



WALGETT SHIRE COUNCIL ANNUAL REPORT

2009 - 2010



Draft for 2010 Statutory Report

Financial Reports for the Year Ended 30 June 2010

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 2010. 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 7.89% in 2008. The decline continued to a lesser extent in 2009 with the Indicator for this year being 7.87%. The total amount of rates and charges written off for the period from 1 July 2009 to 30 June 2010 totaled \$1,742.

The total legal fees written off for the period 1/7/2009 – 30/6/2010 were \$13,265 and the total interest written off was \$151 with \$1,348 being rates written off.

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. Walgett Shire Council gave \$120,548 to the County Council for its services.

Controlling Interests in Companies

Council held no controlling interest in any company during 2009 – 2010.

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 2009 –

2010 was \$146,746. As this Contract is ready for renewal, Council and other member Councils are re-negotiating the terms of the Contract.

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 \$143,480 in 09/10, a slight decrease on the previous year.

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 \$5,280, a significant decrease on the previous year, because of a lesser need for the service.

State of Environment Report

Council's State of the Environment Report was compiled by Council staff for 2009/2010. A separate report will be presented with the Annual Report to the Division of Local Government.

Report on the Condition of Public Works

Attached to this report is the Condition of Public Works as at 30 June 2010. This report is marked '**Appendix B**'.

Mayoral and Councillor Fees

Councillor Expenses for the year were:

Clr	Costs
Ian Woodcock (Mayor)	\$49,156
Geoffrey (Dick) Colless (Deputy Mayor)	\$16,023
Robert Greenaway	\$11,925
Jane Keir	\$11,297
Manuel Martinez	\$10,415
Gustavus (Bill) Murray	\$13,452
David Lane	\$10,502
Kelly Smith	\$11,452
Lawrence Walford	\$10,502

Costs included are: travel, accommodation, conference registrations, office expenses and Councillor allowances. The Mayor and Deputy Mayor also receive allowances related to those positions and additional duties undertaken. The Mayor also receives a car and petrol costs for official business use which incurred management costs of \$5,411 in addition to the value of car and petrol.

Council's Policy on Provision of Facilities – Councilor Expenses

The Payment of Expenses and Provision of Facilities for Council 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 was Mr Ray Kent. Expenses incurred related to his appointment were:

- Housing Subsidy - \$5,995
- 9% Super - \$13,995
- FBT - \$4,360
- Salary Component - \$160,705 including untaken leave paid out at the time of his retirement.
- A subsidized house and car were also provided to the General Manager for his use for the year.

Summary of Legal Proceedings

Council incurred \$119,745 in legal costs in 2009 -2010, consisting of \$92,120 for rates collection, and \$27,625 for other legal expenditure such as Contract preparation, advice and pursuit of outstanding amounts owed to Council for reasons other than unpaid rates.

Private Works

Council received \$31,241 for private works carried out in 2009 – 2010, with an expenditure of \$16,042.54. An additional expenditure of \$2,195 was incurred in Hazard Reductions costs for the Rural Fire Service as private works.

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 2009 – 2010 period.

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

A total of 8 major contracts valued in excess of \$150,000 were awarded by Council during 2009 – 2010

Contractor	Activity	Amount
Civil Team Engineering Pty Ltd	Construction of 5 Bridges	\$2,613,993
Riley Aquatic management Pty Ltd	3 year contract for Walgett Swimming Pool	\$482,482
Riley Aquatic Management Pty Ltd	3 year contract for Collarenebri swimming pool	\$407,310
Mitchell Machinery	Supply and delivery of tractor	\$284,000
Ausroad Systems Pty Ltd	Supply and delivery of Automated Bitumen Patching Truck	\$299,804
Ausroad Systems Pty Ltd	Supply and delivery of Automated Bitumen Sealing Truck	\$329,104
RHT Australia Pty Ltd	Supply and delivery of 6 x 4 Side Loading Waste Truck	\$335,604
Ted Wilson and Sons	Heating of Lightning Ridge Diving Pool	\$408,434

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 Young People – Awards nominated and received!

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 Programs were awarded National local Government Award for Youth Engagement Strategy 2010. Council was also nominated as Top 3 finalist in the Best Ongoing Commitment to Youth Week Programs 2010 after achieving record numbers in Youth Week Program participation. Walgett Shire Youth Council were Top 10 finalist from over 400 nominations in the NSW/ACT 2010 Regional Community Awards and one of our Youth Council Executive members was awarded Best Speaker NSW Youth Parliament program.

Council's Youth Development Officer was awarded Top 10 semi finalist in the Australian Rural Outback Awards for Youth Leadership 2009 and Top 3 finalist in Regional Achievements and Community Awards NSW/ACT 2009. Council's youth service development and participation continues to grow and the numbers of young people participating in activities, either in Council's Youth Centres or Libraries is reward in itself.

Achievements this year include:

- Significant attendances at all Shire Youth Centres and Vacation Care Programs;
- Further development and employment of Youth Centre staff across the Shire, including the appointment of youth worker positions in Walgett, Lightning Ridge and Collarenebri
- Training of youth development staff undertaken
- Following the extension of opening hours to Friday nights last year, this year there has been increased participation by young people over the year
- Aids-HIV awareness events completed, following successful grant application to fund events
- Local young people applied to participate in NSW Youth Parliament for the first time and 2 young people were accepted as Members of Youth Parliament
- Youth Council continues to develop and grow, achieving high attendance numbers not just from elected representatives but also from interested services and other participants
- Development and implementation of anti-domestic violence awareness Calendar 2009
- Obtained "Beyond Blue" funding to host Youth Info Sessions regarding youth depression and adolescent suicide
- Anti drug and alcohol mural project completed and installed to be visible on entry to Walgett from the north
- Anti graffiti posters developed following competition and distributed across the Shire
- Commenced implementation of Youth Strategy, conducted community events in Collarenebri and strengthened partnerships with other service organizations
- In conjunction with RTA, developed Kids Protect Your Lids project, design competition for safety awareness on bikes and skateboards. Helmets were decorated with winning design funded by RTA.
- Council instituted an award for arts and crafts which were displayed at Walgett Show.
- Equipment and resources at Youth Centres were updated and upgraded.

Grants and Contributions

Council contributed a total of \$547,225, an increase of \$228,176 on the previous year's expenditure to 12 organizations, 25 fewer organizations, under **Section 356** of the Local Government Act 1993. The expenditure is listed in the table below.

Organisation	Amount \$'s
Lightning Ridge Visitor Information Centre	92,400
Australian Opal Centre	40,000
Lightning Ridge Jewellery Design Awards	3,500
Lightning Ridge Opal Queen	3,000
Book Prizes at Lightning Ridge Central School	120
Donations to Lightning Ridge Swimming Pool	331,664
Lightning Ridge Neighbourhood Centre	10,000
Glengarry Grawin Sheeppark Miners Association	25,000
Burren Junction Pool	20,000
Rowena Tennis Lighting project	2,000
Walgett CWA Christmas party	500
Walgett CWA	600
Rebate for Rates (Churches)	18,441
Total	\$547,225

Council also contributed a further \$13,521 of grants under its Community Assistance Scheme to another 21 organisations and made an additional \$54,553 contribution and/or subsidy to 8 organisations or programs as listed below.

Organisation	Amount \$'s
Walgett Jockey Club	500
Barwon Aboriginal Corporation	1,500
Burren Junction Public School	100
Burren Junction Pre School	500
Collarenebri Jockey Club	500
Goodooga CWA	500
Carinda and District Race Club	500
Carinda Rugby Union Club	1,500
Outback Air Race	100
Sub total	5,700

Organisation	Amount \$'s
Rowena CWA	100
Rowena Community Oval	600
Rowena Progress Association	250
Lightning Ridge Historical Society	300
Lightning Ridge Community Radio	750
Lightning Ridge Opal and Gem Festival	521
Lightning Ridge & Region Transcultural Community Council	2,200
Lightning Ridge Swimming Club	1,000
Lightning Ridge Improvement & Beautification Committee	600
Lightning Ridge Gymnastics Club	500
Lightning Ridge Police Bush Safari	500
Lightning Ridge Arts Council	500
Total	13,521
Other Contributions and Subsidies	Amount \$'s
RSPCA	10,000
Heritage Advisor	2,000
Outback Art – Regional Arts	7,758
Walgett CWA Medical Scholarship	3,000
Art Projects	3,000
Housing subsidy medical practitioners (1 Walgett, 2 LR)	27,095
Tourism Industry subsidies	3,300
NAIDOC Contribution	3,550
Sub total	54,553

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 will be reviewed as part of the Integrated Planning development in 2010/2011.

In 2009-2010, 1 person became an Australian citizen at a Council ceremony.

Council staff underwent Cultural Awareness Training throughout 2009/10. 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 2009/2010 financial year Council's Human Resources Manager has recruited to fill Council's vacant positions.

Recruitment activity for the 2009-2010 period involved 29 new staff commencing employment with Walgett Shire Council and an additional 2 contract positions at the Lightning Ridge Caravan Park which Council managed for a 3 Month period. Several new positions were created to assist Council to better meet its obligations in specific areas. New positions created included Team Leader Youth Work at Walgett, Lightning Ridge and Collarenebri and Trainee Library Officer.

The turnover rate for the period 2009-2010 was 23.5%, approximately the same as last year's figure of 22.7%. This demonstrates that Council's Human Resource management over that period has improved markedly on previous performance. 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.

Staff appraisal procedures and competency documents continue to be 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 and staff with more opportunities for self development and job satisfaction.

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, Collarenebri and Lightning Ridge High 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. From an initial intake of 3 students three years ago, this year's program saw 27 students apply with most being placed somewhere in Council's operations that they identified an interest in.

Council's Workforce Profile

<i>Group Identifier</i>	<i>Number of staff</i>	<i>% of staff</i>
Male	79	62.3%
Female	48	37.7%
Indigenous	32	25.1%
Culturally/linguistically diverse	7	5.5%
People with physical disability	1.5	1%

Training and Development

Council continues to encourage employees to participate in training and development. During the period 2009/2010 Council expended \$173,827, including wages costs on training, accommodation, travel and registration expenses. An additional amount of \$32,401 was expended on conference attendance and travel 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
- TRIM training (electronic records system)
- Safe Working in Confined Spaces
- Rates
- Records
- Traffic Control Tickets
- Local Government Finance
- Fair Value Asset Accounting workshop
- Certificate III – Finance
- Certificate IV – Civil Construction Supervision
- Food Handling and Surveillance
- Certificate III – Horticulture
- Culverts/Highways
- Spatial Information Services
- 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
- Certificate III – Civil Construction

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
- 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.

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 2009/2010 are as follows:-

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

Total cost of works undertaken at:

Walgett	\$2,003
Lightning Ridge	\$1,600
Collarenebri Town Area	\$4,345
Burren Junction Village	\$1,237
Rowena Village Area	\$3,099
Carinda Village Area and Waste Depot	\$5,850

At time of writing RFS had paid for only \$8,158 and Walgett Shire Council is reluctantly subsidizing the work of RFS for approximately \$13,435.

Stormwater Management Services

Specific stormwater management activities were undertaken in 2009/10 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 2 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:

- 99 dogs and 32 cats were seized.
- 148 dogs and 37 cats were surrendered.
- 7 dogs were released to their owners.
- 232 dogs and 69 cats were euthanized
- 19 dogs were dumped and 2 were stolen from the pound.

Council spent \$56,854 on companion animal management related activities in 2009 - 2010.

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, for \$59,019 bringing the total cost of Companion Animal activities to \$115,873.

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 2009/2010

WHAT COUNCIL IS PLANNING FOR THE FUTURE

Corporate Services

What council achieved in 2009 – 2010

- ✓ Further reduction in outstanding rates and charges arrears
- ✓ Electronic records system (TRIM) training
- ✓ Appraisals conducted using new salary system
- ✓ Further reduction and resolution in the number of outstanding legal matters
- ✓ Further efficiencies introduced into IT systems, upgrade of one third of Council's equipment as part of a three year upgrade process
- ✓ 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 ongoing commitment to staff training and development resulted in the implementation of a corporate training program which includes Code of Conduct training, increased computer program training, cultural awareness training as well as external training resulting in accredited vocational training being completed by significant numbers of staff
- ✓ Procedures Manual developed
- ✓ Further Policy development undertaken
- ✓ Council meetings continued to be held at each of the villages in the Shire

What council is planning for the future

Undertake Integrated Planning resulting in 15 year Community Strategic Plan, 10 year Financial Plan and Asset Management Plan and 4 year Human Resource Plan

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

Continued Human Resources management improvements

Introduction of improved Information Management systems and Records Management implementation

Further development of web site

Continued production of newsletters to residents three times per year

Continue to conduct Council meetings at each of the villages in the Shire

Community Services

What council achieved in 2009 – 2010

- ✓ Youth programs and services are highlighted earlier in this report
- ✓ Waste to Art program conducted in Walgett and Lightning Ridge
- ✓ Increased library opening hours
- ✓ Youth Council conducted regular monthly meetings and held consultations with young people across the Shire to identify youth needs
- ✓ Ongoing programs such as Youth Week, Children's Week and vacation care programs were provided
- ✓ Main Street beautification project plan completed following community consultations and program phases identified
- ✓ Increased opening hours of youth centres in Walgett, Lightning Ridge and Collarenebri
- ✓ Established 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.
- ✓ Developed a calendar of events
- ✓ Conducted Harmony Day Celebrations
- ✓ Held a Seniors Morning Tea with Elders
- ✓ Conducted Reconciliation week celebration
- ✓ Conducted NAIODOC Celebrations in conjunction with other organisations
- ✓ Implemented an Indigenous art prize that includes a display at Gosford City Cultural Centre
- ✓ Conducted SORRY Day Celebrations
- ✓ Continued development and implementation of Aboriginal Cultural Awareness Training – for Shire staff and staff of other organisations
- ✓ Signage Project – up grade of signage depicting Aboriginal Heritage and Culture Walgett, Collarenebri and Lightning Ridge
- ✓ Promoting of the Shire to local Schools and Aboriginal Communities
- ✓ Shire representation at Community Working Party meetings Walgett, Collarenebri and Lightning Ridge
- ✓ Working with Gosford (Sister) City – developed and built lanterns for Lantern night parade in Walgett as part of Walgett Festival
- ✓ Identified local Aboriginal Artists and assisted them to display and sell their art work at VICs
- ✓ Promoted and supported Gamilaroi Language project
- ✓ Open Day – Conducted promotion tours of Shire Council to schools and Aboriginal Communities to increase knowledge of Council operations to local community
- ✓ Introduced literacy project to Aboriginal reserves for young mothers

What council is planning for the future

Continue the replacement of playground equipment program in Burren Junction and Apex Park, Walgett

Introduce new youth programs focused on Healthy Lifestyles and education

Consult with communities and develop Aboriginal Community Development Plan 2010-2014

Continue to implement and deliver programs and initiatives in direct line with *Walgett Shire Youth Strategy 2009- 2014 –A five Year Plan*.

