

# Clare & Gilbert Valleys Council Annual Report 2017-2018

*Attractive, prosperous, welcoming and harmonious*



A copy of the Annual Report is available at [www.claregilbertvalleys.com.au](http://www.claregilbertvalleys.com.au)

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# COUNCIL SNAPSHOT

Welcome to Clare & Gilbert Valleys Council 2017–2018 Annual Report.

Council is committed to transparent reporting and accountability to the community.

This Annual Report provides the Clare & Gilbert Valleys Council with information about Council's operations and performance during the financial year, and meets all obligations under Section 131 of the *Local Government Act 1999*.

1,892km<sup>2</sup>

Council Area

6,726

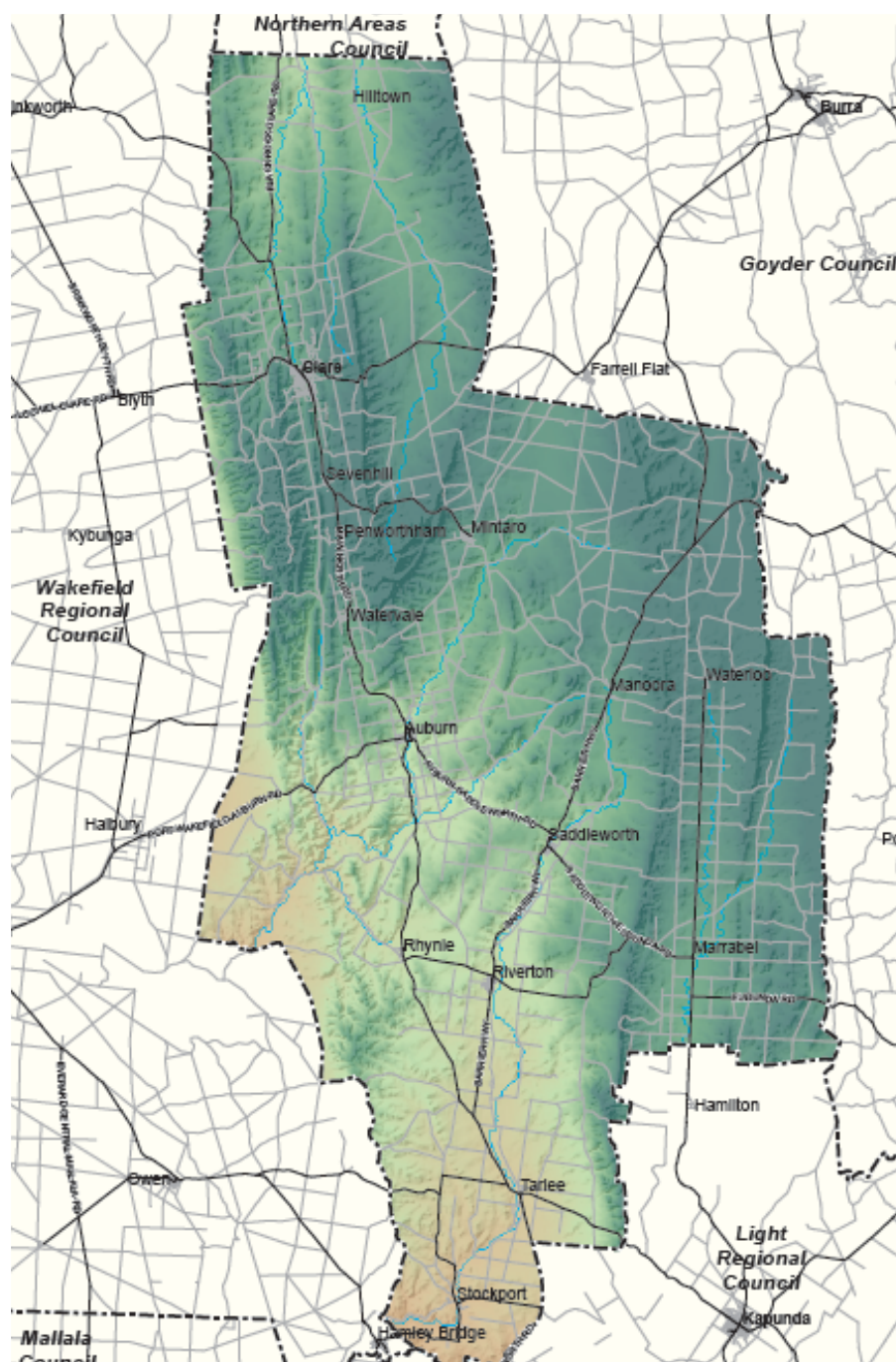
Electors

9,311

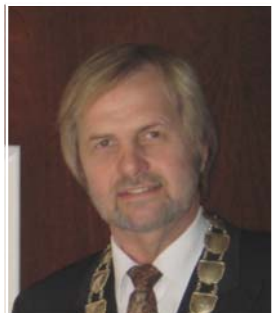
Population

1,833

Roads  
sealed & unsealed



## MAYOR and ELECTED MEMBERS



**Allan Aughey OAM**  
Mayor

First elected as Mayor in 2006, re-elected in 2010 and 2014.  
Mayor 2017-18.



**Cr Leon Bruhn**  
First elected 2016



**Cr Dianne Schwarz**  
First elected in 2006,  
re-elected in 2010 and 2014



**Cr Nedd Golding**  
First elected in 2006,  
re-elected in 2010 and 2014



**Cr Ian Burfitt**  
First elected 2014



**Cr Elizabeth Calvert**  
First elected in 2006  
re-elected in 2010 and 2014



**Cr Lucy Drummond**  
First elected 2014



**Cr Jeremy Kells**  
First elected 2014



**Cr Helen Perry**  
First elected in 2006  
re-elected in 2010 and 2014



**Cr Tim Siv**  
First elected 2014

### Representation Structure and Quota

The Council is the decision making body on all matters of policy and strategic direction. It consists of the Mayor and 9 Councillors who are all elected from the whole community. The Council does appoint a Deputy Mayor. Clare & Gilbert Valleys' total number of electors is 6,733. The quota for Clare & Gilbert Valleys is 1 elected member to 673 electors.

Councils of similar size and type are:

Council	Electors	Council Members	Representation Quota
Clare & Gilbert Valleys Council	6,733	10	673
Coorong	3,790	9	421
Grant	5,499	10	549
Adelaide Plains	5,898	10	589
Mid Murray	6,417	10	641
Naracoorte Lucindale	5,782	11	525
Northern Areas	3,423	9	380
Renmark Paringa	6,417	9	713
Tatiara	4,528	10	452
Wakefield Regional	4,813	10	481

### Representation Review

Every 8 years, in accordance with Section 12 of the Local Government Act 1999, the Clare & Gilbert Valleys Council is required to review the composition of the Council. Clare & Gilbert Valleys Council completed a review in 2017 of its composition and elector representation arrangements. The outcome of the review, approved by the Electoral Commissioner, will be the principal member of Council to be the Mayor elected by the community, the Council area not be divided into wards and the elected body of Council to comprise of the mayor and 9 area councillors. This will take effect as of the day of the first periodic Local Government election in November 2018.

### Council Members Allowances

The Local Government Act 1999 and the Local Government (Members Allowances and Benefits) Regulation 2010, provides for the payment of Council Member allowances. The annual allowance for a Council Member was determined by the Remuneration Tribunal of South Australia in Nov 2014. Those allowances have since been subject to an adjustment by CPI on the first, second, third and fourth anniversary of the periodic elections.

Allowance effective for November 2017 are:

Mayor	\$54,210
Deputy Mayor	\$16,680
Councillor	\$13,344

Travel time allowance for members on non Metropolitan Councils has also been determined where the Members residence is located:

>30kms to <50km from Councils principal office	\$351
>50kms to <100kms from Councils principal office	\$584

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

### Council Members Training

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

Training and development opportunities focus on assisting Council Members in the performance and discharge of their functions and duties and contribute to achieving the strategic and good governance objectives of Council.

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

- Caretaker Awareness
- Council and Committee Meetings
- Council Workshops
- Grants and Funding Opportunities
- First Aid Awareness
- Local Government Association – Annual General Meeting and General Conference
- Regional Local Government Meetings



## Decision Making Structure of the Council

Decisions of Council are made through Council meetings, Committee meetings or by employees through delegated authority. Informed decision making is critical to ensuring that decisions are made in the best interests of the wider community. During 2017/2018 Council's formal decision making structure comprised of Council, Audit Committee, Council Assessment Panel and Section 41 Committees.

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

## Council Meetings

As at 30 June 2018, Council held a total of 12 ordinary council meetings and 14 special council meetings. Council Members attended the following meetings from 1 July 2017 to 30 June 2018:

### Ordinary Council Meetings

Mayor	11/12
Bruhn	11/12
Burfitt	11/12
Calvert	11/12
Drummond	9/12
Golding	10/12
Kells	12/12
Perry	11/12
Schwarz	10/12
Siv	7/12

### Special Council Meetings

Mayor	11/14
Bruhn	13/14
Burfitt	14/14
Calvert	13/14
Drummond	4/14
Golding	11/14
Kells	11/14
Perry	12/14
Schwarz	11/14
Siv	6/14



# COUNCIL

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

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

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

The vision for the Clare & Gilbert Valleys is described as "attractive, prosperous, welcoming and harmonious". This statement embraces the tapestry of towns, villages and rural landscapes across which our population of 9,311 is dispersed. Ranging from 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, Stanley Flat and Marrabel, each has a proud history, great stories and a positive future.

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

The Clare & Gilbert Valleys attract the focus of South Australia's trails network. Home to the renowned Riesling Trail, which hosts cycling and walking from Barinia in the north to Auburn in the south, it covers more than 35kms along the old railway corridor.

A southern extension through the Rattler Trail, from Auburn through to Riverton, makes a total distance of 60kms. The Heysen, Mawson, Kidman and Lavender Trails also traverse the Council's landscape offering a diversity of active experiences.

Education is a focus for the Clare & Gilbert Valleys with excellent public and private schools and a number of training organisations. A quality library service is provided through full time libraries at Clare, Saddleworth and Riverton, with an agency in Auburn. The strong presence of the University of the Third Age enables a wide variety and range of interests to be explored.

The high level of health and associated services available locally, including two hospitals and an excellent ambulance service along with the presence of the Mid North Community Passenger Network Scheme, provide well for those who need assistance.

The Clare & Gilbert Valley region is an accessible destination for visitors to utilise the many excellent accommodation venues, function centres and tourist facilities available, including the wide variety of historic sites and events which occur in the area.

The Clare & Gilbert Valleys comprise safe communities with a low crime rate and a strong police presence. An active and efficient emergency service is present throughout the region provided by dedicated and well trained volunteers of the Country Fire Service, State Emergency Services and SA Ambulance. The region also has access to many State and Federal Government agencies including: Primary Industries and Regions SA, Natural Resource Management and Department of Environment and Water, Regional Development Australia Yorke and Mid North, Department of Education and Children's Services, Country Health SA, SA Water, Department of Planning, Transport and Infrastructure and Centrelink.

## Council Committees

### Audit Committee

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

Allowances for Council's Audit Committee are:

Presiding Member	\$1,320 per meeting
Independent Members	\$250 per meeting

In addition, independent members are paid for travelling.

The Audit Committee met on four occasions during the 2017–2018 financial year with the following attendance:

Committee Members	No of Meetings Attended
Mr John Comrie	4/4
Mayor Allan Aughey OAM	3/4
Mr Ian Swan	4/4
Ms Patricia Flood	4/4
Cr Jeremy Kells	4/4

The Audit Committee Annual Report for 2017–2018 is included in this Annual Report.

### Council Assessment Panel

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

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

Allowances for Council Assessment Panel:

Presiding Member	\$449 per meeting
Independent Members	\$208 per meeting

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

Committee Members	No of Meetings Attended
Mr Stephen Haines	5/5
Mr Paul Mickan	5/5
Mr Greg Pulford	4/5
Mr Ben Plowman	5/5
Cr Helen Perry	5/5

## Section 41 Committees

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

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



## Delegations to the Chief Executive Officer

The Council has provided the Chief Executive Officer with the delegated authority to make decisions on a number of specified administrative and policy matters. A copy of the Delegations are available on the website [www.claregilbertvalleys.sa.gov.au](http://www.claregilbertvalleys.sa.gov.au) Council review these delegations annually.

In keeping with legislative requirements Council:

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

## Confidentiality

Council and Council committees may, from time to time, discuss an item of business in confidence and, as a result, the public is excluded from attendance at the meeting for the period of time taken to discuss the relevant item.

Under Section 90 (2) & 91 (7) of the Local Government Act 1999, the following information is provided with regard to the Confidential Items raised at Council Meetings from 1 July 2017 to 30 June 2017.

- The number of orders that expired or ceased to apply during the 2017/18 year: 13
- The number of orders that were revoked during the 2017/18 year: 0
- The number of orders that remained operative during the 2017/18 year: 5

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

Date	Subject	Section	Released
24/07/2017	Environment Protection Authority (EPA) breach Rhynie Transfer Station	(h) & (i)	27/2/2018
18/09/2017	Riverton Footpath Tender	(d)	18/9/2017
25/09/2017	Valleys Pool air conditioning repairs	(d)	25/9/2017
12/10/2017	Appointment of the Chief Executive Officer	(e)	26/10/2017
20/11/2017	Police Paddock – William Street Stormwater Update	(d)	
20/11/2017	Implementation of Riverton Stormwater Management Plan	(d)	
11/12/2017	Australia Day Awards	(a)	31/12/2017
21/02/2018	Key Performance Indicators for CEO – six months probationary period	(a)	18/6/2018
19/03/2018	Clare Footpath Tender	(d)	22/03/2018
15/3/2018	Key Performance Indicators for CEO – six months probationary period	(a)	18/6/2018
19/03/2018	Herbicide Weed and Minor Pest Control Tender Contract	(d)	18/4/2018
24/4/2018	Key Performance Indicators for CEO – six months probationary period	(a)	On 18/6/2018
21/5/2018	Implementation of Riverton Stormwater Management Plan and Revocation /Amendment of Council Resolution	(b)	
21/5/2018	Police Paddock – William Street Stormwater	(b)	
22/5/2018	Key Performance Indicators for CEO – six months probationary period	(a)	18/6/2018
18/6/2018	CEO Performance Management Panel	(a)	18/6/2018
18/6/2018	Key Performance Indicators for CEO – six months probationary period	(a)	
25/6/2018	Police Paddock – William Street Stormwater	(b)	

## Human Resource Management

### Management Team

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

Chief Executive Officer	Dr Helen Macdonald
Manager Corporate Services	Mrs Leanne Kunoth
Manager Development & Community	Mr Andrew Christiansen
Manager Works & Infrastructure	Mr Chris Miller

Salary packages for these officers include over Award salary in a band from \$146,760 to \$224,470 and may also include private use of a motor vehicle, superannuation and mobile phone.

Total Employees 59 employees, with a full time equivalent of 51.02.

### Equal Employment Opportunity

Clare & Gilbert Valleys Council maintains its commitment to equal employment opportunities. Council has staff who span a wide range of age groups and Council maintains a relatively balanced gender representation. The Chief Executive Officer is appointed as the Equal Employment Officer.

The Chief Executive Officer is responsible for:

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

Human resource and personnel practices, policies and procedures are reviewed annually.

### Work Health and Safety

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

### Risk Management

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

In 2016 an Organisational Risk Register was developed profiling Council's corporate and operational risk. This register has been reviewed and further refined in 2018. Risks identified through that process are managed and mitigated through inclusion in annual work area plans and other programs.

### External Auditor and Remuneration

Galpins, Accountants, Auditors and Business Consultants have been appointed by Council as the External Auditors for a five year contract expiring at the completion of the 2019/2020 financial audit. This appointment is in accordance with the Local Government Act 1999.

The remuneration paid to Galpins, Accountants, Auditors and Business Consultants for the audit was \$18,700 (GST inc).

