

Walgett Shire Council



2005/2006 Annual Report





CONTENTS

Walgett Shire Council – Information	3
General Manager’s Report	4
Council’s Financial Report 2005/2006 – (Includes Appendix ‘A’)	5
Statement of Performance – (Includes Appendix ‘B’)	5
Reports as to the State of the Environment – (Includes Appendix ‘C’)	5
Reports as to the Condition of Public Works – (Includes Appendix ‘D’)	5
Summary of Legal Proceedings	5
Mayoral and Councillors Fees and Expenses	5
Councils Policy on Provisions of Facilities – Councillor Expenses	6
Overseas Travel	6
Details Relating to Senior Staff	6
Statement of Contracts Awarded in Excess of \$150,000	6
Bushfire Hazard Reduction Activities	7
Programs to promote Services and Access to Services for people of Diverse Cultural and Linguistic Backgrounds -	7
Details of Activities Undertaken to Develop and Promote Services and Programs for Children	7
Report on Council’s Performance in Relation to Access and Equity Activities	7
Works Carried Out Under Section 67	8
Contributions Under Section 356	8
Statement of Human Resources Activities 2005/2006	8
Statement of Companies in which Council holds a Controlling Interest	9
Statement of Partnerships Co-operatives and Joint Ventures	9
National Competition Policy	9-10
Rates and Charges Written Off	10
Freedom of Information Act 1989	10
Fines and Penalties Issued on Council	10
Statement of External bodies delegated by Council	10
Privacy and Personal Information and Protection Act 1998	10
Environmental Planning and Assessment Act 1979	10



APPENDIXES

Appendix 'A'	2005/2006 Audited Financial Statements
Appendix 'B'	Statement of Performance
Appendix 'C'	State of Environment Report
Appendix 'D'	Reports to the Condition of Public Works



WALGETT SHIRE COUNCIL INFORMATION

Address:	77 Fox Street WALGETT NSW 2832
Postal Address:	PO Box 31 WALGETT NSW 2832
Telephone:	(02) 6828 1399
Facsimile:	(02) 6828 1608
Email:	admin@walgett.nsw.gov.au
Office Hours:	9.00 am – 4.30 pm
Council Meetings:	Third Thursday of each Month up until October 2006 Third Tuesday of each month from November 2006
Auditors:	Spencer Steer
Principal Towns:	Walgett Lightning Ridge Collarenebri
Villages:	Come-By-Chance Carinda Burren Junction Grawin/Glengarry/Sheepyards Rowena Pokataroo
Hamlet:	Cryon

SHIRE STATISTICS

Area:	22,007 Square Kilometres
Population:	8550
Road Length:	2908 Kilometres
Distance from Sydney:	690 Kilometres
Distance from Canberra:	677 Kilometres



GENERAL MANAGER'S MESSAGE

I am pleased to present the foreword for the 2005/2006 financial year annual report and offer my thanks to Councils Administrator for that time, Mr. Hugh Percy.

I also wish to acknowledge the Council staff for their ongoing hard work and dedication to Council and the community. It is only with every person employed by the Shire completing their duties beyond what is expected, that the ever increasing burden of legislation affecting our operation is able to be handled in a professional manner.

It is the important tasks that are performed by staff each day that tend to go unnoticed, whether it is in administration, maintenance, repairs, construction, cleaning or gardening, it is these myriad jobs that keep our communities functioning. Again, it is the assembled contribution of the staff that complete these tasks that allow me and everyone else to perform their duties and this should be appreciated by all.

It was a pleasure to receive notice in April that Council had been removed from the Department of Local Governments Financial Monitoring list, showing the progress that has been made in our governance procedures. It is also pleasing to see that Council achieved a \$1.6 million dollar surplus for this financial year.

Council is endeavouring to reduce outstanding debts, rates and charges through a combination of debt recovery and sales of land for unpaid rates and will continue to do so until an acceptable level is reached and maintained.

The drought has been ongoing and a cause of concern for us and the community, but this has not stopped us from looking forward and planning for the future of Walgett Shire. In doing this we are developing 10 year strategic plans to ensure the ongoing sustainability of the Shire maintenance and its assets. We are working across our region with our neighbours to look at possible resource sharing initiatives that could benefit us all.

I thank the staff and community for their support in this year and look forward to continuing to support them in the coming year.

Stephen McLean
General Manager



COUNCIL'S FINANCIAL REPORTS 2005/2006

Attached to this report is a copy of Council's Financial Report for the year ending 30 June 2006, marked '**Appendix A**'.

STATEMENT OF PERFORMANCE

Attached to this Report is the comparison of actual performance of Council's principal activities measured in accordance with the Management Plan for the year ending 30 June 2006 '**Appendix B**'.

STATE OF ENVIRONMENT REPORT

Attached to this Report is the Statement of the Environment Report for the year ending 30 June 2006, marked '**Appendix C**'.

REPORTS TO THE CONDITION OF PUBLIC WORKS

Attached to this Report is the Condition of Public Works for the year ending 30 June 2006, marked '**Appendix D**'.

SUMMARY OF LEGAL PROCEEDINGS

1. Summary of amounts incurred relating to Legal Proceedings

Following the termination of contracts of Employment of former employees, John William Burden and Jonathon Hunter Woolridge instituted proceedings in the Industrial Relations Commission of New South Wales seeking amendment of the contracts under section 106 of the Industrial Relations Act and payment for performance bonuses and redundancy.

The total direct costs of these proceedings to June 2006 was \$15,192.50. It is expected that the total direct legal costs to finalise this matter will be in excess of \$46,000.

2. State of progress of each legal proceedings

Jonathon Woolridge

Mr Woolridge was seeking compensation of \$55,826.00. Prior to the matter being referred to Conciliation, Council offered an amount of \$12,500 on a commercial "without prejudice" basis to settle the matter. This amount was not accepted and Mr Woolridge offered to settle the matter for a payment of \$32,000. The matter was finally settled with a payment of \$28,000 to Mr Woolridge on 29 November 2005.

John Burden

Mr Burden was seeking compensation of \$65,826. At Conciliation, Council was able to conform that Mr Burden was an undischarged bankrupt. Counsel for Mr Burden then successfully sought a general adjournment of the proceedings to rectify "irregularities". Mr Burden was paid an amount of \$21,000 on 1 August 2006.

During the course of the case a point of legal contention was argued in an appeal. The outcome of the appeal was in favour of Mr Burden and Council was ordered to pay costs of \$21,000 being costs presented to Council by Mr Burden's solicitor. These costs were finalised and the costs of the appeal in the amount of \$16,000 (plus GST) were paid by Council.

MAYORAL AND COUNCILLORS FEES AND EXPENSES

Mr Hugh Percy continued as Administrator of Walgett Shire Council for the period up to 30 June 2006. The appointment of Mr Vic Smith commenced on 1 July 2006. The Administrator Expenses totalled \$210,606.



COUNCIL'S POLICY ON PROVISION OF FACILITIES – COUNCILLOR EXPENSES

Council presently maintains policies (4.1 – 4.8) directed at Councillors and Council that advise the use of Council facilities. These policies are currently being reviewed to ensure that the policy complies with the "Guidelines for the Payment of Expenses and the Provision of Facilities to Mayors and Councillors" as released by Department of Local Government on 5 September 2006 in Circular 06-57.

OVERSEAS TRAVEL

No overseas travel was undertaken by Administrator, Council staff or other persons representing Council.

DETAILS RELATING TO SENIOR STAFF

In accordance with the provision of Section 332 of the Local Government Act 1993, the position of General Manager is the only position at Walgett Shire Council to be determined to be a senior staff position.

The total salary package applicable for this position for the period of 1 July 2005 to 30 June 2006, inclusive of Salary, Motor Vehicle, Subsidised Rental and employer funded superannuation was \$114,252.26. Additional relocation costs \$2,163.64 incurred at appointment have been paid by Council and are expensed over the term of the three year contract. If the contract is terminated before the initial three years the balance of relocation costs are to be paid by Mr McLean.

Stephen McLean Remuneration Package	
Salary (Cash) Component	96,464.55
Other Payments	9,000.00
Superannuation	8,787.71

Non-Cash Benefits	-
FBT for Non-Cash Benefits	-
Total Package	114,252.26

STATEMENT OF CONTRACTS AWARDED IN EXCESS OF \$150,000

During the year ending 30 June 2006, the following Contracts were awarded in excess of \$150,000:-

CONTRACTOR	SERVICES SUPPLIED	VALUE OF CONTRACT
Pioneer Road Services	Bitumen Sealing and Resealing	\$864,058
Coates Hire	Plant Hire	\$284,263
Walgett Gravel Carters	Gravel Haulage	\$311,382
Ridgerock Pty Ltd	Plant Hire	\$228,183
Rob Rubie	Plant Hire	\$265,152
RA and JM Ramien	Plant Hire	\$739,499
RA and ES Yeomans	Waste Management Centre	\$178,018
Mijon Pat Pty Ltd	Materials Haulage	\$448,142
BT Contractors	Bridge Construction	\$651,961
G Freeman	Plant Hire	\$158,120
Dewsons Contractors	Road Maintenance	\$186,549



BUSHFIRE HAZARD REDUCTION ACTIVITIES

Bush Fire Hazard Reduction activities for 2005/2006 are as follows: -

Grading:- Regional Roads – 300km x 10m
Shire Roads – 1,200km x 10m
Slashing: - (roadside) 430km x 6m
Slashing of Parks – not included

Incidents attended for 2005/2006 were as follows:-

Hazard Reduction	0
Grass and Structural fires	50
Hazardous Incidents	5
Motor Vehicle Accidents	13
Support External Agencies	9
False Alarms	4

PROGRAMS TO PROMOTE SERVICES AND ACCESS TO SERVICES FOR PEOPLE OF DIVERSE CULTURAL AND LINGUISTIC BACKGROUNDS

Walgett Shire Council recognises that people from culturally diverse backgrounds may face issues in relation to access to services and participating in the wider community. Walgett Shire Council is committed to providing equitable and accessible services, facilities and activities for the whole communities and supports the principles of multiculturalism as summarised:-

- All residents have opportunities to participate in public life
- Provisions are made for culture, and that these are respected
- All residents are able to participate in relevant activities and programs administered by the Council

DETAILS OF ACTIVITIES UNDERTAKEN TO DEVELOP AND PROMOTE SERVICES AND PROGRAMS FOR CHILDREN

Walgett Shire Council recognises the necessity to provide for the needs of the Shire's children.

Council networks with State and Federal Government Departments to ensure a range of activities and programs across the age spectrum are offered.

Council provides economic and logistical support to

- Family Day Care
- After School Care
- Vacation Care
- Youth Centres
- Interagency Committees
- Child Related Library programs

ACCESS AND EQUITY ACTIVITIES TO MEET RESIDENT'S NEEDS

Walgett Shire Council has an obligation to all residents to ensure that, in its dealings with people, the following principles are adhered to: -

- Promotes fairness in the distribution of resources, particularly to those in need.
- Recognises and promotes people's rights and improve the accountability of decision makers.
- Ensure that people have fair access to economic resources and services essential to meeting their basic needs to improve their quality of life.
- Provide people with better opportunities for genuine participation and consultations about making decisions affecting their lives.



WORKS CARRIED OUT UNDER SECTION 67

There were no works undertaken under the provisions of Section 67 during the year ending 30 June 2006.

CONTRIBUTIONS UNDER SECTION 356

The total contributions made under Section 356 during the year ending 30 June 2006 was \$27,850.00.

STATEMENT OF HUMAN RESOURCES ACTIVITIES 2005/2006

Walgett Shire Council has been implementing strategies with a view to attracting and developing suitable staff. This has proved difficult whilst in the midst of a skill shortage, however Council will continue to identify different options in the attempt to make the Walgett Shire Council a more attractive employer - some main areas adopted or currently being worked on are flexible working hours, corporate uniform, salary packaging, negotiable remunerations and subsidised housing rental.

Walgett Shire Council is now also completing a staff newsletter where it advertises the employee of the month. This incentive system has been set up to acknowledge all employees within the organisation who continue to strive to offer their best.

Some employees of Walgett Shire Council have also received appreciation letters for their efforts when dealing with the wider community – this is very pleasing for the Council and the employees. Council will continue to train employees to deliver high quality customer service to the wider community.

Walgett Shire Council is committed to offer relevant study and training opportunities to its employees –

Wages staff have undertaken a wide range of obligatory training (e.g. green cards, traffic control tickets, confined spaces training, chemical courses, first aid training, various plant/equipment tickets & licenses, code of conduct training and airport traffic control tickets.)

Salary staff have also undertaken a wide range of obligatory training and job specific training (e.g. green cards, traffic control tickets, confined spaces training, chemical courses, first aid training, various plant & equipment tickets & licenses and airport traffic control tickets, meeting procedures, specific finance and Civica training, code of conduct training, letter writing and report writing training).

Council have also encouraged staff to attend conferences enabling them to network with other employees within their fields for new ideas and to remain up to date with new procedures/tasks and legislations.

Council continues to apply the principles of Equal Employment Opportunity legislation to all appointments and will continue to ensure all job descriptions and induction procedures highlight its commitment to those principles.

Council staff numbers as at 30 June 2006 were:-

	Full Time	Part Time	Casual
Admin	28	3	40
Field	56	1	9



STATEMENT OF COMPANIES IN WHICH COUNCIL HOLD A CONTROLLING INTEREST

Council did not hold a controlling interest in any companies during the period 1 July 2005 to 30 June 2006.

STATEMENT OF PARTNERSHIPS, CO-OPERATIVES AND JOINT VENTURES

- **Northern Regional Library**
The Northern Regional Library is based in Moree and is administered by Moree Plains Shire Council. It was resolved at Council meeting held in June 2006 to remain an active member for 2006/2007 following a reduction in contribution from \$197,327.00 to \$142,502.00 for 2006/2007.
- **Statewide Mutual Insurance Group**
Statewide Mutual is a Local Government based Insurance group administered by Jardine Lloyd Thompson Pty Ltd and supported by the local Government and Shires Associations of New South Wales and a large percentage of New South Wales Councils.
- **Northwest Weights of Loads Group**
Moree Plains Shire Council administers this group and its function is to enforce the Road Act and Limits (Weights) on vehicles using Public Roads with a view to reducing Road Maintenance Costs.
- **Barwon Darling Alliance**
This group has been formed to provide a combined voice for the member bodies all of whom are experiencing similar problems and have common goals. The Alliance has focused on issues for 2006 namely, economic zone trial, resource sharing and establishment of banking services.

- **Fire Control Officer**
With the amalgamation of Bogan, Coonamble, Warren and Walgett Shire Councils, we have jointly appointed a Bush Fire Control Officer to continue the coordination and undertake the duties and responsibilities of Council under both the Local Government Act 1993 and the Rural Fires Act 1997. The Bush Fire Control Officer and main office is located in Coonamble.
- **Tourism Organisations**
Council is a keen participant in many Tourism Promotional Groups, particularly those focusing on the Far Western Region of New South Wales through involvements with the Outback Regional Tourism Organisation, Kamilaroi Highway Group, NSW Tourism and Outback Arts

NATIONAL COMPETITION POLICY

Category 1 Business Activities

Council does not have business activities with a gross operating turnover over \$2 million.

Category 2 Business Activities

Council has two (2) business activities which are declared as category 2 business activities with gross operating turnover less than \$2 million. These activities are:

- Walgett Shire Water Supply
- Walgett Shire Sewerage

The Special purpose Financial Reports of each of these organisation form part of the Walgett Shire Council Financial Report – Appendix 'A'

Principles of Competitive Neutrality

Council is mindful of the Principles of Competitive Neutrality and has applied them in its Category 2 Operations.

It is to be remembered that Walgett Shire Council is a large rural Shire in far North West New South Wales and in many instances undertakes activities, which in large centres may also be provided by the Private Sector.



Council, however provides these activities as a service to the Community, as distance, isolation and low population base prevents the provision of the service by the private sector when motivated by profit rather than the Community Service obligation of Council.

The need for Council's involvement is particularly important given the number of relatively small communities within the Shire.

Complaints Handling for Competitive Neutrality and Summary of Competitive Neutrality Complaints

Council has a comprehensive broad based Concerns Management policy that will be available on the Council website which is currently being redesigned.

RATES AND CHARGES WRITTEN OFF

The total amount of rates and charges written off for the period from July 2005 to 30 June 2006 totalled \$5,449.52.

FREEDOM OF INFORMATION ACT 1989

Walgett Shire Council had one application for access under the Freedom of Information Act NSW (1989) during 2005/2006. A determination was made on 22 November 2005 and access to the relevant documents was provided.

FINES AND PENALTIES ISSUED ON COUNCIL

There were no fines and penalties issued to Walgett Shire Council during 2005/2006.

STATEMENT OF EXTERNAL BODIES DELEGATED BY COUNCIL

Castlereagh Macquarie County Council have been delegated the responsibility for the management of noxious weeds within the Walgett Shire Local Government area.

PRIVACY AND PERSONAL INFORMATION PROTECTION ACT 1998

Council recognises that care must be taken to maintain the integrity and security of confidential documents. When dealing with personal information Council must comply with:-

- *the Privacy and Personal Information Protection Act 1998*
- *the Health Records and Information Privacy Act 2002*
- *the Information Protection Principles and Health Privacy Principles*
- *Council's Privacy Management Plan*
- *The Privacy Code of Practice for Local Government*

The procedures in complying with these requirements are contained in Council's Code of Conduct.

No review was conducted by or on behalf of the Council under Part 5 of Privacy and Personal Information Protection Act 1998.

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979

Council has not entered into any planning agreements to date.

APPENDIX 'A'

Financial Report 2005/2006





WALGETT SHIRE COUNCIL

Financial Report

For the Year Ended
30 June 2006



WALGETT SHIRE COUNCIL

General Purpose Financial Reports for the year ended 30th June 2006

TABLE OF CONTENTS

	<u>Page</u>
Council Certificate [s 413 (2)(c)]	1
Principal Financial Statements	
Income Statement	2
Balance Sheet	3
Statement of Changes in Equity	4
Cash Flow Statement	5
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N1 - N5
Note 2 - Functions	N6 - N7
Note 3 - Revenues	N8 - N11
Note 4 - Expenses	N12 - N13
Note 5 - Gain or Loss on Disposal of Assets	N14
Note 6 - Cash Assets and Investment Securities	N15-N17
Note 7 - Receivables	N18
Note 8 - Inventories & Other Assets	N19
Note 9 - Infrastructure, Property, Plant & Equipment	N20-N23
Note 10 - Liabilities	N24-N25
Note 11 - Reconciliation to Statement of Cash Flows	N26-N27
Note 12 - Commitments for Expenditure	N28
Note 13 - Statement of Performance Measurement	N29
Note 14 - Investment Property	N30-N31
Note 15 - Financial Instruments	N31-N32
Note 16 - Significant Variations from original Budget	N33
Note 17 - Statement of Developer Contributions	N34
Note 18 - Contingencies & Assets & Liabilities not Recognised	N35
Note 19 - Investments accounted for using the equity method	N36
Note 20 - Revaluation reserves	N37 - N38
Note 21 - Transition to AIFRS	N38 - N39
Auditors Report on the Financial Statements [s 417 (2)]	
Auditors Report on the Conduct of the Audit [s 417 (3)]	

WALGETT SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2006

STATEMENT BY COUNCILLORS AND MANAGEMENT MADE PURSUANT TO SECTION 413 (2)(c) OF THE LOCAL GOVERNMENT ACT 1993 (as amended)

The attached Annual Financial Statements have been drawn up in accordance with

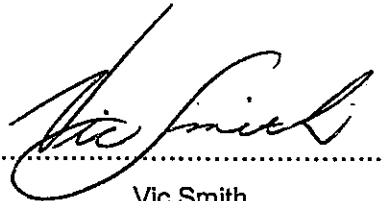
- The Local Government Act 1993 (as amended) and the Regulations made thereunder
- The Australian Accounting Standards and professional pronouncements
- The Local Government Code of Accounting Practice and Financial Reporting
- The Local Government Asset Accounting Manual.

To the best of our knowledge and belief, these reports

- Present fairly the Council's financial position and operating result for the year, and
- Accord with Council's accounting and other records

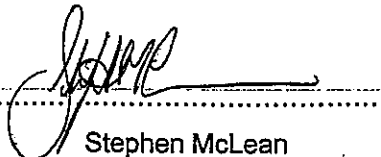
We are not aware of any matter that would render the reports false or misleading in any way.

Signed in accordance with a resolution of Council made on 21st September 2006



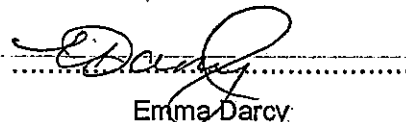
Vic Smith

ADMINISTRATOR



Stephen McLean

GENERAL MANAGER



Emma Darcy

RESPONSIBLE ACCOUNTING OFFICER

WALGETT SHIRE COUNCIL

INCOME STATEMENT for the year ended 30th June 2006

Budget 2006 \$'000		Notes	Actual 2006 \$'000	Actual 2005 \$'000
	INCOME			
	<i>Revenue:</i>			
3,672	Rates & Annual Charges	3	5,296	5,238
2,115	User Charges & Fees	3	3,709	3,180
410	Investment Revenues	3	727	704
3,585	Other Revenues	3	195	210
6,648	Grants & Contributions - Operating	3	8,640	6,967
4,241	Grants & Contributions - Capital	3	1,280	587
-	<i>Other Income:</i>			
-	Profit from Disposal of Assets	5	-	97
<u>20,671</u>	Revenues from Ordinary Activities before Capital Amounts		<u>19,847</u>	<u>16,983</u>
	EXPENSES			
6,614	Employee Costs	3	5,922	5,268
6,587	Materials & Contracts		7,664	6,895
386	Borrowing Costs	3	57	93
	Depreciation & Amortisation	3	2,329	2,380
6,920	Other Expenses	3	2,182	2,081
154	Loss from Disposal of Assets	5	23	-
<u>20,661</u>	Total Expenses from Ordinary Activities		<u>18,177</u>	<u>16,717</u>
<u>10</u>	NET OPERATING RESULT FOR YEAR		<u>1,670</u>	<u>266</u>
<u>(4,231)</u>	Net operating result before capital grants and contributions		<u>\$ 390</u>	<u>\$ (321)</u>

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

WALGETT SHIRE COUNCIL

BALANCE SHEET as at 30th June 2006

	Notes	Actual 2006 \$'000	Actual 2005 \$'000
CURRENT ASSETS			
Cash & cash equivalents	6	11,617	10,363
Receivables	7	2,690	2,071
Inventories	8	888	767
Other	8	51	217
TOTAL CURRENT ASSETS		<u>15,246</u>	<u>13,418</u>
NON-CURRENT ASSETS			
Receivables	7	740	781
Infrastructure, Property, Plant & Equipment	9	60,507	60,085
Other	8	-	1
TOTAL NON-CURRENT ASSETS		<u>61,247</u>	<u>60,867</u>
TOTAL ASSETS		<u>76,493</u>	<u>74,285</u>
CURRENT LIABILITIES			
Payables	10	2,028	1,329
Borrowings	10	323	553
Provisions	10	1,175	920
TOTAL CURRENT LIABILITIES		<u>3,526</u>	<u>2,802</u>
NON-CURRENT LIABILITIES			
Borrowings	10	412	641
Provisions	10	97	54
TOTAL NON CURRENT LIABILITIES		<u>509</u>	<u>695</u>
TOTAL LIABILITIES		<u>4,035</u>	<u>3,497</u>
NET ASSETS		<u>\$ 72,458</u>	<u>70,788</u>
EQUITY			
Accumulated Surplus	20	72,458	70,788
Council Equity Interest		72,458	70,788
TOTAL EQUITY		<u>\$ 72,458</u>	<u>70,788</u>

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

WALGETT SHIRE COUNCIL

STATEMENT OF CHANGES IN EQUITY for the year ended 30th June 2006

	2006 \$'000		2005 \$'000	
	Accum Surplus	Total	Accum Surplus	Total
Balance at beginning of the reporting period	70,788	70,788	70,522	70,522
Change in Net Assets recognised in the Statement of Financial Performance	1,670	1,670	266	266
Balance at end of the reporting period	72,458	72,458	70,788	70,788

Note

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

WALGETT SHIRE COUNCIL

CASH FLOW STATEMENT for the year ended 30th June 2006

Budget 2006 \$'000	CASH FLOWS FROM OPERATING ACTIVITIES	<u>Notes</u>	Actual 2006 \$'000	Actual 2005 \$'000
	<u>Receipts</u>			
7,295	Rates & Annual Charges		5,134	5,191
1,493	User Charges & Fees		4,773	2,865
342	Investments Income		670	665
7,372	Grants & Contributions		8,823	8,583
279	Other operating receipts		1,405	469
	<u>Payments</u>			
(5,973)	Employee Costs		(5,586)	(5,263)
(8,071)	Materials & Contracts		(8,569)	(7,999)
-	Borrowing Costs		(63)	(94)
(2,116)	Other operating payments		(2,236)	(2,559)
621	Net Cash provided by (or used in) Operating Activities	11	4,351	1,858
	CASH FLOWS FROM INVESTING ACTIVITIES			
	<u>Receipts</u>			
517	Proceeds from sale of Infrastructure, Property, Plant & Equipment		136	411
-	Proceeds from sale of Real Estate		-	172
-	Repayments from Deferred Debtors		12	59
	<u>Payments</u>			
(671)	Purchase of Infrastructure, Property, Plant & Equipment		(2,786)	(1,254)
(154)	Net Cash provided by (or used in) Investing Activities		(2,638)	(612)
	CASH FLOWS FROM FINANCING ACTIVITIES			
	<u>Payments</u>			
(242)	Repayments of Borrowings & Advances		(186)	(176)
(290)	Repayment of Finance Lease Liabilities		(273)	(189)
(532)	Net Cash provided by (or used in) Financing Activities		(459)	(365)
(65)	Net Increase (Decrease) in cash held		1,254	881
<u>10,363</u>	Cash Assets at beginning of reporting period	11	<u>10,363</u>	<u>9,482</u>
<u>10,298</u>	Cash Assets at end of reporting period	11	<u>11,617</u>	<u>10,363</u>

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

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2006

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the NSW Local Government Act 1993 and regulations thereunder and the Local Government Code of Accounting Practice and Financial Reporting.

1.2 Compliance with International Financial Reporting Standards

AIFRS include certain specific provisions relating to not-for-profit entities that are not included in the International Financial Reporting Standards. In addition, Australian Accounting Standard AAS 27 *Financial Reporting by Local Governments* also applies. Except to the extent that these special provisions require, these financial statements comply with International Financial Reporting Standards.

1.3 Application of AASB 1 *First-time Adoption of AIFRS*

These statements are the first Walgett Shire Council financial statements to be prepared in accordance with AIFRS and AASB 1 has been applied in their preparation. Previous financial statements have been prepared in accordance with the former Australian Generally Accepted Principles (GAAP) which differ in certain respects from AIFRS. When preparing these financial statements, Council has amended certain accounting and valuation methods applied in GAAP to comply with AIFRS. With the exception of financial instruments, where Council has taken the exemption available under AASB 1 to only apply AASB 132 and AASB 139 from 1 July 2005, the comparative figures have been restated to reflect these adjustments.

Reconciliations and descriptions of the effect of transition from previous GAAP to AIFRS on Council's equity and net income are given in Note 21.

1.4 Historical Cost Convention

The financial report has been prepared on the accrual basis of accounting and, except where specifically indicated in these Notes, in accordance with the historical cost convention.

1.5 Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies. The areas involving a higher degree of judgement or complexity, or cases where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note. Nothing contained within this report may be taken to be an admission of any liability to any person under any circumstance.

