



WALGETT SHIRE COUNCIL  
**ANNUAL REPORT**  
2008 - 2009

# Statutory Report

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## Financial Reports for the Year Ended 30 June 2009

Attached to this report is a copy of Council's audited General Purpose Financial Reports and Special Purpose Financial Reports for the year ended 30 June 2009. These reports are marked '**Appendix A**'.

## Rates and Charges written off during the year

Council continues its intensive rates recovery processes and the amount outstanding has decreased significantly. A percentage greater than 10% is an indicator of concern. The Rates & Charges Outstanding percentage has declined from 15.97% in 2005 to 7.89% in 2008. The decline continued in 2009 with the Indicator for this year being 7.18%. The total amount of rates and charges written off for the period from 1 July 2008 to 30 June 2009 totaled \$176,776.61.

Of this amount \$91,721.44 came from Section 713 sales in May 2007 which were not finalised until after the beginning of this financial year.

The total legal fees written off for this period were \$16,455.37 and the total interest written off was \$47,329.51.

## External Bodies Exercising Council Functions

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

## Controlling Interests in Companies

Council held no controlling interest in any company during 2008 – 2009.

## Partnerships, Co-operatives and Joint Ventures

**Northern Regional Library** – The Northern Regional Library and Information Service is based in Moree and is administered by Moree Plains Shire Council. It exists to provide an information and recreational resource to the residents of the Shires of Brewarrina,

Moree Plains, Walgett and Gwydir. The annual contribution paid by Walgett Shire Council in 2008 – 2009 was \$122,063.

**Statewide Mutual Insurance Group** – Members of this scheme join together to form a self insurance mutual. Members include Councils, the Local Government Association and the Shires Association. Its objective is to ensure protection of its members through stable premiums, cost containment and spread of risk.

**Northwest Weight of Loads Group** – Moree Plains Shire Council administers this RTA and Council joint venture. The key challenges of this group include the prevention of overloaded vehicles, concentrated high volume harvest periods, seasonality, 24 hour 7 days per week operations, recovery of fine revenue and negative regulatory image.

**Rural Fire Service NSW** – Walgett, Coonamble and Warren Shire Councils operate and manage the Rural Fire Districts as the North West Zone under the terms of a Service Level Agreement (SLA). In accordance with this SLA the councils have agreed to delegate certain functions, powers and duties to the Fire Control Officer. Walgett Shire Council contributed \$151,268 in 08/09.

**Orana Regional Organisation of Councils (OROC)** – This partnership between a number of north west councils collaborates on matters of common interest including research, regional strategies, resource sharing, advocacy and brokering.

**Namoi Local Government Group (NLGG)** – The area of operation is within the Namoi Hydrological Catchment and its mission is to facilitate effective management of natural resources using a collaborative approach between local government and the Namoi CMA within the hydrological catchment of the Namoi River.

**Hunter Councils Inc – Regional Procurement Initiative** – This initiative has been established in response to a need for a collaborative approach to regional tendering and contracting, contribution \$17,000.

## State of Environment Report

Council's State of the Environment Report continues to be compiled on a regional basis by a consultant. A separate report has been presented.

## Report on the Condition of Public Works

Attached to this report is the Condition of Public Works as at 30 June 2009. This report is marked '**Appendix B**'.

## Mayoral and Councillor Fees

Mr. Vic Smith was appointed as Administrator for a period of two years, commencing 30 June 2006 and ceasing immediately before the first meeting of the Council held after the local government election on 13 September 2008.

The Administrator expenses for the period 1 July 08 until the cessation of appointment totaled \$17,951. Councillor Expenses from September 2008 (election) – June 2009 were

Clr	Costs
Ian Woodcock (Mayor)	\$21,236.44
Geoffrey (Dick) Colless (Deputy Mayor)	\$11,712.91
Robert Greenaway	\$7,153.31
Jane Keir	\$8,589.33
Manuel Martinez	\$7,806.33
Gustavus (Bill) Murray	\$9,339.57
David Lane	\$8,130.53
Kelly Smith	\$9,130.41
Lawrence Walford	\$7,892.73

An additional \$15,303.72 was expended on travel, accommodation and meeting expenses for Councillor attendance at conferences and meetings external to the Shire and a further \$17,263.46 was spent on an organizational review.

## Council's Policy on Provision of Facilities – Councilor Expenses

The Payment of Expenses and Provision of Facilities for Council Policy was prepared and exhibited in 2008 and adopted at the September 2008 Council meeting. The Policy was re-adopted at the June 2009 meeting and submitted to the Department of Local Government.

## Overseas Travel

No overseas travel was undertaken by the Administrator, Councillors, General Manager, Council staff or other persons representing Council.

## Senior Staff

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

Council's General Manager is Mr Ray Kent. Expenses incurred related to his appointment were:

- Housing Subsidy - \$3,114.36
- 9% Super - \$11,699.89
- Car - \$5,000
- FBT - \$2,774.40
- Salary Component - \$129,997.90.

## Summary of Legal Proceedings

Council incurred \$4,933 in costs for legal proceedings in 2008-2009.

## Private Works

Council received \$44,424 for private works carried out in 2008 – 2009, of which \$32,720 was for hazard reduction work carried out for the Rural Fire Service.

## Business Activities

Council does not have any *Category 1* business activities. Council has two (2) business activities declared as *Category 2* business activities with total annual operating revenue less than \$2 million. These business units are Walgett Shire Water Supplies and Walgett Shire Sewerage Services as contained in Special Purpose Financial Reports marked '**Appendix A**'.

## Competitive Neutrality

The disclosure requirements are reflected in Council's pricing and financial reporting systems and include taxation equivalents, council subsidies, rate of return on investments in business units and dividends paid.

Council handles competitive neutrality complaints by way of Complaints received. No complaints have been received for the 2008 – 2009 period.

## Statement of Contracts Awarded in Excess of \$150,000

A total of 19 major contracts valued in excess of \$150,000 were awarded by Council during 2008 – 2009

<b>Contractor</b>	<b>Activity</b>	<b>Amount</b>
Starjest	Staff housing construction	\$2,018,895
Rocla	Bridge Components	\$1,691,326
ICOM Pty Ltd	Bridge Construction	\$1,660,251
Polyfabrics Australia	Geotextile roadbase materials	\$329,000
Pioneer road services	Bitumen emulsion and other products	\$560,160
Newbold	Bitumen aggregate supplies	\$416,363
Stabilised Pavements Australia (SPA)	Road stabilization	\$302,933
GHD	Bridge design	\$200,000
Casual Plant hire (11 suppliers)	Plant hire more than \$150,000 per supplier	\$2,861,433

## Access and Equity Needs

Council has an obligation to all residents to ensure that access and equity activities meet residents' needs. Council meets these needs by:

- Consulting and communicating decisions effectively through Council's website, media releases and information flow to Precinct Committees and Community Working Parties
- Providing opportunities to the public to address agenda items at every meeting
- Strengthening and maintaining the community's involvement in the delivery of

services through a transparent process of networking and partnerships

- Consultation with shire residents and other local organisations when adopting formal policies
- Ongoing audit and assessment of Council facilities
- Providing a newsletter to all residents three times per year.

## Services and Programs for Children

Council offers equal opportunity to all young people within our shire, striving to achieve positive outcomes for the benefit of all youth in the Shire.

Council removed all unsafe playground equipment from parks throughout the Shire and commenced its replacement program this year in Walgett and Carinda. The program is ongoing until complete.

Council's Youth Program was nominated for the third consecutive year in the Local Government Youth Awards and this year was **Winner of the Most Innovative Youth Week Program 2008.**

### Achievements this year include:

- Significant increases in attendances at all Shire Youth Centres and Vacation Care Programs;
- Extension of Youth Centre opening hours
- Appointment of 3 Team leaders for youth centres in Walgett, Lightning Ridge and Collarenebri
- Successful grant applications in areas of entertainment and health for youth
- Indigenous Youth Council consultations with youth conducted
- Continuation of the School to Work Program across different areas of the Shire's work

Childcare delivery has been at a crisis point in the Shire for some time, mostly because of an inability to attract qualified staff. Staff are working with local providers to try to resolve this issue.

## Grants and Contributions

Council contributed a total of \$319,049 to 37 organizations under Section 356 of the Local Government Act 1993.

## Services and access for people with diverse cultural and linguistic backgrounds

Council recognises that people from culturally diverse backgrounds may face issues in relation to access to services and participating in the wider community. Council is committed to providing equitable and accessible services, facilities and activities for the whole community. The Local Ethnic Affairs Priorities Statement (LEAPS) and Action Plan 2006-2009 was adopted within the Management Plan 2006-2007 on 22 June 2006. This Plan will be reviewed as part of the Integrated Planning development in 2009/2010.

In 2008-2009, 3 people became Australian citizens at Council ceremonies.

Council staff underwent Cultural Awareness Training throughout 2009. The training package was developed by Council's Aboriginal Liaison Officer, in conjunction with members of the Gamilaroi community and other interested Aboriginal people. The training has also been provided to staff of other organisations at a reasonable cost to them.

## Statement of Human Resources Activities

### Recruitment

During the 2008/2009 financial year Council's Human Resources staff has been working towards recruiting to fill Council's vacant positions.

Recruitment activity for the 2008-2009 involved 41 new staff commencing employment with Walgett Shire Council. Several new positions were created to assist Council to better meet its obligations in specific areas. New positions created included a Health and Building Surveyor, Manager Community Development and Tourism, Community Development Officer (temporary 12 month position) Administrative Services Officer, Roads and Bridges Engineer and Urban Utilities Engineer.

The turnover rate for the period 2008-2009 was 22.7%, an improvement on last years figure of 29.4%. Council continues to implement flexible working conditions, training and development opportunities, corporate uniform, salary packaging and subsidised housing rental in an attempt to attract, retain and develop suitable staff. The range of applicants for positions vacant indicates that Council is reaching a wider audience than has previously been the case, with

significant skill increases in the technical and professional applicants.

Formal exit interview procedures have also been developed to assist in identifying issues which may lead to an increased turnover, dissatisfaction or low morale.

A new salary system was introduced during the year. This simplified system has seen the grading structure reduced from 24 grades to 7 grades. All positions were regraded under the new system with staff given access to an appeals process regarding their assessment. A total of 9 appeals were lodged with the General Manager by employees with 13 position descriptions being reassessed.

The staff appraisal procedures and competency documents were redeveloped to ensure that staff are remunerated according to their skill levels and broadening the range of tasks that an employee may be required to perform. This provides a more flexible workforce and assists in achieving operational objectives in an efficient manner. It also assists management with succession planning.

Council's Organisational Structure has been reviewed regularly in accordance with Management Plan requirements.

### School to Work Program

Walgett Shire Council continues to operate a School to Work program in partnership with Walgett Community College and other schools. This program was introduced to assist students in choosing a career path within Local Government. Students are assigned to a 'buddy' to assist them whilst at work and are offered training and development to improve their skills. Students from Walgett, Lightning Ridge and Collarenebri are given the opportunity to participate in the program.

## Council's Workforce Profile

Age	Male	Female
15-19	2	0
20-24	2	6
25-34	12	14
35-44	17	17
45-54	21	10
55-64	22	3
65+	6	6
Unknown	5	0

Group Identifier	Percentage of Staff
Aboriginal/Torres Strait Islander	21%
Culturally and Linguistically diverse origin	6%
Women	39%
People with Physical disability	1%

## Training and Development

Council continues to encourage employees to participate in training and development. During the period 2008/2009 Council expended \$153,346.19, excluding wages costs, on training and conference expenses to ensure that all staff are continually improving their skills and to remain up to date with legislative requirements.

### *Training included but was not limited to*

- Induction
- Code of Conduct
- First Aid
- Minute Taking
- TRIM Administrator
- TRIM training (electronic records system)
- Safe Working in Confined Spaces
- Train the Trainer
- Rates
- Bitumen and asphalt
- Records
- Traffic Control
- OH&S General Induction
- OH&S Auditors course
- Fair Value Asset Accounting workshop

- Certificate III – Finance
- Certificate IV – Civil Construction Supervision
- Food Handling and Surveillance
- Mercer CED Job Evaluations
- Certificate III – Horticulture
- Culverts/Highways
- Spatial Information Services
- Business Analysis
- Protection of the Environment Authorised Officers
- Environment Management
- Sharps training
- Fleet management
- NSW Housing Code
- Building Surveying
- Microsoft Publisher
- Chemcert
- Website Development
- Plant Operator
- Grant Seeker Workshop
- FBT
- Crane & Plant Electrical Safety
- Cultural Awareness Training
- Local Government Finance
- RTA ASCIS Heavy Vehicle
- Customer Service
- Microsoft Excel, Project and Word
- Environment & Planning Legislation Amendments
- Business Administration Diploma
- End of Year Authority training
- Certificate III – Civil Construction

*Conference attendance included but was not limited to:*  
Rad-Tel Systems workshop  
Civinex

Australian Water Association Oz Water Conference  
Local Government Finance Professionals Conference  
Records Manager's Conference  
Reflect Annual User Group Conference  
Institute of Public Works Engineers Conference  
Local Government Manager's Association Annual Conference  
Local Government Shire's Association Annual Conference.

Conference expenses totaled \$19,669.

## EEO Management Plan

Activities undertaken during the period July 2008 to June 2009 to ensure Council continues to apply the principles of Equal Employment Opportunity legislation:

- Continual review of Job Descriptions, Policies and Induction programs
- Review and update EEO policy and procedures
- Monitoring of advertisements and selection criteria by Director Corporate and Community Services to ensure advertising is non-discriminatory
- Continued development of School to Work Programs and Work for the Dole Projects to allow unemployed persons to enter into the workforce
- Provision of assistance to employees and supervisors regarding EEO issues and grievances through Council's Human Resources consultant.

Attached to the report is the Walgett Shire Council EEO Plan 2007-2010. This report is marked 'Appendix D.'

## Regional Infrastructure Projects and Partnerships

Walgett Shire Council has undertaken a number of Regional Infrastructure projects, using Federal Government grants, to assist local unemployed Indigenous people to develop their skills, gain qualifications and to develop good work ethics.

The projects were done in partnership with Murdi Paaki Regional Enterprise Corporation, a registered training organization, utilizing a STEP program and working in tandem with Walgett Aboriginal Medical Service and Walgett Lands Council who also partnered with Murdi Paaki. The result was the availability of 12 months continuous employment of a group of local people to complete not only Council's projects but also those projects of the other 2 organisations.

## Bushfire Hazard Reduction Activities

Bush Fire Hazard Reduction activities for 2007/2008 are as follows:-

Grading:	Regional Roads 200 x 10m Shire Roads 800 x 10m
Slashing:	(Roadside) 400 x 6m
Slashing of Parks:	Not Included

Total cost of works undertaken at:

Walgett Aerodrome	\$2,800
Walgett Waste Depot	\$1,200
Lightning Ridge Aerodrome	\$1,600
Collarenebri Town Area	\$2,040
Collarenebri Aerodrome	\$2,560
Burren Junction Village	\$1,600
Burren Junction Cemetery and Waste Depot	\$2,880
Rowena Village Area and Waste Depot	\$1,360
Carinda Village Area and Waste Depot	\$2,080
Cumborah Village	\$1,360

## Stormwater Management Services

Specific stormwater management activities were undertaken in 2008/09 and expenditure on routine maintenance was approximately \$58,811.81. Small lengths of failed kerb and gutter were replaced where adjacent road shoulder reconstruction was being carried out. Council has not, as yet, moved to introduce a stormwater management charge as is provided for in the Local Government Act.

## Privacy and Personal Information

The Privacy and Personal Information Protection Act 1998 was introduced to provide central safeguards to an individual's privacy in relation to a wide variety of personal information held by the public sector agencies such as Council.

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 the Act.

## Freedom of Information

During the period Council received no applications for information under the Freedom of Information Act.

## **Companion Animals Act and Regulation**

Council lodges an annual return with the Department of Local Government which shows the numbers of impounded companion animals.

Key aspects of this years return include:

- 74 dogs and 63 cats were seized.
- 163 dogs and 43 cats were surrendered.
- 3 dogs were released to their owners.
- 249 dogs and 106 cats were euthanized
- 19 dogs were dumped and 2 were stolen from the pound.

Council spent \$54,170 on companion animal management related activities in 2008 - 2009.

## **Planning agreements under the environmental planning and assessment act**

No planning agreements were entered into by Council during the year.

Council employs a full time Ranger to conduct these activities, bringing the total cost of Companion Animal activities to \$99,029.

Council participated in the RSPCA Companion Animal Welfare Scheme (CAWS) again, which was very well received and attended. The scheme included education sessions for school children, desexing and microchipping programs for dogs.

The vast majority of companion animals that are surrendered to, or seized by, Council are euthanased. Council's regulatory staff seek new homes for any animal that is trained and/or in good physical condition but it is unfortunate that very few animals meet such criteria.

Council did not access any Companion Animals Fund money during the period .



## **WHAT COUNCIL ACHIEVED IN 2008/2009**

## **WHAT COUNCIL IS PLANNING FOR THE FUTURE**

## Community Services

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### What council achieved in 2008 - 2009

Winner of the Local Government Youth Week Award 2009 for Best Small Council Youth Week Program and Best Local Youth Week Program.

Community Internet Wireless Access pilot project in Collarenebri commenced but not yet completed.

Waste to Art program conducted in Walgett and Lightning Ridge.

Aboriginal Community Development and Reconciliation Plan objectives progressed.

Increased library opening hours

Youth Council conducted regular monthly meetings and held consultations with young people across the Shire to identify youth needs.

Playground equipment replaced in Walgett and Carinda.

Ongoing programs such as Harmony Day, Youth Week, Children's Week and vacation care programs were provided.

Council meetings continue to be held at each of the villages in the Shire.

Expression of Interest (EOI) for Main Street beautification project developed and EOI let

### What council is planning for the future

Continue the replacement of playground equipment program across the Shire.

Introduce new youth programs focused on Healthy Lifestyles and education.

Increase opening hours of youth centres in Walgett, Lightning Ridge and Collarenebri

Establish skate parks in Walgett, Lightning Ridge and Collarenebri.

Walgett Shire and Gosford City Councils to work together on the promotion of Walgett Community and Cultural Festival week in August 2009, including competition sports activities, music, craft and cultural promotions.

Responding to community issues raised in consultation process, including domestic violence, bars on windows in Walgett main street

Walgett Main Street beautification consultation and development process conducted

## **Corporate Services**

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### **What council achieved in 2008 - 2009**

Further reduction in outstanding rates and charges arrears

Continued extensive debt recovery program

Electronic records system (TRIM) introduced

Introduction of a new salary system

Further reduction and resolution in the number of outstanding legal matters eg contracts

IT systems changed producing improved efficiencies and effectiveness of the organization as well as budgetary savings of approximately \$100,000

Quarterly reviews and revision of the budget continued in a timely manner

Council's intensive debt recovery procedures produced a reduction in Rates & Annual Charges Outstanding Percentage to 7.18%.

Council's commitment towards staff training and development has resulted in the development of a corporate training program which includes Code of Conduct training, increased computer program training, cultural awareness training.

Policy Manual completed and adopted

### **What council is planning for the future**

Updating and continuous improvement of financial processes and procedures to enhance Council's financial management

Continued Human Resources management improvements

Integrated Planning development to be introduced across the organization and community engagement undertaken

Procedures Manual completed

Computer training

# Tourism

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## **What council achieved in 2008 - 2009**

Local Indigenous Language Books located in Visitor Information Centre

Souvenirs using the Walgett Tourism Logo being sold at the Walgett Visitor Information Centre

Highly successful relationships have been maintained with Kamilaroi Highway, Darling River Run, Go West, Outback Arts and Outback Regional Tourism Organisation.

Assisted in the promotion of Walgett Shire on several websites including Tourism Australia and Outback Regional Tourism Organisation.

Signage audit continued with additional signs being placed at strategic sites across the Shire

Development of a long term Shire wide Tourism strategy

Interpretive Signage developed and produced for a number of significant sites across the Shire in consultation with relevant elders groups

Expression of Interest (EOI) developed for Tourism Branding process and EOI let out to public

## **What council is planning for the future**

Development of marketing and branding process in consultation with local communities

Signage development continued

Country Expo marketing opportunity developed and attended

Identification and development of local Indigenous tourism opportunities

Development of Primitive camping grounds in Collarenebri and Walgett

Lightning Ridge to host Outback tourism symposium

# Transport

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## What council achieved in 2008/09

Continued routine maintenance on 2,521 km of regional and local roads including 40 bridges with an aggregate deck length of 1,335m.

Council completed 25km upgrade and sealing project on MR457 Gundabloui Road as part of the Australian Government's Strategic Regional Program

Continued routine maintenance on 427km of State Highways within Walgett Shire under contract to the RTA.

Completed penultimate stage of the upgrade and sealing project on MR333 Cumberdoon Way as part of the Australian Government's Strategic regional program

Commenced the final stage of the upgrade and sealing project on MR329 Merrywinebone Road as part of the Australian Government's Strategic Regional Program

Completed the replacement and upgrading of Pian Creek bridge on MR329 Merrywinebone Road

Completed the design and documentation of 6 timber bridges on regional and local roads for funding under the NSW RTA Regional Roads Timber Bridge Partnership and Australian Government Roads to Recovery Programs

Completed approximately \$4.87m of ordered rehabilitation and periodic maintenance works on State Highways under contract to NSW RTA

## What council is planning for the future

Complete the upgrade and sealing project on MR333 Cumberdoon Way as part of the Australian Government's Strategic Regional Program and NSW RTA Repair program

Complete the upgrade and sealing project on Merrywinebone Road as part of the Australian Government's Strategic Regional Program

Complete the upgrade and construction of the replacement and upgrade of 6 timber bridges on regional and local roads for funding under the NSW RTA Regional Roads Timber Bridge Partnership and Australian Government Roads to Recovery Programs

Complete the upgrade of pedestrian facilities at Fox and Arthur Street intersection Walgett and Waterloo and Alma Street intersection Burren Junction

Bitumen seal a section of Colless Street Come By Chance

Implementation of a comprehensive plant replacement program tailored to current and future needs  
Planning and documentation for the upgrade or replacement of Walgett Shire Works Depot

# Parks, Reserves and Gardens Management (including Urban Roads)

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## What council achieved in 2008/09

### Aerodromes

- Sealing of Walgett Aerodrome completed.
- Sealing of Lightning Ridge Aerodrome completed.

### Swimming Pools

- Walgett Swimming Pool – contract extended until March 2010.

### Borebaths

- Lightning Ridge Borebath. Significant improvement materialized in this borebath where pavers were renewed, toilets completely rehabilitated and bicycle tracks installed. Old large trees were also uprooted and replaced with many young trees instead hoping that the general landscape will be improved in a higher degree over the years
- New history signs were installed.
- Boundary lines were set by placing large boulders around the site perimeter
- Burren Junction Borebath. Old trees damaging the concrete structure were removed, replaced with smaller new trees around the camp area.

### Parks

- Automatic Sprinkler Systems. New sprinkler systems were installed at Gray Park (Walgett), No. 1 Oval (Walgett) and Len Cram Park (Lightning Ridge). These three systems are operating in night time only where effective watering absorption and methods are achieved daily.

## What council is planning for the future

### Strategies and Policies.

- Development of **Parks and Reserves Asset Management Plan** to set direction for providing optimum service level requirements to the community by 2011.
- Prepare a comprehensive 10-year Parks and Reserves Management Program by 2011.
- Conduct a **Reserve Trust Manager Training** exercise for Asset Officers currently in-charge of managing this activity within a year.
- Introduce the **Parks and Reserves Servicing Manual and Procedure** by 2012.
- Develop a '**global**' response strategy where all urban staff can practice their expertise anywhere within the shire if so required over the next 2 years.

- Finalise and prepare renewal schedule of all **'fleet equipment'** needs for urban staff in performing tasks anywhere within the shire next year.

#### Design, Construction and Maintenance

- Provision of increasing health and safety program at the Lightning Ridge borebath by providing a perimeter fence around the facility.
- Initiate a comprehensive 'tree planting and replacement' program of all parks and reserves around the shire within 2 years.
- Continue improvement of Walgett Cemetery Memorial Park.
- Install 'automatic sprinkler systems' of all parks and gardens around the shire within 5 years.
- Complete sealing and rehabilitation of Collarenebri Aerodrome by the end of 2009.
- Progressive **installation of 300 meters of kerb and footpaths** annually in towns and villages in conjunction with urban roads improvement program over the next 5 years.
- Installation of new shades at Lightning Ridge Borebath. These shades are expected to be completed by the end of November 2009.
- Two new shades are to be built along with a new shower facility inside the Burren Junction Borebath.
- After the September 09 close down, the borebath is to re-open until December 2009.
- A Development Application will be submitted to the Department of Lands to construct a bigger evaporation pond at Burren Junction.
- Walgett Skate Park to be completed.
- Walgett playground at Gray Park to be completed.

# Public Buildings and Amenities

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## What council achieved in 2008/09

### Rental Properties

- Continuing maintenance of all buildings
- Sold two properties to Council employees.

### HACC Centre (Lightning Ridge)

- Access roads and stormwater systems completed. Occupancy permit issued.

