd (001) at Farrell Flat Rd Intersection	Hill River	☑	$29,297
Main Road 45 (015) from Tothill Rd to Seal Change 150m North of O'Brien Rd	Marrabel	☑	$112,730
Mill Street	Clare	☑	$16,000
Mintaro Rd (025) from Trelawney Ln to Kadlunga Rd	Mintaro	☑	$115,655
Mintaro-Manoora Rd (005) from Barrier Highway Intersection to 200m West of Bowmans Rd	Manoora	☑	$65,765
Moorhouse Tce (005) from Torrens Rd to Swinden St	Riverton	☑	$22,165
Mt Rufus Rd (001) at Farrell Flat Rd Intersection	Hill River	☑	$5,899
Milde Rd (005) from Main Road 45 to 310m West of Main Road 45	Waterloo	☑	$34,165
North St (010) from Meller St to King William St Intersection	Auburn	☑	$35,232
North St (015) from King William St Intersection to West St	Auburn	☑	$25,600
Possingham Pit Rd (005) from Hughes Park Rd to End of Seal	Gillentown	☑	$7,358
Railway Tce (020) from Bend 25m East of Mill St to 125m South of Bend (End)	Riverton	☑	$11,262
Rices Creek Rd (North) (004) at Farrell Flat Rd Intersection	Hill River	☑	$8,150
River Rd (Tarlee) (005) at Horrocks Hwy Intersection	Tarlee	☑	$4,363
Saddle Rd (020) from Spur St to Whip St	Saddleworth	☑	$20,196
Saddle Rd (015) from Charles St Intersection to Spur St	Saddleworth	☑	$11,942
Sheep Dip Rd (010) from Start of Seal to End of Seal	Hill River	☑	$14,574
Slate Quarry Rd (005) from Kingston Rd to End of Seal at Quarry	Mintaro	☑	$102,628

Segment Description	Township	Year 1	$2,196,107
Sollys Hill Rd (005) from North Tce to End of Seal	Watervale	☑	$14,568
Spring Farm Rd/Farrell Flatt Rd Intersection	Clare	☑	$16,500
Spring Farm Rd/Quarry Rd Intersection	Clare	☑	$34,000
Stockport Rd (005) from Town Boundary to Bethel Rd	Stockport	☑	$126,534
Stockport Rd (010) from Bethel Rd to Stribling Rd	Stockport	☑	$128,994
Toyota Access Road	Clare	☑	$12,000
Waterloo Rd (010) from Bruhns Rd to Cutten Rd	Manoora	☑	$161,376

2026-2030 Four Year Sealed Road Capital Works Program – Year 2

Segment Description	Township	Year 2	$1,277,236
York Rd (010) from New Rd to Hartley Rd	Clare	☑	$9,516
Bank St (005) from Main North Rd to Jonathon St	Clare	☑	$18,433
York Rd (005) from Farrell Flat Rd to New Rd	Clare	☑	$24,337
Michael Ct (015) from End of Paving to Start of Paving	Clare	☑	$4,895
Bates Hill Rd (015) from Creek at 2.3km Nth of Barinia Rd to Hilltown Rd Intersection	Barinia	☑	$256,742
Larsens Ln (005) from Hill St to End of Seal	Saddleworth	☑	$10,650
Beal Cl (005) from House No. 3 to House No. 5	Clare	☑	$8,060
Hazeleigh Rd (005) from Barrier Highway to End of Seal 40m East of Steelton Rd	Saddleworth	☑	$44,633
Beare St (015) from Powell St to End	Clare	☑	$23,218
Bates Hill Rd (010) from Farm Driveway at 1km Nth of Barinia Rd to Creek at 2.3km Nth of Barinia Rd	Barinia	☑	$129,304
White Hut Rd (025) from Square Mile Rd to Moccundunda Rd	Stanley Flat	☑	$213,536
Farleys Rd (002) at Barrier Hwy Intersection	Black Springs	☑	$24,251
Michael Ct (020) from Start of Paving to End (Cul-de-sac)	Clare	☑	$16,891
Undalya Rd (005) from Horrocks Hwy (South) to Horrocks Hwy (North)	Undalya	☑	$97,984
Philbey Rd (005) from Main Road 45 to End of Seal	Steelton	☑	$9,450
Wright Pl (005) from Old North Rd to End	Clare	☑	$10,434
McBride Ln (005) from Union St to End	Clare	☑	$5,446
Sara St (005) from Moorhouse Tce to Horner St	Riverton	☑	$8,383
Messiter Cole Rd (005) from Macaw Creek Rd to Horrocks Hwy	Riverton	☑	$52,319
Neagles Rock Rd (020) from Essington Ave to Kelly St	Clare	☑	$9,850

Segment Description	Township	Year 2	$1,277,236
Castine Tce (005) from Paul St to Masters St	Riverton	☑	$17,527
March Ct (005) from Jaman Cres to End	Clare	☑	$26,749
Slaughterhouse Rd (005) from Farrell Flat Rd to Spring Farm Rd	Spring Farm	☑	$47,326
Hannaford Ave (005) from Torrens Rd to End	Riverton	☑	$15,625
Winders Rd (002) at Barrier Hwy Intersection	Black Springs	☑	$4,694
Pascoe Ct (005) from Jarman Cr to End	Clare	☑	$10,157
Wein Smith Ave (005) from Geddes Ave to Phoenix Ave	Clare	☑	$16,254
Hope St (010) from 360m S of Victoria Rd to End	Clare	☑	$9,071
Temple Rd (010) from Strickland St to Road Closure 85m E of Strickland St	Clare	☑	$7,385
Barnard St (005) from Essington Ave to Kelly St	Clare	☑	$9,644
Strickland St (Riverton) (005) from Torrens Rd to Swinden St	Riverton	☑	$17,996
Hannaford Ln (007) from Change in Seal to End	Riverton	☑	$5,503
Albert St (005) from Victoria Rd to Powell St	Clare	☑	$75,809
Hanlins Rd (005) from Albert St to Essington Ave	Clare	☑	$10,727
Jessie St (005) from Edward St to End	Clare	☑	$6,629
White Hut Rd (020) from Jarman Cr to Square Mile Rd	Clare	☑	$17,808

2026-2030 Four Year Sealed Road Capital Works Program – Year 3

Segment Description	Township	Year 3	$1,221,950
Main Road 45 (020) from Range Rd to Church Rd	Marrabel	☑	$175,476
Penna Ln (005) from Hughes Park Rd to End of Seal	Penwortham	☑	$10,112
Tarnma Rd (005) from Main Rd to End of Seal at Ford	Marrabel	☑	$4,559
West Rd (005) from North Tce to St Vincent Rd	Watervale	☑	$28,358
Upper Skilly Rd (010) from Start of Seal (Popes Hill Rd) to End of Seal (Popes Hill Rd)	Watervale	☑	$9,862
Cemetery Rd (Leasingham) (005) from Horrocks Highway to Great Northern Rd	Watervale	☑	$49,615
Bride St (005) from Blyth Rd to End of Seal	Armagh	☑	$8,953
Rhynie Access Rd (005) from Horrocks Hwy to Salter Springs Rd	Rhynie	☑	$19,181
Main Road 45 (120) from Change in Seal 800m North of Mollers Gap Rd to Change in Seal 1km North of Mollers Gap Rd	Waterloo	☑	$15,270
South Tce (Watervale) (005) from Horrocks Hwy Intersection to Commercial Rd	Watervale	☑	$13,699
Wockie Creek Rd (015) at Copper Ore Rd Intersection	Stanley	☑	$2,050
Mollers Gap Rd (007) from Seal Change 100m after bend in road to Seal Change 900m NW of Emuville Road	Waterloo	☑	$14,382
Smith St (010) from Gardiner Tce to Town Boundary	Stockport	☑	$32,982
Fogge St (005) from Gilbert St to Bond St	Tarlee	☑	$18,137
Newark St (025) from Rein St to Girth St	Saddleworth	☑	$11,150
Hicks Rd (005) at Blyth Rd Intersection	Armagh	☑	$2,681
Square Mile Rd (010) from Norman Dr to White Hut Rd	Stanley Flat	☑	$25,871
Smith Rd (003) at Copper Ore Rd Intersection	Stanley	☑	$1,877
Glaetzer Rd (005) from North Tce to St Vincent Rd	Watervale	☑	$21,862
Faulkner Rd (010) from 460m East of Copper Ore Rd to 540m East of Copper Ore Rd	Stanley	☑	$4,415