2. The Local Government Reporting Entity

Walgett Shire Council is incorporated under the NSW Local Government Act 1993 (as amended) and has its principal place of business at 77 Fox Street Walgett. These financial statements include the consolidated fund and other entities through which the 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.

The following Special Rate funds and Committees established pursuant to the Act are included:

- Walgett Shire Water Supply Fund
- Walgett Shire Sewerage Fund
- Activities subject to Special Benefit Rates

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

Note 1 - Significant Accounting Policies (cont)

2.1 The Trust Fund

In accordance with the provisions of Section 411 of the Local Government Act 1993 (as amended), a separate and distinct Trust Fund is maintained to account for all monies and property received by the Council in trust which must be applied only for the purposes of or in accordance with the trusts relating to these monies. Trust monies and property subject to Council's control have been included in these reports.

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

3. Revenue recognition

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

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

4. Cash Assets 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 1993 (as amended) and the Regulations and Determinations made thereunder. Other receivables are generally unsecured and do not bear interest. Loans made to sporting and community groups at concessional interest rates are recognised at their nominal amounts; interest revenues foregone by the Council effectively being a reduction of interest revenue in the period to which it relates.

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

All financial instruments are recognised at fair value at the date of recognition. Financial instruments classified as *loans and receivables* and *held-to-maturity* are subsequently measured at amortised cost using the effective interest method. Other financial instruments classified as *fair value through profit and loss* and *available-for-sale*, are subsequently measured at fair value where an active market exists, or at cost. Details of classifications of financial instruments are given in Note 15.

5. Inventories

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

5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

Note 1 - Significant Accounting Policies (cont)

5.2 Other Real Estate held for resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are carried at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with Chapter 17 of the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

6. Property, Plant & Equipment

6.1 Transitional Provisions

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

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

6.2 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 under review are provided in Note 9 to these accounts.

6.3 Valuation

Detail of valuations, methods and valuers are provided at Note 9. Plant, equipment and similar assets are carried at historical cost less accumulated depreciation.

6.4 Depreciation of Non-Current Assets

Other than land, all assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are provided in Note 9 to these accounts. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

6.5 Impairment

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

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

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 1023 *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 4, and the amount (if any) of interest revenue offset against borrowing costs in Note 3.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

Note 1 - Significant Accounting Policies (cont)

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 *Employee Benefits*.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date.

Apart from that pertaining to Council policy, 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 make payment for a proportion of untaken sick leave in accordance with the following policy:-

"That after completion of 3 continuous service with Council provided the employee has sufficient untaken sick leave to their credit they may be paid one weeks untaken sick leave for each year of service up to a maximum of 5 weeks pay for 5 years or more of service".

9.2 Superannuation

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

Accumulation Fund Members

The accumulation fund receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9% in 2005/06; 9% in 2004/05). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Members

Council makes employer contributions to the defined benefits categories of the Scheme at rates determined by the Scheme's Trustee. The rate is currently 0.95 times members' contributions (NIL% in 2004/2005). Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable 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.

10. Construction Contracts

Construction works undertaken by Council for third parties (principally the Roads & Traffic Authority for works on national and state highways) 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".

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

Note 1 - Significant Accounting Policies (cont)

11. Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities.

12. Leases

Lease arrangements have been accounted for in accordance with AASB 117.

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

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

13. GST Implications

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

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

14. Budget Information

The Statement of Financial Performance, Statement of Cash Flows and Note 2 provide budget information of revenues and expenditures by type and for each of the major activities of the Council. Budget figures presented are those approved by Council at the beginning of the financial year and do not include Council approved variations throughout the year. Short explanations of the most significant variations are given in Note 16, and further information of the nature and amount of all variations is available from the Council office upon request.

15. Rounding

In accordance with the Code of Accounting Practice all amounts shown in the Financial Statements are in Australian currency and have been rounded to the nearest thousand dollars.

16. New Accounting Standards & UIG Interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2006 reporting period.

- UIG 4 *Determining whether an Asset contains a Lease*
- UIG 5 *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*
- AASB 2005-8 *Amendments to AASB 4, AASB 1023, AASB 139 & AASB 132*
- AASB 7 *Financial Instruments: Disclosures* and AASB 2005-10 *Amendments to AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038*
- UIG 6 *Liabilities arising from participating in a Specific Market – Waster Electrical and Electronic Equipment*
- AASB 2005-6 *Amendments to AASB 121*

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

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 2 - FUNCTIONS

	REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES												
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ORIGINAL BUDGET	ACTUAL	ACTUAL	ORIGINAL BUDGET	ACTUAL	ACTUAL	ORIGINAL BUDGET	ACTUAL	ACTUAL	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
GOVERNANCE	160	-	-	1,061	443	443	(901)	(443)	-	-	-	-	-
ADMINISTRATION	1,570	346	3,809	3,348	3,063	3,063	(1,778)	(3,751)	17	69	14,275	12,142	
PUBLIC ORDER & SAFETY	71	75	288	211	269	269	(140)	(236)	47	69	62	98	
HEALTH	671	2	124	1,261	74	74	(590)	(124)	-	-	212	218	
COMMUNITY SERVICES & EDUCATION	256	466	399	709	405	405	(453)	67	439	359	95	27	
HOUSING & COMMUNITY AMENITIES	1,713	836	1,950	1,687	1,994	1,994	26	(1,072)	47	93	4,514	4,120	
WATER SUPPLIES	1,094	1,200	1,680	965	1,188	1,188	129	(349)	79	12	6,780	9,619	
SEWERAGE SERVICES	482	552	546	380	523	523	102	68	11	11	4,818	6,111	
RECREATION & CULTURE	124	64	1,405	2,335	1,631	1,631	(2,211)	(1,204)	196	48	2,488	2,136	
FUEL & ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
MINING, MANUFACTURING & CONSTRUCTION	-	12	-	8,480	113	113	(8,480)	-	-	-	-	-	-
TRANSPORT & COMMUNICATION	6,951	8,555	7,679	224	6,748	6,748	6,951	876	2,903	1,361	42,173	39,337	
ECONOMIC AFFAIRS	20	90	297	266	266	266	(204)	(184)	6	5	1,076	477	
TOTALS - FUNCTIONS	13,112	12,268	18,177	20,661	16,717	16,717	(7,549)	(5,909)	3,745	2,027	76,493	74,285	
GENERAL PURPOSE REVENUES	7,559	7,579	7,388	7,559	7,388	7,388	7,559	7,579	3,639	3,454	76,493	74,285	
TOTALS	20,671	19,847	18,177	20,661	16,983	16,717	10	1,670	7,384	5,481	76,493	74,285	

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2006

Note 2 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Governance

Costs relating to Council's role as a component of democratic government, including elections, meetings and associated activities, area representation, and public disclosure and compliance, together with related administration costs.

Administration

Costs not otherwise attributed to functions.

Public Order & Safety

Fire protection, animal control, enforcement of local government regulations, emergency services, other.

Health

Administration and inspection, immunisations, food control, insect & vermin control, noxious plants, health centres, other.

Community Services & Education

Administration, family day care, child-care, youth services, other services to families and children, aged and disabled, migrant services, Aboriginal services, other community services, education.

Housing & Community Amenities

Housing, town planning, domestic waste management services, other waste management services, street cleaning, other sanitation and garbage, urban stormwater drainage, environmental protection, public cemeteries, public conveniences, other community amenities.

Water Supplies

Sewerage Services

Recreation & Culture

Public libraries, museums, art galleries, community centres, public halls, other cultural services, swimming pools, sporting grounds, parks and gardens, lakes, other sport and recreation.

Fuel & Energy - Gas Supplies.

Mining, Manufacturing & Construction

Building control, abattoirs, quarries and pits, other.

Transport & Communication

Roads and streets, bridges, footpaths, aerodromes, parking areas, bus shelters and services, water transport, works undertaken for Roads & Transport Authority, street lighting, other.

Economic Affairs

Camping areas, caravan parks, tourism and area promotion, industrial development promotion, saleyards and markets, real estate development, commercial nurseries, private works, other business undertakings.

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 3 - REVENUES

RATES & ANNUAL CHARGES	2006 \$'000	2005 \$'000
<u>Ordinary Rates</u>		
Residential	475	470
Farmland	2,539	2,592
Mining	266	240
Business	120	105
	<u>3,400</u>	<u>3,407</u>
<u>Special Rates</u>		
Kerb & Guttering	-	41
	<u>-</u>	<u>41</u>
<u>Annual Charges</u>		
Domestic Waste Management	532	466
Water Supply	900	886
Sewerage Services	464	438
	<u>1,896</u>	<u>1,790</u>
Total Rates & Annual Charges	<u>5,296</u>	<u>5,238</u>
 USER CHARGES & FEES		
<u>User Charges</u>		
Domestic Waste Management	44	41
Water Supply	133	140
Sewerage Services	40	42
Other Waste Management	48	44
	<u>265</u>	<u>267</u>
<u>Fees</u>		
Planning & Building	67	61
Registration Fees	3	4
RTA Claims - State Roads	3,093	2,611
Private Works	88	28
Saleyards	14	7
Cemeteries	35	21
Aerodrome	18	10
Rent & hire of non-investment property	115	127
Other	11	44
	<u>3,444</u>	<u>2,913</u>
Total User Charges & Fees	<u>3,709</u>	<u>3,180</u>

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 3 - REVENUES (cont)

	2006 \$'000	2005 \$'000
INVESTMENT REVENUES		
Interest on overdue rates & charges	93	80
Interest on cash assets & investments		
externally restricted	187	179
internally restricted	388	432
unrestricted	59	13
Total Investment Revenues	<u>727</u>	<u>704</u>
OTHER REVENUES		
Commissions & Agency Fees	70	61
Fines		2
Insurance Claims	62	56
Legal Fees Recovery (Rates)		27
Mining Compensation	18	18
Sales - General	32	37
Other	13	9
Total Other Revenues	<u>195</u>	<u>210</u>

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 3 - REVENUES (cont)

	Notes	OPERATING		CAPITAL	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
GRANTS					
General Purpose (Untied)					
Financial Assistance		3,606	3,421		
Pensioner Rates Subsidies (General)		33	33		
Specific Purpose					
Pensioner Rates Subsidies					
Water Supplies		12	12		
Sewerage Services		11	11		
Domestic Waste Management		20	19		
Roads & Bridges		1,815	950	1,088	411
Employment & Training Programs		17	53		
Heritage & Cultural Services		68	64		
Community Care Services		372	359		
Bushfire & Emergency Services		47	69		
Other		103	74	192	5
Total Grants & Subsidies		6,104	5,065	1,280	416
<i>Comprising:</i>					
- Commonwealth funding		3,606	3,421	-	-
- State funding		2,498	1,644	1,280	411
- Other funding		-	-	-	5
		6,104	5,065	1,280	416
CONTRIBUTIONS & DONATIONS					
RTA Contributions		2,536	1,902		
Other Councils - Joint Works					171
Total Contributions & Donations		2,536	1,902	-	171
TOTAL GRANTS & CONTRIBUTIONS		8,640	6,967	1,280	587

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 3 - REVENUES (cont)

CONDITIONS OVER GRANTS & CONTRIBUTIONS

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

	2006 \$'000		2005 \$'000	
	<u>Grants</u>	<u>Contrib</u>	<u>Grants</u>	<u>Contrib</u>
<i>Unexpended at the close of the previous reporting period</i>	1,577	0	1,209	
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>				
<i>Roads Infrastructure</i>	1,232			
<i>Heritage & Cultural Services</i>			18	
<i>Community Care Services</i>	121		14	
<i>Other</i>	25		62	
<i>Subtotal</i>	<u>1,378</u>	<u>0</u>	<u>94</u>	<u>0</u>
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>				
<i>Section 94/64 Developer Contributions</i>				
<i>Roads Infrastructure</i>	500		392	
<i>Heritage & Cultural Services</i>	14			
<i>Community Care Services</i>	363		0	
<i>Other</i>	120		70	
<i>Subtotal</i>	<u>997</u>	<u>0</u>	<u>462</u>	<u>0</u>
<i>Unexpended at the close of this reporting period and held as restricted assets</i>	<u>1,196</u>	<u>0</u>	<u>1,577</u>	<u>0</u>
<i>Net increase (decrease) in restricted assets in the</i>	<u>-381</u>	<u>0</u>	<u>368</u>	<u>0</u>

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 4 - EXPENSES

EMPLOYEE COSTS	2006 \$'000	2005 \$'000
Salaries and Wages	3,949	4,132
Travelling	29	51
Employee Leave Entitlements	755	462
Superannuation - defined contribution plan contributions	336	275
Workers' Compensation Insurance	700	206
Fringe Benefits Tax	20	15
Training Costs (excluding Salaries)	120	99
Other	13	28
Total Operating Employee Costs	5,922	5,268
Total Number of Employees	100	123
(Full time equivalent at end of reporting period)		
 BORROWING COSTS		
Interest on Loans	41	55
Charges on Finance Leases	16	38
Gross Interest Charges	57	93
Less: Borrowing Costs capitalised		
Total Interest Charges	57	93
 MATERIALS & CONTRACTS		
Raw materials & consumables	3,538	3,409
Contractor and consultancy costs	3,995	3,318
Auditor's Remuneration		
- Audit Services	19	19
Legal Expenses		
- Planning & Development	-	2
- Other Legal Expenses	38	69
Operating Lease Rentals - cancellable	74	78
Total Materials & Contracts	7,664	6,895

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 4 - EXPENSES (cont)

	2006 \$'000	2005 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Plant and Equipment	518	572
Office Equipment	60	72
Leased Property, Plant & Equipment	41	41
Buildings	128	128
Other Structures	117	117
Infrastructure		
- roads, bridges & footpaths	610	599
- stormwater drainage	22	22
- water supply network not elsewhere included	475	472
- sewerage network not elsewhere included	341	341
Other assets		
- other	17	16
Total Depreciation, Amortisation & Impairment	2,329	2,380

Allocation between Depreciation & Amortisation, and Impairment is shown in Note 9.

OTHER EXPENSES

Advertising	55	37
Bad and Doubtful Debts	229	140
Child Care - Parent Fees	37	69
Donations & Contributions to Local & Regional Bodies	551	666
Insurances	402	327
Light, Power & Heating	220	237
Members' Expenses	1	1
Payments to other levels of Government	14	111
Provision for Insurance Losses (Note 18)	-	(27)
Street Lighting	129	121
Printing Stationery Postage	78	-
Subscriptions & Publications	4	16
Consultancies	17	-
Telephone & Communications	89	157
Rates Discount Expense	63	50
Valuation Fees	25	26
Administrator Expenses	210	150
Other	58	-
Total Other Expenses	2,182	2,081

INDIVIDUALLY SIGNIFICANT ITEM

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 5 - GAIN OR LOSS ON DISPOSAL OF ASSETS

	2006 \$'000	2005 \$'000
DISPOSAL OF PROPERTY		
Proceeds from disposal	-	2
Less: Carrying amount of assets sold	-	4
Gain (Loss) on disposal	<u>-</u>	<u>(2)</u>
DISPOSAL OF INFRASTRUCTURE, PLANT & EQUIPMENT		
Proceeds from disposal	136	409
Less: Carrying amount of assets sold	159	403
Gain (Loss) on disposal	<u>(23)</u>	<u>6</u>
DISPOSAL OF REAL ESTATE DEVELOPMENT ASSETS		
Proceeds from disposal	-	172
Less: Carrying amount of assets sold	-	79
Gain (Loss) on disposal	<u>-</u>	<u>93</u>
TOTAL GAIN (LOSS) ON DISPOSAL OF ASSETS	<u>(23)</u>	<u>97</u>

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 6 - CASH ASSETS & INVESTMENT SECURITIES

	2006 \$'000		2005 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
CASH & CASH EQUIVALENTS				
Cash on Hand and at Bank	767		763	
Short Term Deposits & Bills, etc	10,850		9,600	
Total Cash & Cash Equivalents	<u>11,617</u>		<u>10,363</u>	
TOTAL CASH ASSETS & INVESTMENT SECURITIES	<u>11,617</u>	-	<u>10,363</u>	-

RESTRICTED CASH ASSETS & INVESTMENT SECURITIES

	2006 \$'000		2005 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
EXTERNAL RESTRICTIONS				
Included in liabilities				
Unexpended Loans	324	-	560	-
RTA Advances	838	-	-	-
Grants Repayable	-	-	327	-
	<u>1,162</u>	-	<u>887</u>	-
Other				
Unexpended Grants	1,196	-	1,577	-
Water Supply funds	2,608	-	2,512	-
Sewerage funds	1,189	-	927	-
	<u>4,993</u>	-	<u>5,016</u>	-
Total External Restrictions	<u>6,155</u>	-	<u>5,903</u>	-
Total Internal Restrictions	3,918	-	3,311	-
TOTAL UNRESTRICTED	<u>1,544</u>	-	<u>1,149</u>	-
TOTAL CASH ASSETS & INVESTMENT SECURITIES	<u>11,617</u>	-	<u>10,363</u>	-

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 6 - CASH ASSETS & INVESTMENT SECURITIES

	2006		2005	
	Current	Non-Current	Current	Non-Current
CASH ASSETS				
Cash on Hand and at Bank			763	
Deposits at Call			-	
Short Term Deposits & Bills, etc			9,600	
Other			-	
Total Cash Assets	<u>-</u>		<u>10,363</u>	
INVESTMENT SECURITIES				
Summary				
Financial assets at fair value through profit and loss	-	-	-	-
Held to maturity investments	-	-	-	-
Available for sale financial assets	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets at fair value through profit and loss				
At beginning of year	-	-		
Adjustment on adoption of AASB 132 & AASB 139				
Revaluation to Income Statement				
Additions				
Disposals				
Transfers Current/Non-current		-		
At end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Held for trading:				
- Managed Funds				
- CDOs				
- FRNs				
- Equity linked notes				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Held to Maturity Investments				
At beginning of year	-	-		
Adjustment on adoption of AASB 132 & AASB 139				
Amortisation of discounts and premiums				
Additions				
Disposals				
Transfers Current/Non-current		-		
At end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Comprising:				
- Government Bonds				
- Term Deposits				
- Bank Bills				
- Other				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Available-for-sale Financial Assets				
At beginning of year	-	-		
Adjustment on adoption of AASB 132 & AASB 139				
Additions				
Disposals				
Revaluation surplus transferred to equity				
Transfers Current/Non-current		-		
At end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Comprising:				
- NCDs				
- Term Deposits				
- Bank Bills				
- Other				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 6 - CASH ASSETS & INVESTMENT SECURITIES (cont)

RESTRICTED CASH ASSETS & INVESTMENT SECURITIES

	2006		2005	
	\$'000		\$'000	
	Current	Non-Current	Current	Non-Current
Cash Assets	11,617	-	10,363	-
TOTAL CASH ASSETS & INVESTMENT SECURITIES	11,617	-	10,363	-
External Restrictions	6,155	-	5,903	-
Internal Restrictions	3,918	-	3,311	-
Unrestricted	1,544	-	1,149	-
	11,617	-	10,363	-

DETAILS OF MOVEMENTS OF RESTRICTED CASH ASSETS & INVESTMENT SECURITIES

Notes	Opening	Movements		Closing
	Balance 30	Transfers To	Transfers From	Balance 30
	June 2005	Restriction	Restriction	June 2006
	\$'000	\$'000	\$'000	\$'000
External Restrictions				
Included in liabilities				
Unexpended Loans	560	-	236	324
RTA Advances			(838)	838
Grants repayable	327		327	-
	887	-	(275)	1,162
Other				
Unexpended Grants	1,577	-	381	1,196
Water Supply funds	2,512	-	(96)	2,608
Sewerage funds	927	262	-	1,189
	5,016	262	285	4,993
Total External Restrictions	5,903	262	10	6,155
Internal Restrictions				
Employee Leave Entitlements	400		-	400
Construction of Buildings	800	12	-	812
Replacement - Plant & Vehicles	161	141	61	241
Infrastructure Replacement	1,014	889	464	1,439
Aerodrome	222		-	222
Rehabilitation	212	20	-	232
Caravan Park	261	17	-	278
Economic Development	7		-	7
Local Environmental Plan	66		-	66
Other	168	53	-	221
Total Internal Restrictions	3,311	1,132	525	3,918

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 7 - RECEIVABLES

	2006 \$'000		2005 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
Rates & Annual Charges	688	574	458	625
Interest & Extra Charges	170	185	141	170
User Charges & Fees	225	-	946	-
Accrued Revenues	148	-	175	-
Deferred Debtors	62	444	62	456
Other levels of Government	1,613	-	342	-
Other	81	4	15	4
Total	2,987	1,207	2,139	1,255
Less: Allowance for Doubtful Debts				
Rates & Annual Charges	154	209	26	204
Interest & Extra Charges	77	155	30	112
User Charges & Fees	66	-	12	-
Other	-	103	-	158
	2,690	740	2,071	781

Total Receivables

Rates, Annual Charges, Interest & Extra Charges

Overdue rates and annual charges (being amounts not paid on or before the due date determined in accordance with the Local Government Act) are secured over the relevant land and are subject to simple interest at a rate of 9.00% (2005: 9.00%). Although Council is not materially exposed to any individual ratepayer, credit risk exposure is concentrated within the Council boundaries in the State of New South Wales.

Deferred Debtors

Loans made to ratepayers under the assisted housing scheme and to local organisations bear interest at rates varying between NIL and%. Council is not materially exposed to any individual debtor, and credit risk exposure is concentrated within the Council boundaries in the State of New South Wales.

Other levels of Government

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Government of New South Wales and the Government of Australia.

Other Receivables

Amounts due (other than User Charges which are secured over the relevant land) are 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 in the State of New South Wales.

AGGREGATE ASSET ARISING FROM EMPLOYEE BENEFITS

33

0

RESTRICTED RECEIVABLES

Water Supply	213	315	161	295
Sewerage Services	161	80	78	143
Total Restrictions	374	395	239	438
Unrestricted Receivables	2,316	345	1,832	343
Total Receivables	2,690	740	2,071	781

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 8 - INVENTORIES & OTHER ASSETS

	2006 \$'000		2005 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
INVENTORIES				
Stores & Materials	347	-	226	-
Real Estate Developments	541	-	541	-
Total Inventories	<u>888</u>	<u>-</u>	<u>767</u>	<u>-</u>

Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.

OTHER ASSETS

Prepayments	51	-	217	1
Total Other Assets	<u>51</u>	<u>-</u>	<u>217</u>	<u>1</u>

Other Disclosures

The following Assets, even though classified as current, are not expected to be recovered in the next 12 months;

	2006 \$'000	2005 \$'000
Real Estate Developments	541	541

Real Estate Developments

(Valued at the lower of cost and net realisable value)

Residential	427	-	427	-
Industrial & Commercial	114	-	114	-
Total Real Estate for Resale	<u>541</u>	<u>-</u>	<u>541</u>	<u>-</u>

Represented by:

Acquisition Costs	71	-	71	-
Development Costs	470	-	470	-
	<u>541</u>	<u>-</u>	<u>541</u>	<u>-</u>

Less: Allowance for Under-Recovery

Total Real Estate for Resale	<u>541</u>	<u>-</u>	<u>541</u>	<u>-</u>
-------------------------------------	------------	----------	------------	----------

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 9 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2005 \$'000			MOVEMENTS DURING \$'000				2006 \$'000		
	AT COST	ACCUM DEPN	CARRYING AMOUNT	Asset Purchases	Asset Disposals	Depreciation	AT COST	ACCUM DEPN	CARRYING AMOUNT	
Plant & Equipment	7,954	(6,405)	1,549	561	(159)	(518)	8,291	(6,856)	1,433	
Office Equipment	727	(627)	100	87	-	(60)	814	(687)	127	
Leased Plant & Equipment	774	(720)	54	-	-	(41)	774	(761)	13	
Land										
- Council owned (freehold)	159	-	159	-	-	-	159	-	159	
Buildings	3,316	(1,604)	1,712	43	-	(128)	3,359	(1,732)	1,627	
Other Structures	2,936	(869)	2,067	332	-	(117)	3,268	(986)	2,282	
Infrastructure										
- Roads, bridges, footpaths	60,227	(20,890)	39,337	1,609	-	(610)	61,836	(21,500)	40,336	
- Stormwater drainage	2,197	(613)	1,584	-	-	(22)	2,198	(636)	1,562	
- Water Supply Network	15,741	(9,090)	6,651	159	-	(475)	15,900	(9,565)	6,335	
- Sewerage Network	11,697	(6,729)	4,968	-	-	(341)	11,697	(7,070)	4,627	
Other Assets										
- Other	2,078	(174)	1,904	119	-	(17)	2,197	(191)	2,006	
Totals	107,806	(47,721)	60,085	2,910	(159)	(2,329)	110,493	(49,986)	60,507	

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 9 (cont) - RESTRICTED PROPERTY, PLANT & EQUIPMENT

	2006 \$'000			2005 \$'000		
	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT COST	ACCUM DEPN	CARRYING AMOUNT
Water Supply						
Water Supply Infrastructure	15,900	9,565	6,335	15,741	9,090	6,651
Total Water Supply	15,900	9,565	6,335	15,741	9,090	6,651
Sewerage Services						
Other Structures						
Sewerage Infrastructure	11,697	7,070	4,627	11,697	6,729	4,968
Total Sewerage Services	11,697	7,070	4,627	11,697	6,729	4,968
TOTAL RESTRICTIONS	27,597	16,635	10,962	27,438	15,819	11,619

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2006

Note 9 (cont) - PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

Plant & Equipment, Office Equipment, Furniture & Fittings, Leased Plant & Equipment

Assets acquired after 1 January 1993 are recorded at cost. Assets acquired prior to that date and depreciated in accordance with the Local Government Accounting Regulations 1979 are recorded at deemed cost, being the carrying value of those assets at 31 December 1992.

Major depreciation periods are:

Office Equipment	5 to 10 years
Office Furniture	5 to 10 years
Vehicles & Road-making Equip	5 to 10 years
Other Plant & Equipment	5 to 10 years

Asset capitalisation thresholds include:

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000

Land - Council owned and Council controlled

Freehold land was valued by independent valuation in the reporting period ended 30 June 1995. Pursuant to Council's election, these amounts are disclosed at deemed cost.

Land over which Council has control, but does not have title, was valued by Council officers at municipal site value during the reporting period ended 30 June 1995. Pursuant to Council's election, these amounts are disclosed at deemed cost. All land acquired after 1 July 1995 is recorded at cost.

Land Improvements, Other Structures and Infrastructure

Land improvements and other structures were valued by independent valuation during the reporting period ended 30 June 1996 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Water and sewer infrastructure was valued by Council officers at written down current replacement cost during the reporting period ended 30 June 1995 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost. Major depreciation periods are:

Transportation assets were valued by Council officers at written down current replacement cost during the reporting period ended 30 June 1996 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was valued by Council officers as at 30 June 1997 at written down current replacement cost, based on actual costs incurred during the reporting period ended 30 June 1997 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

All other assets

Assets acquired after 1 January 1993 are recorded at cost. Assets acquired prior to that date and depreciated in accordance with the Local Government Accounting Regulations 1979 are recorded at deemed cost, being the carrying value of those assets at 31 December 1992.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

Note 9 – Property, Plant & Equipment (cont)

Restricted Assets

Restrictions exist in relation to the following assets, which must be applied for the purposes for which special rates and other charges enabling their purchase were raised.