## What council is planning for the future

### Strategies and Policies.

- Development of **Building and Asset Management Plan** to set direction for providing optimum service level requirements to the community by 2011.
- Conduct a **Reserve Trust Manager Training** exercise for Asset Officers currently in-charge of managing this activity within a year.
- Introduce the **Parks and Reserves Servicing Manual and Procedure** by 2012.
- Develop a '**global**' **response strategy** where all urban staff can practice their expertise anywhere within the shire if so required over the next 2 years.

### Design, Construction and Maintenance

- 8 Units to be completed at Gilbert Street and occupied. 4 units to be sold
- Prepare a comprehensive 10-year Building Renewal and Disposal Management Program by 2011.
- Establish a long-term contractual relationship with maintenance service providers (pest control, carpentry, plumbing, masonry and electrical installations) by devising a 'contract ' document appropriate to each activity
- Establish an on-line system of asset entries for continuous monitoring of building assets.
- Sale of older staff housing to subsidise construction of the Arthur Street units
- Upgrade electrical wiring at Walgett Showground building



# Waste Services

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## What council achieved in 2008/09

### Landfill Management:

- Walgett and Lightning Ridge Landfill contracts extended until 2013 based on 'partnership - value' program.
- Formal geotechnical testing at Walgett Landfill started quarterly to comply with EPA license conditions. First report has been forwarded to EPA - 2008-09 Annual License Return.
- Completed cleaning program and established a new cell around Come-By- Chance Landfill.
- Good liaison protocol with locals' - establishment of a new disposal area at Grawin.
- Cleaned, re-defined and improved Cumborah site for better disposal of rubbish.

### Refuse Collection and Litter Control:

- Increased 'litter' awareness along Fox Street at Walgett CBD improving street cleanliness.

### Recycling and Waste Minimization Initiatives:

- Contractor's recycling business initiative at Lightning Ridge is growing where cardboards and other potential recycled materials are being identified. Council will continue to develop this with the contractor

### Green Waste Initiatives:

- Contractor at Lightning Ridge is progressively accepting green wastes as part of their 'greening' business. Some of processed green wastes are now being used as rubbish cover.

## What council is planning for the future

Develop a **Solid Waste Management Plan** which will address long-term strategies and outcomes on the following:

- **Regional landfill.** Development and construction between Lightning Ridge and Walgett within 2 years. Council will hold discussions with the community as a whole to understand the goals and objectives of Solid Waste Management Plan prior to full implementation within the next few years.
- **Licensing and Data Generation:** Increase efforts in meeting licensing requirements of Walgett Landfill as well as obtaining quality solid data generated from all existing landfills.
- **Transfer Stations:** Development of strategic stations around the shire housing recycling and waste reduction sheds within 3 years.
- **Refuse Collections:** Introduce an improved 'pay user' system by having collection trucks fitted with monitoring and registering devices for fast monitoring and effective collection charges. These devices are to be designed to fully integrate and complement with existing Council's waste, customer and accounting services within the next 2 years.
- **Refuse Collection Trucks.** Improve services by way of opening to public tenders or obtaining new and software equipped Council owned trucks.

Develop a **Waste Minimization Strategy** to support the expected outcomes of Solid Waste Management Plan:

- **Waste Advisory Group**: Formation of a community-driven group within a year. This is a 'think tank' group who will assist Council in increasing efforts to educate the community on matters relative to waste minimization, recycling and zero waste to landfills.

Develop a comprehensive **Landfill Operational Management Program** before the current contract ends on 2013. This program will compliment the Solid Waste Management Plan as well as the Waste Minimization Strategy both are still to be developed.

- Sound progress with site cleaning at Lightning Ridge to minimize proliferation of unwanted flying trash inside and around landfill. Introduction of more new cells are in progress.

Develop **Landfill Post-Closure Program** for Walgett, Lightning Ridge and other small landfills around the shire over the next 2 years.

**Community Discussions.** Council will hold discussions with the community as a whole to understand the goals and objectives of Solid Waste Management Plan and Waste Minimization Strategy prior to full implementation within the next 2 years.

# Water Supply Service

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## What council achieved in 2008/09

Leading to Best Practice Management (BPM).

- Rowena water meters. Installation of water meters in Rowena successfully completed. Rowena stakeholders were informed of Council's plan to introduce new water charges across the shire.
- Walgett and Collarenebri water meters. The Minister of Water approved the following:
  - Extension to cart water from Cumborah to Grawin townships as part of drought assistance program.
  - Grant application to install water meters at Walgett and Collarenebri townships. This activity is expected to be complete by mid-December 2009.
- Lightning Ridge and Carinda water meters. Analysis of providing water meters completed.

Routine maintenance on all water supply schemes in the Shire. Substantial progress was made on the implementation of telemetry at all water supply installations which will be successfully integrated to a global monitoring and response systems within the next 3 years.

## What council is planning for the future

Strategies and Policies

- Develop the Water Meter Installation Policy to be approved by Council. Council to implement new charges in 2010 -11 Management Plan.
- Development of **Water Asset Management Plan** (WAMP) to set direction for providing optimum water service level requirements to the community.
- Prepare a 10-year Water Renewal Management Program
- Continue discussions with neighboring local councils (Moore and Gwydir) regarding the future of **Water Alliance**. The Mayor of Moore Plains Shire Council became the first Chairman of the 2009 – 20010 Alliance.
- Continue developing the **Walgett Integrated Water Cycle Management Strategy** (WIWCMS) to comply with IPART subsequently meeting the Best Management Practice (BMP) within 2 years.
- Improvement of **Draught Management Plan** to focus on Water Integrated Water Cycle Management Strategy (WIWCMS) increasing efforts to educate the community on matters relative to long-term water conservation.
- Re-visit and amend the newly approved **Water Restriction Policy** to meet the Best Management Practice (BMP) in water usage.
- Re-introduce the **Water Operators Manual and Procedure** for all water supply plants by 2011.

- Develop the **water 'user-pay' charging system** to take effect in Jul 2010. This includes development and integration of appropriate IT equipment systems for billing, customer complaints action plan and maintenance monitoring practice.
- Develop a **'global' response strategy** where all water staff can practice their expertise anywhere within the shire if so required over the next 2 years.
- Finalise and prepare renewal schedule of all **'fleet equipment'** needs for urban staff in performing tasks anywhere within the shire next year.

#### Design, Construction and Maintenance

- Install **Rowena Water Tower Supply** before 30 June 2010. Plan and specifications already prepared and now in tendering process.
- Install **new water meters** in Lightning Ridge and Carinda. Additional funds are required to complete this activity this financial year. This includes replacement of aging valves and hydrants.
- Conduct **feasibility study and design of water supply systems** in Lightning Ridge, Collarenebri, Cumborah and Burren Junction by 2011. The design will focus in renewal of existing pumps and installation of new bores.
- Council to continue **holding discussions with the Burren Junction community** to ascertain if that community wishes to pursue a water scheme within the next 5 years.
- Improve implementation of Water Sampling Collection Management and Reporting within the next 2 years.
- Old standpipe at Harlequin Street to be decommissioned and replaced with a new one at a different location. Electricity is solar supplied where automatic charging system is to take place by July 2010. Drawing water from this facility will still be free to the general public.
- Onyx Standpipe to be re-instated for commercial use. It is also solar powered where automatic charging system is to take place by July 2010. Current commercial users will still pay fixed rates annually to Council.

# Sewerage Services

---

## What council achieved in 2008/09

Telemetry in pump stations installed.

New fence installed at Collarenebri effluent pond pump station.

Routine maintenance on all sewerage supply schemes in the Shire. Substantial progress was made on the implementation of telemetry at all sewerage installations which will be successfully integrated to a global monitoring and response systems within the next 3 years.

## What council is planning for the future

Strategies and Policies.

- Development of **Sewerage Asset Management Plan** (SAMP) to set direction for providing optimum water service level requirements to the community by 2011.
- Prepare a 10-year Sewerage Renewal Management Program
- Conduct a feasibility study of pumping treated wastewater to all parks and reserves as part of Sewerage Asset Management Strategy by 2010.
- Continue discussions with neighboring local councils (Moore and Gwydir) regarding the future of **Water Alliance**. The Mayor of Moore Plains Shire Council became the first Chairman of the 2009 – 20010 Alliance.
- Re-introduce the **Sewerage Operators Manual and Procedure** for all water supply plants by 2012.
- Develop the **sewerage ‘user-pay’ charging system** to take effect in Jul 2010. This includes development and integration of appropriate IT equipment systems for billing, customer complaints action plan and maintenance monitoring practice within 2 years.
- Develop a **‘global’ response strategy** where all water staff can practice their expertise anywhere within the shire if so required over the next 2 years.
- Finalise and prepare renewal schedule of all **‘fleet equipment’** needs for urban staff in performing tasks anywhere within the shire next year.

Design, Construction and Maintenance

- Conduct **feasibility study and design of sewerage supply systems** in Walgett, Collarenebri, Cumborah and Burren Junction by 2010. The design will focus in rehabilitation of existing pumping systems, evaporation ponds, sludge ponds, amenity improvements and access roads.
- Start rehabilitation and construction of Walgett Sewerage Systems by 2011.
- Conduct full CCTV study of all lines to determine the extent of renewal works to be done in the future by 2011.
- Rehabilitation of identified old and dilapidated main sewer main pipes in Lightning Ridge and Walgett.

- Replace aging Collarenebri sewerage pumps over the next 3 years.
- Commence an initiative to acquire the site upon which the Collarenebri effluent ponds are located.

# Stormwater Management

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## What council achieved in 2008/09

Routine maintenance was undertaken across the Shire.

Small lengths of failed kerb and gutter were replaced

## What council is planning for the future

Council will consider the introduction of a stormwater management charge as is provided for in the Local Government Act.

Strategies and Policies.

- Development of **Stormwater Asset Management Plan** to set direction for providing optimum stormwater and urban roads service level requirements to the community by 2011.
- Prepare a comprehensive 10-year Stormwater Renewal Management Program.
- Develop a **stormwater management charge** to cover this activity by 2011.
- Conduct a **feasibility study of harvesting stormwater** to use in watering parks and reserves as part of Sewerage Asset Management Strategy and Stormwater Asset Management Strategy by 2010.
- Re-introduce the **Stormwater Servicing Manual and Procedure** for stormwater systems by 2012.
- Develop a **'global' response strategy** where all urban staff can practice their expertise anywhere within the shire if so required over the next 2 years.
- Finalise and prepare renewal schedule of all **'fleet equipment'** needs for urban staff in performing tasks anywhere within the shire next year.

### A. Design, Construction and Maintenance

- Conduct **feasibility study and design of stormwater disposal and harvesting systems** in Walgett, Collarenebri, Cumborah and Burren Junction by 2011. The design will focus on rehabilitation of kerbs and gutters, sealing of affected roads and shoulders, installation and re-modelling of stormwater pipes and cesspits, construction of new lines to convey stormwater directly into the streams.
- Conduct full **CCTV study** of all lines to determine the extent of renewal works to be done in the future by 2011.
- Progressive **installation of 1000 meters of kerb and gutters** annually in towns and villages in conjunction with urban roads improvement program over the next 5 years.

# Planning and Regulation

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## What council achieved in 2008/09

Amendment of the Walgett Shire Growth Management Study and Draft Strategy (GMS), document forwarded to be endorsed by the Department of Planning

Progress on the identification of land surrounding Walgett, Lightning Ridge and Collarenebri with the potential for subdivision into rural lifestyle lots with areas of 10 to 40 hectares.

Ongoing preliminary discussions undertaken with the State Emergency Service and Department of Environment and Climate Change about the proposed rezoning of this land, which is potentially flood prone.

Council appointed a new Heritage Advisor who commenced reviewing the list of heritage items proposed to be listed in the Local Environmental Plan.

As part of Council's rural addressing project, several rural roads were renamed after extensive community consultation. Renaming was required to minimise the potential for confusion and ensure compliance with Australian Standards. Rural landholders were also notified of their new location based rural addresses.

Smoke testing conducted in Walgett

A smoke testing program was completed in Lightning Ridge that identified substandard connections to Council's effluent system. Council requested the assistance of property owners to fix these connections, substantially reducing problems associated with the unauthorised discharge of stormwater into the effluent system.

## What council is planning for the future

Council will actively seek to finalise the Walgett Shire Growth Management Study and Draft Strategy, prior to publicly exhibiting a draft Local Environmental Plan. The Local Environmental Plan will provide greater certainty for developers and the community about permissible land uses within a given location.

An aboriginal heritage study project will be completed over a two year period with the assistance of a grant from the Heritage Office of the NSW Department of Planning.

Council's rural addressing project will be completed during 2009/2010 with the establishment of rural address number posts at the public road entrances to all rural homesteads and the updating of road signs where required due to road name changes. A review will then be conducted of all addresses within the Shire's towns and villages with a view to addressing inconsistencies with Australian Standards.

During 2009/2010 action will be taken to ensure that the issues identified with sewerage mains in Lightning Ridge through smoke testing are rectified.

A project to remove contaminated soil from a pesticide residue pit at the Walgett airport was previously delayed pending follow up soil sampling to confirm the extent of the contamination. This project is a high priority for 2009/2010.



# APPENDIX A

# Walgett Shire Council

GENERAL PURPOSE FINANCIAL REPORT  
for the year ended 30 June 2009

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***“Rivers, Plains and Opals”***



# Walgett Shire Council

## General Purpose Financial Report for the financial year ended 30 June 2009

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### Overview

- (i) This Financial Report covers the consolidated operations for Walgett Shire Council.
- (ii) Walgett Shire Council is a body corporate of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

Council's Statutory Charter is specified in Section 8 of the LGA and includes;

- carrying out activities and providing goods, services & facilities appropriate to the current & future needs of the Local community and of the wider public
- responsibility for administering regulatory requirements under the LGA and other applicable legislation, &
- a role in the management, improvement and development of the resources of the local government area.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

- (iii) All figures presented in this Financial Report represent Australian Currency.
  - (iv) This Financial Report was authorised for issue by the Council on 29/10/2009. Council has the power to amend and reissue the financial report.
-

# Walgett Shire Council

## General Purpose Financial Report for the financial year ended 30 June 2009

### Statement by Councillors and Management made pursuant to Section 413(2)(c) of the Local Government Act 1993 (as amended)

**The attached General Purpose Financial Report has been prepared in accordance with:**

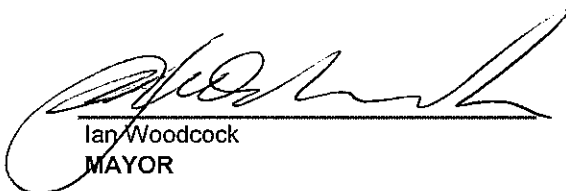
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

**To the best of our knowledge and belief, this Report:**

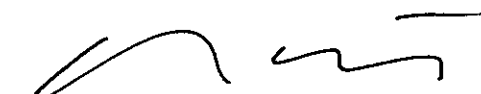
- presents fairly the Council's operating result and financial position for the year, and
- accords with Council's accounting and other records.

**We are not aware of any matter that would render this Report false or misleading in any way.**


**Signed in accordance with a resolution of Council made on 29 September 2009.**



Ian Woodcock  
MAYOR



Raymond Kent  
GENERAL MANAGER



Myrene Lovegrove  
FINANCE MANAGER

## Walgett Shire Council

## Income Statement

for the financial year ended 30 June 2009

Budget <sup>(1)</sup> 2009 \$ '000		Notes	Actual 2009	Actual 2008
<b>Income from Continuing Operations</b>				
<b>Revenue:</b>				
5,783	Rates & Annual Charges	3a	6,085	5,768
3,454	User Charges & Fees	3b	5,484	3,985
516	Interest & Investment Revenue	3c	626	449
345	Other Revenues	3d	902	362
7,475	Grants & Contributions provided for Operating Purposes	3e,f	8,701	8,319
177	Grants & Contributions provided for Capital Purposes	3e,f	2,797	997
<b>Other Income:</b>				
-	Net gains from the disposal of assets	5	286	299
-	Net Share of interests in Joint Ventures & Associated Entities using the Equity Method	19	-	-
<b>17,750</b>	<b>Total Income from Continuing Operations</b>		<b>24,881</b>	<b>20,179</b>
<b>Expenses from Continuing Operations</b>				
6,729	Employee Benefits & On-Costs	4a	6,084	6,465
16	Borrowing Costs	4b	14	25
5,860	Materials & Contracts	4c	9,417	7,419
2,947	Depreciation & Amortisation	4d	2,468	2,088
-	Impairment	4d	-	-
2,068	Other Expenses	4e	2,602	2,666
-	Interest & Investment Losses	3c	-	-
<b>17,620</b>	<b>Total Expenses from Continuing Operations</b>		<b>20,585</b>	<b>18,663</b>
<b>130</b>	<b>Operating Result from Continuing Operations</b>		<b>4,296</b>	<b>1,516</b>
<b>Discontinued Operations</b>				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
<b>130</b>	<b>Net Operating Result for the Year</b>		<b>4,296</b>	<b>1,516</b>
130	Net Operating Result attributable to Council		4,296	1,516
-	Net Operating Result attributable to Minority Interests		-	-
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>				
<b>(47)</b>			<b>1,499</b>	<b>519</b>

(1) Original Budget as approved by Council - refer Note 16

## Walgett Shire Council

## Balance Sheet

as at 30 June 2009

\$ '000	Notes	Actual 2009	Actual 2008
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6a	3,439	2,388
Investments	6b	9,899	12,582
Receivables	7	1,697	2,749
Inventories	8	894	753
Other	8	223	20
Non-current assets classified as "held for sale"	22	-	-
<b>Total Current Assets</b>		<b>16,152</b>	<b>18,492</b>
<b>Non-Current Assets</b>			
Investments	6b	-	-
Receivables	7	209	219
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	93,061	85,433
Investments accounted for using the equity method	19	-	-
Investment Property	14	-	-
Intangible Assets	25	-	-
Other	8	-	-
<b>Total Non-Current Assets</b>		<b>93,270</b>	<b>85,652</b>
<b>TOTAL ASSETS</b>		<b>109,422</b>	<b>104,144</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	1,840	1,643
Borrowings	10	20	94
Provisions	10	1,593	1,423
<b>Total Current Liabilities</b>		<b>3,453</b>	<b>3,160</b>
<b>Non-Current Liabilities</b>			
Payables	10	-	-
Borrowings	10	131	146
Provisions	10	173	106
<b>Total Non-Current Liabilities</b>		<b>304</b>	<b>252</b>
<b>TOTAL LIABILITIES</b>		<b>3,757</b>	<b>3,412</b>
<b>Net Assets</b>		<b>105,665</b>	<b>100,732</b>
<b>EQUITY</b>			
Retained Earnings	20	88,348	84,052
Revaluation Reserves	20	17,317	16,680
<b>Council Equity Interest</b>		<b>105,665</b>	<b>100,732</b>
<b>Minority Equity Interest</b>		<b>-</b>	<b>-</b>
<b>Total Equity</b>		<b>105,665</b>	<b>100,732</b>

## Walgett Shire Council

Statement of Changes in Equity  
for the financial year ended 30 June 2009

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
<b>2009</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		84,052	16,680	<b>100,732</b>	-	<b>100,732</b>
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance (as at 1/7/08)</b>		<b>84,052</b>	<b>16,680</b>	<b>100,732</b>	-	<b>100,732</b>
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (ii)	-	637	<b>637</b>	-	<b>637</b>
- Transfers to/(from) Other Reserves	20b (ii)	-	-	-	-	-
- Other Income/Expenses recognised	20b (ii)	-	-	-	-	-
- Other Adjustments	20b (ii)	-	-	-	-	-
<b>Net Income Recognised Directly in Equity</b>		<b>-</b>	<b>637</b>	<b>637</b>	-	<b>637</b>
d. Net Operating Result for the Year		<b>4,296</b>	-	<b>4,296</b>	-	<b>4,296</b>
<b>Total Recognised Income &amp; Expenses (c&amp;d)</b>		<b>4,296</b>	<b>637</b>	<b>4,933</b>	-	<b>4,933</b>
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>88,348</b>	<b>17,317</b>	<b>105,665</b>	-	<b>105,665</b>

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
<b>2008</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		82,536	6,268	<b>88,804</b>	-	<b>88,804</b>
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance (as at 1/7/07)</b>		<b>82,536</b>	<b>6,268</b>	<b>88,804</b>	-	<b>88,804</b>
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (ii)	-	10,412	<b>10,412</b>	-	<b>10,412</b>
- Transfers to/(from) Other Reserves	20b (ii)	-	-	-	-	-
- Other Income/Expenses recognised	20b (ii)	-	-	-	-	-
- Other Adjustments	20b (ii)	-	-	-	-	-
<b>Net Income Recognised Directly in Equity</b>		<b>-</b>	<b>10,412</b>	<b>10,412</b>	-	<b>10,412</b>
d. Net Operating Result for the Year		<b>1,516</b>	-	<b>1,516</b>	-	<b>1,516</b>
<b>Total Recognised Income &amp; Expenses (c&amp;d)</b>		<b>1,516</b>	<b>10,412</b>	<b>11,928</b>	-	<b>11,928</b>
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>84,052</b>	<b>16,680</b>	<b>100,732</b>	-	<b>100,732</b>

## Walgett Shire Council

## Cash Flow Statement

for the financial year ended 30 June 2009

Budget 2009	\$ '000	Notes	Actual 2009	Actual 2008
<b>Cash Flows from Operating Activities</b>				
<u>Receipts:</u>				
5,783	Rates & Annual Charges		6,199	5,793
3,454	User Charges & Fees		5,492	4,139
516	Interest & Investment Revenue Received		814	1,288
7,475	Grants & Contributions		11,869	8,945
177	Other		1,537	(240)
<u>Payments:</u>				
(6,181)	Employee Benefits & On-Costs		(5,847)	(6,401)
(5,860)	Materials & Contracts		(9,142)	(7,195)
(32)	Borrowing Costs		(14)	(25)
(2,086)	Other		(2,944)	(2,701)
<b>3,246</b>	<b>Net Cash provided (or used in) Operating Activities</b>	11b	<b>7,964</b>	<b>3,603</b>
<b>Cash Flows from Investing Activities</b>				
<u>Receipts:</u>				
-	Sale of Investment Securities		2,350	929
-	Sale of Real Estate Assets		-	98
350	Sale of Infrastructure, Property, Plant & Equipment		369	403
-	Deferred Debtors Receipts		-	53
<u>Payments:</u>				
-	Purchase of Investment Securities		-	(4,400)
(16,794)	Purchase of Infrastructure, Property, Plant & Equipment		(9,542)	(5,646)
-	Purchase of Real Estate Assets		(1)	-
<b>(16,444)</b>	<b>Net Cash provided (or used in) Investing Activities</b>		<b>(6,824)</b>	<b>(8,563)</b>
<b>Cash Flows from Financing Activities</b>				
<u>Receipts:</u>				
520	Proceeds from Borrowings & Advances		-	-
<u>Payments:</u>				
(74)	Repayment of Borrowings & Advances		(89)	(172)
-	Repayment of Finance Lease Liabilities		-	(77)
<b>446</b>	<b>Net Cash Flow provided (used in) Financing Activities</b>		<b>(89)</b>	<b>(249)</b>
<b>(12,752)</b>	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>1,051</b>	<b>(5,209)</b>
15,204	plus: Cash & Cash Equivalents - beginning of year	11a	2,388	7,597
<b>2,452</b>	<b>Cash &amp; Cash Equivalents - end of the year</b>	11a	<b>3,439</b>	<b>2,388</b>

Please refer to Note 11 for information on the following:

- Non Cash Financing & Investing Activities.
- Financing Arrangements.
- Net cash flow disclosures relating to any Discontinued Operations



# Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

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n/a - not applicable

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of this financial report are set out below in order to assist in its general understanding.

Under Australian Equivalents to International Financial Reporting Standards (AIFRS), accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Council) in preparing and presenting its financial reports.

##### (a) Basis of preparation

###### (i) Background

This financial report is a general purpose financial report which has been prepared in accordance with;

- applicable Australian equivalents to International Financial Reporting Standards (AIFRSs),
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Urgent Issues Group Interpretations,
- the Local Government Act (1993) and Regulations and
- the Local Government Code of Accounting Practice and Financial Reporting.

###### (ii) Compliance with International Financial Reporting Standards (IFRSs)

Australian Accounting Standards (AASB's) include Australian equivalents to International Financial Reporting Standards (IFRS's).

Because AASB's are sector neutral, some standards either (i) have local Australian content and prescription that is specific to the Not-For-Profit sector (including Local Government) which are not in compliance with IFRS's or (ii) specifically exclude application by Not for Profit entities.

Examples include;

- excluding Local Government from applying AASB 120 (IAS 20) for Grant Accounting and AASB 118 (IAS 18) for Segment Reporting, &

- different requirements on (a) Impairment of Assets relating to Not-For-Profit AASB 136 (IAS 36) and (b) AASB 116 (IAS 16) regarding accounting for the Revaluation of Assets.

**Accordingly in preparing this Financial Report and Accompanying Notes, Council has been unable to comply fully with International Accounting Standards, but it has complied fully with Australian Accounting Standards.**

Under the Local Government Act, Regulations and Local Government Code of Accounting Practice & Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with Australian Accounting Standards.