Development of Youth Enterprise strategy for Walgett Shire Council

Development of Walgett Shire Council Graffiti management policy

Increase Youth exchange opportunities with Sister City Youth Council

Research and develop cultural exchange projects with other youth services

Develop a Positive Ageing Strategy

Continue Signage Project for Collarenebri, Lightning Ridge and Walgett

Conduct another Open Day - Promotion of Shire Council to schools and Aboriginal Communities

Undertake Aboriginal Cultural Awareness Training – for new Shire staff

Co - ordinate and promote 10 Day Indigenous Cricket Camps in Walgett, Collarenebri and Lightning Ridge in conjunction with Cricket Australia

Continue to promote and support Gamilaroi Language project

Undertake support and development of Family Violence Project

Develop an Indigenous Arts project in Walgett Shire

Undertake an Electoral Strategy/ Local Government Awareness campaign in preparation for local government elections in 2012

Tourism

What council achieved in 2009 - 2010

- ✓ Development and production of new tourism brochure process in consultation with local communities
- ✓ 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.
- ✓ Update of signage continued with additional signs being placed at strategic sites across the Shire
- ✓ Implementation of a long term Shire wide Tourism strategy
- ✓ Interpretive Signage installed in Walgett following consultation with relevant elders groups and signs for Lightning Ridge and Collarenebri produced and ready for installation
- ✓ Tourism Branding consultation undertaken and report produced
- ✓ EOI for new tourism brochure let to public and successful applicant awarded contract
- ✓ Primitive camping grounds in Collarenebri and Walgett developed
- ✓ Lightning Ridge hosted Outback Tourism symposium

What council is planning for the future

New Visitor Information Guide produced and distributed

Signage installation continued

Billboard advertising campaign conducted

Ongoing relationship with Walgett Historical Society and Lightning Ridge Tourism Association developed and maintained

Tourism workshops for tourism operators conducted in conjunction with State Industry and Development

Transport

What council achieved in 2009/10

- ✓ Continued routine maintenance on 2,521 km of regional and local roads including 40 bridges with an aggregate deck length of 1,335m.
- ✓ Continued routine maintenance on 427km of State Highways within Walgett Shire under contract to the RTA.
- ✓ Council completed 35km upgrade and sealing project on MR329 Merrywinebone Road and MR333 Cumberdoon Way as part of the Australian Government's Strategic Regional Program
- ✓ Completed sealing a section of Colless Street, Come By Chance.
- ✓ Completed the upgrade of pedestrian facilities at Fox and Arthur Street intersection Walgett and Waterloo and Alma Street intersection Burren Junction
- ✓ Commenced the construction of 6 replacement bridges on regional and local roads funded under the NSW RTA Regional Roads Timber Bridge Partnership and Australian Government Roads to Recovery Programs
- ✓ Completed over \$0.49M in flood damage restoration works on Regional and Local roads.
- ✓ Completed approximately \$4.23M of ordered rehabilitation and periodic maintenance works on State Highways under contract to NSW RTA
- ✓ Re-established Council's Road Asset Register and commenced a statutory revaluation of Council's road infrastructure.
- ✓ Developed a comprehensive plant replacement program tailored to current and future needs and procurement of over \$2.3M in service critical plant items

What council is planning for the future

Complete a strategic asset management plan for Council's road infrastructure including establishing agreed funded maintenance service levels and long term renewal and improvement plans.

Continue contracting to the NSW RTA for works on State Highways under the Road Maintenance Council Contract
Complete the upgrade and sealing project on MR333 Cumberdoon Way as part of the December 2009 flood damage restoration

Complete Flood Damage Restoration from December 2009 and March 2010 events.

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

Prepare a funding business case for the upgrade of the route Coonabarabran – Pilliga – Burren Junction – Collarenebri – Mungindi

Prepare a forward design for the upgrade of MR7716 Come By Chance Road

Implementation and further refinement of the comprehensive plant replacement program tailored to current and future needs including a further \$2.4M in service critical plant items

Planning and documentation for the upgrade or replacement of Walgett Shire Works Depot to meet current and future needs

Parks, Reserves and Gardens Management (including Urban Roads)

What council achieved in 2009/10

Aerodromes

- ✓ Collarenebri Aerodrome – sealing completed.
- ✓ Walgett Airport Hanger – retaining or bond wall constructed including drainage works along the apron and hanger areas.
- ✓ Development of Drug and Alcohol Management Plan (DAMP) completed.

Footpaths

- ✓ Completed the Shire-wide Footpath Valuation 2010.
- ✓ Euroka Street (between Fox and Pitt Sts) – completed.
- ✓ Pitt Street (between Euroka and Wee Waa Sts) – completed.

- ✓ Pedestrian Crossings

- ✓ Intersection of Fox and Arthur Streets Walgett – completed.
- ✓ Intersection of Trafalgar and Alma Streets Burren Junction (Refuge) – completed.

Campsites, Racecourses and Sport Ovals

- ✓ Collarenebri Racecourse – 10 bench seats installed.
- ✓ Collarenebri Sports Oval - 10 bench seats installed.
- ✓ Collarenebri Primitive Camp Site – new dump point for caravans installed.

Swimming Pools

- ✓ Management of Walgett Swimming Pool – approved and under contract until 2013.
- ✓ Management of Collarenebri Swimming Pool – approved and under contract until 2013.
- ✓ Carinda Shade Structure – installation completed.
- ✓ Walgett Swimming Pool – installed 2 picnic settings and new shade structure.

Borebaths

- ✓ Burren Junction - Two shelters with concrete slabs installed and new shower area improved.
- ✓ Lightning Ridge - Installation of new shade structures, bore bath signs and replacement of seating steps completed.

Cemeteries

- ✓ Lightning Ridge – new seating installed, gates painted and information site sign erected.
- ✓ Walgett Cemetery – Final location of the Aboriginal Memorial Garden determined and approved for the Dharriwaa Elders Group.

Playgrounds, Racecourse and Skate Parks:

- ✓ Walgett Skate Park – skate park and shelter construction completed.
- ✓ Walgett Gray Park – children playground completed.
- ✓ Collarenebri Skate Park – completed.
- ✓ Burren Junction – playground and picnic shelter completed.

- ✓ Walgett Oval 1 – automatic sprinkler system completed.

Tree Planting Program:

- ✓ Burren Junction Bore Bath – first stage of tree planting completed.
- ✓ Rowena Pre-School – tree planting completed
- ✓ Rowena Oval – tree planting completed.

What council is planning for the future

Strategies and Policies.

- Develop the Levels of Service for Parks and Reserves Management, to be the basis of future implementation of operational and contracting works program in 2011.
- Development of 10-year **Parks and Reserves Asset Management Plan** to set direction for providing optimum service level requirements to the community by 2012.
- Continue conducting **Reserve Trust Manager Training** exercises for Asset Officers currently in-charge of managing this activity over the next 3 years.
- 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 a 10-year renewal schedule of all '**fleet equipment**' needs for urban staff in performing tasks anywhere within the shire by 2012.

Design, Construction and Maintenance

- Initiate a comprehensive 'tree planting and replacement' program of all parks and reserves around the shire within 5 years.
- Extension development of Walgett Cemetery Memorial Park by 2012.
- Install 'automatic sprinkler systems' to all parks and gardens around the shire within 5 years.
- Installation of solar lighting and a warning system at Collarenebri Aerodrome by 2011.
- 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.
- Construction of a new evaporation pond at Burren Junction by 2011.

Public Buildings and Amenities

What council achieved in 2009/10

- ✓ 8 Units in Gilbert/Arthur Streets – completed.
- ✓ Walgett Doctor Surgery – decommissioned.
- ✓ Electrical up-grades at Walgett Showground Building – completed.
- ✓ Rental Houses – 2 houses were painted in Walgett and 1 in Lightning Ridge also 2 rainwater tanks were replaced 1 in Lightning Ridge and 1 at Rowena Hall.
- ✓ Walgett Historical Museum – up-grade completed. Council contributed funds to this up-grade.

What council is planning for the future

Strategies and Policies.

- Develop the Levels of Service for public buildings and amenities management, to be the basis of future implementation of operational and contracting works program in 2011.
- Development of a 10-year **Building and Asset Management Plan** to set direction for providing optimum service level requirements to the community by 2012.
- Continue conducting **Reserve Trust Manager Training** exercises for Asset Officers currently in-charge of managing this activity over the next 3 years.
- Introduce the **Buildings and Amenities Servicing Manual and Procedure** by 2012.
- Develop a **'global' response strategy** enabling all urban staff work anywhere within the shire if required over the next 2 years.

Design, Construction and Maintenance

- Prepare a comprehensive 10-year Building Renewal and Disposal Management Program by 2012.
- 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 by 2013.
- Establish an on-line system of asset entries for continuous monitoring of building assets by 2012.

Waste Services

What council achieved in 2009/10

Landfill Management:

- ✓ Developed the Waste Management Advisory Group.
- ✓ 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 Licence Return.
- ✓ Completed cleaning programs and established new cells around Come-By- Chance and Carinda Landfills.
- ✓ 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.
- ✓ Lightning Ridge Landfill Tyre shredding – completed.

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 cardboard 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 waste as part of their 'greening' business. Some of the processed green waste is now being used as rubbish cover.

What council is planning for the future

Develop a regional landfill (located between Walgett and Lightning Ridge) over the next 2 years. Council to determine the right site location, initiate public discussion, procurement of the site and complete the design in 2012.

Develop the Levels of Service for solid waste management to be the basis of future implementation of operational and contracting works program in 2011.

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 to hold discussions with the whole community to develop an understanding of the goals and objectives of a Solid Waste Management Plan prior to full implementation within the next few years.
- *Licensing and Data Generation:* Increase efforts in meeting licensing requirements at 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 'user pays' 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 Streetsweeper*: Improving services by opening to public tenders or obtaining new and software equipped Council owned trucks in 2012.

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

- *Waste Advisory Group*: Formation of a community-driven group in 2011. 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 in 2013. This program will compliment the Solid Waste Management Plan as well as the Waste Minimization Strategy in which 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 whole community to develop an understanding of the goals and objectives of a Solid Waste Management Plan and Waste Minimization Strategy prior to full implementation within the next 2 years.

Water Supply Service

What council achieved in 2009/10

- ✓ Grant to up-grade and improve water and sewerage supply distribution system at Walgett and Namoi Village was successfully approved. Currently seeking further grant to complete the whole rehabilitation and improvement water program.
- ✓ Successfully negotiated the administrative management of Namoi, Gingie and Wolli Water and Sewerage Management System from the NSW Department of Water for 1 year.
- ✓ Developed the Asset Management Policy.
- ✓ Developed the Water Alliance Group (Moree Plains, Gwydir and Walgett Shire Councils).
- ✓ Developed the Water Restriction Policy.
- ✓ Developed the Water Meter Policy
- ✓ Developed Back Flow Prevention Policy.
- ✓ Construction of Rowena Water Tower completed.
- ✓ Installation of Water Meters in Walgett, Lightning Ridge, Collarenebri, Rowena and Carinda was completed.
- ✓ Trial testing of meter readings using the Tremble Handheld Water Meters successful.
- ✓ First time 'pegging' on water pipes were completed successfully in Walgett and Collarenebri.
- ✓ Two stand pipes in Lightning Ridge and one in Cumborah were completed. AV Data for measuring the water billing and solar supplied electric power were also installed for these standpipes. Drawing water from these facilities will not be free to the general public effective July 2011.
- ✓ Completed a major repair of the defective water pipe connection system to the Walgett Water Pump Station.
- ✓ Installed a new carbon bag on-loader to the Walgett Filtration Pond to arrest and minimized the water odour problem.
- ✓ Raw water reservoir was emptied and thoroughly cleaned.
- ✓ Lightning Ridge Water Heating Exchange Project is completed.