	2006	2005
	\$'000	\$'000
Water Supplies	6,335	6,651
Sewerage Services	4,627	4,968
Total	\$10,962	\$11,619

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 10 - LIABILITIES

	2006 \$'000		2005 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
PAYABLES				
Goods & Services	649	-	214	-
Payments received in advance	932	-	455	-
Accrued Expenses	411	-	298	-
Grants Repayable	-	-	327	-
Deposits, Retentions & Bonds	14	-	29	-
Other	22	-	6	-
Total Payables	<u>2,028</u>	<u>-</u>	<u>1,329</u>	<u>-</u>
BORROWINGS				
Loans	196	412	280	514
Finance Lease Liability	127	-	273	127
Total Borrowings	<u>323</u>	<u>412</u>	<u>553</u>	<u>641</u>
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>				
PROVISIONS				
Annual Leave	489	-	372	-
Sick Leave	259	-	151	-
Long Service Leave	427	97	397	54
Total Provisions	<u>1,175</u>	<u>97</u>	<u>920</u>	<u>54</u>

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

NOTE 10 - LIABILITIES (cont)

The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months;

	2006 \$'000	2005 \$'000
Annual Leave	92	72
Sick Leave	282	249
Long Service Leave	199	118
	573	439

2006 \$'000		2005 \$'000	
<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
1,403	97	1,074	54

LIABILITIES relating to RESTRICTED ASSETS

Water Supplies

Payables	-	-	1	-
Interest Bearing Liabilities	33	160	31	193
Provisions	-	-	-	-
Subtotal	33	160	32	193

Sewerage Services

Payables	1	-		
Interest Bearing Liabilities	33	70	31	103
Provisions	-	-	-	-
Subtotal	34	70	31	103

Other

Payables	838		327	
Interest Bearing Liabilities				
Provisions				
Subtotal	838	-	327	-
TOTAL	905	230	390	296

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	2006 \$'000	2005 \$'000
Total Cash Assets (Note 6)	11,617	10,363
Less: Bank Overdraft (Note 10)	-	-
Balances per Statement of Cash Flows	11,617	10,363

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

Net Operating Result from Income Statement	1,670	266
Add: Depreciation and Amortisation	2,329	2,380
Increase in provision for doubtful debts	222	38
Increase in employee benefits provisions	298	
Decrease in inventories	-	9
Decrease in other assets	167	
Increase in trade creditors	788	
Increase in accrued expenses payable	113	163
Loss on Sale of Assets	23	
	5,610	2,856
Less: Decrease in provision for doubtful debts	-	
Decrease in employee benefits provisions	-	45
Decrease in other provisions	-	28
Increase in receivables	812	555
Increase in inventories	121	
Increase in other assets	-	35
Decrease in trade creditors	-	223
Decrease in other payables	326	15
Gain on Sale of Assets	-	97
Net Cash provided by (or used in) operations	4,351	1,858

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 11 (cont) - RECONCILIATION TO CASH FLOW STATEMENT

	2006 \$'000	2005 \$'000
(c) Non-Cash Financing and Investing Activities		
Acquisition of assets by means of:		
- PWD Construction	-	-
- Bushfire Grants	-	-
- Developer Contributions received in kind	-	-
- Non-cash issues of Shares in Other Companies	-	-
- Estimated future reinstatement, etc costs	-	-
- Other	-	-
	<hr/>	<hr/>
- Finance Leases	-	-
- Land taken over for non-payment of Rates	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

(d) Financing Arrangements

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

Bank Overdrafts		
Total Facilities		
Corporate Credit Cards	10	10

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Interest rates on overdrafts are variable while the rates for loans are fixed for the period of the loan.

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 12 - COMMITMENTS FOR EXPENDITURE

	2006 \$'000	2005 \$'000
(a) Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Bridges	-	743
Plant & Equipment	-	56
	-	799
These expenditures are payable:		
Not later than one year	-	799
	-	799

(b) Other Expenditure Commitments		
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	19	38
Other	2,109	1,551
	2,128	1,589
These expenditures are payable:		
Not later than one year	796	701
Later than one year and not later than 5 years	1,332	888
	2,128	1,589

Commitments for other Expenditures relating to Joint Ventures and Partnerships are set out in Note 19.

(c) Finance Lease Commitments		
Commitments under finance leases at the reporting date are as follows:		
Not later than one year	66	288
Later than one year and not later than 5 years	72	137
Later than 5 years	-	-
Minimum lease payments	138	425
Less: future finance charges	(11)	(25)
Net Lease Liability	127	400
Representing lease liabilities:		
Current	127	273
Non-Current	-	127
	127	400

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 13 - STATEMENT OF PERFORMANCE MEASUREMENT

	<u>Amounts</u>	<u>2006 Indicators</u>	2005	2004	2003
Current Ratio					
<u>Current Assets</u>	\$15,246	4.32:1	4.79:1	3.99:1	
Current Liabilities	\$3,526				
Unrestricted Current Ratio					
<u>Unrestricted Current Assets*</u>	\$8,176	3.99:1	3.41:1	2.83:1	2.48:1
Current Liabilities not relating to Restricted Assets	\$2,048				
Debt Service Ratio					
<u>Net Debt Service Cost</u>	\$516	3.80%	3.56%	3.82%	6.37%
Operating Revenue	\$13,566				
Rate & Annual Charges Coverage Ratio					
<u>Rates & Annual Charges Revenues</u>	\$5,296	26.68%	30.84%	31.97%	28.59%
Total Revenues	\$19,847				
Rates & Annual Charges Outstanding Percentage					
<u>Rates & Annual Charges Outstanding</u>	\$1,022	15.94%	15.97%	17.29%	17.57%
Rates & Annual Charges Collectible	\$6,411				

Detailed methods of calculation of these indicators is defined in the Code.

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 14 - INVESTMENT PROPERTY

	2006 \$'000	2005 \$'000
At fair value		
Opening balance at 1 July	0	0
Acquisitions	0	0
Capitalised subsequent expenditure	0	0
Classified as held for sale	0	0
Net gain (loss) from fair value adjustment	0	0
Transfer (to) from inventories or infrastructure, property, plant & equipment	0	0
Carrying value of disposals	<u>0</u>	<u>0</u>
Closing balance at 30 June	<u>0</u>	<u>0</u>
Amounts recognised in profit and loss		
Rental income	0	0
Outgoings recouped	0	0
Net gain (loss) from fair value adjustment	<u>0</u>	<u>0</u>
	0	0
Repairs, maintenance & other operating expenses		
- <i>property generating rental income</i>	0	0
- <i>property not generating rental income</i>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

Contractual arrangements - see Note 12.

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 15 - FINANCIAL INSTRUMENTS

Interest Rate Risk Exposures

2006	Floating Interest Rate '000	<u>Fixed interest maturing in</u>			Non- interest bearing '000	Total
		≤ 1 year '000	> 1 year ≥ 5 years '000	> 5 years '000		'000
<u>Financial Assets</u>						
Fair Value through P&L						
Cash Assets	767	10,850			-	11,617
Investment Securities					-	-
Loans & Receivables		920	740		1,622	3,282
Total	767	11,770	740	-	1,622	14,899
<i>Weighted Average Interest Rate</i>						
<u>Financial Liabilities</u>						
Loans & Receivables						
Payables					1,617	1,617
Borrowings	-	323	412			735
Total	-	323	412	-	1,617	2,352
<i>Weighted Average Interest Rate</i>						
NET FINANCIAL ASSETS (LIABILITIES)	767	11,447	328	-	5	12,547

Reconciliation of Financial Assets & Liabilities

	2006 \$'000	2005 \$'000
Net financial assets from previous page		
Financial Assets	14,899	
Financial Liabilities	2,352	
	<u>12,547</u>	
Non-financial assets and liabilities		
Accrued Revenues	148	
Inventories	888	
Property, Plant & Equipment	60,507	
Investment Property	-	
Interest in Associated Bodies	-	
Other Assets	51	
Accrued Expenses	(411)	
Provisions	(1,272)	
Other liabilities		
	<u>59,911</u>	
Net Assets per Statement of Financial Position	<u>72,458</u>	
Net Fair Value		Not required for 2005

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 15 - FINANCIAL INSTRUMENTS

Interest Rate Risk Exposures

2006	Floating Interest Rate '000	Fixed interest maturing in			Non- interest bearing '000	Total '000
		≤ 1 year '000	> 1 year ≥ 5 years '000	> 5 years '000		
Financial Assets						
Cash Assets					11,617	11,617
Receivables						
Rates & Annual Charges		627	395			1,022
User Charges & Fees					159	159
Deferred Debtors		62	444			506
Other levels of Govt.					1,613	1,613
Other					(18)	(18)
Total	-	689	839	-	13,371	14,899
<i>Weighted Average Interest Rate</i>						
Financial Liabilities						
Payables						
Goods & Services					649	649
Payments in advance					932	932
Deposits, Retentions, Bonds					14	14
Other					22	22
Interest Bearing Liabilities	-				608	608
Finance Lease Liabilities		127	-		-	127
Total	-	127	-	-	2,225	2,352
<i>Weighted Average Interest Rate</i>						
NET FINANCIAL ASSETS (LIABILITIES)	-	562	839	-	11,146	12,547

Reconciliation of Financial Assets & Liabilities

	2006 \$'000	2005 \$'000
Net financial assets from previous page		
Financial Assets	14,899	13,040
Financial Liabilities	2,352	1,898
	<u>12,547</u>	<u>11,142</u>
Non-financial assets and liabilities		
Accrued Revenues	148	175
Inventories	888	767
Property, Plant & Equipment	60,507	60,085
Investment Property	0	0
Interest in Associated Bodies	0	0
Other Assets	51	218
Accrued Expenses	-411	-298
Provisions	-1,272	-974
Other liabilities		
	<u>59,911</u>	<u>59,973</u>
Net Assets per Statement of Financial Position	<u>72,458</u>	<u>71,115</u>
Net Fair Value		

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2006

Note 16 - SIGNIFICANT VARIATIONS FROM ORIGINAL BUDGET

Council's original budget comprised part of the Management Plan adopted by Council on 23 June 2005. The original projections on which the budget was based have been affected by decisions and new grant programs initiated by State and Federal Governments, by the weather, and by decisions made by the Council.

This Note sets out the principal variations between the original Budget and Actual results for the Statement of Financial Performance.

Further information of the nature and amount of all variations is available from the Council office upon request.

1 STATEMENT OF FINANCIAL PERFORMANCE

- 1.1 **Employee Costs – Decrease \$692k (10%) Favourable**
Council has not been able to fill vacant staff positions.
- 1.2 **Materials & Contracts – Increase \$1,077k (16%) Unfavourable**
Additional expenditure as additional flood damage maintenance was incurred. Certain expenditure was reclassified from Other Operating to Materials and Contracts.
- 1.3 **Interest Charges – Decrease \$329k (85%) Favourable**
Interest is due to finance charges being included in other expenses as part of original budget.
- 1.4 **Other Operating Expenses - Decrease \$4738 (68%) Favourable**
Certain expenditure was reclassified from Other Operating Expenses to Materials and Contracts.
- 1.5 **User Charges & Fees – Increase \$1,594k (75%) Favourable**
Council received additional income from RTA Single Invitation Contract.
- 1.6 **Interest Received – Increase \$317k (77%) Favourable**
Council's cash position continued to improve throughout the year with the receipt of additional user charges and grants resulting in higher than anticipated income.
- 1.7 **Grants & Contributions Received – Operating & Capital – Decrease \$969k (8%) Unfavourable**
In many instances, the actual amount of grants received depends on decisions made by State and Federal governments after the original Budget was adopted.
- 1.8 **Other Operating Revenues – Decrease \$3,390 (95%) Unfavourable**
Internal Charges included in original budget.

WALGETT SHIRE COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2006**

Note 17 - STATEMENT OF CONTRIBUTION PLANS

SUMMARY OF CONTRIBUTIONS - COUNCIL DOES NOT HAVE ANY SECTION 94 CONTRIBUTION PLANS

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2006

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

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position 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.

Statewide Mutual

Council is a member of Statewide Mutual, an organisation formed for the purchase and management of certain insurances on behalf of its members. Council is liable to contribute its proportionate share of any shortfall arising through the scheme.

The Scheme is now in surplus and Council no longer has a share of prior year losses to (2004: \$26,500) to recognise as a liability.

Details of an agreement between the Commonwealth and State Governments for the partial reimbursement of losses incurred were advised on 22 June 2004. Statewide Mutual is complying with the specified procedures but has not yet been advised whether its claim has been accepted.

Barwon Darling Alliance

Council is a member of the Barwon darling Alliance which is committed to the establishment of the Barwon Darling Credit Union.

As a member of the Alliance Council has resolved to commit to subscribing to \$5,000 x \$10 permanent (non-redeemable) Foundation shares totalling \$50,000 to be lodged upon incorporation of the Credit Union.

WALGETT SHIRE COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2006**

Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES

COUNCIL DID NOT PARTICIPATE IN ANY COOPERATIVE ARRANGEMENTS.

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

Note 20 - ASSET REVALUATION RESERVE

	2006	2005
	\$'000	\$'000
Infrastructure, Property, Plant & Equipment		
Balance at beginning of reporting period	-	-
Add: Revaluation increments transferred to the reserve relating to:		
Land		
- Council owned (freehold)		
- Council controlled		
etc		
(here list each asset class affected)		
Subtotal	-	-
Less: Revaluation decrements transferred from the reserve relating to:		
Land		
- Council owned (freehold)		
- Council controlled		
etc		
(here list each asset class affected)		
Less: Transfer to Accumulated Surplus on disposal of revalued asset		
Subtotal	-	-
Balance at end of reporting period	-	-
Revaluation decrements expensed (Note 3) related to:		
Land		
- Council owned (freehold)		
- Council controlled		
etc		
(here list each asset class affected)		
Subtotal	-	-
Revaluation decrements previously expensed, now recouped (Note 4)		
Land		
- Council owned (freehold)		
- Council controlled		
etc		
(here list each asset class affected)		
Subtotal	-	-
Available-for Sale Financial Assets		
Balance at beginning of reporting period	-	-
Add: Revaluation increments transferred to the reserve		
Less: Revaluation decrements transferred from the		
Less: Transfer to Accumulated Surplus on disposal		
Balance at end of reporting period	-	-

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

NOTE 21 - IMPACTS OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

As a result of the adoption of Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005, the amounts shown in the comparative 2005 figures in these financial statements differ from the amounts shown in Council's 2005 Annual Financial Statements prepared under the then generally accepted accounting principles (GAAP).

The amounts shown in the 2005 comparatives are reconciled to Council's 2005 GAAP financial statements as follows:

(a) Reconciliation of Equity at 1 July 2004	\$'000
Equity 1 July 2004 in accordance with GAAP	70,518
1. Employee Benefits Provisions (AASB 117)	
Liabilities for employee benefits (other than long service leave) payable more than 12 months beyond reporting date, were measured under GAAP at nominal values, but are measured under AIFRS as the present value of the future cash outflows.	
Net (increase) decrease in provision for Employee Benefits	4
Net change in opening Equity	4
Equity 1 July 2004 in accordance with AIFRS	70,522

**(b) Reconciliation of 2005 Statement of Financial Position (GAAP) with
2005 comparative Balance Sheet (AIFRS)**

2. Employee Benefits Provisions (AASB 117)	
Liabilities for employee benefits (other than long service leave) payable more than 12 months beyond reporting date, were measured under GAAP at nominal values, but are measured under AIFRS as the present value of the future cash outflows.	
Net (increase) decrease in provision at 1 July 2004	4
Net (increase) decrease in 2005 reporting period expense	7

	Notes	GAAP \$'000	Adjustments \$'000	AIFRS \$'000
Current Assets				
Cash & Cash Equivalents		6,924	3,439	10,363
Receivables		2,071		2,071
Inventories		226	541	767
Other		217		217
Non-current Assets				
Cash & Cash Equivalents		3,439	(3,439)	-
Receivables		781		781
Inventories		541	(541)	-
Infrastructure, Property, Plant & Equipment		60,085	-	60,085
Other Non-current Assets		1		1
Total Assets		74,285	-	74,285
Current Liabilities				
Payables		1,329		1,329
Borrowings		553		553
Provisions		488	432	920
Non-current Liabilities				
Borrowings		641		641
Provisions		493	(439)	54
Total Liabilities		3,504	(7)	3,497
NET ASSETS		70,781	7	70,788
EQUITY				
Accumulated Surplus		70,781	7	70,788
TOTAL EQUITY		70,781	7	70,788

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2006

NOTE 21 (cont) - Transition to AIFRS

(c) Reconciliation of 2005 Statement of Financial Performance (GAAP) with 2005 comparative Income Statement (AIFRS)

3. Employee Benefits Provisions (AASB 117)

Liabilities for employee benefits (other than long service leave) payable more than 12 months beyond reporting date, were measured under GAAP at nominal values, but are measured under AIFRS as the present value of the future cash outflows. Unwinding of present value discounts are to be separately disclosed where material.

Net (increase) decrease in employee benefit expense	3
Unwinding of present value discount (borrowing expense)	

	Notes	GAAP \$'000	Adjustments \$'000	AIFRS \$'000
REVENUES				
Rates & Annual Charges		5,238		5,238
User Charges & Fees		3,180		3,180
Investment Revenues		704		704
Other Revenues		210	-	210
Grants & Contributions - Operating		6,967		6,967
Grants & Contributions - Capital		587		587
Profit from Disposal of Assets		97	-	97
Total Revenues		16,983	-	16,983
EXPENSES				
Employee Costs		5,271	(3)	5,268
Materials & Contracts		3,486	-	3,486
Borrowing Costs		93	-	93
Depreciation & Amortisation		2,380	-	2,380
Other Expenses		2,081	-	2,081
Total Expenses		13,311	(3)	13,308
NET OPERATING RESULT FOR YEAR		3,672	3	3,675
<i>Attributable to:</i>				
WALGETT SHIRE COUNCIL		263	3	266
		263	3	266

(d) Reconciliation of Statement of Cash Flows

The adoption of AIFRS has not resulted in any material adjustments to the Statement of Cash Flows.

(e) Reconciliation of Equity on adoption of AASB 132 & AASB 139 at 1 July 2005.

In presenting its 2005 comparative figures, Council has elected to use the exemption in relation to financial instruments set out in AASB 1.36A. In giving effect to AASB 132 *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* at 1 July 2005, the following adjustments have been made.

	Notes	AIFRS 30/6/2005 \$'000	Adjustments \$'000	AIFRS 1/7/2005 \$'000
Accumulated Surplus		70,788		70,788
Asset Revaluation Reserves		-		-
Other Reserves		-		-
Minority Interest		-		-
TOTAL EQUITY		70,788	-	70,788



SPENCER STEER
CHARTERED ACCOUNTANTS

31 October 2006

The Administrator
Mr Vic Smith
Walgett Shire Council
PO Box 31
WALGETT NSW 2832

Sir,

Audit Report - Year Ended 30 June 2006

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2006 and that all information required by us was readily available. We have signed and attached our reports as required under Section 417(1) of the Local Government Act, 1993 and the Local Government Code of Accounting Practice and Financial Reporting to the General and Special Purpose Financial Reports.

Our audit has been conducted in accordance with Australian Auditing Standards so as to express an opinion on both the General and Special Purpose Financial Reports of the Council. We have ensured that the accounts have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) and the Local Government Code of Accounting Practice and Financial Reporting.

Australian equivalents to International Financial Reporting Standards (AIFRS) were applied for the first time in the preparation of Council's financial statements. The basis of the preparation is outlined in Note 1(a) of the financial statements. Reconciliations and explanations of the effect of the transition to AIFRS regarding the recognition, measurement and disclosure of assets and liabilities are disclosed in Note 21.

This report on the conduct of the audit is also issued under Section 417(1) and we now offer the following comments on the financial statements and the audit;



1. RESULTS FOR THE YEAR

1.1 Operating Result

The operating result for the year was a Surplus of \$1.670 million as compared with \$266,000 in the previous year.

The following table sets out the results for the year and the extent (%) that each category of revenue and expenses contributed to the total.

	2006	% of	2005	% of	Increase
	\$000	Total	\$000	Total	(Decrease)
					\$000
Revenues before capital items					
Rates & annual charges	5,296	29%	5,238	32%	58
User charges, fees & other revenues	3,904	21%	3,487	21%	417
Grants & contributions provided for operating purposes	8,640	47%	6,967	42%	1,673
Interest & investment revenue	727	4%	704	4%	23
	18,567	100%	16,396	100%	2,171
Expenses					
Employee benefits & costs	5,922	33%	5,268	32%	654
Materials, contracts & other expenses	9,869	54%	8,976	54%	893
Depreciation, amortisation & impairment	2,329	13%	2,380	14%	(51)
Borrowing costs	57	0%	93	1%	(36)
	18,177	100%	16,717	100%	1,460
Surplus(Deficit) before capital items	\$ 390		\$ (321)		\$ 711
Grants & contributions provided for capital purposes	1,280		587		693
Net Surplus(Deficit) for the year	\$ 1,670		\$ 266		\$ 1,404

The table above shows an overall improvement over the previous year of \$1.404 million. Fluctuations of note consisted of;

- o grants and contributions for Council's roads and bridges increased by \$2.176 million to \$5.439 million for the year.
- o workers compensation insurance premium increased considerably, by \$494,000 as a result of increased compensation claims to \$700,000 for the year.

1.2 Funding Result

The operating result does not take into account all revenues and all expenditures and in reviewing the overall financial performance of Council it is useful to take into account the total source of revenues and where they were spent during the year which is illustrated in the table below.



	2006	2005
<i>Funds were provided by:-</i>	\$000	\$000
Operating Result (as above)	1,670	266
Add back non funding items:-		
- Depreciation, amortisation & impairment	2,329	2,380
- Book value of non current assets sold	159	407
	<u>4,158</u>	<u>3,053</u>
Transfers from externally restricted assets (net)	128	0
Transfers from internal reserves (net)	0	6
Repayments from deferred debtors	12	59
Net Changes in current/non current assets & liabilities	313	16
	<u>4,611</u>	<u>3,134</u>
<i>Funds were applied to:-</i>		
Purchase and construction of assets	(2,910)	(1,052)
Principal repaid on loans	(186)	(176)
Finance lease instalments	(273)	(189)
Transfers to externally restricted assets (net)	0	(918)
Transfers to internal reserves (net)	(607)	0
	<u>(3,976)</u>	<u>(2,335)</u>
Increase(Decrease) in Available Working Capital	635	799

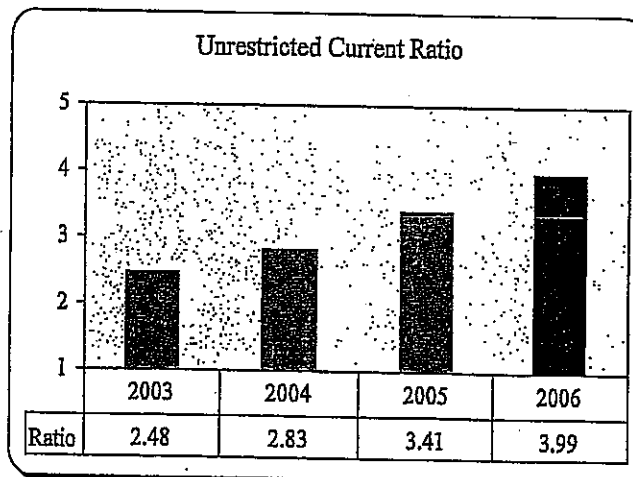
2. FINANCIAL POSITION

2.1 Current Ratios

The *Current Ratio* is a good indicator of the ability of a business to meet its debts and obligations as they fall due. Current assets exceeded current liabilities by \$11.720 million representing a factor of 4.32 to 1.

The *Unrestricted Current Ratio* is a more specific financial indicator used in local government. Current assets & liabilities that are not expected to be paid/realised within the following 12 months & externally restricted assets are excluded from the above measure of liquidity.

The *Unrestricted Current Ratio* at the close of the year was **3.99 to 1** and it in fact represents the general funds of Council.





2.2 Available Working Capital – (Working Funds)

A more meaningful financial indicator specific to local government is the level of *Available Working Capital*. Net Current Assets are adjusted by eliminating both external and internal reserves held for future purposes.

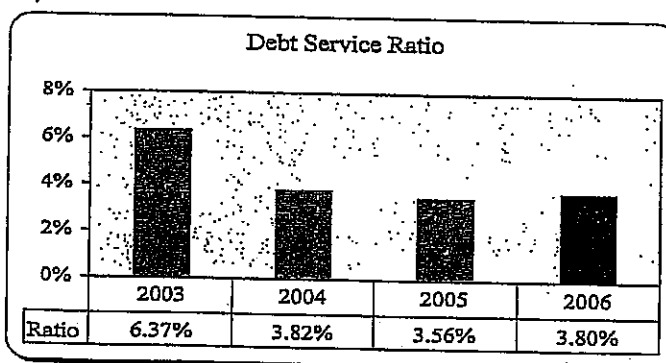
At the close of the year the Available Working Capital of Council stood at \$3.087 million as detailed below;

	2006	2005	Change
	\$000	\$000	\$000
Net Current Assets (Working Capital) as per Accounts	11,720	10,616	1,104
<i>Add:</i> Payables, & provisions & receivables not expected to be realised in the next 12 months included above	32	(102)	134
Adjusted Net Current Assets	11,752	10,514	1,238
<i>Add:</i> Budgeted & expected to pay in the next 12 months			
- Borrowings	323	553	(230)
- Employees leave entitlements	602	481	121
- Deposits & retention moneys	14	29	(15)
- Deferred debtors	(62)	(62)	0
<i>Less:</i> Externally restricted assets	(5,624)	(5,752)	128
<i>Less:</i> Internally restricted assets	(3,918)	(3,311)	(607)
Available Working Capital as at 30 June	\$ 3,087	\$ 2,452	\$ 635

The balance of Available Working Capital should be at a level to manage Council's day to day operations including the financing of hard core debtors, stores and to provide a buffer against unforeseen and unbudgeted expenditures. Taking into consideration the nature and level of the internally restricted assets (Reserves) set aside we are of the opinion that Available Working Capital as at 30 June 2006 was sound.

2.3 Debt

Operating revenue (excluding special purpose grants and contributions) required to service debt (repayment of loans) was 3.80%.



2.4 Summary

Council's overall financial position, when taking into account the above financial indicators is, in our opinion, sound.

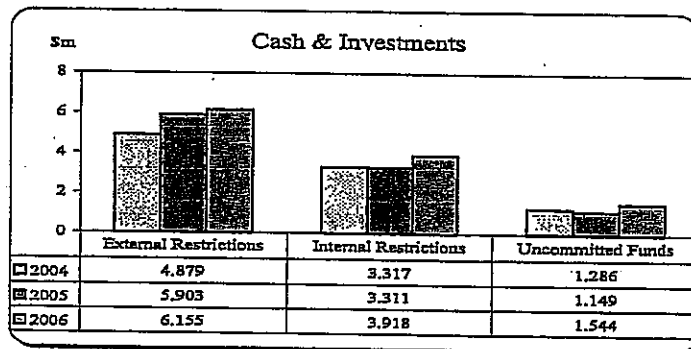


3. CASH ASSETS

3.1 Cash & Investments

Cash and investments held at the close of the year amounted to \$11.617 million as compared with \$10.363 million and \$9.482 million at the close of financial years 2005 and 2004 respectively.

The table alongside summarises the purposes for which cash and investments were held.



Externally restricted cash and investments are restricted in their use by externally imposed requirements and consisted of unexpended loans (\$324,000), unexpended grants and advances (\$2.034 million) and water and sewerage fund (\$3.797 million).

Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect forward plans, identified programs of works, and are, in fact, Council's "Reserves". These Reserves totalled \$3.918 million and their purposes are more fully disclosed in Notes 6 of the financial statements.

Unrestricted cash and investments amounted to \$1.544 million, which are available to provide liquidity for day to day operations.

3.2 Cash Flows

The Cash Flow Statement illustrates the flow of cash (highly liquid cash and investments) moving in and out of Council during the year and reveals that cash assets increased by \$1.254 million to \$11.617 million at the close of the year.