###### (iii) Application of AAS 27

AAS 27 – Financial Reporting by Local Government was withdrawn from use from 1 July 2008.

All key elements however of the former Standard have been incorporated into other current Standards including AASB 1051, 1052 and 1004.

###### (iv) Basis of Accounting

These financial statements have been prepared on an **historical cost basis** except for (i) financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets and investment properties which are all valued at fair value, (ii) the write down of any Asset on the basis of Impairment (if warranted) and (iii) certain classes of Infrastructure, property, plant & equipment that are accounted for at Fair Valuation.

The accrual basis of accounting has also been applied in their preparation.

###### (v) Changes in Accounting Policies

Council's accounting policies have been consistently applied to all the years presented, unless otherwise stated.

Unless otherwise stated, there have also been no changes in accounting policies when compared with previous financial reports.

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (vi) Critical Accounting Estimates

The preparation of this financial report (and financial statements) requires the use of certain critical accounting estimates (in conformity with AIFRS).

It also requires Council management to exercise their judgement in the process of applying Council's accounting policies.

##### (b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

##### **Rates, Annual Charges, Grants and Contributions**

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for the impairment on rates receivables has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Income from Contributions is recognised when the Council either obtains control of the contribution or the right to receive it, and **(i)** it is probable that the economic benefits comprising the contribution will flow to the Council and **(ii)** the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular

manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g).

Note 3(g) also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

##### **User Charges, Fees and Other Income**

User charges, fees and other income (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

A provision for the impairment of these receivables is recognised when collection in full is no longer probable.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided as at balance date.

##### **Sale of Infrastructure, Property, Plant and Equipment**

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

##### **Interest and Rents**

Rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Interest Income from Cash & Investments is accounted for using the Effective Interest method in accordance with AASB 139.

##### **(c) Principles of Consolidation**

These financial reports incorporate **(i)** the assets and liabilities of Council and any entities (or operations) that it **controls** (as at 30/6/09) and **(ii)** all the related operating results (for the financial year ended the 30th June 2009).

# Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

### Note 1. Summary of Significant Accounting Policies (continued)

The Financial Reports also include Council's share of the assets, liabilities, income and expenses of any **Jointly Controlled Operations** under the appropriate headings.

In the process of reporting on Council's activities as a single unit, all inter-entity year end balances and reporting period transactions have been eliminated in full between Council and its controlled entities.

#### (i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

The Consolidated Fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

The following entities have been included as part of the Consolidated Fund:

- General Purpose Operations
- Walgett Shire Water Supply Fund
- Walgett Shire Sewerage Fund

#### (ii) 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 money 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 those monies.

Trust monies and property subject to Council's control have been included in these reports.

Trust monies and property held by Council but not subject to the control of Council, have been excluded from these reports.

A separate statement of monies held in the Trust Fund is available for inspection at the Council office by any person free of charge.

#### (iii) Joint Venture Entities

Council has not participated in any Joint Ventures or Associated Entities during the reporting period.

#### (iv) County Councils

Council is a member of the following County Councils (which are bodies corporate under the Local Government Act);

##### ▪ Castlereagh Macquarie County Council

Walgett Shire Council is member of Castlereagh Macquarie County Council. Other members are Coonamble, Gilgandra, Warren and Warrumbungle Shire Councils.

The governing body of each County Council is responsible for managing its own affairs.

Council is of the opinion that it neither controls nor significantly influences the above County Councils and accordingly these entities have not been consolidated or otherwise included within these Financial Reports.

#### (d) Leases

All Leases entered into by Council are reviewed and classified on inception date as either Finance or Operating Leases.

#### Finance Leases

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in borrowings.

Each lease payment is allocated between the liability outstanding and the recognition of a finance charge.

The interest element of the finance charge is costed to the income statement over the lease period so as

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies (continued)

to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of each leased asset's useful life and the lease term.

##### Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

##### (e) Cash and Cash Equivalents

Cash and cash equivalents includes;

- cash **on hand**,
- deposits held **at call** with financial institutions,
- other short-term, highly liquid investments **with original maturities of three months or less** that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and
- bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet but are incorporated into Cash & Cash Equivalents for presentation of the Cash Flow Statement.

##### (f) Investments and Other Financial Assets

Council (in accordance with AASB 139) classifies each of its investments into one of the following categories for measurement purposes:

- **financial assets at fair value through profit or loss**,

- **loans and receivables**,
- **held-to-maturity investments**, and
- **available-for-sale financial assets**.

Each classification depends on the purpose/intention for which the investment was acquired & at the time it was acquired.

Management determines each Investment classification at the time of initial recognition and re-evaluates this designation at each reporting date.

##### (i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are "held for trading".

A financial asset is classified in the "held for trading" category if it is acquired principally for the purpose of selling in the short term.

Derivatives are classified as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets as they are primarily held for trading &/or are expected to be realised within 12 months of the balance sheet date.

##### (ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They arise when the Council provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

##### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies (continued)

and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

In contrast to the "Loans & Receivables" classification, these investments are generally quoted in an active market.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

#### (iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Investments must be designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Accordingly, this classification principally comprises marketable equity securities, but can include all types of financial assets that could otherwise be classified in one of the other investment categories.

They are generally included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date or the term to maturity from the reporting date is less than 12 months.

#### Financial Assets – Reclassification

Following on from amendments made to AASB 139 - Financial Instruments: Recognition & Measurement in October 2008, Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term.

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

Council may also choose to reclassify financial assets that would meet the definition of loans and

receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made.

Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

#### Actual Reclassifications

Council did not take up the option to reclassify some financial assets out of the held-for-trading category from 1 July 2008, following amendments made to AASB 139 in October 2008.

#### General Accounting & Measurement of Financial Instruments:

##### (i) Initial Recognition

Investments are initially recognised (and measured) at fair value, plus in the case of investments not at "fair value through profit or loss", directly attributable transactions costs

Purchases and sales of investments are recognised on trade-date - the date on which the Council commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

##### (ii) Subsequent Measurement

**Available-for-sale financial assets and financial assets at fair value through profit and loss** are subsequently carried at fair value.



## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies (continued)

**Loans and receivables** and **held-to-maturity** investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets classified as "fair value through profit or loss" category are included in the income statement in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

#### Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement.

Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

#### (iii) Types of Investments

Council has an approved Investment Policy in order to undertake its investment of money in accordance with (and to comply with) Section 625 of the Local Government Act and S212 of the LG (General) Regulations 2005.

Investments are placed and managed in accordance with the Policy and having particular regard to authorised investments prescribed under the Local Government Investment Order.

Council maintains its investment Policy in compliance with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

Council amended its policy during the current reporting year following revisions to the Investment Order arising from the Cole Inquiry recommendations. Certain investments the Council holds are no longer prescribed (eg. managed funds, CDOs, and equity linked notes), however they have been retained under grandfathering provisions of the Order.

These will be disposed of when most financially advantageous to Council.

#### (g) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques.

These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies (continued)

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

##### (h) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment.

Receivables (excluding Rates & Annual Charges) are generally due for settlement no more than 30 days from the date of recognition.

The collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off in accordance with Council's policy.

A provision for impairment relating to receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of each receivable.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Impairment losses are recognised in the Income Statement within other expenses.

When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

##### (i) Inventories

###### Raw Materials and Stores, Work in Progress and Finished Goods

Raw materials and stores, work in progress and finished goods in respect of business undertakings are all stated at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs are assigned to individual items of inventory on the basis of weighted average costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held in respect of non-business undertakings have been valued at cost subject to adjustment for loss of service potential.

###### Land Held for Resale/Capitalisation of Borrowing Costs

Land held for resale is stated at the lower of cost and net realisable value.

Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development.

When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made.

Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.



## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (j) Infrastructure, Property, Plant and Equipment (I,PP&E)

###### Acquisition of assets

Council's non current assets are being progressively revalued to fair value in accordance with a staged implementation as advised by the Department of Local Government.

At balance date, the following classes of I,PP&E were stated at their Fair Value;

- **Investment Properties** – refer Note 1(p),
- **Water and Sewerage Networks** which are carried at Fair Value (generally based upon Depreciated Replacement Cost).
- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised** (External Valuation)
- **Plant and Equipment** (as approximated by depreciated historical cost)

The remaining asset classes to be revalued in future reporting periods include;

- **2009/10:** Roads, Bridges, Footpaths and Drainage assets
- **2010/11:** Community land, Land improvements, Other structures and other assets

Until these designated future reporting periods, the above remaining asset classes are stated at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses.

###### Initial Recognition

On initial recognition, an assets cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

Where settlement of any part of an asset's cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of recognition (ie. date of exchange) of the asset to arrive at fair value.

The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Where infrastructure, property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial report at their fair value at acquisition date - being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

###### Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

###### Asset Revaluations (including Indexation)

In accounting for Asset Revaluations relating to Infrastructure, Property, Plant & Equipment:

- Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve.
- To the extent that the increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.
- Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

Water and sewerage network assets are indexed annually between full revaluations in accordance with the latest indices provided in the DWE Rates Reference Manual.

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies (continued)

For all other assets, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date.

If any such indication exists, Council determines the asset's fair value and revalues the asset to that amount.

Full revaluations are undertaken for all assets on a 5 year cycle.

#### Capitalisation Thresholds

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds the following;

##### Land

- council land	100% Capitalised
- open space	100% Capitalised

##### Plant & Equipment

Office Furniture	> \$3,000
Office Equipment	> \$1,000
Other Plant & Equipment	> \$3,000

##### Buildings & Land Improvements

Park Furniture & Equipment	> \$3,000
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##### Building

- construction/extensions	100% Capitalised
- renovations	> \$3,000

Other Structures	> \$3,000
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##### Water & Sewer Assets

Reticulation extensions	> \$3,000
Other	> \$3,000

##### Stormwater Assets

Drains & Culverts	> \$3,000
Other	> \$3,000

##### Transport Assets

Road construction & reconstruction	> \$3,000
Reseal/Re-sheet & major repairs:	> \$3,000

Bridge construction & reconstruction	> \$3,000
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#### Depreciation

Depreciation on Councils infrastructure, property, plant and equipment assets is calculated using the straight line method in order to allocate an assets cost (net of residual values) over its estimated useful life.

Land is not depreciated.

Estimated useful lives for Councils assets include:

##### Plant & Equipment

- Office Equipment	3 to 10 years
- Office furniture	5 to 10 years
- Computer Equipment	3 years
- Vehicles	5 to 8 years
- Heavy Plant/Road Making equip.	5 to 8 years
- Other plant and equipment	3 to 20 years

##### Other Equipment

- Playground equipment	2 to 5 years
- Benches, seats etc	5 to 10 years

##### Buildings

- Buildings	50 to 100 years
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##### Stormwater Drainage

- Drains	100 years
- Culverts	100 years

##### Transportation Assets

- Sealed Roads : Surface	100 years
- Sealed Roads : Structure	100 years
- Unsealed roads	100 years

- Bridge : Concrete	100 years
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- Road Pavements	60 years
- Kerb, Gutter & Paths	40 years

##### Water & Sewer Assets

- Dams and reservoirs	40 to 100 years
- Bores	20 to 40 years

- Reticulation pipes : PVC	54 to 80 years
- Pumps and telemetry	15 to 65 years

##### Other Infrastructure Assets

- Bulk earthworks	Infinite
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## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies (continued)

All asset residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount – refer Note 1(s) on Asset Impairment.

##### Disposal and De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Council's Income Statement in the year the asset is derecognised.

##### (k) Land

Land in accordance with Part 2 of Chapter 6 of the Local Government Act (1993) is classified on purchase as either Operational or Community.

This classification of Land is disclosed in Note 9(a).

##### (l) Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051.

Any land under roads that was recognised before 1 July 2008 has been derecognised at 1 July 2008 against the opening balance of retained earnings.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment.

Council will recognise all land under roads when the valuation methodology has been determined by the

industry and is, in the meantime, collecting the necessary physical data to undertake the valuation.

##### (m) Intangible Assets

###### IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project.

Amortisation is calculated on a straight line bases over periods generally ranging from 3 to 5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where Council has an intention and ability to use the asset.

##### (n) Crown Reserves

Crown Reserves under Council's care and control are recognised as assets of the Council.

While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating the reserves are recognised within Council's Income Statement.

A working party of interested representatives from both State and Local Government is being formed to consider the accounting issues related to the Crown Reserves, with the intention of developing a consistent approach to their recognition and future accounting treatment across both tiers of government.

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (o) Rural Fire Service assets

Under section 119 of the Rural Fires Act 1997, *“all fire fighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed”*.

At present, the accounting for such fire fighting equipment is not treated in a consistent manner across all Councils.

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to account for these assets as it has been doing in previous years, which is to incorporate the assets, their values and depreciation charges within these Financial Reports

##### (p) Non-Current Assets (or Disposal Groups) “Held for Sale” & Discontinued Operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either (i) their carrying amount and (ii) fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Infrastructure, Property, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as Non-Current Assets “held for sale”, an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets “held for sale” are not depreciated or amortised while they are classified as “held for sale”.

Non-current assets classified as “held for sale” are presented separately from the other assets in the balance sheet.

A Discontinued Operation is a component of the entity that has been disposed of or is classified as “held for sale” and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the income statement.

##### (q) Impairment of assets

Assets that are subject to amortisation 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.

The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use.

For non-cash generating assets of Council such as roads, drains, public buildings etc - value in use is represented by the “deprival value” of the asset which is approximated as it’s written down replacement cost.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Goodwill & other Intangible Assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment.

##### (r) Payables

These amounts represent liabilities and include goods and services provided to the Council prior to the end of financial year which are unpaid.

The amounts for goods and services are unsecured and are usually paid within 30 days of recognition.

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred.

Borrowings are subsequently measured at amortised cost.

Amortisation results in any difference between the proceeds (net of transaction costs) and the redemption amount being recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the provision due to the passage of time is recognised as interest expense.

##### (t) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Council's outstanding borrowings during the year.

##### (v) Employee benefits

###### (i) Wages & salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave are recognised in the provision for employee benefits in respect of employees' services up to the reporting date.

These provisions are measured at the amounts expected to be paid when the liabilities are settled.

Calculations therefore incorporate (where the leave is expected to be paid more than 12 months after the reporting date) the use of discounted cash flows.

Liabilities for non vesting sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no Liability has been recognised in these reports.

Wages & salaries, annual leave and vesting sick leave are all classified as Current Liabilities.

##### (u) Provisions

Provisions for legal claims and service warranties are recognised when:

- Council has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in

###### (ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits in respect of services provided by employees up to the reporting date.



## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies (continued)

Long Service Leave is measured at the present value of the expected future payments to be made using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 4 or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

#### (iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death.

Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

#### Defined Benefit Plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels,

experience of employee departures and periods of service.

However, when this information is not reliably available, Council can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans – i.e. as an expense when they become payable.

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named the "Local Government Superannuation Scheme – Pool B"

This Scheme has been deemed to be a "multi employer fund" for the purposes of AASB 119.

Sufficient information is not available to account for the Scheme as a defined benefit plan (in accordance with AASB 119) because the assets to the scheme are pooled together for all Councils.

Accordingly, Council's contributions to the scheme for the current reporting year have been recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a).

The Local Government Superannuation Scheme has advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities amounting to around \$290 million at 30 June 2009.

As a result, they have asked for significant increases in contributions from 2009/2010 onwards to recover that deficiency.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils.

For this reason, no liability for the deficiency has been recognised in Council's accounts.

Council has, however, disclosed a contingent liability in note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

#### Define Contribution Plans

Contributions to Defined Contribution Plans are recognised as an expense as they become payable.

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies (continued)

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### (iv) Employee Benefit On-Costs

Council has recognised at year end the aggregate on-cost liabilities arising from employee benefits, and in particular those on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/6/09.

##### (w) Allocation between current and non-current assets & liabilities

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle.

##### Exceptions

In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave), the liability is classified as current even if not expected to be settled within the next 12 months.

In the case of inventories that are "held for trading", these are also classified as current even if not expected to be realised in the next 12 months.

##### (x) Taxes

The Council is exempt from both Commonwealth Income Tax and Capital Gains Tax.

Council does however have to comply with both Fringe Benefits Tax and Goods and Services Tax (GST).

##### Goods & Services Tax (GST)

Income, expenses and assets are all recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue / expense.

Receivables and payables within the Balance Sheet are stated inclusive of any applicable GST.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the Balance Sheet.

Operating cash flows within the Cash Flow Statement are on a gross basis, ie. they are inclusive of GST where applicable.

Investing and Financing cash flows are treated on a net basis (where recoverable from the ATO), ie. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows which are recoverable from or payable to the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

##### (y) New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2009.

**Council has not adopted any of these standards early.**

Council's assessment of the impact of these new standards and interpretations is set out below.

##### Applicable to Local Government with implications:

***Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to***

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies (continued)

##### ***Australian Accounting Standards arising from AASB 101 (effective from 1 January 2009)***

The September 2007 revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements.

If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period.

Council will apply the revised standard from 1 July 2009.

##### **Applicable to Local Government but no implications for Council;**

##### ***Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (effective from 1 January 2009)***

The revised AASB 123 has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial reports as Council already capitalises borrowing costs relating to qualifying assets.

##### ***AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations (effective from 1 January 2009)***

AASB 2008-1 clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions.

It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

There will be no impact on the financial reports as Council makes no share based payments.

##### ***AASB Interpretation 15 Agreements for the Construction of Real Estate (effective 1 January 2009)***

AASB-I 15 clarifies whether AASB 118 Revenue or AASB 111 Construction Contracts should be applied to particular transactions.

Council intends to apply the interpretation from 1 July 2009. It has reviewed its current agreements for the sale of real estate in light of the new guidance and concluded that there would be no change to the accounting for these agreements if AASB-I 15 was adopted in the current financial year. Consequently, it does not expect to make any adjustment on the initial application of AASB-I 15.

##### **Applicable to Local Government but not relevant to Council at this stage;**

##### ***Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 (effective 1 July 2009)***

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes.

For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement.

There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

All acquisition-related costs must be expensed. The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses.

The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss.



## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies (continued)

There will be no impact on the financial reports as Council has no exposure to these types of transactions.

***AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective 1 July 2009)***

The amendments to AASB 5 Discontinued Operations and AASB 1 First-Time Adoption of Australian-Equivalents to International Financial Reporting Standards are part of the IASB's annual improvements project published in May 2008.

They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control.

Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met

There will be no impact on the financial reports as Council does not have any subsidiaries it is proposing to dispose of.

***AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 July 2009)***

In July 2008, the AASB approved amendments to AASB 1 First-time Adoption of International Financial Reporting Standards and AASB 127 Consolidated and Separate Financial Statements. Council will apply the revised rules prospectively from 1 July 2009.

After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payment.

***AASB Interpretation 16 Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008)***

AASB-I 16 clarifies which foreign currency risks qualify as hedged risk in the hedge of a net

investment in a foreign operation and that hedging instruments may be held by any entity or entities within the group.

It also provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

There will be no impact on the financial reports as Council has no hedges of a net investment in a foreign operation.

***AASB 2008-8 Amendment to IAS 39 Financial Instruments: Recognition and Measurement (effective 1 July 2009)***

AASB 2008-8 amends AASB 139 Financial Instruments: Recognition and Measurement and must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges.

Council will apply the amended standard from 1 July 2009. It is not expected to have any impact on the financial reports.

AASB Interpretation 17 Distribution of Non-cash Assets to Owners and AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17

AASB-I 17 applies to situations where an entity pays dividends by distributing non-cash assets to its shareholders.

These distributions will need to be measured at fair value and the entity will need to recognise the difference between the fair value and the carrying amount of the distributed assets in the income statement on distribution.

There will be no impact on the financial reports as Council has no exposure to these types of transactions.

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 1. Summary of Significant Accounting Policies (continued)

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##### **Not applicable to Local Government per se;**

##### ***AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 (effective from 1 January 2009)***

AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments.

##### **(z) Rounding of amounts**

Unless otherwise indicated, amounts in the financial report have been rounded off to the nearest thousand dollars.

##### **(aa) Comparative Figures**

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within this Financial Report and/or the Notes.

##### **(ab) Disclaimer**

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

# Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

### Note 2(a). Functions / Activities - Financial Disclosures

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget 2009	Actual 2009	Actual 2008	Original Budget 2009	Actual 2009	Actual 2008	Original Budget 2009	Actual 2009	Actual 2008	Actual 2009	Actual 2008	Actual 2009	Actual 2008
Governance	5	-	-	497	563	533	(492)	(563)	(533)	-	-	(425)	-
Administration	501	1,343	284	4,301	5,266	5,260	(3,800)	(3,923)	(4,976)	8	67	20,548	21,249
Public Order & Safety	31	6	42	532	521	308	(501)	(515)	(266)	-	20	34	35
Health	181	119	122	694	646	456	(513)	(527)	(334)	47	20	218	221
Community Services & Education	167	171	233	545	565	479	(378)	(394)	(246)	281	195	83	83
Housing & Community Amenities	1,005	1,077	1,426	1,795	1,837	1,287	(790)	(760)	139	492	362	14,316	14,750
Water Supplies	1,306	1,296	1,335	1,058	1,114	1,076	248	182	259	12	251	11,964	11,674
Sewerage Services	641	641	618	595	476	336	46	165	282	11	11	9,907	9,570
Recreation & Culture	101	701	249	1,433	1,423	1,184	(1,332)	(722)	(935)	-	131	2,225	2,242
Fuel & Energy	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining, Manufacturing & Construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Transport & Communication	5,241	9,717	8,038	5,862	7,710	7,366	(621)	2,007	672	3,386	1,966	50,055	43,797
Economic Affairs	-	326	64	308	464	378	(308)	(138)	(314)	-	-	497	523
<b>Total Functions &amp; Activities</b>	<b>9,179</b>	<b>15,397</b>	<b>12,411</b>	<b>17,620</b>	<b>20,585</b>	<b>18,663</b>	<b>(8,441)</b>	<b>(5,188)</b>	<b>(6,252)</b>	<b>4,237</b>	<b>3,023</b>	<b>109,422</b>	<b>104,144</b>
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income <sup>1</sup>	8,571	9,484	7,768	-	-	-	8,571	9,484	7,768	5,429	3,999	-	-
<b>Operating Result from Continuing Operations</b>	<b>17,750</b>	<b>24,881</b>	<b>20,179</b>	<b>17,620</b>	<b>20,585</b>	<b>18,663</b>	<b>130</b>	<b>4,296</b>	<b>1,516</b>	<b>9,666</b>	<b>7,022</b>	<b>109,422</b>	<b>104,144</b>

1. Includes: Rates & Annual Charges (incl. Ex-Gratia), Untied General Purpose Grants & Unrestricted Interest & Investment Income.

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 2(b). Components of Functions / Activities

**Details relating to the Council's functions / activities as reported in Note 2(a) are as follows:**

##### **GOVERNANCE**

Costs relating to the Council's role as a component of democratic government, including elections, members fees and expenses, subscriptions to local authority associations, meetings of council and policy making committees, area representation and public disclosure and compliance, together with related administration costs.

##### **ADMINISTRATION**

Costs not otherwise attributed to other functions / activities.

##### **PUBLIC ORDER & SAFETY**

Fire protection, animal control, beach 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 family 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**

Urban roads, sealed rural roads, unsealed rural roads, bridges, footpaths, aerodromes, parking areas, bus shelters and services, water transport, RTA works, street lighting, other.

##### **ECONOMIC AFFAIRS**

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

# Walgett Shire Council

## Notes to the Financial Statements for the financial year ended 30 June 2009

### Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2009	Actual 2008
<b>(a). Rates &amp; Annual Charges</b>			
<b>Ordinary Rates</b>			
Residential		601	470
Farmland		2,640	2,774
Business		535	358
<b>Total Ordinary Rates</b>		<b>3,776</b>	<b>3,602</b>
<b>Special Rates</b>			
Nil			
<b>Annual Charges</b> (pursuant to s.496 & s.501)			
Domestic Waste Management Services		576	540
Water Supply Services		1,156	1,078
Sewerage Services		577	548
<b>Total Annual Charges</b>		<b>2,309</b>	<b>2,166</b>
<b><u>TOTAL RATES &amp; ANNUAL CHARGES</u></b>		<b><u>6,085</u></b>	<b><u>5,768</u></b>

Council has used 2008 year valuations provided by the NSW Valuer General in calculating its rates.