What council is planning for the future

Strategies and Policies

- Initiate 'succession' planning and employment of new water staff in 2011 to succeed out-going or retiring staff in the near future.
- Develop the Levels of Service for the water supply management to be the basis of future implementation of operational and contracting works program in 2011.
- Develop the Water Meter Installation Policy to be approved by Council.
- Development of a **Water Asset Management Plan** (WAMP) to set direction for providing optimum water service level requirements to the community in 2011.
- Prepare a 10-year Water Renewal Management Program in 2011.
- Continue discussions with neighboring local councils (Moree and Gwydir) regarding the future of **Water 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 **Drought 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 in 2012.
- Re-visit and amend the **Water Restriction Policy** to meet the Best Management Practice (BMP) in water usage in 2011.
- 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 July 2011. This includes development and integration of appropriate IT equipment systems for billing, customer complaint 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 a renewal schedule of all **'fleet equipment'** needs for urban staff in performing tasks anywhere within the shire next year.
- Collection of data from water meters will be conducted in early 2011 and loaded to Council's financial system.

Design, Construction and Maintenance

- Replace aging water pipe mains in Carinda as well as installation of a new booster pump to improve the water pressure and reduce the annual maintenance costs of providing water service to the community.
- Conduct feasibility and design of fluoridation systems in Walgett and Collarenebi under the NSW Health and Water collaborative arrangements.
- Conduct a **feasibility study and design of water supply systems** in Lightning Ridge, Collarenebri, Cumborah and Burren Junction by 2011. The design will focus on renewal of existing pumps and installation of new bores.
- Council to continue **holding discussions with the Burren Junction community** to ascertain if the 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.

Sewerage Services

What council achieved in 2009/10

No significant accomplishments this year.

What council is planning for the future

Strategies and Policies.

- Initiate 'succession' planning and employment of new water staff in 2011 to succeed the out-going or retiring staff in the near future.
- Develop the trade waste charges and implement in 2011.
- Develop the Trade Waste Policy in 2012.
- Develop the Levels of Service for the sewerage management based on the future implementation of the operational and contracting works program in 2011.
- Development of a **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 neighbouring local councils (Moree and Gwydir) regarding the future of **Water Alliance**.
- Re-introduce the **Sewerage Operators Manual and Procedure** for all water supply plants by 2012.
- Develop the **sewerage 'user-pays' charging system** to take effect in Jul 2010. This includes development and integration of appropriate IT equipment systems for billing, customer complaint 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 a renewal schedule of all **'fleet equipment'** needs for urban staff in performing tasks anywhere within the shire next year.

Design, Construction and Maintenance

- Prepare a global stormwater modeling study and design of sewerage supply and distribution systems by 2011. The design will focus on rehabilitation of existing distribution pipelines, pumping systems, evaporation ponds, sludge ponds, amenity improvements and access roads.

- 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 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 where the Collarenebri effluent ponds are located.
- Implement in stages the global construction, rehabilitation and renewal of sewerage systems in 2012.

Stormwater Management

What council achieved in 2009/10

- ✓ Completed the Stormwater Valuation 2010.
- ✓ Construction of GPTs:
- ✓ 2 GPTs in Collarenebri and 1 in Walgett - completed.

What council is planning for the future

Strategies and Policies.

- Introduce a stormwater management charge as is provided for in the Local Government Act in 2012.
- Develop the Levels of Service for the stormwater management to be the basis of future implementation of operational and contracting works programme in 2011.
- Development of a **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 the 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 a renewal schedule of all **'fleet equipment'** needs for urban staff in performing tasks anywhere within the shire next year.

Design, Construction and Maintenance

- Prepare a global stormwater **study and design of stormwater disposal and harvesting systems** 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.
- Implement in stages the global construction, rehabilitation and renewal of stormwater systems in 2012.

- 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

What council achieved in 2009/10

- ✓ Council's rural addressing project was completed with the establishment of rural address number posts at the public road entrances to all rural homesteads. Road signs have been updated where required due to road name changes.
- ✓ An aboriginal heritage study commenced with the assistance of a grant from the Heritage Office of the NSW Department of Planning. The study is expected to be completed by 30 June 2011.
- ✓ Council wrote to 52 land holders in Lightning Ridge requesting that they take action to address problems identified with inadequate urban effluent disposal systems. These problems were detected via a project to smoke test the Lightning Ridge effluent mains. As of 30 June 2010, 48 property owners had rectified deficiencies identified by Council.
- ✓ Council acquired high resolution aerial photography of urban and areas from the Land and Property Management Authority. This photography has many uses for Council, including enabling an audit of swimming pools in urban areas for compliance with safety regulations. Twenty swimming pools were identified that had been erected without Council approval
- ✓ Work commenced on a project to remove contaminated soil from a pesticide residue pit at the Walgett airport. Further work was stalled when additional soil analysis showed that the level of contamination present in the soil meant that the soil could not be disposed of at the Walgett Waste Depot until it has been remediated further. Trial work has been commenced on using lime to remediate the soil.
- ✓ In conjunction with the Heritage Branch of the Department of Planning, Council provided 3 grants totalling \$12,800 for the maintenance of buildings proposed for local heritage listing through its Local Heritage Fund program. These grants were match on a dollar for dollar basis by the respective building owners.
- ✓ Again this year Council was a major sponsor of the RSPCA's Community Animal Welfare Scheme which provides subsidised de-sexing and micro-chipping of dogs to low income earners. The scheme has operated each year in Walgett Shire since 2006, for a period of X weeks each year. Since the commencement of the scheme, there has been a substantial decline in the number of unwanted and seized dogs passing through the Walgett Pound.

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 are within a given location.

A review will be conducted of all addresses within the Shire's towns and villages with a view to addressing inconsistencies with Australian Standards. Council has established a budget to provide each urban building that is not clearly numbered with a high visibility street number plate.

Work will continue on the project to identify viable methods of remediating contaminated soil associated with the pesticide residue pit at the Walgett airport.

Arrangements are being made with the Land and Property Management Authority for Council to host a differential Global Positioning System (GPS) reference station. Council is also acquiring differential GPS surveying equipment which will be used to accurately re-survey the location of all Council water and sewer mains in the Shire.

Audits will be commenced of all public buildings for compliance with relevant fire safety standards.

Continuing to work with the RSPCA to provide the Community Animal Welfare Scheme.

Walgett Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2010

“Rivers, Plains and Opals”



Walgett Shire Council

General Purpose Financial Statements

for the financial year ended 30 June 2010

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Overview

(i) These financial statements are General Purpose Financial Statements and cover 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 these financial statements are presented in Australian Currency.

(iv) These financial statements were authorised for issue by the Council on 30/11/10. Council has the power to amend and reissue the financial statements.

Walgett Shire Council

General Purpose Financial Statements for the financial year ended 30 June 2010

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 Statements have been prepared in accordance with:

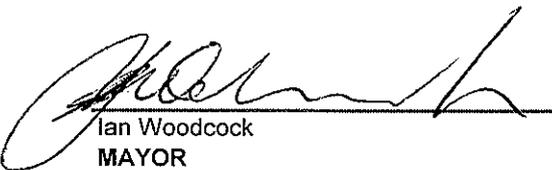
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these Financial Statements:

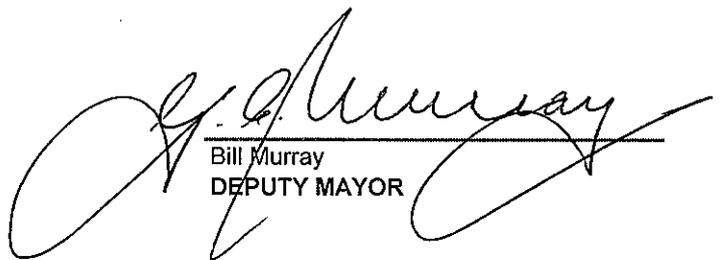
- present fairly the Council's operating result and financial position for the year, and
- accords with Council's accounting and other records.

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

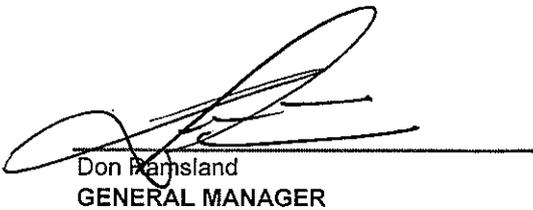
Signed in accordance with a resolution of Council made on 28 September 2010.



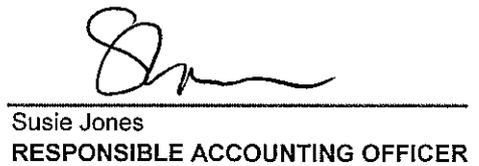
Ian Woodcock
MAYOR



Bill Murray
DEPUTY MAYOR



Don Harmsland
GENERAL MANAGER



Susie Jones
RESPONSIBLE ACCOUNTING OFFICER

Walgett Shire Council

Income Statement

for the financial year ended 30 June 2010

Budget ⁽¹⁾			Actual	Actual
2010	\$ '000	Notes	2010	2009
Income from Continuing Operations				
Revenue:				
6,661	Rates & Annual Charges	3a	6,583	6,085
6,112	User Charges & Fees	3b	5,918	5,484
439	Interest & Investment Revenue	3c	446	626
328	Other Revenues	3d	426	902
9,045	Grants & Contributions provided for Operating Purposes	3e,f	8,631	8,701
2,465	Grants & Contributions provided for Capital Purposes	3e,f	2,297	2,797
Other Income:				
-	Net gains from the disposal of assets	5	157	286
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	-	-
25,050	Total Income from Continuing Operations		24,458	24,881
Expenses from Continuing Operations				
6,819	Employee Benefits & On-Costs	4a	6,187	6,084
9	Borrowing Costs	4b	9	14
9,526	Materials & Contracts	4c	8,721	9,417
2,989	Depreciation & Amortisation	4d	3,034	2,468
	Impairment	4d	-	-
5,424	Other Expenses	4e	3,305	2,602
-	Interest & Investment Losses	3c	-	-
24,767	Total Expenses from Continuing Operations		21,256	20,585
283	Operating Result from Continuing Operations		3,202	4,296
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
283	Net Operating Result for the Year		3,202	4,296
283	Net Operating Result attributable to Council		3,202	4,296
-	Net Operating Result attributable to Minority Interests		-	-
(2,182)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		905	1,499

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

Walgett Shire Council

Statement of Comprehensive Income
for the financial year ended 30 June 2010

\$ '000	Notes	Actual 2010	Actual 2009
Net Operating Result for the year (as per Income statement)		3,202	4,296
Other Comprehensive Income			
Gain (loss) on revaluation & impairment of I,PP&E	20b (ii)	15,707	637
Gain (loss) on revaluation of available-for-sale investments	20b (ii)	-	-
Gain (loss) on revaluation of other reserves	20b (ii)	-	-
Realised (gain) loss on available-for-sale investments recognised in P&L	20b (ii)	-	-
Realised (gain) loss from other reserves recognised in P&L	20b (ii)	-	-
Other Movements in Reserves	20b (ii)	-	-
Total Other Comprehensive Income for the year		15,707	637
Total Comprehensive Income for the Year		18,909	4,933
Total Comprehensive Income attributable to Council		18,909	4,933
Total Comprehensive Income attributable to Minority Interests		-	-

Walgett Shire Council

Balance Sheet

as at 30 June 2010

\$ '000	Notes	Actual 2010	Actual 2009	Actual 2008
ASSETS				
Current Assets				
Cash & Cash Equivalents	6a	4,467	3,439	2,388
Investments	6b	4,049	9,899	12,582
Receivables	7	2,855	1,697	2,749
Inventories	8	1,229	894	753
Other	8	205	223	20
Non-current assets classified as 'held for sale'	22	-	-	-
Total Current Assets		12,805	16,152	18,492
Non-Current Assets				
Investments	6b	-	-	-
Receivables	7	233	209	219
Inventories	8	-	-	-
Infrastructure, Property, Plant & Equipment	9	306,950	283,901	276,933
Investments accounted for using the equity method	19	-	-	-
Investment Property	14	-	-	-
Intangible Assets	25	-	-	-
Other	8	-	-	-
Total Non-Current Assets		307,183	284,110	277,152
TOTAL ASSETS		319,988	300,262	295,644
LIABILITIES				
Current Liabilities				
Payables	10	2,699	1,840	1,643
Borrowings	10	20	20	94
Provisions	10	1,619	1,593	1,423
Total Current Liabilities		4,338	3,453	3,160
Non-Current Liabilities				
Payables	10	-	-	-
Borrowings	10	123	131	146
Provisions	10	113	173	106
Total Non-Current Liabilities		236	304	252
TOTAL LIABILITIES		4,574	3,757	3,412
Net Assets		315,414	296,505	292,232
EQUITY				
Retained Earnings	20	282,390	279,188	275,552
Revaluation Reserves	20	33,024	17,317	16,680
Council Equity Interest		315,414	296,505	292,232
Minority Equity Interest		-	-	-
Total Equity		315,414	296,505	292,232