In addition to operating activities which contributed net cash of \$4.351 million were the proceeds from the sale of assets (\$136,000) and repayments from deferred debtors (\$12,000). Cash outflows other than operating activities were used to repay loans and finance leases (\$459,000) and to purchase and construct assets (\$2.786 million).

4. RECEIVABLES

4.1 Rates & Annual Charges (excluding interest & extra charges)

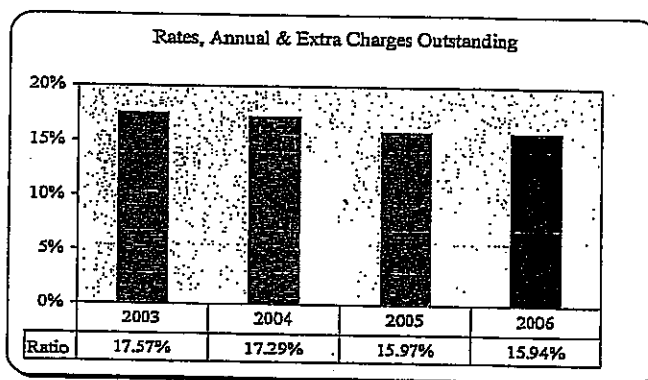
Net rates and annual charges levied during the year totalled \$5.296 million and represented 26.68% of Council's total revenues.



Including arrears, the total rates and annual charges collectible was \$6.149 million of which \$5.250 million (85.38%) was collected.

4.2 Rates, Annual & Extra Charges

After providing for doubtful debts (\$595,000), arrears of rates, annual & extra charges stood at \$1.022 million at the end of the year & represented 15.94% of those receivables.



4.3 Other Receivables -Receivables (other than rates, annual & extra charges) totalled \$2.577 million. Those considered to be uncertain of collection have been provided for as doubtful debts and this provision amounted to \$169,000 as shown below.

	Owing \$000	Doubtful Debt Provision \$000	Net \$000
Deferred Payment (Loans)			
- Sporting & Community Activities	403	-	403
- Commercial Activities	103	103	-
	506	103	403
Grants & Subsidies	1,613	-	1,613
Interest on Investments	148	-	148
User Fees & Charges	225	66	159
Miscellaneous	85	-	85
	\$ 2,577	\$ 169	\$ 2,408

5. PAYABLES

Employees Leave Entitlements

Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$1.272 million.

A cash reserve of \$400,000 was held at year end representing 31.45% of this liability and was, in our opinion, sufficient to enable Council to meet unbudgeted and unanticipated retirements.



SPENCER STEER
CHARTERED ACCOUNTANTS

6. CONCLUSION

We wish to record our appreciation to your General Manager and his staff for their ready co-operation and the courtesies extended to us during the conduct of the audit.

Yours faithfully,

SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner



SPENCER STEER
CHARTERED ACCOUNTANTS

WALGETT SHIRE COUNCIL
GENERAL PURPOSE FINANCIAL REPORT
INDEPENDENT AUDITORS' REPORT

SCOPE

We have audited the *general purpose financial report* of Walgett Shire Council for the year ended 30 June 2006, comprising the Statement by Councillors and Management, Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying Notes to the Financial Statements. The financial statements include the consolidated accounts of the economic entity comprising the Council and the entities it controlled at the year's end or from time to time during the year. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council. In respect of the original budget figures disclosed in the Income Statement, Cash Flow Statement and Note 2(a), we have not examined the underlying basis of their preparation. Similarly, we have not examined the variations from the adopted budget disclosed in Note 16 and therefore express no opinion on them.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements under the Local Government Act 1993 so as to present a view which is consistent with our understanding of the Council's and the economic entity's financial position, the result of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion,

- (a) the accounting records of the Council have been kept in accordance with the requirements of Division 2 of Part 3 of the Local Government Act, 1993;
- (b) the general purpose financial report
 - (i) has been prepared in accordance with the requirements of Division 2 of Part 3 of the Local Government Act, 1993;
 - (ii) is consistent with the Council's accounting records; and
 - (iii) presents fairly the Council's financial position and the results of its operations
- (c) we have been able to obtain all the information relevant to the conduct of our audit; and
- (d) there were no material deficiencies in the accounting records or financial reports.

SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner

Dated at Sydney this 31st day of October 2006

WALGETT SHIRE COUNCIL
Special Purpose Financial Reports
for the year ended 30th June 2006

TABLE OF CONTENTS

	<u>Page</u>
SPECIAL PURPOSE FINANCIAL REPORTS	
Council Certificate	P1
Statement of Financial Performance	
Water Supply Business Activity	P2
Sewerage Business Activity	P3
Other Business Activities	P4
Statement of Financial Position	
Water Supply Business Activity	P5
Sewerage Business Activity	P6
Other Business Activities	P7
Notes to, and forming part of, the Special Purpose Financial Statements	
Note 1 - Significant Accounting Policies	P8 - P11
Note 2 - Best Practice Management Disclosures - Water Supply	P12
Note 3 - Best Practice Management Disclosures -Sewerage	P13
Auditors Report	

WALGETT SHIRE COUNCIL

SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2006

STATEMENT BY COUNCILLORS AND MANAGEMENT MADE PURSUANT TO THE LOCAL GOVERNMENT CODE OF ACCOUNTING PRACTICE AND FINANCIAL REPORTING

The attached special purpose Financial Statements have been drawn up in accordance with the Local Government Code of Accounting Practice and Financial Reporting and the

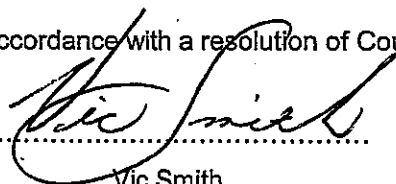
- NSW Government Policy Statement "*Application of National Competition Policy to Local Government*"
- Department of Local Government guidelines "*Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality*".
- The Department of Energy, Utilities and Sustainability "*Best Practice Management of Water Supply and Sewerage*" guidelines.

To the best of our knowledge and belief, these reports

- Present fairly the financial position and operating result for each of Council's declared Business Units for the year, and
- Accord with Council's accounting and other records

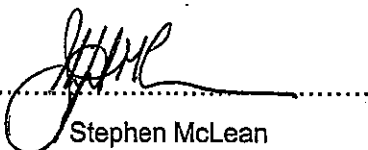
We are not aware of any matter that would render the reports false or misleading in any way.

Signed in accordance with a resolution of Council made on 21st September 2006.



Vic Smith

ADMINISTRATOR



Stephen McLean

GENERAL MANAGER



Emma Darcy

RESPONSIBLE ACCOUNTING OFFICER

WALGETT SHIRE COUNCIL
INCOME STATEMENT
WATER SUPPLY BUSINESS ACTIVITY
for the year ended 30th June 2006

2004 '000	2005 '000		Notes	2006 '000
		REVENUE FROM CONTINUING OPERATIONS		
930	938	Access Charges	A4	949
125	138	User Charges	A4	138
108	163	Interest Received	A4	165
12	12	Grants & Contributions - Operating	A4	11
30	1	Other Operating Revenues	A4	
<u>1,205</u>	<u>1,252</u>	TOTAL		<u>1,402</u>
		EXPENSES FROM CONTINUING OPERATIONS		
224	265	Employee Costs	A3	474
435	472	Materials & Contracts	A3	614
15	14	Borrowing Costs	A3	12
454	472	Depreciation & Amortisation	A3	475
-	10	Water Purchase Charges		10
116	105	Other Operating Expenses	A3	-
<u>1,244</u>	<u>1,338</u>	TOTAL		<u>1,585</u>
(39)	(86)	CONTINUING OPERATIONS RESULT BEFORE CAPITAL AMOUNTS		(183)
85	-	Grants & Contributions - Capital	A4	67
<u>46</u>	<u>(86)</u>	RESULT FROM CONTINUING OPERATIONS		<u>(116)</u>
46	(86)	Discontinued Operations		
		SURPLUS (DEFICIT) BEFORE TAX		(116)
-	-	Corporate Taxation Equivalent	1	-
<u>46</u>	<u>(86)</u>	SURPLUS (DEFICIT) FOR YEAR		<u>(116)</u>
9,434	9,480	Add: Accumulated Surplus brought forward		9,394
-		<i>Adjustments for amounts unpaid</i>		
		NCP Tax Equivalents retained	1	
		Debt Guarantee Fee retained	1	
		Corporate Tax Equivalent retained	1	-
		Less: Dividends Paid	1	
<u>9,480</u>	<u>9,394</u>	ACCUMULATED SURPLUS		<u>9,278</u>
		RATE OF RETURN ON CAPITAL	1	NIL
	N/A	NOTIONAL SUBSIDY FROM COUNCIL	1	N/A
		<i>Calculation of Dividend Payable during next financial year</i>		
46	-86	Surplus after tax		-116
<u>46</u>	<u>97</u>	Less: Capital grants & contribs from LWUs		<u>78</u>
	<u>0</u>	Surplus for dividend calculation purposes		<u>0</u>
23	0	Dividend calculated from surplus		0

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

WALGETT SHIRE COUNCIL

INCOME STATEMENT
SEWERAGE BUSINESS ACTIVITY
for the year ended 30th June 2006

2004 '000	2005 '000		Notes	2006 '000
		REVENUE FROM CONTINUING OPERATIONS		
457	462	Access Charges	A4	486
42	42	User Charges	A4	40
14	61	Interest Received	A4	77
11	11	Grants & Contributions - Operating	A4	11
32	-	Gain on Disposal of Assets	A5	-
<u>556</u>	<u>576</u>	TOTAL		<u>619</u>
		EXPENSES FROM CONTINUING OPERATIONS		
118	95	Employee Costs	A3	128
172	152	Materials & Contracts	A3	166
10	7	Borrowing Costs	A3	8
343	341	Depreciation & Amortisation	A3	341
34	24	Loss on Disposal of Assets	A5	-
<u>677</u>	<u>619</u>	TOTAL		<u>643</u>
(121)	(43)	CONTINUING OPERATIONS RESULT BEFORE CAPITAL AMOUNTS		(24)
-	-	Grants & Contributions - Capital	A4	-
<u>(121)</u>	<u>(43)</u>	RESULT FROM CONTINUING OPERATIONS		<u>(24)</u>
-	-	Discontinued Operations		-
<u>(121)</u>	<u>(43)</u>	SURPLUS (DEFICIT) BEFORE TAX		<u>(24)</u>
-	-	Corporate Taxation Equivalent	1	-
<u>(121)</u>	<u>(43)</u>	SURPLUS (DEFICIT) FOR YEAR		<u>(24)</u>
6,141	6,020	Add: Accumulated Profits brought forward		5,977
		<i>Adjustments for amounts unpaid</i>		
		NCP Tax Equivalents retained	1	-
		Debt Guarantee Fee retained		-
		Corporate Tax Equivalent retained		-
		Less: Dividends Paid	1	-
<u>6,020</u>	<u>5,977</u>	ACCUMULATED SURPLUS		<u>5,953</u>
		RATE OF RETURN ON CAPITAL	1	NIL
	N/A	NOTIONAL SUBSIDY FROM COUNCIL	1	N/A
		<i>Calculation of Dividend Payable during next financial year</i>		
-121	-43	Surplus after tax		-24
<u>0</u>	<u>0</u>	Less: Capital grants & contribs from LWUs		<u>11</u>
		Surplus for dividend calculation purposes		<u>0</u>
0	0	Dividend calculated from surplus		0

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

WALGETT SHIRE COUNCIL

INCOME STATEMENT BY BUSINESS ACTIVITIES
for the year ended 30th June 2006

	Water Supplies '000		Sewerage '000		'000		'000		'000		'000	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
REVENUE FROM CONTINUING OPERATIONS												
Rates & Annual Charges	1,087	1,076	526	504								
User Charges & Fees	165	163	77	61								
Interest Received	11	12	11	11								
Grants & Contributions - Operating												
Gain on Disposal of Assets		1										
Other Operating Revenues	1,263	1,252	614	576								
TOTAL												
EXPENSES FROM CONTINUING OPERATIONS												
Employee Costs	326	265	168	95								
Materials & Contracts	465	472	109	152								
Borrowing Costs	12	14	8	7								
Depreciation & Amortisation	475	472	341	341								
Other Operating Expenses	308	115	20	24								
Loss on Disposal of Assets												
NCP Imputation Payments	1,586	1,338	646	619								
TOTAL												
CONTINUING OPERATIONS RESULT BEFORE CAPITAL AMOUNTS	(323)	(86)	(32)	(43)								
Grants & Contributions - Capital	67											
RESULT FROM ORDINARY ACTIVITIES	(256)	(86)	(32)	(43)								
Discontinued Operations												
SURPLUS (DEFICIT) BEFORE TAX	(256)	(86)	(32)	(43)								
Corporate Taxation Equivalent												
SURPLUS (DEFICIT) FOR YEAR	(256)	(86)	(32)	(43)								
Add: Accumulated Profits brought forward	9,394	9,480	5,977	6,020								
NCP Imputation Payments retained												
Less: Dividends Paid - TER												
Surplus Dividend												
ACCUMULATED SURPLUS	9,138	9,394	5,945	5,977								
RATE OF RETURN ON CAPITAL	NIL	NIL	NIL	NIL								
NOTIONAL SUBSIDY FROM COUNCIL	N/A	N/A	N/A	N/A								

Notes

A4

A4

A4

A4

A4

A5

A4

A3

A3

A3

A3

A3

A5

2

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

WALGETT SHIRE COUNCIL

STATEMENT OF FINANCIAL POSITION WATER SUPPLY BUSINESS ACTIVITY for the year ended 30th June 2006

2005 '000		Notes	2006 '000
	CURRENT ASSETS		
	Cash & cash equivalents	A6	2,608
	Investments	A6	
161	Receivables	A7	213
	Inventories	A8	
	Other	A8	
	Non-current assets held for sale		
<u>161</u>	TOTAL CURRENT ASSETS		<u>2,821</u>
	NON-CURRENT ASSETS		
2,512	Cash Assets	A6	
295	Receivables	A7	315
	Inventories	A8	
6,651	Infrastructure, Property, Plant & Equipment	A9	6,335
	Investment Property		
	Other	A8	
<u>9,458</u>	TOTAL NON-CURRENT ASSETS		<u>6,650</u>
<u>9,619</u>	TOTAL ASSETS		<u>9,471</u>
	CURRENT LIABILITIES		
1	Payables	A10	
31	Interest bearing liabilities	A10	33
	Provisions	A10	
<u>32</u>	TOTAL CURRENT LIABILITIES		<u>33</u>
	NON-CURRENT LIABILITIES		
	Payables	A10	
193	Interest bearing liabilities	A10	160
	Provisions	A10	
<u>193</u>	TOTAL NON CURRENT LIABILITIES		<u>160</u>
<u>225</u>	TOTAL LIABILITIES		<u>193</u>
<u>9,394</u>	NET ASSETS	\$	<u>9,278</u>
	EQUITY		
9,394	Accumulated Surplus		9,278
	Asset Revaluation Reserve		
<u>9,394</u>	TOTAL EQUITY	\$	<u>9,278</u>

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

WALGETT SHIRE COUNCIL

BALANCE SHEET SEWERAGE BUSINESS ACTIVITY for the year ended 30th June 2006

2005 '000		Notes	2006 '000
	CURRENT ASSETS		
	Cash & cash equivalents	A6	1,189
	Investments	A6	
78	Receivables	A7	161
	Inventories	A8	
	Other	A8	
	Non-current assets held for sale		
<u>78</u>	TOTAL CURRENT ASSETS		<u>1,350</u>
	NON-CURRENT ASSETS		
927	Cash Assets	A6	
143	Receivables	A7	80
	Inventories	A8	
4,963	Infrastructure, Property, Plant & Equipment	A9	4,627
	Investment Property		
	Other	A8	
<u>6,033</u>	TOTAL NON-CURRENT ASSETS		<u>4,707</u>
<u>6,111</u>	TOTAL ASSETS		<u>6,057</u>
	CURRENT LIABILITIES		
	Payables	A10	1
31	Interest bearing liabilities	A10	33
	Provisions	A10	
<u>31</u>	TOTAL CURRENT LIABILITIES		<u>34</u>
	NON-CURRENT LIABILITIES		
	Payables	A10	
103	Interest bearing liabilities	A10	70
	Provisions	A10	
<u>103</u>	TOTAL NON CURRENT LIABILITIES		<u>70</u>
<u>134</u>	TOTAL LIABILITIES		<u>104</u>
<u>5,977</u>	NET ASSETS		<u>\$ 5,953</u>
	EQUITY		
5,977	Accumulated Surplus		5,953
	Asset Revaluation Reserve		
<u>5,977</u>	TOTAL EQUITY		<u>\$ 5,953</u>

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

WALGETT SHIRE COUNCIL

STATEMENT OF FINANCIAL POSITION by BUSINESS ACTIVITIES
for the year ended 30th June 2006

	Notes	BUSINESS ACTIVITIES														
		Water Supplies		Sewerage		2006		2005		2006		2005		2006		2005
		'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
CURRENT ASSETS																
Cash & cash equivalents	A6															
Investments	A6															
Receivables	A7	528	161		241	78										
Inventories	A8															
Other	A8	528	161	241	78											
TOTAL CURRENT ASSETS																
NON-CURRENT ASSETS																
Cash Assets	A6		2,512			927										
Receivables	A7		295			143										
Inventories	A8															
Property, Plant & Equipment	A9	6,335	6,651	4,627	4,963											
Equity accounted investments	A19															
Investment Property																
Other	A8	2,469	1,184	1,184												
TOTAL NON-CURRENT ASSETS																
TOTAL ASSETS																
		8,804	9,458	5,811	6,033											
		9,332	9,619	6,052	6,111											
CURRENT LIABILITIES																
Payables	A10		1	1												
Interest bearing liabilities	A10		31	31												
Provisions	A10															
TOTAL CURRENT LIABILITIES																
NON-CURRENT LIABILITIES																
Payables	A10	193	193	103	103											
Interest bearing liabilities	A10															
Provisions	A10															
TOTAL NON CURRENT LIABILITIES																
NET ASSETS																
		193	193	103	103											
		193	225	104	134											
		9,139	9,394	5,948	5,977											
EQUITY																
Accumulated Surplus																
Asset Revaluation Reserve																
TOTAL EQUITY																
		9,139	9,394	5,948	5,977											
		9,139	9,394	5,948	5,977											

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

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORTS

for the year ended 30 June 2006

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

1. **The Special Purpose Financial Reports**

These financial statements are a Special Purpose Financial Report prepared for use by the Council, the Department of Local Government, and the Department of Energy, Utilities and Sustainability. They have been prepared to report the results of business units determined by Council in accordance with the requirements of National Competition Policy guidelines, and the specific requirements relating to Best Practice Management of water and sewer business units.

In preparing these reports, each business unit has been viewed as a separate unit, and accordingly transactions between different business units, and between business units and other Council operations, have not been eliminated.

2. **Basis of Accounting**

2.1 **Compliance**

The financial reports comply with the Local Government Code of Accounting Practice and Financial Reporting and the Local Government Asset Accounting Manual, and with the principles of the June 1996 NSW Government Policy Statement *"Application of National Competition Policy to Local Government"*, the Department of Local Government's July 1997 guidelines *"Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality"* and the Department of Energy, Utilities and Sustainability's May 2004 guidelines *"Best-Practice Management of Water Supply and Sewerage"*.

Except where directed to the contrary by the above documents, the financial report also complies with all applicable Australian Accounting Standards and professional pronouncements, and is based on information consistent with that forming the basis of Council's general purpose Annual Financial Statements for the year.

2.2 **Basis**

The financial report has been prepared on the accrual basis of accounting and, except where specifically indicated in these Notes or in the Notes to the general purpose Annual Financial Statements, in accordance with the historical cost convention.

3. **National Competition Policy**

In accordance with the framework set out in the June 1996 NSW Government Policy Statement *"Application of National Competition Policy to Local Government"* and other guidelines and documentation in relation to this matter, Council has declared that the following are to be considered as Business Units:

Walgett Shire Council Combined Water Supplies

Comprising the whole of the operations and assets of the water supply systems servicing the towns of Walgett, Lightning Ridge and Collarenebri, each of which are established as separate Special Rate Funds (see item 4 below). As the total annual operating revenues exceed \$2,000,000, it is defined as a "Category 1" Business Unit.

Walgett Shire Council Sewerage Service

Comprising the whole of the operations and assets of the sewerage reticulation and treatment system servicing the towns of Walgett, Lightning Ridge and Collarenebri which is established as a Special Rate Fund (see item 4 below). As the total annual operating revenues are less than \$2,000,000, it is defined as a "Category 2" Business Unit.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

Note 1 - Significant Accounting Policies (cont)

The Department of Local Government's July 1997 guidelines "*Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality*" outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, council subsidies, rate of return on investments in business units and dividends paid. The Department of Energy, Utilities and Sustainability's May 2004 guidelines "*Best-Practice Management of Water Supply and Sewerage*" include specific requirements relating to the calculation and payment of "dividends" by water supply and sewerage business units.

3.1 Taxation Equivalent Payments

Council does not pay certain taxes and duties that are paid by equivalent private sector operations, but is liable for others. The Special Purpose Financial Reports disclose the effect of imputing these taxes to the declared business units at the several rates that would have applied to equivalent private sector operations. From 30 June 2004 the Department of Energy, Utilities and Sustainability's May 2004 guidelines "*Best-Practice Management of Water Supply and Sewerage*" require that imputed amounts be paid into the general funds of the Council where it may be applied for any permitted purpose of the Local Government Act 1993 (as amended).

Details of the rates of each tax or duty applicable to each different business unit are set out in the table forming item 7 of this Note. The narration "applies" indicates that the tax or duty has in fact been paid to the taxing authority by the Business Unit, and that these costs have been included in actual Operating Expenses, and the narration "various" indicates that Council has based the calculation of imputed tax on the differing rates of tax or duty applicable to different purchases.

3.2 Council Rates, Charges & Fees

Council rates have been *imputed* in relation to all non-rateable land, and *applied* in relation to all rateable land, owned or exclusively used by all business units. Annual and User Charges, and Regulatory and Other Fees, have been *applied* in relation to all services supplied to business units by Council or other business units.

3.3 Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that Council's business units face equivalent commercial borrowing costs to private sector competitors. In order to calculate the debt guarantee fees, Council has determined the average differential between actual and commercial borrowing rates for each business unit.

3.4 Corporate Taxation Equivalent

In accordance with the Code of Local Government Accounting Practice and Financial Reporting, income taxation has been calculated on the Operating Result before Capital Amounts disclosed in the Statements of Financial Performance of the Special Purpose Financial Reports. No allowance has been made for non-deductible items, timing differences or carried forward losses. Australian Accounting Standard AASB 112 "Income Taxes" has not been applied.

3.5 Dividends Paid

In accordance with National Competition Policy guidelines, it is expected that business units will pay dividends to its owner, Council, equivalent to those paid by private sector competitors. In accordance with the Code of Local Government Accounting Practice and Financial Reporting, the rate of dividend paid has been expressed as a percentage of the Change in Net Assets Resulting from Operations after Taxation.

Council is permitted, but not required, to pay a dividend to the general funds of the Council from surpluses generated by water supply and sewerage operations. The maximum amount of such dividend permitted under the "*Best-Practice Management of Water Supply and Sewerage*" guidelines is set out at the foot of the relevant Statements of Financial Performance. Actual payment of the dividend is subject to compliance with the procedures set out in the guidelines.

3.6 Return on Investment (Rate of Return)

The Policy statement states that Category 1 businesses "would be expected to generate a rate of return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field." In accordance with the Code of Accounting Practice, the rate of return on monopoly businesses such as water and sewerage services has been set at an amount sufficient to cover costs and replace assets needed to maintain services. For competitive markets, the rate of return has been set equal to or better than the return on Commonwealth 10 year bonds.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

Note 1 - Significant Accounting Policies (cont)

In accordance with the Code of Accounting Practice, the rate of return has been calculated as the Operating Result before Capital Amounts plus Interest Expense expressed as a percentage of the carrying value of Property, Plant & Equipment at the reporting date.

3.7 Notional Subsidy from Council

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis, or accepts a lower rate of return on its investment in the business unit than would be acceptable to a private sector competitor.

In accordance with the Code of Accounting Practice, this amount has been calculated as the dollar difference between the required and actual rates of return.

4. Special Rate Funds

The Local Government Act 1993 (as amended) requires that moneys raised by way of Special Rates (or for Domestic Waste Management) be used only for those purposes, except for "dividends" payable in accordance with the *"Best-Practice Management of Water Supply and Sewerage"* guidelines, which also impose limits on the amounts payable. Accordingly, *imputed* amounts in excess of the permitted limits have been retained in those funds, and added back to Accumulated Surplus.

For Business Units not involving Special Rate Funds, *imputed* amounts have been transferred to Council's General Fund and are available to Council for utilisation for other purposes.

All such amounts have been eliminated in the course of preparation of the Council's general purpose Annual Financial Statements.

5. Other Accounting Policies and Notes

Other accounting policies relating to the determination of revenues and expenses, and assets and liabilities, not specifically referred to above are reported in Note 1 to the Council's Annual Financial Statements, and should be read in conjunction with this Note. Note references in the Statements of Financial Performance of Business Activities and the Statement of Financial Position of Business Activities that are prefixed "A" refer to the Notes to the Annual Financial Statements.

6. Rounding

In accordance with the Code of Accounting Practice all amounts shown in these statements are in Australian currency and, other than Notes 2 & 3, have been rounded to the nearest thousand dollars, amounts in Notes 2 & 3 are shown in whole dollars to meet the requirements of the Department of Energy, Utilities and Sustainability.

7. National Competition Policy Notional Payments

The table forming part of this Note immediately follows.

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORTS

NOTE 1 Table - NATIONAL COMPETITION POLICY NOTIONAL PAYMENTS
for the year ended 30th June 2006

WATER		SEWER		Water Supplies		Sewerage		2005		2006		2005		2006	
2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005

Category

TAXATION EQUIVALENT PAYMENTS

Land Tax
Stamp Duty
Payroll Tax
Fringe Benefits Tax

Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies

COUNCIL RATES, CHARGES & FEES

See Note 1, Item 3.2

LOAN & DEBT GUARANTEE FEES

3.00%	3.00%	3.00%	3.00%											
-------	-------	-------	-------	--	--	--	--	--	--	--	--	--	--	--

CORPORATE TAXATION EQUIVALENT

30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

DIVIDENDS PAID

N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

RATE OF RETURN ON CAPITAL

Required Rate of Return
Actual Rate of Return

NIL	0.00%	NIL	0.00%	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
-----	-------	-----	-------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

WALGETT SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE STATEMENTS
for the year ended 30th June 2006

Note 2 - BEST PRACTICE MANAGEMENT DISCLOSURES - WATER SUPPLY

	2006 \$
<i>Values shown in this Note are expressed in WHOLE DOLLARS</i>	
Calculation and Payment of Tax-Equivalents	
(i) Calculated Tax Equivalents	0
(ii) No of assessments multiplied by \$3/assessment	5,229
(iii) Amounts payable for Tax Equivalents (lesser of (i) and (ii))	0
Dividend from Surplus	
(i) 50% of Surplus before Dividends <i>(Calculated in accordance with Best Practice Management for Water Supply and Sewerage guidelines.)</i>	
(ii) No of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	52,290
(iii) Cumulative Surplus before Dividends for 3 years to 30 June 2006, less cumulative dividends paid for 2 years to 30 June 2005	
(iv) Maximum Dividend from Surplus (least of (i), (ii) and (iii))	52,290
(v) Dividend paid from Surplus	0
Required Outcomes for 6 Criteria	
(i) Completion of Strategic Business Plan (including Financial Plan)	
(ii) Pricing with full cost-recovery, without significant cross subsidies (Item 2(a) in Table 1 on page 18 of Best practice guidelines)	
Complying charges	
(a) Residential (Item 2(b) in Table 1)	
(b) Residential revenue from Usage Charges at least 50% in 2006/07, 60% in 2007/08, 75% in 2008/09	
(c) Non-Residential (Item 2(b) in Table 1)	
DSP with Commercial Developer Charges (Item 2(e) in Table 1)	
(iii) Complete Performance Reporting Form by 31 October each year	
(iv) Sound Demand Management implemented	
(v) Sound Drought Management implemented (by June 2006)	
(vi) Integrated Water Cycle Management Strategy (by June 2006)	



SPENCER STEER
CHARTERED ACCOUNTANTS

WALGETT SHIRE COUNCIL
SPECIAL PURPOSE FINANCIAL REPORT
INDEPENDENT AUDITORS' REPORT

SCOPE

We have audited the *special purpose financial report* of Walgett Shire Council for the year ended 30 June 2006, comprising the Statement by Councillors and Management, Income Statement of Business Activities, Balance Sheet of Business Activities, and accompanying Notes to the Financial Statements. The financial statements include the accounts of the declared business activities of the Council. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council.