Segment Description	Township	Year 3	$1,221,950
Hill St (Saddleworth) (015) from Larsens Ln to Curb St	Saddleworth	☑	$10,145
Barinia Rd (015) from Calcannia Rd to White Hut Rd	Stanley Flat	☑	$71,041
Crawford Ave (003) from Burra Rd to 100m East of Burra Rd (change of seal)	Saddleworth	☑	$56,760
Bit St (005) from Burra Rd to Newark St	Saddleworth	☑	$10,984
Fisher St (005) from Hutt St to End of Seal	Hilltown	☑	$16,853
Spring Gully Rd (010) from Neagles Rock Rd to Clare View Accomodation Driveway	Emu Flat	☑	$103,699
Gilbert St (Tarlee) (025) from Hallet St Intersection to Oldham St	Tarlee	☑	$17,940
Taylors Rd (005) from Horrocks Highway to Winery Rd	Auburn	☑	$140,522
Whip St (005) from Belvidere Rd to Saddle Rd	Saddleworth	☑	$27,474
Finnis Point Rd (005) from Charles St to End of Seal	Tarlee	☑	$4,363
Finnis Point Rd (005) from Charles St to End of Seal	Tarlee	☑	$4,363
Charles St (Tarlee) (010) from Gilbert St to End of Seal	Tarlee	☑	$34,709
Gilbert St (Tarlee) (035) from Taylor St to Charles St	Tarlee	☑	$10,696
Prescott St (005) from Gilbert St to Craig St	Tarlee	☑	$11,166
Salt Creek Rd (Mintaro) (010) from Start of Seal to End of Seal	Stanley	☑	$15,749
Watervale Rd (005) from Great Northern Rd to End of Seal	Watervale	☑	$5,359
Morrison Rd (002) from Horrocks Hwy Intersection to 270m East of Horrocks Hwy (Riesling Trail Crossover)	Penwortham	☑	$18,269
Hill Ct (005) from South End to North End	Stanley Flat	☑	$17,645
Main Road 45 (108) from Seal Change 135m North of Eckermann Rd to Seal Change 330m North of Eckermann Rd	Waterloo	☑	$15,101
Smith St (005) from Murray St Intersection to Gardiner Tce	Stockport	☑	$15,809
Bruce Rd (045) at Saddleworth Rd Intersection	Saddleworth	☑	$5,911

Segment Description	Township	Year 3	$1,221,950
Minden St (005) from Burra Rd to Newark St	Saddleworth	☑	$12,746
Kimber Rd (010) from Start of Seal to End of Seal	Stanley Flat	☑	$8,192
Main Road 45 (025) from Church Rd to End of Seal	Steelton	☑	$110,244
Great Northern Rd (020) from Watervale Rd to End of Seal	Watervale	☑	$5,719

2026-2030 Four Year Sealed Road Capital Works Program – Year 4

Segment Description	Township	Year 4	$1,249,484
Thomas Rd (Manoora) (002) at Brothers Hill Rd Intersection	Manoora	☑	$695
Jacka Rd (005) from Burra St to Wakefield St	Mintaro	☑	$33,554
Webb Pl (005) from Barrier Hwy to End	Riverton	☑	$8,276
Betterson Rd (020) from 200m East of Toringa Rd to 240m East of Toringa Rd	Farrell Flat	☑	$9,331
Bungaree Rd (025) from 300m North of Mt Tinline Rd (Farm Driveway) to 1500m North of Mt Tinline Rd (Cross Drain)	Bungaree	☑	$75,221
Edwards Rd (005) from Polish Hill Rd to Floodway	Polish Hill River	☑	$18,132
Wakefield Rd (007) from 110m West of West Tce to 30m West of Riesling Trail Crossover	Leasingham	☑	$7,066
Phoenix Ave (005) from Melrose Ave to End	Clare	☑	$64,519
Railway Tce (010) from Mill St to 130m North of Mill St	Riverton	☑	$13,408
Elder St (010) from Daly St to Young St	Auburn	☑	$7,126
Marydale Rd (002) at Brothers Hill Rd Intersection	Auburn	☑	$5,761
Catholic Church Rd (001) at Burton Rd Intersection	Mintaro	☑	$3,402
Mortlock Rd (002) at Mintaro-Manoora Rd Intersection	Mintaro	☑	$3,226
Steelton Rd (048) at Main Road 45 (West) Intersection	Steelton	☑	$12,374
Griffiths Rd (002) at Riverton Rd Intersection	Riverton	☑	$2,011
Haysman Ln (005) from Houghton St to End	Clare	☑	$5,687
Vanga Ave (005) from Blyth Rd to End	Clare	☑	$13,424
Alexander Ave (005) from York Rd to Farrell Flat Rd	Clare	☑	$38,864
Elder St (005) from Ford St to Daly St	Auburn	☑	$7,768

Segment Description	Township	Year 4	$1,249,484
Houghton St (005) from Main North Rd to Beare St	Clare	☑	$13,171
Jarman Cr (005) from White Hut Rd to March Ct	Clare	☑	$22,498
Pattullo Ave (005) from Lee St to Phoenix Ave	Clare	☑	$23,028
Plant Ave (005) from Main North Rd Intersection to End	Clare	☑	$28,208
Union St (015) from Wright St to End	Clare	☑	$2,857
Elliot St (005) from Torrens Rd to Frederick Pl	Riverton	☑	$6,601
Newton Long Ct (005) from Newton Long Drv to End	Clare	☑	$9,438
Mintaro-Manoora Rd (035) from Halls Rd to 2.18km North of Halls Rd	Manoora	☑	$198,908
Edward St (005) from Arthur St to Stanley St	Clare	☑	$180,346
Wakefield St (005) from Burra St to Jacka Rd	Mintaro	☑	$52,226
Hartley St (Clare) (010) from Start of Seal to York Rd	Clare	☑	$21,829
Drumcalpin Rd (002) at Brothers Hill Rd Intersection	Manoora	☑	$1,931
College Rd (005) from Main North Rd Intersection to Driveway on RHS	Sevenhill	☑	$11,528
Lee St (005) from Farrell Flat Rd to Pattullo Ave	Clare	☑	$24,348
White Hut Rd (010) from 112m North of Melrose Ave (change of seal) to Waller Dr	Clare	☑	$7,044
Hannaford Ln (005) from Hannaford Ave to Change in Seal	Riverton	☑	$1,408
Mintaro-Manoora Rd (020) from Road Reserve at RRD 3920 to Farm Driveway at RRD 5220	Manoora	☑	$110,850
Beal Drv (005) from James Rd to Beal Cl	Clare	☑	$8,869
Glebe Cl (005) from Farell Flat Rd to End	Clare	☑	$7,754
Houghton St (015) from Paxton St to Powell St	Clare	☑	$15,146
Paxton St (005) from Main North Rd to Beare St	Clare	☑	$8,065

Segment Description	Township	Year 4	$1,249,484
Scott St (005) from Mill St to End	Clare	☑	$17,706
Station Rd (Clare) (005) from Lennon St to East Tce	Clare	☑	$55,062
Young St (Clare) (005) from Main North Rd to East Tce	Clare	☑	$22,232
Unnamed Rd (005) from Gleeson St to Gillen St	Clare	☑	$778
Hentschke Pl (005) from Hentschke Rd to End	Clare	☑	$22,172
North St (005) from Main North Rd to Meller St	Auburn	☑	$14,242
Church St (Auburn) (015) from Stanley St to Kingston Tce	Auburn	☑	$16,549
Schober Rd (002) at Balaklava Rd Intersection	Auburn	☑	$1,729
Saw Mill Rd (005) at Hughes Park Rd Intersection	Sevenhill	☑	$1,952
Anton St (005) from Bayes Rd Intersection to School St	Sevenhill	☑	$5,226
The Gap Rd (North) (010) at Barrier Hwy Intersection	Farrell Flat	☑	$5,935