Walgett Shire Council

Statement of Changes in Equity
for the financial year ended 30 June 2010

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2010						
Opening Balance (as per Last Year's Audited Accounts)		88,348	17,317	105,665	-	105,665
a. Correction of Prior Period Errors	20 (c)	(12,850)	-	(12,850)	-	(12,850)
b. Changes in Accounting Policies (prior year effects)	20 (d)	203,690	-	203,690	-	203,690
Revised Opening Balance (as at 1/7/09)		279,188	17,317	296,505	-	296,505
c. Net Operating Result for the Year		3,202	-	3,202	-	3,202
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	15,707	15,707	-	15,707
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Other Movements	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	15,707	15,707	-	15,707
Total Comprehensive Income (c&d)		3,202	15,707	18,909	-	18,909
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		282,390	33,024	315,414	-	315,414

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2009						
Opening Balance (as per Last Year's Audited Accounts)		84,052	16,680	100,732	-	100,732
a. Correction of Prior Period Errors	20 (c)	(12,850)	-	(12,850)	-	(12,850)
b. Changes in Accounting Policies (prior year effects)	20 (d)	203,690	-	203,690	-	203,690
Revised Opening Balance (as at 1/7/08)		274,892	16,680	291,572	-	291,572
c. Net Operating Result for the Year		4,296	-	4,296	-	4,296
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	637	637	-	637
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Other Movements	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	637	637	-	637
Total Comprehensive Income (c&d)		4,296	637	4,933	-	4,933
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		279,188	17,317	296,505	-	296,505

Walgett Shire Council

Statement of Cash Flows

for the financial year ended 30 June 2010

Budget 2010	\$ '000	Notes	Actual 2010	Actual 2009
Cash Flows from Operating Activities				
Receipts:				
6,661	Rates & Annual Charges		6,529	6,199
6,112	User Charges & Fees		5,917	5,492
439	Investment & Interest Revenue Received		463	814
11,510	Grants & Contributions		11,491	11,869
328	Other		79	1,537
Payments:				
(6,819)	Employee Benefits & On-Costs		(6,240)	(5,847)
(9,526)	Materials & Contracts		(10,506)	(9,142)
(9)	Borrowing Costs		(9)	(14)
(5,424)	Other		(2,121)	(2,944)
3,272	Net Cash provided (or used in) Operating Activities	11b	5,603	7,964
Cash Flows from Investing Activities				
Receipts:				
-	Sale of Investment Securities		5,850	2,350
-	Sale of Real Estate Assets		177	-
-	Sale of Infrastructure, Property, Plant & Equipment		229	369
Payments:				
-	Purchase of Infrastructure, Property, Plant & Equipment		(10,823)	(9,542)
-	Purchase of Real Estate Assets		-	(1)
-	Net Cash provided (or used in) Investing Activities		(4,567)	(6,824)
Cash Flows from Financing Activities				
Receipts:				
14	Proceeds from Borrowings & Advances		14	-
Payments:				
(22)	Repayment of Borrowings & Advances		(22)	(89)
(8)	Net Cash Flow provided (used in) Financing Activities		(8)	(89)
3,264	Net Increase/(Decrease) in Cash & Cash Equivalents		1,028	1,051
3,439	plus: Cash & Cash Equivalents - beginning of year	11a	3,439	2,388
6,703	Cash & Cash Equivalents - end of the year	11a	4,467	3,439
Additional Information:				
	plus: Investments on hand - end of year	6b	4,049	9,899
Total Cash, Cash Equivalents & Investments			8,516	13,338

Please refer to Note 11 for additional cash flow information.

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

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n/a - not applicable

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies

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

Under Australian Accounting Standards, 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 statements.

(a) Basis of preparation

(i) Background

These financial statements are general purpose financial statements which have been prepared in accordance with;

- Australian Accounting Standards,
- Urgent Issues Group Interpretations,
- the Local Government Act (1993) and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

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

Because Australian Accounting Standards (AASB's) are sector neutral, some standards either:

- (a) 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
- (b) 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 these financial statements 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) Basis of Accounting

These financial statements have been prepared under the **historical cost convention** 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.

(iv) 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 statements.

(v) Critical Accounting Estimates

The preparation of these financial statements requires the use of certain critical accounting estimates (in conformity with AASB's).

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

(vi) Financial Statements Presentation

The Council has applied the revised **AASB 101, Presentation of Financial Statements** which became effective on 1 January 2009.

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity.

All non-owner changes in equity must now be presented in the statement of comprehensive income.

As a consequence, the Council had to change the presentation of its financial statements.

Comparative information has been re-presented so that it is also in conformity with the revised standard.

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Council's activities as described below.

Council bases any estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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, **(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.

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of S94 of the EPA Act 1979.

Whilst Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon their physical receipt by Council, due to the possibility that individual Development Consents may not be acted upon by the applicant and accordingly would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required but the Council may apply contributions according to the priorities established in work schedules.

A detailed Note relating to developer contributions can be found at Note 17.

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.

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

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 statements incorporate **(i)** the assets and liabilities of Council and any entities (or operations) that it **controls** (as at 30/6/10) and **(ii)** all the related operating results (for the financial year ended the 30th June 2010).

The financial statements 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 statements.

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

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

Jointly Controlled Assets & Operations

The proportionate interests in the assets, liabilities and expenses of a Joint Venture Activity have been incorporated throughout the financial statements under the appropriate headings.

Jointly Controlled Entities

Any interests in Joint Venture Entities & Partnerships are accounted for using the equity method and is carried at cost.

Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in retained earnings & reserves is recognised in the balance sheet.

(iv) Associated Entities

Where Council has the power to participate in the financial and operating decisions (of another entity),

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

ie. where Council is deemed to have “significant influence” over the other entities operations but neither controls nor jointly controls the entity, then Council accounts for such interests using the Equity Method of Accounting – in a similar fashion to Joint Venture Entities & Partnerships.

Such entities are usually termed Associates.

(v) 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 statements.

(vi) Additional Information

Note 19 provides more information in relation to Joint Venture Entities, Associated Entities and Joint Venture Operations where applicable.

(d) Leases

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

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 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.

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

(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 primarily 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 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

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.

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

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.

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.

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.

(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) Regulation 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 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.

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

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.

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 (ie. an allowance account) 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.

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

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.

(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 Division 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)
- **Roads Assets incl. roads, bridges & footpaths**
(Internal Valuation)
- **Drainage Assets** (Internal Valuation)

The only remaining asset class that is to be revalued in a future reporting period is;

- **2010/11:** Community land, land improvements, other structures and other assets

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

Initial Recognition

On initial recognition, an asset's 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 statements 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.

Council recognised the asset class of Bulk Earthworks for the first time in these accounts - refer Note 20 (c) for more details.

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.

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

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 NSW Office of Water Rates Reference Manual.

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

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

Other Structures > \$3,000

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

Depreciation

Depreciation on Council's 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 Council's I,PP&E 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

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

Transportation Assets

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

- Bridge : Concrete 100 years

- 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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All asset residual values and useful lives are reviewed and adjusted (where 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 (other than Land under Roads) is in accordance with Part 2 of Chapter 6 of the Local Government Act (1993) classified 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.

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

Council will review the recognition of 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

Council has not classified any assets as Intangible.

(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.

Representations are currently being sought across State and Local Government to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

(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

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

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 statements.

(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

All Council's I,PP&E is subject to an annual assessment of impairment.

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.

(s) Borrowings

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

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

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 removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

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.

(t) Borrowing costs

Borrowing costs are expensed except to the extent that they are incurred during the construction of qualifying assets.

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.

(u) Provisions

Provisions for legal claims, service warranties and other like liabilities 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 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.

(v) Employee benefits

(i) Short Term Obligations

Short term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave expected to be settled within the 12 months after the reporting period.

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables..

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

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.

(ii) Other Long Term Obligations

The liability for all long service and annual leave (which is not expected to be settled within the 12 months after the reporting period) are 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 2010

Note 1. Summary of Significant Accounting Policies (continued)

These liabilities are 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 \$237 thousand at 30 June 2010.

As a result, they have asked for significant increases in future contributions 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 these financial statements.

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

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

(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 30/6/10.

(w) Self insurance

Council does not self insure.

(x) 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.

(y) 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 ATO.

(z) 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 2010.

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:

AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect Council's accounting for its financial assets.

The standard is not applicable until 1 January 2013 but is available for early adoption.

Council is yet to assess its full impact.

However, initial indications are that it may affect Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

Applicable to Local Government but no implications for Council;

AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-Settled Share-based Payment Transactions [AASB 2] (effective from 1 January 2010)

The amendments made by the AASB to AASB 2 confirm that an entity receiving goods or services in a group share-based payment arrangement must recognise an expense for those goods or services regardless of which entity in the group settles the transaction or whether the transaction is settled in shares or cash.

They also clarify how the group share-based payment arrangement should be measured, that is, whether it is measured as an equity- or a cash-settled transaction.

AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132] (effective from 1 February 2010)

In October 2009 the AASB issued an amendment to AASB 132 Financial Instruments: Presentation which addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer.

Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities.

The amendment must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement (effective from 1 January 2011)

In December 2009, the AASB made an amendment to Interpretation 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme.

It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements.

Council does not make any such prepayments. The amendment is therefore not expected to have any impact on Council.

AASB Interpretation 19 Extinguishing financial liabilities with equity instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 (effective from 1 July 2010)

AASB Interpretation 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor (debt for equity swap).

It requires a gain or loss to be recognised in profit or loss which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

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

None

Not applicable to Local Government per se;

Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively.

The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party.

(aa) Rounding of amounts

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

(ab) Comparative Figures

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

(ac) Disclaimer

Nothing contained within these statements 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 2010

Note 2(a). Council Functions / Activities - Financial Information

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 2010	Actual 2010	Actual 2009	Original Budget 2010	Actual 2010	Actual 2009	Original Budget 2010	Actual 2010	Actual 2009	Actual 2010	Actual 2009	Actual 2010	Actual 2009
Governance	-	-	-	888	848	563	(888)	(848)	(563)	145	-	206,214	190,415
Administration	1,269	1,138	1,343	3,554	4,377	5,266	(2,285)	(3,239)	(3,923)	43	8	9,790	20,548
Public Order & Safety	5	20	6	130	383	521	(125)	(363)	(515)	-	-	34	34
Health	2	39	119	1,087	863	646	(1,085)	(824)	(527)	20	47	1,330	218
Environment	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Services & Education	142	153	171	1,161	898	565	(1,019)	(745)	(394)	146	281	83	83
Housing & Community Amenities	1,251	1,273	1,077	2,302	2,095	1,837	(1,051)	(822)	(760)	281	492	15,676	14,316
Water Supplies	1,358	1,392	1,296	1,545	1,515	1,114	(187)	(123)	182	12	12	15,583	11,964
Sewerage Services	678	652	641	596	594	476	82	58	165	11	11	12,052	9,907
Recreation & Culture	82	71	701	1,286	1,210	1,423	(1,204)	(1,139)	(722)	22	-	2,172	2,225
Fuel & Energy	-	-	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining, Manufacturing & Construction	54	81	-	-	-	-	54	81	-	-	-	-	-
Transport & Communication	12,172	10,538	9,717	11,732	8,246	7,710	440	2,292	2,007	3,643	3,386	57,054	50,055
Economic Affairs	33	45	326	486	227	464	(453)	(182)	(138)	-	-	-	497
Total Functions & Activities	17,046	15,402	15,397	24,767	21,256	20,585	(7,721)	(5,854)	(5,188)	4,323	4,237	319,988	300,262
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income ¹	8,004	9,056	9,484	-	-	-	8,004	9,056	9,484	4,592	5,429	-	-
Operating Result from Continuing Operations	25,050	24,458	24,881	24,767	21,256	20,585	283	3,202	4,296	8,915	9,666	319,988	300,262

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 2010

Note 2(b). Council Functions / Activities - Component Descriptions

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 2010

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2010	Actual 2009
(a). Rates & Annual Charges			
Ordinary Rates			
Residential		1,004	601
Farmland		2,863	2,640
Business		223	535
Total Ordinary Rates		4,090	3,776
Special Rates			
Nil			
Annual Charges (pursuant to s.496 & s.501)			
Domestic Waste Management Services		621	576
Water Supply Services		1,247	1,156
Sewerage Services		625	577
Total Annual Charges		2,493	2,309
TOTAL RATES & ANNUAL CHARGES		6,583	6,085

Council has used 2007 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 2010

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2010	Actual 2009
(b). User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Domestic Waste Management Services		170	150
Waste Management Services (non-domestic)		66	40
Total User Charges		236	190
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s608, 610A & 611)			
Planning & Building Regulation		82	68
Private Works - Section 67		50	44
Section 603 Certificates		10	-
Tapping Fees		3	4
Total Fees & Charges - Statutory/Regulatory		145	116
(ii) Fees & Charges - Other (incl. General User Charges) (per s.610C)			
Caravan Park		30	-
Cemeteries		40	36
Lease Rentals		128	91
Leaseback Fees - Council Vehicles		27	28
RTA Charges (State Roads not controlled by Council)		5,272	5,011
Saleyards		20	-
Other		20	12
Total Fees & Charges - Other		5,537	5,178
TOTAL USER CHARGES & FEES		5,918	5,484