The special purpose financial report has been prepared for distribution to the Council and the Department of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Department of Local Government or for any purpose other than for which the report was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and the Local Government Code of Accounting Practice and Financial Reporting so as to present a view which is consistent with our understanding of the business activities of the Council and their financial position and the result of their operations.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the special purpose financial report of the Council is presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

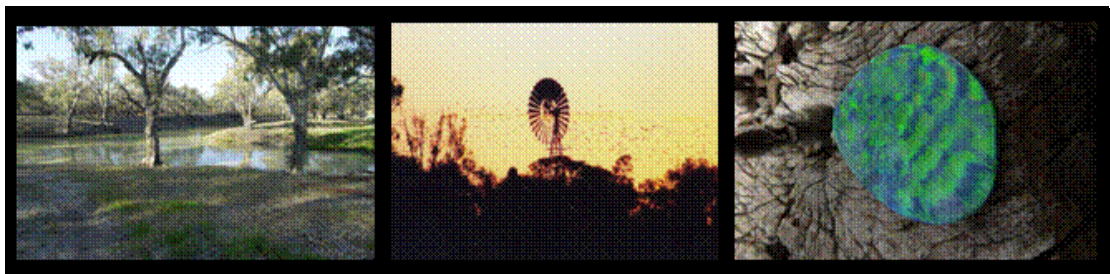
SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner

Dated at Sydney this 31st day of October 2006

APPENDIX 'B'

Statement of Performance



OUTPUTS, MEASURES AND TARGETS

Outputs, measures and targets specify what we want to deliver over the period ahead, how we propose to achieve these outcomes and when we will know that we have achieved our target. The specific outputs, measures and targets are set by individual managers as part of their departmental operational business plans, designed to assist in achieving the following broad objectives set by Council: -

- **Planning for a better future**
- **Providing strong leadership and advocacy**
- **Delivering community focused services**
- **Working together to improve our environment**
- **Managing our resources and assets**
- **Promoting our plans and achievements**

OUTPUTS, MEASURES AND TARGETS

Objective A – Planning for a better future

No	Mission Aim	2005/2006	Progress	Responsible Manager
1	To develop a Local Environmental Plan and bring Walgett Shire's local planning arrangements in line with current standards.	a) Develop a land use strategy b) Develop a Local Environmental Plan.	Draft Land Use strategy has been prepared and is awaiting endorsement by the Department of Planning prior to public release. Draft Local Environmental Plan cannot be prepared until the draft land use strategy has been endorsed.	Manager Planning and Regulations
2	To develop and improve the aesthetic physical characteristics of the Shire.	Develop an organisation culture to ensure all work undertaken by staff is done with pride, care and commitment.	Council has been an active participant in community activities. Council has provided for annual Section 356 Donations to Community organisations in the 2005/2006 Budget. Asset Reserves (restricted funds) have been set aside to ensure that assets can be maintained. Maintenance in Council assets is performed on a needs basis.	General Manager
3	Consult with the Community and wider regional Council's to ensure ongoing well planned and appropriate road network development.	Council to prepare a new five year Strategic Road Plan for the period 2005/2010.	5 year plan adopted at the March 2006 meeting.	Manager Engineering
4	We will be actively involved in developing strategic vision of the Shire through informed staff involvement.	a) Identify and provide training. b) Staff appraisals to include reference to actions required to achieve training and multi skill objectives.	All staff appraised and training forecast developed. A training calendar will be an ongoing project.	Manager Corporate Services

OUTPUTS, MEASURES AND TARGETS

Objective B – Providing Strong Leadership and Advocacy

No	Mission Aim	2005/2006	Progress	Responsible Manager
1	We will monitor community opinion of the appropriateness of our customer services.	Through an ongoing Customer Satisfaction survey, council will monitor community opinion of its Customer Service function. Using the following legend. 1 – Poor, 2 – Fair, 3 - Good 4 - Very Good, 5 - Excellent	133 Surveys returned by clients for average score of 3.5 across categories. Continuing improvement.	Manager Corporate Services
2	Assess and determine statutory applications for building and planning matters promptly and professionally.	a) Process Complying Developmental Applications. b) Process Construction Certificate and Development Applications.	Targets have been met throughout the financial year.	Manager Planning and Regulations
3	Support the development of active and creative community members, working in partnership with community, business and Government.	Actively support, develop Community Services and strategies which address existing and emerging needs.	Community consulted in developing the Social/Community, Equity and Access and Tourism Plans.	Manager Corporate Services
4	We will promote and encourage an active, more vibrant and better-informed Walgett Shire community, it's initiatives and needs.	We will identify major infrastructure/environmental projects and seek funding assistance wherever possible to progress these initiatives.	Community consulted in developing the Social/Community, Equity and Access and Tourism Plans. Council successful as an applicant in 'Principles of Multiculturalism' pilot project. Council endeavours to identify available funding initiatives and track applications.	Manager Corporate Services

OUTPUTS, MEASURES AND TARGETS

No	Mission Aim	2005/2006	Progress	Responsible Manager
5	We will be a good employer and provide leadership through a safe and productive workplace.	a) Develop an organisational culture, which acknowledges dedication and innovation. b) Staff and Elected Members to be encouraged to self/accept nomination for training which develops innovation, creativity and lateral thought in addressing existing or new challenges.	Initiative being reviewed following extensive staff restructures. Staff appraisals are held on an annual basis. Staff monthly Newsletter and Employee of the Month Awards have been implemented since July 2005.	Management Team
6	Enhance the quality of life. Support the provision of an appropriate range of community services, facilities and community infrastructure.	Ensure that all community infrastructures meet the community and regulatory objectives/needs of equality of access and availability.	Zero breaches reported. Council infrastructure constantly reviewed and reported condition in Schedule 7 of Annual Reports.	Manager Corporate Services

OUTPUTS, MEASURES AND TARGETS

Objective C – Delivering Community Focussed Services

No	Mission Aim	2005/2006	Progress	Responsible Manager
1	We will provide an efficient timely and user friendly response to client requests and concerns.	Council will maintain and improve its customer action request statistics.	Customer Action requests outstanding days is monitored. Outstanding Customer Action Requests are provided regularly to employees and managers for maintenance.	Manager Corporate Services
2	We will provide strong local and regional leadership.	Council will encourage greater involvement and participation in regional and state activities by its senior staff and Council representatives.	Council representatives have contributed as appropriate.	General Manager
3	We will ensure that Council's corporate planning needs and policy decisions meet the requirements and expectations of the community and comply with the legislative requirements.	Council will consult widely and communicate decisions effectively.	Monthly updates being performed with further works scheduled. Council will advise through press releases and information passed onto Precinct Committees and Working Parties. Website redesign has been completed, to be implemented August 2006. Locations have been identified for information displays throughout the Shire.	General Manager

OUTPUTS, MEASURES AND TARGETS

No	Mission Aim	2005/2006	Progress	Responsible Manager
4	We will ensure responsible and good governance.	<p>All ordinary meetings and special meetings of Council are appropriately advertised to the public.</p> <p>Walgett Shire Strategic Plan 2005/2009 is prepared and adopted.</p>	<p>Council is complying with the Local Government Act 1993 for advertising of meetings.</p> <p>Opportunities are provided to the public to address agenda items at monthly Council meetings.</p>	General Manager
5	Provide and maintain facilities throughout the Shire, which meet and exceed the standard expected by local and visitors alike.	Audit all facilities currently available in the Shire and assess future requirements.	Roads assessed and completed.	Manager Engineering
6	To provide companion animal management and control services.	<p>a) Take action to address emergency situations where dogs are attacking people or animals.</p> <p>b) Micro-chipping of companion animals.</p>	Targets met throughout the financial year.	Manager Regulations and Planning
7	Strengthen and maintain involvement in the delivery of services to the community through a transparent process of networking and partnerships.	<p>Support and promote a coordinated approach to planning of services with youth, families and service providers.</p> <p>Access child care options and opportunities for the provision of adequate child care for families in the Shire.</p>	<p>Community Liaison Officer assisting with the development of a Shire Youth Plan.</p> <p>As at 30 June 2006, there are currently three carers in place.</p> <p>Continuing support for the development of Community Based Long Day Care Centre in conjunction with Walgett Pre-School.</p>	General Manager

OUTPUTS, MEASURES AND TARGETS

No	Mission Aim	2005/2006	Progress	Responsible Manager
8	To maintain and progressively develop a network of roads and bridges to resemble community expectations commensurate with levels of available funding.	Review the five year road plan in consultation with Council and the Community.	Completed and adopted at March 2006 meeting.	Manager Engineering
9	We will be able to provide people better opportunities for involvement and consultation about our decisions, which may affect their lives.	Maintain and publish policies and procedures which promote confidence in the conduct of Council.	All policies continue to be reviewed. Policies will be presented to Council upon finalisation. All operational Procedures will be adopted by the General Manager.	Manager Corporate Services

OUTPUTS, MEASURES AND TARGETS

Objective D – Working together to improve our Environment

No	Mission Aim	2005/2006	Progress	Responsible Manager
1	We will lead our community in the minimisation of physical resources used in conducting our business.	We will reduce paper used in our photocopying machines.	New hardware implemented to further reduce Council's printing and paper requirements through improved technology.	Manager Corporate Service
2	To ensure that dilapidated premises and environmental health matters are addresses to minimise risks to the public.	Complaints will be promptly investigated.	Targets met throughout the financial year.	Manager Planning and Regulations
3	Minimise the risk of deteriorating environmental conditions.	a) Respond to pollution incidents. b) Prompt responsible on site sewerage management.	a) Target met. b) Target met.	Manager Planning and Regulations
4	To support individuals and groups taking initiatives to protect, restore enhance and conserve the environment of the area.	Respond and actively support or refer initiative from community to protect the environment.	Activities proceeding in due course.	Manager Corporate Service
5	Ensure that road and bridge works are undertaken in a manner consistent with our environmental obligations.	Regularly review operational methods and procedures to ensure compliance with all relevant State and Commonwealth Environmental Legislation.	This is done as new projects are commenced. There have been no recorded breaches and operational methods are reviewed as part of a more comprehensive overall review.	Manager Engineering
6	We will responsibly manage planning and environmental issues, while taking into account the needs of the community and we will update means of acquiring information for users.	Integration of GIS (Geographical Information System) into present corporate software package.	Target not met, awaiting data validation by GIS consultant company.	Manager Planning and Regulations

OUTPUTS, MEASURES AND TARGETS

Objective E – Managing our Resources and Assets

No	Mission Aim	2005/2006	Progress	Responsible Manager
1	We will provide a secure and compliant Records Management Regime.	Continue to implement an effective and operational 'Authority' based record keeping system, in keeping with its obligations under Australian Standards (ISO 15489 as amended). Audit of Records System completed by September 2005.	Computer system transferred to Managed Service Provider. Audit of Records System has been completed and is currently under review.	Manager Corporate Services
2	We will assess whether water supplied via Council's potable water supply systems is safe to drink.	Sampling of Council's potable water supply systems will be undertaken on a regular basis to verify compliance with Australian Drinking Water Guidelines	Target being met.	Manager Planning and Regulations
3	To monitor algal blooms within the Namoi and Barwon rivers.	Submit samples of river water from Collarenebri and Walgett to the Department of Infrastructure Planning and Natural Resources for analysis for algal content.	Target being met.	Manager Planning and Regulations
4	We will be prepared for emergencies.	Local Emergency Management Plan current and Local Emergency Management Committee meet regularly and conducts appropriate emergency exercises for preparedness.	Review completed and meetings conducted quarterly. Funding for ERM process unsuccessful and resubmitted.	General Manager acting as the Local Emergency Operations Officer (LEMO)

OUTPUTS, MEASURES AND TARGETS

No	Mission Aim	2005/2006	Progress	Responsible Manager
5	Social / Community Plan examines the needs of local community, including groups, helping to make sure Council services are responsive and accessible to residents as far as possible.	Consult with local community including groups and organisations to identify issues of disadvantage.	Council successful as an applicant in 'Principles of Multiculturalism' pilot project. Timeframe governed by DLG and CRC.	Manager Corporate Services
6	To professionally manage assets associated with Council's network of roads and bridges.	Undertaken an annual audit of roads and bridge assets and compare condition with previous audit.	The audit has not yet been undertaken due to staff limitations.	Manager Engineering
7	To actively pursue external funding opportunities relative to road and bridge infrastructure projects.	Prepare submissions for increased road funding for specific projects. Working particularly in association with community groups and neighbouring Councils.	Funding submissions have been prepared for the following: - <ol style="list-style-type: none"> 1. Burren Junction Bore Baths 2. Spider Brown Oval, Lightning Ridge 3. Carinda Road 4. Walgett Weir 	Manager Engineering

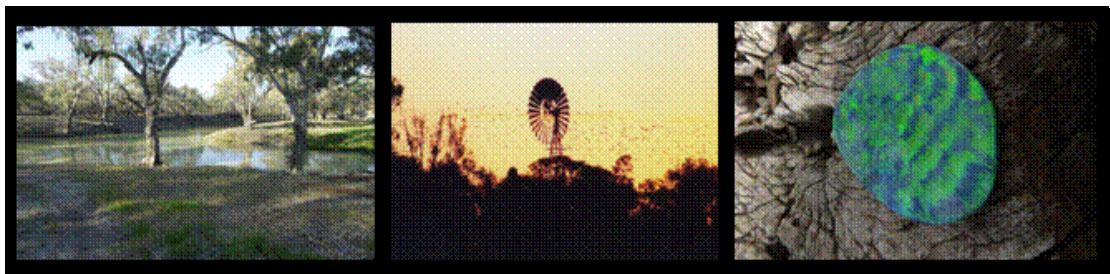
OUTPUTS, MEASURES AND TARGETS

Objective F – Promoting our Plans and Achievements

No	Mission Aim	2005/2006	Progress	Responsible Manager
1	We will network with other Council's and the State Government funding providers and other bodies to achieve major sustainable benefits for the Shire through Tourism and visitation programs.	<p>By 31 July 2005 to have completed a full review of the current Tourism Marketing Plan.</p> <p>Develop Tourism Plan in conjunction with Walgett District Tourist Association and Lightning Ridge Tourist Association by August 2006.</p>	Tourism Marketing Plan incorporated into Tourism Strategy. Strategy currently under development.	Manager Corporate Services

APPENDIX 'C'

State of Environment Report





SUPPLEMENTARY

STATE OF THE ENVIRONMENT REPORT

FOR THE YEAR 2005 – 2006

1	INTRODUCTION	3
2	WALGETT SHIRE - BACKGROUND	3
2.1	LAND TITLES	4
2.2	LANDFORM	5
2.3	CLIMATE	6
2.4	POPULATION	7
2.5	ECONOMIC	8
3	LAND	10
3.1	CLEARING	10
3.2	OPAL MINING	13
3.3	CONTAMINATED SITES	15
3.4	WEEDS - CYLINDROPUNTIA ROSEA	19
3.5	LAND USE PLANNING	22
4	AIR	23
4.1	PESTICIDE RESIDUE POND	23
5	WATER	25
5.1	URBAN WATER SUPPLIES	25
5.2	RIVERS – PESTICIDE RESIDUES	28
5.3	RIVERS – FLOW AND SALINITY	31
5.4	RIVERS – ALGAE	34
6	BIODIVERSITY	36
6.1	ENDANGERED ECOLOGICAL COMMUNITIES	36
7	WASTE	37
7.1	URBAN WASTE DISPOSAL	37
8	NOISE	38
8.1	DOMESTIC NOISE	38
9	ABORIGINAL AND NON-ABORIGINAL HERITAGE	39
10	MORE INFORMATION	41
11	APPENDIX A – LICENSED PREMISES	42
12	APPENDIX B – THREATENED SPECIES	43

1 INTRODUCTION

Under Clause 224 of the Local Government (General) Regulation 2005 Council is required to prepare a “supplementary” State of the Environment Report. Supplementary reports provide an update on existing issues, as well as outlining new ones that have arisen since the previous State of the Environment Report. Comprehensive State of the Environment Reports are required to be prepared in the “year ending after each election of the councillors for its area”.

This is a supplementary State of the Environment report.

Certain criteria for the preparation of the report are specified by clauses 218 to 226 of the regulation, including that the report must use a pressure, state and response model for addressing various issues associated with various environmental sectors.

2 WALGETT SHIRE - BACKGROUND

The Shire has a total area of 22,330 square kilometres and is located in north-western New South Wales as shown in Figure 1. Walgett Shire adjoins a number of other shires, and the state of Queensland (Figure 2).

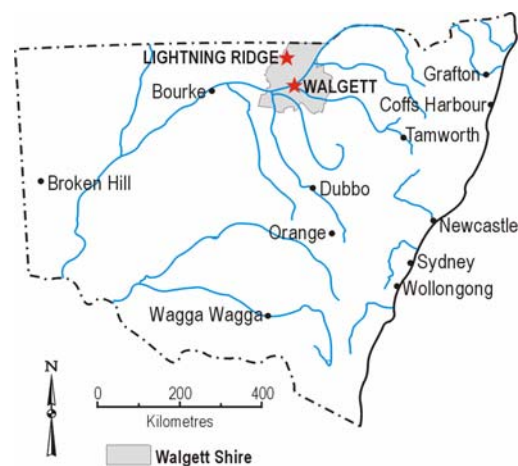


Figure 1 – Location of Walgett Shire in NSW.



Figure 2 – Adjoining shires.

2.1 LAND TITLES

Administratively Walgett Shire is separated into the Central Division (11,310 km²) and the Western Division (11,030 km²). The Barwon River separates the two divisions, as shown in Figure 3. Freehold land titles are dominant within the Central Division, while most of the Western Division consists of Crown Land held under Western Lands Leases.



Figure 3 – Western and Central Divisions.

There is about 4464 hectares of Nature Reserves and 13780 hectares of State Forest within the Shire as shown in Figure 4.

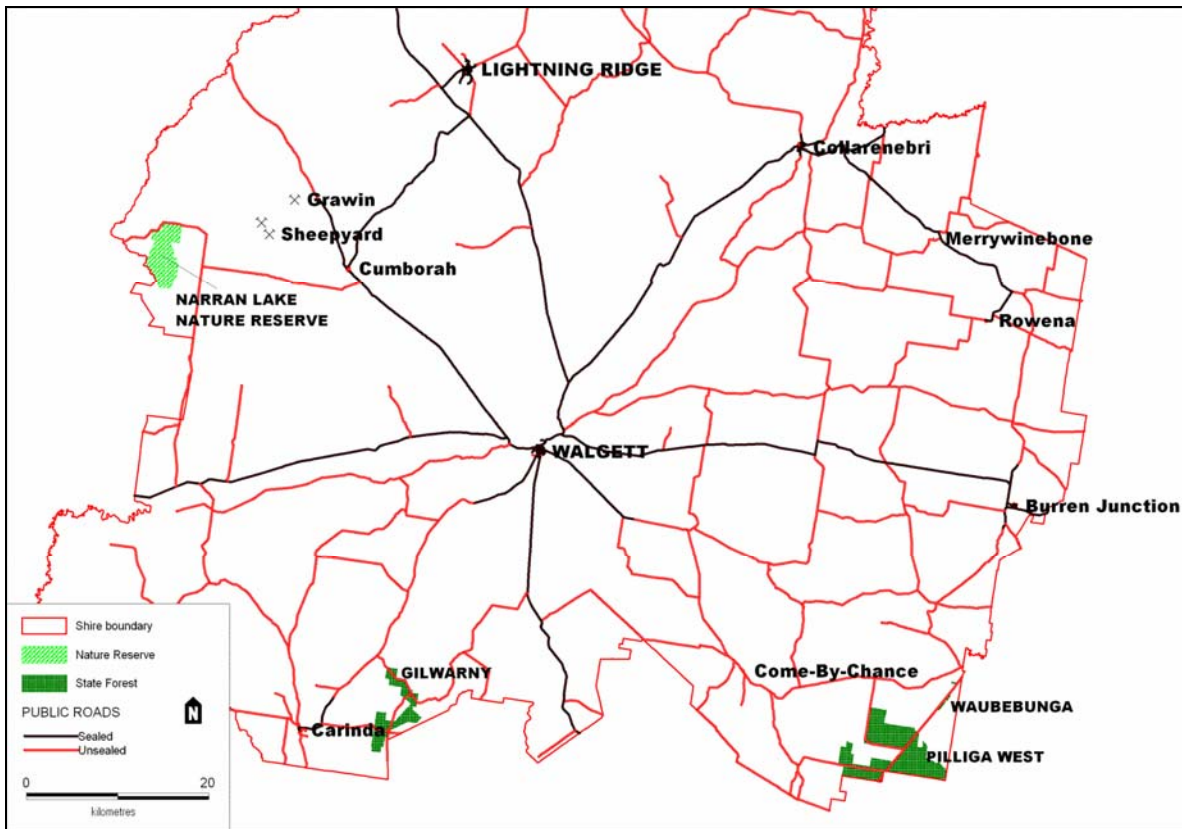


Figure 4 – Nature reserves and state forests within the Walgett Shire.

2.2 LANDFORM

A number of rivers pass through the Shire including the Barwon, Namoi, Macquarie, Castlereagh, Narran and Moonie rivers. The dominant landform is a floodplain, with an elevation between 120 and 145 m above sea level, that is composed of unconsolidated Quaternary alluvium.

In the northern portion of the shire there are a number of ridges composed of Tertiary and Cretaceous sedimentary rocks that reach a maximum elevation of about 160 m above sea level.

Both the floodplain and ridge landforms can be seen in Figure 5 which is an ‘image’ showing the relative levels of radiometric potassium detected from aerial surveys conducted by the NSW Department of Mineral Resources in the mid 1990s. Red and yellow coloured areas represent land that has comparatively elevated levels of radiometric potassium while green and purple

coloured areas have comparatively lower levels. The red and yellow areas are generally ridge landforms or major man made water storages.

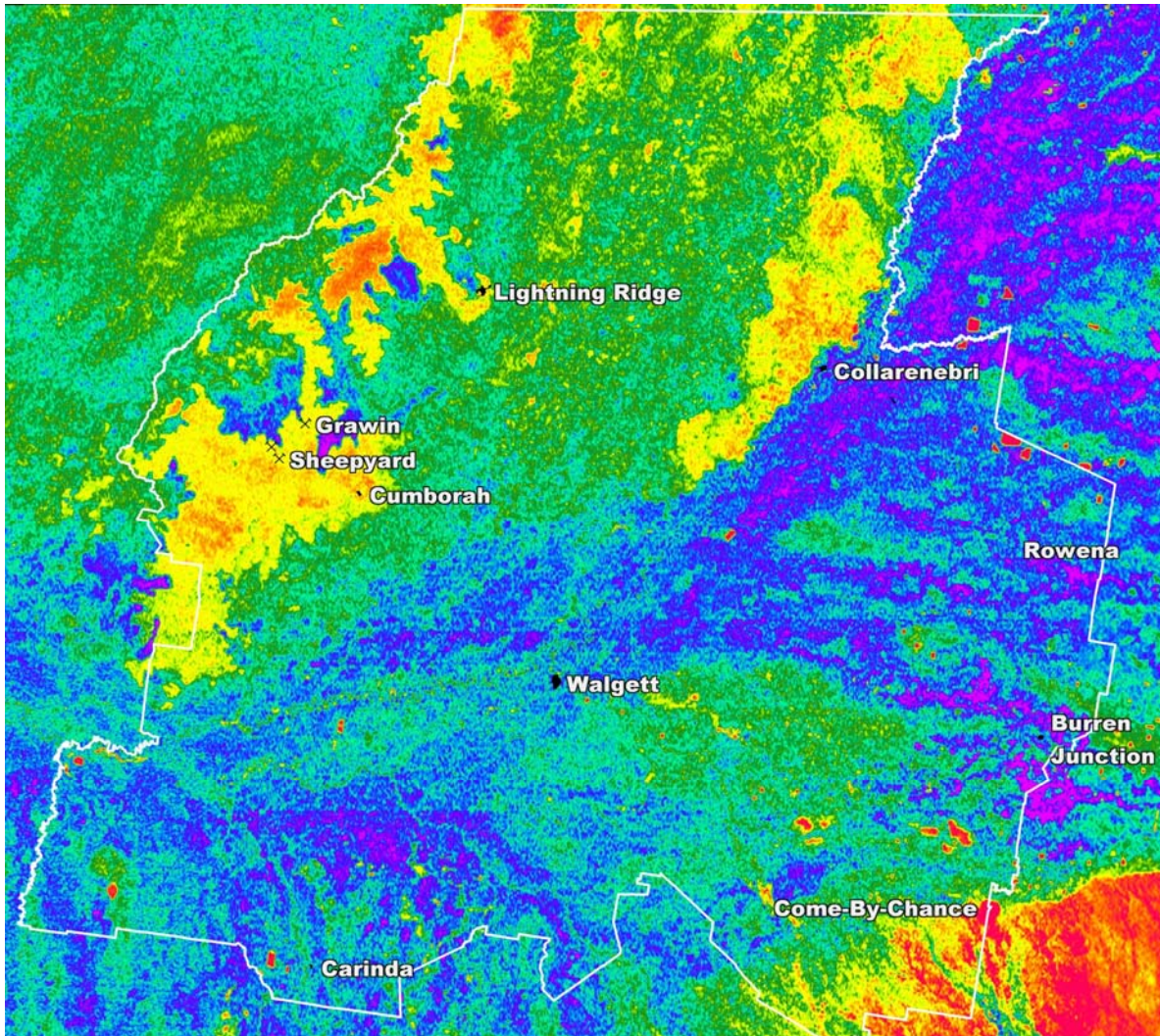


Figure 5 – Radiometric potassium ‘image’ showing elevated land and water storages as red/yellow, and flood plains as green and purple (data courtesy of NSW Department of Primary Industries).

2.3 CLIMATE

The climate of the region is semi-arid with peak monthly rainfall usually occurring in summer and a smaller peak from May to July. Average daily temperatures, considered on a monthly basis, show a minimum of 5°C in July and a maximum of 35°C in the summer months.

2.4 POPULATION

Urban centres within the Shire include Burren Junction, Carinda, Collarenebri, Cumborah, Cryon, Lightning Ridge, Rowena and Walgett, as depicted in Figure 5. There are also numerous people residing in mining camps on mineral claims on the opal fields at Grawin, Glengarry, Sheeppyard and Lightning Ridge.

A population profile from the 2001 census is summarised in Tables 1 and 2. These figures are probably understated, as there are a substantial number of people who live on the Lightning Ridge, Grawin, Glengarry and Sheeppyard opal fields. Some only reside on the opal fields for several months each year, especially during winter, and the population estimates are unlikely to reflect this itinerant population.