## Walgett Shire Council

# Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
<b>(b). User Charges &amp; Fees</b>			
<b>Specific User Charges</b> (per s.502 - Specific "actual use" charges)			
Domestic Waste Management Services		150	139
Sewerage Services		-	1
Waste Management Services (non-domestic)		40	41
<b>Total User Charges</b>		<b>190</b>	<b>181</b>
<b>Other User Charges &amp; Fees</b>			
<b>(i) Fees &amp; Charges - Statutory &amp; Regulatory Functions</b> (per s608, 610A & 611)			
Private Works - Section 67		44	58
Tapping Fees		4	8
Town Planning		68	106
<b>Total Fees &amp; Charges - Statutory/Regulatory</b>		<b>116</b>	<b>172</b>
<b>(ii) Fees &amp; Charges - Other (incl. General User Charges</b> (per s.610C))			
Cemeteries		36	42
Lease Rentals		91	93
Leaseback Fees - Council Vehicles		28	34
RTA Charges (State Roads not controlled by Council)		5,011	3,439
Other		12	24
<b>Total Fees &amp; Charges - Other</b>		<b>5,178</b>	<b>3,632</b>
<b>TOTAL USER CHARGES &amp; FEES</b>		<b>5,484</b>	<b>3,985</b>

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
<b>(c). Interest &amp; Investment Revenue (incl. losses)</b>			
<b>Interest &amp; Dividends</b>			
- Interest on Overdue Rates & Annual Charges		54	79
- Interest earned on Investments (interest & coupon payment income)		905	1,011
<b>Fair Value Adjustments</b>			
- Fair Valuation Movements in Investments (unrealised capital gains/(losses))		(333)	(641)
<b><u>TOTAL INTEREST &amp; INVESTMENT REVENUE</u></b>		<b><u>626</u></b>	<b><u>449</u></b>

#### Interest Revenue is attributable to:

##### Unrestricted Investments/Financial Assets:

Overdue Rates & Annual Charges	54	33
General Council Cash & Investments	111	18

##### Restricted Investments/Funds - External:

Water Fund Operations	21	30
Sewerage Fund Operations	13	16
Other Externally Restricted Assets	277	221

##### Restricted Investments/Funds - Internal:

Internally Restricted Assets	150	131
<b>Total Interest &amp; Investment Revenue Recognised</b>	<b>626</b>	<b>449</b>

#### (d). Other Revenues

Rental Income - Other Council Properties	67	96
Ex Gratia Rates	18	18
Legal Fees Recovery - Rates & Charges (Extra Charges)	82	44
Commissions & Agency Fees	44	39
Diesel Rebate	27	17
Insurance Claim Recoveries	10	28
RFS Reimbursement	-	37
Sales - General	15	26
Statecover Incentive	30	13
Other - Walgett Community Capability Fund	575	-
Other	34	44
<b><u>TOTAL OTHER REVENUE</u></b>	<b><u>902</u></b>	<b><u>362</u></b>

## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 3. Income from Continuing Operations (continued)

\$ '000	2009 Operating	2008 Operating	2009 Capital	2008 Capital
<b>(e). Grants</b>				
<b>General Purpose (Untied)</b>				
Financial Assistance - General Component	3,346	2,426	-	-
Financial Assistance - Local Roads Component	2,042	1,538	-	-
Pensioners' Rates Subsidies - General Component	41	35	-	-
<b>Total General Purpose</b>	<b>5,429</b>	<b>3,999</b>	<b>-</b>	<b>-</b>
<b>Specific Purpose</b>				
Pensioners' Rates Subsidies:				
- Water	12	12	-	-
- Sewerage	11	11	-	-
- Domestic Waste Management	20	20	-	-
Water Supplies	-	239	-	-
Aged Care	-	-	-	82
Bushfire & Emergency Services	-	20	-	-
Community Care	186	169	-	44
Employment & Training Programs	27	67	-	-
Environmental Protection	27	-	-	-
Flood Restoration	-	225	-	-
Heritage & Cultural	11	25	-	-
Library	57	42	-	-
Recreation & Culture	-	78	-	-
Street Lighting	24	23	-	-
Transport (Roads to Recovery)	-	-	808	871
Transport (Other Roads & Bridges Funding)	1,057	1,095	1,497	-
Other - Rural Addressing	8	-	-	-
Other - Regional & Local Infrastructure	-	-	492	-
<b>Total Specific Purpose</b>	<b>1,440</b>	<b>2,026</b>	<b>2,797</b>	<b>997</b>
<b>Total Grants</b>	<b>6,869</b>	<b>6,025</b>	<b>2,797</b>	<b>997</b>
<b>Grant Revenue is attributable to:</b>				
- Commonwealth Funding	5,388	3,964	-	-
- State Funding	1,457	2,061	2,821	997
	<b>6,869</b>	<b>6,025</b>	<b>2,797</b>	<b>997</b>



## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 3. Income from Continuing Operations (continued)

\$ '000	2009 Operating	2008 Operating	2009 Capital	2008 Capital
(f). Contributions				
<b>Developer Contributions:</b>				
(s93 & s94 - EP&A Act, s64 of the NSW LG Act):				
Nil				
<b>Other Contributions:</b>				
Paving	-	11	-	-
Recreation & Culture	-	75	-	-
Roads & Bridges	85	92	-	-
RTA Contributions (Regional/Local, Block Grant)	1,747	2,109	-	-
Other	-	7	-	-
<b>Total Other Contributions</b>	<b>1,832</b>	<b>2,294</b>	<b>-</b>	<b>-</b>
<b>Total Contributions</b>	<b>1,832</b>	<b>2,294</b>	<b>-</b>	<b>-</b>
<b><u>TOTAL GRANTS &amp; CONTRIBUTIONS</u></b>	<b><u>8,701</u></b>	<b><u>8,319</u></b>	<b><u>2,797</u></b>	<b><u>997</u></b>

\$ '000	Actual 2009	Actual 2008
(g). Restrictions relating to Grants and Contributions		
<b>Certain grants &amp; contributions are obtained by Council on condition that they be spent in a specified manner:</b>		
Unexpended at the Close of the Previous Reporting Period	5,242	6,493
add: Grants and contributions recognised in the current period which have not been spent:	4,289	386
less: Grants and contributions recognised in a previous reporting period which have been spent in the current reporting period:	(4,387)	(1,637)
<b>Net Increase (Decrease) in Restricted Assets during the Current Reporting Period</b>	<b>(98)</b>	<b>(1,251)</b>
<b>Unexpended at the Close of this Reporting Period and held as Restricted Assets</b>	<b><u>5,144</u></b>	<b><u>5,242</u></b>
<b>Comprising:</b>		
- Specific Purpose Unexpended Grants	5,144	5,242
	<b><u>5,144</u></b>	<b><u>5,242</u></b>

## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2009	Actual 2008
<b>(a) Employee Benefits &amp; On-Costs</b>			
Salaries and Wages		4,987	4,887
Travelling		34	46
Employee Leave Entitlements (ELE)		824	613
Superannuation		523	474
Workers' Compensation Insurance		331	325
Fringe Benefit Tax (FBT)		38	38
Training Costs (other than Salaries & Wages)		32	59
Other		6	23
<b>Total Employee Costs</b>		<b>6,775</b>	<b>6,465</b>
less: Capitalised Costs		(691)	-
<b><u>TOTAL EMPLOYEE COSTS EXPENSED</u></b>		<b><u>6,084</u></b>	<b><u>6,465</u></b>
Number of "Equivalent Full Time" Employees at year end		<b>101</b>	<b>99</b>
Number of "Equivalent Full Time" Employees at year end (incl. vacancies)		<b>105</b>	<b>109</b>
<b>(b) Borrowing Costs</b>			
<b>(i) Interest Bearing Liability Costs</b>			
Interest on Loans		14	23
Charges relating to Finance Leases		-	2
<b>Total Interest Bearing Liability Costs</b>		<b>14</b>	<b>25</b>
less: Capitalised Costs		-	-
<b>Total Interest Bearing Liability Costs Expensed</b>		<b>14</b>	<b>25</b>
<b>(ii) Other Borrowing Costs</b>			
Nil			
<b><u>TOTAL BORROWING COSTS EXPENSED</u></b>		<b><u>14</u></b>	<b><u>25</u></b>

## Walgett Shire Council

Notes to the Financial Statements  
for the financial year ended 30 June 2009

## Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
<b>(c) Materials &amp; Contracts</b>			
Raw Materials & Consumables		4,306	2,558
Contractor & Consultancy Costs		9,445	4,761
Auditors Remuneration			
- Audit Services (Council's Auditor)		39	22
Legal Expenses:			
- Legal Expenses - Debt Recovery		97	33
Operating Leases:			
Operating Lease Rentals - Minimum Lease Payments <sup>(1)</sup>		-	45
<b>Total Materials &amp; Contracts</b>		<b>13,887</b>	<b>7,419</b>
less: Capitalised Costs		(4,470)	-
<b><u>TOTAL MATERIALS &amp; CONTRACTS</u></b>		<b><u>9,417</u></b>	<b><u>7,419</u></b>
<b>1. Operating Leases are attributable to:</b>			
- Other		-	45
		<b>-</b>	<b>45</b>

\$ '000	Depreciation/Amortisation		Impairment Costs	
	Actual 2009	Actual 2008	Actual 2009	Actual 2008
Plant and Equipment	528	532	-	-
Office Equipment	33	42	-	-
Buildings - Non Specialised	120	56	-	-
Buildings - Specialised	323	114	-	-
Other Structures	129	140	-	-
Infrastructure:				
- Roads, Bridges & Footpaths	666	641	-	-
- Stormwater Drainage	22	22	-	-
- Water Supply Network	443	388	-	-
- Sewerage Network	187	136	-	-
Other Assets				
- Other	17	17	-	-
<b>Total Depreciation &amp; Impairment Costs</b>	<b>2,468</b>	<b>2,088</b>	<b>-</b>	<b>-</b>
less: Capitalised Costs	-	-	-	-
<b><u>TOTAL DEPRECIATION &amp; IMPAIRMENT COSTS EXPENSED</u></b>	<b><u>2,468</u></b>	<b><u>2,088</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
<b>(e) Other Expenses</b>			
Other Expenses for the year include the following:			
Advertising		76	118
Bad & Doubtful Debts		-	174
Bank Charges		10	8
Child Care - Parent Fees		-	7
Contributions to Other Levels of Government			
- NSW Fire Brigade Levy		34	33
- NSW Rural Fire Service Levy		181	140
- CMCC Noxious Weeds		162	75
- Regional Library		122	128
- Other Contributions		8	10
Councillor Expenses - Mayoral Fee		15	-
Councillor Expenses - Councillors' Fees		75	-
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		8	-
Demand Farming		-	16
Donations, Contributions & Assistance to other organisations (Section 356)			
- Barwon Darling Alliance		-	21
- Community and Tourism Programs		241	344
- RSPCA		10	10
- Other		62	128
Electricity & Heating		212	326
Insurance		387	389
Office Expenses (including computer expenses)		26	23
Printing & Stationery		64	58
Street Lighting		147	122
Swimming Pools		470	231
Telephone & Communications		146	138
Tourism Expenses (excluding employee costs)		54	89
Valuation Fees		38	33
Other		54	45
<b>Total Other Expenses</b>		<b>2,602</b>	<b>2,666</b>
less: Capitalised Costs		-	-
<b>TOTAL OTHER EXPENSES</b>		<b>2,602</b>	<b>2,666</b>

## Walgett Shire Council

# Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 5. Gains or Losses on Disposal of Assets

\$ '000	Notes	Actual 2009	Actual 2008
<b>Property</b> (excl. Investment Property)			
Proceeds from Disposal		78	126
less: Carrying Amount of Property Assets Sold		(19)	(2)
<b>Net Gain/(Loss) on Disposal</b>		<b>59</b>	<b>124</b>
<b>Plant &amp; Equipment</b>			
Proceeds from Disposal		291	277
less: Carrying Amount of P&E Assets Sold		(64)	(153)
<b>Net Gain/(Loss) on Disposal</b>		<b>227</b>	<b>124</b>
<b>Real Estate Assets Held For Sale</b>			
Proceeds from Disposal		-	98
less: Carrying Amount of Real Estate Assets Sold		-	(47)
<b>Net Gain/(Loss) on Disposal</b>		<b>-</b>	<b>51</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>286</b>	<b>299</b>

## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 6a. - Cash Assets and Note 6b. - Investment Securities

	2009 Actual Current	2009 Actual Non Current	2008 Actual Current	2008 Actual Non Current
\$ '000				
<b>Cash &amp; Cash Equivalents (Note 6a)</b>				
Cash on Hand and at Bank	3,439	-	2,388	-
<b>Total Cash &amp; Cash Equivalents</b>	<b>3,439</b>	<b>-</b>	<b>2,388</b>	<b>-</b>
<b>Investment Securities (Note 6b)</b>				
- Long Term Deposits	9,850	-	12,200	-
- CDO's	49	-	382	-
<b>Total Investment Securities</b>	<b>9,899</b>	<b>-</b>	<b>12,582</b>	<b>-</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS &amp; INVESTMENTS</b>	<b>13,338</b>	<b>-</b>	<b>14,970</b>	<b>-</b>

<sup>1</sup> Those Investments where time to maturity (from date of purchase) is < 3 mths.

**Cash, Cash Equivalents & Investments were  
classified at year end in accordance with  
AASB 139 as follows:**

**Cash & Cash Equivalents**

a. "At Fair Value through the Profit & Loss"	<b>3,439</b>	<b>-</b>	<b>2,388</b>	<b>-</b>
--	--------------	----------	--------------	----------

**Investments****a. "At Fair Value through the Profit & Loss"**

- "Held for Trading"	6(b-i)	-	-	-	-
- "Designated At Fair Value on Initial Recognition"	6(b-i)	49	-	382	-
<b>b. "Held to Maturity"</b>	6(b-ii)	9,850	-	12,200	-
<b>c. "Loans &amp; Receivables"</b>	6(b-iii)	-	-	-	-
<b>d. "Available for Sale"</b>	6(b-iv)	-	-	-	-
<b>Investments</b>		<b>9,899</b>	<b>-</b>	<b>12,582</b>	<b>-</b>

## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 6b. Investments (continued)

	2009 Actual Current	2009 Actual Non Current	2008 Actual Current	2008 Actual Non Current
\$ '000				
<b>Note 6(b-i)</b>				
<b>Reconciliation of Investments classified as "At Fair Value through the Profit &amp; Loss"</b>				
Balance at the Beginning of the Year	382	-	1,952	-
Revaluations (through the Income Statement)	(333)	-	(641)	-
Disposals (sales & redemptions)	-	-	(929)	-
<b>Balance at End of Year</b>	<b>49</b>	<b>-</b>	<b>382</b>	<b>-</b>
<b>Comprising:</b>				
- CDO's	49	-	382	-
<b>Total</b>	<b>49</b>	<b>-</b>	<b>382</b>	<b>-</b>
<b>Note 6(b-ii)</b>				
<b>Reconciliation of Investments classified as "Held to Maturity"</b>				
Balance at the Beginning of the Year	12,200	-	7,800	-
Additions	-	-	4,400	-
Disposals (sales & redemptions)	(2,350)	-	-	-
<b>Balance at End of Year</b>	<b>9,850</b>	<b>-</b>	<b>12,200</b>	<b>-</b>
<b>Comprising:</b>				
- Long Term Deposits	9,850	-	7,800	-
<b>Total</b>	<b>9,850</b>	<b>-</b>	<b>7,800</b>	<b>-</b>

**Note 6(b-iii)**  
**Reconciliation of Investments**  
**classified as "Loans & Receivables"**

Nil

**Note 6(b-iv)**  
**Reconciliation of Investments**  
**classified as "Available for Sale"**

Nil

## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 6c. Restricted Cash, Cash Equivalents &amp; Investments

	2009 Actual Current	2009 Actual Non Current	2008 Actual Current	2008 Actual Non Current
<b>\$ '000</b>				
<b>Total Cash, Cash Equivalents and Investment Securities</b>	<b>13,338</b>	<b>-</b>	<b>14,970</b>	<b>-</b>
<b>attributable to:</b>				
External Restrictions (refer below)	10,281	-	9,883	-
Internal Restrictions (refer below)	2,254	-	4,578	-
Unrestricted	803	-	509	-
	<b>13,338</b>	<b>-</b>	<b>14,970</b>	<b>-</b>

2009 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

## Details of Restrictions

## External Restrictions - Included in Liabilities

Specific Purpose Unexpended Loans-General (A)	43	-	(43)	-
<b>External Restrictions - Included in Liabilities</b>	<b>43</b>	<b>-</b>	<b>(43)</b>	<b>-</b>

## External Restrictions - Other

Specific Purpose Unexpended Grants (B)	5,242	4,290	(4,388)	5,144
Water Supplies (C)	3,037	464	(162)	3,319
Sewerage Services (C)	1,561	288	-	1,818
<b>External Restrictions - Other</b>	<b>9,840</b>	<b>5,042</b>	<b>(4,550)</b>	<b>10,281</b>
<b>Total External Restrictions</b>	<b>9,883</b>	<b>5,042</b>	<b>(4,593)</b>	<b>10,281</b>



## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 6c. Restricted Cash, Cash Equivalents &amp; Investments (continued)

2009 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
<b>Internal Restrictions</b>				
Plant & Vehicle Replacement	1,143	-	(1,143)	-
Infrastructure Replacement	1,240	-	(160)	1,080
Employees Leave Entitlement	500	-	-	500
Construction of Buildings	578	-	(503)	75
Aerodrome	222	-	(70)	152
Rehabilitation	232	-	-	232
Economic Development	7	-	-	7
Local Environment Plan	54	-	(54)	-
Planning and Regulation	52	-	(52)	-
Caravan Park	301	-	(301)	-
Other	249	-	(41)	208
<b>Total Internal Restrictions</b>	<b>4,578</b>	<b>-</b>	<b>(2,324)</b>	<b>2,254</b>
<b>TOTAL RESTRICTIONS</b>	<b>14,461</b>	<b>5,042</b>	<b>(6,917)</b>	<b>12,535</b>

- A** Loan moneys which must be applied for the purposes for which the loans were raised.
- B** Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)
- C** Water, Sewerage, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.

## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 7. Receivables

\$ '000	2009		2008	
	Current	Non Current	Current	Non Current
<b>Purpose</b>				
Rates & Annual Charges	349	309	470	340
Interest & Extra Charges	207	97	107	162
User Charges & Fees	159	-	257	-
Contributions to Works	1,102	-	1,484	-
Accrued Revenues				
- Interest on Investments	71	-	-	-
- Other Income Accruals	-	-	245	-
Government Grants & Subsidies	-	-	371	-
Deferred Debtors	-	340	-	340
Net GST Receivable	150	-	146	-
Other Debtors	-	-	11	-
<b>Total</b>	<b>2,038</b>	<b>746</b>	<b>3,091</b>	<b>842</b>
<b>less: Provision for Impairment</b>				
Rates & Annual Charges	(145)	(163)	(187)	(159)
Interest & Extra Charges	(136)	(34)	(84)	(125)
User Charges & Fees	(60)	-	(71)	-
Other Debtors	-	(340)	-	(339)
<b>Total Provision for Impairment - Receivables</b>	<b>(341)</b>	<b>(537)</b>	<b>(342)</b>	<b>(623)</b>
<b><u>TOTAL NET RECEIVABLES</u></b>	<b><u>1,697</u></b>	<b><u>209</u></b>	<b><u>2,749</u></b>	<b><u>219</u></b>
<b>Externally Restricted Receivables</b>				
<b>Water Supply</b>				
- Rates & Availability Charges	276	54	249	125
<b>Sewerage Services</b>				
- Rates & Availability Charges	100	88	154	41
<b>Total External Restrictions</b>	<b>376</b>	<b>142</b>	<b>403</b>	<b>166</b>
<b>Internally Restricted Receivables</b>				
Nil				
<b>Unrestricted Receivables</b>	<b>1,321</b>	<b>67</b>	<b>2,346</b>	<b>53</b>
<b><u>TOTAL NET RECEIVABLES</u></b>	<b><u>1,697</u></b>	<b><u>209</u></b>	<b><u>2,749</u></b>	<b><u>219</u></b>

**Notes on Debtors above:**

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.  
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest is charged on overdue rates & charges at 10.00% (2008 10.00%).  
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 8. Inventories &amp; Other Assets

\$ '000	2009		2008	
	Current	Non Current	Current	Non Current
<b>Inventories</b>				
Real Estate for resale (refer below)	494	-	493	-
Stores & Materials	400	-	260	-
<b>Total Inventories</b>	<b>894</b>	<b>-</b>	<b>753</b>	<b>-</b>
<b>Other Assets</b>				
Prepayments	223	-	20	-
<b>Total Other Assets</b>	<b>223</b>	<b>-</b>	<b>20</b>	<b>-</b>
<b><u>TOTAL INVENTORIES &amp; OTHER ASSETS</u></b>	<b><u>1,117</u></b>	<b><u>-</u></b>	<b><u>773</u></b>	<b><u>-</u></b>
<b>Details for Real Estate Development</b>				
Residential	379	-	379	-
Industrial/Commercial	115	-	114	-
<b>Total Real Estate for Resale</b>	<b>494</b>	<b>-</b>	<b>493</b>	<b>-</b>
(Valued at the lower of cost and net realisable value)				
<b>Represented by:</b>				
Acquisition Costs	52	-	51	-
Development Costs	442	-	442	-
<b>Total Costs</b>	<b>494</b>	<b>-</b>	<b>493</b>	<b>-</b>
less: Provision for Under Recovery	-	-	-	-
<b>Total Real Estate for Resale</b>	<b>494</b>	<b>-</b>	<b>493</b>	<b>-</b>
<b>Movements:</b>				
Real Estate assets at beginning of the year	493	-	541	-
- Purchases and other costs	1	-	(1)	-
- WDV of Sales (recognised as exp's)	-	-	(47)	-
<b>Total Real Estate for Resale</b>	<b>494</b>	<b>-</b>	<b>493</b>	<b>-</b>

## Walgett Shire Council

# Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 8. Inventories & Other Assets (continued)

\$ '000	2009		2008	
	Current	Non Current	Current	Non Current
(i) Externally Restricted Assets				
Nil				
Total Externally Restricted Assets	-	-	-	-
Total Internally Restricted Assets	-	-	-	-
Total Unrestricted Assets	1,117	-	773	-
<b>TOTAL INVENTORIES &amp; OTHER ASSETS</b>	<b>1,117</b>	<b>-</b>	<b>773</b>	<b>-</b>

### (ii) Other Disclosures

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

	2009	2008
Real Estate for Resale	493	493
	<b>493</b>	<b>493</b>

# Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

### Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2008				Asset movements during the Reporting Period				as at 30/6/2009			
	At	At	Accumul'd	Carrying	Asset	WDV	Depreciation	Revaluation	At	At	Accumul'd	Carrying
	Cost	Fair Value	Deprec.	Value	Additions	Asset Disposals	Expense	Increments to Equity (ARR)	Cost	Fair Value	Dep'n	Value
Capital Work in Progress	-	-	-	-	1,402	-	-	-	-	1,402	-	1,402
Plant & Equipment	-	9,243	7,700	1,543	799	(64)	(528)	-	-	9,345	7,595	1,750
Office Equipment	-	934	768	166	19	-	(33)	-	-	953	801	152
<b>Land:</b>												
- Operational Land	-	237	-	237	2	-	-	-	-	239	-	239
Buildings - Non Specialised	-	5,464	2,224	3,240	48	-	(120)	-	-	5,512	2,344	3,168
Buildings - Specialised	-	20,396	11,536	8,860	153	-	(323)	-	-	20,549	11,859	8,690
Other Structures	3,847	-	1,260	2,587	-	(19)	(129)	-	3,826	-	1,387	2,439
<b>Infrastructure:</b>												
- Roads, Bridges, Footpaths	66,560	-	22,763	43,797	6,924	-	(666)	-	73,484	-	23,429	50,055
- Stormwater Drainage	2,197	-	680	1,517	-	-	(22)	-	2,197	-	702	1,495
- Water Supply Network	-	26,119	14,445	11,674	150	-	(443)	350	-	27,053	15,322	11,731
- Sewerage Network	-	14,973	5,403	9,570	45	-	(187)	287	-	15,466	5,751	9,715
<b>Other Assets:</b>												
- Other	2,466	-	224	2,242	-	-	(17)	-	2,466	-	241	2,225
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIP.</b>	<b>75,070</b>	<b>77,366</b>	<b>67,003</b>	<b>85,433</b>	<b>9,542</b>	<b>(83)</b>	<b>(2,468)</b>	<b>637</b>	<b>81,973</b>	<b>80,519</b>	<b>69,431</b>	<b>93,061</b>

## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 9b. Infrastructure, Property, Plant & Equipment  
that is Externally Restricted

\$ '000 Class of Asset	Actual 2009				Actual 2008			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
<b>Water Supply</b>								
Infrastructure	-	27,053	15,322	<b>11,731</b>	-	26,119	14,445	<b>11,674</b>
<b>Total Water Supply</b>	-	<b>27,053</b>	<b>15,322</b>	<b>11,731</b>	-	<b>26,119</b>	<b>14,445</b>	<b>11,674</b>
<b>Sewerage Services</b>								
Infrastructure	-	15,466	5,751	<b>9,715</b>	-	14,973	5,403	<b>9,570</b>
<b>Total Sewerage Services</b>	-	<b>15,466</b>	<b>5,751</b>	<b>9,715</b>	-	<b>14,973</b>	<b>5,403</b>	<b>9,570</b>
<b>TOTAL RESTRICTED I,PP&amp;E</b>	-	<b>42,519</b>	<b>21,073</b>	<b>21,446</b>	-	<b>41,092</b>	<b>19,848</b>	<b>21,244</b>

Note 9c. Infrastructure, Property, Plant & Equipment  
Gains/(Losses) arising from the Impairment of Assets

Council has not recognised any impairment losses during the reporting period nor reversed any prior period losses.

## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 10a. Payables, Borrowings &amp; Provisions

\$ '000	Notes	2009		2008	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		1,449	-	1,034	-
Payments Received In Advance		-	-	79	-
Accrued Expenses;					
- Borrowings		3	-	3	-
- Other Expenditure Accruals		293	-	452	-
Security Bonds, Deposits & Retentions		51	-	48	-
Other		44	-	27	-
Total Payables		1,840	-	1,643	-
Borrowings					
Loans - Secured <sup>1</sup>		20	131	94	146
Total Borrowings		20	131	94	146
Provisions					
Employee Benefits;					
Annual Leave		701	-	622	-
Sick Leave		233	-	284	-
Long Service Leave		659	173	517	106
Sub Total - Aggregate Employee Benefits		1,593	173	1,423	106
Total Provisions		1,593	173	1,423	106
Total Payables, Borrowings & Provisions		3,453	304	3,160	252

## (i) Liabilities relating to Restricted Assets

	2009		2008	
	Current	Non Current	Current	Non Current
<b>Externally Restricted Assets</b>				
Water	14	105	21	111
Sewer	9	23	10	29
<b>Liabilities relating to externally restricted assets</b>	<b>23</b>	<b>128</b>	<b>31</b>	<b>140</b>
<b>Internally Restricted Assets</b>				
Nil				
<b>Total Liabilities relating to restricted assets</b>	<b>23</b>	<b>128</b>	<b>31</b>	<b>140</b>

<sup>1</sup>. Loans are secured over the General Rating Income of Council

Disclosures on Liability Interest Rate Risk Exposures, Fair Value Disclosures & Security can be found in Note 15.

## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 10a. Payables, Borrowings &amp; Provisions (continued)

\$ '000	2009	2008
<b>(ii) Current Liabilities not anticipated to be settled within the next 12 months</b>		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	770	692
	<b>770</b>	<b>692</b>

## Note 10b. Description of and movements in Provisions

Class of Provision	2008			2009		
	Opening Balance as at 1/7/08	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/09
Annual Leave	622	378	(299)	-	-	<b>701</b>
Sick Leave	284	159	(210)	-	-	<b>233</b>
Long Service Leave	623	276	(67)	-	-	<b>832</b>
<b>TOTAL</b>	<b>1,529</b>	<b>813</b>	<b>(576)</b>	<b>-</b>	<b>-</b>	<b>1,766</b>

a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.



## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 11. Cash Flow Statement - Additional Information

\$ '000	Notes	Actual 2009	Actual 2008
<b>(a) Reconciliation of Cash Assets</b>			
Total Cash & Cash Equivalent Assets	6a	3,439	2,388
Less Bank Overdraft	10	-	-
<b>BALANCES as per the CASH FLOW STATEMENT</b>		<b>3,439</b>	<b>2,388</b>
<b>(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities</b>			
<b>Net Operating Result from Income Statement</b>		<b>4,296</b>	<b>1,516</b>
Adjust for non cash items:			
Depreciation & Amortisation		2,468	2,088
Net Losses/(Gains) on Disposal of Assets		(286)	(299)
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "@ Fair Value" or "Held for Trading"		333	641
<b>+/- Movement in Operating Assets and Liabilities &amp; Other Cash Items:</b>			
Decrease/(Increase) in Receivables		1,149	(572)
Increase/(Decrease) in Provision for Doubtful Debts		(87)	(22)
Decrease/(Increase) in Inventories		(140)	39
Decrease/(Increase) in Other Current Assets		(203)	(3)
Increase/(Decrease) in Payables		415	185
Increase/(Decrease) in accrued Interest Payable		-	-
Increase/(Decrease) in other accrued Expenses Payable		(159)	(36)
Increase/(Decrease) in Other Current Liabilities		(59)	2
Increase/(Decrease) in Employee Leave Entitlements		237	64
Increase/(Decrease) in Other Provisions		-	-
<b>NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from CASH FLOW STATEMENT</b>		<b>7,964</b>	<b>3,603</b>

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 11. Cash Flow Statement - Additional Information (continued)

\$ '000	Notes	Actual 2009	Actual 2008
<b>(c) Non-Cash Investing &amp; Financing Activities</b>			
Nil			
<b>(d) Financing Arrangements</b>			
<b>(i) Unrestricted access was available at balance date to the following lines of credit:</b>			
Bank Overdraft Facilities <sup>(1)</sup>		-	-
Credit Cards / Purchase Cards		20	11
<b>Total Financing Arrangements</b>		<b>20</b>	<b>11</b>
<b>Amounts utilised as at Balance Date:</b>			
- Bank Overdraft Facilities		-	-
- Credit Cards / Purchase Cards		8	-
<b>Total Financing Arrangements Utilised</b>		<b>8</b>	<b>-</b>

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

#### **(ii) Secured Loan Liabilities**

Loans are secured by a mortgage over future years Rate Revenue only.

#### **(e) Net Cash Flows Attributable to Discontinued Operations**

Please refer to Note 24 for details of Cash Flows that relate to Discontinued Operations

# Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

### Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2009	Actual 2008
<b>(a) Capital Commitments (exclusive of GST)</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
<b>Property, Plant &amp; Equipment</b>			
Buildings - Housing		700	-
Bridge Construction Program		2,300	-
<b>Total Commitments</b>		<b>3,000</b>	<b>-</b>
<b>These expenditures are payable as follows:</b>			
Within the next year		3,000	-
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
<b>Total Payable</b>		<b>3,000</b>	<b>-</b>
<b>Sources for Funding of Capital Commitments:</b>			
Unrestricted General Funds		465	-
Future Grants & Contributions		1,200	-
Loans		635	-
Sale of assets		700	-
<b>Total Sources of Funding</b>		<b>3,000</b>	<b>-</b>
<b>(b) Other Expenditure Commitments (exclusive of GST)</b>			
Other Non Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		170	-
<b>Total Commitments</b>		<b>170</b>	<b>-</b>
<b>These expenditures are payable as follows:</b>			
Within the next year		37	-
Later than one year and not later than 5 years		133	-
Later than 5 years		-	-
<b>Total Payable</b>		<b>170</b>	<b>-</b>

# Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

### Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2009	Actual 2008
<b>(c) Finance Lease Commitments</b>			
Nil			
<b>(d) Operating Lease Commitments (Non Cancellable)</b>			
Nil			
<b>(e) Investment Property Commitments</b>			
Nil			
<b>(f) Remuneration Commitments</b>			
Commitments for the payment of salaries & other remuneration under long-term employment contracts in existence at reporting date but not recognised as liabilities are payable:			
Within the next year		172	150
Later than one year and not later than 5 years		87	225
Later than 5 years		-	-
<b>Total Payable</b>		<b>259</b>	<b>375</b>

### (g) Investment in Associates / Joint Ventures - Commitments

For Capital Commitments and Other Commitments relating to Investments in Associates & Joint Ventures, refer to Note 19 (b)

## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 13. Statement of Performance Measurement - Indicators

\$ '000	Amounts 2009	Indicator 2009	Prior Periods 20082007	
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions <sup>(1)</sup>	5,002	1.88 : 1	3.16	3.59
Current Liabilities less Specific Purpose Liabilities <sup>(2,3)</sup>	2,660			
2. Debt Service Ratio				
Debt Service Cost	103	0.55%	1.84%	1.86%
Revenue from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	18,812			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	6,085	24.46%	28.58%	23.53%
Revenue from Continuing Operations	24,881			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	484	7.18%	7.89%	10.51%
Rates, Annual & Extra Charges Collectible	6,745			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals <sup>(4)</sup> [Buildings & Infrastructure]	3,739	212.32%	118.13%	n/a
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)	1,761			

## Notes

<sup>(1)</sup> Refer Notes 6-8 inclusive.

Also excludes any Real Estate &amp; Land for resale not expected to be sold in the next 12 months

<sup>(2)</sup> Refer to Note 10(a).<sup>(3)</sup> Refer to Note 10(c) - excludes all ELE not expected to be paid in the next 12 months.<sup>(4)</sup> Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity or performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.


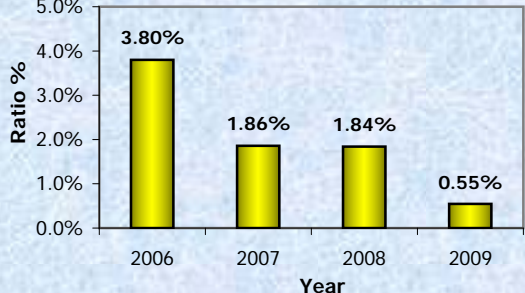
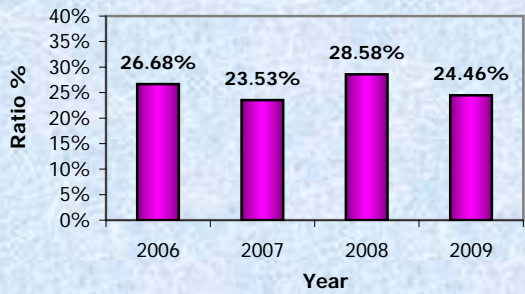
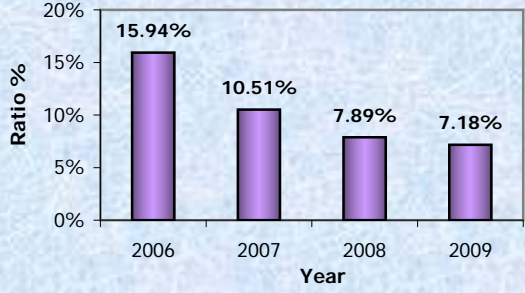
## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 13a. Statement of Performance Measurement - Graphs

\$ '000

<div><div>1. Unrestricted Current Ratio</div><div><table><tr><th>Year</th><th>Ratio : 1</th></tr><tr><td>2006</td><td>3.99</td></tr><tr><td>2007</td><td>3.59</td></tr><tr><td>2008</td><td>3.16</td></tr><tr><td>2009</td><td>1.88</td></tr></table></div></div>	Year	Ratio : 1	2006	3.99	2007	3.59	2008	3.16	2009	1.88	<div><div>Purpose of Unrestricted Current Ratio</div><div>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</div></div>	<div><div>Commentary on 2008/09 Result</div><div><div>2008/09 Ratio1.88 : 1</div><div>Walgett Shire Council has more than adequate funds to meet its short term obligations</div></div></div>
Year	Ratio : 1											
2006	3.99											
2007	3.59											
2008	3.16											
2009	1.88											
<div><div>2. Debt Service Ratio</div><div><table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2006</td><td>3.80%</td></tr><tr><td>2007</td><td>1.86%</td></tr><tr><td>2008</td><td>1.84%</td></tr><tr><td>2009</td><td>0.55%</td></tr></table></div></div>	Year	Ratio %	2006	3.80%	2007	1.86%	2008	1.84%	2009	0.55%	<div><div>Purpose of Debt Service Ratio</div><div>To assess the impact of loan principal &amp; interest repayments on the discretionary revenue of council.</div></div>	<div><div>Commentary on 2008/09 Result</div><div><div>2008/09 Ratio0.55%</div><div>Walgett Shire Council's borrowing levels are extremely low.</div></div></div>
Year	Ratio %											
2006	3.80%											
2007	1.86%											
2008	1.84%											
2009	0.55%											
<div><div>3. Rates &amp; Annual Charges Coverage Ratio</div><div><table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2006</td><td>26.68%</td></tr><tr><td>2007</td><td>23.53%</td></tr><tr><td>2008</td><td>28.58%</td></tr><tr><td>2009</td><td>24.46%</td></tr></table></div></div>	Year	Ratio %	2006	26.68%	2007	23.53%	2008	28.58%	2009	24.46%	<div><div>Purpose of Rates &amp; Annual Charges Coverage Ratio</div><div>To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.</div></div>	<div><div>Commentary on 2008/09 Result</div><div><div>2008/09 Ratio24.46%</div><div>Council's grant revenue for the 2008/09 financial year was higher than budgeted, reducing the percentage contributed by rates and annual charges revenue.</div></div></div>
Year	Ratio %											
2006	26.68%											
2007	23.53%											
2008	28.58%											
2009	24.46%											
<div><div>4. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</div><div><table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2006</td><td>15.94%</td></tr><tr><td>2007</td><td>10.51%</td></tr><tr><td>2008</td><td>7.89%</td></tr><tr><td>2009</td><td>7.18%</td></tr></table></div></div>	Year	Ratio %	2006	15.94%	2007	10.51%	2008	7.89%	2009	7.18%	<div><div>Purpose of Rates &amp; Annual Charges Outstanding Ratio</div><div>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</div></div>	<div><div>Commentary on 2008/09 Result</div><div><div>2008/09 Ratio7.18%</div><div>Council's active debt recovery policy and procedures has produced an excellent result</div></div></div>
Year	Ratio %											
2006	15.94%											
2007	10.51%											
2008	7.89%											
2009	7.18%											

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 14. Investment Properties

\$ '000

Council has not classified any Land or Buildings as "Investment Properties"

#### Note 15. Financial Risk Management

##### Risk Management

Council's activities expose it to a variety of financial risks including (i) price risk, (ii) credit risk, (iii) liquidity risk and (iv) interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's Finance Section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2009	2008	2009	2008
<b>Financial Assets</b>				
Cash and Cash Equivalents	3,439	2,388	3,439	2,388
Investments				
- "Designated At Fair Value on Initial Recognition"	49	382	49	382
- "Held to Maturity"	9,850	12,200	9,850	12,200
Receivables	1,906	2,968	1,906	2,968
<b>Total Financial Assets</b>	<b>15,244</b>	<b>17,938</b>	<b>15,244</b>	<b>17,938</b>
<b>Financial Liabilities</b>				
Payables	1,840	1,564	1,675	1,564
Loans / Advances	151	240	151	240
<b>Total Financial Liabilities</b>	<b>1,991</b>	<b>1,804</b>	<b>1,826</b>	<b>1,804</b>

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) **"at far value through profit & loss"** or (ii) **Available for Sale** - are based upon quoted market prices at the reporting date or independent valuation.

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 15. Financial Risk Management (continued)

\$ '000

##### (a) Cash & Cash Equivalents, Financial assets "at fair value through the profit & Loss", "Available-for-sale" financial assets & "Held-to-maturity" Investments

Council's objective is to maximise its return on cash & investments whilst maintaining an adequate level of liquidity and preserving capital.

Council has an Investment Policy which complies with the Local Government Act & Minister's Investment Order. This Policy is regularly reviewed by Council and its staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The major risk associated with Investments is price risk - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

Cash & Investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns and income.

A further risk associated with Cash & Investments is credit risk - the risk that the counterparty (to an investment) will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

Council also seeks advice from independent advisers before placing any funds in Cash Equivalents & Investments.

The following represents a summary of the sensitivity of Council's Income Statement and Accumulated Surplus (during the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
<b>2009</b>				
Possible impact of a 10% movement in Market Values	5	5	(5)	(5)
Possible impact of a 1% movement in Interest Rates	143	143	(143)	(143)
<b>2008</b>				
Possible impact of a 10% movement in Market Values	38	38	(38)	(38)
Possible impact of a 1% movement in Interest Rates	149	149	(149)	(149)



# Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

### Note 15. Financial Risk Management (continued)

\$ '000

#### (b) Receivables

Council's major receivables comprise (i) Rates & Annual charges and (ii) User Charges & Fees.

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts - that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates & annual charges at higher than market rates which further encourages the payment of debt.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

A profile of Council's receivables credit risk at balance date follows:

	2009	2009	2008	2008
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
<b>(i) Ageing of Receivables</b>				
Current (not yet overdue)	-	1,252	63	1,011
Past due by up to 30 days	-	437	-	1,487
Past due between 31 and 180 days	170		140	625
Past due between 181 and 365 days	179		144	-
Past due by more than 1 year	309	437	463	-
	<b>658</b>	<b>2,126</b>	<b>810</b>	<b>3,123</b>
<b>(ii) Movement in Provision for Impairment of Receivables</b>			2009	2008
Balance at the beginning of the year			965	987
+ new provisions recognised during the year			77	42
- amounts already provided for & written off this year			(164)	(64)
<b>Balance at the end of the year</b>			<b>878</b>	<b>965</b>

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 15. Financial Risk Management (continued)

\$ '000

##### (c) Payables & Borrowings

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

As well, payment terms can (in extenuating circumstances) be extended & overdraft facilities can be drawn down.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's Payables & Borrowings are set out in the Liquidity Table below:

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2009									
Trade/Other Payables	51	1,624	-	-	-	-	-	1,675	1,840
Loans & Advances	-	28	28	27	27	26	50	186	151
Total Financial Liabilities	51	1,652	28	27	27	26	50	1,861	1,991
2008									
Trade/Other Payables	48	1,516	-	-	-	-	-	1,564	1,564
Loans & Advances	-	97	28	28	27	27	66	273	240
Total Financial Liabilities	48	1,613	28	28	27	27	66	1,837	1,804

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs & debt servicing requirements. Council manages this risk through the diversification of borrowing types, maturities & interest rate structures.

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

	2009		2008	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	1,840	0.0%	1,564	0.0%
Loans & Advances - Fixed Interest Rate	151	6.3%	240	6.4%
	<u>1,991</u>		<u>1,804</u>	

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

### Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 08/09 was incorporated as part of its Management Plan and was adopted by the Council on 17 June 2008.

While the Income Statement included in this General Purpose Financial Report must disclose the Original Budget adopted by Council, the Local Government Act requires Council to review its Financial Budget on a Quarterly Basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This Note sets out the details of MATERIAL VARIATIONS between Council's Original Budget and its Actual results for the year as per the Income Statement - even though such variations may have been adjusted for during each Quarterly Budget Review.

Material Variations represent those variances that amount to **10%** or more of the original budgeted figure.

**Note that for Variations:** **F** = Favourable Budget Variation, **U** = Unfavourable Budget Variation

\$ '000	2009 Budget	2009 Actual	2009 Variance* -----		
<b>REVENUES</b>					
<b>Rates &amp; Annual Charges</b>	<b>5,783</b>	<b>6,085</b>	<b>302</b>	<b>5%</b>	<b>F</b>
<b>User Charges &amp; Fees</b>	<b>3,454</b>	<b>5,484</b>	<b>2,030</b>	<b>59%</b>	<b>F</b>
Additional revenue from the RTA above budget					
<b>Interest &amp; Investment Revenue</b>	<b>516</b>	<b>626</b>	<b>110</b>	<b>21%</b>	<b>F</b>
Cash flow requirements provided an opportunity to earn more interest on investments					
<b>Other Revenues</b>	<b>345</b>	<b>902</b>	<b>557</b>	<b>161%</b>	<b>F</b>
Additional Revenue to facilitate Walgett community Capability Fund					
<b>Operating Grants &amp; Contributions</b>	<b>7,475</b>	<b>8,701</b>	<b>1,226</b>	<b>16%</b>	<b>F</b>
Additional grant applications were successful					
<b>Capital Grants &amp; Contributions</b>	<b>177</b>	<b>2,797</b>	<b>2,620</b>	<b>1480%</b>	<b>F</b>
Additional road and bridge grants Regional Infrastructure Grants					
<b>Net Gains from Disposal of Assets</b>	<b>-</b>	<b>286</b>	<b>286</b>	<b>0%</b>	<b>F</b>
Trade in of heavy plant					

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 16. Material Budget Variations (continued)

\$ '000	2009 Budget	2009 Actual	2009 Variance* -----		
<b>EXPENSES</b>					
<b>Employee Benefits &amp; On-Costs</b>	<b>6,729</b>	<b>6,084</b>	<b>645</b>	<b>10%</b>	<b>F</b>
Under-staffed for part of year					
<b>Borrowing Costs</b>	<b>16</b>	<b>14</b>	<b>2</b>	<b>13%</b>	<b>F</b>
<b>Materials &amp; Contracts</b>	<b>5,860</b>	<b>9,417</b>	<b>(3,557)</b>	<b>(61%)</b>	<b>U</b>
Costs associated with additional RTA works					
Costs associated with additional grant programs					
<b>Depreciation &amp; Amortisation</b>	<b>2,947</b>	<b>2,468</b>	<b>479</b>	<b>16%</b>	<b>F</b>
Estimate of roads depreciation was based on revaluation model					
<b>Other Expenses</b>	<b>2,068</b>	<b>2,602</b>	<b>(534)</b>	<b>(26%)</b>	<b>U</b>
Increase in contributions for noxious weeds program					
Increase in contributions for rural fire services					
Increase cost of services					

#### Budget Variations relating to Council's Cash Flow Statement include:

<b>Cash Flows from Operating Activities</b>	<b>3,246</b>	<b>7,964</b>	<b>4,718</b>	<b>145.3%</b>	<b>F</b>
Additional RTA works and associated expenditure					
Additional grant revenue					
<b>Cash Flows from Investing Activities</b>	<b>(16,444)</b>	<b>(6,824)</b>	<b>9,620</b>	<b>(58.5%)</b>	<b>F</b>
Reduction in investments held					
Lower infrastructure, plant & equipment payments					
<b>Cash Flows from Financing Activities</b>	<b>446</b>	<b>(89)</b>	<b>(535)</b>	<b>(120.0%)</b>	<b>U</b>
No proceeds received from borrowings					

#### Note 17. Statement of Developer Contributions

Council currently has no S94 Developer Contribution Plans or S94 Funds on hand from prior years.

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

### Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but their knowledge & disclosure is considered relevant to the users of Council's Financial Report.

#### LIABILITIES NOT RECOGNISED:

##### 1. Guarantees

##### (i) Defined Benefit Superannuation Contribution Plans

Council participates in an employer sponsored Defined Benefit Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme's Trustees.

Member Councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category and that member Councils will need to make significantly higher contributions from 2009/10 & beyond.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from its Defined Benefit Scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable - similar to the accounting for Defined Contributions Plans.

##### (ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to Local Government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the Net Assets or Liabilities reflects Councils contributions to the pool and the result of insurance claims within each of the Fund Years.

The future realisation and finalisation of claims incurred but not reported to 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

##### (iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW Local Government Industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the Company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements of APRA.

These future equity contributions would be required to maintain the company's minimum level of Net Assets in accordance with its Licence Requirements.

##### (iv) Other Guarantees

Council has provided no other Guarantees other than those listed above.

## Walgett Shire Council

### Notes to the Financial Statements for the financial year ended 30 June 2009

#### Note 18. Contingencies & Other Assets/Liabilities Not Recognised (continued)

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\$ '000

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#### **LIABILITIES NOT RECOGNISED** (continued):

##### **2. Other Liabilities**

##### **(i) Third Party Claims**

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its Insurance Coverage and does not expect any material liabilities to eventuate.

#### **ASSETS NOT RECOGNISED:**

##### **(i) Land Under Roads**

As permitted under AASB 1051, Council has elected not to bring to account Land Under Roads that it owned or controlled up to & including 30/6/08.

## Walgett Shire Council

### Notes to the Financial Statements for the financial year ended 30 June 2009

#### Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

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**\$ '000**

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Council has no interest in any Controlled Entities, Associated Entities or Joint Ventures.

## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2009	Actual 2008
<b>a. Retained Earnings</b>			
<b>Movements in Retained Earnings were as follows:</b>			
Balance at beginning of Year (from previous years audited accounts)		84,052	82,536
a. Correction of Prior Period Errors	20 (c)	-	-
b. Changes in Accounting Policies (Prior Period Effects)	20 (d)	-	-
c. Current Year Income & Expenses Recognised direct to Equity excluding direct to Reserves transactions			-
d. Net Operating Result for the Year		4,296	1,516
e. Distributions to/(Contributions from) Minority Interests		-	-
f. Transfers between Equity		-	-
g. Other Changes (disclosure required)		-	-
<b>Balance at End of the Reporting Period</b>		<b>88,348</b>	<b>84,052</b>

**b. Reserves****(i) Reserves are represented by:**

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	17,317	16,680
<b>Total</b>	<b>17,317</b>	<b>16,680</b>

**(ii). Reconciliation of movements in Reserves:****Infrastructure, Property, Plant & Equipment Revaluation Reserve**

- Opening Balance	16,680	6,268
- Revaluations for the year	9(a) 637	10,412
<b>- Balance at End of Year</b>	<b>17,317</b>	<b>16,680</b>

**TOTAL VALUE OF RESERVES**

<b>17,317</b>	<b>16,680</b>
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**(iii). Nature & Purpose of Reserves****Infrastructure, Property, Plant & Equipment Revaluation Reserve**

- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.

**c. Correction of Error/s relating to a Previous Reporting Period**

Council made no correction of errors during the current reporting period.

**d. Voluntary Changes in Accounting Policies**

Council made no voluntary changes in any accounting policies during the year.



## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 21. Financial Result &amp; Financial Position by Fund

<b>Income Statement by Fund</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>\$ '000</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>
	<b>General</b>	<b>Combined Water</b>	<b>Combined Sewer</b>	<b>Other</b>
<b><u>Continuing Operations</u></b>				
<b>Income from Continuing Operations</b>				
Rates & Annual Charges	4,205	1,263	617	-
User Charges & Fees	5,484	-	-	-
Interest & Investment Revenue	592	21	13	-
Other Revenues	902	-	-	-
Grants & Contributions provided for Operating Purposes	8,678	12	11	-
Grants & Contributions provided for Capital Purposes	2,797	-	-	-
<b>Other Income</b>				
Net Gains from Disposal of Assets	286	-	-	-
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>22,944</b>	<b>1,296</b>	<b>641</b>	<b>-</b>
<b>Expenses from Continuing Operations</b>				
Employee Benefits & on-costs	5,523	390	171	-
Borrowing Costs	-	10	4	-
Materials & Contracts	8,780	474	163	-
Depreciation & Amortisation	1,838	443	187	-
Impairment	-	-	-	-
Other Expenses	2,602	-	-	-
Interest & Investment Losses	-	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>18,743</b>	<b>1,317</b>	<b>525</b>	<b>-</b>
<b>Operating Result from Continuing Operations</b>	<b>4,201</b>	<b>(21)</b>	<b>116</b>	<b>-</b>
<b><u>Discontinued Operations</u></b>				
Net Profit/(Loss) from Discontinued Operations	-	-	-	-
<b>Net Operating Result for the Year</b>	<b>4,201</b>	<b>(21)</b>	<b>116</b>	<b>-</b>
<b>Net Operating Result attributable to each Council Fund</b>	<b>4,201</b>	<b>(21)</b>	<b>116</b>	<b>-</b>
<b>Net Operating Result attributable to Minority Interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>1,404</b>	<b>(21)</b>	<b>116</b>	<b>-</b>

## Walgett Shire Council

## Notes to the Financial Statements

as at 30 June 2009

## Note 21. Financial Result &amp; Financial Position by Fund

<b>Balance Sheet by Fund</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>\$ '000</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>
	<b>General</b>	<b>Combined Water</b>	<b>Combined Sewer</b>	<b>Other</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents				-
Investments	8,201	3,319	1,818	-
Receivables	1,321	276	100	-
Inventories	894	-	-	-
Other	223	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-
<b>Total Current Assets</b>	<b>10,639</b>	<b>3,595</b>	<b>1,918</b>	<b>-</b>
<b>Non-Current Assets</b>				
Investments	-	-	-	-
Receivables	67	54	88	-
Inventories	-	-	-	-
Infrastructure, Property, Plant & Equipment	71,615	11,731	9,715	-
Investments Accounted for using the equity method	-	-	-	-
Other	-	-	-	-
<b>Total Non-Current Assets</b>	<b>71,682</b>	<b>11,785</b>	<b>9,803</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>82,321</b>	<b>15,380</b>	<b>11,721</b>	<b>-</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	1,840	-	-	-
Borrowings	1	10	9	-
Provisions	1,593	-	-	-
<b>Total Current Liabilities</b>	<b>3,434</b>	<b>10</b>	<b>9</b>	<b>-</b>
<b>Non-Current Liabilities</b>				
Payables	-	-	-	-
Borrowings	(1)	109	23	-
Provisions	173	-	-	-
<b>Total Non-Current Liabilities</b>	<b>172</b>	<b>109</b>	<b>23</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>3,606</b>	<b>119</b>	<b>32</b>	<b>-</b>
<b>Net Assets</b>	<b>78,715</b>	<b>15,261</b>	<b>11,689</b>	<b>-</b>
<b>EQUITY</b>				
Retained Earnings	69,554	9,675	9,119	-
Revaluation Reserves	9,161	5,586	2,570	-
<b>Council Equity Interest</b>	<b>78,715</b>	<b>15,261</b>	<b>11,689</b>	<b>-</b>
Minority Interests	-	-	-	-
<b>Total Equity</b>	<b>78,715</b>	<b>15,261</b>	<b>11,689</b>	<b>-</b>

## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 21. Financial Result &amp; Financial Position by Fund - Individual Water Funds

<b>Income Statement by Fund</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>\$ '000</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>
		<b>Lightning</b>	
	<b>Walgett</b>	<b>Ridge</b>	<b>Collarenebri</b>
<b>Continuing Operations</b>			
<b>Income from Continuing Operations</b>			
Rates & Annual Charges	596	484	183
User Charges & Fees	-	-	-
Interest & Investment Revenue	7	4	10
Other Revenues	-	-	-
Grants & Contributions provided for Operating Purposes	4	7	1
Grants & Contributions provided for Capital Purposes	-	-	-
<b>Other Income</b>			
Net Gains from Disposal of Assets	-	-	-
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-
<b>Total Income from Continuing Operations</b>	<b>607</b>	<b>495</b>	<b>194</b>
<b>Expenses from Continuing Operations</b>			
Employee Benefits & on-costs	274	48	68
Borrowing Costs	5	5	-
Materials & Contracts	227	81	166
Depreciation & Amortisation	137	100	206
Impairment	-	-	-
Other Expenses	-	-	-
Interest & Investment Losses	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>643</b>	<b>234</b>	<b>440</b>
<b>Operating Result from Continuing Operations</b>	<b>(36)</b>	<b>261</b>	<b>(246)</b>
<b>Discontinued Operations</b>			
Net Profit/(Loss) from Discontinued Operations	-	-	-
<b>Net Operating Result for the Year</b>	<b>(36)</b>	<b>261</b>	<b>(246)</b>
<b>Net Operating Result attributable to each Council Fund</b>	<b>(36)</b>	<b>261</b>	<b>(246)</b>
<b>Net Operating Result attributable to Minority Interests</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>(36)</b>	<b>261</b>	<b>(246)</b>

## Walgett Shire Council

## Notes to the Financial Statements

as at 30 June 2009

## Note 21. Financial Result &amp; Financial Position by Fund - Individual Water Funds

<b>Balance Sheet by Fund</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>\$ '000</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>
	<b>Walgett</b>	<b>Lightning Ridge</b>	<b>Collarenebri</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents			
Investments	395	3,441	(517)
Receivables	129	39	108
Inventories	-	-	-
Other	-	-	-
Non-current assets classified as "held for sale"	-	-	-
<b>Total Current Assets</b>	<b>524</b>	<b>3,480</b>	<b>(409)</b>
<b>Non-Current Assets</b>			
Investments	-	-	-
Receivables	1	17	36
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	6,707	3,002	2,022
Investments Accounted for using the equity method	-	-	-
Other	-	-	-
<b>Total Non-Current Assets</b>	<b>6,708</b>	<b>3,019</b>	<b>2,058</b>
<b>TOTAL ASSETS</b>	<b>7,232</b>	<b>6,499</b>	<b>1,649</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	-	-	-
Borrowings	(2)	12	-
Provisions	-	-	-
<b>Total Current Liabilities</b>	<b>(2)</b>	<b>12</b>	<b>-</b>
<b>Non-Current Liabilities</b>			
Payables	-	-	-
Borrowings	62	47	-
Provisions	-	-	-
<b>Total Non-Current Liabilities</b>	<b>62</b>	<b>47</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>60</b>	<b>59</b>	<b>-</b>
<b>Net Assets</b>	<b>7,172</b>	<b>6,440</b>	<b>1,649</b>
<b>EQUITY</b>			
Retained Earnings	2,886	5,713	1,076
Revaluation Reserves	4,286	727	573
<b>Council Equity Interest</b>	<b>7,172</b>	<b>6,440</b>	<b>1,649</b>
Minority Interests	-	-	-
<b>Total Equity</b>	<b>7,172</b>	<b>6,440</b>	<b>1,649</b>

## Walgett Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2009

## Note 21. Financial Result &amp; Financial Position by Fund - Individual Sewer Funds

<b>Income Statement by Fund</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>\$ '000</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>
		<b>Lightning</b>	
	<b>Walgett</b>	<b>Ridge</b>	<b>Collarenebri</b>
<b>Continuing Operations</b>			
<b>Income from Continuing Operations</b>			
Rates & Annual Charges	291	246	80
User Charges & Fees	-	-	-
Interest & Investment Revenue	4	3	6
Other Revenues	-	-	-
Grants & Contributions provided for Operating Purposes	3	7	1
Grants & Contributions provided for Capital Purposes	-	-	-
<b>Other Income</b>			
Net Gains from Disposal of Assets	-	-	-
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-
<b>Total Income from Continuing Operations</b>	<b>298</b>	<b>256</b>	<b>87</b>
<b>Expenses from Continuing Operations</b>			
Employee Benefits & on-costs	124	31	16
Borrowing Costs	4	-	-
Materials & Contracts	87	70	6
Depreciation & Amortisation	110	56	21
Impairment	-	-	-
Other Expenses	-	-	-
Interest & Investment Losses	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>325</b>	<b>157</b>	<b>43</b>
<b>Operating Result from Continuing Operations</b>	<b>(27)</b>	<b>99</b>	<b>44</b>
<b>Discontinued Operations</b>			
Net Profit/(Loss) from Discontinued Operations	-	-	-
<b>Net Operating Result for the Year</b>	<b>(27)</b>	<b>99</b>	<b>44</b>
<b>Net Operating Result attributable to each Council Fund</b>	<b>(27)</b>	<b>99</b>	<b>44</b>
<b>Net Operating Result attributable to Minority Interests</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>(27)</b>	<b>99</b>	<b>44</b>

## Walgett Shire Council

## Notes to the Financial Statements

as at 30 June 2009

## Note 21. Financial Result &amp; Financial Position by Fund - Individual Sewer Funds

<b>Balance Sheet by Fund</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>\$ '000</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>
		<b>Lightning</b>	
	<b>Walgett</b>	<b>Ridge</b>	<b>Collarenebri</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	-		
Investments	1,364	915	(461)
Receivables	71	10	19
Inventories	-	-	-
Other	-	-	-
Non-current assets classified as "held for sale"	-	-	-
<b>Total Current Assets</b>	<b>1,435</b>	<b>925</b>	<b>(442)</b>
<b>Non-Current Assets</b>			
Investments	-	-	-
Receivables	4	28	56
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	4,740	4,213	762
Investments Accounted for using the equity method	-	-	-
Other	-	-	-
<b>Total Non-Current Assets</b>	<b>4,744</b>	<b>4,241</b>	<b>818</b>
<b>TOTAL ASSETS</b>	<b>6,179</b>	<b>5,166</b>	<b>376</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	-	-	-
Borrowings	9	-	-
Provisions	-	-	-
<b>Total Current Liabilities</b>	<b>9</b>	<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>			
Payables	-	-	-
Borrowings	23	-	-
Provisions	-	-	-
<b>Total Non-Current Liabilities</b>	<b>23</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>32</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>6,147</b>	<b>5,166</b>	<b>376</b>
<b>EQUITY</b>			
Retained Earnings	3,889	4,927	303
Revaluation Reserves	2,257	240	73
<b>Council Equity Interest</b>	<b>6,146</b>	<b>5,167</b>	<b>376</b>
Minority Interests	-	-	-
<b>Total Equity</b>	<b>6,146</b>	<b>5,167</b>	<b>376</b>

## Walgett Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2009

#### Note 22. Non Current Assets/Liabilities classified as "Held for Sale"

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\$ '000

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Council did not classify any Non Current Assets or Disposal Groups as "Held for Sale".

#### Note 23. Events occurring after Balance Sheet Date

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Events that occur after the reporting date of 30 June 2009, up to and including the date when the financial report is "authorised for issue" have been taken into account in preparing this financial report.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to this General Purpose Financial Report.

Accordingly, the "authorised for issue" date is 29/10/09.

Events that occur after the Reporting Date represent one of two types:

##### **(i) Events that have provided evidence of conditions that existed at the Reporting Date**

These financial reports (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2009.

##### **(ii) Events that have provided evidence of conditions that arose after the Reporting Date**

These financial reports (and figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2009 and which are only indicative of conditions that arose after 30 June 2009.

**Council is unaware of any material or significant "non adjusting events" that should be disclosed.**

## Walgett Shire Council

### Notes to the Financial Statements for the financial year ended 30 June 2009

#### Note 24. Discontinued Operations

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\$ '000

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Council has not classified any of its Operations as "Discontinued".

#### Note 25. Intangible Assets

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Intangible Assets represent identifiable non-monetary asset without physical substance.

Council is unaware of any control over Intangible Assets that warrant their recognition in the Financial Reports, including either internally generated and developed assets or purchased assets.

#### Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

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Council has no outstanding obligations to make, restore, rehabilitate or reinstate any of its assets/operations.



## Walgett Shire Council

### Notes to the Financial Statements for the financial year ended 30 June 2009

#### Note 27. Additional Council Disclosures - Council Information

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**Principal Place of Business:**

77 Fox Street  
Walgett NSW 2832

**Contact Details****Mailing Address:**

PO Box 31  
Walgett NSW 2832

**Telephone:** 02 6828 1399

**Facsimile:** 02 6828 1608

**Opening Hours**

Office Hours: 8.15am till 5.00pm

Opening Hours: 9.00am till 4.30pm

**Internet:** [www.walgett.nsw.gov.au](http://www.walgett.nsw.gov.au)

**Email:** [admin@walgett.nsw.gov.au](mailto:admin@walgett.nsw.gov.au)



SPENCER STEER  
CHARTERED ACCOUNTANTS

WALGETT SHIRE COUNCIL  
GENERAL PURPOSE FINANCIAL REPORT  
INDEPENDENT AUDITORS' REPORT

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REPORT ON THE FINANCIAL REPORT

We have audited the accompanying *general purpose financial report* of *Walgett Shire Council*, which comprises the Balance Sheet as at 30 June 2009, Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management. The financial report includes the consolidated financial statements of the economic entity and the entities it controlled at year end or from time to time during the year.

***Responsibility of Council for the Financial Report***

The Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Cash Flow Statement, and Note 2(a) or the budget variation explanations disclosed in Note 16. Nor does our responsibility extend to the additional disclosures in Notes 13(a), 27 & 28. Accordingly, no opinion is expressed on these matters.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of



expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

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

### ***Independence***

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

### ***Auditor's Opinion***

In our opinion,

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2; and
- (b) the financial report:
  - (i) has been presented in accordance with the requirements of this Division;
  - (ii) is consistent with the Council's accounting records;
  - (iii) presents fairly the Council's financial position, the results of its operations and its cash flows; and
  - (iv) is in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial report that we have become aware of during the course of the audit.

### ***Emphasis of Matter***

Without qualification to the opinion expressed above, we draw attention to the following;

Since July 2007, global financial markets have experienced a period of high volatility led by events in the US housing market, particularly sub prime loans, which has impacted the value, recoverability, liquidity, cash flows and rates of return of most financial assets including Collateralised Debt Obligations (CDOs).

At 30 June 2009, Council's investment portfolio totalled \$9.899 million and included securities that have been impacted by this market volatility. The impact on individual securities varies depending on their degree of exposure to affected markets.

Many of these securities do not have market values that are independently quoted and they are not widely traded. Independent market valuations are not readily available and in many cases, values have been assessed based on estimates from issuers and/or other available market



information. Based on available information, Council has restated such investments to fair value as at 30 June 2009, resulting in a write down of \$333,000. The limited availability of reliable market values and the ongoing volatility of financial markets introduce uncertainty to the valuation process. Accordingly, further changes to the stated fair value, recoverability, liquidity, cash flows and rates of return may arise as investments are disposed of and/or new information comes to hand.

As a consequence of the above, and the continuing instability of the current investment environment, there is significant uncertainty regarding the value, recoverability, liquidity, cash flow and rates of return, the resolution of which is dependent upon future events and which may materially affect the financial report.

**SPENCER STEER**  
Chartered Accountants

**N. MAH CHUT**  
Partner

Dated at Sydney this 29th day of October 2009



**SPENCER STEER**  
CHARTERED ACCOUNTANTS

29 October 2009

The Mayor  
Walgett Shire Council  
PO Box 31  
**WALGETT NSW 2832**

Mayor,

**Audit Report - Year Ended 30 June 2009**

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2009 and that all information required by us was readily available. We have signed 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.

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 \$4.296 million as compared with \$1.516 million 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.

	2009 \$'000	% of Total	2008 \$'000	% of Total	Increase (Decrease) \$'000
<b>Revenues before capital items</b>					
Rates & annual charges	6,085	28%	5,768	30%	317
User charges, fees & other revenues	6,672	30%	4,646	24%	2,026
Grants & contributions provided for operating purposes	8,701	39%	8,319	43%	382
Interest & investment revenue	626	3%	449	2%	177
	<b>22,084</b>	<b>100%</b>	<b>19,182</b>	<b>100%</b>	<b>2,902</b>
<b>Expenses</b>					
Employee benefits & costs	6,084	30%	6,465	35%	(381)
Materials, contracts & other expenses	12,019	58%	10,085	54%	1,934
Depreciation, amortisation & impairment	2,468	12%	2,088	11%	380
Borrowing costs	14	0%	25	0%	(11)
	<b>20,585</b>	<b>100%</b>	<b>18,663</b>	<b>100%</b>	<b>1,922</b>
<b>Surplus(Deficit) before capital items</b>	<b>\$ 1,499</b>		<b>\$ 519</b>		<b>\$ 980</b>
Grants & contributions provided for capital purposes	2,797		997		1,800
<b>Net Surplus(Deficit) for the year</b>	<b>4,296</b>		<b>1,516</b>		<b>2,780</b>

The table above shows an overall increase over the previous year of \$2.780 million.

Grants and contributions provided for capital purposes accounted for \$1.8 million of the increase and included grants for the Colly-Mungindi Road upgrade and the Pian Creek bridge replacement.

## 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.



	2009	2008
<b>Funds were provided by:-</b>	\$'000	\$'000
<b>Operating Result (as above)</b>	<b>4,296</b>	<b>1,516</b>
Add back non funding items:-		
- Depreciation, amortisation & impairment	2,468	2,088
- Book value of non current assets sold	83	155
	6,847	3,759
Transfers from externally restricted assets (net)	0	596
Transfers from internal reserves (net)	2,324	0
Repayments from deferred debtors	0	53
Net Changes in current/non current assets & liabilities	250	330
	9,421	4,738
<b>Funds were applied to:-</b>		
Purchase and construction of assets	(9,542)	(5,647)
Principal repaid on loans	(89)	(172)
Finance lease instalments	0	(77)
Transfers to externally restricted assets (net)	(379)	0
Transfers to internal reserves (net)	0	(235)
	(10,010)	(6,131)
<b>Increase(Decrease) in Available Working Capital</b>	<b>(589)</b>	<b>(1,393)</b>

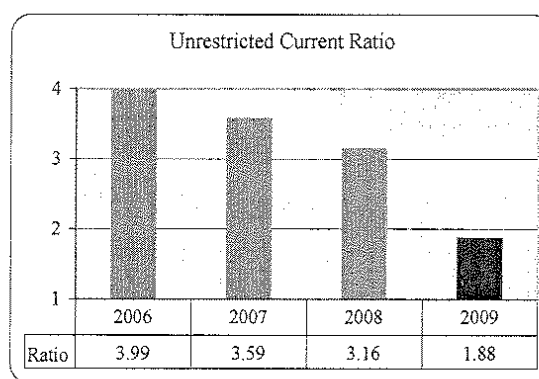
## 2. FINANCIAL POSITION

### 2.1 Current Ratios

#### 2.1 Unrestricted Current Ratio

The Unrestricted Current Ratio is a financial indicator specific to local government and represents Council's ability to meet its debts and obligations as they fall due.

After eliminating externally restricted assets and current liabilities not expected to be paid within the next 12 months net current assets amounted to \$2.342 million representing a factor of 1.88 to 1.



### 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 \$982,000 as detailed below;



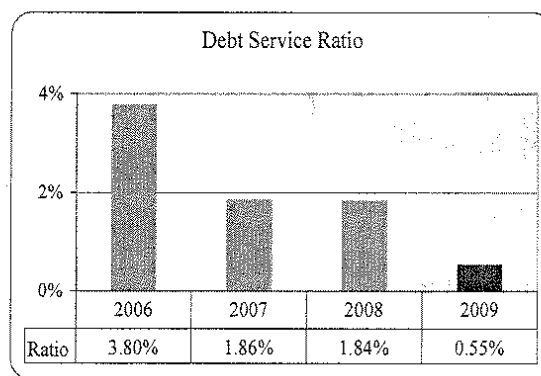
	2009	2008	Change
	\$'000	\$'000	\$'000
<b>Net Current Assets (Working Capital) as per Accounts</b>	<b>12,699</b>	<b>15,332</b>	<b>(2,633)</b>
<i>Add:</i> Payables & provisions not expected to be realised in the next 12 months included above	277	199	78
Adjusted Net Current Assets	12,976	15,531	(2,555)
<i>Add:</i> Budgeted & expected to pay in the next 12 months			
- Borrowings	20	94	(74)
- Employees leave entitlements	823	731	92
- Deposits & retention moneys	51	48	3
<i>Less:</i> Externally restricted assets	(10,634)	(10,255)	(379)
<i>Less:</i> Internally restricted assets	(2,254)	(4,578)	2,324
<b>Available Working Capital as at 30 June</b>	<b>982</b>	<b>1,571</b>	<b>(589)</b>

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 2009 was adequate.

### 2.3 Debt

Operating revenue (excluding special purpose grants and contributions) required to service debt (repayment of loans) was 0.55%.

Total loans outstanding after repaying principal & interest of \$103,000 was \$151,000.



### 2.4 Summary

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

## 3. CASH ASSETS

### 3.1 Cash & Investments

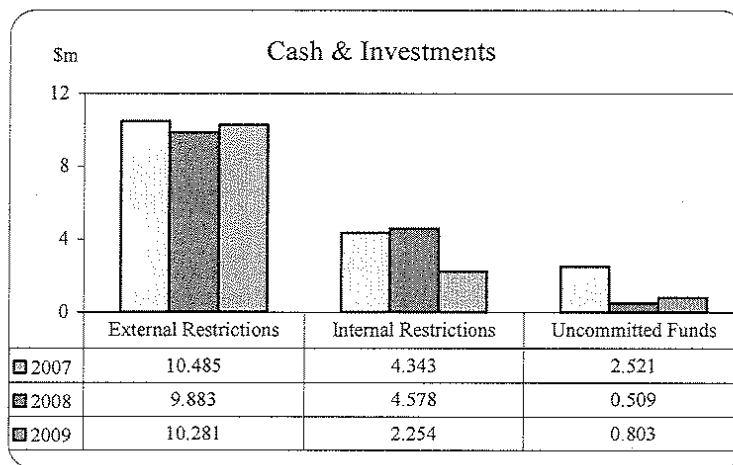
Cash and investments held at the close of the year amounted to \$13.338 million as compared with \$14.970 million and \$17.349 million at the close of financial years 2008 and 2007 respectively.





Investments included CDO's (Collateralised Debt Obligations) held at fair value of \$49,000. These securities have been significantly affected by the ongoing global credit crisis.

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 grants (\$5.144 million) and water and sewerage funds (\$5.137 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 \$2.254 million and their purposes are more fully disclosed in Notes 6 of the financial statements.

**Unrestricted cash and investments** amounted to \$803,000.

### 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 \$991,000 to \$3.379 million at the close of the year.

In addition to operating activities which contributed net cash of \$7.904 million were the proceeds from the redemption of investment securities (\$2.35 million) and sale of assets (\$369,000). Cash outflows other than operating activities were used to repay loans (\$89,000) and to purchase and construct assets (\$9.543 million).

## 4. RECEIVABLES

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

Net rates and annual charges levied during the year totalled \$6.085 million and represented 24.46% of Council's total revenues.

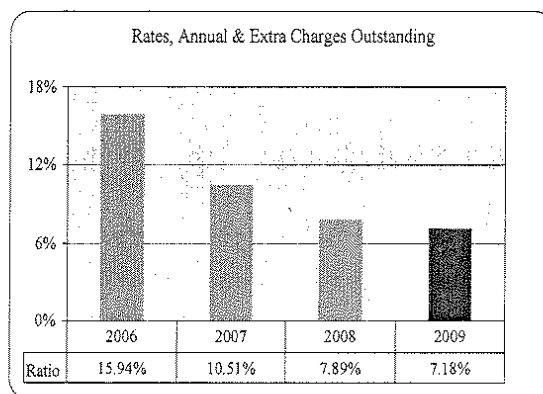
Including arrears, the total rates and annual charges collectible was \$6.549 million of which \$6.199 million (94.66%) was collected.



#### 4.2 Rates, Annual & Extra Charges

After providing for doubtful debts of \$478,000 (2008 - \$555,000), arrears of rates, annual & extra charges stood at \$484,000 (2008 - \$524,000) at the end of the year & represented 7.18% of those receivables.

The graph alongside illustrates the arrears position continues to improve.



**4.3 Other Receivables** - Receivables (other than rates, annual & extra charges) totalled \$1.822 million and consisted mainly of user charges & fees and contribution to works of \$1.261 million. Those considered to be uncertain of collection have been provided for as doubtful debts amounting to \$400,000 and included deferred debtors that have been outstanding for quite some time.

#### 5. PAYABLES

**Employees Leave Entitlements** - Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$1.766 million.

A cash reserve of \$500,000 was held at year end representing 28.31% of this liability and was, in our opinion, sufficient to enable Council to meet unbudgeted and unanticipated retirements.