Walgett Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2010	Actual 2009
(c). Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges		57	54
- Interest earned on Investments (interest & coupon payment income)		389	905
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		-	(333)
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>446</u>	<u>626</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges		57	54
General Council Cash & Investments		354	111
Restricted Investments/Funds - External:			
Water Fund Operations		23	21
Sewerage Fund Operations		12	13
Other Externally Restricted Assets		-	277
Restricted Investments/Funds - Internal:			
Internally Restricted Assets		-	150
Total Interest & Investment Revenue Recognised		<u>446</u>	<u>626</u>
(d). Other Revenues			
Rental Income - Other Council Properties		49	67
Ex Gratia Rates		20	18
Legal Fees Recovery - Rates & Charges (Extra Charges)		131	82
Commissions & Agency Fees		47	44
Diesel Rebate		63	27
Insurance Claim Recoveries		15	10
Sales - General		35	15
Statecover Incentive		27	30
Walgett Community Capability Fund		-	575
Other		39	34
<u>TOTAL OTHER REVENUE</u>		<u>426</u>	<u>902</u>

Walgett Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 3. Income from Continuing Operations (continued)

\$ '000	2010 Operating	2009 Operating	2010 Capital	2009 Capital
(e). Grants				
General Purpose (Untied)				
Financial Assistance - General Component	2,864	3,346	-	-
Financial Assistance - Local Roads Component	1,687	2,042	-	-
Pensioners' Rates Subsidies - General Component	41	41	-	-
Total General Purpose	4,592	5,429	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Water	12	12	-	-
- Sewerage	11	11	-	-
- Domestic Waste Management	21	20	-	-
Water Supplies	71	-	-	-
Community Care	145	186	-	-
Employment & Training Programs	43	27	-	-
Environmental Protection	-	27	-	-
Flood Restoration	1,346	846	-	-
Heritage & Cultural	22	11	-	-
Library	37	57	-	-
Recreation & Culture	127	-	-	-
Regional & Local Infrastructure	-	-	508	492
Rural Addressing	20	8	-	-
Street Lighting	26	24	-	-
Transport (Roads to Recovery)	-	-	1,389	808
Transport (Other Roads & Bridges Funding)	145	211	400	1,497
Total Specific Purpose	2,026	1,440	2,297	2,797
Total Grants	6,618	6,869	2,297	2,797
Grant Revenue is attributable to:				
- Commonwealth Funding	4,551	5,388	-	-
- State Funding	1,921	1,481	-	2,797
- Other Funding	146	-	2,297	-
	6,618	6,869	2,297	2,797

Walgett Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 3. Income from Continuing Operations (continued)

\$ '000	2010 Operating	2009 Operating	2010 Capital	2009 Capital
(f). Contributions				
Developer Contributions: (s93 & s94 - EP&A Act, s64 of the NSW LG Act): Nil				
Other Contributions:				
Community Services	10	-	-	-
Roads & Bridges	98	85	-	-
RTA Contributions (Regional/Local, Block Grant)	1,905	1,747	-	-
Total Other Contributions	2,013	1,832	-	-
Total Contributions	2,013	1,832	-	-
<u>TOTAL GRANTS & CONTRIBUTIONS</u>	<u>8,631</u>	<u>8,701</u>	<u>2,297</u>	<u>2,797</u>

\$ '000	Actual 2010	Actual 2009
(g). Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	5,144	5,242
add: Grants and contributions recognised in the current period which have not been spent:	2,071	4,289
less: Grants and contributions recognised in a previous reporting period which have been spent in the current reporting period:	(4,875)	(4,387)
Net Increase (Decrease) in Restricted Assets during the Current Reporting Period	(2,804)	(98)
Unexpended at the Close of this Reporting Period and held as Restricted Assets	<u>2,340</u>	<u>5,144</u>
Comprising:		
- Specific Purpose Unexpended Grants	2,340	5,144
	<u>2,340</u>	<u>5,144</u>

Walgett Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2010	Actual 2009
(a) Employee Benefits & On-Costs			
Salaries and Wages		5,591	4,987
Travelling		41	34
Employee Leave Entitlements (ELE)		611	824
Superannuation		551	523
Workers' Compensation Insurance		105	331
Fringe Benefit Tax (FBT)		25	38
Training Costs (other than Salaries & Wages)		97	32
Other		35	6
Total Employee Costs		7,056	6,775
less: Capitalised Costs		(869)	(691)
<u>TOTAL EMPLOYEE COSTS EXPENSED</u>		<u>6,187</u>	<u>6,084</u>
Number of "Equivalent Full Time" Employees at year end		117	101
Number of "Equivalent Full Time" Employees at year end (incl. vacancies)		122	105
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		9	14
Total Interest Bearing Liability Costs		9	14
less: Capitalised Costs		-	-
Total Interest Bearing Liability Costs Expensed		9	14
(ii) Other Borrowing Costs			
Nil			
<u>TOTAL BORROWING COSTS EXPENSED</u>		<u>9</u>	<u>14</u>
(c) Materials & Contracts			
Raw Materials & Consumables		4,681	4,306
Contractor & Consultancy Costs		13,093	9,445
Auditors Remuneration			
- Audit Services - Council's Auditor		48	39
Legal Expenses:			
- Legal Expenses - Debt Recovery		120	97
Total Materials & Contracts		17,942	13,887
less: Capitalised Costs		(9,221)	(4,470)
<u>TOTAL MATERIALS & CONTRACTS</u>		<u>8,721</u>	<u>9,417</u>

Walgett Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2010	Actual 2009	Actual 2010	Actual 2009
Plant and Equipment		-	-	564	528
Office Equipment		-	-	73	33
Buildings - Non Specialised		-	-	189	120
Buildings - Specialised		-	-	404	323
Other Structures		-	-	209	129
Infrastructure:					
- Roads, Bridges & Footpaths		-	-	813	666
- Stormwater Drainage		-	-	97	22
- Water Supply Network		-	-	450	443
- Sewerage Network		-	-	143	187
Other Assets					
- Other		-	-	92	17
Asset Reinstatement Costs	9 & 26	-	-	-	-
Total Depreciation & Impairment Costs		-	-	3,034	2,468
less: Capitalised Costs		-	-	-	-
less: Impairments offset in ARR (Equity)	9a	-	-	-	-
<u>TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED</u>		<u>-</u>	<u>-</u>	<u>3,034</u>	<u>2,468</u>

Walgett Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2010	Actual 2009
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		59	76
Bank Charges		9	10
Contributions/Levies to Other Levels of Government			
- NSW Fire Brigade Levy		40	34
- NSW Rural Fire Service Levy		143	181
- CMCC Noxious Weeds		121	162
- Regional Library		147	122
- Other Contributions		281	8
Councillor Expenses - Mayoral Fee		20	15
Councillor Expenses - Councillors' Fees		84	75
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		29	8
Donations, Contributions & Assistance to other organisations (Section 356)			
- Community & Tourism Programs		198	241
- RSPCA		10	10
- Other		383	62
Election Expenses		15	-
Electricity & Heating		398	212
Insurance		418	387
Office Expenses (including computer expenses)		79	26
Printing & Stationery		70	64
Street Lighting		115	147
Subscriptions & Publications		33	-
Swimming Pools		352	470
Telephone & Communications		169	146
Tourism Expenses (excluding employee costs)		65	54
Valuation Fees		29	38
Other		38	54
Total Other Expenses		3,305	2,602
less: Capitalised Costs		-	-
TOTAL OTHER EXPENSES		3,305	2,602

Walgett Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2010	Actual 2009
Property (excl. Investment Property)			
Proceeds from Disposal		178	78
less: Carrying Amount of Property Assets Sold		(146)	(19)
Net Gain/(Loss) on Disposal		32	59
Plant & Equipment			
Proceeds from Disposal		51	291
less: Carrying Amount of P&E Assets Sold		(34)	(64)
Net Gain/(Loss) on Disposal		17	227
Real Estate Assets Held For Sale			
Proceeds from Disposal		177	-
less: Carrying Amount of Real Estate Assets Sold		(69)	-
Net Gain/(Loss) on Disposal		108	-
Financial Assets*			
Proceeds from Disposal		5,850	-
less: Carrying Amount of Financial Assets Sold / Redeemed		(5,850)	-
Net Gain/(Loss) on Disposal		-	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		157	286

Walgett Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2010

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

\$ '000	Notes	2010 Actual Current	2010 Actual Non Current	2009 Actual Current	2009 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		2,467	-	3,439	-
Cash-Equivalent Assets ¹					
- Short Term Deposits		2,000	-	-	-
Total Cash & Cash Equivalents		4,467	-	3,439	-
Investment Securities (Note 6b)					
- Long Term Deposits		4,000	-	9,850	-
- CDO's		49	-	49	-
Total Investment Securities		4,049	-	9,899	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		8,516	-	13,338	-

¹ 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"	4,467	-	3,439	-
--	--------------	----------	--------------	----------

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	-	49	-
b. "Held to Maturity"	6(b-ii)	4,000	-	9,850	-
c. "Loans & Receivables"	6(b-iii)	-	-	-	-
d. "Available for Sale"	6(b-iv)	-	-	-	-
Investments		4,049	-	9,899	-

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 6b. Investments (continued)

\$ '000	2010 Actual Current	2010 Actual Non Current	2009 Actual Current	2009 Actual Non Current
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Balance at the Beginning of the Year	49	-	382	-
Revaluations (through the Income Statement)	-	-	(333)	-
Balance at End of Year	49	-	49	-
Comprising:				
- CDO's	49	-	49	-
Total	49	-	49	-
Note 6(b-ii)				
Reconciliation of Investments classified as "Held to Maturity"				
Balance at the Beginning of the Year	9,850	-	12,200	-
Disposals (sales & redemptions)	(5,850)	-	(2,350)	-
Balance at End of Year	4,000	-	9,850	-
Comprising:				
- Long Term Deposits	-	-	9,850	-
Total	4,000	-	9,850	-
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 2010

Note 6c. Restricted Cash, Cash Equivalents & Investments

\$ '000	2010 Actual Current	2010 Actual Non Current	2009 Actual Current	2009 Actual Non Current
Total Cash, Cash Equivalents and Investment Securities	8,516	-	13,338	-
attributable to:				
External Restrictions (refer below)	7,352	-	10,281	-
Internal Restrictions (refer below)	1,147	-	2,254	-
Unrestricted	17	-	803	-
	8,516	-	13,338	-

2010 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
External Restrictions - Included in Liabilities				
Nil				
External Restrictions - Other				
Specific Purpose Unexpended Grants (F)	5,144	-	(2,804)	2,340
Water Supplies (G)	3,319	-	(298)	3,021
Sewerage Services (G)	1,818	173	-	1,991
External Restrictions - Other	10,281	173	(3,102)	7,352
Total External Restrictions	10,281	173	(3,102)	7,352
Internal Restrictions				
Infrastructure Replacement	1,080	-	(645)	435
Employees Leave Entitlement	500	-	-	500
Construction of Buildings	75	-	(75)	-
Aerodrome	152	-	(152)	-
Rehabilitation	232	-	(132)	100
Economic Development	7	-	(7)	-
Other	208	130	(226)	112
Total Internal Restrictions	2,254	130	(1,237)	1,147
TOTAL RESTRICTIONS	12,535	303	(4,339)	8,499

F Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)

G 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 2010

Note 7. Receivables

\$ '000	Notes	2010		2009	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		374	304	349	309
Interest & Extra Charges		197	88	207	97
User Charges & Fees		170	-	159	-
Contributions to Works		2,180	-	1,102	-
Accrued Revenues					
- Interest on Investments		21	-	71	-
- Other Income Accruals		18	-	-	-
Deferred Debtors		-	303	-	340
Net GST Receivable		168	-	150	-
Other Debtors		30	64	-	-
Total		3,158	759	2,038	746
less: Provision for Impairment					
Rates & Annual Charges		(150)	(124)	(145)	(163)
Interest & Extra Charges		(83)	(35)	(136)	(34)
User Charges & Fees		(70)	-	(60)	-
Other Debtors		-	(367)	-	(340)
Total Provision for Impairment - Receivables		(303)	(526)	(341)	(537)
<u>TOTAL NET RECEIVABLES</u>		<u>2,855</u>	<u>233</u>	<u>1,697</u>	<u>209</u>
Externally Restricted Receivables					
Water Supply					
- Rates & Availability Charges		273	52	276	54
Sewerage Services					
- Rates & Availability Charges		103	91	100	88
Total External Restrictions		376	143	376	142
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		2,479	90	1,321	67
TOTAL NET RECEIVABLES		<u>2,855</u>	<u>233</u>	<u>1,697</u>	<u>209</u>

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 9.00% (2009 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 2010

Note 8. Inventories & Other Assets

\$ '000	Notes	2010		2009	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		885	-	494	-
Stores & Materials		344	-	400	-
Total Inventories		1,229	-	894	-
Other Assets					
Prepayments		205	-	223	-
Total Other Assets		205	-	223	-
TOTAL INVENTORIES & OTHER ASSETS		1,434	-	1,117	-
Details for Real Estate Development					
Residential		800	-	379	-
Industrial/Commercial		85	-	115	-
Total Real Estate for Resale		885	-	494	-
(Valued at the lower of cost and net realisable value)					
Represented by:					
Acquisition Costs		32	-	52	-
Development Costs		853	-	442	-
Total Costs		885	-	494	-
less: Provision for Under Recovery		-	-	-	-
Total Real Estate for Resale		885	-	494	-
Movements:					
Real Estate assets at beginning of the year		494	-	493	-
- Transfers in from (out to) Note 9		460	-	-	-
- WDV of Sales (exp)	5	(69)	-	-	-
Total Real Estate for Resale		885	-	494	-