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

### Registers

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

Members Register of Interests	Register Election Campaign Donations Returns
Members Register of Allowances & Benefits	Register of Confidential Items
Officers Register of Salaries	Development Register
Officers Register of Interests	Gifts and Benefits Register
Fees and Charges	Public Roads
Community Land	By Laws
Register of Interests (Council Assessment Panel Members)	

## Codes

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

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

## Policies

Council has adopted the following Policies:

- |  |   |
|--|---|
| Additional Connection to CWMS Policy                             | Inspection of Building Work Policy  |
| Application to Lay Underground Services                          | Interaction of the Development Act, the State Records Act, the Freedom of Information Act with the Copyright Act. |
| Art Collection Policy  | Internal Financial Controls Policy  |
| Asset Policy   | Internal Review of Council Decisions Policy   |
| Asset Strategy   | Media Contact Policy  |
| Australia Day Awards Policy                                      | Nomenclature Policy   |
| Budget Policy  | Official Purchase Orders Policy   |
| Car Parking Contribution Policy                                  | Opening Prayer Policy   |
| Caretaker Policy   | Order Making Policy   |
| CAP Complaint Handling Policy                                    | Outdoor Dining Policy   |
| Compliant Handling Policy  | Procurement Policy  |
| Complaint Handling Procedure for Code of Conduct Council Members | Public Consultation Policy  |
| Corporate Purchasing Card Procedure Policy                       | Rate Policy   |
| Council Members Allowances and Benefits Policy                   | Rate Rebate Policy  |
| Council Members Appointment to External Boards                   | Records Management Policy   |
| Council Members Training and Development Policy                  | Request for Service Policy  |
| Customer Service Protocol  | Risk Management Policy and Framework  |
| CWMS Customer Service Charter Policy                             | Safe Environment Policy   |
| Debt Collection Policy   | Scholz Park – August Scholz Travelling Trunk Policy   |
| Deferment Rates Due to Hardship Policy                           | Second hand Transportable Dwellings Policy  |
| Development Assessment Procedures Policy                         | Shipping and or Sea Container Policy  |
| Development Plan Consent Delegations Policy                      | Social Media Policy   |
| Disposal of Land & Assets Policy                                 | Treasury Management Policy  |
| Elected Member Casual Vacancy Policy                             | Unreasonable Complaint Policy   |
| European Wasp Policy   | Tree Management Policy  |
| Event Management Strategy  | Volunteer Policy  |
| Financial Hardship CWMS Policy                                   | Waiving of Development Fees for not for Profit Organisations Policy   |
| Fraud & Corruption Prevention Policy                             | Welcome to Country – Acknowledgement of Country   |
| Informal Gatherings Policy                                       |   |

## Review of Decisions

As required by the Local Government Act 1999, Council has an Internal Review of Council Decisions Policy, outlining how decisions of Council or people acting on behalf of Council are reviewed. There was One (1) application for review of a decision during 2017/2018, this was regarding the application of Council's Policy "Additional Connection to CWMS Policy", the decision was upheld by Council.



## Community Land Management Plans

All local government land became classified as Community Land when the Local Government Act 1999 came into effect from 2000.

The Clare & Gilbert Valleys Council; progressively determined which lands should be excluded pursuant to Section 193 of the Local Government Act 1999, with community consultation occurring throughout that process. Following consideration of submissions, Council made its decision on the land to be excluded.

A Community Land Register is maintained by Council. Community Land Management Plans have been prepared for all remaining Community Land.

## Freedom of Information - Information Statement

### Providing Public Access to Official Documents and Records

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

### Information Requests

During the 2017/2018 financial year, the Clare & Gilbert Valleys Council received 2 requests for information under the provisions of the Freedom of Information Act (compared to 5 in the previous year). Freedom of Information application forms, as well as details of applicable processing fees and conditions can be obtained from Council's website [www.cgvc.sa.gov.au](http://www.cgvc.sa.gov.au)

All applications should be submitted in writing and forwarded with the application fee to:

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

## Competitive Tendering & Cost Effective Services

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

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

More detailed information is available in the Procurement Policy.

## National Competition Policy – Clause 7 Statement Reporting

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

This determination should be made taking into account:

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

The National Competition Policy categorises significant business activities as:

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

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

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

### Significant Business Activities

Category 1

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

Category 2

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

### Commencement or Cessation of Significant Business Activities

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

### Complaints Concerning the Application of Competitive Neutrality

Council has not received any complaints concerning the application of competitive neutrality principles during the 2017–2018 financial year.

### Structural Reform of Public Monopolies

These provisions do not apply to any Council activity.

# Strategic Plan Objectives

## Strategic Plan

The Strategic Plan 2020 outlines a vision and outcomes desired for the Council and the strategies, outcomes and services Council will deliver by 2020.

Many of the strategies contained in the Strategic Plan rely on working in partnership with others.

Council may be able to take a supporting or facilitating role, however we know that this plan cannot be achieved without the hard work and dedication of the community.

Clare & Gilbert Valleys Council – Vision

*Clare & Gilbert Valleys will be a harmonious and welcoming community living in an attractive and culturally rich rural environment with first class facilities, innovative business and internationally recognised local produce and services.*

The following table indicates, by each of the six themes in the Strategic Plan 2020, the planned projects and achievements for 2017–2018.

## Community Well Being

Outcome

An exceptional quality of living for all, with opportunities available for people of all ages.

Key Proposals	Outcome
Provision of financial support for a Youth Development role.	Council provided financial support for Youth Development.
Continue to strengthen and improve the One Card Network including database management and special projects.	Management and improvement of collection and customer databases. Implementation of the PayPal payment system for direct cashless customer payment of lost and damaged items, from within the library management system. Continued systems support of the Riverton School Community Library.
Continue to provide access to quality information and resources through focused collection building.	Collection building of physical collection to meet customer needs. Continuous improvement and review cycle of the physical collection completed.
Continue to consolidate, review and respond to community needs for lifelong learning programs including early learning and adult education programs.	Additional weekly Baby Bounce and Rhyme Time session added at the Clare Library for babies 0–24 months, in response to community need. Introduction of the well-used mindfulness station, which include community colouring and jigsaws. Adult learners, Toddler Tales, School holiday, and Children's book week programs delivered.
Continue to consolidate digital literacy programs with a focus on digital inclusion and cyber safety. Continue to work towards Esmart library accreditation.	Digital literacy programs expanded to include one on one help sessions and small group lessons, in conjunction with partner organisations, Be Connected, Esmart and Public
Explore, enhance and implement the "community space" aspect of the library service through ongoing community connection and social capital building activities	Community connection and social capital programs implemented. The community morning tea at Saddleworth Library and Community Centre and the establishment of a Teen book club at the Clare Library are examples of providing space to build connection between people.
Develop targeted STEM and digital literacy	STEM (Science, Technology, Engineering and Mathematics) program enhanced with after-school programs including the Lego in the Library building challenge, and science sessions.



## Outcome

Strong community leadership and an active engaged volunteer sector.

Key Proposals 2017–2018	Outcome
Hold community forums including one Peak Bodies and Council Committee.	A joint Peak Body and Council Committee forum held on 26 February 2018 in Clare.
Continue to support Peak Body Projects which range in diversity and complexity and maintain insurance reimbursements with an annual allocation of \$78,000 in the budget.	Peak Body projects supported and insurance reimbursed as per Peak Body Agreements.
Continue to support Community Committees	Council Committees supported through funding allocation.



New shelter over Marrabel Playground

## Outcome

A united, transparent and equitable vision for the whole local area.

Key Proposals 2017–2018	Outcome
Steer the annual budget processes	Annual Business Plan and Budget 2017–2018 was adopted by Council on 25 June 2018.
Facilitate the finalisation of the Asset Management Plan.	Asset Management Plan adopted by Council in September 2017
Revise ten year Long Term Financial Plan in conjunction with the Asset Management Plan.	Reviewed Long Term Financial Plan 2018–2019 to 2027–2028 adopted by Council together with Annual Business Plan and Budget 2017–2018.

## Recreation and Lifestyle

### Outcome

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

Key Proposals 2017-2018	Outcome
Continue to assist the community to risk manage events.	Council continues to assist the community to risk manage various community events across the whole Council area.
Develop and complete the garden space at the Clare Library to include cultural features, public seating and space for al fresco library use.	Project awaiting funding and held over for a future budget period.

### Outcome

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

Key Proposals 2017-2018	Outcome
Provide ongoing support to local sporting groups and associations with details of grant funding opportunities to help build a healthy and vibrant community.	Council provided support to local sporting bodies and association with details of grant funding opportunities to help build a healthy and vibrant community.
Increase marketing through a variety of media to promote all recreation services.	Council worked with YMCA to assist them to market through a variety of media to promote sport and recreation services and programs.
Continue to seek and deliver major sporting events for the region.	Council in collaboration with Copper Coast Council hosted the Wine Wheels and Whiting - Clare to Copper Coast bike ride. YMCA applied for the 2019 SA Masters Games, application unsuccessful. Council applied for a Stage of the 2019 Tour Down Under, application unsuccessful.
Work to improve customer service, traffic management and retention for all recreation services provided by Council.	Management are continuously looking for ways to improve customer service and retention of all recreation services provide by Council.
Plan and deliver the Wine Wheels and Whiting cycling event to link tourism and recreation with the District Council of Copper Coast	Council in collaboration with Copper Coast Council hosted the Wine Wheels and Whiting - Clare to Copper Coast bike ride.
Investigate alternative methods of management of the Riverton Pool.	The Riverton Pool has been successfully outsourced to YMCA.
Manage agreement with YMCA to deliver Management services to the Valleys Lifestyle Centre, Clare.	Council and YMCA have celebrated 12 successful months working together on the management of the Valleys Lifestyle Centre,

## Natural and Built Environment

### Outcome

Sustainable land use development, affordable appropriate and accessible housing.

Key Proposals 2017–2018	Outcome
Finalise the Clare Township and the District Townships and Settlements Development Plan Amendment Report and update Council's Development Plan policy accordingly.	The District Townships and Settlements DPA was completed in 2016 and the Clare Township DPA is currently underway, expected to be complete in early 2019.
Encourage development that reflects the desired character outcomes for the Clare & Gilbert Valleys.	The Clare and Gilbert Valleys Development Plan provides the guidelines for development within the Council area. Council staff are available and willing to help potential developers to guide them through the development process.
Communicate with applicants and developers to ensure best development outcomes.	Council's Development and Community team work closely with applicants and developers to ensure good development outcomes. A new graduate town planner will commence in early 2019 to ensure timely development approvals are made.

### Outcome

Distinctive heritage building are protected and celebrated.

Key Proposals 2017–2018	Outcome
Identify and protect places of heritage and cultural significance and desired town character.	Council's first Heritage Restoration Fund has been developed and will be released in late-2018 for owners of Local and State Heritage listed items to apply for funding to improve their properties.

### Outcome

Natural bushland, river systems and habitats are healthy and protected.

Key Proposals 2017–2018	Outcome
<b>Stormwater Drainage</b> Clare – continuing works on the Police Paddock / William Street flood mitigation to alleviate flooding issues on William Street, Victoria Grove and Burton Street. Sevenhill – Industrial Street – Upgrades to alleviate flooding to properties.	Stormwater and drainage works continued in Clare, Auburn, Sevenhill and Riverton, with the Henry Street, Clare and Kingston Terrace, Auburn works completed. Channel remediation works continued in the Hutt River from the Gleeson Wetlands to the Clare Township to assist with directional flow management.



## Outcome

Agricultural practices are sustainable and ecologically friendly.

Key Proposals 2017–2018	Outcome
Retain and strengthen the economic potential of Primary Production land.	The Clare and Gilbert Valleys Council's Development Plan controls development and land division within the Primary Production Zone and ensures that primary production is retained within the Council area.

## Outcome

Energy, water and natural resources are used sensibly and waste is reduced.

Key Proposals 2017–2018	Outcome
Encourage development to be above the minimum Energy Efficiency Star Rating for environmental sustainability.	Council provides general advice to developers of products and processes available to them that may increase their building's energy efficiency.

## Transport and Infrastructure

### Outcome

The road network is safe and efficient.

Key Proposals 2017–2018	Outcome
<p><b>Bridgeworks</b></p> <p>A grant application has been submitted for renewal of "Morris Bridge" on Steelton Road, Saddleworth.</p> <p>Ryelands Bridge, Tarlee to be reinstated to existing width and the headwall replaced.</p> <p>Simmos Bridge, Saddleworth – completion of paving work following bridge construction in 16/17.</p>	<p>Morris Bridge on Steelton Road, Saddleworth was replaced which will complete the bridge upgrade works to provide access up Steelton Road to the east of Saddleworth.</p> <p>Ryelands Bridge, Tarlee has also been widened to the existing pavement width to allow agriculture machinery access.</p> <p>The works on Simmos Bridge were completed.</p>
<p><b>Roads to be Resealed</b></p> <p>Main Road 45, Marrabel</p> <p>Copper Ore Road, Mintaro</p> <p>Waterloo Road, Waterloo</p> <p>Barinia Road, Stanley Flat</p> <p>Springfarm Road, Clare</p> <p>Crawford Avenue, Saddleworth</p> <p>Bridle Street, Saddleworth</p> <p>White Hut Road, Clare</p> <p>Brothers Hill Road, Manoora</p> <p>Min Man Road, Manoora</p> <p>Brothers Hill Road, Auburn</p> <p>Kelly Street, Clare</p>	<p>All roads were re-sealed and completed</p> <p>Main Road 45, Marrabel</p> <p>Copper Ore Road, Mintaro</p> <p>Waterloo Road, Waterloo</p> <p>Barinia Road, Stanley Flat</p> <p>Springfarm Road, Clare</p> <p>Crawford Avenue, Saddleworth</p> <p>Bridle Street, Saddleworth</p> <p>White Hut Road, Clare</p> <p>Brothers Hill Road, Manoora</p> <p>Min Man Road, Manoora</p> <p>Brothers Hill Road, Auburn</p> <p>Kelly Street, Clare</p>

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**Roads to be resheeted**

Hentschke Road, Riverton  
 Rohdes Road, Stockport  
 River Road, Riverton  
 Claytons Road, Stockport  
 Ashton Road, Saddleworth  
 Ettrick Road, Riverton  
 Lookout Road, Riverton  
 Granny Creek Road, Salter Springs  
 Frederick Road, Tarnma  
 Orana Road, Marrabel  
 Powerline North Road, Waterloo  
 Schmerl Road, Auburn  
 Lamkins Road, Auburn  
 Kench Road, Auburn  
 Overton Road, Auburn  
 Clampett Road, Hill River  
 Morrison Road, Penwortham  
 Fairfield Road, Penwortham  
 Kimber Road, Stanley Flat  
 Muanu Road, Boconnoc Park  
 Benbournie Road, Armagh  
 Benbournie Road, Stanley Flat  
 Hicks Road, Armagh  
 Rossmore Road, Benbournie  
 Harvey Highway, Hilltown  
 Smart Road, Hilltown  
 Robins Road, Tarlee  
 Main Street, Black Springs  
 Calcannia Road, Barinia  
 Old Manoora Road, Saddleworth  
 Bruce Road, Riverton  
 Quarry Road, Marrabel  
 Light River Road, Marrabel  
 Winders Road, Black Springs  
 Main Road South,


**All rural resheets were completed**

Hentschke Road, Riverton  
 Rohdes Road, Stockport  
 River Road, Riverton  
 Claytons Road, Stockport  
 Ashton Road, Saddleworth  
 Ettrick Road, Riverton  
 Lookout Road, Riverton  
 Granny Creek Road, Salter Springs  
 Frederick Road, Tarnma  
 Orana Road, Marrabel  
 Powerline North Road, Waterloo  
 Schmerl Road, Auburn  
 Lamkins Road, Auburn  
 Kench Road, Auburn  
 Overton Road, Auburn  
 Clampett Road, Hill River  
 Morrison Road, Penwortham  
 Fairfield Road, Penwortham  
 Kimber Road, Stanley Flat  
 Muanu Road, Boconnoc Park  
 Benbournie Road, Armagh  
 Benbournie Road, Stanley Flat  
 Hicks Road, Armagh  
 Rossmore Road, Benbournie  
 Harvey Highway, Hilltown  
 Smart Road, Hilltown  
 Robins Road, Tarlee  
 Main Street, Black Springs  
 Calcannia Road, Barinia  
 Old Manoora Road, Saddleworth  
 Bruce Road, Riverton  
 Quarry Road, Marrabel  
 Light River Road, Marrabel  
 Winders Road, Black Springs  
 Main Road South,

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## Outcome

Footpaths are safe, attractive and well maintained.

Key Proposals 2017-2018	Outcome
<p>Footpaths and Kerbing Clare Main North Road renewals – Main North Road from Ness St to Mill Place.</p> <p>Riverton – continuation of Riverton footpath upgrades on Torrens Road from Hannaford Avenue to Elliot Street</p>	<p>Footpath upgrades in Clare and Riverton were completed.</p> 

## Outcome

Community transport is accessible and well used.

Key Proposals 2017-2018	Outcome
Promote the Mid North Community Passenger Network which is hosted by Council to continue the improvements of services to the community.	Council continues to host the Mid North Community Passenger Transport.

## Outcome

Council owned land and buildings are fulfilling a useful function and providing public value.

Key Proposals 2017-2018	Outcome
Building works are to be carried out throughout the district including salt damp barrier works, refurbishment of public toilets, repairs to the Clare boardwalk and Lions Park footbridge and the construction of a dry sand shed in Clare.	<p>Salt damp barrier works have been completed at the Stockport Institute and the Clare Library. The Lions Park footbridge, Clare was repaired and the Riesling Trail link to Melrose Park, Clare was completed.</p> <p>A Dry Sand Storage shed has been constructed in Clare.</p>

## Council leadership and organisational sustainability

### Outcome

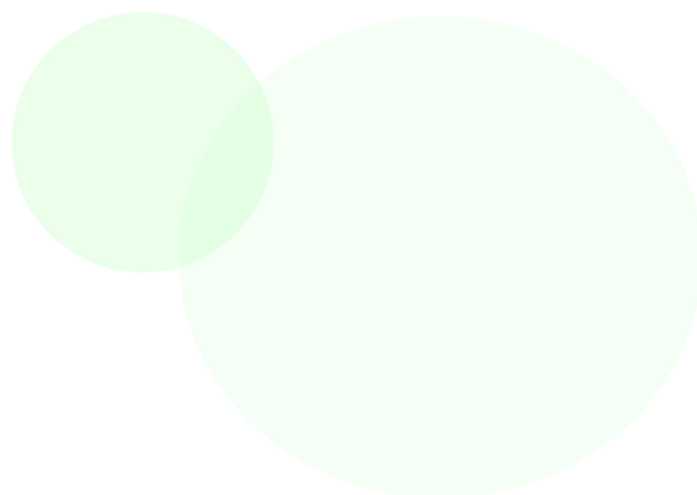
A resilient community.