#### 6. REVALUATION OF ASSETS

The valuation at 'fair value' of Council's infrastructure, property, plant and equipment is being introduced in a staged approach. In previous years several asset categories, including operational land and buildings, water and sewerage assets, plant and equipment have been revalued.

Fair valuation of remaining asset categories, including transport infrastructure (roads, bridges and footpaths), drains, community land and other structures, will be required over the next two reporting years. The Department of Local Government has issued guidance on the revaluation implementation plan which outlines the major steps and suggested timeframes.



We have discussed the guidelines and milestones with management and advise that nothing has come to our attention to suggest that Council will not satisfactorily complete the remaining revaluation projects within the required timeframes.

**7. 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

# Walgett Shire Council

SPECIAL PURPOSE FINANCIAL REPORTS  
for the year ended 30 June 2009

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***“Rivers, Plains and Opals”***



# Walgett Shire Council

## Special Purpose Financial Reports

for the financial year ended 30 June 2009

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- Balance Sheet of Combined Water Supply Business Activity	5
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### Background

- (i) These Special Purpose Financial Reports have been prepared for the use by both Council and the Department of Local Government in fulfilling their requirements under National Competition Policy.
  - (ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market place, particularly between private and public sector competitors.  
  
Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.
  - (iii) For Council, the principle of competitive neutrality & public reporting applies only to declared business activities.  
  
These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and **(b)** those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).
  - (iv) In preparing these financial reports for Council's self classified Category 1 businesses and ABS defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).
-

# Walgett Shire Council

## Special Purpose Financial Reports for the financial year ended 30 June 2009

### Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

**The attached Special Purpose Financial Reports have been prepared in accordance with:**

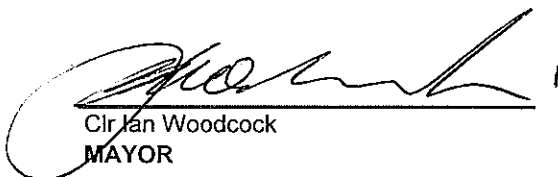
- The NSW Government Policy Statement "Application of National Competition Policy to Local Government"
- The Department of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality"
- The Local Government Code of Accounting Practice and Financial Reporting.
- The Department of Water and Energy Best-Practice Management of Water and Sewerage Guidelines.

**To the best of our knowledge and belief, these Reports:**

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

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

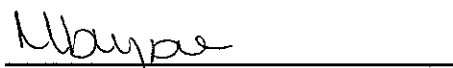
**Signed in accordance with a resolution of Council made on 29 September 2009.**



Cllr Ian Woodcock  
MAYOR



Mr Raymond Kent  
GENERAL MANAGER



Mrs Myrene Lovegrove  
FINANCE MANAGER

## Walgett Shire Council

# Income Statement of Council's Combined Water Supply Business Activity

for the financial year ended 30 June 2009

\$ '000	Actual 2009	Actual 2008	Actual 2007
<b>Income from continuing operations</b>			
Access charges	1,263	1,180	1,167
User charges	-	-	84
Fees	-	1	-
Interest	21	30	30
Grants and contributions provided for non capital purposes	12	12	12
Profit from the sale of assets	-	-	-
Other income	-	-	-
<b>Total income from continuing operations</b>	<b>1,296</b>	<b>1,223</b>	<b>1,293</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	390	406	364
Borrowing costs	10	10	14
Materials and contracts	474	649	528
Depreciation and impairment	443	388	528
Water purchase charges	-	-	33
Loss on sale of assets	-	-	-
Calculated taxation equivalents	-	-	-
Debt guarantee fee (if applicable)	-	-	-
Other expenses	-	-	-
<b>Total expenses from continuing operations</b>	<b>1,317</b>	<b>1,453</b>	<b>1,467</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>(21)</b>	<b>(230)</b>	<b>(174)</b>
Grants and contributions provided for capital purposes	-	159	-
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>(21)</b>	<b>(71)</b>	<b>(174)</b>
Surplus (deficit) from Discontinued Operations	-	-	-
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>(21)</b>	<b>(71)</b>	<b>(174)</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	-
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(21)</b>	<b>(71)</b>	<b>(174)</b>
plus Opening Retained Profits	9,696	9,497	9,139
plus/less: Prior Period Adjustments	-	270	532
plus Adjustments for amounts unpaid:			
- Taxation equivalent payments	-	-	-
- Debt guarantee fees	-	-	-
- Corporate taxation equivalent	-	-	-
less:			
- Tax Equivalent Dividend paid	-	-	-
- Surplus dividend paid	-	-	-
<b>Closing Retained Profits</b>	<b>9,675</b>	<b>9,696</b>	<b>9,497</b>
<b>Return on Capital %</b>	<b>-0.1%</b>	<b>-1.9%</b>	<b>-1.5%</b>
<b>Subsidy from Council</b>	<b>661</b>	<b>973</b>	<b>-</b>
<b>Calculation of dividend payable:</b>			
Surplus (deficit) after tax	(21)	(71)	(174)
less: Capital grants and contributions (excluding developer contributions)	-	(159)	-
<b>Surplus for dividend calculation purposes</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Potential Dividend calculated from surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Walgett Shire Council

# Income Statement of Council's Combined Sewerage Business Activity

for the financial year ended 30 June 2009

\$ '000	Actual 2009	Actual 2008	Actual 2007
<b>Income from continuing operations</b>			
Access charges	617	590	538
User charges	-	1	50
Liquid Trade Waste Charges	-	-	-
Fees	-	-	-
Interest	13	16	16
Grants and contributions provided for non capital purposes	11	11	11
Profit from the sale of assets	-	-	-
Other income	-	-	-
<b>Total income from continuing operations</b>	<b>641</b>	<b>618</b>	<b>615</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	171	153	154
Borrowing costs	4	4	5
Materials and contracts	163	141	217
Depreciation and impairment	187	136	340
Loss on sale of assets	-	-	-
Calculated taxation equivalents	-	-	-
Debt guarantee fee (if applicable)	-	-	-
Other expenses	-	-	-
<b>Total expenses from continuing operations</b>	<b>525</b>	<b>434</b>	<b>716</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>116</b>	<b>184</b>	<b>(101)</b>
Grants and contributions provided for capital purposes	-	-	-
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>116</b>	<b>184</b>	<b>(101)</b>
Surplus (deficit) from discontinued operations	-	-	-
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>116</b>	<b>184</b>	<b>(101)</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(35)	(55)	-
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>81</b>	<b>129</b>	<b>(101)</b>
plus Opening Retained Profits	9,003	8,828	5,953
plus/less: Prior Period Adjustments	-	(9)	2,976
plus Adjustments for amounts unpaid:			
- Taxation equivalent payments	-	-	-
- Debt guarantee fees	-	-	-
- Corporate taxation equivalent	35	55	-
less:			
- Tax Equivalent Dividend paid	-	-	-
- Surplus dividend paid	-	-	-
<b>Closing Retained Profits</b>	<b>9,119</b>	<b>9,003</b>	<b>8,828</b>
<b>Return on Capital %</b>	<b>1.2%</b>	<b>2.0%</b>	<b>-1.1%</b>
<b>Subsidy from Council</b>	<b>418</b>	<b>429</b>	<b>-</b>
<b>Calculation of dividend payable:</b>			
Surplus (deficit) after tax	81	129	(101)
less: Capital grants and contributions (excluding developer contributions)	-	-	-
<b>Surplus for dividend calculation purposes</b>	<b>81</b>	<b>129</b>	<b>-</b>
<b>Potential Dividend calculated from surplus</b>	<b>41</b>	<b>64</b>	<b>-</b>



## Walgett Shire Council

## Balance Sheet of Council's Combined Water Supply Business Activity

as at 30 June 2009

\$ '000	Actual 2009	Actual 2008
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	3,319	3,037
Investments	-	-
Receivables	276	249
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>3,595</b>	<b>3,286</b>
<b>Non-Current Assets</b>		
Investments	-	-
Receivables	54	125
Inventories	-	-
Infrastructure, property, plant and equipment	11,731	11,674
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
<b>Total non-Current Assets</b>	<b>11,785</b>	<b>11,799</b>
<b>TOTAL ASSETS</b>	<b>15,380</b>	<b>15,085</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	10	21
Provisions	-	-
<b>Total Current Liabilities</b>	<b>10</b>	<b>21</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	109	111
Provisions	-	-
<b>Total Non-Current Liabilities</b>	<b>109</b>	<b>111</b>
<b>TOTAL LIABILITIES</b>	<b>119</b>	<b>132</b>
<b>NET ASSETS</b>	<b>15,261</b>	<b>14,953</b>
<b>EQUITY</b>		
Retained earnings	9,675	9,696
Revaluation reserves	5,586	5,257
Council equity interest	15,261	14,953
Minority equity interest	-	-
<b>TOTAL EQUITY</b>	<b>15,261</b>	<b>14,953</b>

## Walgett Shire Council

## Balance Sheet of Council's Combined Sewerage Business Activity

as at 30 June 2009

\$ '000	Actual 2009	Actual 2008
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,818	1,561
Investments	-	-
Receivables	100	154
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>1,918</b>	<b>1,715</b>
<b>Non-Current Assets</b>		
Investments	-	-
Receivables	88	41
Inventories	-	-
Infrastructure, property, plant and equipment	9,715	9,570
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
<b>Total non-Current Assets</b>	<b>9,803</b>	<b>9,611</b>
<b>TOTAL ASSETS</b>	<b>11,721</b>	<b>11,326</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	9	10
Provisions	-	-
<b>Total Current Liabilities</b>	<b>9</b>	<b>10</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	23	29
Provisions	-	-
<b>Total Non-Current Liabilities</b>	<b>23</b>	<b>29</b>
<b>TOTAL LIABILITIES</b>	<b>32</b>	<b>39</b>
<b>NET ASSETS</b>	<b>11,689</b>	<b>11,287</b>
<b>EQUITY</b>		
Retained earnings	9,119	9,003
Revaluation reserves	2,570	2,284
Council equity interest	11,689	11,287
Minority equity interest	-	-
<b>TOTAL EQUITY</b>	<b>11,689</b>	<b>11,287</b>

## Walgett Shire Council

### Special Purpose Financial Reports for the financial year ended 30 June 2009

#### Contents of the Notes accompanying the Financial Statements

<b>Note</b>	<b>Details</b>	<b>Page</b>
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<b>2</b>	Water Supply Business Best Practice Management disclosure requirements	<b>11</b>
<b>3</b>	Sewerage Business Best Practice Management disclosure requirements	<b>13</b>

## Walgett Shire Council

### Notes to the Special Purpose Financial Reports

for the financial year ended 30 June 2009

#### Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Report (SPFR) prepared for use by the Council and the Department of Local Government.

For the purposes of these statements, the council's business activities (reported herein) are not reporting entities.

This special purpose financial report, unless otherwise stated, has been prepared in accordance with;

- applicable Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Urgent Issues Group Consensus Views,
- the Local Government Act and Regulations,
- the Local Government Code of Accounting Practice and Financial Reporting, and
- the Local Government Asset Accounting Manual.

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

The "Pricing & Costing for Council Businesses A Guide to Competitive Neutrality" issued by the Department of Local Government in July 1997 has also been adopted.

The pricing & costing guidelines 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; return on investments (rate of return); and dividends paid.

#### Declared Business Activities

In accordance with *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*, council has declared that the following are to be considered as business activities:

#### Category 1

(where gross operating turnover is over \$2 million)

Council has no Category 1 business activities.

#### Category 2

(where gross operating turnover is less than \$2 million)

##### a. Walgett Shire Council Combined Water Supplies

Council's water supply activity servicing the towns of Walgett, Lightning Ridge and Collarenebri.

##### b. Walgett Shire Council Combined Sewerage Service

Council's sewerage reticulation & treatment activity servicing the towns of Walgett, Lightning Ridge and Collarenebri.

#### Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars, with the exception of some figures disclosed in Note 2 (Water Supply Best Practice Management Disclosures) and Note 3 (Sewerage Best Practice Management Disclosures).

As required by the Department of Water & Energy, some amounts shown in Notes 2 and Note 3 are shown in whole dollars.

## Walgett Shire Council

### Notes to the Special Purpose Financial Reports

for the financial year ended 30 June 2009

#### Note 1. Significant Accounting Policies (continued)

##### (i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations (General Purpose Financial Report) just like all other costs.

However, where council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all council nominated business activities and are reflected in the SPFR.

For the purposes of disclosing comparative information relevant to the private sector equivalent the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

##### Notional Rate Applied %

###### Corporate Income Tax Rate – 30%

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from Water Supply and Sewerage Business activities.

The payment of taxation equivalent charges, referred in the Best Practice Management of Water Supply and Sewerage Guides to as a "Dividend for Taxation equivalent", may be applied for any purpose allowed under the Local Government Act, 1993.

Achievement of substantial compliance against the guidelines for Best Practice Management of Water Supply and Sewerage is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

##### Income Tax

An income tax equivalent has been applied on the profits of the business.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income Tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional - that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in the GPFR.

The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations that have occurred during the year.

##### Local Government Rates & Charges

A calculation of the equivalent rates and charges payable on all Category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

##### Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that council business activities face "true" commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, council has determined what the differential borrowing rate would have been between the commercial rate and the council's borrowing rate for its business activities.

##### (ii) Subsidies

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. This option is exercised on a range of services in order for council to meet its community service obligations.

## Walgett Shire Council

### Notes to the Special Purpose Financial Reports

for the financial year ended 30 June 2009

#### Note 1. Significant Accounting Policies (continued)

Accordingly, Subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of Business Activities.

#### (iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field".

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The Rate of Return on Capital is calculated as follows:

#### Operating Result before Capital Income + Interest Expense

##### Written Down Value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 5.54% at 30/6/09.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

#### (iv) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses or to any external entities.

Local Government Water Supply and Sewerage Businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

The dividend, calculated and approved in accordance with the Best Practice Management Guidelines, must not exceed either **(i)** 50% of this surplus in any one year, or **(ii)** the number of water supply or sewerage assessments at 30 June 2009 multiplied by \$30 (less

the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the Department of Water & Energy prior to making the dividend and only after the Department has approved its payment.

# Walgett Shire Council

## Notes to the Special Purpose Financial Reports for the financial year ended 30 June 2009

### Note 2. Water Supply Business Best Practice Management disclosure requirements

Dollars Amounts shown below are in **WHOLE DOLLARS** (unless otherwise indicated)

**2009**

#### 1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	-
(ii)	No of assessments multiplied by \$3/assessment	5,733
(iii)	Amounts payable for tax-equivalents [lesser of (i) and (ii)]	-
(iv)	Amounts actually paid for Tax Equivalents	-

#### 2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	-
(ii)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	57,330
(iii)	Cumulative surplus before Dividends for the 3 years to 30 June 2009, less the cumulative dividends paid for the 2 years to 30 June 2008	-

2009 Surplus	-	2008 Surplus	-	2007 Surplus	-
		2008 Dividend	-	2007 Dividend	-

(iv)	Maximum Dividend from Surplus [least of (i), (ii) and (iii) above]	-
(v)	Dividend paid from Surplus [refer below for required pre-dividend payment Criteria]	-

#### 3. Required outcomes for 6 Criteria

[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

(i)	Completion of Strategic Business Plan (including Financial Plan)	NO
(ii)	Full Cost Recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	NO
	- Complying charges [Item 2(b) in Table 1]	NO
	- DSP with Commercial Developer Charges [Item 2(e) in Table 1]	NO
	- If Dual Water Supplies, Complying Charges [Item 2(g) in Table 1]	NO
(iii)	Sound Water Conservation and Demand Management implemented	NO
(iv)	Sound Drought Management implemented	YES
(v)	Complete Performance Reporting Form (by 15 September each year)	YES
(vi)	a. Integrated Water Cycle Management Evaluation	NO
	b. Complete and implement Integrated Water Cycle Management Strategy	NO

## Walgett Shire Council

Notes to the Special Purpose Financial Reports  
for the financial year ended 30 June 2009Note 2. Water Supply Business  
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2009

## National Water Initiative (NWI) Financial Performance Indicators

NWI F1	Total Revenue (Water) Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9)	\$'000	1,278
NWI F4	Revenue from Residential Usage Charges (Water) Income from Residential Usage Charges (w6b) x 100 divided by the sum of [Income from Residential Usage Charges (w6a) + Income from Residential Access Charges (w6b)]	%	0.00%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	11,731
NWI F11	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	866
NWI F14	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	-
NWI F17	Economic Real Rate of Return (Water) [Total Income (w13) - Interest Income (w9) - Grants for acquisition of assets (w11a) - Operating Costs (NWI F11) - Current Cost Depreciation (w3)] x 100 divided by [Written Down Current Cost of System Assets (w47) + Plant & Equipment (w33b)]	%	-0.26%
NWI F26	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	-

- Notes:
- References to w (eg. w12) refer to item numbers within Special Schedules No. 3 & 4 of Council's Annual Financial Statements.
  - The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.



# Walgett Shire Council

## Notes to the Special Purpose Financial Reports for the financial year ended 30 June 2009

### Note 3. Sewerage Business Best Practice Management disclosure requirements

Dollars Amounts shown below are in **WHOLE DOLLARS** (unless otherwise indicated)

**2009**

#### 1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i) Calculated Tax Equivalents	-
(ii) No of assessments multiplied by \$3/assessment	5,292
(iii) Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	-
(iv) Amounts actually paid for Tax Equivalents	-

#### 2. Dividend from Surplus

(i) 50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	40,500
(ii) No. of assessments x (\$30 less tax equivalent charges per assessment)	52,920
(iii) Cumulative surplus before dividends for the 3 years to 30 June 2009, less the cumulative dividends paid for the 2 years to 30 June 2008	209,800

2009 Surplus	81,000	2008 Surplus	128,800	2007 Surplus	-
		2008 Dividend	-	2007 Dividend	-

(iv) Maximum dividend from surplus [least of (i), (ii) and (iii) above]	40,500
(v) Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	-

#### 3. Required outcomes for 4 Criteria

[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

(i) Completion of Strategic Business Plan (including Financial Plan)	NO
(ii) Pricing with full cost-recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	NO
Complying charges (a) Residential [Item 2(c) in Table 1]	YES
(b) Non Residential [Item 2(c) in Table 1]	YES
(c) Trade Waste [Item 2(d) in Table 1]	YES
DSP with Commercial Developer Charges [Item 2(e) in Table 1]	NO
Liquid Trade Waste Approvals & Policy [Item 2(f) in Table 1]	YES
(iii) Complete Performance Reporting Form (by 15 September each year)	YES
(iv) a. Integrated Water Cycle Management Evaluation	NO
b. Complete and implement Integrated Water Cycle Management Strategy	NO

## Walgett Shire Council

Notes to the Special Purpose Financial Reports  
for the financial year ended 30 June 2009Note 3. Sewerage Business  
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2009

## National Water Initiative (NWI) Financial Performance Indicators

NWI F2	Total Revenue (Sewerage) Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10)	\$'000	628
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	9,715
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	336
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	-
NWI F18	Economic Real Rate of Return (Sewerage) [Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]	%	1.08%
NWI F27	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	-

National Water Initiative (NWI) Financial Performance Indicators  
Water & Sewer (combined)

NWI F3	Total Income (Water & Sewerage) Total Income (w13 + s14) + Gain/Loss on disposal of assets (w14 + s15) minus Grants for acquisition of assets (w11a + s12a) - Interest Income (w9 + s10)	\$'000	1,906
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.21%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	-
NWI F19	Economic Real Rate of Return (Water & Sewerage) [Total Income (w13 + s14) - Interest Income (w9 + s10) - Grants for acquisition of assets (w11a + s12a) - Operating Cost (NWI F11 + NWI F12) - Current cost depreciation (w3 + s3)] x 100 divided by [Written down replacement cost of fixed assets (NWI F9 + NWI F10) + Plant & equipment (w33b + s34b)]	%	0.35%
NWI F20	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
NWI F21	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%

## Walgett Shire Council

Notes to the Special Purpose Financial Reports  
for the financial year ended 30 June 2009Note 3. Sewerage Business  
Best Practice Management disclosure requirements (continued)

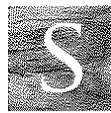
Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2009

National Water Initiative (NWI) Financial Performance Indicators  
Water & Sewer (combined)

<b>NWI F22</b>	Net Debt to Equity (Water & Sewerage) Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]	%	-18.50%
<b>NWI F23</b>	Interest Cover (Water & Sewerage) Earnings before Interest & Tax (EBIT) divided by Net Interest  Earnings before Interest & Tax (EBIT): 74 Operating Result (w15a + s16a) + Interest expense (w4a + s4a) - Interest Income (w9 + s10) - Gain/Loss on disposal of assets (w14 + s15) + Miscellaneous Expenses (w4b + w4c + s4b + s4c)  Net Interest: - 21 Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		> 100
<b>NWI F24</b>	Net Profit After Tax (Water & Sewerage) Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))	\$'000	95
<b>NWI F25</b>	Community Service Obligations (Water & Sewerage) Grants for Pensioner Rebates (w11b + s12b)	\$'000	23

- Notes:
- References to w (eg. s12) refer to item numbers within Special Schedules No. 5 & 6 of Council's Annual Financial Statements.
  - The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.



SPENCER STEER  
CHARTERED ACCOUNTANTS

WALGETT SHIRE COUNCIL  
SPECIAL PURPOSE FINANCIAL REPORT  
INDEPENDENT AUDITORS' REPORT

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**REPORT ON THE FINANCIAL REPORT**

We have audited the accompanying *special purpose financial report* of *Walgett Shire Council*, which comprises the Balance Sheet as at 30 June 2009, Income Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

***Responsibility of Council for the Financial Report***

The Council is responsible for the preparation and fair presentation of the financial report in accordance with the Local Government Act 1993 and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the Department of Local Government. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our audit responsibility does not extend to the best practice management disclosures in Notes 2 and 3 and, accordingly, no opinion is expressed on these disclosures.

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



accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

The 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 report to which it relates to any person other than the Council or the Department of Local Government, or for any purpose other than that for which it was prepared.

Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

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

***Independence***

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

***Auditor's 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 29th day of October 2009

# Walgett Shire Council

SPECIAL SCHEDULES

for the year ended 30 June 2009

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***“Rivers, Plains and Opals”***



# Walgett Shire Council

## Special Schedules

for the financial year ended 30 June 2009

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- Special Schedule No. 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
- Special Schedule No. 3	Water Supply - Income Statement	6
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<sup>1</sup> Special Purpose Schedules are not audited.

#### Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
  - the Australian Bureau of Statistics (ABS),
  - the Department of Energy, Utilities & Sustainability (DEUS), and
  - the Department of Local Government (DLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
  - the incorporation of Local Government financial figures in national statistics,
  - the monitoring of loan approvals,
  - the allocation of borrowing rights, and
  - the monitoring of specific service financial activities.