2026-2030 Four Year Sealed Road Upgrade Program

Sealed Roads Upgrade Program	**Year 1 2026/2027**	**Year 2 2027/2028**	**Year 3 2028/2029**	**Year 4 2029/2030**
Bruce Road Stage 1a	959,000			
Bruce Road Stage 1b	1,020,650			
Bruce Road Stage 2	30,277	908,310		
Bruce Road Stage 3		40,385	1,211,545	
Bruce Road Stage 4			41,193	1,235,776
Vandeleur Road Stage 1a	968,000			
Vandeleur Road Stage 1b	1,391,500			
Alma Road	49,368	1,481,040		
Giles Corner Road		29,374	881,218	
Spring Gully Road Stage 1			22,683	680,484
Spring Gully Road Stage 2 (deferred to year 5)				34,169
Saw Mill Road (Deferred to year 5)				36,772
Skilly Creek Bridge Renewal	1,000,000			
Hilltown Road*	34,609	1,038,282		
Sealed Roads Upgrade V2		37,151	1,114,540	
Hilltown Road*			51,816	1,554,490
Adelaide North Road Watervale (South Tce to St Vincent Street)	310,948			
Adelaide North Road Watervale (North Tce to St Vincent Street)	321,588			
West Street Watervale (South Tce to St Vincent Street)	312,360			
Spencer Street Rhynie	22,750	227,505		
James Street Rhynie	5,664	56,645		
Harriett Street Rhynie	11,123	111,229		
High Street Leasingham		17,659	176,589	
Norman Street Leasingham		14,003	140,033	

Sealed Roads Upgrade Program	**Year 1 2026/2027**	**Year 2 2027/2028**	**Year 3 2028/2029**	**Year 4 2029/2030**
North Terrace Leasingham		13,097	130,966	
Oldham Street Tarlee			6,198	61,977
Taylor Street Tarlee			11,666	116,655
Mine Street Armagh (Design Only)				46,230
Dame Street Armagh (Design Only)				39,352
Daly Street Auburn (Design Only)				11,883
Dennis Road Auburn (Design Only)	-			8,265
Young Street Auburn (Design Only)				7,873
Church Street Auburn (Design Only)				6,489
Edwards Road Polish Hill River		117,983	1,179,829	
Total 'Unsealed to Sealed Program'	**6,477,837**	**4,092,662**	**4,968,275**	**3,840,414**

APPENDIX B
FINANCIAL STATEMENTS

Clare & Gilbert Valleys
Statement of Budget Comprehensive Income 30 June 2027

	2025-26 Forecast	2026/27 Budget
INCOME		
Rates	17,462	18,537
Statutory charges	336	350
User charges	1,204	1,197
Grants, subsidies & contributions - Operating	2,639	2,549
Grants, subsidies & contributions - Capital	704	1,194
Investment income	470	643
Reimbursements	233	185
Other income	15	5
Total Income	**23,063**	**24,659**
EXPENSES		
Employee costs	5,783	6,199
Materials, contracts & other	9,361	10,402
Depreciation	7,835	8,044
Finance costs	1	0
Total Expenses	**22,980**	**24,645**
OPERATING SURPLUS / (DEFICIT)	83	14
Asset disposal and fair value adjustments	155	170
Amounts received specifically for new or upgraded assets	25	3,693
Net surplus / (deficit)	**263**	**3,877**
Other comprehensive income	0	3,925
TOTAL COMPREHENSIVE INCOME	**263**	**7,802**

Clare & Gilbert Valleys
Statement of Budget Financial Position 30 June 2027

	2025-26 Forecast	2026/27 Budget
Current Assets		
Cash & Cash Equivalents	15,720	9,737
Trade & other receivables	1,173	1,219
Inventories	185	193
Total Current Assets	**17,078**	**11,149**
Non-current Assets		
Trade & other receivables	157	121
Infrastructure, Property, Plant & Equipment	187,780	199,867
Other Non-Current Assets	152	158
Total Non-current Assets	**188,089**	**200,146**
Total Assets	**205,167**	**211,295**
LIABILITIES		
Current Liabilities		
Trade & other payables	2,245	2,339
Income Received in Advance	1,816	0
Borrowings	5	0
Provisions	1,002	1,050
Total Current Liabilities	**5,068**	**3,389**
Non-current Liabilities		
Borrowings	0	0
Provisions	106	110
Liability In Equity Accounted Council Businesses	0	0
Total Non-current Liabilities	**106**	**110**
Total Liabilities	**5,174**	**3,499**
NET ASSETS	**199,993**	**207,796**
EQUITY		
Accumulated Surplus	13,805	17,683
Asset Revaluation Reserves	179,914	183,839
Other Reserves	6,274	6,274
Total Council Equity	**199,993**	**207,796**

Clare & Gilbert Valleys
Statement of Changes in Budget Equity 30 June 2027

	2025-26 Forecast	2026/27 Budget
ACCUMULATED SURPLUS		
Balance at end of previous reporting period	13,543	13,806
Net Result for Year	263	3,877
Other Comprehensive Income	0	0
Transfers between reserves	0	0
Balance at end of reporting period	**13,806**	**17,684**
ASSET REVALUATION RESERVE		
Balance at end of previous reporting period	179,914	179,914
Gain (loss) on revaluation of IPP&E	0	3,925
IPP&E impairment (expense) / recoupments offset to ARR	0	0
Balance at end of reporting period	**179,914**	**183,839**
OTHER RESERVES		
Balance at end of previous reporting period	6,274	6,274
Transfers between reserves	0	0
Balance at end of reporting period	**6,274**	**6,274**
TOTAL EQUITY AT END OF REPORTING PERIOD	**199,994**	**207,796**

Clare & Gilbert Valleys
Statement of Estimated Budget Cash Flows 30 June 2027

	2025-26 Forecast	2026/27 Budget
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Rates	17,462	18,525
Statutory charges	336	350
User charges	1,204	1,161
Grants, subsidies & contributions - Operating	2,639	2,549
Investment income	470	643
Reimbursements	230	185
Other income	15	5
Payments		
Employee costs	(5,783)	(6,153)
Materials, contracts & other expenses	(9,361)	(10,316)
Finance payments	(1)	0
Net Cash provided by (or used) Operating Activities	**7,211**	**6,948**
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Amounts specifically for new or upgraded assets	1,841	1,877
Grants utilised for capital purposes	704	1,194
Sale of replaced assets	28	170
Sale of surplus assets	127	0
Repayments of Loans by community groups	73	36
Payments		
Expenditure on renewal/replacement of assets	(3,911)	(9,580)
Expenditure on new/upgraded assets	(1,135)	(6,628)
Loans to community groups		**0**
Net Cash provided by (or used in) Investing Activities	**(2,273)**	**(12,931)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Proceeds from borrowings		
Payments		
Repayments of borrowings	(2)	0
Repayment of finance lease liabilities		
Repayment of Bonds & Deposits		
Net Cash provided by or (used) Financing Activities	(2)	**0**
Net Increase (Decrease) in cash held	**4,936**	**(5,983)**
Cash & cash equivalents at beginning of period	10,784	**15,719**
Cash & cash equivalents at end of period	**15,719**	**9,736**

Clare & Gilbert Valleys
Statement of Estimated Uniform Presentation of Finances 30 June 2027

	2025-26 Forecast	2026/27 Budget
INCOME		
Rates	17,462	18,537
Statutory charges	336	350
User charges	1,204	1,197
Grants, subsidies & contributions - Operating	2,639	2,549
Grants, subsidies & contributions - Capital	704	1,194
Investment income	470	643
Reimbursements	233	185
Other income	15	5
Total Income	**23,062**	**24,659**
EXPENSES		
Employee costs	5,783	6,199
Materials, contracts & other	9,361	10,401
Depreciation	7,835	8,044
Finance costs	1	0
Total Expenses	**22,980**	**24,644**
OPERATING SURPLUS / (DEFICIT)	**81**	**14**
Grants received for Capital Projects	(704)	(1,194)
Roads to Recovery - capital	590	499
General Purpose Grants - timing	(44)	0
ADJUSTED OPERATING SURPLUS / (DEFICIT)	**(77)**	**(681)**
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(3,911)	(9,580)
Add back Depreciation, Amortisation and Impairment	7,835	8,044
Grants, subsidies and contributions - Capital Renewal	704	1,194
Proceeds from Sale of Replaced Assets	28	170
	4,656	**(172)**
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(1,135)	(6,628)
Grants, subsidies and contributions - New / Upgraded	1,841	1,877
Proceeds from Sale of Surplus Assets	127	0
	833	**(4,751)**
Roads to Recovery - Financing activity adj.	(590)	**(499)**
Adjusted Net Impact to Financing Activities SURPLUS / (DEFICIT)	**4,822**	**(6,103)**