Key Proposals 2017–2018	Outcome
Continue to develop / review Council's Emergency Management Plans and Business Continuity Plans.	Council continues to review Business Continuity Plan and Emergency Management Plan.

### Outcome

Improved financial sustainability

Key Proposals 2017–2018	Outcome
Provide financial reports as required by departments to allow for effective monitoring.	Monthly reports provided with budget reviews regularly.
Prepare external reports including Annual Financial Statements and Australian Bureau of Statistics Returns.	Annual Financial Statements for the year 30 June 2017 were adopted in November 2017 following a successful audit by Council's independent external auditors.
Community Wastewater Management Scheme Pump station upgrades for the Clare, Riverton and Saddleworth plant will be carried out to alleviate compliance issues as well as the installation of a balance tank at the Clare Pump station to cope with stormwater infiltration into the plant.	Pump station upgrades were completed on the Community Waste Water Management Scheme systems in Clare and the installation of the balance tank at the Clare Pump Station to cope with stormwater infiltration into the plant has commenced.  The identified defects on the CWMS pipework were repaired in Clare and Saddleworth.
Community Wastewater Management Scheme Defect rectifications on the pipework identified in the 2016–2017 CCTV and condition reports re schedules for reports at all three schemes	The identified defects on the CWMS pipework were repaired in Clare and Saddleworth.



## Outcome

Streamlined Council processes and procedures that meet legislative requirements.

Key Proposals 2017–2018	Outcome
Identify and implement all appropriate and relevant legislation, standards and codes pertaining to local government business.	All relevant legislation pertaining to local government identified and adhered to.
Develop and review policy, procedures, systems and processes to reflect legislation and good governance, including the ongoing review of Council's delegations register.	New or reviewed Council Policies continue to be adopted by Council in accordance with legislation. Delegations Register updated September 2017.
Continue to work towards the development of the Work Health and Safety Local Government One System in compliance with Local government Workers Compensation Scheme	WHS Policies and Procedures are continuing to be reviewed as required by legislation and self insured performance indicators
Continue with Internal Control Development.	Ongoing work on Internal Controls reported to every Audit Committee Meeting.

## Outcome

A modern efficient and accessible IT system and Council website.

Key Proposals 2017–2018	Outcome
Promote and support the role of council members, including the ongoing use of ICT and training.	Council Members have continued the usage of iPads within the Council Chamber.

## Outcome

Strong leadership

Key Proposals 2017–2018	Outcome
Hold Regular Council Meetings	All meetings and workshops conducted with one Council meeting held in Mintaro.
Promote and Support the role of Mayor including the conduct of civic receptions, Australia Day celebrations, citizenship ceremonies and twin city arrangements.	Australia Day celebrations were held in Riverton, Saddleworth, Auburn and Clare. Mayor conducted 15 Citizenship ceremonies.
Continue to assist the Audit Committee as required by the Local Government Act 1999.	Audit Committee meetings held <ul style="list-style-type: none"> <li>• 9 August 2017</li> <li>• 13 November 2017</li> <li>• 12 February 2018 and</li> <li>• 22 June 2018</li> </ul>



# THE YEAR IN REVIEW

## Works

The works department have had a very busy year with the continuation of the September 2016 flood damage repairs, as well as the capital and programmed maintenance works. A total of 58km of the rural road network was re-sheeted and approximately 7km of rural and township sealed roads had pavement failures repaired, widening works done and failing sections reconstructed.

Footpath upgrades were completed on Main North Road, Clare and Torrens Road, Riverton.

Morris Bridge on Steelton Road was replaced which will complete the bridge upgrade works to provide access up Steelton Road to the east of Saddleworth. Ryelands Bridge, Tarlee has also been widened to the existing pavement width to allow for agricultural machinery access.

Salt damp barrier works have been completed at the Stockport Institute and the Clare Library. The Lions Park footbridge, Clare has had the decking and hand rails replaced and the Riesling Trail link to Melrose Park, Clare was completed. A Dry Sand Storage shed has been constructed in Clare.

Stormwater and drainage works continued in Clare, Auburn, Sevenhill and Riverton, with the Henry Street, Clare and Kingston Terrace, Auburn works completed. Channel remediation works continued in the Hutt River from the Gleeson Wetlands to the Clare Township to assist with directional flow management.

Pump station upgrades were completed on the Community Waste Water Management Scheme systems in Clare and the installation of the balance tank at the Clare Pump Station to cope with stormwater infiltration into the plant has commenced. The identified defects on the CWMS pipework were repaired in Clare and Saddleworth.

## Valleys Lifestyle Centre & the Riverton Pool

As of 1 July 2017, Council handed the management of The Valleys Lifestyle Centre and the Riverton Pool to the YMCA of South Australia. YMCA is a not for profit organisation that manages 700 facilities across Australia with over 15 Local Government authorities in South Australia, managing sport and recreational facilities, delivering community focused programs and services as well as ensuring access is possible to those in need in the community. YMCA have a huge commitment to health and fitness.

Key achievements for The Valleys Lifestyle Centre:

- Total members peaked at 430 which is a Centre record.
- Swimming lessons peaked at 450, which is also a Centre record.
- Reintroduction of Strength for Life – 917 attendances.
- Favourable to budget \$106,000.
- Recognised as YMCA Centre of the Year at 2017 YMCA Awards.



Key achievements for the Riverton Pool:

- Favourable to budget by 10 members.
- Held two community pool parties – Australia Day and Grand Opening.
- Income for year \$5,900 favourable to budget.
- Major maintenance to plant room undertaken to provide a safer environment.

## Libraries

Libraries play a vital community role in providing people from all walks of life with a place to find information, to spark creativity and innovation. The Clare and Gilbert Valleys' Library service brings people together around the physical and digital worlds of information. It provides opportunities for learning, leisure, and linking people to each other and the world. In 2017-18, Clare, Auburn and Saddleworth Libraries loaned 121,954 physical items. In addition, 4,639 ebooks were loaned, and the libraries hosted 69,558 visitors.

Preschool story time (Toddler Tales), School holiday programs and Children's Book Week were well attended and helped to build vital literacy skills. A second Baby Bounce and Rhyme Time session was added to the weekly program to cater for increased demand. This program is aimed at babies 0-18 months and their caregivers, with the purpose of stimulating language and literacy development in the very young and facilitating community connections for their care providers.

Clare and Saddleworth branches have access to free internet and WiFi provided by the Libraries Board of SA, and all branches are part of the South Australian One Card network, which enables members to access resources from every public library in the State.

Digital literacy lessons and one-on-one assistance have been provided through lifelong learning programs and have helped bridge the digital divide by building foundation information and digital literacy skills across the community.

Programs such as Adult Learners Week and Get Online Week highlight the digital literacy service provided by the library. The Home Library service connected less mobile community members to the Library.

The Library has a strong focus on lifelong learning and seeks to build the skills of the community through the provision of materials for informal learning, and through forming partnerships with education providers. STEM (Science, Technology, Engineering and Mathematics) continues to be a focus, with this year marking the beginning of the partnership with the University of Adelaide and the Children's University program. Both Clare Library and Saddleworth Library and Community Centre became accredited learning destinations for the program. Science literacy enables the next generation of innovators, so maker space tables, *Lego in the Library*, *Science Week* and *The Little Bang Discovery Club*, in partnership with the Children's Discovery Museum and Inspiring South Australia, have all provided opportunities for children to explore and learn in a safe and creative space.

14 families participated in the first year of the Library running the Little Bang Discovery Club. 18 children participated in the 2017/2018 Science Week after school activities. 873 children visited one of our Libraries during Children's Book Week in August 2017.

The Library also hosted community displays and authors and celebrated community events. Friends of the Library provided valuable assistance through fundraising and through assistance with events such as the literature competition for young writers which highlighted the 100<sup>th</sup> anniversary of railways in Clare.



## Citizenship Ceremonies

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

Mayor Allan Aughey OAM has been authorised by the Australian Government to receive the pledge as a citizen of the Commonwealth of Australia. During the last year, 15 Australian Citizenship Certificates were presented by Mayor Aughey OAM.



## Australia Day

Council hosts Australia Day breakfasts at Clare, Riverton, Saddleworth and Auburn. These functions are open to all residents of the Council area, with attendances for the 2018 breakfasts being 1,100 people.

Council presents awards to acknowledge outstanding efforts by local people and groups who contribute to community development.

## Australia Day Awards 2018

### Central Area:

Doug Handley

– *Australia Day Citizen of the Year*

Brendan Hrycek

– *Australia Day Young Citizen of the Year*

Hats Adelaide Fringe Festival

– *Community Event of the Year*

### Southern Area:

Trevor Hayden

– *Australia Day Citizen of the Year*

No Award

– *Australia Day Young Citizen of the Year*

No Award

– *Community Event of the Year*

### Northern Area:

Etabez Kassa Hale Donato

– *Australia Day Young Citizen of the Year*

Clare Valley Park Run

– *Community Event of the Year*

John Koch

– *Australia Day Citizen of the Year*

### Mayoral Awards

Ben Fuller

Jim Scott

Trevor Mace

Lions Green Team

Gaynor Botcher

Rhonda Seymour

John Tayler

## Mid North Community Passenger Network

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

- MNCNP has seven SUVs and a wheelchair access vehicle
- MNCNP has 50 volunteers
- MNCNP has a ten seater wheelchair accessible bus contracted to the Network.

## Fire Prevention

Prior to every bushfire season, Council's Fire Prevention Officer inspects and assesses properties throughout the Council area to ensure fuel loads are kept to a minimum and the risk of bushfire is reduced.

- Council has undertaken routine inspections across the district
- Resulting in 750 notices being issued to property owners

Council is continuing to encourage all property owners and residents to undertake fire prevention measures on their properties to reduce fire risk and prepare a Bushfire Survival Plan to know what to do in case of a bushfire emergency. Fire prevention helps to create a safer environment for the members of our community.

## Development Applications

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

### 2017-2018 Development Applications

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

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

Development Applications	281
Category 2 application	1
Category 3 applications	7
Land Division applications	13
New allotments created	9
Boundary realignment applications	6

## Animal Management

Dogs and Cats Online (DACO) commenced on 1 July 2018. There was a significant number of complex issues that needed to be resolved by Council transitioning from a Local Government run system to a State Government run system, particularly in terms of data migration, e.g. mapping correct breeds, colours, migrating microchip and owner details over, etc.

Council staff worked closely with the State Government pre and post implementation and continue to assist the public in understanding the new system and ensuring people register their pets appropriately.

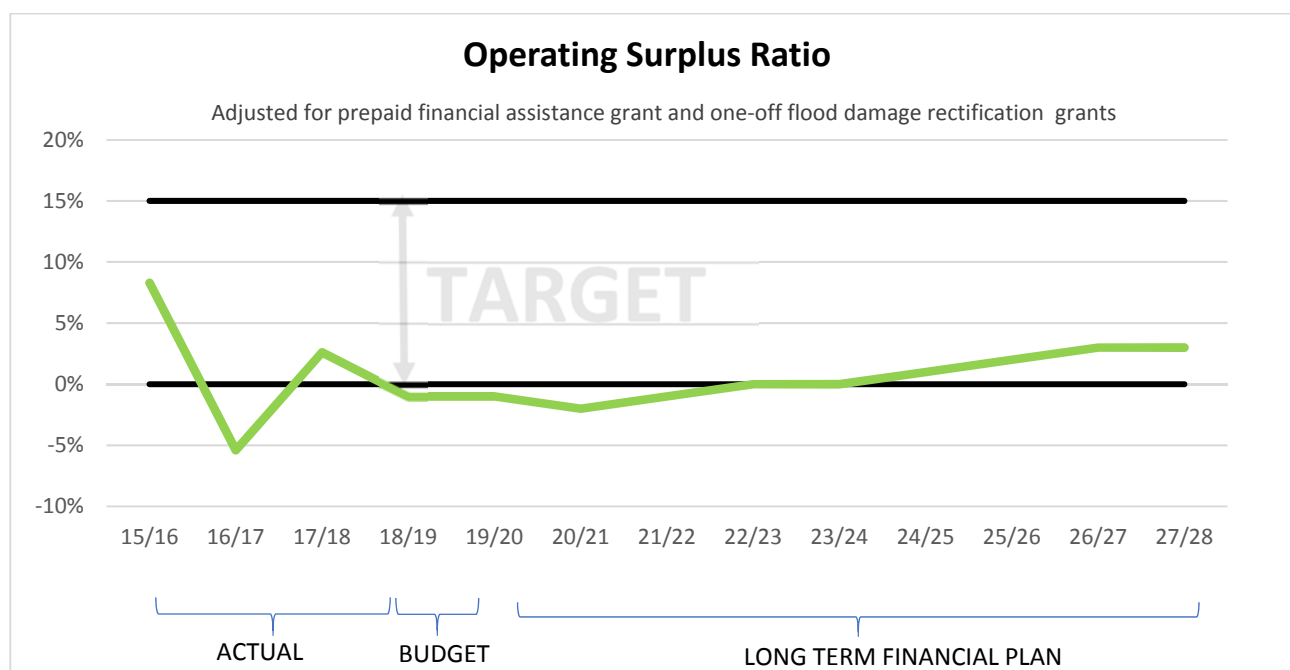
Dogs registered	2,215
Stray dogs	137
Impounded dogs	115
Dog harassment	19
Dog attacks	28



## FINANCE

The Clare and Gilbert Valleys Council 2017/18 positive financial results, and the associated trends show the Council moving towards a financial sustainable long-term outlook.

In the 2017/18 financial year, the Council recorded a \$2.65 million operating surplus. While the short term grant funding of Council's flood damage rectification works (\$2.8m) made up this surplus, reductions in operating expenses such as reduced employee costs and operational savings from the YMCA management of The Valleys, continues to move the council closer to the target of an operating surplus ratio of between zero (0) and fifteen (15) percent over any five year period



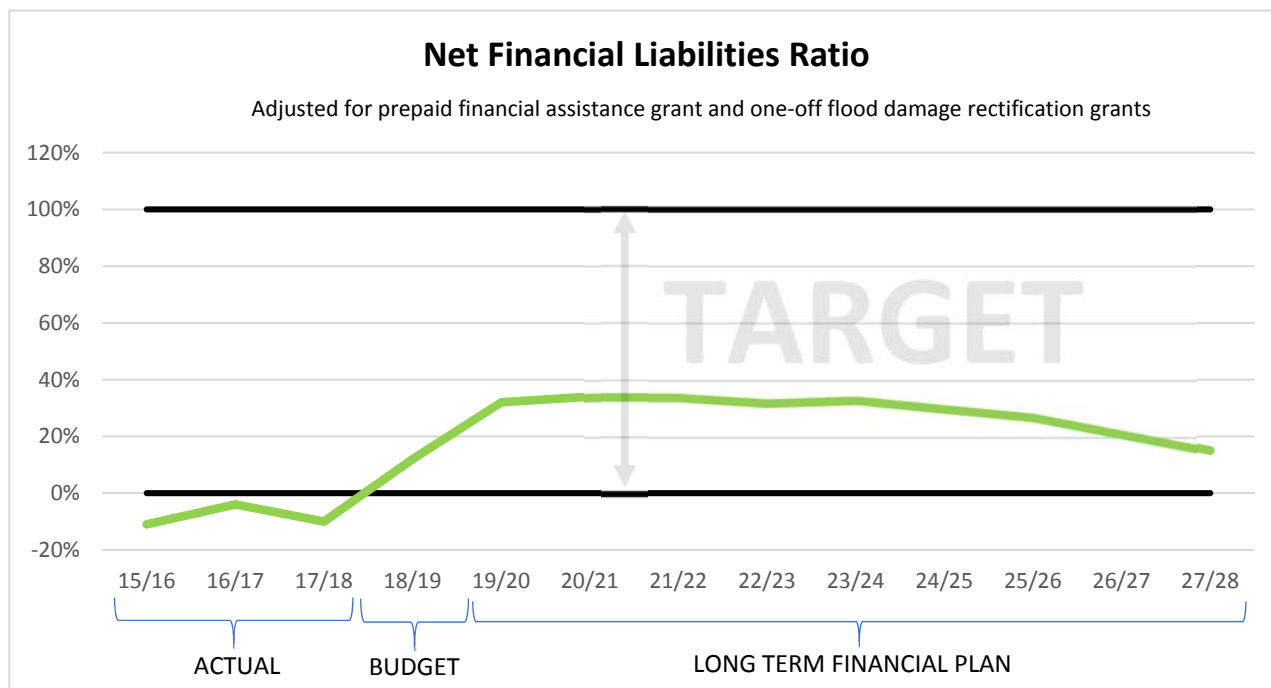
### Operating Surplus Ratio

An operating surplus (or deficit) arises when operating income exceeds (or is less than) operating expenses for a period (usually a year). Over time, Council will be financially sustainable if its expenses are less than income. The Operating Surplus Ratio expresses the surplus (or deficit) as a percentage of total operating income.