Table 1 – 2001 Census data on population age groups within Walgett Shire. ¹

AGE	PEOPLE
0 to 4	605
5 to 14	1,156
15 to 24	880
25 to 54	3,620
55 to 64	1,078
65 or more	939
Not stated	32
TOTAL	8,310

¹ Australian Bureau of Statistics 2002.

Table 2 – Population distribution within Walgett Shire in 2001. ²

AREA	PEOPLE
Lightning Ridge and nearby opal fields	2,993
Walgett	2,012
Rural – Central Division	1,448
Rural – Western Division	996
Collarenebri	505
Grawin & Glengarry opal fields, Cumborah, nearby properties	209
Burren Junction	147
TOTAL	8,310

2.5 ECONOMIC

Dominant industries within the region include cropping (wheat, cotton, chickpeas), grazing (sheep, cattle), opal mining and tourism. Most of the land in the south east of the Shire is suitable for cropping while the land in the west and north of the Shire tends to be better suited for grazing, as shown in Figure 6.

² Australian Bureau of Statistics 2002.

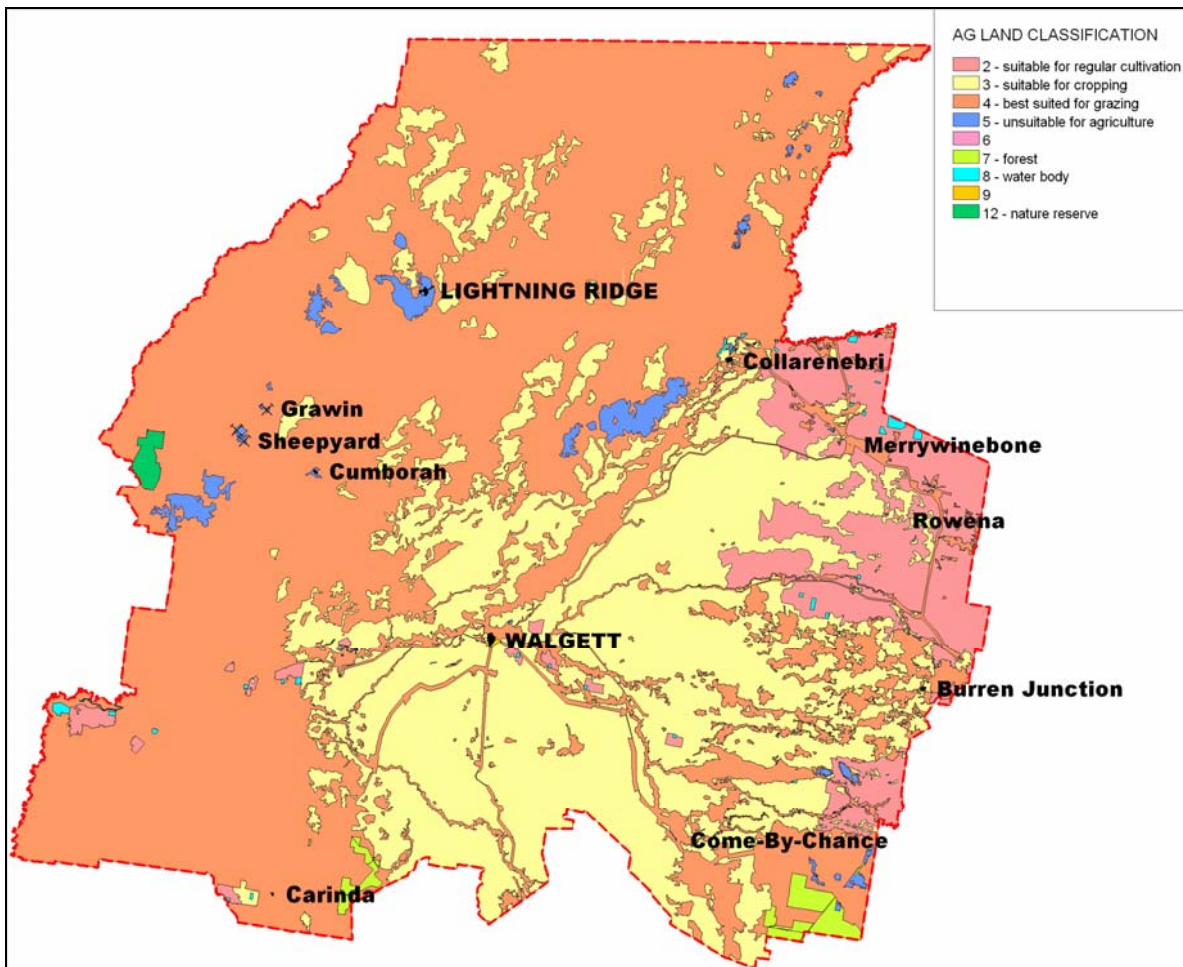


Figure 6 – Land capability map. ³

³ Adapted from GIS data produced by Hindle, J.P., Grosskopf, T. & Watson, C.R., for the Agricultural Land Classification Study – Walgett Shire, published 2000 by NSW Agriculture.

3 LAND

3.1 CLEARING

3.1.1 Pressure

There is a widespread desire within the local agricultural community for a reduction in regulatory controls which restrict or inhibit land clearing. Many landholders would like the opportunity to clear additional land for the cultivation of crops such as wheat and chickpeas. This desire has been stimulated by progressive improvements in cultivation techniques that preserve soil moisture and maximise crop yields, as well as by the ongoing comparatively low returns available from sheep and cattle grazing.

There are a range of land degradation issues that can arise from inappropriate land clearing, including:

- Soil erosion – The removal of endemic vegetation and cropping of marginal lands can result in increased rates of soil erosion. Drought conditions can further accelerate rates of soil erosion.
- Dryland salinity – Clearing reduces the abundance of deep rooted perennial vegetation which is replaced with comparatively shallow rooted crops and pastures. This can then result in rising water tables.
- Loss of flora and fauna – Clearing reduces the extent and diversity of native vegetation communities, and the habitat available for occupation by native fauna. Many plant and animal species cannot adapt to the changed environmental conditions.
- Water quality degradation – Clearing and cropping near watercourses can reduce surface water quality by increasing soil erosion and sediment loads within watercourses, as well as by allowing pesticides and nutrients to more readily flow into watercourses.
- Chemical alteration of soil – Removal of native vegetation and its replacement with a grazing or cropping system driven by man will change the level of organic carbon, potentially increase the amount of man made chemicals such as pesticides and fertilisers, as well as possibly alter the nature of biological activity in the soil.
- Weed establishment – The elimination of native vegetation can often result in an increase in the variety and density of weeds species. Weeds tend to be species that can grow relatively quickly on an opportunistic basis and they often benefit from reduced competition for nutrients and water as result of clearing.

3.1.2 State

At least 5,500km² of the Shire is used for cultivation, and hence has been cleared of native vegetation. The majority of the cultivated lands are held under freehold title in the central division. Plate 1 is a Landsat image taken in the year 2000 of the area south of Walgett and it shows extensive cultivation areas, generally as lighter tones.

3.1.3 Response

There has been ongoing regulatory reform of native vegetation legislation in NSW in recent years. The Native Vegetation Act 2003 has the stated aims of changing laws relating to the management of native vegetation in NSW by:

- ending broad scale clearing unless it improves or maintains environmental outcomes;
- encouraging revegetation and rehabilitation of land with native vegetation; and
- rewarding farmers for good land management.

Although a new 'Public Register of Approved Clearing PVPs and Development Applications'⁴ was established during the year, contemporary information on development consents or Clearing PVPs issued by the various Catchment Management Authorities within the Walgett Shire is not readily available. This represents a gap in the information available on clearing.

⁴ <http://www.nativevegetation.nsw.gov.au/pams/PublicRegisterSearch.jsp>

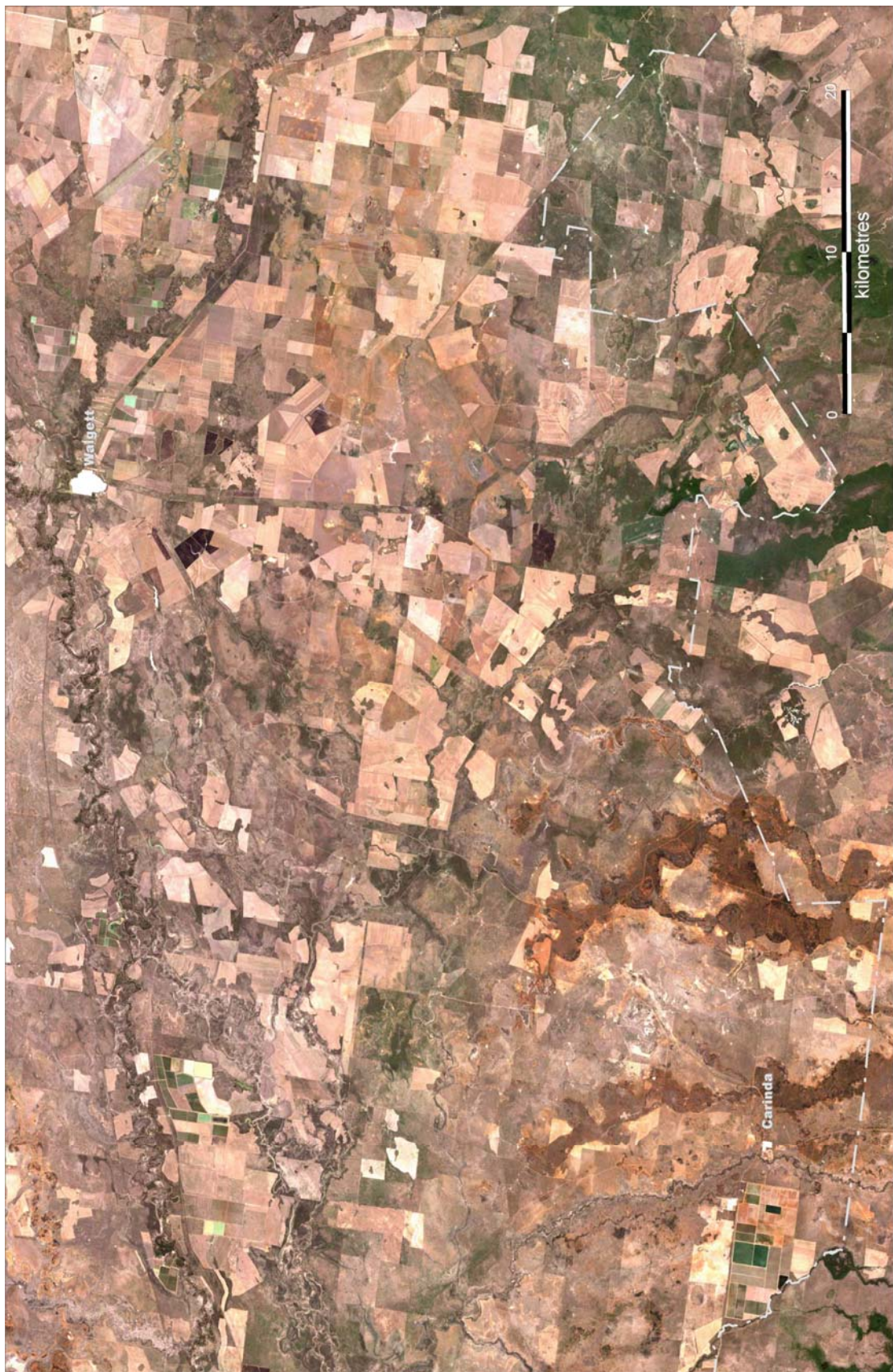


Plate 1 – Satellite image taken in 2000 of land south of Walgett.

3.2 OPAL MINING

3.2.1 Pressure

Active opal prospecting and mining occurs to varying degrees on the opal mining ‘fields’ shown in Figure 7. Opal prospecting is generally undertaken by drilling holes in the ground that range from 0.1 to 1m in diameter and are up to 25m deep. Once opal has been found in an area, underground and open cut mining techniques may be used to extract the opal bearing claystone.

Opal mining can have a number of detrimental environmental impacts, including:

- Soil compaction and erosion initiated by passenger vehicle and truck movements.
- Destruction of flora and fauna through land clearing and establishment of mullock stockpiles and tailings dams.
- Chemical alteration of soil and surface water due to moderate levels of salinity within mullock.
- Mine shafts and exploration drill holes pose a hazard for livestock and fauna which can become injured, sometimes fatally, by falling into holes.

3.2.2 State

One of the most active opal mining areas continues to be the Mulga ‘rush’ in the Grawin Glengarry area, discovered late in 2000. Mineral Claim statistics for the last five years, as shown in Table 3, suggest that there has been a significant decline in the number of new claims registered over the period, although the total number of claims registered at the end of each year has only reduced slightly.

Towards the end of the year the Department of Primary Industries established Opal Prospecting Area 4 (OPA4) which covers potentially opal bearing ridges to the south and south west of the Glengarry and Sheeppark opal fields. At the end of the year Opal Prospecting Licences within OPA4 were only being issued on the “Wee Warra” property.

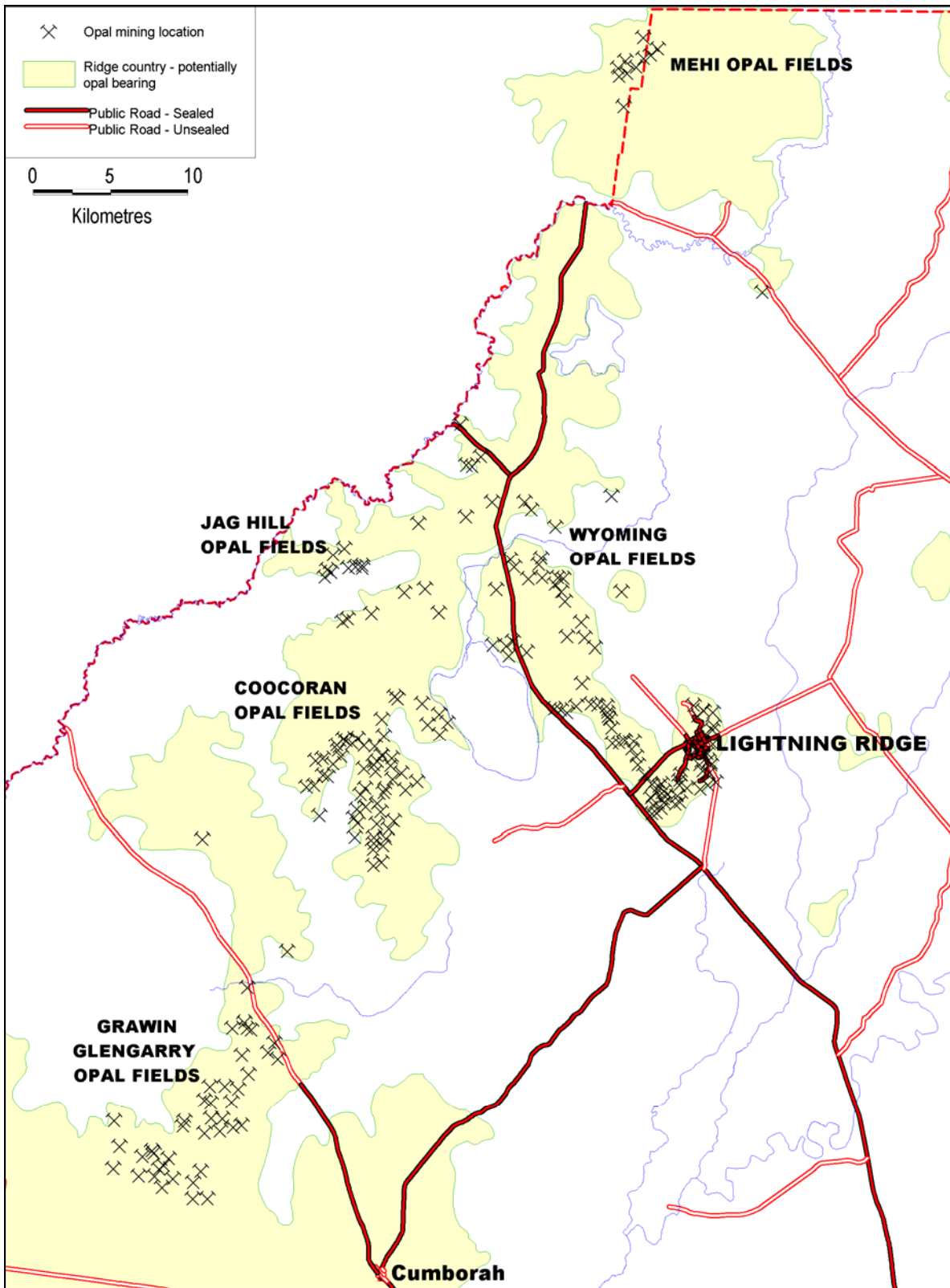


Figure 7 – Location of major opal fields.

Table 3 – Mineral claims statistics for the Lightning Ridge region.

	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
CLAIMS RENEWED	4073	4290	4047	3799	3450	3311
CLAIMS REGISTERED	1822	1362	1565	1028	786	770
CLAIMS CANCELLED	939	1167	995	1003	750	615
CLAIMS LAPSED	691	851	686	578	412	256
TOTAL CLAIMS 30th June	5130	5032	5248	5228	4959	4857

3.2.3 Response

In April 2004 the Department of Mineral Resources (now Department of Primary Industries) released a draft document titled ‘Review of Environmental Factors for Opal Mining Within the Narran Warrambool Reserve, Lightning Ridge’ (REF) for public comment. The REF provided an assessment of the environmental impacts associated with opal mining, current mitigation strategies and proposals for additional mitigation strategies.

After considering the REF the Department of Primary Industries introduced a requirement that any person seeking an Opal Prospecting Licence or Mineral Claim within OPA4 must first attend a course in environmental awareness and complete a Mine Operation Plan (MOP) for each Mineral Claim. The Department is also requiring that a MOP be submitted for any Mineral Claim registered in a new opal field within existing Opal Prospecting Areas.

The Department of Primary Industries was unable to supply information on how many claims were satisfactorily rehabilitated, and how many were not. This represents a gap in the information available on mining.

3.3 CONTAMINATED SITES

3.3.1 Pressure

Contaminated land occurs where previous land uses have resulted in the leaching of chemicals or hazardous materials into soils or groundwater. Examples of sites that are potentially contaminated within the Walgett Shire include:

- Service stations – From leakages of underground or above ground fuel storages, as well as fuel spillages on driveways or other areas.
- Mechanics workshops – From spilt oil and fuel, or leaking storage containers.
- Council rubbish depots – From the ongoing containment of a wide range of commercial and industrial waste on the site.
- Private rubbish depots – From used agricultural chemical containers (herbicides and pesticides), waste oil, batteries, etc.
- Sheep dips – From pesticide chemicals used on the sites, including arsenic, organochlorines (including dieldrin, lindane and DDT), organophosphates and synthetic pyrethroids.

Under State Environmental Planning Policy 55 – Remediation of Land (SEPP55), Council is obliged to:

- Consider whether land is contaminated when assessing any Development Application for a particular site.
- If land is contaminated, then it must consider whether the land is suitable to be used for the purpose proposed in any Development Application.
- Where land is required to be remediated to make it suitable for an intended use, then the Council must be satisfied that the land will be remediated prior to that use occurring.

3.3.2 State

During the year Walgett Shire Council commenced the development of a contaminated land register that will be used to identify land that has the potential to be contaminated, and allow Council to meet it's obligations under SEPP55. A summary of sites known to be potentially contaminated is provided in Table 4 below.

Table 4 – Potentially contaminated land within the Walgett Shire.

LOCATION	SITE TYPE	STATUS	RESPONSIBLE PARTY	LOT	SEC	DP
Burren Junction	Rubbish tip	Active	Council	64		753926
Burren Junction	Rubbish tip	Active	Council	45		753926
Burren Junction	Service station	Active	Landholder	16		15645
Burren Junction	Service station	Inactive	Landholder	26		15645

LOCATION	SITE TYPE	STATUS	RESPONSIBLE PARTY	LOT	SEC	DP
Carinda	Rubbish tip	Active	Council	20		751556
Carinda	Rubbish tip	Active	Council	2		751556
Carinda	Service station	Active	Landholder	6	14	758227
Carinda	Service Station	Inactive	Landowner	5	15	758227
Collarenebri	Bulk fuel storage	Active	Landholder	8	11	758262
Collarenebri	Rubbish tip	Active	Council	53		752673
Collarenebri	Rubbish tip	Inactive	Council	Nil		Nil
Collarenebri	Service station	Active	Landholder	5		664113
Collarenebri	Service station	Active	Landowner	1	4	758262
Collarenebri	Service station	Inactive	Landholder	10	11	758262
Come By Chance	Service Station	Active	Landowner	17		635554
Cumborah	Service station	Inactive	Landholder	2	8	758317
Grawin	Service station	Active	Landholder	Part 2		785669
Grawin	Service station	Inactive	Landholder	Part 2		785669
Lightning Ridge	Auto mechanic	Active	Landholder	19		263351
Lightning Ridge	Auto mechanic	Inactive	Landholder	5	19	758612
Lightning Ridge	Auto mechanic & service station	Active	Landholder	1		543025
Lightning Ridge	Aviation fuel	Inactive?	Council	162		862540
Lightning Ridge	Bulk fuel storage	Active	Occupier	Part 171		760780
Lightning Ridge	Drum fuel & GI tank manufacturer	Inactive	Landowner	3	19	758612
Lightning Ridge	Rubbish tip	Active	Council	Part 413		766643
Lightning Ridge	Rubbish tip	Active	Council	Part 91		822079
Lightning Ridge	Rubbish tip	Inactive	Council	1		92457
Lightning Ridge	Rubbish tip	Inactive	Council	37		752756
Lightning Ridge	Service station	Active	Landholder	2		623130
Lightning Ridge	Service station	Active	Landholder	26		263351
Lightning Ridge	Service station	Active	Landholder	153		720085
Lightning Ridge	Service Station	Inactive	Landowner	20 & 23	11	758612
Rowena	Bulk fuel storage	Active	Landowner	1	2	758889
Rowena	Rubbish tip	Active	Council	52		753953
Walgett	Auto mechanic	Active	Landholder	2		114702
Walgett	Auto mechanic	Active	Landholder	172		733860
Walgett	Auto mechanic	Active	Landholder	24		707494
Walgett	Auto mechanic	Active	Landholder	23		707494
Walgett	Auto mechanic	Active	Landowner	22		840482
Walgett	Auto mechanic	Inactive	Landholder	36		229884
Walgett	Auto mechanic	Inactive	Landowner	28		229884

LOCATION	SITE TYPE	STATUS	RESPONSIBLE PARTY	LOT	SEC	DP
Walgett	Auto mechanic	Inactive	Landowner	32		555473
Walgett	Auto mechanic	Inactive	Landholder	11	41	759036
Walgett	Auto mechanic & service station	Active	Landholder	22		232013
Walgett	Auto mechanic & service station	Active	Landholder	45		546693
Walgett	Auto mechanic & service station	Inactive	Landholder	3		596792
Walgett	Auto mechanic, fuel & oil storage	Active	Council	Part 20		253488
Walgett	Aviation fuel	Active	Council	Part 11		85116
Walgett	Bulk fuel storage	Inactive	Landholder	45		752271
Walgett	Bulk fuel storage	Inactive	Landowner	Nil		Nil
Walgett	Bulk fuel storage	Inactive	Landowner	Nil		Nil
Walgett	Cropduster wash down	Inactive	Council	Part 11		851116
Walgett	Fuel storage	Inactive	NSW Health	Part 21		750313
Walgett	Fuel storage & auto mechanic	Active	Landowner	C		157836
Walgett	Fuel storage & auto mechanic	Active	Landowner	23		579731
Walgett	Fuel storage & auto mechanic	Active	RTA	11	39	759036
Walgett	Herbicide storage	Active	Council	Part 11		85116
Walgett	Pesticide & herbicide storage	Active	Landowner	35		257471
Walgett	Rubbish tip	Active	Council	102		750291
Walgett	Rubbish tip	Active	Council	145		790291
Walgett	Rubbish tip	Active	Council	60		750291
Walgett	Rubbish tip	Active	Council	106		750291
Walgett	Rubbish tip	Active	Council	Nil		Nil
Walgett	Rubbish tip	Inactive	Council	Part 11		851116
Walgett	Rubbish tip	Inactive	Council	Part 11		851116
Walgett	Service station	Active	Landholder	9		662657
Walgett	Service station	Active	Landholder	3		718739
Walgett	Service station	Active	Landholder	7		633738
Walgett	Service station	Active	Landholder	2		511835
Walgett	Service station	Inactive	Landholder	A		373261
Walgett	Service station	Inactive	Landowner	1		114702
Walgett	Service station	Inactive	Landholder	43		522295
Walgett	Service station	Inactive	Landowner	A		340814
Walgett	Service station	Inactive	Landowner	2		863511
Walgett	Service station	Inactive	Landowner	28		555607
Walgett	Service station	Inactive	Landowner	101		878481
Walgett	Wool scour	Inactive	Landowner	13		790891
Walgett	Wool scour	Inactive	Landowner	10		790891

3.3.3 Response

Further work is required to identify potentially contaminated sites such as current or former sheep dips, and private rubbish tips where used agricultural chemical containers may have been dumped. Walgett Shire Council's contaminated land register will require ongoing maintenance to record new sites that come to Council's attention, as well as to address any discrepancies in the existing data which may become apparent.

3.4 WEEDS - *Cylindropuntia rosea*

3.4.1 Pressure

A wide range of agricultural and environmental weeds exist within Walgett Shire. One of the major problem species is *Cylindropuntia rosea*, and another is *Cylindropuntia tunicata*. Although these weeds are very similar in appearance, they can be distinguished by the colour of their spines and flowers. *C. rosea* has white spines (as shown in Plate 2) and pink flowers, while *C. tunicata* has spines that are pale brown and the flowers are a yellowish colour. Locally both species are known by a range of informal names, including thistle cholla, Hudson pear and tiger pear.



Plate 2 – *Cylindropuntia rosea*, spines are about 5cm long.

Locally *C. rosea* is the most abundant of the two species. It forms plants up to two metres tall that occur in densities ranging from less than one plant per hectare up to more thousands of plant

per hectare. It appears to propagate from segments that are broken off a parent plant and then become established upon contact with the soil. The segments readily break upon contact with a tyre, animal or person and become temporarily impaled in the tyre or flesh, and are frequently transported to another location that was previously free of infestation with the plant.

Both species are agricultural and environmental weeds because the spines readily penetrate the flesh of animals, causing harm. Dense infestations of the plant form barriers that are hazardous for animals to walk through.

3.4.2 State

Based on data supplied by the Castlereagh Macquarie Country Council, it is believed that there are five medium to high density occurrences of *C. rosea* in the Shire which have a combined area of about 111km², as shown in Figure 8. Scattered plants have been found through a total area of about 458 km². *C. tunicata* plants appear to be restricted to the general vicinity of the Grawin opal fields.

3.4.3 Response

Commencing in 2002-03, substantial work to control *Cylindropuntia rosea* using herbicide has been undertaken with the assistance of a grant from the Natural Heritage Trust to the Lightning Ridge Miners Association. That work commenced within Permissive Occupancy 1985/19 held by Walgett Shire Council. The Permissive Occupancy includes many of the opal fields in the immediate vicinity of Lightning Ridge. A substantial reduction in the density of larger plants has resulted.

In December 2004 Walgett Shire Council committed \$10,000, NSW Agriculture \$10,000 and the Castlereagh Macquarie County Council \$20,000 for work to control *C. rosea* on public lands within the shire.