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 8. Inventories & Other Assets (continued)

\$ '000	2010		2009	
	Current	Non Current	Current	Non Current
(i) Externally Restricted Assets				
Nil				
Total Externally Restricted Assets	-	-	-	-
Total Internally Restricted Assets	-	-	-	-
Total Unrestricted Assets	1,434	-	1,117	-
TOTAL INVENTORIES & OTHER ASSETS	1,434	-	1,117	-

(ii) Other Disclosures

(a) Current Assets not anticipated to be settled within the next 12 months

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

	2010	2009
Real Estate for Resale	425	493
	425	493

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2009					Asset Movements during the Reporting Period					as at 30/6/2010				
	At	At	Accumulated		Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Adjustments & Transfers	Revaluation Increments to Equity (ARR)	At	At	Accumulated		Carrying
	Cost	Fair Value	Deprec.	Impairment	Value						Cost	Fair Value	Dep'n	Impairment	Value
Capital Work in Progress	-	1,402	-	-	1,402	1,025	-	-	(2,056)	-	371	-	-	-	371
Plant & Equipment	-	9,345	7,595	-	1,750	466	(34)	(564)	(12)	-	-	9,625	8,019	-	1,606
Office Equipment	-	953	801	-	152	104	-	(73)	12	-	-	1,074	879	-	195
Land:															
- Operational Land	-	239	-	-	239	2	-	-	57	-	-	298	-	-	298
Buildings - Non Specialised	-	5,512	2,344	-	3,168	-	(146)	(189)	1,596	-	-	6,526	2,097	-	4,429
Buildings - Specialised	-	20,549	11,859	-	8,690	10	-	(404)	-	-	-	20,559	12,263	-	8,296
Other Structures	3,826	-	1,387	-	2,439	491	-	(209)	(68)	-	4,261	-	1,608	-	2,653
Infrastructure:															
- Roads, Bridges, Footpaths	73,484	-	35,915	-	37,569	8,023	-	(813)	-	14,745	-	108,345	48,821	-	59,524
- Bulk Earthworks (non-depreciable)	-	203,690	-	-	203,690	-	-	-	-	-	-	203,690	-	-	203,690
- Stormwater Drainage	2,197	-	1,066	-	1,131	18	-	(97)	-	330	-	2,909	1,528	-	1,381
- Water Supply Network	-	27,053	15,322	-	11,731	403	-	(450)	-	351	-	28,266	16,231	-	12,035
- Sewerage Network	-	15,466	5,751	-	9,715	14	-	(143)	-	281	-	15,938	6,071	-	9,867
Other Assets:															
- Other	2,466	-	241	-	2,225	478	-	(92)	(6)	-	2,938	-	333	-	2,605
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	81,973	284,209	82,281	-	283,901	11,034	(180)	(3,034)	(477)	15,707	7,570	397,230	97,850	-	306,950

An amount of \$460,000 has been transferred from Capital Work in Progress to Note 8 Real Estate Held for Sale.

Walgett Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2010

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

\$ '000 Class of Asset	Actual 2010				Actual 2009			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Water Supply								
Infrastructure	-	28,468	16,231	12,237	-	27,053	15,322	11,731
Total Water Supply	-	28,468	16,231	12,237	-	27,053	15,322	11,731
Sewerage Services								
Infrastructure	-	15,938	6,071	9,867	-	15,466	5,751	9,715
Total Sewerage Services	-	15,938	6,071	9,867	-	15,466	5,751	9,715
TOTAL RESTRICTED I,PP&E	-	44,406	22,302	22,104	-	42,519	21,073	21,446

Note 9c. Infrastructure, Property, Plant & Equipment - Current Year Impairments

 \$ '000

Council has recognised no 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 2010

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2010		2009	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		778	-	1,449	-
Accrued Expenses:					
- Borrowings		3	-	3	-
- Other Expenditure Accruals		1,865	-	293	-
Security Bonds, Deposits & Retentions		25	-	51	-
Other		28	-	44	-
Total Payables		2,699	-	1,840	-
Borrowings					
Loans - Secured ¹		20	123	20	131
Total Borrowings		20	123	20	131
Provisions					
Employee Benefits;					
Annual Leave		765	-	701	-
Sick Leave		164	-	233	-
Long Service Leave		690	113	659	173
Sub Total - Aggregate Employee Benefits		1,619	113	1,593	173
Total Provisions		1,619	113	1,593	173
Total Payables, Borrowings & Provisions		4,338	236	3,453	304
(i) Liabilities relating to Restricted Assets					
		2010		2009	
		Current	Non Current	Current	Non Current
Externally Restricted Assets					
Water		11	91	14	105
Sewer		7	18	9	23
Liabilities relating to externally restricted assets		18	109	23	128
Internally Restricted Assets					
Nil					
Total Liabilities relating to restricted assets		18	109	23	128

¹. 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 2010

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

\$ '000	2010	2009
(ii) Current Liabilities not anticipated to be settled within the next 12 months		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	781	770
	<u>781</u>	<u>770</u>

Note 10b. Description of and movements in Provisions

Class of Provision	2009			2010		Closing Balance as at 30/6/10
	Opening Balance as at 1/7/09	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	701	369	(305)	-	-	765
Sick Leave	233	-	(69)	-	-	164
Long Service Leave	832	132	(161)	-	-	803
TOTAL	1,766	501	(535)	-	-	1,732

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 2010

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2010	Actual 2009
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	4,467	3,439
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		4,467	3,439
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		3,202	4,296
Adjust for non cash items:			
Depreciation & Amortisation		3,034	2,468
Net Losses/(Gains) on Disposal of Assets		(157)	(286)
Non Cash Capital Grants and Contributions		-	-
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "@ Fair Value" or "Held for Trading"		-	333
Adjustments to fixed assets		18	-
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(1,170)	1,149
Increase/(Decrease) in Provision for Doubtful Debts		(12)	(87)
Decrease/(Increase) in Inventories		56	(140)
Decrease/(Increase) in Other Current Assets		18	(203)
Increase/(Decrease) in Payables		(671)	415
Increase/(Decrease) in accrued Interest Payable		-	-
Increase/(Decrease) in other accrued Expenses Payable		1,361	(159)
Increase/(Decrease) in Other Current Liabilities		(42)	(59)
Increase/(Decrease) in Employee Leave Entitlements		(34)	237
Increase/(Decrease) in Other Provisions		-	-
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		5,603	7,964

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 11. Statement of Cash Flows - Additional Information (continued)

\$ '000	Notes	Actual 2010	Actual 2009
(c) Non-Cash Investing & Financing Activities			
Nil			
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		-	-
Credit Cards / Purchase Cards		20	20
Other		-	-
Total Financing Arrangements		20	20
Amounts utilised as at Balance Date:			
- Bank Overdraft Facilities		-	-
- Credit Cards / Purchase Cards		4	8
- Other		-	-
Total Financing Arrangements Utilised		4	8

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 2010

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2010	Actual 2009
(a) Capital Commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, Plant & Equipment			
Plant & Equipment		2,013	-
Buildings - Housing		-	700
Bridge Construction Program		2,923	2,300
Other		813	-
Total Commitments		5,749	3,000
These expenditures are payable as follows:			
Within the next year		5,749	3,000
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
Total Payable		5,749	3,000
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		431	465
Future Grants & Contributions		5,318	1,200
Loans		-	635
Sale of Assets		-	700
Total Sources of Funding		5,749	3,000
(b) Other Expenditure Commitments (exclusive of GST)			
Other Non Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		133	170
Total Commitments		133	170
These expenditures are payable as follows:			
Within the next year		37	37
Later than one year and not later than 5 years		96	133
Later than 5 years		-	-
Total Payable		133	170

Walgett Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2010	Actual 2009
(c) Finance Lease Commitments			
Nil			
(d) Operating Lease Commitments (Non Cancellable)			
Nil			
(e) Remuneration Commitments			
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		156	172
Later than one year and not later than 5 years		680	87
Later than 5 years		14	-
Total Payable		850	259

Walgett Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 13a. Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts 2010	Indicator 2010	Prior Periods 2009 2008	
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	<u>4,652</u>	1.31 : 1	1.88	3.16
Current Liabilities less Specific Purpose Liabilities ^(2,3)	<u>3,539</u>			
2. Debt Service Ratio				
Debt Service Cost	<u>31</u>	0.17%	0.55%	1.84%
Revenue from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	<u>18,122</u>			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	<u>6,583</u>	26.92%	24.46%	28.58%
Revenue from Continuing Operations	<u>24,458</u>			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	<u>571</u>	7.87%	7.18%	7.89%
Rates, Annual & Extra Charges Collectible	<u>7,255</u>			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾ [Buildings & Infrastructure]	<u>7,812</u>	372.71%	212.32%	118.13%
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)	<u>2,096</u>			

Notes

(1) Refer Notes 6-8 inclusive.

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

(2) Refer to Note 10(a).

(3) Refer to Note 10(c) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).

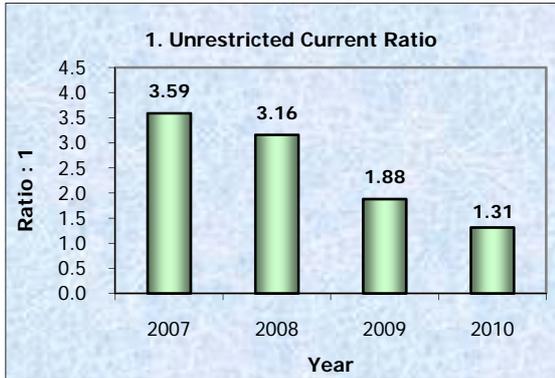
(4) Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity or performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Walgett Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 13a. Statement of Performance Measurement - Graphs (Consolidated)

\$ '000



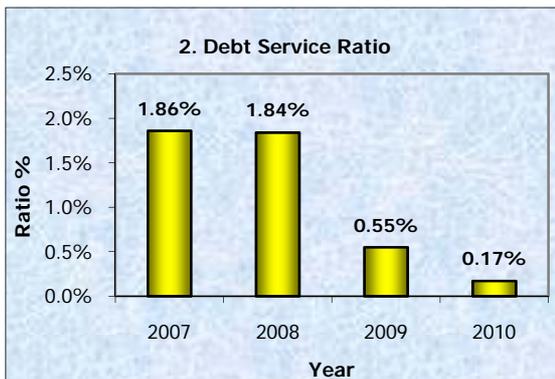
Purpose of Unrestricted Current Ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2009/10 Result

2009/10 Ratio 1.31 : 1

There has been a slight increase in the unrestricted current ratio, due to less unrestricted cash being received before the year end compared to the prior year. Overall the ratio still remains consistently low.



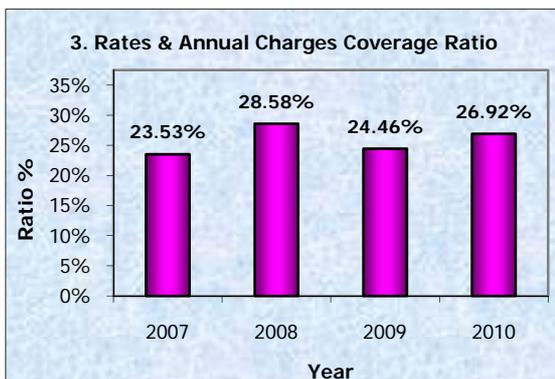
Purpose of Debt Service Ratio

To assess the impact of loan principal & interest repayments on the discretionary revenue of council.

Commentary on 2009/10 Result

2009/10 Ratio 0.17%

We have continued to decrease the level of debt we have compared to revenues, this is in line with council objectives.



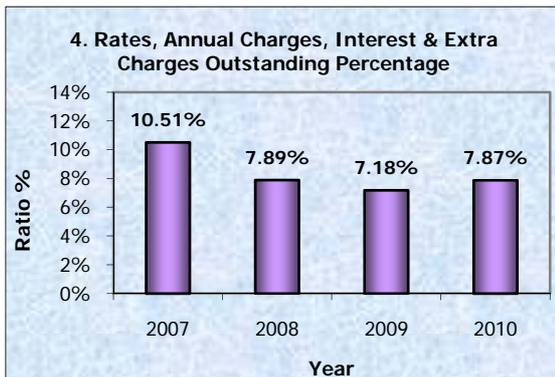
Purpose of Rates & Annual Charges Coverage Ratio

To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.

Commentary on 2009/10 Result

2009/10 Ratio 26.92%

Our dependence on revenue from rates and annual charges has remained similar to prior years.



Purpose of Rates & Annual Charges Outstanding Ratio

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2009/10 Result

2009/10 Ratio 7.87%

The outstanding rates debtor balances remains consistent in the current year to prior years.