ESTIMATED KEY FINANCIAL INDICATORS

	2025-26 Forecast $'000	2026-27 Budget $'000
Operating Surplus Ratio	**0.4%**	**0.1%**
Operating Surplus	**83**	**14**
Total Operating Income	**23,063**	**24,659**
This ratio expresses the operating surplus as a percentage of total operating revenue.		
Adjusted Operating Surplus Ratio	**-0.3%**	**-2.8%**
Adjusted Operating Surplus	**(77)**	**(681)**
Total Adjusted Operating Income	**22,904**	**23,964**
This ratio expresses the operating surplus as a percentage of operating revenue adjusted for grants related to capital works and timing variances in the receipt of financial assistance grants.		
Net Financial Liabilities Ratio	**-51.5%**	**-30.7%**
Net Financial Liabilities	**(11,876)**	**(7,578)**
Total Operating Income	**23,063**	**24,659**
Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.		
Adjusted Net Financial Liabilities Ratio	**-51.9%**	**-31.6%**
Net Financial Liabilities	**(11,876)**	**(7,578)**
Adjusted Total Operating Income	**22,904**	**23,964**
Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of of operating revenue adjusted for grants related to capital works and timing variances in the receipt of financial assistance grants.		
Asset Renewal Funding Ratio	**165.9%**	**414.0%**
Net Asset Renewals	**3,883**	**9,410**
Infrastructure & Asset Management Plan required expenditure	**2,341**	**2,273**
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. While asset data is available for 2024-25 for asset renewals, the information is continuing to be verified to ensure that the renewal values is in line with annual Depreciation expense. As such using Depreciation as a measure of asset renewal give a more accurate ratio at this time than using the AMP values. Net Asset Renewals covers all expenditure forecast on asset renewals for all asset classes (Plant & Fleet, Footpaths, CWMS, Bridges etc).		
Percentage of Renewal Expenditure v Depreciation	**49.6%**	**117.0%**
Capital Renewal Expenditure	**3,883**	**9,410**
Depreciation Expenditure	**7,835**	**8,044**
Calculated by dividing capital renewal expenditure by depreciation to illustrate the proportion of asset renewal vs asset consumption. Over the long term this ratio should be close to 100% which would reflect that assets are being renewed at the same rate they are being consumed. Across the 10 years of the LTFP this measure is 95%, the slightly lower expenditure is acceptable as this can be attributed to expenditure on new/upgraded assets replacing assets that are not being renewed.		

APPENDIX C
ESSENTIAL SERVICES COMMISSION OF SOUTH AUSTRALIA

Advice

Local Government Advice

Clare and Gilbert Valleys Council

February 2024

Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
Adelaide SA 5001

Telephone: (08) 8463 4444
Freecall: 1800 633 592 (SA and mobiles only)
E-mail: advice@escosa.sa.gov.au
Web: www.escosa.sa.gov.au

Clare and Gilbert Valleys Council

AT A GLANCE

OVERVIEW

The Essential Services Commission finds the Clare and Gilbert Valley Council's current and projected financial performance **potentially unsustainable** taking into account the council's forecast moderate expense growth increase over the next 10 years and the planned average rate increases of 3.3% p.a. per property over this period

RISKS IMPACTING SUSTAINABILITY

- ⚠ Out of date asset management plans, asset valuations and condition grading
- ⚠ Over-estimation of asset useful lives and conditions
- ⚠ Uncertainty around depreciation expenses
- ⚠ Under-estimation of asset future repair, renewal and replacement costs

CONTINUE

- ✓ Reviewing the capital expenditure program annually in the asset management plans
- ✓ Reviewing and considering options to limit future increases in rates to no more than expected inflation

COMMISSION'S RECOMMENDATIONS

- Review and provide greater transparency in the long-term financial plan
- Consider reporting the operating efficiency aims or cost reduction challenges
- Provide more information about the proposed capital works program
- Focus on constraining cost growth
- Report the actual and projected cost savings
- Review the estimates of asset lives (and valuations)
- Complete a review of the asset management plans

KEY FACTS

- Population in 2021 was **9,187**
- Council covers **1,840 square kilometres**
- **7,039** rateable properties in 2022-23
- **$15.2 million of rate income** in 2022-23
- Value of assets held in 2022-23 equals **$163.1 million**

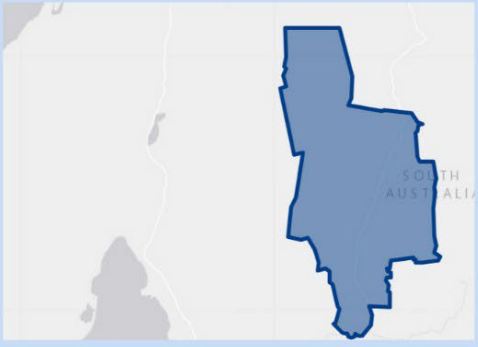


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Glossary of terms

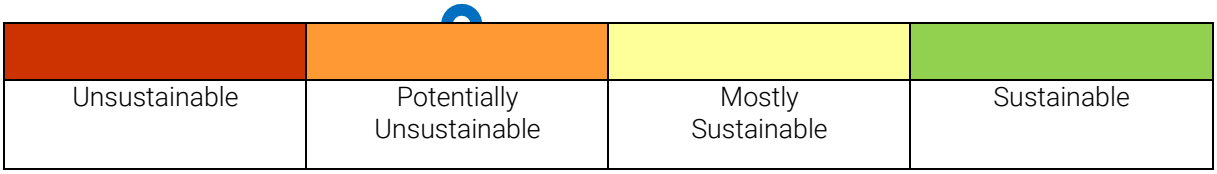
ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
Commission	Essential Services Commission, established under the *Essential Services Commission Act 2002*
CPI	Consumer Price Index (Adelaide, All Groups)
Council	Clare and Gilbert Valleys Council
CWMS	Community Wastewater Management System
ESC Act	*Essential Services Commission Act 2002*
F&A	Local Government Advice: Framework and Approach – Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	*Local Government Act 1999*
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LGGC	Local Government Grants Commission
LGPI	Local Government Price Index
LTFP	Long-term financial plan
Regulations	*Local Government (Financial Management) Regulations 2011*
RBA	Reserve Bank of Australia
SACES	The South Australian Centre for Economic Studies
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
SG	Superannuation Guarantee
The scheme or advice	Local Government Advice Scheme

Legend: Low-risk Moderate-risk High-risk

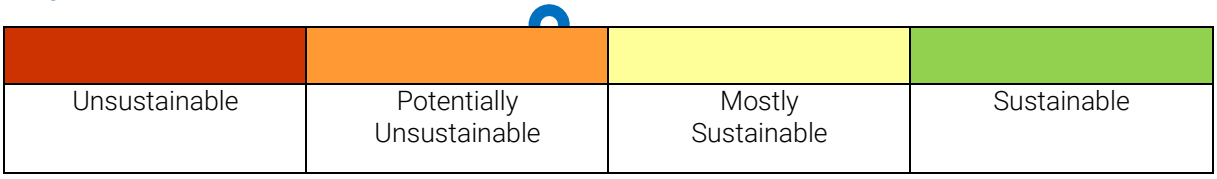
1 The Commission's key advice findings for the Clare and Gilbert Valleys Council.

The Essential Services Commission (Commission) finds the Clare and Gilbert Valley Council (Council's) current and projected financial performance is potentially unsustainable, driven by continued operating deficits (and growth in its cost base), and potential updates for higher asset renewal and depreciation costs. The Council's projected improvement to its financial performance is reliant on cost control, a reassessment of its asset renewal and repairs and maintenance programs, and further rates increases.