As planned, Council increased general rate revenue by 3.9% equating to additional income of \$397,000, which also contributed to Council's improved financial outlook.

Council's net financial liabilities ratio was -8%, highlighting a net financial asset position. With the delay of some capital projects Council has maintained cash balances and not taken out new borrowings. These cash reserves will be applied to the completion of those projects and the renewal of infrastructure assets over the next few years.

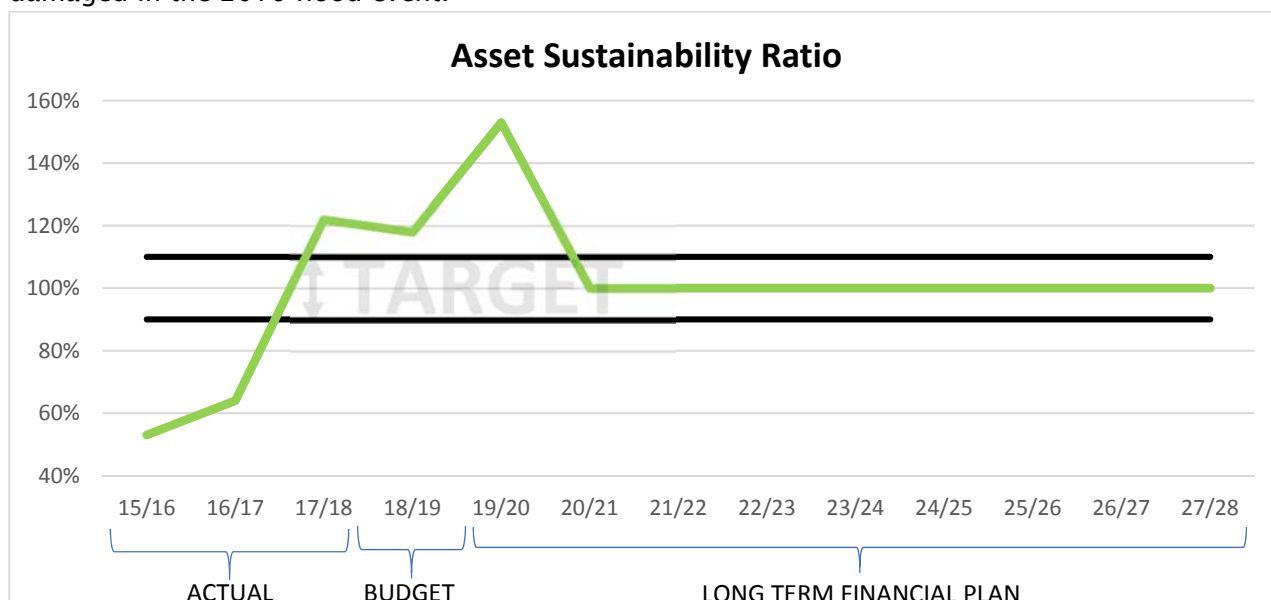




#### Net Financial Liabilities ratio

Net Financial Liabilities is equal to Council's total liabilities less its financial assets providing information on Council's overall indebtedness. The Net Financial Liabilities Ratio expresses Net Financial Liabilities as a percentage of total operating income.

Council spent \$6.94 million on the renewal and replacement of its physical assets. Over \$6m was applied to Council's transport network which included works undertaken to rectify the assets damaged in the 2016 flood event.

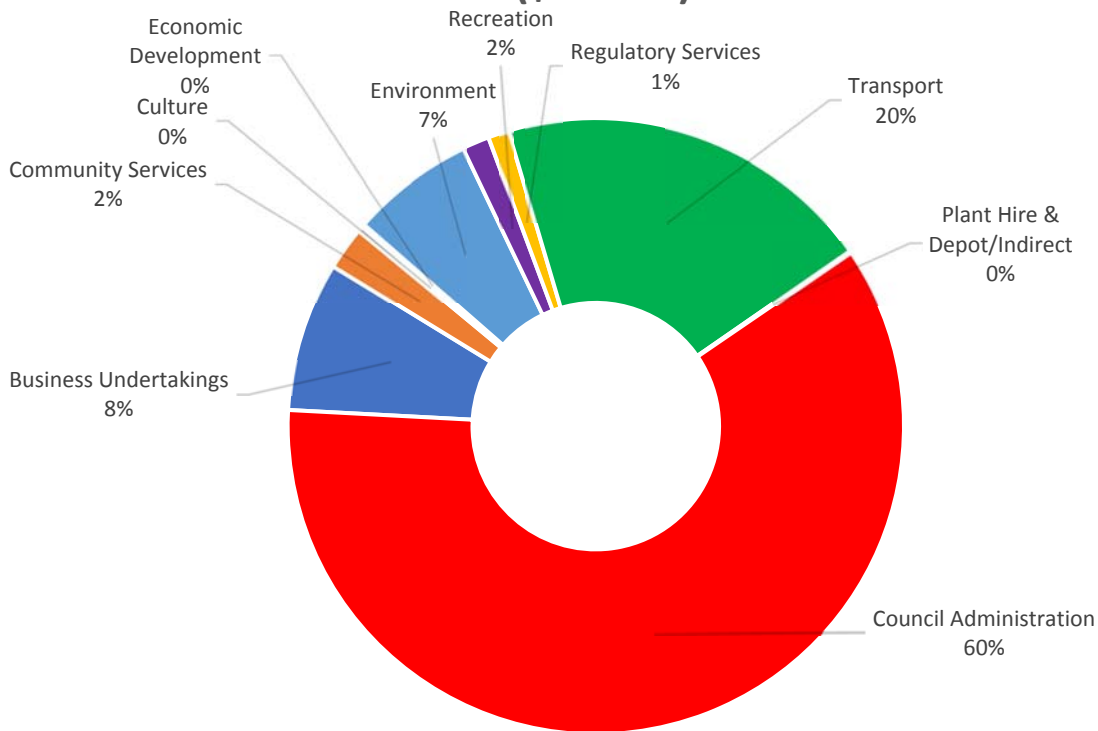


#### Asset Sustainability Ratio

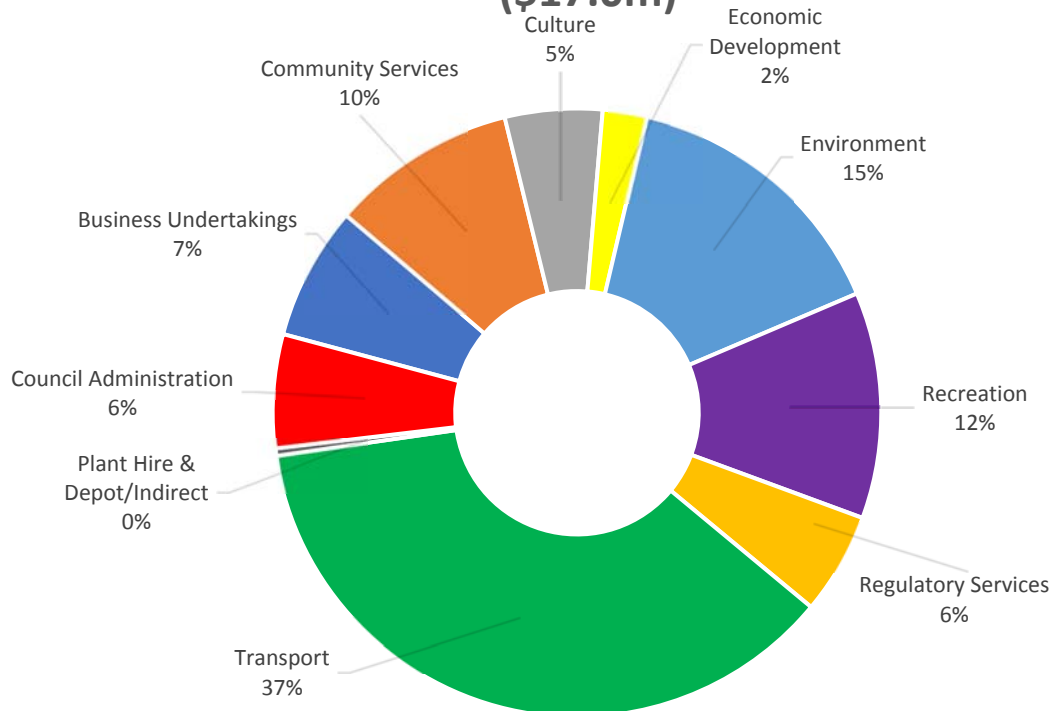
The Asset Sustainability Ratio expresses the total funds expended on asset replacement and renewal as a percentage of asset replacement and renewal identified as warranted in Council's draft Asset Management Plan.

This unplanned expenditure moved Council above its target asset sustainability ratio in 2017/18 which will continue into the 2018/19 financial year as the remaining flood damage works are completed.

## 2017/18 Income by Function (\$19.7m)



## 2017/18 Expenses by Function (\$17.0m)



# CLARE AND GILBERT VALLEYS COUNCIL

## General Purpose Financial Reports for the year ended 30 June 2018

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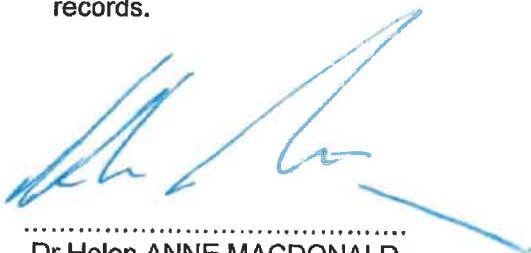
## CLARE & GILBERT VALLEYS COUNCIL

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2018

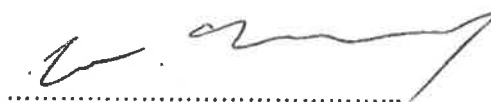
#### CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2018 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.



Dr Helen ANNE MACDONALD  
CHIEF EXECUTIVE OFFICER



Wayne THOMAS  
MAYOR

Date: 26 November 2018

**CLARE AND GILBERT VALLEYS COUNCIL**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 30 June 2018**

	Notes	2018 \$'000	2017 \$'000
<b>INCOME</b>			
Rates	2	12,612	12,188
Statutory charges	2	233	310
User charges	2	814	1,335
Grants, subsidies and contributions	2	5,470	2,789
Investment income	2	218	237
Reimbursements	2	255	164
Other income	2	60	202
<b>Total Income</b>		<b>19,662</b>	<b>17,225</b>
<b>EXPENSES</b>			
Employee costs	3	3,753	3,958
Materials, contracts & other expenses	3	7,634	8,184
Depreciation, amortisation & impairment	3	5,156	4,972
Finance costs	3	469	539
<b>Total Expenses</b>		<b>17,012</b>	<b>17,653</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>2,650</b>	<b>(428)</b>
Asset disposal & fair value adjustments	4	(1,766)	(697)
Amounts received specifically for new or upgraded assets	2	327	40
Physical resources received free of charge	2	-	17
<b>NET SURPLUS / (DEFICIT)</b>		<b>1,211</b>	<b>(1,068)</b>
transferred to Equity Statement			
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	3,327	(19,764)
Impairment (expense) / recoupments offset to asset revaluation reserve	9	-	(2,053)
<b>Total Other Comprehensive Income</b>		<b>3,327</b>	<b>(21,817)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>4,538</b>	<b>(22,885)</b>

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



## CLARE AND GILBERT VALLEYS COUNCIL

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

	Notes	2018 \$'000	2017 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	7,893	8,942
Trade & other receivables	5	1,879	1,243
Other financial assets	5	260	253
Inventories	5	211	287
<b>Total Current Assets</b>		<b>10,243</b>	<b>10,725</b>
<b>Non-current Assets</b>			
Financial assets	6	265	291
Infrastructure, property, plant & equipment	7	140,723	137,284
Other non-current assets	6	731	599
<b>Total Non-current Assets</b>		<b>141,719</b>	<b>138,174</b>
<b>Total Assets</b>		<b>151,962</b>	<b>148,899</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	1,012	1,013
Borrowings	8	1,164	1,094
Provisions	8	941	1,393
<b>Total Current Liabilities</b>		<b>3,117</b>	<b>3,500</b>
<b>Non-current Liabilities</b>			
Borrowings	8	4,808	5,972
Provisions	8	93	36
Liability - Equity accounted Council businesses	8	247	232
<b>Total Non-current Liabilities</b>		<b>5,148</b>	<b>6,240</b>
<b>Total Liabilities</b>		<b>8,265</b>	<b>9,740</b>
<b>NET ASSETS</b>		<b>143,697</b>	<b>139,159</b>
<b>EQUITY</b>			
Accumulated Surplus		9,393	8,730
Asset Revaluation Reserves	9	125,161	121,834
Other Reserves	9	9,143	8,595
<b>TOTAL EQUITY</b>		<b>143,697</b>	<b>139,159</b>

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

# CLARE AND GILBERT VALLEYS COUNCIL

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2018

	Notes	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
<b>2018</b>					
Balance at end of previous reporting period		8,730	121,834	8,595	139,159
<b>Net Surplus / (Deficit) for Year</b>		1,211			1,211
<b>Other Comprehensive Income</b>					
Gain on revaluation of infrastructure, property, plant & equipment			3,327		3,327
Transfers between reserves		(548)		548	-
<b>Balance at end of period</b>		<b>9,393</b>	<b>125,161</b>	<b>9,143</b>	<b>143,697</b>
<b>2017</b>					
Balance at end of previous reporting period		10,594	143,651	7,799	162,044
<b>Net Surplus / (Deficit) for Year</b>		(1,068)			(1,068)
<b>Other Comprehensive Income</b>					
Loss on revaluation of infrastructure, property, plant & equipment			(19,764)		(19,764)
Impairment (expense) / recoupments offset to asset revaluation reserve			(2,053)		(2,053)
Transfers between reserves		(796)		796	-
<b>Balance at end of period</b>		<b>8,730</b>	<b>121,834</b>	<b>8,595</b>	<b>139,159</b>

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

# CLARE AND GILBERT VALLEYS COUNCIL

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Rates - general & other		12,932	11,906
Fees & other charges		252	338
User charges		1,015	1,392
Investment receipts		233	247
Grants utilised for operating purposes		4,865	2,930
Reimbursements		282	186
Other revenues		1,338	1,166
<u>Payments</u>			
Employee costs		(4,164)	(3,639)
Materials, contracts & other expenses		(9,371)	(9,182)
Finance payments		(472)	(554)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>6,910</b>	<b>4,790</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		327	40
Sale of replaced assets		134	248
Sale of surplus assets		59	74
Repayments of loans by community groups		46	43
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(6,944)	(3,091)
Expenditure on new/upgraded assets		(450)	(2,271)
Net purchase of investment securities		(7)	-
Loans made to community groups		(30)	-
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(6,865)</b>	<b>(4,957)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Proceeds from borrowings		-	1
<u>Payments</u>			
Repayments of borrowings		(1,094)	(1,030)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(1,094)</b>	<b>(1,029)</b>
<b>Net Increase (Decrease) in cash held</b>		<b>(1,049)</b>	<b>(1,196)</b>
Cash & cash equivalents at beginning of period	10	8,942	10,138
Cash & cash equivalents at end of period	10	7,893	8,942

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

# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

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

##### 1.2 Historical Cost Convention

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

##### 1.3 Critical Accounting Estimates

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

##### 1.4 Rounding

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

### 2 The Local Government Reporting Entity

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

### 3 Income recognition

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

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

## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

#### Note 1 - Significant Accounting Policies (cont)

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference	
	\$	\$	%	\$
2015/16	439,321	935,393	(53%)	(496,072)
2016/17	1,417,990	935,724	52%	482,266
2017/18	1,110,916	1,152,443	(4%)	(41,527)

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

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

The actual amounts of untied grants received during the reporting periods (including the advance allocations) are disclosed in Note 2.

#### 3.1 Construction Contracts

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

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

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

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

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 12.

#### 5 Inventories

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

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

##### 6.1 Land under roads

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



## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

#### Note 1 - Significant Accounting Policies (cont)

##### 6.2 Initial Recognition

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

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

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

##### 6.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

##### 6.4 Subsequent Recognition

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

##### 6.5 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets. Depreciation of operating plant is based on usage and minor plant, furniture and fittings are depreciated using a diminishing balance method.

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

Major depreciation periods for each class of asset are shown in Note 7. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and care should be used in interpreting financial information based on these estimates.