During 2005-2006 Walgett Shire Council committed \$40,000, Castlereagh Macquarie County Council \$40,000 and the Western Catchments Management Authority \$100,000 for work to control *C. rosea* in the Shire. This funding commitment has permitted substantial progress to be made in reducing the density of larger plants in the Grawin, Glengarry and Sheepyard areas

where relatively minimal control work has been undertaken in recent years. The extent of herbicide control work undertaken by the Castlereagh Macquarie County Council in conjunction with the Glengarry Grawin Sheeppark Miners Association and the Lightning Ridge Miners Association during the year is shown in Figure 8.

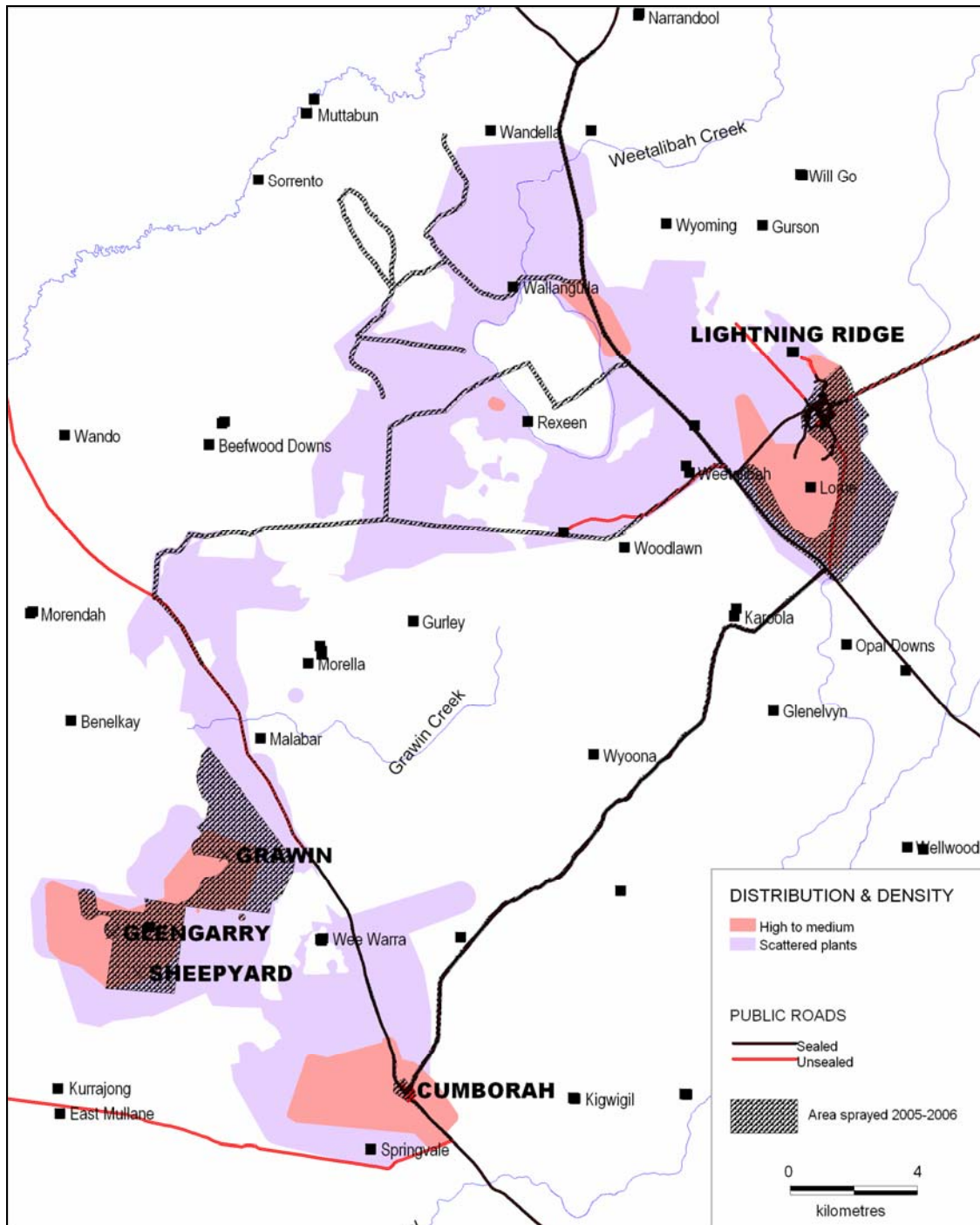


Figure 8 – Extent of *Cyndropuntia rosea* herbicide control work undertaken during 2005-2006.

3.5 LAND USE PLANNING

3.5.1 Pressure

A number of potential land use conflicts exist within the Shire, for example between grazing and opal mining, residential land use (mining camps) and opal mining. Much of the potential for conflict results from a lack of clear prioritisation of dominant land uses.

3.5.2 State

Walgett Shire Council is the main consent authority within the Shire for Development Applications. Decisions are made on the basis of Interim Development Order No. 1 – Shire of Walgett (IDO) that was gazetted in 1968 and last amended in 1981. Most Councils in NSW took action to supersede IDOs some time ago with Local Environmental Plans that are more in line with current legislation and community expectations.

3.5.3 Response

In March 2004 Walgett Shire Council resolved to engage Edge Land Planning to prepare a rural and urban land use strategy and a Local Environmental Plan. Preliminary meetings were held with representatives of key community stakeholder groups and government authorities in March 2004 to discuss how the development of the strategy and Local Environmental Plan will proceed.

Subsequently community consultation workshops were held during November 2004 in Walgett, Collarenebri and Lightning Ridge. The purpose of the workshops was to ascertain the public's vision for the future of the Shire, as well as actions that could be taken to achieve this vision. Feedback resulting from the workshops was documented in a report titled Walgett Shire Growth Management Strategy – Community Consultation Report, prepared by Edge Land Planning and dated June 2005. Copies of this report were sent to workshop participants and numerous government authorities being consulted in the course of developing the Strategy and Local Environmental Plan.

Edge Land Planning also prepared a document titled Walgett Shire Growth Management Strategy – Issues Paper, dated June 2005. In early July 2005 this document was mailed to workshop

participants and government authorities with a letter inviting written comments for Council's consideration in the process of developing a Growth Management Study and Strategy.

It is expected that a Growth Management Study and Strategy will be issued for public comment in the new financial year, and that a draft Local Environmental Plan will be prepared and publicly exhibited shortly afterwards.

4 AIR

4.1 PESTICIDE RESIDUE POND

4.1.1 Pressure

There is a wash down bay that was used historically to clean crop dusting planes at the Walgett aerodrome, as shown in Plate 3. Use of the wash down area ceased in 1999, but a concrete slab and a small dam remain. Runoff water from the washing down of crop dusters was held within the dam, which is now contaminated with pesticide residues. Soil samples taken by environmental consulting firm, URS, in 2001 showed that there were significant levels of a number of pesticides within 0.5m of the surface of the pond. Soil samples taken from greater depths were not contaminated.

Historically there have been a number of complaints, especially during summer months, about chemical odours from people living near the Walgett aerodrome.



Plate 3 – Pesticide residue pond, Nov. 2001.

4.1.2 State

Early in 2002 Walgett Shire Council arranged for a veneer of wood chips about 0.2m thick to be placed over the interior of the pesticide residue pond. Advice from URS indicated that the wood chips should absorb chemicals contained in the pond and reduce odours emanating from the site. Given that Walgett Shire Council has received no odour complaints from people living in the area during the last four years, it appears that the wood chips have been successful in temporarily suppressing the odour problem.

4.1.3 Response

In 2001 Walgett Shire Council engaged URS, an environmental consulting company, to provide a report on the nature of the contamination at the site and disposal options. Completion of this report was dependent on advice from the NSW Environment Protection Authority (now Department of Environment and Conservation) in relation to contaminant thresholds for particular disposal options. The final report was supplied in July 2003⁵.

The report considered two options for addressing the contamination in line with current regulatory requirements. Option 1 was excavation and disposal (see section 5.1 of the report), while Option 2 was site capping and containment (see section 5.2 of the report). URS indicated that there were more advantages and less disadvantages associated with excavation and disposal.

After considering the options at a meeting held on 8 March 2004, Walgett Shire Council resolved to *“investigate seeking a licence from the Environment Protection Authority for the Walgett rubbish depot, or another site within the Shire so that the contaminated material associated with the pesticide residue pit at the Walgett Aerodrome can be legally disposed of at the rubbish depot.”* The rubbish depot was granted a licence on 20 June 2006 for “environmentally sensitive or inappropriate land filling”.

Now the rubbish depot can legally accept the waste, Walgett Shire Council will be in a position to further evaluate the potential of proceeding with option 1 in the new financial year.

⁵ Final Report – Site Investigation and Management, Walgett Airport, NSW prepared for Walgett Shire Council by URS, Brisbane, dated 9 July 2003.

5 WATER

5.1 URBAN WATER SUPPLIES

5.1.1 Pressure

Walgett Shire Council supplies water to numerous residential and commercial residences within urban areas as outlined in Table 5 below. The 'sites' figure represents the number of properties on which Walgett Shire Council levies water rates (includes some vacant lots).

Table 5 – Council operated urban water supplies.

TOWN/VILLAGE	SOURCE	SUPPLY	TREATMENT	SITES
WALGETT	Weir on Namoi River Bore also available	Raw & treated Raw	Filtration & chlorination	794
LIGHTNING RIDGE	Artesian Bore	Raw	Nil	767
COLLARENEBRI	Weir on Barwon River	Raw & treated	Microfiltration & chlorination	240
CARINDA	Bore	Raw	Nil	53
ROWENA	Bore	Raw	Nil	15
CUMBORAH	Artesian Bore	Raw	Nil	0
TOTAL				1869

Council has an obligation to ensure that water supplies are suitable for their intended uses. The Australian Drinking Water Guidelines 2004 (ADWG)⁶ are the key standards against which NSW Health and local Councils assess drinking water quality. The guidelines specify thresholds for drinking water quality amongst other things.

The quality of water supplied by Council may vary for a number of reasons, including:

- Environmental changes affect raw water quality, for example river water invariably has an increased sediment load during flood periods.
- Human activities also affect raw water quality, for example river water can carry pesticide residues.
- The types and effectiveness of water treatment processes that are applied to raw water prior to its distribution within urban areas.

⁶ Australian Drinking Water Guidelines 2004 published by the National Health and Medical Research Council, available from <http://www.nhmrc.gov.au/publications/synopses/eh19syn.htm>

- The age and condition of water mains and storage reservoirs. For example periodic cleaning of reservoirs is required to remove sediment.

5.1.2 State

Walgett Shire Council assesses potable water quality via a number of sampling programs as detailed within Table 6.

Table 6 – Monitoring programs associated with urban potable water.

PROGRAM	PURPOSE	FREQUENCY
Potable urban – microbiological	Samples submitted to NSW Health Division of Analytical Laboratories in Sydney to test all Council's potable urban supplies for contamination by <i>E. coli</i> . Data is also provided on total coliform counts, which are not normally of concern provided samples are free of <i>E. coli</i> .	Permanent, monthly
Potable urban – chemical	Samples submitted to NSW Health Division of Analytical Laboratories in Sydney to test all Council's urban supplies for compliance with chemical thresholds specified in the ADWG. Each sample is analysed for pH, turbidity, Total Dissolved Solids (TDS), aluminium, antimony, arsenic, barium, boron, cadmium, calcium, chloride, chromium, copper, cyanide, fluoride, iodine, iron, lead, magnesium, manganese, mercury, molybdenum, nickel, nitrate, nitrite, selenium, silver, sodium, sulfate, total hardness as CaCO ₃ , true colour, zinc.	Permanent, twice yearly
Potable urban - pesticide	See details below.	Temporary, monthly

Average results and the numbers of samples provided in Table 7 are based on the period from 1 July 2005 to 30 June 2006.

Table 7 – Significant water analysis results 1 July 2005 to 30 June 2006.

TOWN/VILLAGE	ISSUE
WALGETT	<ul style="list-style-type: none"> • 5 out of 46 samples showed the presence of total coliforms.
LIGHTNING RIDGE	<ul style="list-style-type: none"> • 13 out of 53 samples showed the presence of total coliforms. • 1 out of 43 samples showed the presence of <i>E. coli</i>. • Average pH was 8.6 while the ADWG recommends a range between 6.5 and 8.5. • Average sodium content was 211mg/L when the ADWG recommends a maximum of 180mg/L. <p>NOTE: Sodium and pH values are typical for this supply system and others sourced from artesian bores in the region.</p>
COLLARENEBRI	<ul style="list-style-type: none"> • 9 out of 43 samples showed the presence of total coliforms. • 1 out of 43 samples showed the presence of <i>E. coli</i>.
CARINDA	<p>NON-POTABLE SUPPLY</p> <ul style="list-style-type: none"> • 19 out of 33 samples showed the presence of total coliforms. • 15 out of 33 samples showed <i>E. coli</i>. • Total dissolved solids averaged 635mg/L when the ADWG recommends a maximum of 500mg/L. • Average sodium level was 304mg/L when the ADWG recommends a maximum of 180mg/L..
ROWENA	<p>NON-POTABLE SUPPLY</p> <ul style="list-style-type: none"> • 14 out of 14 samples showed total coliforms. • 1 sample out of 14 showed <i>E. coli</i>. • Total dissolved solids averaged 3,375mg/L when the ADWG recommends a maximum of 500mg/L. • Average sodium levels were 1,126mg/L when the ADWG recommends a maximum of 180mg/L. • Total hardness as CaCO₃ averaged 649mg/L when the ADWG recommends a maximum of 200mg/L.
CUMBORAH	<ul style="list-style-type: none"> • 10 out of 12 samples showed the presence of total coliforms. • Average pH was 8.6 while the ADWG recommends a range between 6.5 and 8.5. • Average sodium content was 313mg/L when the ADWG recommends a maximum of 180mg/L. <p>NOTE: Sodium and pH values are typical for supplies sourced from artesian bores in the region.</p>

5.1.3 Response

From Table 7 it is apparent that total coliforms were found on a number of occasions in the various potable water supplies. The ADWG indicate that coliforms can be present in drinking water as a result of:

- faecal contamination

- the presence of biofilms on pipes and fixtures
- contact with soil as a result of leaks, fractures or repair works.

Due to their widespread occurrence in soil and water environments, total coliforms (in the absence of *E. coli*) are not regarded as a specific indicator of faecal contamination. The relative abundance of coliforms makes them useful in monitoring the efficiency of water treatment and disinfection processes.

A single sample from the Lightning Ridge, Collarenebri and Rowena water supplies was contaminated with *E. coli* during the year. Each situation was addressed by chlorination and follow up testing to check whether there was evidence of ongoing contamination. None of the follow up tests showed any *E. coli*.

Rowena's water supply is very saline and is not suitable for drinking, hence it is also of minimal value to residents for domestic use. A new water supply bore has recently been established and at the end of the year it was being commissioned to supersede the existing saline supply.

In Carinda ongoing problems with *E. coli* contamination appeared to be originating from holes in the roof of the elevated reservoir that allow bird droppings and/or small animals to enter the tank. Water remaining idle within low flow sections of the water mains may also be contributing to the problem. Contamination during the year was addressed by flushing the water mains and regular chlorination to destroy *E. coli*. A new elevated reservoir was commissioned late in the year which should eliminate faecal contamination problems.

5.2 RIVERS – PESTICIDE RESIDUES

5.2.1 Pressure

All river catchments within the Walgett Shire have the potential to be impacted by pesticide (herbicide and insecticide) residues associated with agricultural activities, such as irrigated cotton cultivation or dry land wheat cropping. Significant pesticide spraying and application occurs within the Shire and adjacent Local Government areas where river flows subsequently pass through the Shire.

Insecticides that have been previously detected in a number of rivers in the catchment include amitraz, chlorpyrifos, dimethoate, endosulfan, esfenvalerate, parathion-methyl, profenofos and propargit. Herbicides previously identified in a number of rivers in the surrounding catchment include atrazine, desethyl atrazine, diuron, fluometuron, hydroxy, metolachlor, pendimethalin, prometryn, simazine, trifluralin.

5.2.2 State

In conjunction with NSW Health, Walgett Shire Council undertook a program of work to collect regular water samples that could be analysed to determine whether there were pesticide residues in raw river water sources and the treated water supplies of Walgett or Collarenebri. This work commenced in February 2004 and ended in July 2006. Samples were obtained from the locations shown in the Figure 9. Each sample was analysed for acidic herbicides, organochlorine pesticides, organophosphorus pesticides, synthetic pyrethroids, triazines/phelynureas and some “miscellaneous tests”.

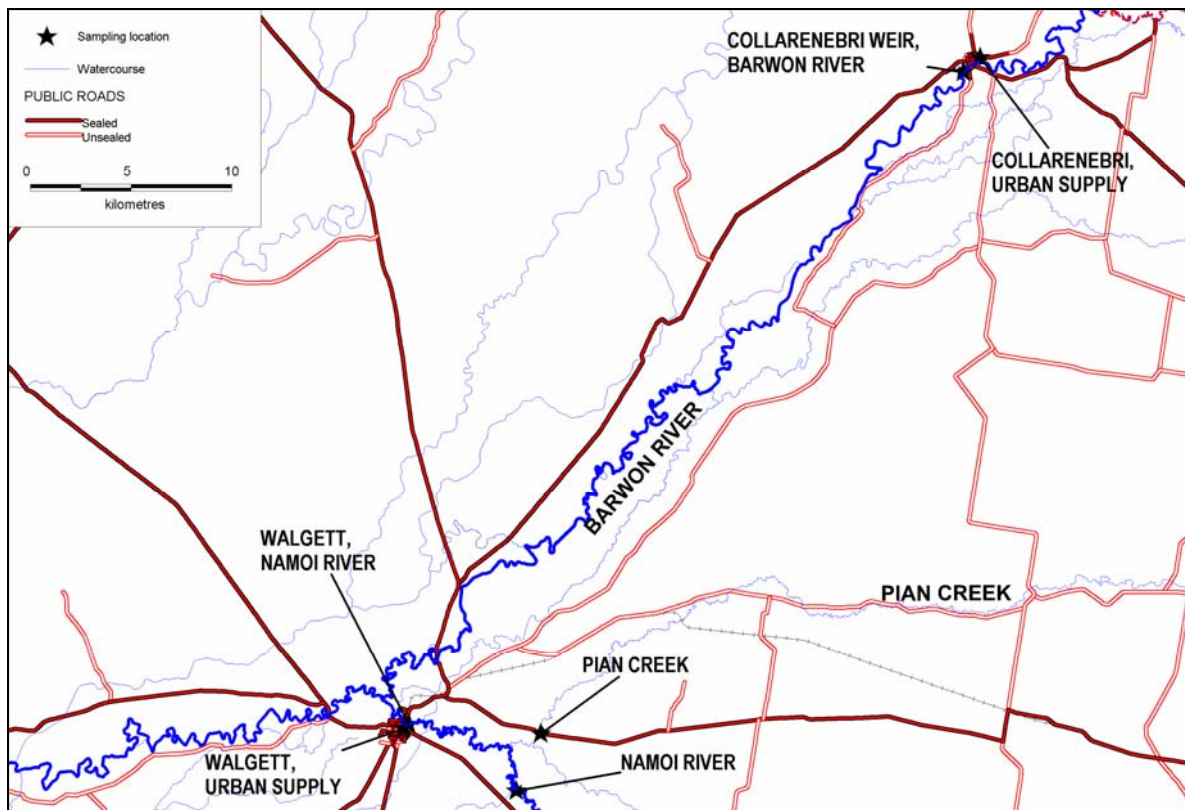


Figure 9 – Pesticide residue sampling sites.

In total 269 samples were obtained, and of the results available when this report was compiled, contaminants were detected in 18 (7%) samples, as detailed in Table 8. All the samples showing contamination were obtained during 2004-2005, and the sole contaminant detected in each case was Metolachlor.

Metolachlor is a selective herbicide of the chloroacetanilide group, which is absorbed by young shoots of plants and it inhibits germination. It is used to control annual grasses and some broad leaved weeds in maize, sorghum, cotton, soya beans, sunflowers and some vegetable crops.

The method reporting level (MRL) when screening for metolachlor is 0.05ug/L. Any quantity of the pesticide that is less than this level will not be detected. The Australian Drinking Water Guidelines 2004 (ADWG) states that the guideline value for metalochlor is 0.002mg/L or 2ug/L and the health value is 0.3mg/l or 300ug/L

On 5 January 2005, during a flood period, there was one reading at the Walgett water filtration plant that exceeded the ADWG guideline value. During the same flood, raw water samples from the Pian Creek, Namoi River at Walgett (Stock Crossing) and the Namoi River at the 9 Mile Travelling Stock Reserve also exceeded the guideline value. The guideline value was subsequently exceeded on 19th January 2005 at the Pian Creek sampling point. Overall the ADWG guideline value for the level of metolachlor was exceeded by 5 out of 269 samples (1.9%).

At no stage was the ADWG health value exceeded.

Table 8 – Positive pesticide residue sampling results.

SAMPLE	LOCATION	COLLECTED	TIME	RIVER FLOW	RESULTS	UG/L	TESTED
48	Pian Creek Bridge	5-Jan-05	8:30	Flood	Metolachlor	2.9	10-Mar-05
49	Namoi Stock Crossing	5-Jan-05	8:00	Flood	Metolachlor	2.4	10-Mar-05
50	Nine Mile TSR	5-Jan-05	8:15	Flood	Metolachlor	2.7	10-Mar-05
51	Collarenebri Weir	5-Jan-05	8:00	Flood	Metolachlor	0.2	10-Mar-05
52	Pian Creek Bridge	19-Jan-05	7:45	Normal Flow	Metolachlor	2.3	10-Mar-05
53	Namoi Stock Crossing	19-Jan-05	8:00	Normal Flow	Metolachlor	1.5	10-Mar-05
54	Nine Mile TSR	19-Jan-05	8:40	Normal Flow	Metolachlor	1.3	10-Mar-05
55	Collarenebri Weir	19-Jan-05	10:40	Normal Flow	Metolachlor	0.2	10-Mar-05
56	Pian Creek Bridge	1-Feb-05	10:15	Normal Flow	Metolachlor	0.39	17-Mar-05
58	Nine Mile TSR	1-Feb-05	9:00	Fresh Flow	Metolachlor	0.15	17-Mar-05

SAMPLE	LOCATION	COLLECTED	TIME	RIVER FLOW	RESULTS	UG/L	TESTED
59	Collarenebri Weir	1-Feb-05	7:45	Fresh Flow	Metolachlor	0.98	17-Mar-05
66	Namoi Stock Crossing	23-Mar-05	6:25	Normal Flow	Metolachlor	0.07	28-Apr-05
29	Walgett Water Treatment Plant	5-Jan-05	8:05	Flood	Metolachlor	2.8	10-Mar-05
30	Collarenebri Water Treatment Plant	5-Jan-05	10:00	Flood	Metolachlor	0.2	10-Mar-05
31	Walgett Water Treatment Plant	19-Jan-05	7:00	Normal Flow	Metolachlor	1.5	10-Mar-05
32	Collarenebri Water Treatment Plant	19-Jan-05	10:30	Normal Flow	Metolachlor	0.2	10-Mar-05
33	Walgett Water Treatment Plant	1-Feb-05	9:30	Fresh Flow	Metolachlor	0.9	17-Mar-05
38	Walgett Water Treatment Plant	15-Mar-05	11:30	Normal Flow	Metolachlor	0.1	5-Apr-05

5.2.3 Response

The results from the pesticide residue sampling program suggest that:

- Periodically there is relatively widespread metolachlor contamination of river water within the Shire.
- The highest levels of contamination are associated with flood events in the local river systems.
- The ADWG health value was not exceeded during the sampling period from February 2004 to July 2006.
- Any future sampling work aimed at detecting high levels of metolachlor would best be completed during flood events.

5.3 RIVERS – FLOW AND SALINITY

5.3.1 Pressure

River water is used in a number of ways within the Shire, including for cotton irrigation, rural domestic water supplies, watering domestic livestock and for urban water supplies in towns such as Walgett and Collarenebri. The Shire is located in a semi arid environment downstream of numerous other water users, including cotton irrigators. Such circumstances contribute to variations in the volume and quality of river water flowing through the Shire.

5.3.2 State

Water quality can be assessed in many ways and one of the most common methods within Australia is by salinity. The electrical conductivity of water is generally indicative of the levels of total dissolved solids (TDS), and one of the most common dissolved solids is salt.

The Department of Natural Resources operates a number of river monitoring stations that provide data on electrical conductivity, water levels and volumes. Data derived from a station on the Namoi River at Goangra and another on the Barwon River at Walgett are presented in graphs in Figures 10 and 11. Those graphs indicate that during most of the year discharge volumes were quite small or nil, while electrical conductivity was moderate. Comparatively large discharge volumes are evident in July. Electrical conductivity data for other monitoring sites in the Shire, on the Barwon River at Collarenebri and the Narran River at Angledool, showed similar values.

The Australian Drinking Water Guidelines 2004 (ADWG) indicate that the TDS in water should not exceed 500mg/L due to taste considerations. An equivalent figure in electrical conductivity units can be roughly determined by doubling this figure, which is 1,000 us/cm. From the data in Figures 10 and 11, the salinity levels were adequate for water being used for human consumption.

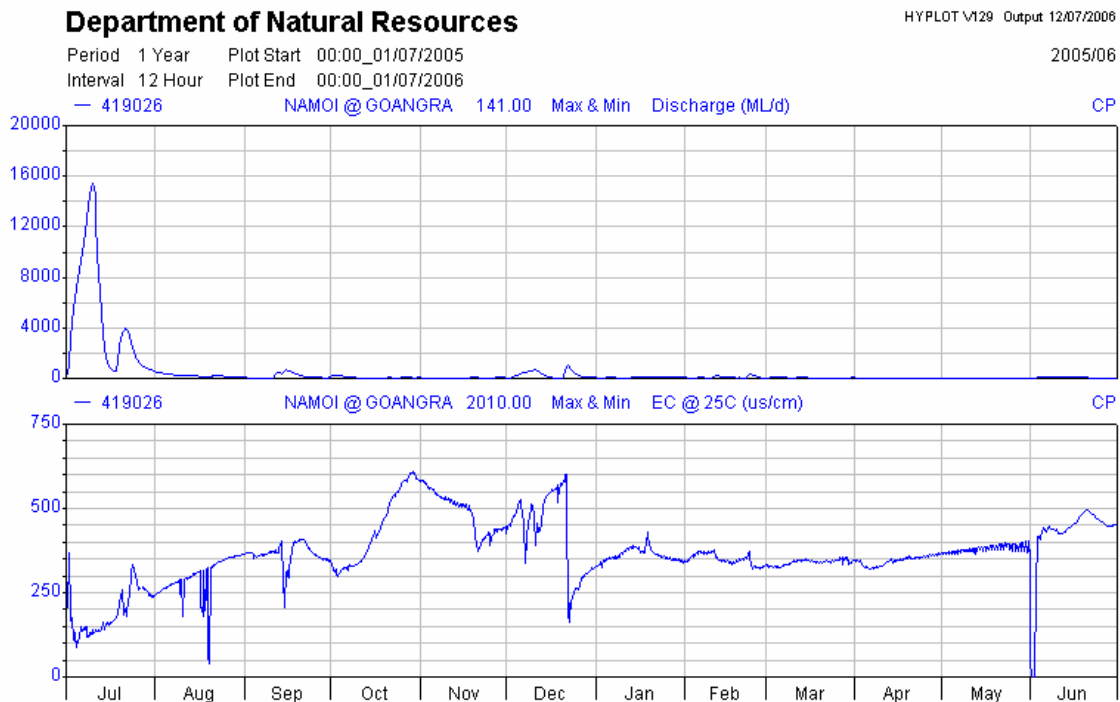


Figure 10 – Data on discharge & electrical conductivity in the Namoi River at Goangra.