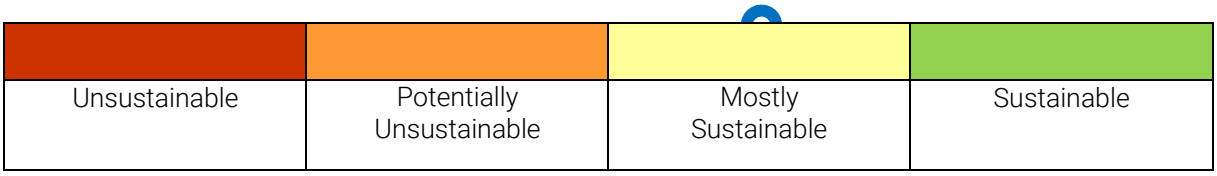
Current financial performance:



Projected financial performance (future):



Previous financial performance (past ten years):



The Commission notes the Council has progressively reduced its borrowings which has reduced its financial risk and is now forecasting over the long-term to accumulate cash reserves. This will provide it with some financial capacity as it considers the renewal of its asset base (and service levels) or consider reducing the impact of forecast rate increases on the community.

The Council's projections are somewhat reliant on a review of its operating cost base, and the implementation of its operating efficiency aims or cost reduction challenges which it should make explicit in its plans. This will assist it to achieve its own breakeven operating result target over a rolling five-year average period, which it is currently not forecasting to achieve until 2031-32.

The planned updates to its Asset Management Plans (AMPs) and asset valuations means that Council has some uncertainty around the valuation of its assets, with associated implications for depreciation, renewal expenditure and the relevant ratios. This could suggest the community may be exposed to further rate increases.

Budgeting considerations

1. Review and provide greater transparency (in its long-term financial plan), on the annual inflation and other relevant macro-economic assumptions as inputs to its projected revenue (including rates) and spending.
2. Consider reporting its operating efficiency aims or cost reduction challenges in its long-term financial plan and annual business plans, as appropriate.
3. Ensure its long-term financial plans and annual business plans include more information on its proposed capital works program to better inform the community about its expenditure priorities.

Continuing to provide evidence of ongoing cost efficiencies

4. Focus on constraining cost growth, where possible, including related to 'materials, contracts and other' expenses; and report its actual and projected cost savings in its annual budget and long-term financial plan, as appropriate.

Refinements to asset management planning

5. Continue to review its capital expenditure program annually in its asset management plans and consider options to better align the assumptions underpinning the expenditure allocations (and timing) with its long-term financial plan.
6. Review the estimates of asset lives (and valuations) informing its forecast rate of asset consumption (and depreciation expenses) in its long-term financial plan and need for asset renewals in its asset management plans, with a particular focus on the appropriateness of the estimated value of depreciation expenses in the context of asset renewal expenditure requirements.
7. Complete the planned reviews of its asset management plans, following a revaluation of its assets, with consideration of desired service levels, as appropriate.

Containing rate levels

8. Continue to review and consider options in limiting future increases in rates to no more than expected inflation, to help reduce any emerging affordability risk in the community.

Council Response:

The above matters have been addressed at the relevant section within this document.

2 About the advice

The Essential Services Commission (Commission), South Australia's independent economic regulator and advisory body, has been given a role by the State Parliament to provide advice on material changes proposed by local councils in relation to elements of their strategic management plans (SMPs) and on the proposed revenue sources, including rates, which underpin those plans.[1]

One of the main purposes of the Local Government Advice Scheme (advice or the scheme) is to support councils to make 'financially sustainable' decisions relating to their annual business plans and budgets in the context of their long-term financial plans (LTFPs) and infrastructure and asset management plans (IAMPs)[2] – both required as part of a council's SMP.[3] Financial sustainability is considered to encompass intergenerational equity,[4] as well as program (service level) and rates stability.[5] The other main purpose is for the Commission to consider ratepayer contributions in the context of revenue sources, as outlined in the LTFP.[6] In addition, the Commission has discretion to provide advice on any other aspect of a council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that council.[7]

The first cycle of the scheme extends over four years from 2022-23 to 2025-26, and the Commission has selected 17 councils for advice in the second scheme year (2023-24), including the Council.

This report provides the Local Government Advice for the Council in 2023-24.

The Council is obliged under the *Local Government Act 1999* (LG Act) to publish this advice and its response, if applicable, in its 2024-25 Annual Business Plan (including any draft Annual Business Plan) and subsequent plans until the next cycle of the scheme.[8] It does not need to publish the attachment to the advice (these will be available with the advice on the Commission's website[9]), nor is it compelled under the LG Act to follow the advice.

The Commission thanks the Council for meeting with the Commission and for providing relevant information to assist the Commission in preparing this advice.

2.1 Summary of advice

In general, the Commission finds the Council's financial position is at risk of being unsustainable, driven by an increasing cost base and forecast operating deficits. However, the Council is projecting to accumulate larger cash reserves which will provide it with some financial capacity to consider the renewal of its asset base or consider reducing the impact of forecast rate increases on the community. The Council is intending to target a breakeven operating result over a rolling five-year average period; however, it will not achieve this goal until later in its forecast period, in 2031-32. Historically, the Council has been impacted by climate related events (such as flooding) and has at times been unable to meet the ongoing renewal needs of its existing infrastructure base.[10]

The past rate increases have generally been in line with inflation and have also supported the Council's repayment of debt, increased its financial capacity, and covered its operating and service sustainability.

1 Amendments to the LG Act (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).
2 Commonly referred to as asset management plans.
3 The objectives of the advice with reference to a council's LTFP and IAMPs are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMPs.
4 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.
5 Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.
6 LG Act s122(1f)(a) and (1g)(a)(ii).
7 LG Act s122(1f)(b) and (1g)(b).
8 LG Act s122(1h).
9 The Commission must publish its advice under LG Act s122(1i)(a).
10 As recommended by its AMPs.

However, based upon the evidence available to the Commission, the Council has not reduced its deficits through more effective cost constraint.

Its forward projections from 2023-24 (in its LTFP) forecast a gradual improvement in its financial sustainability outlook (over the medium to longer-term) because the forecast rate of operating income growth outpaces expense growth, through:

- continued average rate increases above the Reserve Bank of Australia (RBA)-based forecast inflation rate - this is generally aligned with the Council's own forecast inflation; however, it is forecasting an additional 1.5 percent per annum increase on rate revenues above inflation, and
- moderate cost constraint measures particularly in 'materials, contracts and other' expenses with lower average cost growth than it has experienced over the past 10 years (and almost 1 percent lower than the expected rate of RBA-based forecast inflation).

Based on the financial projections in its LTFP, the Commission considers that the Council is aiming to improve its performance and reduce ratepayer impact. However, the Commission has identified that the Council could make further improvements and encourages it to disclose further information on its capital expenditure program and operating efficiencies to further inform the community on its priorities and intentions regarding financial sustainability.

The Commission notes that there are risks emerging in relation to the Council's planned updates to its AMPs, asset valuations and condition assessments, which could affect the assessment of its operating sustainability as well as increasing affordability risks. This is because if significant asset revaluations are needed to accurately reflect forward-looking assets costs, depreciation charges will increase (based on the Council retaining the same asset stock and providing the same level of services), placing more pressure on the operating surplus ratio, and the Council will therefore have less capacity to build cash reserves or finance additional borrowings.

2.2 Detailed advice findings

The next sections summarise the Commission's more detailed observations and advice findings regarding the Council's material changes to its 2023-24 plans (compared with the previous year's plans), its financial sustainability (in the context of its long-term operating performance, net financial liabilities, and asset renewals expenditure), and its current and projected rate levels.

In providing this advice, the Commission has followed the approach explained in the Framework and Approach – Final Report (F&A). The attachment explores these matters further.[11]

2.2.1 Advice on material plan amendments in 2023-24

Key Points:

- An additional $8.4 million (or 18 percent) for asset renewals, and an additional $2.6 million (or 26 percent) for new and upgraded capital works.
- A decline in operating performance by $2.3m which results in the Council delaying its forecast operating surplus by three years to 2029-30.
- Operating efficiencies or cost reduction challenges are not fully disclosed in its plans and further transparency is needed on assumptions driving the Council's revenue and spending forecasts.