##### 6.6 Impairment

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

## **CLARE & GILBERT VALLEYS COUNCIL**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018**

#### **Note 1 - Significant Accounting Policies (cont)**

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

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

#### **6.7 Borrowing Costs**

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

### **7 Payables**

#### **7.1 Goods & Services**

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

#### **7.2 Payments Received in Advance & Deposits**

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

### **8 Borrowings**

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

### **9 Employee Benefits**

#### **9.1 Salaries, Wages & Compensated Absences**

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

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

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

## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

#### Note 1 - Significant Accounting Policies (cont)

##### 9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). The Scheme has two types of membership, each of which is funded differently. Contributions are also made to other superannuation schemes selected by employees under the "choice of fund" legislation. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 16.

##### 10 Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 17.

##### 11 GST Implications

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

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.

Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

##### 12 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2018 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 17	Leases
AASB 1058	Income of Not-for-profit Entities

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

(Standards not affecting Local Government have been excluded from the above list.)

*Council is of the view that other than AASB 16 and AASB 1058, none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.*

Accounting Standard AASB 16 Leases may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment, but does not commence until the 2019/20 financial period, and it is not Council's intention to adopt this Standard early.

Accounting Standard AASB 1058 Income of Not-for-profit Entities may have a material effect on the amounts disclosed in these reports, particularly in relation to revenues from grants and subsidies, but does not commence until the 2019/20 financial period, and it is not Council's intention to adopt this Standard early.

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 2 - INCOME

	Notes	2018 \$'000	2017 \$'000
<b>RATES REVENUES</b>			
<u>General Rates</u>		10,578	10,187
Less: Mandatory rebates		(144)	(139)
Less: Discretionary rebates, remissions & write offs		(44)	(47)
		<u>10,390</u>	<u>10,001</u>
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		446	417
Waste collection		704	698
Community wastewater management systems		1,006	996
		<u>2,156</u>	<u>2,111</u>
<u>Other Charges</u>			
Penalties for late payment		66	76
		<u>66</u>	<u>76</u>
		<u>12,612</u>	<u>12,188</u>
<b>STATUTORY CHARGES</b>			
Development Act fees		52	53
Town planning fees		93	82
Health & Septic Tank Inspection fees		21	29
Animal registration fees & fines		47	47
Parking fines / expiation fees		-	2
Fire Act expiation fees		-	1
CWMS fees		20	96
		<u>233</u>	<u>310</u>
<b>USER CHARGES</b>			
Cemetery/crematoria fees		50	28
Caravan park fees		417	300
Cultural activities		-	1
Hall & equipment hire		18	33
Library services		13	11
Community transport		28	25
Recreation fees		89	633
Tourism		31	152
Waste management fees		63	39
Water Sales		29	43
Sundry		76	70
		<u>814</u>	<u>1,335</u>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		185	204
Banks & other		7	7
Loans to community groups		26	26
		<u>218</u>	<u>237</u>

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### NOTE 2 - INCOME (cont)

	Notes	2018 \$'000	2017 \$'000
<b>REIMBURSEMENTS</b>			
- by joint undertakings		42	38
- other		213	126
		<u>255</u>	<u>164</u>
<b>OTHER INCOME</b>			
Insurance & other recoupments - infrastructure, property, plant & equipment		-	90
Donations Received		1	25
Sundry		59	87
		<u>60</u>	<u>202</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		327	40
Other grants, subsidies and contributions			
Untied - Financial Assistance Grant	1,111	1,418	
Roads to Recovery	525	946	
Flood Damage Disaster Recovery	2,846	-	
Home and Community Care Grant	158	155	
Library & Communications	32	21	
Transport	554	200	
Auburn Cemetery Vandalism	120	-	
Sundry	124	49	
		<u>5,470</u>	<u>2,789</u>
		<u>5,797</u>	<u>2,829</u>
<i>The functions to which these grants relate are shown in Note 12.</i>			
<b>Sources of grants</b>			
Commonwealth government		612	1,037
State government		4,969	1,617
Other		216	175
		<u>5,797</u>	<u>2,829</u>

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### NOTE 2 - INCOME (cont)

	Notes	2018 \$'000	2017 \$'000
<b>Conditions over grants &amp; contributions</b>			
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>			
<i>Unexpended at the close of the previous reporting period</i>		<b>280</b>	460
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>			
<i>Roads Infrastructure</i>		<b>(28 )</b>	(180 )
<i>Environment</i>		-	(13 )
<i>Community Halls</i>		-	(17 )
<i>Subtotal</i>		<b>(28 )</b>	(210 )
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Recreation</i>		<b>330</b>	30
<i>Cemeteries</i>		<b>108</b>	-
<i>Subtotal</i>		<b>438</b>	30
<i>Unexpended at the close of this reporting period</i>		<b>690</b>	280
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>		<b>410</b>	(180 )
<b>PHYSICAL RESOURCES RECEIVED FREE OF CHARGE</b>			
<i>Community Wastewater Management Infrastructure</i>		-	17
<b>TOTAL PHYSICAL RESOURCES RECEIVED</b>		<b>-</b>	17



# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 3 - EXPENSES

	Notes	2018 \$'000	2017 \$'000
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		3,263	3,627
Employee leave expense		396	369
Superannuation - defined contribution plan contributions	18	258	242
Superannuation - defined benefit plan contributions	18	75	83
Workers' Compensation Insurance		116	93
Other		8	12
Less: Capitalised and distributed costs		(363)	(468)
<b>Total Operating Employee Costs</b>		<b>3,753</b>	<b>3,958</b>
<b>Total Number of Employees</b>		<b>51</b>	<b>48</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		27	17
Elected members' expenses		215	208
Election expenses		9	26
<b>Subtotal - Prescribed Expenses</b>		<b>251</b>	<b>251</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		4,359	4,349
Energy		565	598
Insurance		415	379
Legal Expenses		99	141
Levies paid to government - NRM levy		441	420
- Other Levies		41	38
Parts, accessories & consumables		691	913
Sundry		544	869
Water		228	226
<b>Subtotal - Other Materials, Contracts &amp; Expenses</b>		<b>7,383</b>	<b>7,933</b>
		<b>7,634</b>	<b>8,184</b>

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 3 - EXPENSES (cont)

	Notes	2018 \$'000	2017 \$'000
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Land Improvements		13	12
Buildings & Other Structures		1,071	1,243
Infrastructure			
- Roads, footways & kerbing		3,064	2,808
- Bridges		134	134
- Other road Infrastructure		73	73
- Stormwater Drainage		55	48
- CWMS		353	246
Plant, Machinery & Equipment		465	496
Furniture & Fittings		19	29
Library Books		11	27
<b>Impairment</b>			
Buildings & Other Structures		-	87
Roads, footways & kerbing		-	1,966
		<u>5,258</u>	<u>7,169</u>
Less: Capitalised and distributed costs		(102)	(144)
Less: Impairment expense offset to asset revaluation reserve	9	-	(2,053)
		<u>5,156</u>	<u>4,972</u>
<b>FINANCE COSTS</b>			
Interest on Loans		457	524
Unwinding of present value discounts		12	15
		<u>469</u>	<u>539</u>

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

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

	Notes	2018 \$'000	2017 \$'000
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>			
<i><b>Assets renewed or directly replaced</b></i>			
Proceeds from disposal		134	243
Less: Carrying amount of assets sold		760	594
<b>Gain (Loss) on disposal</b>		<b>(626)</b>	<b>(351)</b>
<i><b>Assets surplus to requirements</b></i>			
Proceeds from disposal		59	74
Less: Carrying amount of assets sold		1,199	420
<b>Gain (Loss) on disposal</b>		<b>(1,140)</b>	<b>(346)</b>
 <b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>		 <b>(1,766)</b>	 <b>(697)</b>

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 5 - CURRENT ASSETS

	Notes	2018 \$'000	2017 \$'000
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		119	354
Deposits at Call		7,774	8,588
		<u>7,893</u>	<u>8,942</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - General & Other		658	972
Accrued Revenues		26	41
Debtors - general		1,007	79
GST Recoupment		136	104
Prepayments		2	1
Loans to community organisations		50	46
		<u>1,879</u>	<u>1,243</u>
<b>OTHER FINANCIAL ASSETS</b>			
Investment		260	253
		<u>260</u>	<u>253</u>
<b>INVENTORIES</b>			
Stores & Materials		211	287
		<u>211</u>	<u>287</u>

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

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 6 - NON-CURRENT ASSETS

<b>FINANCIAL ASSETS</b>	<b>Notes</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
<b>Receivables</b>			
Council Rates Postponement Scheme		-	6
Loans to community organisations		265	285
<b>TOTAL FINANCIAL ASSETS</b>		<b>265</b>	<b>291</b>
 <b>OTHER NON-CURRENT ASSETS</b>			
Capital Works-in-Progress		731	599
		<b>731</b>	<b>599</b>

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

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

Fair Value Level	2017 \$'000				2018 \$'000			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	2,166	-	-	2,166	2,166	-	-	2,166
Land	10,245	177	-	10,422	10,206	177	-	10,383
Land Improvements	276	13	(28)	261	276	39	(42)	273
Buildings & Other Structures	3,872	-	(2,582)	1,290	3,933	-	(2,648)	1,285
Buildings & Other Structures	55,468	434	(27,127)	28,775	52,687	703	(26,555)	26,835
Infrastructure								
- Roads, footways & kerbing	118,782	3,387	(50,314)	71,855	115,759	9,139	(50,841)	74,057
- Bridges	11,523	-	(4,836)	6,687	11,050	417	(4,568)	6,899
- Other road Infrastructure	-	741	(295)	446	-	741	(368)	373
- Stormwater Drainage	3,096	326	(1,200)	2,222	4,340	65	(967)	3,438
- CWMS	13,869	136	(5,103)	8,902	20,630	3	(9,980)	10,653
Plant, Machinery & Equipment	-	6,989	(3,202)	3,787	-	7,134	(3,239)	3,895
Furniture & Fittings	-	539	(491)	48	-	539	(510)	29
Library Books	450	-	(27)	423	448	-	(11)	437
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>219,747</b>	<b>12,742</b>	<b>(95,205)</b>	<b>137,284</b>	<b>221,495</b>	<b>18,957</b>	<b>(99,729)</b>	<b>140,723</b>
<i>Comparatives</i>	<i>214,684</i>	<i>20,445</i>	<i>(75,022)</i>	<i>160,107</i>	<i>219,747</i>	<i>12,742</i>	<i>(95,205)</i>	<i>137,284</i>

This Note continues on the following pages.



# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

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

	2017 \$'000	CARRYING AMOUNT MOVEMENTS DURING YEAR \$'000								2018 \$'000
Fair Value Level	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals				In	Out		
Land	2,166	-	-	-	-	-	-	-	-	2,166
Land	10,422	-	-	(39)	-	-	-	-	-	10,383
Land Improvements	261	7	18	-	(13)	-	-	-	-	273
Buildings & Other Structures	1,290	-	61	-	(66)	-	-	-	-	1,285
Buildings & Other Structures	28,775	98	109	(1,142)	(1,005)	-	-	-	-	26,835
Infrastructure										
- Roads, footways & kerbing	71,855	157	5,595	(486)	(3,064)	-	-	-	-	74,057
- Bridges	6,687	-	417	(71)	(134)	-	-	-	-	6,899
- Other road Infrastructure	446	-	-	-	(73)	-	-	-	-	373
- Stormwater Drainage	2,222	-	65	(15)	(55)	-	36	-	1,185	3,438
- CWMS	8,902	-	3	(5)	(353)	-	-	(36)	2,142	10,653
Plant, Machinery & Equipment	3,787	169	605	(201)	(465)	-	-	-	-	3,895
Furniture & Fittings	48	-	-	-	(19)	-	-	-	-	29
Library Books	423	-	25	-	(11)	-	-	-	-	437
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	137,284	431	6,898	(1,959)	(5,258)	-	36	(36)	3,327	140,723
Comparatives	160,107	2,047	3,075	(1,012)	(5,116)	(2,053)	1,589	(1,589)	(19,764)	137,284

#### Comparatives

This Note continues on the following pages.

# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

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

#### Valuation of Assets

##### General Valuation Principles

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

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

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

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

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

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

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

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

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

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

*Capitalisation thresholds* used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

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

## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

#### Note 7 – Property, Plant & Equipment (cont)

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

Plant, Furniture & Equipment	
Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	5 to 8 years
Other Plant & Equipment	5 to 15 years
Building & Other Structures	
Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years
Infrastructure	
Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	80 to 100 years
Culverts	50 to 75 years
Flood Control Structures	80 to 100 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years
Other Assets	
Library Books	7 years
Artworks	indefinite

#### Land & Land Improvements

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

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

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 1 July 2016 by Maloney Field Services at current replacement cost. Additions are recognised at cost.

#### Buildings & Other Structures

Buildings and other structures were valued as at 1 July 2016 by Maloney Field Services. The removal of residual values as required by the standards has impacted on the depreciation expense. Buildings for which leases exist which vest responsibility to the lessees have been excluded from the Balance Sheet.

## CLARE & GILBERT VALLEYS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

#### **Note 7 – Property, Plant & Equipment (cont)**

##### **Infrastructure**

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

Transportation assets were valued by Council officers at depreciated current replacement cost during the reporting period ended 30 June 2018, based on actual costs incurred during the reporting periods ended 30 June 2017 and 2018. All acquisitions made after the respective dates of valuation are recorded at cost.

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

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

##### **Plant, Furniture & Equipment**

These assets are recognised on the cost basis.

##### **All other assets**

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

All other assets are recognised on the cost basis.

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 8 - LIABILITIES

		2018 \$'000		2017 \$'000	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		717	-	758	-
Payments received in advance		30	-	6	-
Accrued expenses - employee entitlements		59	-	53	-
Accrued expenses - other		85	-	69	-
Deposits, Retentions & Bonds		82	-	86	-
Other		39	-	41	-
		<u>1,012</u>	<u>-</u>	<u>1,013</u>	<u>-</u>
<b>BORROWINGS</b>					
Loans		1,164	4,808	1,094	5,972
		<u>1,164</u>	<u>4,808</u>	<u>1,094</u>	<u>5,972</u>

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

### PROVISIONS

Employee entitlements (including oncosts)	941	93	1,393	36
	<u>941</u>	<u>93</u>	<u>1,393</u>	<u>36</u>

### Movements in Provisions - 2018 year only (current & non-current)

	Employee Entitlements
Opening Balance	1,429
Add Unwinding of present value discounts	12
(Less) Payments	(524)
Add (Less) Remeasurement Adjustments	118
Closing Balance	<u>1,035</u>

### LIABILITY - EQUITY ACCOUNTED COUNCIL BUSINESSES

Mid North Community Passenger Network	17	247	232
		<u>247</u>	<u>232</u>

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 9 - RESERVES

<b>ASSET REVALUATION RESERVE</b>	Notes	1/7/2017 \$'000	Net Increments (Decrements) \$'000	Transfers, Impairments \$'000	30/6/2018 \$'000
Land		10,563			10,563
Land Improvements		222			222
Buildings & Other Structures		24,421			24,421
Infrastructure					
- Roads, footways & kerbing		75,165			75,165
- Bridges		4,871			4,871
- CWMS		5,371	2,142		7,513
- Stormwater Drainage		1,221	1,185		2,406
<b>TOTAL</b>		<b>121,834</b>	<b>3,327</b>		<b>125,161</b>
<i>Comparatives</i>		<i>143,651</i>	<i>(19,764)</i>	<i>(2,053)</i>	<i>121,834</i>

<b>OTHER RESERVES</b>	1/7/2017	Transfers to Reserve	Transfers from Reserve	30/6/2018
CWMS Reserve	3,458	280		3,738
Clare Off Street Car Parking Reserve	3			3
Clare Caravan Park Reserve	1,940			1,940
Waste Management Reserve	1,249	34		1,283
General Reserve	962	207		1,169
Clare Open Space Reserve	26			26
Riverton Open Space Reserve	12			12
Mid North Community Passenger				
Network reserve	176	15		191
Windfarm Roads Infrastructure Reserve	769	12		781
<b>TOTAL OTHER RESERVES</b>	<b>8,595</b>	<b>548</b>		<b>9,143</b>
<i>Comparatives</i>	<i>7,799</i>	<i>796</i>		<i>8,595</i>

### PURPOSES OF RESERVES

#### Asset Revaluation Reserve

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

#### (Other Reserves)

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

**Clare Off Street Parking Reserve** - for Developers' contributions to parking provision

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

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

**General Reserve** - includes unexpended grants and other funds set aside for future expenditure

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

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

**Mid North Community Passenger Network Reserve** - funding for community passenger network

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



# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 10 - RECONCILIATION TO CASH FLOW STATEMENT

#### (a) Reconciliation of Cash

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

	Notes	2018 \$'000	2017 \$'000
Total cash & equivalent assets	5	7,893	8,942
Less: Short-term borrowings	8	-	-
Balances per Cash Flow Statement		<u>7,893</u>	<u>8,942</u>