## Walgett Shire Council

# Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2009

\$'000

Function or Activity	Expenses from continuing operations		Income from continuing operations			Net Cost of Services	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
<b>Governance</b>	563	<b>563</b>	-	-	-	(563)	<b>(563)</b>
<b>Administration</b>							
Corporate Support	3,269		1,074	-		(2,195)	
Engineering and Works	946		189	-		(757)	
Other Support Services	1,051	<b>5,266</b>	80	-	<b>1,343</b>	(971)	<b>(3,923)</b>
<b>Public Order and Safety</b>							
Contributions to Fire Service Levy	-		-	-		-	
Fire Protection – Other	231		-	-		(231)	
Animal Control	82		6	-		(76)	
Beach Control	-		-	-		-	
Enforcement of Local Govt Regs	-		-	-		-	
Emergency Services	46		-	-		(46)	
Other	162	<b>521</b>	-	-	<b>6</b>	(162)	<b>(515)</b>
<b>Health</b>							
Administration and Inspection	610		108	-		(502)	
Immunisations	-		-	-		-	
Food Control	-		-	-		-	
Insect/Vermin Control	-		-	-		-	
Noxious Plants	-		-	-		-	
Health Centres	-		-	-		-	
Other	36	<b>646</b>	11	-	<b>119</b>	(25)	<b>(527)</b>
<b>Community Services and Education</b>							
Administration	199		-	-		(199)	
Family Day Care	33		29	-		(4)	
Child Care	-		-	-		-	
Youth Services	306		142	-		(164)	
Other Families and Children	-		-	-		-	
Aged and Disabled	-		-	-		-	
Migrant Services	-		-	-		-	
Aboriginal Services	-		-	-		-	
Other Community Services	27		-	-		(27)	
Education	-	<b>565</b>	-	-	<b>171</b>	-	<b>(394)</b>



## Walgett Shire Council

## Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2009

\$'000

Function or Activity	Expenses from continuing operations		Income from continuing operations			Net Cost of Services	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
<b>Housing and Community Amenities</b>							
Housing	807		175	-		(632)	
Town Planning	-		-	-		-	
Domestic Waste Management	621		846	-		225	
Other Waste Management	-		-	-		-	
Street Cleaning	-		-	-		-	
Other Sanitation and Garbage	-		-	-		-	
Drainage	-		-	-		-	
Stormwater Management	59		27	-		(32)	
Environmental Protection	-		-	-		-	
Public Cemeteries	68		29	-		(39)	
Public Conveniences	-		-	-		-	
Other Community Amenities	282	1,837	-	-	1,077	(282)	(760)
<b>Water Supplies</b>	1,114	1,114	1,296	-	1,296	182	182
<b>Sewerage Services</b>	476	476	641	-	641	165	165
<b>Recreation and Culture</b>							
Public Libraries	243		57	-		(186)	
Museums	17		11	-		(6)	
Art Galleries	-		-	-		-	
Community Centres	-		-	-		-	
Public Halls	121		12	-		(109)	
Other Cultural Services	-		-	-		-	
Swimming Pools	470		-	-		(470)	
Sporting Grounds	164		-	-		(164)	
Parks and Gardens (Lakes)	184		15	-		(169)	
Other Sport and Recreation	224	1,423	114	492	701	382	(722)
<b>Fuel and Energy</b>							
Gas Supplies	-	-	-	-	-	-	-
<b>Mining, Manufacturing and Construction</b>							
Building Control	-		-	-		-	
Abattoirs	-		-	-		-	
Quarries and Pits	-		-	-		-	
Other	-	-	-	-	-	-	-

## Walgett Shire Council

## Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2009

\$'000

Function or Activity	Expenses from continuing operations		Income from continuing operations			Net Cost of Services	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
<b>Transport and Communication</b>							
Urban Roads (UR) - Local	77		24	-		(53)	
Urban Roads - Regional	379		625	-		246	
Sealed Rural Roads (SRR) - Local	283		-	-		(283)	
Sealed Rural Roads - Regional	390		731	-		341	
Unsealed Rural Roads (URR) - Local	1,083		155	-		(928)	
Unsealed Rural Roads - Regional	656		1,113	2,147		2,604	
Bridges on UR - Local	-		-	-		-	
Bridges on UR - Regional	-		-	-		-	
Bridges on SRR - Local	-		-	-		-	
Bridges on SRR - Regional	137		-	158		21	
Bridges on URR - Local	-		-	-		-	
Bridges on URR - Regional	-		-	-		-	
Footpaths	33		-	-		(33)	
Aerodromes	186		6	-		(180)	
Parking Areas	12		-	-		(12)	
Bus Shelters and Services	-		-	-		-	
Water Transport	-		-	-		-	
RTA Works (State)	4,349		4,291	-		(58)	
Street Lighting	125		25	-		(100)	
Other	-	7,710	442	-	9,717	442	2,007
<b>Economic Affairs</b>							
Camping Areas	-		-	-		-	
Caravan Parks	-		-	-		-	
Tourism and Area Promotion	270		-	-		(270)	
Industrial Development Promotion	-		-	-		-	
Saleyards and Markets	18		9	-		(9)	
Real Estate Development	-		-	-		-	
Commercial Nurseries	-		-	-		-	
Other Business Undertakings	176	464	317	-	326	141	(138)
<b>Totals – Functions</b>		20,585	12,600	2,797	15,397		(5,188)
<b>General Purpose Revenues<sup>(1)</sup></b>			9,484	-	9,484	9,484	9,484
<b>Share of interests - joint ventures &amp; associates using the equity method</b>	-	-	-	-	-	-	-
<b>NET OPERATING RESULT FOR YEAR</b>	20,585		22,084	2,797	24,881	4,296	4,296

Notes:

(1) Includes: Rates &amp; Annual Charges (incl. Ex Gratia), Untied General Purpose Grants &amp; Interest on Investments (excl. Restricted Assets)

## Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2009

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
<b>Loans (by Source)</b>											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	-	-	-	-	-	-	-	-	-	-	-
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	94	146	240	-	89	-	-	14	20	131	151
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total Loans</b>	<b>94</b>	<b>146</b>	<b>240</b>	<b>-</b>	<b>89</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>20</b>	<b>131</b>	<b>151</b>
<b>Other Long Term Debt</b>											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Long Term Debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Debt</b>	<b>94</b>	<b>146</b>	<b>240</b>	<b>-</b>	<b>89</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>20</b>	<b>131</b>	<b>151</b>

Notes: Excludes (i) Internal Loans &amp; (ii) Principal Inflows/Outflows relating to Loan Re-Financing.

This Schedule is prepared using the Face Value of debt obligations, rather than Fair Value (as per the GPFR's).

## Walgett Shire Council

## Special Schedule No. 3 - Water Supply Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2009

\$'000	Actuals 2009	Actuals 2008
<b>A Expenses and Income Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	136	143
b. Engineering and Supervision	67	257
<b>2. Operation and Maintenance</b>		
<b>- Dams &amp; Weirs</b>		
a. Operation expenses	-	-
b. Maintenance expenses	-	-
<b>- Mains</b>		
c. Operation expenses	72	37
d. Maintenance expenses	134	147
<b>- Reservoirs</b>		
e. Operation expenses	6	4
f. Maintenance expenses	5	18
<b>- Pumping Stations</b>		
g. Operation expenses (excluding energy costs)	88	128
h. Energy costs	-	-
i. Maintenance expenses	45	55
<b>- Treatment</b>		
j. Operation expenses (excluding energy costs)	106	113
k. Chemical costs	46	63
l. Maintenance expenses	112	38
<b>- Other</b>		
m. Operation expenses	5	17
n. Maintenance expenses	-	-
o. Purchase of water	44	35
<b>3. Depreciation</b>		
a. System assets	443	388
b. Plant and equipment	-	-
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	8	10
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Tax Equivalents Dividends (actually paid)	-	-
<b>5. Total expenses</b>	<b>1,317</b>	<b>1,453</b>

## Walgett Shire Council

## Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2009

\$'000	Actuals 2009	Actuals 2008
<b>Income</b>		
<b>6. Residential charges</b>		
a. Access (including rates)	1,263	1,180
b. Usage charges	-	-
<b>7. Non-residential charges</b>		
a. Access (including rates)	-	-
b. Usage charges	-	-
<b>8. Extra charges</b>	3	1
<b>9. Interest income</b>	18	30
<b>10. Other income</b>	-	-
<b>11. Grants</b>		
a. Grants for acquisition of assets	-	159
b. Grants for pensioner rebates	12	12
c. Other grants	-	-
<b>12. Contributions</b>		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
<b>13. Total income</b>	<b>1,296</b>	<b>1,382</b>
<b>14. Gain or loss on disposal of assets</b>	-	-
<b>15. Operating Result</b>	<b>(21)</b>	<b>(71)</b>
<b>15a. Operating Result (less grants for acquisition of assets)</b>	<b>(21)</b>	<b>(230)</b>

## Walgett Shire Council

## Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2009

\$'000	Actuals 2009	Actuals 2008
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>16. Acquisition of Fixed Assets</b>		
a. Subsidised scheme	-	-
b. Other new system assets	-	-
c. Renewals	-	-
d. Plant and equipment	-	-
<b>17. Repayment of debt</b>		
a. Loans	13	17
b. Advances	-	-
c. Finance leases	-	-
<b>18. Transfer to sinking fund</b>	-	-
<b>19. Totals</b>	<b>13</b>	<b>17</b>
<b>Non-operating funds employed</b>		
<b>20. Proceeds from disposal of assets</b>	-	-
<b>21. Borrowing utilised</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>22. Transfer from sinking fund</b>	-	-
<b>23. Totals</b>	<b>-</b>	<b>-</b>
<b>C Rates and charges</b>		
<b>24. Number of assessments</b>		
a. Residential (occupied)	1,911	1,904
b. Residential (unoccupied, ie. vacant lot)	-	-
c. Non-residential (occupied)	-	-
d. Non-residential (unoccupied, ie. vacant lot)	-	-
<b>25. Number of ETs for which developer charges were received</b>	- ET	- ET
<b>26. Total amount (actual dollars) of pensioner rebates</b>	\$ 21,273	\$ 24,317

## Walgett Shire Council

## Special Schedule No. 3 - Water Supply Cross Subsidies

for the financial year ended 30 June 2009

\$'000	Yes	No	Amount
<b>D Best practice annual charges and developer charges*</b>			
<b>27. Annual charges</b>			
<b>a.</b> Does Council have best-practice water supply annual charges and usage charges*?	<input type="checkbox"/>	<input type="checkbox"/> No	
If Yes, go to 28a.			
If No, please report if council has removed <b>land value</b> from access charges (ie rates)?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
<b>NB.</b> Such charges for both residential customers and non-residential customers comply with section 3.2 of Water Supply, Sewerage and Trade Waste Pricing Guidelines, Department of Water & Energy, December, '2002. Such charges do not involved significant cross subsidies.			
<b>b.</b> Cross-subsidy <b>from</b> residential customers using less than allowance (page 25 of Guidelines)			<input type="text"/>
<b>c.</b> Cross-subsidy <b>to</b> non-residential customers (page 24 of Guidelines)			<input type="text"/>
<b>d.</b> Cross-subsidy <b>to</b> large connections in unmetered supplies (page 26 of Guidelines)			<input type="text"/>
<b>28. Developer charges</b>			
<b>a.</b> Has council completed a water supply Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/> No	
<b>b.</b> Total cross-subsidy in water supply developer charges for 2008/09 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, Department of Water and Energy, Dec 2002.			
<b>29. Disclosure of cross-subsidies</b>			
<b>Total of cross-subsidies (27b +27c + 27d + 28b)</b>			<input type="text" value="-"/>
<p>* Councils which have not yet implemented best practice water supply pricing should disclose cross-subsidies in items 27b, 27c and 27d above.</p> <p>However, disclosure of cross-subsidies is <b>not</b> required where a Council has implemented best practice pricing and is phasing in such pricing over a period of 3 years.</p>			

## Walgett Shire Council

## Special Schedule No. 4 - Water Supply Balance Sheet

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
as at 30 June 2009

\$'000	Actuals Current	Actuals Non Current	Actuals Total
<b>ASSETS</b>			
<b>30. Cash and investments</b>			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	3,319	-	3,319
<b>31. Receivables</b>			
a. Specific purpose grants	-	-	-
b. Rates and charges	276	54	330
c. Other	-	-	-
<b>32. Inventories</b>	-	-	-
<b>33. Property, plant and equipment</b>			
a. System assets	11,731	-	11,731
b. Plant and equipment	-	-	-
<b>34. Other assets</b>	-	-	-
<b>35. Total assets</b>	<b>15,326</b>	<b>54</b>	<b>15,380</b>
<b>LIABILITIES</b>			
<b>36. Bank overdraft</b>	-	-	-
<b>37. Creditors</b>	-	-	-
<b>38. Borrowings</b>			
a. Loans	14	105	119
b. Advances	-	-	-
c. Finance leases	-	-	-
<b>39. Provisions</b>			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
<b>40. Total liabilities</b>	<b>14</b>	<b>105</b>	<b>119</b>
<b>41. NET ASSETS COMMITTED</b>	<b>15,312</b>	<b>(51)</b>	<b>15,261</b>
<b>EQUITY</b>			
<b>42. Accumulated surplus</b>			9,675
<b>43. Asset revaluation reserve</b>			5,586
<b>44. TOTAL EQUITY</b>			<b>15,261</b>
<b>Note to system assets:</b>			
<b>45. Current replacement cost</b> of system assets			27,053
<b>46. Accumulated current cost</b> depreciation of system assets			(15,322)
<b>47. Written down current cost</b> of system assets			11,731



## Walgett Shire Council

## Special Schedule No. 5 - Sewerage Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2009

\$'000	Actuals 2009	Actuals 2008
<b>A Expenses and Income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	28	40
b. Engineering and Supervision	21	71
<b>2. Operation and Maintenance</b>		
<b>- Mains</b>		
a. Operation expenses	-	-
b. Maintenance expenses	111	38
<b>- Pumping Stations</b>		
c. Operation expenses (excluding energy costs)	49	42
d. Energy costs	-	-
e. Maintenance expenses	19	27
<b>- Treatment</b>		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	60	49
g. Chemical costs	-	-
h. Energy costs	-	-
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	36	20
<b>- Other</b>		
l. Operation expenses	12	7
m. Maintenance expenses	-	-
<b>3. Depreciation</b>		
a. System assets	187	136
b. Plant and equipment	-	-
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	2	4
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Tax Equivalents Dividends (actually paid)	-	-
<b>5. Total expenses</b>	<b>525</b>	<b>434</b>

## Walgett Shire Council

## Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2009

\$'000	Actuals 2009	Actuals 2008
<b>Income</b>		
<b>6. Residential charges</b> (including rates)	617	590
<b>7. Non-residential charges</b>		
a. Access (including rates)	-	-
b. Usage charges	-	1
<b>8. Trade Waste Charges</b>		
a. Annual Fees	-	-
b. Usage charges	-	-
c. Excess mass charges & re-inspection fees	-	-
<b>9. Extra charges</b>	-	-
<b>10. Interest income</b>	13	16
<b>11. Other income</b>	-	-
<b>12. Grants</b>		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	11	11
c. Other grants	-	-
<b>13. Contributions</b>		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
<b>14. Total income</b>	<b>641</b>	<b>618</b>
<b>15. Gain or loss on disposal of assets</b>	-	-
<b>16. Operating Result</b>	<b>116</b>	<b>184</b>
<b>16a. Operating Result (less grants for acquisition of assets)</b>	116	184

## Walgett Shire Council

## Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2009

\$'000	Actuals 2009	Actuals 2008
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of Fixed Assets</b>		
a. Subsidised scheme	-	-
b. Other new system assets	-	-
c. Renewals	-	-
d. Plant and equipment	-	-
<b>18. Repayment of debt</b>		
a. Loans	6	16
b. Advances	-	-
c. Finance leases	-	-
<b>19. Transfer to sinking fund</b>	-	-
<b>20. Totals</b>	<b>6</b>	<b>16</b>
<b>Non-operating funds employed</b>		
<b>21. Proceeds from disposal of assets</b>	-	-
<b>22. Borrowing utilised</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>23. Transfer from sinking fund</b>	-	-
<b>24. Totals</b>	<b>-</b>	<b>-</b>
<b>C Rates and charges</b>		
<b>25. Number of assessments</b>		
a. Residential (occupied)	1,764	1,763
b. Residential (unoccupied, ie. vacant lot)	-	-
c. Non-residential (occupied)	-	-
d. Non-residential (unoccupied, ie. vacant lot)	-	-
<b>26. Number of ETs for which developer charges were received</b>	- ET	- ET
<b>27. Total amount (actual dollars) of pensioner rebates</b>	\$ 19,523	\$ 11,059

## Walgett Shire Council

## Special Schedule No. 5 - Sewerage Cross Subsidies

for the financial year ended 30 June 2009

\$'000	Yes	No	Amount
<b>D Best practice annual charges and developer charges*</b>			
<b>28. Annual charges</b>			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/>	<input type="checkbox" value="No"/>	
If Yes, go to 29a.			
If No, please report if council has removed <b>land value</b> from access charges (ie rates)?	<input type="checkbox" value="Yes"/>	<input type="checkbox"/>	
<b>NB.</b> Such charges for both residential customers and non-residential customers comply with section 4.2 & 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, Department of Water and Energy, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy <b>to</b> non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy <b>to</b> trade waste discharges (page 46 of Guidelines)			<input type="text"/>
<b>29. Developer charges</b>			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox" value="No"/>	
b. Total cross-subsidy in sewerage developer charges for 2008/09 (page 47 of Guidelines)			<input type="text"/>
<b>**</b> In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, Department of Water & Energy , Dec 2002.			
<b>30. Disclosure of cross-subsidies</b>			
<b>Total of cross-subsidies (28b + 28c + 29b)</b>			<input type="text" value="-"/>
<p>* Councils which have not yet implemented best practice sewer pricing &amp; liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.</p> <p>However, disclosure of cross-subsidies is <b>not</b> required where a Council has implemented best practice sewerage and liquid waste pricing and is phasing in such pricing over a period of 3 years.</p>			

## Walgett Shire Council

## Special Schedule No. 6 - Sewerage Balance Sheet

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
as at 30 June 2009

\$'000	Actuals Current	Actuals Non Current	Actuals Total
<b>ASSETS</b>			
<b>31. Cash and investments</b>			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	1,818	-	1,818
<b>32. Receivables</b>			
a. Specific purpose grants	-	-	-
b. Rates and charges	100	88	188
c. Other	-	-	-
<b>33. Inventories</b>	-	-	-
<b>34. Property, plant and equipment</b>			
a. System assets	9,715	-	9,715
b. Plant and equipment	-	-	-
<b>35. Other assets</b>	-	-	-
<b>36. Total Assets</b>	<b>11,633</b>	<b>88</b>	<b>11,721</b>
<b>LIABILITIES</b>			
<b>37. Bank overdraft</b>	-	-	-
<b>38. Creditors</b>	-	-	-
<b>39. Borrowings</b>			
a. Loans	9	23	32
b. Advances	-	-	-
c. Finance leases	-	-	-
<b>40. Provisions</b>			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
<b>41. Total Liabilities</b>	<b>9</b>	<b>23</b>	<b>32</b>
<b>42. NET ASSETS COMMITTED</b>	<b>11,624</b>	<b>65</b>	<b>11,689</b>
<b>EQUITY</b>			
<b>42. Accumulated surplus</b>			9,119
<b>44. Asset revaluation reserve</b>			2,570
<b>45. TOTAL EQUITY</b>			<b>11,689</b>
<b>Note to system assets:</b>			
<b>46. Current replacement cost</b> of system assets			15,466
<b>47. Accumulated current cost</b> depreciation of system assets			(5,751)
<b>48. Written down current cost</b> of system assets			9,715

## Walgett Shire Council

### Notes to Special Schedule No.'s 3 & 5

for the financial year ended 30 June 2009

#### Administration <sup>(1)</sup>

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Meter reading.
- Bad and doubtful debts.
- Other administrative/corporate support services.

#### Engineering and supervision <sup>(1)</sup>

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Other technical and supervision staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.

**Operational expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

**Maintenance expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

**Other expenses** (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

**Revaluation decrements** (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

**Residential charges** <sup>(2)</sup> (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a Access Charges (including rates if applicable) and 6b Usage Charges.

**Non-residential charges** <sup>(2)</sup> (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a Access Charges (including rates if applicable) and 7b Usage Charges.

**Trade waste charges** (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a Annual Fees, 8b Usage Charges and 8c Excess Mass Charges and 8d Re-inspection Fees.

**Other income** (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

**Other contributions** (items 12c and 13c of Special Schedules 3 and 5 respectively) include capital contributions for water supply or sewerage services received by Council under Section 565 of the Local Government Act.

#### Notes:

<sup>(1)</sup> Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and **not** in items 1a and 1b).

<sup>(2)</sup> To enable accurate reporting of **residential revenue from usage charges**, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.

## Walgett Shire Council

## Special Schedule No. 8 - Financial Projections

as at 30 June 2009

\$'000	Actual <sup>(1)</sup> 08/09	Forecast 09/10	Forecast 10/11	Forecast <sup>(3)</sup> 11/12	Forecast <sup>(3)</sup> 12/13
<b>(i) RECURRENT BUDGET</b>					
Income from continuing operations	24,881	22,907	23,594	24,302	25,031
Expenses from continuing operations	20,585	22,624	23,302	24,001	24,721
<b>Operating Result from Continuing Operations</b>	<b>4,296</b>	<b>283</b>	<b>292</b>	<b>301</b>	<b>310</b>
<b>(ii) CAPITAL BUDGET</b>					
New Capital Works <sup>(2)</sup>	1,400	700	-	-	-
Replacement/Refurbishment of Existing Assets	10,762	16,998	11,197	-	-
<b>Total Capital Budget</b>	<b>12,162</b>	<b>17,698</b>	<b>11,197</b>	<b>-</b>	<b>-</b>
<b>Funded by:</b>					
- Loans	600	5,000	1,000	-	-
- Asset sales	900	-	-	-	-
- Reserves	5,897	2,019	2,126	-	-
- Grants/Contributions	4,765	10,535	7,918	-	-
- Recurrent revenue	-	144	153	-	-
- Other	-	-	-	-	-
	<b>12,162</b>	<b>17,698</b>	<b>11,197</b>	<b>-</b>	<b>-</b>

**Notes:**

(1) From 08/09 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) If Council has only adopted 3 years of projections then only show 3 years.

# APPENDIX B



ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n. Expense (\$)	Cost	Valuation	Accumulated Depreciation & Impairment	Carrying Amount (WDV)	Asset Condition <sup>#</sup>	Estimated cost to bring up to a satisfactory condition standard <sup>(1)</sup>	Required <sup>(2)</sup>  Annual M'ntce	Current <sup>(3)</sup>  Annual M'ntce
Buildings		per Note 1	per Note 4	<<<<<<<<< per Note 9 >>>>>>>>>				<<<<<<< per Section 428(2d) >>>>>>>>			
	Council Offices	3.00%	90	-	4,000	3,090	910	4	240	120	100
	Council Works Depot	5.00%	23	-	1,121	546	575	4	1,200	180	40
	Council Halls	5.00%	75	-	7,605	5,390	2,215	4	300	96	960
	Council Houses	5.00%	27	-	5,464	2,251	3,213	4	300	96	15
	Library	5.00%	2	-	1,578	709	869	4	60	60	20
	Shops and offices	5.00%	71	-	6,293	2,208	4,085	4	420	275	160
	Amenities/ toilets			-	-		-	4	360	180	50
	Other	5.00%	155	3,826	-	1,396	2,430	4	360	120	50
	sub total		443	3,826	26,061	15,590	14,297		3,240	1,127	1,395
Public Roads											
	Sealed Roads	1.00%	351	26,892	-	7,238	19,654	2	7,000	4,130	1,433
	Unsealed Roads	1.00%	198	28,620	-	9,944	18,676	3	10,000	4,820	1,707
	Bridges	1.00%	11	17,305	-	5,849	11,456	3	6,000	360	1
	Footpaths	1.00%	106	667	-	398	269	3	300	150	90
	sub total		666	73,484	-	23,429	50,055		23,300	9,460	3,231

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n. Expense (\$)	Cost	Valuation	Accumulated Depreciation & Impairment	Carrying Amount (WDV)	Asset Condition <sup>#</sup>	Estimated cost to bring up to a satisfactory condition standard <sup>(1)</sup>	Required <sup>(2)</sup> Annual Maintenance	Current <sup>(3)</sup> Annual Maintenance
Water		per Note 1	per Note 4	<<<<<<<<< per Note 9 >>>>>>>>>				<<<<<<< per Section 428(2d) >>>>>>>>			
	Treatment Plants	1.00%	67	-	3,182	1,993	1,189	5	360	360	180
	Water Connections	2.00%	59	-	595	324	271	3		37	26
	Bores	3.00%	12	-	278	190	88	2	100	3	3
	Reservoirs	1.00%	75	-	4,894	2,134	2,760	3	180	74	25
	Pipeline	2.00%	220	-	17,307	10,148	7,159	5	720	200	50
	Pump Station	3.00%	10	-	797	533	264	5	480	148	130
	sub total		443	-	27,053	15,322	11,731		1,840	822	414
Sewerage											
	Pump Stations	4.00%	12	-	2,357	1,075	1,282	5	360	80	60
	Pipeline	3.00%	133	-	10,766	3,194	7,572	5	660	18	70
	Manholes	3.00%	19	-	83	91	(8)	5	220		
	Air Vent Stacks	3.00%	4	-	-	-	-	5	60		
	Treatment Works	3.00%	19	-	2,260	1,391	869	4	360	100	100
	sub total		187	-	15,466	5,751	9,715		1,660	198	230

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n. Expense (\$)	Cost	Valuation	Accumulated Depreciation & Impairment	Carrying Amount (WDV)	Asset Condition <sup>#</sup>	Estimated cost to bring up to a satisfactory condition standard <sup>(1)</sup>	Required <sup>(2)</sup> Annual Maintenance	Current <sup>(3)</sup> Annual Maintenance
Drainage Works		per Note 1	per Note 4	<<<<<<<<< per Note 9 >>>>>>>>>				<<<<<<< per Section 428(2d) >>>>>>>			
	Retarding Basins	0.00%		10	-	8	2	4	50		
				2,073	-	660	1,413	4	150		
	Stormwater Conduits	1.00%	21	106	-	32	74	4	25		
	Inlet and Junction Pits	1.00%	1	8	-	2	6	4	60		
	Head Walls	1.00%		-	-		-				
	sub total		22	2,197	-	702	1,495		285	-	-
	TOTAL - ALL ASSETS		1,761	79,507	68,580	60,794	87,293		30,325	11,607	5,270

- (1). Satisfactory refers to estimated cost to bring the asset to a satisfactory condition as deemed by Council. It does not include any planned enhancements to the existing asset.
- (2). Required Annual Maintenance is what should be spent to maintain assets in a satisfactory standard.
- (3). Current Annual Maintenance is what has been spent in the current year to maintain assets.

1	<b>Near Perfect</b> - Ranges from New or Good
2	<b>Superficial Deterioration</b> - Ranges from Generally Good to Fair
3	<b>Deterioration Evident</b> - Ranges from Fair to Marginal
4	<b>Requires Major Reconstruction</b> - Ranges from Poor to Critical

**5 Asset Unserviceable** - Critical, Beyond Repair