[11] The attachment (to this advice) will be available on the Commission's website with the advice.

The Council's 2023-24 LTFP includes a small decline in its projected operating performance and increases to its projected capital expenditure estimates, as compared with the 2022-23 forecasts,[12] as follows:

- A decline in operating performance by $2.3 million, which results in the Council delaying its forecast operating surplus by three years to 2029-30. This is mainly driven by changes in 'materials, contracts and other' expenses and depreciation charges being greater than changes in operating income. Overall, the Council's forecast operating income has increased by 8 percent compared to a 9 percent increase in operating expenses.[13] This accounts for higher inflation forecasts and a 1.5 percent increase in the Councils rate revenue above inflation.[14]
- An additional $8.4 million (or 18 percent) for asset renewals, and an additional $2.6 million (or 26 percent) for new and upgraded capital works. The Council advises the increases are driven by bringing forward infrastructure renewals associated with repairing existing assets and works to preserve the Riverton Community Hall and Clare Town Hall.

The Council mostly applies a CPI-based inflation adjustment to its cost and revenue estimates; and the increase in rates revenue is primarily a result of the increase in CPI, as well as an additional 1.5 percent to improve the Council's ability to fund higher forecast costs and improve financial sustainability over the long-term.

Based on discussions with the Council, the Commission notes it is committed to regularly reviewing both service levels and operating efficiency; however, this has not been reported in any of its plans. In addition, as there has been some uncertainty around a number of macro-economic variables, it is not clear how the Council has factored these into its revenue and spending forecasts. Therefore, the Commission has found that it would be appropriate for it to:

1. Review and provide greater transparency (in its long-term financial plan), on the annual inflation and other relevant macro-economic assumptions as inputs to its projected revenue (including rates) and spending.
2. Consider reporting its operating efficiency aims or cost reduction challenges in its long-term financial plan and annual business plans, as appropriate.

1. Council Response

Implementation: Short Term (On-going)

Resource: Internal - Finance

Recommended Action: Use the latest forecasts that are either reported by the Australian Reserve Bank or the Federal Budget. Post public consultation of the *Budget* and *Long Term Financial Plan*, later releases CPI forecasts may become available. These latest forecasts should be incorporated into the final versions of the *Budget* and *Long Term Financial Plan* recommended for adoption.

Current Status (April 2025): Recommended action was incorporated into the *Budget Policy* 2025. Current draft working documents for the 2025-26 *Budget* and *Long Term Financial Plan have included forecasts from the* Australian Reserve Bank and continue to be updated as part of the 2025-26 budget process.

2. Council Response

Implementation: Short Term (On-going)

Resource: Internal – All departments

Recommended Action: Identify and review annually, as part of the annual

budget process, any efficiency targets and cost saving initiatives or challenges. Include commentary in the Annual Business Plan and Budget and Long Term Financial Plan documents.

Current Status (April 2025): Efficiency targets and cost saving initiatives will being developed as part of initial budget conversations by the management team in early 2025 in the lead in to the 2025-26 *Budget* and *Long Term Financial Plan*.

The Commission has also observed that the Council did not provide an explanation of material amendments in relation to its capital expenditure changes. Additionally, a review of the Council's 2023-24 LTFP and 2023-24 Annual Business Plan indicates there is limited detail on its capital works program and, as such, its ratepayers may not have been fully informed of or effectively consulted on the Council spending priorities. The Commission considers that it would be appropriate for it to:

3. Ensure its long-term financial plans and annual business plans include more information on its proposed capital works program to better inform the community about its expenditure priorities.

3. Council Response

Implementation: Short Term (On-going)

Resource: Internal – Works and Infrastructure / Finance

Recommended Action: With regards to the proposed capital works program, consideration will be given to the level of detail provided and included where appropriate within the annual business plan and long term financial plan. This information will be provided to inform the community of priority works; while enabling council to remain strategic in its decision making.

Current Status (April 2025): Project level reporting has been implemented as part of monthly reporting and budget review processes and this higher level of detail will be considered for inclusion as part of the 2025-26 *Budget* and *Long Term Financial Plan in line with Budget Policy 2025*.

2.2.2 Advice on financial sustainability

Operating performance

Key Points:

- Predominantly ran operating deficits or low surpluses from 2018-19 to 2022-23, with the operating surplus ratio averaging -2.2 percent over this period.
- The operating surplus ratio is not forecast to be in surplus until 2029-30.
- Heavily reliant on rates revenue which increased on average by 3.5 percent per annum from 2012-13 to 2021-22 (when rateable property growth averaged 0.4% and CPI growth averaged 2.0 percent).
- Lower forecast average expense growth of 2.7 percent per annum over the next 10 years is comparable with RBA-based forecast inflation.
- Focused on operating a balanced budget or breakeven budget over a rolling 5-year period.

[12] The overlapping nine years forecast in both the 2022-23 and 2023-24 LTFPs.
[13] Ibid.
[14] CPI Adelaide (All groups) increased by 7.9 percent in the year to March 2023 quarter and has reduced in the year to June 2023 and September 2023 quarters to 6.9 percent and 5.9 percent, respectively. Available at https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/sep-quarter-2023.

The Council has predominantly run operating deficits or low surpluses from 2018-19 to 2022-23, with the operating surplus ratio[15] averaging negative 2.2 percent over this period. In its forward projections, the operating surplus ratio is not forecast to meet the suggested LGA target range (with a surplus) until 2029-30 (when it will be 0.7 percent).

The reasons for the historical operating deficits are driven by average annual increase of 4.9 percent in 'materials, contracts and other' expenses, and 3.8 percent in depreciation charges (from 2012-13 to 2021-22).[16] This also reflects a year-on-year increase of 30 percent in 'materials, contracts and other' expenses in 2021-22, resulting from additional maintenance works undertaken and the provision of $1.5 million in grant funding to a sporting organisation.[17] The increase in depreciation charges reflects the revaluation of its transport infrastructure and building assets in 2016-17, which resulted in a 20 percent increase from 2015-16 levels.[18] This may be significant, as the Council's asset valuations may require further updates or may not reflect the asset condition, leading to the risk of an incorrect assessment of its operating performance.

On the income side, the Council has had to increasingly rely on rates revenue which increased on average by 3.5 percent per annum from 2012-13 to 2021-22 (when rateable property growth averaged 0.4 percent and CPI growth averaged 2.0 percent).[19] Rates revenue has reflected an increasing proportion of total income over the last 10 years, growing from 67 percent (in 2012-13) to 76 percent of total operating income (in 2022-23).

The Council also receives a combination of 'grants, subsidies and contributions', 'user charges,' and 'statutory charges' to support its services to the community. However, in aggregate, these have largely remained unchanged over 10 years, indicating income from these sources has reduced in real terms. The Council may need to understand the reasons for this and consider reviewing its cost recovery model; for example, for its Community Wastewater Management System (CWMS) operations, to minimise any cross subsidy by its ratepayers.

[15] The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The general target is to achieve, on average over time, an operating surplus ratio of between zero and 10 percent (Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised,* May 2019 (LGA SA Financial Indicators Paper), p. 6).

[16] Based on the compound average annual growth rate formula (which is the adopted approach to calculating average annual growth rates throughout the Commission's advice).

[17] Based on the Council's Financial Report Template provided to the Commission in an Excel document. Also see: Clare and Gilbert Valleys Council, *Annual Report 2021/2022*, p. 69, available at https://www.claregilbertvalleys.sa.gov.au/_data/assets/pdf_file/0029/1255844/Annual-Report-2021-2022.pdf.

[18] Clare and Gilbert Valleys Council, *Annual Report 2016/2017*, p. 11, available at https://www.claregilbertvalleys.sa.gov.au/_data/assets/pdf_file/0011/212060/Annual-Report-and-Financials-for-2016-2017.pdf.

[19] CPI Adelaide (All groups). Average annual growth in the LGPI published by the South Australian Centre for Economic Studies was similar (at 2.0 percent), available at https://www.adelaide.edu.au/saces/economic-and-social-indicators/local-government-price-index.