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

Net Surplus (Deficit)	1,211	(1,068)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	5,156	4,972
Fair value adjustments	-	-
Equity movements in equity accounted investments (increase) decrease	-	-
Net increase (decrease) in unpaid employee benefits	(401)	322
Premiums & discounts recognised & unwound	12	-
Accrued Interest Receivable	-	10
Accrued Interest Payable	-	(14)
Change in allowances for under-recovery	-	-
Non-cash asset acquisitions	-	(17)
Grants for capital acquisitions treated as Investing Activity	(327)	(40)
Net (Gain) Loss on Disposals	1,766	697
	<u>7,417</u>	<u>4,862</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(626)	(234)
Net (increase) decrease in inventories	76	(78)
Net (increase) decrease in other current assets	-	218
Net increase (decrease) in trade & other payables	28	22
Net increase (decrease) in other provisions	-	-
Net increase (decrease) in other liabilities	15	-
Net Cash provided by (or used in) operations	<u>6,910</u>	<u>4,790</u>

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

Acquisition of assets by means of:

- Physical resources received free of charge	3	-	17
<i>Amounts recognised in Income Statement</i>		-	17
- Capitalised Depreciation		102	144
- (Increase) decrease in Capital trade and other payables		-	(50)
		<u>102</u>	<u>111</u>

#### (d) Financing Arrangements

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

Corporate Credit Cards	13	13
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The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 11 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2018	2017	2018	2017
2018	2017	2018	2017	2018	2017	\$'000	\$'000	\$'000	\$'000
1,556	1,527	1,209	1,301	347	226	-	-	12,295	10,570
445	408	1,685	2,064	(1,240)	(1,656)	278	160	13,802	14,527
52	46	881	833	(829)	(787)	32	21	2,740	3,233
32	152	395	594	(363)	(442)	-	-	1,032	1,053
1,272	1,187	2,536	2,495	(1,264)	(1,308)	32	-	4,748	3,711
281	697	2,047	2,372	(1,766)	(1,675)	80	-	19,011	19,240
213	213	920	859	(707)	(646)	-	-	63	24
3,921	1,301	6,245	5,529	(2,324)	(4,228)	3,800	1,176	81,328	80,155
19	7	66	6	(47)	1	13	5	3,973	3,324
11,871	11,687	1,028	1,600	10,843	10,087	1,235	1,427	12,970	13,062
<b>19,662</b>	<b>17,225</b>	<b>17,012</b>	<b>17,653</b>	<b>2,650</b>	<b>(428)</b>	<b>5,470</b>	<b>2,789</b>	<b>151,962</b>	<b>148,899</b>

Business Undertakings  
Community Services  
Culture  
Economic Development  
Environment  
Recreation  
Regulatory Services  
Transport  
Plant Hire & Depot/Indirect  
Council Administration

### TOTALS

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

# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 11 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

#### **Business Undertakings**

Caravan Parks  
Community Wastewater Management Systems (CWMS)

#### **Community Services**

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

#### **Culture**

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

#### **Economic Development**

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

#### **Environment**

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

#### **Recreation**

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

#### **Regulatory Services**

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

#### **Transport**

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

#### **Plant Hire & Depot/Indirect**

Plant and machinery operations, Depot , Indirect Infrastructure.

#### **Council Administration**

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

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 12 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables*.

#### Accounting Policies - Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 0.01% and 1.50% (2017: 1.50% and 1.75%). Short term deposits have an average maturity of 161 days and an average interest rates of 2.06% (2017: 180 days, 2.45%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<p><b>Receivables - Rates &amp; Associated Charges</b> (including legals &amp; penalties for late payment)</p> <p>Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.</p>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 0.5625% (2017: 0.5833%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - other levels of government</b>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Interest Bearing Borrowings</b>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 5.00% and 7.90% (2017: 5.00% and 7.90%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Finance Leases</b>	<p><b>Accounting Policy:</b> accounted for in accordance with AASB 117.</p>

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 12 (cont) - FINANCIAL INSTRUMENTS

#### Liquidity Analysis

2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash & Equivalents	7,892			7,892	7,893
Receivables	70	269	59	398	1,486
Other Financial Assets	260	-	-	260	260
<b>Total</b>	<b>8,222</b>	<b>269</b>	<b>59</b>	<b>8,550</b>	<b>9,639</b>
<b>Financial Liabilities</b>					
Payables	859	-	-	859	868
Current Borrowings	1,565	-	-	1,565	1,164
Non-Current Borrowings		3,225	2,553	5,778	4,808
<b>Total</b>	<b>2,424</b>	<b>3,225</b>	<b>2,553</b>	<b>8,202</b>	<b>6,840</b>

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash & Equivalents	8,942			8,942	8,942
Receivables	272	272	89	633	562
Other Financial Assets	253	-	-	253	253
<b>Total</b>	<b>9,467</b>	<b>272</b>	<b>89</b>	<b>9,828</b>	<b>9,757</b>
<b>Financial Liabilities</b>					
Payables	891	-	-	891	891
Current Borrowings	1,567	-	-	1,567	1,094
Non-Current Borrowings	-	4,210	3,132	7,342	5,972
<b>Total</b>	<b>2,458</b>	<b>4,210</b>	<b>3,132</b>	<b>9,800</b>	<b>7,957</b>

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

	30 June 2018		30 June 2017	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
Fixed Interest Rates	7.01	5,972	6.92	7,066
		<u>5,972</u>		<u>7,066</u>

#### Net Fair Value

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

#### Risk Exposures

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

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

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

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

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 13 - COMMITMENTS FOR EXPENDITURE

	2018 \$'000	2017 \$'000
	<u>Notes</u>	
<b>Capital Commitments</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Roads & Footpaths	68	-
CWMS	176	-
	<u>244</u>	<u>-</u>
These expenditures are payable:		
Not later than one year	244	-
	<u>244</u>	<u>-</u>
<b>Other Expenditure Commitments</b>		
Audit Services	48	65
Waste management services	1,656	1,761
Cleaning and caretaking contracts	815	1,021
CWMS plant maintenance contracts	242	319
YMCA management contracts	266	-
Outstanding Purchase Orders	253	-
	<u>3,280</u>	<u>3,166</u>
These expenditures are payable:		
Not later than one year	1,232	731
Later than one year and not later than 5 years	2,048	2,435
Later than 5 years	-	-
	<u>3,280</u>	<u>3,166</u>



# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 14 - FINANCIAL INDICATORS

2018                      2017                      2016

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

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

#### Operating Surplus Ratio

<u>Operating Surplus</u>	13.5%	(2.5%)	5.4%
Total Operating Income			

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

#### Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	(12%)	(7%)	(12%)
Total Operating Income			

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

#### Adjustments to Ratios

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

<b>Adjusted Operating Surplus Ratio</b>	2.6%	(5.4%)	8.3%
<b>Adjusted Net Financial Liabilities Ratio</b>	(10%)	(4%)	(11%)

#### Asset Sustainability Ratio

<u>Net Asset Renewals</u>	122%	64%	53%
Infrastructure & Asset Management Plan required expenditure			

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

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 15 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2018 \$'000	2017 \$'000
Income	19,662	17,225
Expenses	(17,012)	(17,653)
<b>Operating Surplus / (Deficit)</b>	<b>2,650</b>	<b>(428)</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	(6,944)	(3,091)
Add back Depreciation, Amortisation and Impairment	5,156	4,972
Proceeds from Sale of Replaced Assets	134	248
	<b>(1,654)</b>	<b>2,129</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	(450)	(2,271)
Amounts received specifically for New and Upgraded Assets	327	40
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	59	74
	<b>(64)</b>	<b>(2,157)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>932</b>	<b>(456)</b>

# CLARE & GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 16 – SUPERANNUATION

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

#### **Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2017/18; 9.50% in 2016/17). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

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

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2016/17) of "superannuation" salary.

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

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

#### **Contributions to Other Superannuation Schemes**

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

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 17 - INTERESTS IN OTHER ENTITIES

#### Section 41 Committees

The financial statements of the following Section 41 Committees have been consolidated into Council's statements for the year ended 30 June 2018.

(a) Mid North Passenger Community Passenger Network

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

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

The aim of the MNCPN is to address the transport needs of communities in the region particularly the transport disadvantaged, by co-ordinating and brokering transport services within the region, providing an information service and delivering transport where no other appropriate services exist. The liability to member Councils in the event of the dissolution of the network has been recognised in the Statement of Financial Position. (Note 8)

(b) Other

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

#### Regional Subsidiaries

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

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

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

# **CLARE AND GILBERT VALLEYS COUNCIL**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018**

### **Note 18 - ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION**

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

#### **LAND UNDER ROADS**

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

#### **BANK GUARANTEES**

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

# CLARE AND GILBERT VALLEYS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 19 - RELATED PARTY DISCLOSURES

#### KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 14 persons were paid the following total compensation:

	2018 \$	2017 \$
Salaries, allowances & other short term benefits	808,940	850,305
Post-employment benefits	27,672	3,838
Long term benefits	5,802	8,453
Termination benefits	-	400,000
<b>TOTAL</b>	<b>842,414</b>	<b>1,262,596</b>

#### PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

Key management personnel own retail and consulting business from which various supplies and services were purchased as required on account. Total purchases amounted to \$9,291.90, with \$260.85 unpaid at the end of the year.

An elected member and an employee were members of the following management committees; Clare and District APEX Club, the Clare Valley Racing Club, Zonta Clare and Districts Club, Riverton Recreation Ground Committee, Rattler Trail Committee, Riesling Trail Committee, Clare Town Hall Committee, Clare Regional History Group Inc and the Yacka Community Development Committee. In accordance with the Local Government Act 1999, these persons declare a conflict of interest and leave the meeting environs when any matter affecting their club or group is discussed or voted upon. Council awarded a Community Asset Grant to the value of \$2974 to the Zonta Club of Clare and Districts for the provision of a picnic shelter, additional shade seat and Women's Honour Roll plaque renewal.

Key management personnel or close family members (including related parties) lodged a total of four development applications during the year. In accordance with the Local Government Act 1999, these persons declared conflicts of interest and took no part in the assessment or approval processes for these applications. All applications were approved during the year. Total fees paid to the Council in respect to the applications were \$1949.26.

# **CLARE & GILBERT VALLEYS COUNCIL**

## **ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2018**

### **CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Clare & Gilbert Valleys Council for the year ended 30 June 2018, the Council's Auditor, Galpins Accountants, Auditors & Business Consultant, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

  
 .....  
**Dr Helen Macdonald**  
**CHIEF EXECUTIVE OFFICER**
  
 .....  
**John Comrie**  
**PRESIDING MEMBER**  
**AUDIT COMMITTEE**

Date: 5 November 2018

## Clare & Gilbert Valleys Council

### General Purpose Financial Statements

For the year ended 30 June 2018

### Statement by Auditor

I confirm that, for the audit of the financial statements of **Clare & Gilbert Valleys Council** for the year ended 30 June 2018, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



**Timothy Muhlhausler**

**Galpins Accountants, Auditors & Business Consultants**

Dated this 30 day of NOVEMBER 2018



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



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## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

### To the members of Clare & Gilbert Valleys Council

#### Opinion

We have audited the accompanying financial report of Clare & Gilbert Valleys Council (the Council), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of Clare & Gilbert Valleys Council.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

#### Basis for Opinion

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

#### Council's Responsibility for the Financial Report

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

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

### **Auditor's Responsibility for the Audit of the Financial Report**

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

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

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

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

### **GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**



**Tim Muhlhausler** CA Registered Company Auditor  
Partner

30 November 2018

David Chant CA, FCPA  
Simon Smith CA, FCPA  
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## INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROLS

### To the members of Clare & Gilbert Valleys Council

### Independent Assurance Report on the Internal Controls of Clare & Gilbert Valleys Council

#### Opinion

We have audited the compliance of Clare & Gilbert Valleys Council (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2017 to 30 June 2018 have been conducted properly and in accordance with law.

In our opinion, Clare & Gilbert Valleys Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2017 to 30 June 2018.

#### Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2017 to 30 June 2018. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

#### The Council's Responsibility for Internal controls

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

#### Our Independence and Quality Control

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

### **Auditor's responsibility**

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2017 to 30 June 2018. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

### **Limitations of Controls**

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

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

### **Limitation of Use**

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

### **GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**



**Tim Muhlhausler** CA Registered Company Auditor  
Partner

30 November 2018

# Legatus Group 2017-2018 Annual Report

This report was adopted at the Legatus Group Annual General Meeting, Friday 17 August 2018.

The Legatus Group Charter clause 6.3 Annual Report

- 6.3.1 The Legatus Group must each year, produce an Annual Report summarising the activities, achievements and financial performance of the Legatus Group for the preceding Financial Year.
- 6.3.2 The Annual Report must incorporate the audited financial statements of the Legatus Group for the relevant Financial Year.
- 6.3.3 The Annual Report must be provided to the Constituent Councils by 30 September each year.

The Legatus Group is a regional subsidiary of:

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

The Central Local Government Region was established in 1998 under Section 200 of the Local Government Act 1934 as a controlling authority. It now continues in existence as a regional subsidiary of its member Councils under Part 2 of Schedule 2 of the Local Government Act 1999 by the provisions of Section 25 of the Local Government (Implementation) Act 1999. In 2016 the Central Local Government Region of South Australia adopted the name of Legatus Group to which it is referred.

The Legatus Group is established to:

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

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

Contact Details:

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Email: [ceo@legatus.sa.gov.au](mailto:ceo@legatus.sa.gov.au) Website: [www.legatus.sa.gov.au](http://www.legatus.sa.gov.au)



Legatus Group Board of Management: The Board consists of all principal members of the Constituent Councils which for 2017–2018 were:

Council	Delegate
Adelaide Plains Council	Mayor Tony Flaherty
Barunga West Council	Mayor Cynthia Axford
Clare & Gilbert Valleys Council	Mayor Allan Aughey OAM
Copper Coast Council	Mayor Paul Thomas AM
District Council of Mount Remarkable	Mayor Colin Nottle
District Council of Orroroo Carrieton	Chairman Kathie Bowman
District Council of Peterborough	Mayor Ruth Whittle OAM
Light Regional Council	Mayor Bill O'Brien
Northern Areas Council	Mayor Denis Clark
Port Pirie Regional Council	Mayor John Rohde
Regional Council of Goyder	Mayor Peter Matthey
The Barossa Council	Mayor Bob Sloane
The Flinders Ranges Council	Mayor Peter Slattery
Wakefield Regional Council	Mayor Rodney Reid
Yorke Peninsula Council	Mayor Ray Agnew OAM

Office Bearers for 2017–18 were:

Chairman:	Mayor Peter Matthey
Deputy Chairs:	Mayor Denis Clark Mayor Bob Sloane
Delegate to the LGA Board representing the Central Region of the LGA Constitution	Mayor Denis Clark Mayor Peter Matthey Cr Michael (Bim) Lange (Deputy Member)
South Australian Regional Organisation of Councils	Mayor Peter Matthey Mayor Denis Clark Mayor Bob Sloane (Deputy Member)
Chief Executive Officer:	Mr Simon Millcock
Auditor:	Mr Ian G. McDonald FCA

### Meetings of the Legatus Group

The following meetings of the Board of Management were held during the 2017–2018 year:

- Special Meeting 22 August 2017
- Annual General Meeting 8 September 2017
- Ordinary Meeting 8 September 2017
- Ordinary Meeting 17 November 2017
- Ordinary Meeting 16 February 2018
- Ordinary Meeting 25 May 2018



There were three committees in 2017–2018

Committee	Members	Meeting Dates
Audit Committee	Mayor Ray Agnew (Chair) Chair Kathie Bowman Mayor Colin Nottle Dr Andrew Johnson (till 25/5/18) Mr Colin Davies Mr Peter Ackland (from 25/5/18)	10 August 2017 1 February 2018 20 April 2018
Management Group (Council CEOs)	Mr Colin Byles (Northern Areas) (Chair) Mr James Miller (Adelaide Plains) Mr Martin McCarthy (Barossa) Mr Andrew Cole (Barunga West) Mr John Coombe replaced Mrs Helen Macdonald (Clare & Gilbert Valleys) Mr Peter Harder (Copper Coast) Mr Colin Davies (Flinders Ranges) Mr David Stevenson (Goyder) Mr Brian Carr (Light) Mr Wayne Hart (Mt Remarkable) Mr Stephen Rufus replaced by Mr Kristen Clark (Orroroo/Carrieton) Mr Peter McGuinness (Peterborough) Dr Andrew Johnson replaced by Mr Peter Ackland (Pirie Regional) Mr Jason Kuchel (Wakefield) Mr Andrew Cameron (Yorke Peninsula)	4 August 2017 3 November 2017 2 February 2018 5 May 2018
Road & Transport Infrastructure Advisory Committee	Lee Wallis (Goyder) Peter Porph (Northern Areas) Colin Davies (Flinders Ranges) Jo-Anne Buchanan (RDA Yorke Mid North) Steve Kaesler (Barossa) Trevor Graham (Yorke Peninsula) Martin Waddington replaced by Tom Jones (Adelaide Plains) Steve Watson (Clare & Gilbert Valleys) Mike Wilde (Department of Planning, Transport & Infrastructure)	13 March 2018 30 April 2018



## Chairman's Report - Mayor Peter Matthey Chairman Legatus Group

It has been my pleasure to serve as Chairman in 2017/18 and I would like to take this opportunity to report on some of the highlights of the year.