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 13b. Statement of Performance Measurement - Indicators (by Fund)

\$ '000	Water 2010	Sewer 2010	General ¹ 2010
1. Unrestricted Current Ratio			
Current Assets less all External Restrictions ⁽¹⁾	1411.91	1708.71	1.31
Current Liabilities less Specific Purpose Liabilities ^(2,3)	: 1	: 1	: 1
2. Debt Service Ratio			
Debt Service Cost	1.89%	1.23%	-0.01%
Revenue from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions			
3. Rates & Annual Charges Coverage Ratio			
Rates & Annual Charges	92.24%	96.47%	20.84%
Revenue from Continuing Operations			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
Rates, Annual & Extra Charges Outstanding	25.27%	30.84%	0.97%
Rates, Annual & Extra Charges Collectible			
5. Building & Infrastructure Renewals Ratio			
Asset Renewals ⁽⁴⁾ [Buildings & Infrastructure]	0.00%	0.00%	519.76%
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)			

Notes

⁽¹⁾ General Fund refers to all of Council's activities except for its Water & Sewer activities which are listed separately.

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

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 **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** 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	
	2010	2009	2010	2009
Financial Assets				
Cash and Cash Equivalents	4,467	3,439	4,467	3,439
Investments				
- "Designated At Fair Value on Initial Recognition"	49	49	49	49
- "Held to Maturity"	4,000	9,850	4,000	9,850
Receivables	3,088	1,906	3,088	1,906
Total Financial Assets	11,604	15,244	11,604	15,244
Financial Liabilities				
Payables	2,699	1,840	2,699	1,675
Loans / Advances	143	151	143	151
Total Financial Liabilities	2,842	1,991	2,842	1,826

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 market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) "**at fair value through profit & loss**" or (ii) **Available for Sale** - are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

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's Finance Section manages its Cash & Investments portfolio with the assistance of independent advisors.

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 these 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.

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
2010				
Possible impact of a 10% movement in Market Values	5	5	(5)	(5)
Possible impact of a 1% movement in Interest Rates	85	85	(85)	(85)
2009				
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)

Walgett Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2010

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.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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:

	2010	2010	2009	2009
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	15	2,802	-	1,252
Past due by up to 30 days	20	-	-	437
Past due between 31 and 180 days	68	-	170	-
Past due between 181 and 365 days	92	-	179	-
Past due by more than 1 year	483	437	309	437
	678	3,239	658	2,126
(ii) Movement in Provision for Impairment of Receivables			2010	2009
Balance at the beginning of the year			878	965
+ new provisions recognised during the year			85	77
- amounts already provided for & written off this year			(134)	(164)
Balance at the end of the year			829	878

Walgett Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2010

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		
2010									
Trade/Other Payables	25	1,170	-	-	-	-	-	1,195	2,699
Loans & Advances	-	28	27	27	26	25	25	158	143
Total Financial Liabilities	25	1,198	27	27	26	25	25	1,353	2,842
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

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:

	2010		2009	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	2,699	0.0%	1,840	0.0%
Loans & Advances - Fixed Interest Rate	143	6.3%	151	6.3%
	<u>2,842</u>		<u>1,991</u>	

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 09/10 was incorporated as part of its Management Plan.

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	2010 Budget	2010 Actual	2010 Variance* -----		
REVENUES					
Rates & Annual Charges	6,661	6,583	(78)	(1%)	U
User Charges & Fees	6,112	5,918	(194)	(3%)	U
Interest & Investment Revenue	439	446	7	2%	F
Other Revenues	328	426	98	30%	F
Other Revenues include monies from planning applications, cemeteries and other ad hoc sales. We were conservative in our budgeted revenue as it is difficult to predict what income will be received.					
Operating Grants & Contributions	9,045	8,631	(414)	(5%)	U
Capital Grants & Contributions	2,465	2,297	(168)	(7%)	U
Net Gains from Disposal of Assets	-	157	157	0%	F

Walgett Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 16. Material Budget Variations (continued)

\$ '000	2010 Budget	2010 Actual	2010 ----- Variance* -----		
EXPENSES					
Employee Benefits & On-Costs	6,819	6,187	632	9%	F
Borrowing Costs	9	9	-	0%	F
Materials & Contracts	9,526	8,721	805	8%	F
A number of projects which were budgeted for have not been completed in the current year, therefore they have been carried forward into the next financial year.					
Depreciation & Amortisation	2,989	3,034	(45)	(2%)	U
Other Expenses	5,424	3,305	2,119	39%	F
Expenses relating to the uncompleted projects have created this variance, as well less being spent on employee costs compared to budget.					

\$ '000	2010 Budget	2010 Actual	2010 ----- Variance* -----		
Budget Variations relating to Council's Cash Flow Statement include:					
Cash Flows from Operating Activities	3,272	5,603	2,331	71.2%	F
Cash flows are subject to the timing of receipts. There were not as many receipts at the end of 2010 compared to the end of 2009, as can be seen in the increase in receivables as at the year end.					
Cash Flows from Investing Activities	-	(4,567)	(4,567)	0.0%	U
Cash Flows from Financing Activities	(8)	(8)	-	0.0%	F

Walgett Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 17. Statement of Developer Contributions

\$ '000

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 2010

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 it's 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 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 2010

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

\$ '000

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.

(ii) S94 Plans

Council levies Section 94/94A Contributions upon various development across the Council area through the required Contributions Plans.

As part of these Plans, Council has received funds for which it will be required to expend the monies in accordance with those Plans.

As well, these Plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's General Funds.

These future expenses do not yet qualify as liabilities as of the Reporting Date, but represent Councils intention to spend funds in the manner and timing set out in those Plans.

(iii) Potential Land Acquisitions due to Planning Restrictions imposed by Council

Council has classified a number of privately owned land parcels as Local Open Space or Bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (& subsequent land asset) from such potential acquisitions has not been possible.

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.

(ii) Infringement Notices/Fines

Fines & Penalty Income, the result of Council issuing Infringement Notices is followed up and collected by the Infringement Processing Bureau.

Councils Revenue Recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at Year End, there is a potential asset due to Council representing issued but updated Infringement Notices.

Due to the limited information available on the status, value and duration of outstanding Notices, Council is unable to determine the value of outstanding income.

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

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

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

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2010	Actual 2009
a. Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		88,348	84,052
a. Correction of Prior Period Errors	20 (c)	(12,850)	(12,850)
b. Changes in Accounting Policies (Prior Period Effects)	20 (d)	203,690	203,690
c. Other Comprehensive Income (excl. direct to Reserves transactions)		-	-
d. Net Operating Result for the Year		3,202	4,296
e. Distributions to/(Contributions from) Minority Interests		-	-
f. Transfers between Equity		-	-
g. Other Changes		-	-
Balance at End of the Reporting Period		282,390	279,188
b. Reserves			
(i) Reserves are represented by:			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		33,024	17,317
Total		33,024	17,317
(ii). Reconciliation of movements in Reserves:			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		17,317	16,680
- Revaluations for the year	9(a)	15,707	637
- Balance at End of Year		33,024	17,317
TOTAL VALUE OF RESERVES		33,024	17,317
(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.			

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2010	Actual 2009
c. Correction of Error/s relating to a Previous Reporting Period			
<p>As part of Council's transition to measuring all its I,PP&E at Fair Values, Council this year reviewed and brought to account Fair Values for the following Asset Classes:</p> <ul style="list-style-type: none"> - Roads - Bridges - Footpaths - Drainage <p>As part of that evaluation & measurement process, the remaining useful life of each asset has been reassessed to actual.</p> <p>This reassessment has resulted in a material difference as to where some assets actually sit in relation to their asset life cycle relative to what the value of accumulated depreciation in Council's Financial Reports had previously indicated.</p> <p>Council does not have sufficient and reliable information that will allow the restatement of information prior to 30/6/09 (the closing date for the comparative figures in this report).</p> <p>As a result, Council has adjusted the accumulated depreciation for the following asset classes as at 30/6/09 to reflect the correct value of accumulated depreciation;</p>			
Roads and Footpaths (increase)/decrease to accumulated depreciation		(12,486)	
Drainage (increase)/decrease to accumulated depreciation		(364)	
<p>This adjustment resulted in net increase / (decrease) in Council's Accumulated Surplus as at 30/6/09.</p>			
<p>In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.</p>			
These amounted to the following Equity Adjustments:			
- Adjustments to Opening Equity - 1/7/08 (relating to adjustments for the 30/6/08 reporting year end and prior periods)		-	-
- Adjustments to Closing Equity - 30/6/09 (relating to adjustments for the 30/6/09 year end)		(12,850)	
Total Prior Period Adjustments - Prior Period Errors		(12,850)	-

Walgett Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2010	Actual 2009
d. Voluntary Changes in Accounting Policies			
Council made no voluntary changes in any accounting policies during the year.			
Council recognised for the first time Bulk Earthworks (non-depreciable) as part of its revaluation of Roads, Bridges, Foopaths. These earthworks Comprise the formation of the Council's Roads.			
This has had the effect of increasing I,PP&E by:		203,690	-
In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above changes in Accounting Policy have been recognised retrospectively.			
These amounted to the following Equity Adjustments:			
- Adjustments to Opening Equity - 1/7/08 (relating to adjustments for the 30/6/08 reporting year end and prior periods)		-	-
- Adjustments to Closing Equity - 30/6/09 (relating to adjustments for the 30/6/09 year end)		203,690	-
Total Prior Period Adjustments - Accounting Policy Changes		203,690	-

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund	Actual	Actual	Actual
\$ '000	2010	2010	2010
	Combined	Combined	General¹
	Water	Sewer	
Continuing Operations			
Income from Continuing Operations			
Rates & Annual Charges	1,283	629	4,671
User Charges & Fees	-	-	5,918
Interest & Investment Revenue	23	12	411
Other Revenues	2	-	424
Grants & Contributions provided for Operating Purposes	12	11	8,608
Grants & Contributions provided for Capital Purposes	71	-	2,226
Other Income			
Net Gains from Disposal of Assets	-	-	157
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-
Total Income from Continuing Operations	1,391	652	22,415
Expenses from Continuing Operations			
Employee Benefits & on-costs	219	355	5,613
Borrowing Costs	7	2	-
Materials & Contracts	838	94	7,789
Depreciation & Amortisation	450	143	2,441
Impairment	-	-	-
Other Expenses	-	-	3,305
Total Expenses from Continuing Operations	1,514	594	19,148
Operating Result from Continuing Operations	(123)	58	3,267
Discontinued Operations			
Net Profit/(Loss) from Discontinued Operations	-	-	-
Net Operating Result for the Year	(123)	58	3,267
Net Operating Result attributable to each Council Fund	(123)	58	3,267
Net Operating Result attributable to Minority Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	(194)	58	1,041

¹ General Fund refers to all Council's activities other than Water, Sewer & Other

NB. All amounts disclosed above are Gross - that is, they include internal charges & recoveries made between the Funds.

Walgett Shire Council

Notes to the Financial Statements
as at 30 June 2010

Note 21. Financial Result & Financial Position by Fund

Balance Sheet by Fund	Actual	Actual	Actual
\$ '000	2010	2010	2010
	Combined	Combined	General¹
	Water	Sewer	
ASSETS			
Current Assets			
Cash & Cash Equivalents	2,839	1,991	(363)
Investments	-	-	4,049
Receivables	325	194	2,336
Inventories	-	-	1,229
Other	182	-	23
Non-current assets classified as "held for sale"	-	-	-
Total Current Assets	3,346	2,185	7,274
Non-Current Assets			
Investments	-	-	-
Receivables	-	-	233
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	12,237	9,867	284,846
Investments Accounted for using the equity method	-	-	-
Investment Property	-	-	-
Intangible Assets	-	-	-
Other	-	-	-
Total Non-Current Assets	12,237	9,867	285,079
TOTAL ASSETS	15,583	12,052	292,353
LIABILITIES			
Current Liabilities			
Payables	3	-	2,696
Borrowings	13	7	-
Provisions	-	-	1,619
Total Current Liabilities	16	7	4,315
Non-Current Liabilities			
Payables	-	-	-
Borrowings	86	18	19
Provisions	-	-	113
Total Non-Current Liabilities	86	18	132
TOTAL LIABILITIES	102	25	4,447
Net Assets	15,481	12,027	287,906
EQUITY			
Retained Earnings	9,552	9,177	263,661
Revaluation Reserves	5,929	2,850	24,245
Total Equity	15,481	12,027	287,906

¹ General Fund refers to all Council's activities other than Water, Sewer & Other

NB. All amounts disclosed above are Gross - that is, they include internal receivables & payables between the Funds.

Walgett Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2010

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

Income Statement by Fund	Actual	Actual	Actual
\$ '000	2010	2010	2010
		Lightning	
	Walgett	Ridge	Collarenebri
Continuing Operations			
Income from Continuing Operations			
Rates & Annual Charges	568	519	196
User Charges & Fees	-	-	-
Interest & Investment Revenue	7	6	10
Other Revenues	1	1	-
Grants & Contributions provided for Operating Purposes	5	7	-
Grants & Contributions provided for Capital Purposes	46	-	25
Other Income			
Net Gains from Disposal of Assets	-	-	-
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-
Total Income from Continuing Operations	627	533	231
Expenses from Continuing Operations			
Employee Benefits & on-costs	8	110	101
Borrowing Costs	3	4	-
Materials & Contracts	586	66	186
Depreciation & Amortisation	182	100	168
Impairment	-	-	-
Other Expenses	-	-	-
Interest & Investment Losses	-	-	-
Total Expenses from Continuing Operations	779	280	455
Operating Result from Continuing Operations	(152)	253	(224)
Discontinued Operations			
Net Profit/(Loss) from Discontinued Operations	-	-	-
Net Operating Result for the Year	(152)	253	(224)
Net Operating Result attributable to each Council Fund	(152)	253	(224)
Net Operating Result attributable to Minority Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	(198)	253	(249)

¹ General Fund refers to all Council's activities other than Water & Sewer.