The lower forecast average expense growth of 2.7 percent per annum over the next 10 years (driven by lower 'materials, contracts and other' expenses growth of 1.9 percent) is approximately in line with RBA-based forecast inflation.[20] This, combined with annual average rates revenue growth of 4.0 percent to 2032-33, is expected to slowly improve the Council's operating performance. While this is a positive trend, it is unclear what action the Council is intending to undertake to achieve this improvement.

The Commission has observed some good practices of the Council, which states that it is focused on operating a balanced budget or breakeven budget over a rolling 5-year period; however, the Council is not forecast to meet this goal until 2031-32.[21] This deferral adds some risk to its financial sustainability, particularly if unforeseen events or major repairs and maintenance costs arise, as has occurred in the past.[22] The Council needs to effectively manage inflationary pressures and supply constraints (among other factors) which have impacted on its financial performance in recent years. It may be appropriate for the Council to review its current 'material, contracts and other' expenses (which accounted for 43 percent of total operating expenses in 2022-23) to ensure it is positioned to achieve the real terms reduction in these costs.

Against this background, and as part of the Council's continuing review of its plans, it may now need to find productivity improvements (to reduce any inflationary impact on its community) in the absence of reducing service levels or further increasing rates on the community. Therefore, the Commission has found that it would be appropriate for it to:

4. Focus on constraining cost growth, where possible, including related to 'materials, contracts and other' expenses; and report its actual and projected cost savings in its annual budget and long-term financial plan, as appropriate.

4. Council Response

Implementation: Short Term (On-going)

Resource: Internal – All departments

Recommended Action: Identify and review annually as part of the annual budget process, any efficiency targets and cost saving initiatives. Include commentary in the *Annual Business Plan*, *Budget* and *Long Term Financial Plan* documents.

Current Status (April 2025): Recommended action on track for implementation as part of the 2025-26 budget process.

Management team are reviewing opportunities for savings which will be considered and implemented as part of the 2025-26 Budget process and commentary included in documents as appropriate.

Net financial liabilities

Key Points:

- Net cash flows after operating and investing activities (i.e. capital-related) averaged $0.7m per annum between 2012-13 and 2021-22, which was primarily used to repay borrowings totalling $9.2m.
- The net financial liabilities ratio has averaged -4.5 percent over the period from 2012-13 to 2021-22 which is below the suggested LGA target range.
- Based on the low forecast net financial liabilities ratio over the next 10 years, Council may have the financial capacity to utilise more cash to address changes to its asset renewal expenditure.

Despite the Council's frequent operating deficits from 2012-13 (which include depreciation expenses), its net cash flow after operating and investing (that is, capital-related) activities has averaged $0.7 million per annum between 2012-13 and 2021-22. This net cash flow (in addition to the Council's existing cash balances) has been primarily used to repay its borrowings (totalling $9.2 million over this period). Therefore, the Council remains sustainable from a cash flow perspective, noting that its two largest income sources (rates revenue and grant income) were sufficient to fund its operating and capital expenditure program over this period.

Over the period 2012-13 to 2021-22, the Council's net financial liabilities ratio averaged negative 4.5 percent (or has ranged between 15.2 and negative 16.6 percent) and, since 2015-16, has been below the suggested LGA target range for this ratio.[23] The forecasts show that the Council will continue to be below the LGA target range, as it will have negligible borrowings by 30 June 2025 and it has not forecast additional borrowings from the period 2025-26 onwards. As a result, the net financial liabilities ratio will progressively decline over the period to 2032-33, which also reflects the Council's operating income growth and an accumulation of cash balances.

Based on the Council's low forecast net financial liabilities ratio, it has the financial capacity where its operating income can cover its net financial liabilities. However, when viewed in the context of the Council's historical and forecast operating deficits, and potential upward revisions to asset valuation and depreciation,[24] this suggests it is at risk of becoming unsustainable. The Council's long-term forecasts suggests that it may have some financial capacity with the build-up of existing cash balances which could be utilised to address changes to its asset renewal expenditure forecasts, as appropriate.

[20] The forecast average annual growth in the CPI from 2023-24 to 2032-33 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2025 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2025-26.

[21] Clare and Gilbert Valleys Council, *Long Term Financial Plan 2024-25 to 2033-34,* July 2023,p.7.

[22] Clare and Gilbert Valleys Council, *Long Term Financial Plan 2024-25 to 2033-34,* July 2023,p.9.

[23] The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between zero and 100 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

[24] For example, if significant asset revaluations are needed to accurately reflect forward looking asset costs, the Council's LTFP looks unsustainable, based upon the Council seeking to keep the same asset stock and provide the same services. This is because the depreciation charge will increase, placing more pressure on the operating surplus ratio, and the Council will have less capacity to build cash reserves or finance additional borrowings.

Asset renewals expenditure

Key Points:

- Between 2012-13 and 2021-22, total capital expenditure averaged $5.5 million per annum (including $4.3 million on asset renewals and $1.2 million on new and upgraded assets).
- Between 2012-13 and 2021-22, the asset renewal funding ratio averaged 96%.
- The forecast asset renewal funding ratio over the next 10 years is projected to be 105%.
- Asset management plans for major infrastructure assets are based on asset valuations carried out approximately 5 years ago. This poses a risk that depreciation expenses, asset renewal and replacement costs are underestimated in the current economic climate.

Between 2012-13 and 2021-22 the Council's total capital expenditure averaged $5.5 million per annum (including $4.3 million on asset renewals and $1.2 million on new and upgraded assets). Based on the asset renewal expenditure requirements specified in its AMPs, it has on average met the quantum of its asset service sustainability requirements. In some years, it has underspent on the renewal and rehabilitation needs of its asset stock, and in other years it has overspent - indicating significant spend volatility compared to its AMP. Overall, the Council's asset renewal funding ratio (IAMP-based) was within the suggested LGA target range of 90 to 110 percent over these years,[25] and averaged 96 percent between 2012-13 and 2021-22.

From 2023-24, the Council's asset renewal spending profile is increasing, reflecting expenditure brought forward as a result of the deterioration of some of its assets.[26] As such, its asset renewal funding ratio (IAMP-based) is expected to trend in line with the suggested LGA target range (averaging 105 percent from 2023-24 to 2032-33).

[25] The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). The suggested LGA target range for the ratio is 90 to 110 percent (LGA SA Financial Indicators Paper, p.9).

[26] Clare and Gilbert Valleys Council, *Long Term Financial Plan 2024-25 to 2033-34,* July 2023, p.9.

Based on discussions with the Council, it has experienced significant increases in materials and construction costs, and supply and labour constraints are impacting on the region. Furthermore, the Council has recognised that its historical capital spending profile and weather events have increased the volatility of its historical asset renewal funding ratio; however, is also seeking to undertake asset reviews to ensure that it maintains its service levels to the community. It is not entirely clear how the Council's forecasts in its AMPs align with the forecasts in its LTFP. The Commission considers that it would be appropriate for the Council to:

5. Continue to review its capital expenditure program annually in its asset management plans and consider options to better align the assumptions underpinning the expenditure allocations (and timing) with its long-term financial plan.

5. Council Response

Implementation: Short Term (On-going)

Resource: Internal – Works and Infrastructure / Finance

Recommended Action: Annually review the capital works program as part of the annual budget process. When developing the *Long Term Financial Plan* ensure the adopted asset management plans are referenced.

Current Status (April 2025): AMP's have been revised and pursuant to Council's Public Consultation Policy, consultation on the Draft AMPs commenced on Wednesday, 26 February 2025 and concluded on Tuesday, 1 April 2025. Draft AMP information is being considered in the initial preparation work being undertaken in the lead up to the 2025-26 budget process and re-enforced through the Budget Policy.

The Commission notes the Council's historical spending (over the last 10 years) on asset renewals has been below the rate of depreciation, in some years by a significant margin. Renewal spending is forecast to account for 80 percent of depreciate ion expenses on average to 2032-33.[27] The Council's assessment of depreciation (currently contributing to 30 percent of total operating costs in 2022-23),[28] may suggest a risk to its financial forecasts, where the incorrect recording of depreciation could lead to an incorrect assessment of its operating performance and sustainability. The Commission is unable to fully assess the risks in its renewal spending (and higher depreciation) as several factors will require further consideration, for example:

- higher asset revaluations, driven by higher rates of inflation and construction costs, may be increasing the Council's assessment of depreciation
- asset lives may be assumed shorter in the depreciation calculation than occurs in practice,
- the scale of asset write-offs (for example roads being damaged due to flooding) and subsequent level of reinvestment may be increasing depreciation, and / or
- the Council may not be renewing its assets at a pace indicated by the rate of asset consumption.