We developed reports on a series of key regional state-wide issues including rubble royalties, rating equity, coastal inundation and impacts of the NDIS on local government. These have all been progressed to the South Australian Regional Organisation of Councils (SAROC). Legatus is seen as leader in regional SA having gained support across the state on these topics and ensuring that local government is taking a collaborative evidence-based approach. It is an example of how the LGA can work closely with regions in a support role.

Whilst yet to see the tangible results, the ground work undertaken has ensured that the LGA have the material required to represent the interests of regional SA councils. I am pleased to see that they have engaged with the new State Government to remove the rubble royalties that have been a major impost to many councils.

This year has seen us actively involved in the issues around LGA membership fees and the LGA constitutional changes. It should be noted that Legatus has been active in representing members; as we raised our concerns to both SAROC and to the LGA Board. Given the amount of time and expense for regional councils to attend meetings in Adelaide; I was unsatisfied with the outcome in relation to membership fees, and extremely disappointed at the limited consultation afforded to the regions.

Whilst it was disappointing to see that the Regional Procurement Business Plan was not adopted I acknowledge that this is the current thoughts of members. This led to a review of our strategic plan and we adopted an updated strategic plan and 3-year action plan.

The Road and Transport Infrastructure Advisory Committee developed a robust assessment of this years SLRP funding applications, and their work on prioritising and providing feedback has resulted in just under \$2m being allocated for five projects.

The region has been proactive in supporting the challenges and changing environment though the release of the Climate Change guide for South Australia councils, and the signing of the Sector Agreement for the Climate Change Adaptation Plan.

Our effort to encourage and foster closer working relationships with the three Regional Development Australia (RDA) organisations and Natural Resource Management Boards in our region; resulted in the development of the Yorke and Mid North Regional Road Map, Yorke Regional Planning Forum and the South Australian Regional Development Conference. The progress of the three emerging leader programs undertaken in partnership with RDA Yorke Mid North was heartening to see and I am sure several projects will result from these emerging leaders in our region.

Our Charter was reviewed, and there were minor amendments made, and I'm pleased that the Audit and Risk Management Group Committee through the development of a work plan have assisted us in improving our governance. There has been valuable feedback gained from the Legatus Group Management Group meetings that have included a series of workshops and information sharing opportunities by and for the CEOs.

Phase 1 of the Regional Transport Plan 2030 was completed, and this work has formed the basis of phase 2 and that is to undertake the road deficiencies report of the significant regional local road. Securing funding for the 2-year Joint CWMS program has commenced with some positive results for the region, and I am looking forward to following the progress of this project.

Following the State Government election, we commenced dialogue with the six State Government Members of Parliament, and will continue to undertake greater interaction, given that two of these MPs are also Ministers.

In closing I would like to thank everyone who has taken a proactive role in progressing the region, and thank both Mayor Denis Clark and Mayor Bob Sloane for your roles as Deputy Chairs and your contributions at SAROC and the LGA.

Mayor Peter Matthey, Chairman Legatus Group



## CEO Report

In 2017–2018 the Legatus Group CEO undertook a more sub-regional approach to operations and support, due to geographical size and the number of constituent councils, this approach included both geographical and communities of interest. Along with the Legatus Group Board meetings which involved topical presentations, the Legatus Group CEOs meet for training and networking sessions coordinated through the Legatus Group CEO.

Meetings were held with each constituent council during the year on at least one occasion, and this took the form of either one on one meetings with Mayor and CEO, presentations at full council meetings or workshops with full councils.

The Legatus Group was active in consultation around the new fee structure for LGA membership, the changes to the LGA constitution and efforts to progress a regional approach for the Murray Darling Association. This included securing funding from the LGA to Regional LGAs for outreach and capacity building programs to continue in 2018–2019.

The Legatus Group took a leadership role in developing state-wide approaches through working with SAROC, constituent councils and other regional bodies including:

### Regional LGAs:

- Coastal Council Alliance
- Shorebird Alliance
- Rating Equity for Commercial and/or Industrial Land Uses Outside Towns in South Australia
- Socio-Economic impacts from the NDIS on regional local governments
- Rubble Royalties

### Regional Development Australia (RDA) Yorke Mid North:

- 3 x Emerging Leaders Program
- RDSA Conference

### Yorke Mid North Alliance:

- Yorke Mid North Regional Forum
- Climate Change
- Yorke Mid North Regional Roadmap

This report does not provide the detail on these reports, but copies can be found on the Legatus Group website.

In July 2017 a Legatus Group Procurement Business Plan was developed and distributed to all constituent councils. This resulted in the Legatus Group Special General meeting of 22 August 2017 and decision that the Legatus Group Procurement Business Plan not progress.

A significant amount of the Legatus Group CEO's time was taken up with planning, as there had been no business plan developed for 2017/2018 in line with the Legatus Group Charter. Upon commencing employment in June 2017, the Legatus Group CEO developed a draft business plan which was distributed to all constituent councils. Following recommendation from the Audit and Risk Management Committee the Legatus Group September meeting sought a review of this draft business plan.

The CEO was requested to undertake a review of the Legatus Group Future Directions (strategic plan). This included a comprehensive review of the Long-Term Financial Plan, and in partnership with the Constituent Councils to develop a 10-year Strategic Plan, including a 3-year Action Plan. The review was to include an external facilitator for workshops with the Board and the Constituent Councils CEO's on the future direction of the Legatus Group.

The 2017–2018 business plan was subsequently endorsed by constituent councils and the review of the Strategic Plan was completed. The Legatus Group endorsed a Legatus Group Strategic Plan 2018–2028 and 3-year Action Plan July 2018–June 2011 and the 2018–2019 budget and business plan.

The Legatus Group continues to be in a healthy financial position with the accumulated surplus and reserves at 30 June 2018 of over \$820,000. This matter was discussed by both the Audit and Risk Management Committee and the Legatus Group February meetings noting that an allowance for the accumulated surplus and reserves be set as a minimum of \$480,000.

Consideration on these funds should wait upon the decisions of the LGA regarding the new constitution and SAROC budgets for funding of Regional LGAs which is not yet clear. There may be the opportunity for utilising some of these funds to securing funding from other sources and for projects aligned with Legatus Group strategic directions. Due to the levels of uncertainty this was not factored into the 2018/2019 business plan for constituent council's consideration.

All grants were acquitted, and all reporting provided.

## Summary of Outcomes

### Education and Training

Workshops held in various locations following consultation with Legatus Group Board, Chair, CEO's and Officers and included:

1. Regional Business Incubators, Enterprise Centre and Co-Working Space Workshop
2. Community Wastewater Management workshops – resulted in an allocation of \$50,000 from the LGA for 2 years for a Joint CWMS Service Arrangements and contracting of part time project officer
3. Climate Change Adaptation – resulted in launch of Climate Change guide for South Australia councils to develop regional climate change adaptation plans
4. State Planning Commission
5. Brand SA Regional Showcase
6. Yorke and Mid North Regional Planning Day – held in Port Pirie with over 120 attendees
7. Regional Development South Australia Conference and master class on population growth – held in Kadina with over 130 attendees
8. National Disability Insurance Scheme – resulted in \$23,100 grant LGA R&D
9. State Public Health Plan – assisted with regional health plans and EOI for well being progressed by the LGA for Community Wellbeing Alliance Trials
10. Local Government Professionals
11. Benchmarking Project, Code of Conduct and Governance Panel
12. Small Business Friendly Local Government Charter Program
13. Data gathering
14. Digital maturity local governments – resulted in LGA R&D application being developed

### Board Governance and Operations

1. Review of the Legatus Strategic Plan resulting in a new Strategic Plan, 3-year action plan and long term financial plan
2. Charter reviewed and amended
3. Annual work plan developed and adopted
4. Website updated

### Local Government Leadership and Sustainability

Lead taken in:

- Rubble Royalties report with recommendations to LGA Board adopted – letter sent by LGA to Treasurer and other Ministers for exempting councils from this payment
- Coastal Council Alliance report with recommendations to LGA Board adopted – R&D project application developed
- Socio-economic impacts of NDIS report with recommendations to LGA Board adopted
- Rating Equity for Commercial and/or Industrial Land Uses Outside Towns in South Australia – secured \$21,700 from LGA R&D and Regional LGAs
- Meetings held with 5 of the 6 Local State MP's after the 2018 State Government Election
- Signed and implemented Sector Agreement for the Climate Change Adaptation Plan for Yorke & Mid North Region including employing a project officer
- Formal alliance with RDA Yorke and Mid North and Northern and Yorke NRM and informal working partnerships with RDA Far North and RDA Barossa, Light, Gawler and Adelaide Plains
- Supported the LGA with the Emergency Management Planning funding allocation and expressed interest in hosting a regional emergency management officer – result workshops being held for council ready workshops
- Supported the LGA for a regional wellbeing officer and expressed interest in hosting a regional wellbeing officer – resulted in EOI's being sought from LGA for Community Wellbeing Alliance Trials
- Supported the development of a State-wide Shorebird Alliance including Terms of Reference
- Developed a Regional Procurement Business Plan which ultimately was not adopted

## Regional and Community Sustainability

- Development and release of the Yorke and Mid North Regional Plan as a collaboration with RDA Yorke Mid North and Northern and Yorke NRM
- Delivered in partnership with DSD and RDA YMN 3 Emerging Leadership programs – result over 50 participants and the development of a Legatus Group LGA R&D grant application for a Youth Volunteering project
- Finalised phase 1 of the Legatus Group Regional Transport Plan and commenced on phase 2
- Undertook prioritising of the SLRP for the Legatus Group region – securing just under \$2m for 5 of the 9 projects
- Managed the inundation mapping project with the Yorke Peninsula and Barunga West Councils
- Developed regional Legatus Group – community, transport, wastewater and climate change committees or working groups
- Release of the regional climate change action plan and the development of an implementation plan

Working partnerships have been formed with:

- Yorke Mid North Disability Workforce Hub – resulted in the development of a regional forum
- Mid North Knowledge Partnership (Flinders University and Charles Darwin University) – resulted in MoU being progressed
- Country Health SA PHN

## Local Government Leadership and Sustainability

1. Lead taken in:
  2. Rubble Royalties report with recommendations to LGA Board adopted – letter sent by LGA to Treasurer and other Ministers for exempting councils from this payment
  3. Coastal Council Alliance report with recommendations to LGA Board adopted – R&D project application developed
  4. Socio-economic impacts of NDIS report with recommendations to LGA Board adopted
  5. Rating Equity for Commercial and/or Industrial Land Uses Outside Towns in South Australia – secured \$21,700 from LGA R&D and Regional LGAs
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7. Signed and implemented Sector Agreement for the Climate Change Adaptation Plan for Yorke & Mid North Region including employing a project officer
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9. Supported the LGA with the Emergency Management Planning funding allocation and expressed interest in hosting a regional emergency management officer – result workshops being held for council ready workshops
10. Supported the LGA for a regional wellbeing officer and expressed interest in hosting a regional wellbeing officer – resulted in EOI's being sought from LGA for Community Wellbeing Alliance Trials
11. Supported the development of a State-wide Shorebird Alliance including Terms of Reference
12. Developed a Regional Procurement Business Plan which ultimately was not adopted

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3. Finalised phase 1 of the Legatus Group Regional Transport Plan and commenced on phase 2
4. Undertook prioritising of the SLRP for the Legatus Group region – securing just under \$2m for 5 of the 9 projects
5. Managed the inundation mapping project with the Yorke Peninsula and Barunga West Councils
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  10. Mid North Knowledge Partnership (Flinders University and Charles Darwin University) – resulted in MoU being progressed
  11. Country Health SA PHN

**Benefits to constituent councils:**

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

Fostering of economic, environmental and social sustainability through pro-active, innovative, efficient and collaborative approaches to priority issues.

**Benefits across the local government sector:**

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

**Observation:**

There is still a need for continued regional collaboration support and a recognition that the Regional LGAs can assist the LGA on regional issues. This will help reduce the perceptions of the LGA being too Greater Adelaide focussed, which appears to be slowly reduced by having informed and data driven understandings on regional issues.

There could be greater use of the Legatus Group CEO as a resource and use of skill sets including that of other regional LGA EO's across the various regional partnerships.

It is noted the complexity of gaining consensus from the constituent councils is that it is a time-consuming process and that there is desire to progress with sub-regional programs and projects, whilst being able to allow the full 15 constituent councils to be united voice and advocate.

Simon Millcock CEO Legatus Group

**The Legatus Group Audit and Risk Committee summary of activities undertaken, and recommendations made during 2017-2018.**

The committee met on 3 occasions during 2017-2018 with the following attendance:

Date	No of Members Attended
10-Aug-17	5
1-Feb-18	4
20-Apr-18	3

Mayor Ray Agnew Chairman Legatus Group Audit and Risk Management Committee:

Committee Member	No of Meetings Attended
Mayor Ray Agnew	2
Chairman Kathie Bowman	3
Mayor Colin Nottle	3
Colin Davies	3
Andrew Johnson	1 (following resignation as CEO Port Pirie Council)

The following table sets out the principal issues addressed by the Committee for 2017-18 year:

Principal Issues Examined	Recommendations to Legatus Group
Financial Report 2016-2017	No issues, unqualified audit, adopt
Review of budget against actuals	Noted the need for Legatus Group to endorse 2016-2017 adopted budget against actuals for annual financial report
Review of work plan, internal controls	Work planned developed
Charter	Variations to charter noted, recommended and adopted
Strategic Plan	Requested a review including of long term financial plan undertaken with recommendations for adoption
Budget	Noted the development of 2017-2018 budget did not comply with charter and ensured that 2018-2019 did not comply with charter and ensured that 2018-2019 did

## Annual Financial Report

The Legatus Group Annual General Meeting adopted the attached audited Legatus Group annual financial report statement for the year ending 30 June 2018.

# CENTRAL LOCAL GOVERNMENT REGION of SA trading as



## Annual Financial Statements

For the financial year

July 1st 2017 – June 30th 2018

# LEGATUS GROUP

## General Purpose Financial Reports for the year ended 30 June 2018

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**LEGATUS GROUP**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2018**

**CERTIFICATION OF FINANCIAL STATEMENTS**

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

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Group's financial position at 30 June 2018 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Group provide a reasonable assurance that the Group's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Group's accounting and other records.

  
 .....  
 Simon Millcock  
 Chief Executive Officer

  
 .....  
 Mayor Samuel Peter Matthey  
 President

Date: 3/6/18

## LEGATUS GROUP

STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
<b>INCOME</b>			
Grants, subsidies and contributions	2	345,527	348,889
Investment income	2	13,817	12,205
Reimbursements	2	4,545	25,105
Other income	2	196,398	194,538
<b>Total Income</b>		<b>560,287</b>	<b>580,737</b>
<b>EXPENSES</b>			
Employee costs	3	218,452	261,600
Materials, contracts & other expenses	3	230,102	279,405
Depreciation, amortisation & impairment	3	6,311	9,487
Finance costs	3	-	24
<b>Total Expenses</b>		<b>454,865</b>	<b>550,516</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>105,422</b>	<b>30,221</b>
<b>NET SURPLUS / (DEFICIT)</b>			
transferred to Equity Statement		105,422	30,221
<b>Total Other Comprehensive Income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>105,422</b>	<b>30,221</b>

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

## LEGATUS GROUP

STATEMENT OF FINANCIAL POSITION  
as at 30 June 2018

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	808,876	719,859
Trade & other receivables	5	8,759	25,404
<b>Total Current Assets</b>		<b>817,635</b>	<b>745,263</b>
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	7	17,488	23,799
<b>Total Non-current Assets</b>		<b>17,488</b>	<b>23,799</b>
<b>Total Assets</b>		<b>835,123</b>	<b>769,062</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	6,277	47,649
Provisions	8	7,037	5,214
<b>Total Current Liabilities</b>		<b>13,314</b>	<b>52,863</b>
<b>Non-current Liabilities</b>			
Provisions	8	360	172
<b>Total Non-current Liabilities</b>		<b>360</b>	<b>172</b>
<b>Total Liabilities</b>		<b>13,674</b>	<b>53,035</b>
<b>NET ASSETS</b>		<b>821,449</b>	<b>716,027</b>
<b>EQUITY</b>			
Accumulated Surplus		55,336	121,695
Other Reserves	9	766,113	594,332
<b>TOTAL EQUITY</b>		<b>821,449</b>	<b>716,027</b>

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

LEGATUS  
GROUP



## LEGATUS GROUP

### STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2018

		Accumulated Surplus	Other Reserves	TOTAL EQUITY
2018	Notes	\$	\$	\$
Balance at end of previous reporting period		121,695	594,332	716,027
<b>Net Surplus / (Deficit) for Year</b>		105,422		105,422
<b>Other Comprehensive Income</b>				
Transfers between reserves	9	(171,781)	171,781	-
<b>Balance at end of period</b>		55,336	766,113	821,449

2017				
Balance at end of previous reporting period		113,143	572,663	685,806
<b>Net Surplus / (Deficit) for Year</b>		30,221		30,221
<b>Other Comprehensive Income</b>				
Transfers between reserves	9	(21,669)	21,669	-
<b>Balance at end of period</b>		121,695	594,332	716,027

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

## LEGATUS GROUP

### STATEMENT OF CASH FLOWS for the year ended 30 June 2018

		2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	Notes		
<u>Receipts</u>			
Investment receipts		13,419	12,205
Grants utilised for operating purposes		371,442	490,490
Reimbursements		5,000	15,400
Other revenues		194,450	188,416
<u>Payments</u>			
Employee costs		(217,537)	(266,402)
Materials, contracts & other expenses		(277,757)	(273,833)
Finance payments		-	(24)
<b>Net Cash provided by (or used in) Operating Activities</b>		89,017	166,252
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
<u>Payments</u>			
Expenditure on renewal/replacement of assets		-	(3,176)
<b>Net Cash provided by (or used in) Investing Activities</b>		-	(3,176)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
<u>Payments</u>			
<b>Net Cash provided by (or used in) Financing Activities</b>		-	-
<b>Net Increase (Decrease) in cash held</b>		89,017	163,076
Cash & cash equivalents at beginning of period	11	719,859	556,783
<b>Cash &amp; cash equivalents at end of period</b>	11	808,876	719,859

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

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

#### 1. Basis of Preparation

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 9<sup>th</sup> August 2014.