Department of Natural Resources

HYPLOT V129 Output 12/07/2006

Period 1 Year PlotStart 0000_01/07/2005 200506

Interval 12 Hour PlotEnd 0000_01/07/2006

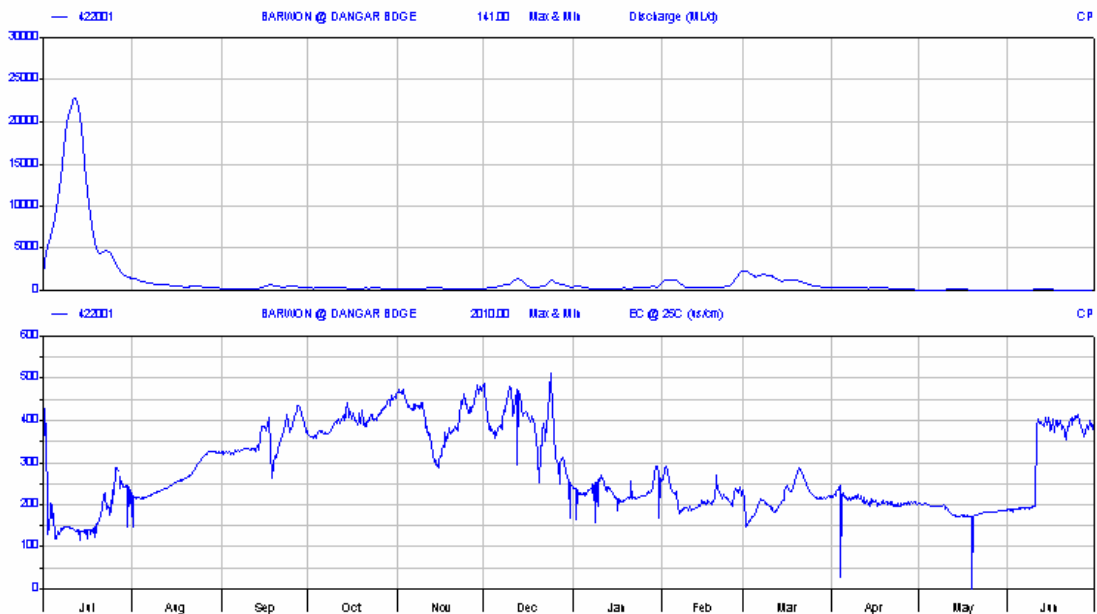


Figure 11 – Data on discharge & electrical conductivity in the Barwon River at the Dangar Bridge, Walgett.

5.3.3 Response

Salinity levels are influenced both by natural processes and the activities of man. In this context it is important to consider medium and long term salinity trends to determine whether river water quality is declining or improving. Electrical conductivity has been monitored for about ten years, but there is probably insufficient data available to conclusively determine at this stage whether salinity is rising or falling.

Ongoing operation of river monitoring stations by the Department of Natural Resources within the Shire provides essential data for understanding variations in river water quality. The data is also important for providing an indication of whether actions being taken by Catchment Management Authorities and the community are improving river water quality.

5.4 RIVERS – ALGAE

5.4.1 Pressure

Periodic blue green algae blooms within local rivers can degrade water quality within the Shire and in the most severe cases make water toxic to the extent that it is unsafe for consumption by people or livestock. Causes of blue-green algal blooms include:

- High water temperature (20-30°C).
- High pH (8-10) and low CO₂ concentration.
- Abundant zooplankton (microscopic animals).
- Low nitrogen to phosphorous ratios (less than 29:1).
- High phosphorous levels.
- Calm water conditions.
- Low light intensity.

In 1991 and 1992 water quality in the Barwon-Darling River system received substantial media and community attention when contamination by blue-green algal blooms made the water toxic and unsuitable for consumption by livestock and people. As a result, a State of Emergency was declared for numerous shires, including Moree, Walgett, Brewarrina, Bourke and Cobar.

5.4.2 State

River water samples are collected by Walgett Shire Council staff and analysed by the Department of Natural Resources in Sydney. Sampling is usually undertaken on fortnightly basis in winter and weekly in summer from the Barwon River at Collarenebri, the Barwon River near the Dangar Bridge in Walgett and the Namoi River in Walgett.

High alerts are issued when samples show more than 15,000 algae cells per millilitre, while medium alerts are issued when there are 2,000 to 15,000 cells per millilitre. High and medium algal alerts issued by Department of Natural Resources during 2005-2006 are listed in Table 9.

Table 9 – 2005-06 algal alerts.

(Note: Figures for algae other than blue green algae have not been included. Stated alert level is indicative only).

SAMPLE SITE	DATE	BLUE GREEN ALGAL COUNT	UNITS	ALERT LEVEL
Namoi River at Walgett	1-Aug-05	3286	cells/mL	Low
Barwon River at Collarenebri	26-Sep-05	1849	cells/mL	Low
Namoi River at Walgett	12-Oct-05	1335	cells/mL	Low
Barwon River at Collarenebri	6-Nov-05	770	cells/mL	Low
Barwon River at Walgett	7-Nov-05	1711	cells/mL	Low
Barwon River at Walgett	7-Nov-05	3423	cells/mL	Low
Namoi River at Walgett	7-Nov-05	10578	cells/mL	Medium
Namoi River at Walgett	7-Nov-05	39846	cells/mL	Medium
Namoi River at Walgett	14-Nov-05	6041	cells/mL	Medium
Barwon River at Walgett	28-Nov-05	1501	cells/mL	Low
Namoi River at Walgett	28-Nov-05	4792	cells/mL	Low
Namoi River at Walgett	5-Dec-05	513	cells/mL	Low
Barwon River at Walgett	12-Dec-05	1422	cells/mL	Low
Namoi River at Walgett	12-Dec-05	8011	cells/mL	Medium
Namoi River at Walgett	16-Jan-06	1922	cells/mL	Low
Barwon River at Collarenebri	30-Jan-06	1131	cells/mL	Low
Namoi River at Walgett	30-Jan-06	10854	cells/mL	Medium
Namoi River at Walgett	6-Feb-06	2383	cells/mL	Low
Namoi River at Walgett	21-Feb-06	1594	cells/mL	Low
Barwon River at Walgett	27-Feb-06	791	cells/mL	Low
Namoi River at Walgett	27-Feb-06	7790	cells/mL	Medium
Namoi River at Walgett	7-Mar-06	2035	cells/mL	Low
Barwon River at Walgett	8-Mar-06	622	cells/mL	Low
Namoi River at Walgett	8-Mar-06	10448	cells/mL	Medium
Namoi River at Walgett	13-Mar-06	19640	cells/mL	Medium
Namoi River at Walgett	20-Mar-06	30291	cells/mL	Medium
Namoi River at Walgett	27-Mar-06	5969	cells/mL	Medium
Namoi River at Walgett	3-Apr-06	27430	cells/mL	Medium
Barwon River at Walgett	5-Apr-06	949	cells/mL	Low
Namoi River at Walgett	5-Apr-06	5381	cells/mL	Medium
Namoi River at Walgett	10-Apr-06	2103	cells/mL	Low
Namoi River at Walgett	22-May-06	620	cells/mL	Low
Namoi River at Walgett	29-May-06	4186	cells/mL	Low
Namoi River at Walgett	5-Jun-06	8579	cells/mL	Medium
Barwon River at Walgett	26-Jun-06	505	cells/mL	Low

5.4.3 Response

The town water supply for Walgett is drawn from a weir on the Namoi River. As a result, during periods when there are medium or higher algal alerts current for the river, activated carbon is used in the water treatment plant to reduce the toxins in the town's filtered water supply.

Collarenebri's town water supply is drawn from a weir on the Barwon River. The water treatment plant uses a micro-filtration process and, like Walgett, activated carbon is used during periods of medium or higher algal alerts.

6 BIODIVERSITY

6.1 ENDANGERED ECOLOGICAL COMMUNITIES

6.1.1 Pressure

A number of types of woodlands that exist within the Shire have been extensively cleared and modified since the arrival of European man. Fragmentation, overgrazing, weed invasion and alteration of flood regimes, amongst other things, can pose a threat to the long term viability of such ecological communities.

6.1.2 State

Data on the extent and viability of the various ecological communities within the Shire is incomplete.

6.1.3 Response

The NSW Threatened Species Conservation Act establishes an independent Scientific Committee, not subject to the control and direction of the Government, to determine which species, populations and communities are to be listed as threatened. That committee has determined that a number of ecological communities which are known to exist within the Shire should be regarded as endangered ecological communities. They include:

- Artesian Springs Ecological Community
- Brigalow within the Brigalow Belt South, Nandewar and Darling Riverine Plains Bioregions

- Brigalow-gidgee Woodland/shrubland in the Mulga Lands and Darling Riverine Plains Bioregion
- Carbeen Open Forest community in the Darling Riverine Plains and Brigalow Belt South Bioregions
- White Box Yellow Box Blakely's Red Gum Woodland
- Coolibah-Black Box woodland of the northern riverine plains in the Darling Riverine Plains and Brigalow Belt South bioregions

Under section 78A(8)(b) of the Environmental Planning and Assessment Act 1979, any Development Application which involves land that is critical habitat, or is likely to significantly affect threatened species (listed in Appendix B), populations or ecological communities or their habitat, must be accompanied by a 'species impact statement'. A species impact statement prepared in the manner prescribed under Division 2 of Part 6 of the Threatened Species Conservation Act 1995.

7 WASTE

7.1 URBAN WASTE DISPOSAL

7.1.1 Pressure

The main waste depots within the Shire are located near the two largest towns, Walgett and Lightning Ridge. Both these facilities will come to the end of their useful life in the short to medium term. Smaller facilities are operated at Burren Junction, Carinda, Collarenebri, Rowena and Come-by-Chance. Substantial expenses are incurred by Walgett Shire Council to establish, operate and maintain the waste depots.

7.1.2 State

The drum muster program, which recycles used agricultural chemical containers, continued operating at the Walgett waste depot. Opportunistic recycling is also undertaken at Walgett and Lightning Ridge waste depots. No kerbside recycling is undertaken in any of the communities within the Shire. Vegetation removed as a result of Walgett Shire Council maintenance operations is chipped and reused as mulch where possible.

The Lightning Ridge waste depot is nearly at the end of its functional life, given that it is a former open cut opal mine which has been nearly filled to ground level.

7.1.3 Response

Walgett Shire Council is in the process of reviewing options for a new waste disposal site at Lightning Ridge. Preferred sites have been identified and it is planned to undertake a formal analysis of the two sites that have been identified, after public consultation, as the most likely to be suitable.

8 NOISE

8.1 DOMESTIC NOISE

8.1.1 Pressure

Noise is rarely regarded as a significant issue within the Shire as there are few substantial noise generating developments. Most problems arise in a domestic context with issues such as a barking dog or noisy neighbour. Such issues tend to occur more frequently in association with camp mineral claims on the opal mining fields.

8.1.2 State

Council receives sporadic complaints about the noise created by generators operating at what are perceived as “late” hours by the complainant.

Although the issue is relatively simple in itself, complications arise from community attitudes that vary from acceptance that “it is part of living on the opal fields” through to an expectation that legislative requirements should be rigorously enforced. In some cases it appears that personality conflicts may be a key factor in the complaint.

8.1.3 Response

In the majority of situations Walgett Shire Council advocates that any party concerned by generator noise should discuss the matter directly with the person involved. The suggested

objective of the discussion is to develop a mutually acceptable outcome. Other situations are dealt with on a case-by-case basis.

9 ABORIGINAL AND NON-ABORIGINAL HERITAGE

9.1.1 Pressure

Although some heritage assessment work has occurred within the shire, no community based, systematic study has been undertaken and there is no schedule of local heritage items under a Local Environmental Plan. As a result, items of significance may be at risk from decay or inappropriate development.

9.1.2 State

There are no items listed in the State Heritage Register as of September 2005 for Walgett Shire. Items recorded by the Australian Heritage Commission in the Register of the national estate database, as of September 2005, are listed in Table 10. Ultimately the present state of heritage items in the Shire is relatively poorly understood when considered on an overall basis.

Table 10 – National Estate Heritage Sites.

ITEM	TOWN	STATUS
2 Indigenous Places	Walgett	Indicative Place
Bore Baths	Lightning Ridge	Indicative Place
Cuddie Springs	Carinda	Indicative Place
Indigenous Place	Brewarrina	Registered
Indigenous Place	Collarenebri	Registered
Indigenous Place	New Angledool	Registered
Indigenous Place	Walgett	Registered
Narran Lakes Area	Brewarrina	Registered
Nettleton's Shaft	Lightning Ridge	Registered
Old Shire Chambers, 78 Fox St	Walgett	Indicative Place
Two Mile Creek (Warrambool) Rail Bridge	Walgett	Registered
Walgett Courthouse, 55 Wee Waa St	Walgett	Registered

9.1.3 Response

Items of local heritage significance are normally listed in a heritage schedule attached to a Local Environmental Plan (LEP), but Walgett Shire currently does not have an LEP. Council's Heritage Adviser, Graham Hall, has prepared a draft list of potential heritage items in consultation with members of the community who had previously participated in Council's now disbanded Heritage Study committee. The list includes buildings in towns and villages and on rural properties, engineering structures, items on the opal fields, Aboriginal places, moveable items and landscapes. This list was refined after rigorous testing and culling at community workshops to leave about 130 items for further consideration. These have been recorded in a database, using the State Heritage Inventory software.

The next step will be to involve the owners of the items in discussions with Council's Heritage Adviser. Work is underway to determine the correct property description (lot, section and deposited plan numbers) for each potential heritage site, and subsequently determine the actual landowners. Subsequently they will be notified and provided with information about the implications of heritage listing. It is expected that the Heritage Adviser will also meet with affected property owners in the coming year, possibly in conjunction with meetings of the various Precinct Committees that provide recommendations to Walgett Shire Council on matters.

10 MORE INFORMATION

For more information on the environmental matters covered in this report the following government agencies, and their web sites, will be of interest.

- Status of coolibah black box woodlands as an Endangered Ecological Community
http://www.nationalparks.nsw.gov.au/npws.nsf/Content/coolibah_black_box_woodland
- Data on threatened species, populations and ecological communities
<http://threatenedspecies.environment.nsw.gov.au/tsprofile/index.aspx>
- NSW Natural Resources Atlas, <http://www.nratlas.nsw.gov.au/wmc/savedapps/nratlas>
- Ecologically Sustainable Development, <http://www.deh.gov.au/esd/>
- NSW government State of the Environment indicators,
<http://soedirect.nsw.gov.au/app/index.jsp>
- Murray–Darling Basin Commission, <http://www.mdbc.gov.au/>
- Aquatic Ecological Community of the lower Darling River
http://www.fisheries.nsw.gov.au/threatened_species/general/content/darling_river
- NSW State Heritage Inventory and State Heritage Register,
http://www.heritage.nsw.gov.au/07_subnav_02.cfm
- Register of the National Estate, <http://www.ahc.gov.au/register/index.html>
- Public register under the Protection of the Environment Operations Act 1997
<http://www.epa.nsw.gov.au/prpoeo/index.htm>
- River water quality indicators <http://www.waterinfo.nsw.gov.au/>
- Public Register of Approved Clearing PVPs and Development Applications
<http://www.nativevegetation.nsw.gov.au/pams/PublicRegisterSearch.jsp>

For more information on specific issues covered in this report please contact Matthew Goodwin, Manager Planning and Regulation at Walgett Shire Council.

11 APPENDIX A – LICENSED PREMISES

Table 11 lists all premises within Walgett Shire that have current licences issued by the Department of Environment and Conservation under the Protection of the Environment Operations Act 1997.

Table A1 – Licences issued under the PoEO Act 1997 (as of 14 Sept 2006).

LICENCE. No.	LICENSEE NAME	ADDRESS	STATUS
12345	Harris; Bruce	"Avondale" Rowena 2387	Issued
10859	Namoi Cotton Co-Operative Ltd	Merrywinebone Rowena 2387	Issued
10871	Namoi Cotton Co-Operative Ltd	Warren Road Carinda 2831	Issued
12343	P.J. & J.M. Harris Pty. Ltd	Moree Road Rowena 2387	Issued
12466	Walgett Shire Council	Arthur Street Walgett 2832	Issued

12 APPENDIX B – THREATENED SPECIES

This appendix provides lists of all fauna and flora species that have been recorded as occurring in the Walgett Shire within the Atlas of NSW Wildlife maintained by the National Parks and Wildlife Service.

Table B1 – Threatened fauna species for the Walgett Shire as of 31/8/2005.

CLASS	FAMILY	SCIENTIFIC NAME	COMMON NAME	LEGAL STATUS
Aves	Accipitridae	<i>Erythrotriorchis radiatus</i>	Red Goshawk	E1
		<i>Hamirostra melanosternon</i>	Black-breasted Buzzard	V
	Anatidae	<i>Oxyura australis</i>	Blue-billed Duck	V
		<i>Stictonetta naevosa</i>	Freckled Duck	V
	Anseranatidae	<i>Anseranas semipalmata</i>	Maggie Goose	V
	Ardeidae	<i>Botaurus poiciloptilus</i>	Australasian Bittern	V
	Burhinidae	<i>Burhinus grallarius</i>	Bush Stone-curlew	E1
	Cacatuidae	<i>Cacatua leadbeateri</i>	Major Mitchell's Cockatoo	V
		<i>Calyptorhynchus banksii</i>	Red-tailed Black-Cockatoo	V
		<i>Calyptorhynchus lathami</i>	Glossy Black-Cockatoo	V
	Ciconiidae	<i>Ephippiorhynchus asiaticus</i>	Black-necked Stork	E1
	Climacteridae	<i>Climacteris picumnus</i>	Brown Treecreeper	V
	Estrildidae	<i>Stagonopleura guttata</i>	Diamond Firetail	V
	Falconidae	<i>Falco hypoleucos</i>	Grey Falcon	V
	Gruidae	<i>Grus rubicundus</i>	Brolga	V
	Meliphagidae	<i>Melithreptus gularis gularis</i>	Black-chinned Honeyeater (eastern subsp.)	V
	Otididae	<i>Ardeotis australis</i>	Australian Bustard	E1
	Petroicidae	<i>Melanodryas cucullata</i>	Hooded Robin	V
	Pomatostomidae	<i>Pomatostomus temporalis temporalis</i>	Grey-crowned Babbler (eastern subsp.)	V
	Psittacidae	<i>Neophema pulchella</i>	Turquoise Parrot	V
<i>Polytelis swainsonii</i>		Superb Parrot	V	
Rostratulidae	<i>Rostratula benghalensis australis</i>	Painted Snipe (Australian subspecies)	E1	
Scolopacidae	<i>Limosa limosa</i>	Black-tailed Godwit	V	
Strigidae	<i>Ninox connivens</i>	Barking Owl	V	
Mammalia	Dasyuridae	<i>Antechinomys laniger</i>	Kultarr	E1

CLASS	FAMILY	SCIENTIFIC NAME	COMMON NAME	LEGAL STATUS
		<i>Dasyurus maculatus</i>	Spotted-tailed Quoll	V
		<i>Sminthopsis macroura</i>	Stripe-faced Dunnart	V
	Emballonuridae	<i>Saccolaimus flaviventris</i>	Yellow-bellied Sheath-tail-bat	V
	Muridae	<i>Pseudomys apodemoides</i>	Silky Mouse	E1
		<i>Rattus villosissimus</i>	Long-haired Rat	V
	Peramelidae	<i>Perameles bougainville</i>	Western Barred Bandicoot	E4
	Phascolarctidae	<i>Phascolarctos cinereus</i>	Koala	V
	Potoroidae	<i>Bettongia tropica</i>	Northern Bettong	E4
	Vespertilionidae	<i>Chalinolobus picatus</i>	Little Pied Bat	V
<i>Vespadelus baverstocki</i>		Inland Forest Bat	V	
Reptilia	Elapidae	<i>Hoplocephalus bitorquatus</i>	Pale-headed Snake	V
	Scincidae	<i>Anomalopus mackayi</i>	Five-clawed Worm-skink	E1

Table B2 – Threatened species of flora for the Walgett Shire as of 31/8/2005.

FAMILY	SCIENTIFIC NAME	COMMON NAME	LEGAL STATUS
Brassicaceae	<i>Lepidium monoplacoides</i>	Winged Peppergrass	E1
Convolvulaceae	<i>Ipomoea diamantinaensis</i>		E1
Fabaceae (Faboideae)	<i>Desmodium campylocaulon</i>	Creeping Tick-trefoil	E1
	<i>Swainsona murrayana</i>	Slender Darling Pea	V
Goodeniaceae	<i>Goodenia macbarronii</i>		V

Table B3 – Legal status of threatened species.

LEGAL STATUS TYPES FOR FLORA & FAUNA (See tables B1 & B2)	
V	Vulnerable
E1	Endangered (Threatened Species Conservation Act 1995)
E2	Endangered (Threatened Species Conservation Act 1995)
E4	Presumed Extinct (Threatened Species Conservation Act 1995)
P	Protected (National Parks and Wildlife Act 1974)
P13	Protected Plants (National Parks and Wildlife Act 1974)

APPENDIX 'D'

Reports to the Condition of Public Works



PUBLIC WORKS

PUBLIC BUILDINGS

Council has a total of twenty-two (22) public buildings on which an amount of \$595,535 was expended on maintenance during 2005/2006 in order to maintain them at a satisfactory standard. With regards to public housing Council has twenty-nine (29) dwellings on which an amount of \$214,882 was expended during this period to maintain them at a suitable standard. All of Council's buildings are subject to a cyclic maintenance program to ensure they remain at a satisfactory standard.

PUBLIC ROADS AND BRIDGES

Within the Walgett Shire area there is approximately 2,908kms of public roads that Council is responsible for, this includes Council and classified roads, State Highways and Regional Roads. Of this, 678kms is sealed with the remainder being gravel or natural formation surfaces. Council is also responsible for 57 bridges within the shire. During 2005/2006 Council expended an amount of \$7,743,432 on maintaining and improving these public roads and bridges. The estimate to replace such infrastructure would amount to \$51.4m for roads and \$10.4m for bridges.

PUBLIC WORKS

Walgett Shire is responsible for water and sewerage in the three larger populated centres that are Walgett, Lightning Ridge and Collarenebri. In addition basic water supply schemes operate in the villages of Rowena and Carinda. An artesian bore, supplying a standpipe is available in the village of Cumborah.

Council expended a total of \$641,845 on maintenance and operations for the sewer schemes and a total of \$1,586,394 for the water supply schemes.

The current replacement costs of the sewerage schemes within the Shire have been estimated at \$11.7m with the water schemes being \$15.9m.

WALGETT SHIRE COUNCIL

SPECIAL SCHEDULE NO 7 CONDITION OF PUBLIC WORKS as at 30th June 2006

Asset Class	Asset Category	Depreciation Rate (%)	Depreciation Expense '000	Cost '000	Valuation '000	Accumulated Depreciation '000	Carrying Value '000	Asset Condition (see Notes attached)	Estimated Cost to bring to a Satisfactory Standard '000	Estimated Annual Maintenance Expense '000	Program Maintenance Works for current year '000
	<i>References</i>	<i>Note 9</i>	<i>Note 4</i>			<i>Note 9</i>			<i>Local Govt. Act 1993, Section 428 (2d)</i>		
Public Buildings	Council Offices	3%	15	388		164	224	4	180	80	230
	Works Depot	5%	17	361		234	127	6	1,000	146	30
	Halls	5%	25	709		358	351	6	300	79	50
	Houses	5%	54	1,116		646	470	5	500	160	100
	Museum	3%	1	61		14	47	6	200		
	Library	3%									
	Shops & Offices	3%	15	645		291	354	4	50	31	20
	Art Galley										
	Amenities/Toilets	2%	2	76		22	54	6	300	142	150
		Subtotal		129	3,356	-	1,729	1,627		2,530	638
Public Roads	Sealed Roads	1%	312	31,413		9,031	22,382	4	3,000	1,565	976
	Sealed Roads										
	Structure	1%	10	996		15	981	3			
	Unsealed Roads	1%	189	19,030		9,325	9,705	5	5,000	4,115	2,110
	Bridges	1%	100	10,397		3,129	7,268	4	6,000	887	160
	Footpaths										
	Cycleways										
	Kerb & Gutter										
	Subtotal		611	61,836	-	21,500	40,336		14,000	6,567	3,246

This Schedule is to be read in conjunction with the explanatory notes following.

WALGETT SHIRE COUNCIL

SPECIAL SCHEDULE NO 7 - CONDITION OF PUBLIC WORKS (cont)
as at 30th June 2006

Asset Class	Asset Category	Depreciation Rate (%)	Depreciation Expense '000	Cost '000	Valuation '000	Accumulated Depreciation '000	Carrying Value '000	Asset Condition (see Notes attached)	Estimated Cost to bring to a Satisfactory Standard '000	Estimated Annual Maintenance Expense '000	Program Maintenance Works for current year '000
Water	References	Note 9	Note 4			Note 9			Local Govt. Act 1993, Section 428 (2d)		
	Treatment Plants	3%	88	2,813		1,795	1,018	6	300	330	160
	Water Connections	10%	20	822		539	283	3		31	22
	Bores	3%	10	320		250	70	3	100	2	2
	Reservoirs	3%	83	2,770		1,228	1,542	3	150	62	17
	Dams										
	Hydrants										
	Stop Valves										
	Pipelines	3%	247	8,243		5,007	3,236	5	600	190	37
	Pump Stations	3%	28	931		745	186	5	400	124	146
	Subtotal		476	15,899	-	9,564	6,335		1,550	739	384
Sewerage	Pump Stations	4%	40	1,335		749	586	5	300	67	75
	Pipelines	3%	226	7,784		4,534	3,250	5	600	15	50
	Manholes	3%	19	640		226	414	5	200		
	Air Vent Stacks	3%	2	117		30	87	4	50		
	Treatment Works	3%	54	1,821		1,531	290	5	300	92	82
	Connections										
	Subtotal		341	11,697	-	7,070	4,627		1,450	174	207
Drainage Works	Retarding Basins	1%	-	10		8	2	4	50		
	Outfalls										
	Conduits	1%	21	2,073		597	1,476	4	150		
	Inlet & Junction Pits	1%	1	106		29	77	4	20		
	Head Walls	1%	-	8		2	6	4	50		
	Outfall Structures Converters										
Subtotal		22	2,197	-	636	1,561		270	-	-	
Total Classes - All Assets			1,579	94,985	-	40,499	54,486		19,800	8,118	4,417

This Schedule is to be read in conjunction with the explanatory notes following.

WALGETT SHIRE COUNCIL

SPECIAL SCHEDULE NO 7 - CONDITION OF PUBLIC WORKS (cont) as at 30th June 2006

"SATISFACTORY" CONDITION OF PUBLIC ASSETS

In assessing the condition of Public Assets Council has had regard to the condition, function and location of each asset, based on the original design standard. Changes in standards or proposed or potential enhancements to the existing asset design standard have been ignored (Code p A702). Assets within each Asset Category have been assessed on an overall basis, recognising that an average standard of "satisfactory" may be achieved even though certain assets may be above or below that standard on an individual basis.

Council recognises that the standard that it considers to be "satisfactory" may be different from that adopted by other Councils.

The information contained in this Schedule comprises accounting estimates formulated in accordance with the NSW Local Government Code of Accounting Practice and Financial Reporting. Nothing contained within this Schedule may be taken to be an admission of any liability to any person under any circumstance.

ASSET CONDITION

The following condition codes have been used in this Schedule.

- | | |
|---|---|
| 1 | Newly constructed |
| 2 | Over 5 years old but fully maintained in "as new" condition |
| 3 | Good condition |
| 4 | Average condition |
| 5 | Partly worn - beyond 50% of economic life. |
| 6 | Worn but serviceable |
| 7 | Poor - replacement required |