For these reasons, it would be appropriate for the Council to:

6. Review the estimates of asset lives and valuations informing its forecast rate of asset consumption and depreciation expenses in its long-term financial plan and need for asset renewals in its asset management plans, with a particular focus on the appropriateness of the estimated value of depreciation expenses in the context of asset renewal expenditure requirements.

6. Council Response

Implementation: Short Term (On-going)

Resource: Internal – Works and Infrastructure / Finance

Recommended Action: Asset condition assessments have been conducted and new asset management plans are currently being drafted. Asset lives, rates of consumption and consequently depreciation expenses will be assessed and the data updated to ensure that the assumptions underpinning the asset management plans are relevant. This data will be incorporated into the *Long Term Financial Plan*.

Current Status (April 2025): AMP's have been revised and pursuant to Council's Public Consultation Policy, consultation on the Draft AMPs commenced on Wednesday, 26 February 2025 and concluded on Tuesday, 1 April 2025. Draft AMP information is being considered in the initial preparation work being undertaken in the lead up to the 2025-26 budget process and re-enforced through the Budget Policy.

Further, the Council's AMPs for its major infrastructure assets (i.e., transport, buildings and structures, stormwater and CWMS assets) were initially based on asset valuations carried out approximately five years ago. The Council has indicated it has a priority to revalue its major infrastructure assets, along with the planned reviews of its AMPs, and it acknowledges this will better inform the Council's planned asset renewal program and operating and maintenance budgets.

The Commission encourages it to periodically and strategically revisit its asset valuation schedule, and then update its plans accordingly. This is particularly important as councils are required to undertake a comprehensive review of its strategic management plans (including asset management plans) within two years after each general election of the Council.[29] Therefore, the Commission considers that it would be appropriate for it to:

7. Complete the planned reviews of its asset management plans, following a revaluation of its assets, with consideration of desired service levels, as appropriate.

7. Council Response

Implementation: Short Term (On-going)

Resource: Internal – Works and Infrastructure / Finance

Recommended Action: Asset condition assessments have been conducted and new asset management plans are currently being drafted.

Current Status (April 2025): AMP's have been revised and pursuant to Council's Public Consultation Policy, consultation on the Draft AMPs commenced on Wednesday, 26 February 2025 and concluded on Tuesday, 1 April 2025. Draft AMP information is being considered in the initial preparation work being undertaken in the lead up to the 2025-26 budget process and re-enforced through the Budget Policy.

2.2.3 Advice on current and projected rate levels

Key Points:

- ⚠ Rate revenue per property growth has averaged 3.0 or $55 per annum for each property in the period between 2012-13 and 2021-22 which is 1.0% above CPI for the same period.
- ⚠ The forecast rate increases for 2023-24 is 5.8% per property and is made up of 9.4% increase for primary producers and 4.8% increase for residential ratepayers.
- ⚠ Affordability risk for further average rate increases appears moderate based on a range of factors including an assessment of the economic resources available to the community, however increasing risks are emerging for further rate rises above inflation.

[27] The Council's asset renewal funding ratio by the depreciation-based method (where asset renewal/replacement expenditure is divided by depreciation expenses) is forecast to average 80 percent to 2032-33. This ratio shows the extent to which capital expenditure on the renewal and replacement of assets matches the estimated rate at which these assets are used or consumed. Prior to 2013, the calculation of the ratio in the sector was based on the 'depreciation method' and was known as the asset sustainability ratio until 2018.

[28] Based on the Council's 2022-23 unaudited estimates reported to the Commission in an Excel template.

[29] LG Act s122(4)(a) and (b). General elections were last held for SA Councils on 11 November 2022.

The Council's rate revenue per property growth has averaged 3.0 percent or $55 per annum for each property in the period between 2012-13 and 2021-22, which has exceeded CPI growth of an average of 2.0 percent per annum over that period. Compared to similar councils the Council has average rate levels for residential and non-residential categories.[30]

In 2023-24, the Council has budgeted for an average rate increase of 5.8 percent, higher than anticipated for this year in its previous LTFP projections (a 4.3 percent increase in rate revenues was previously forecast for 2023-24). The increase reflects the Council's higher short-term inflation expectation and associated operating cost pressures. Further, the Council has included in its rate revenue projections an additional 1.5 percent on top of CPI, to maintain its financial sustainability.[31]

Its 2023-24 LTFP forecasts an average increase of $771 to existing rates in total to 2032-33 (to $3,060 per annum). While this is consistent with the Council's assumed escalation over this period (and relatively low growth in rateable properties of approximately 0.7 percent per annum), average annual rate increases are above the RBA-based forecast of average inflation (2.6 percent per annum).[32] Primary production ratepayers are experiencing higher rate increases (of 9.4 percent in 2023-24) relative to residential ratepayers (4.8 percent) but also account for relatively lower rate revenue contributions (on a capital valuation basis).[33]

Affordability risk within the community for the further rate increases appears to be moderate based on a range of factors, including an assessment of the economic resources available to the community[34] and little evidence of community concerns on affordability.[35] Affordability risk could be impacted in the context of the Council's financial sustainability risks, which is evident from the forecast operating deficits (to 2028-29), uncertainty around the valuation of its assets and updates to its asset management planning. The associated implications for depreciation, renewals expenditure and the relevant ratios could mean that the community may be exposed to further rate increases.

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[30] Refer to Councils in Focus rates data for 2021-22 available at https://councilsinfocus.sa.gov.au/councils/clare_and_gilbert_valleys_council. The Commission is not relying on these rate comparisons for its advice; the data source provides just one indicator, among many, which has informed its advice on the appropriateness of the rate levels.

[31] Clare and Gilbert Valleys Council, *2023-24 Long Term Financial Plan*, July 2023, p. 5.

[32] The forecast average annual growth in the CPI from 2023-24 to 2032-33 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2025 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2025-26.

[33] On a capital valuation basis (in 2023-24), primary production land use represents 63 percent of the aggregate capital value in the Council area, while on a revenue basis, primary production ratepayers accounts for 48 percent of total rates revenue.

[34] The Clare and Gilbert Valley's Council area is ranked 51 among 71 South Australian '*local government areas*' (including Anangu Pitjantijatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics Socio-Economic Indexes for Areas Index of Economic Resources (2021), where a lower ranking (eg, 1) denotes relatively lower access to income and other economic resources, compared with other areas, available at https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/2021.

[35] Clare and Gilbert Valleys Council, *Special Council Meeting Agenda - 5 July 2023, Item 1. Public submissions Draft 2023-2024 Annual Business Plan & Budget and Draft 2023-2024 to 2032-2033 Long Term Financial Plan,* available at https://www.claregilbertvalleys.sa.gov.au/_data/assets/pdf_file/0024/1428162/5-July-2023-Special- Council-Meeting-agenda.pdf.

Nonetheless, given historical and forecast rate increases and the current economic conditions affecting many communities' capacity to pay, it would be appropriate for the Council to:

8. Continue to review and consider options in limiting future increases in rates to no more than expected inflation, to help reduce any emerging affordability risk in the community.

8. Council Response

Implementation: Short Term/ Medium Term (On-going)

Resource: Internal – Finance

Recommended Action: Annual review of Council Rating policy with consideration to affordability and financial sustainability. Rate increases will be modelled on the latest forecasts that are either reported by the Australian Reserve Bank, Adelaide CPI or the Federal Budget.

Current Status (April 2025): Recommended action on track for implementation as part of the 2025-26 budget process.

2.3 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the Council's:

- ongoing performance against its LTFP estimates and its goal to achieve an operating breakeven position,
- improved disclosure of its capital spending forecasts and other relevant assumptions in its LTFP,
- identification and reporting of cost savings and operating efficiencies,
- updates to its asset management plans, and associated updates to asset valuations and condition assessments, and
- how it has sought to address the financial sustainability risks or emerging affordability risks.



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