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

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

#### 1.1 Historical Cost Convention

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

#### 1.2 The Local Government Reporting Entity

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

The Constituent Councils are:

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

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

#### 1.3 Income recognition

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

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

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

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

Receivables for generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

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

### 1.5 Property, Plant & Equipment

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

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

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

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

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

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

### 1.6 Payables

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

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

### Employee Benefits

#### Salaries, Wages & Compensated Absences

The Group has one employee as at the 30<sup>th</sup> June 2018, a Chief Executive Officer. Liabilities for employee entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

Weighted average discount rate	2.25% (2017, 2.10%)
Weighted average settlement period	9 years (2017, 10 years)

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

### Superannuation

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

### GST Implications

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

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



# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 2 - INCOME

	2018 \$	2017 \$
<b>INVESTMENT INCOME</b>		
Interest on investments		
Local Government Finance Authority	13,741	12,117
Banks	76	88
	<u>13,817</u>	<u>12,205</u>
<b>REIMBURSEMENTS</b>		
- for Legal, Climate Change, USGRPG	4,545	25,105
	<u>4,545</u>	<u>25,105</u>
<b>OTHER INCOME</b>		
Council Contributions	162,750	159,545
Sundry	33,648	34,993
	<u>196,398</u>	<u>194,538</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>		
Sundry	345,527	348,889
	<u>345,527</u>	<u>348,889</u>
<i>The functions to which these grants relate are shown in Note 12.</i>		
<b>Sources of grants</b>		
State government	345,527	348,889
	<u>345,527</u>	<u>348,889</u>
<b>Conditions over grants &amp; contributions</b>		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
<i>Unexpended at the close of the previous reporting period</i>	<b>366,006</b>	221,570
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
A009 - Special Projects	-	(6,281)
P009 - Climate Change	-	(4,761)
P022 - Roads & Transport	(1,805)	-
P024 - Climate Change Co-ordinator 2015-17	(51,779)	-
P026 - Strategic Procurement	-	(31,100)
Sub total	<u>(53,584)</u>	<u>(42,142)</u>
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
P022 - Roads & Transport	-	11,314
P024 - Climate Change Co-ordinator 2015-17	-	43,943
P025 - Outreach Stage 2	49,687	33,235
P028 - Regional Capacity Building	174,543	98,086
A009 - Special Projects	1,134	-
Sub total	<u>225,364</u>	<u>186,578</u>
<i>Unexpended at the close of this reporting period</i>	<u>537,786</u>	<u>366,006</u>
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	<u>171,780</u>	<u>144,436</u>

# LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

### Note 3 - EXPENSES

	2018 \$	2017 \$
<b>EMPLOYEE COSTS</b>		
Salaries and Wages	162,958	209,804
Employee leave expense	16,780	15,991
Redundancy	5,385	-
Pay in Lieu of Notice	5,385	-
Superannuation	16,330	20,785
Workers' Compensation Insurance	2,262	2,550
CEO Relocation	1,239	3,761
Professional Development	649	1,007
FBT	7,464	7,702
<b>Total Operating Employee Costs</b>	<b>218,452</b>	<b>261,600</b>
<b>Total Number of Employees</b>	<b>1</b>	<b>2</b>
<i>(Full time equivalent at end of reporting period)</i>		
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>		
<u>Prescribed Expenses</u>		
Auditor's Remuneration	2,000	1,650
Subtotal - Prescribed Expenses	2,000	1,650
<u>Other Materials, Contracts &amp; Expenses</u>		
Contractors & Consultants	162,372	202,888
Legal Expenses	-	8,202
Unleaded Fuel	5,576	4,934
Members Allowances & Support	4,270	4,264
Meetings & Conferences	5,318	4,852
Insurance	7,750	7,624
Rental - Premises	16,477	10,581
Advertising	316	1,050
Accommodation	3,994	3,959
Airfares	499	2,157
Travel - Reimbursement	2,445	7,036
Catering & Meals	6,340	4,768
Telephone & Internet	6,870	4,434
Postage/Stationery/IT	3,875	5,586
Sundry	2,000	5,420
Subtotal - Other Materials, Contracts & Expenses	228,102	277,755
	<b>230,102</b>	<b>279,405</b>
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>		
<b>Depreciation</b>		
Motor Vehicle	6,311	6,311
Computers & Software	-	3,176
	<b>6,311</b>	<b>9,487</b>
<b>FINANCE COSTS</b>		
Interest on bank account	-	24
	<b>-</b>	<b>24</b>

## LEGATUS GROUP

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

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

2018	2017
Nil	Nil

#### Note 5 - CURRENT ASSETS

##### CASH & EQUIVALENT ASSETS

Cash at Bank	3,590	77,915
Deposits at Call	805,286	641,944
	<u>808,876</u>	<u>719,859</u>

##### TRADE & OTHER RECEIVABLES

Accrued Revenues	3,085	2,687
Debtors - General	237	12,139
GST Recoupment	5,437	10,578
	<u>8,759</u>	<u>25,404</u>

#### Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS	Nil	Nil
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## LEGATUS GROUP

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Fair Value Level	2017 \$				2018 \$			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
<b>Note 7 - PLANT &amp; EQUIPMENT</b>								
Motor Vehicle	-	33,353	(9,554)	23,799	-	33,353	(15,865)	17,488
Computers & Software	-	3,948	(3,948)	-	-	-	-	-
<b>TOTAL PLANT &amp; EQUIPMENT</b>	-	37,301	(13,502)	23,799	-	33,353	(15,865)	17,488
<i>Comparatives</i>	-	34,125	(4,015)	30,110	-	37,301	(13,502)	23,799

	CARRYING AMOUNT MOVEMENTS DURING YEAR										2018
	\$										\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT	
		New /Upgrade	Renewals				In	Out			
Note 7 - PLANT & EQUIPMENT											
Motor Vehicle	23,799	-	-	-	(6,311)	-	-	-	-	17,488	
Computers & Software	-	-	-	-	-	-	-	-	-	-	
TOTAL PLANT & EQUIPMENT	23,799	-	-	-	(6,311)	-	-	-	-	17,488	
Comparatives	30,110	3,176	-	-	(9,487)	-	-	-	-	23,799	

## LEGATUS GROUP

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

#### Note 8 - LIABILITIES

	2018		2017	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	-	-	23,399	-
Accrued expenses - employee entitlements	-	-	1,096	-
GST & PAYG	6,277	-	23,154	-
	<u>6,277</u>	<u>-</u>	<u>47,649</u>	<u>-</u>
 PROVISIONS				
Employee entitlements (including oncosts)	7,037	360	5,214	172
	<u>7,037</u>	<u>360</u>	<u>5,214</u>	<u>172</u>

#### Note 9 - RESERVES

OTHER RESERVES	1/7/2017	Transfers to Reserve	Transfers from Reserve	30/6/2018
General Reserve	31,093	-	-	31,093
1 A009-Special Projects	15,341	1,134	-	16,475
2 P003-Waste Management	16,273	-	-	16,273
3 P022-Roads & Transport	37,892	-	(1,805)	36,087
4 P024-Climate Change Co-Ordinator 2015-17	63,472	-	(51,778)	11,694
5 P025-LG Outreach Phase 2	83,235	49,687	-	132,922
6 P027-LG Reform - Incentive Risk	144,000	-	-	144,000
7 P028-Regional Capacity Building	203,026	174,543	-	377,569
<b>TOTAL OTHER RESERVES</b>	<u>594,332</u>	<u>225,364</u>	<u>(53,583)</u>	<u>766,113</u>
 <i>Comparatives</i>	<i>572,663</i>	<i>185,578</i>	<i>(164,909)</i>	<i>594,332</i>

#### PURPOSES OF RESERVES

##### (Other Reserves)

- 1 A007-Special Projects  
*LGA funded support programme*
- 2 P003-Waste Management  
*State Government funded technical support programme*
- 3 P022-Roads & Transport  
*Legatus funded programme - Regional Development Australia Freight Strategy*
- 4 P024-Climate Change Co-ordinator 2015-17  
*Regional Partners and State Government funded programme*
- 5 P025-LG Outreach Phase 2  
*LGA funded programme*
- 6 P027-LG Reform - Incentive Risk  
*CEO Performance fund*
- 7 P028-Regional Capacity Building  
*Region rubble royalty % returned for project allocation 2017/18 on*



## LEGATUS GROUP

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

#### Note 10 - RECONCILIATION TO CASH FLOW STATEMENT

##### (a) Reconciliation of Cash

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

	Notes	2018 \$	2017 \$
Total cash & equivalent assets	5	808,876	719,859
Balances per Cash Flow Statement		<u>808,876</u>	<u>719,859</u>

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

Net Surplus (Deficit)	105,422	30,221
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	6,311	9,487
Net increase (decrease) in unpaid employee benefits	915	(4,802)
	<u>112,648</u>	<u>34,906</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	16,645	98,652
Net increase (decrease) in trade & other payables	(40,276)	32,694
<b>Net Cash provided by (or used in) operations</b>	<u>89,017</u>	<u>166,252</u>

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

##### (d) Financing Arrangements

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

Corporate Credit Cards	-	5,000
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#### Note 11 - FUNCTIONS

The activities of the Region are categorised into the following programmes

- 1 A009-Special Projects
- 2 P015-Local Government Reform
- 3 P022-Roads & Transport
- 4 P024-Climate Change Co-Ordinator 2015-17
- 5 P025-LG Outreach Phase 2
- 6 P027-LG Reform - Incentive Risk
- 7 P028-Regional Capacity Building

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

## LEGATUS GROUP

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

## Note 12 - FINANCIAL INSTRUMENTS

## Accounting Policies - Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 1.5% as at 30 June 2018.</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Trade &amp; other debtors</b>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>

## Liquidity Analysis

2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	808,876	-	-	808,876	808,876
Receivables	8,759	-	-	8,759	8,759
<b>Total</b>	<b>817,635</b>	<b>-</b>	<b>-</b>	<b>817,635</b>	<b>817,635</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	719,859	-	-	719,859	719,859
Receivables	25,404	-	-	25,404	25,404
<b>Total</b>	<b>745,263</b>	<b>-</b>	<b>-</b>	<b>745,263</b>	<b>745,263</b>
<b>Financial Liabilities</b>					
Payables	46,553	-	-	46,553	46,553
<b>Total</b>	<b>46,553</b>	<b>-</b>	<b>-</b>	<b>46,553</b>	<b>46,553</b>

## Net Fair Value

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

## Risk Exposures

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

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

**Liquidity Risk** is the risk that the Group will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates.

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

## LEGATUS GROUP

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

#### Note 13 - FINANCIAL INDICATORS

	2018	2017	2016
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

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

#### Operating Surplus Ratio

<u>Operating Surplus</u>	18.8%	5.2%	26.0%
Total Operating Income			

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

#### Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	-143%	-119%	-135%
Total Operating Income			

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

#### Asset Sustainability Ratio

<u>Net Asset Renewals</u>	0%	0%	0%
Infrastructure & Asset Management Plan required expenditure			

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

## LEGATUS GROUP

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

#### Note 14 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2018 \$	2017 \$
Income	560,287	580,737
Expenses	(454,865)	(550,516)
<b>Operating Surplus / (Deficit)</b>	<b>105,422</b>	<b>30,221</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	-	(3,176)
Add back Depreciation, Amortisation and Impairment	6,311	9,487
	<u>6,311</u>	<u>6,311</u>
<b>Net Outlays on New and Upgraded Assets</b>		
Amounts received specifically for New and Upgraded Assets	-	-
	<u>-</u>	<u>-</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>111,733</u></b>	<b><u>36,532</u></b>

## LEGATUS GROUP

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

#### Note 15 - RELATED PARTY DISCLOSURES

##### KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Group include the 15 Mayors/Chairpersons of the constituent Councils and the CEO. In all, 3 persons were paid the following total compensation:

	2018 \$	2017 \$
Salaries, allowances & other short term benefits	149,999	157,411
Member Allowance	4,270	4,264
Post-employment benefits	14,250	14,954
Long term benefits	-	-
FBT	15,235	14,360
Termination benefits	-	7,834
<b>TOTAL</b>	<b>183,754</b>	<b>198,823</b>

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), The Group received the following amounts in total:

	2018 \$	2017 \$
Contributions for fringe benefits tax purposes	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

##### PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

Nil.



# Ian G McDonald FCA



## Legatus Group Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of Legatus Group, for the year ended 30 June 2018.

### Opinion

In our opinion, the financial statements of the Authority are properly drawn up:

- a) to present fairly the financial position of the Authority as at the 30 June 2018 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

### Basis for Opinion

For the audit of the Authority we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the authority to meet the requirements of Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011). As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members.

### Responsibilities of Management for the Financial Report

The Board of Management is responsible for the preparation of the financial report in accordance with Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011 and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

Ian G McDonald FCA  
Registered Company Auditor

Dated at Grange this 8th day of August 2018

[www.creativeauditing.com.au](http://www.creativeauditing.com.au)

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PO Box 75, Henley Beach SA 5022  
ABN 13 550 494 869

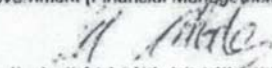
Nancy 0408 832 848  
[nancytran@creativeauditing.org](mailto:nancytran@creativeauditing.org)





**LEGATUS GROUP**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2018**  
**CERTIFICATION OF AUDITOR INDEPENDENCE**

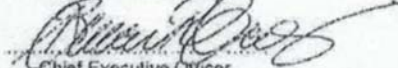
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The Legatus group for the year ended 30 June 2018, the Council's Auditor, Ian G McDonald has maintained his independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

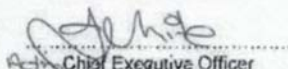
This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

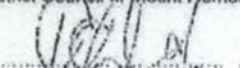
  
 Chief Executive Officer  
 The Barossa Council

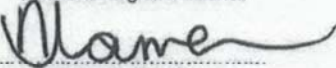
  
 Chief Executive Officer  
 Clare and Gilbert Valleys Council


  
 Chief Executive Officer  
 The Flinders Ranges Council

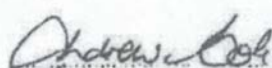
  
 Chief Executive Officer  
 Light Regional Council


  
 Chief Executive Officer  
 District Council of Mount Remarkable


  
 Chief Executive Officer  
 Port Pirie Regional Council

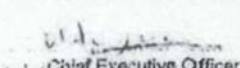
  
 Chief Executive Officer  
 Yorke Peninsula Council

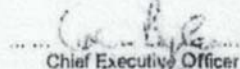
  
 Chief Executive Officer  
 Wakefield Regional Council

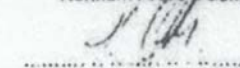
  
 Chief Executive Officer  
 District Council of Barunga West

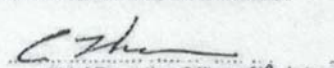
  
 Chief Executive Officer  
 District Council of the Copper Coast

  
 Chief Executive Officer  
 Regional Council of Goyder

  
 Chief Executive Officer  
 Adiradley Plains Council

  
 Chief Executive Officer  
 Northern Areas Council

  
 Chief Executive Officer  
 District Council of Orroroo-Carrieton

  
 Chief Executive Officer (Acting)  
 District Council of Peterborough

  
 Chairman  
 Legatus Group  
 Board of Management

Date: 8/8/2018

**Legatus Group**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2018 STATEMENT BY**  
**AUDITOR**

I confirm that, for the audit of the financial statements of the Legatus Group for the year ended 30 June 2018, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act

This statement is prepared in accordance with the requirements of Regulation 22 (5)

*Local Government (Financial Management) Regulations 2011.*



**Ian G McDonald FCA**

Dated this 24 day of July 2018