NB. All amounts disclosed above are Gross - that is, they include internal charges & recoveries made between the Funds.

Walgett Shire Council

Notes to the Financial Statements

as at 30 June 2010

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

Balance Sheet by Fund	Actual	Actual	Actual
\$ '000	2010	2010	2010
		Lightning	
	Walgett	Ridge	Collarenebri
ASSETS			
Current Assets			
Cash & Cash Equivalents	-	2,839	-
Investments	-	-	-
Receivables	111	57	157
Inventories	-	-	-
Other	63	68	51
Non-current assets classified as "held for sale"	-	-	-
Total Current Assets	174	2,964	208
Non-Current Assets			
Investments	-	-	-
Receivables	-	-	-
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	7,421	2,864	1,952
Investments Accounted for using the equity method	-	-	-
Investment Property	-	-	-
Intangible Assets	-	-	-
Other	-	-	-
Total Non-Current Assets	7,421	2,864	1,952
TOTAL ASSETS	7,595	5,828	2,160
LIABILITIES			
Current Liabilities			
Payables	3	-	-
Borrowings	13	-	-
Provisions	-	-	-
Total Current Liabilities	16	-	-
Non-Current Liabilities			
Payables	-	-	-
Borrowings	33	53	-
Provisions	-	-	-
Total Non-Current Liabilities	33	53	-
TOTAL LIABILITIES	49	53	-
Net Assets	7,546	5,775	2,160
EQUITY			
Retained Earnings	2,944	5,020	1,588
Revaluation Reserves	4,602	755	572
Total Equity	7,546	5,775	2,160

¹ General Fund refers to all Council's activities other than Water & Sewer.

NB. All amounts disclosed above are Gross - that is, they include internal receivables & payables between the Funds.

Walgett Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

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

Income Statement by Fund	Actual	Actual	Actual
\$ '000	2010	2010	2010
	Walgett	Lightning Ridge	Collarenebri
Continuing Operations			
Income from Continuing Operations			
Rates & Annual Charges	281	263	85
User Charges & Fees	-	-	-
Interest & Investment Revenue	4	3	5
Other Revenues	-	-	-
Grants & Contributions provided for Operating Purposes	2	7	2
Grants & Contributions provided for Capital Purposes	-	-	-
Other Income			
Net Gains from Disposal of Assets	-	-	-
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-
Total Income from Continuing Operations	287	273	92
Expenses from Continuing Operations			
Employee Benefits & on-costs	109	236	10
Borrowing Costs	2	-	-
Materials & Contracts	68	19	7
Depreciation & Amortisation	69	64	10
Impairment	-	-	-
Other Expenses	-	-	-
Interest & Investment Losses	-	-	-
Total Expenses from Continuing Operations	248	319	27
Operating Result from Continuing Operations	39	(46)	65
Discontinued Operations			
Net Profit/(Loss) from Discontinued Operations	-	-	-
Net Operating Result for the Year	39	(46)	65
Net Operating Result attributable to each Council Fund	39	(46)	65
Net Operating Result attributable to Minority Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	-	39	(46)
	39	(46)	65

¹ General Fund refers to all Council's activities other than Water & Sewer.

NB. All amounts disclosed above are Gross - that is, they include internal charges & recoveries made between the Funds.

Walgett Shire Council

Notes to the Financial Statements
as at 30 June 2010

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

Balance Sheet by Fund	Actual	Actual	Actual
\$ '000	2010	2010	2010
		Lightning	
	Walgett	Ridge	Collarenebri
ASSETS			
Current Assets			
Cash & Cash Equivalents	1,057	934	-
Investments	-	-	-
Receivables	67	38	89
Inventories	-	-	-
Other	135	(169)	34
Non-current assets classified as "held for sale"	-	-	-
Total Current Assets	1,259	803	123
Non-Current Assets			
Investments	-	-	-
Receivables	-	-	-
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	4,784	4,302	781
Investments Accounted for using the equity method	-	-	-
Investment Property	-	-	-
Intangible Assets	-	-	-
Other	-	-	-
Total Non-Current Assets	4,784	4,302	781
TOTAL ASSETS	6,043	5,105	904
LIABILITIES			
Current Liabilities			
Payables	-	-	-
Borrowings	7	-	-
Provisions	-	-	-
Total Current Liabilities	7	-	-
Non-Current Liabilities			
Payables	-	-	-
Borrowings	18	-	-
Provisions	-	-	-
Total Non-Current Liabilities	18	-	-
TOTAL LIABILITIES	25	-	-
Net Assets	6,018	5,105	904
EQUITY			
Retained Earnings	3,624	4,742	811
Revaluation Reserves	2,394	363	93
Total Equity	6,018	5,105	904

¹ General Fund refers to all Council's activities other than Water & Sewer.

NB. All amounts disclosed above are Gross - that is, they include internal receivables & payables between the Funds.

Walgett Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 22. "Held for Sale" Non Current Assets & Disposal Groups

\$ '000

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

Note 23. Events occurring after Balance Sheet Date

Events that occur after the reporting date of 30 June 2010, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 30/11/10.

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 statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2010.

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

These financial statements (and figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2010 and which are only indicative of conditions that arose after 30 June 2010.

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 2010

Note 24. Discontinued Operations

\$ '000

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

Note 25. Intangible Assets

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

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

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

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 2010

Note 27. Additional Council Disclosures - Council Information

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

Email: admin@walgett.nsw.gov.au

WALGETT SHIRE COUNCIL
GENERAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying *general purpose financial statements* of *Walgett Shire Council*, which comprises the Balance Sheet as at 30 June 2010, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows 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 statements include 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 Statements

The Council is responsible for the preparation and fair presentation of the financial statements 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 statements that are 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 statements 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 statements are free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Statement of Cash Flows, and Note 2(a) or the budget variation explanations disclosed in Note 16. 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 statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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Steer Assurance Partners

ABN 56 435 338 966

Hill Rogers
Spencer Steer

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 statements:
 - (i) have been presented in accordance with the requirements of this Division;
 - (ii) are consistent with the Council's accounting records;
 - (iii) present fairly the Council's financial position, the results of its operations and its cash flows; and
 - (iv) are 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 statements that we have become aware of during the course of the audit.

HILL ROGERS SPENCER STEER



Gary F. MOTTAU
Partner

Dated at Sydney this 30th day of November 2010

30 November 2010

The Mayor
Walgett Shire Council
PO Box 31
WALGETT NSW 2832

Mayor,

Audit Report - Year Ended 30 June 2010

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2010 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 Statements.

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 Statements 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 \$3.202 million as compared with \$4.296 million in the previous year.

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

	2010	% of Total	2009	% of Total	Increase (Decrease)
	\$'000		\$'000		\$'000
Revenues before capital items					
Rates & annual charges	6,583	30%	6,085	28%	498
User charges, fees & other revenues	6,501	29%	6,672	30%	(171)
Grants & contributions provided for operating purposes	8,631	39%	8,701	39%	(70)
Interest & investment revenue	446	2%	626	3%	(180)
	22,161	100%	22,084	100%	77
Expenses					
Employee benefits & costs	6,187	29%	6,084	30%	103
Materials, contracts & other expenses	12,026	57%	12,019	58%	7
Depreciation, amortisation & impairment	3,034	14%	2,468	12%	566
Borrowing costs	9	0%	14	0%	(5)
	21,256	100%	20,585	100%	671
Surplus(Deficit) before capital items	\$ 905		\$ 1,499		\$ (594)
Grants & contributions provided for capital purposes	2,297		2,797		(500)
Net Surplus(Deficit) for the year	3,202		4,296		(1,094)

The table above shows an overall decrease over the previous year of \$1.094 million and is mainly attributable to a combination of increased depreciation charges and reduced capital grants for transport assets.

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.

	2010 \$'000	2009 \$'000
Funds were provided by:-		
Operating Result (as above)	3,202	4,296
Add back non funding items:-		
- Depreciation, amortisation & impairment	3,034	2,468
- Book value of non current assets sold	180	83
	<u>6,416</u>	<u>6,847</u>
New loan borrowings	14	0
Transfers from externally restricted assets (net)	2,924	0
Transfers from internal reserves (net)	1,107	2,324
Net Changes in current/non current assets & liabilities	462	250
	<u>10,923</u>	<u>9,421</u>
Funds were applied to:-		
Purchase and construction of assets	(11,034)	(9,542)
Principal repaid on loans	(22)	(89)
Transfers to externally restricted assets (net)	0	(379)
	<u>(11,056)</u>	<u>(10,010)</u>
Increase(Decrease) in Available Working Capital	(133)	(589)

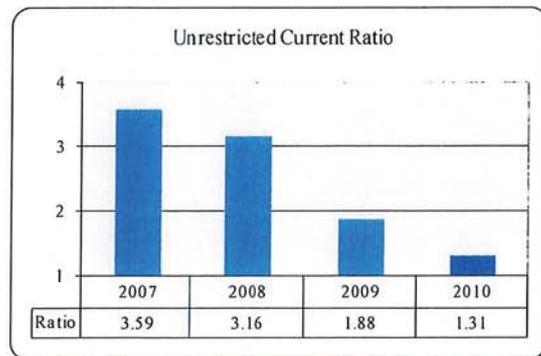
2. FINANCIAL POSITION

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 \$1.113 million representing a factor of 1.31 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 \$849,000 as detailed below;

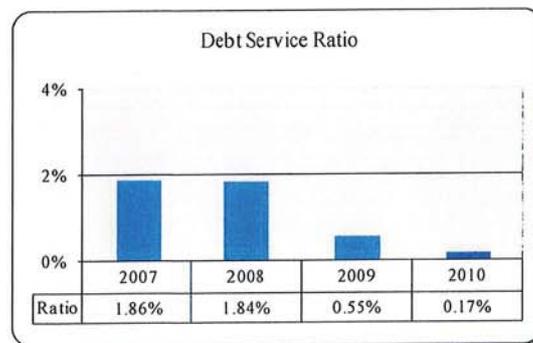
	2010 \$'000	2009 \$'000	Change \$'000
Net Current Assets (Working Capital) as per Accounts	8,467	12,699	(4,232)
<i>Add:</i> Payables & provisions not expected to be realised in the next 12 months included above	356	277	79
Adjusted Net Current Assets	8,823	12,976	(4,153)
<i>Add:</i> Budgeted & expected to pay in the next 12 months			
- Borrowings	20	20	0
- Employees leave entitlements	838	823	15
- Deposits & retention moneys	25	51	(26)
<i>Less:</i> Externally restricted assets	(7,710)	(10,634)	2,924
<i>Less:</i> Internally restricted assets	(1,147)	(2,254)	1,107
Available Working Capital as at 30 June	849	982	(133)

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 2010 was adequate.

2.3 Debt

Operating revenue (excluding special purpose grants and contributions) required to service debt (repayment of loans) was 0.17%.

Total loans outstanding after repaying principal & interest of \$31,000 was \$143,000.



2.4 Summary

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

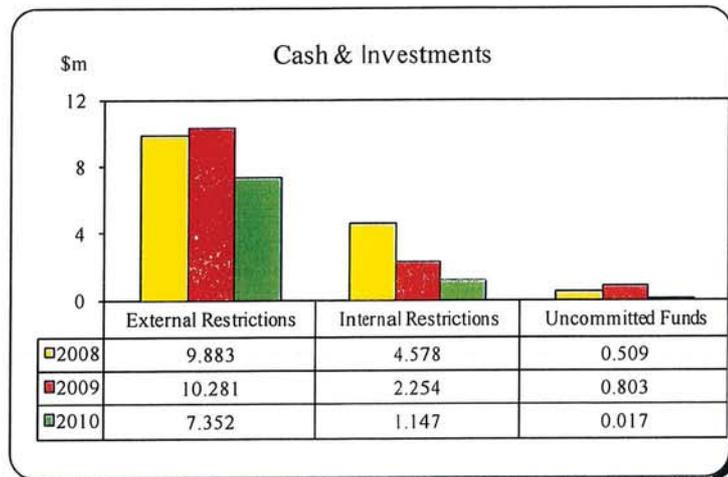
3. CASH ASSETS

3.1 Cash & Investments

Cash and investments held at the close of the year amounted to \$8.516 million as compared with \$13.338 million and \$14.970 million at the close of financial years 2009 and 2008 respectively.

Investments included CDO's (Collateralised Debt Obligations) held at fair value of \$49,000. These securities have been significantly affected by the 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 (\$2.340 million) and water and sewerage funds (\$5.012 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 \$1.147 million and their purposes are more fully disclosed in Notes 6 of the financial statements.

Unrestricted cash and investments amounted to \$17,000.

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 \$1.028 million to \$4.467 million at the close of the year.

In addition to operating activities which contributed net cash of \$5.603 million were the proceeds from the redemption of investment securities (\$5.85 million) and sale of assets (\$406,000). Cash outflows other than operating activities were used to repay loans (\$22,000) and to purchase and construct assets (\$10.823 million).

4. RECEIVABLES

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

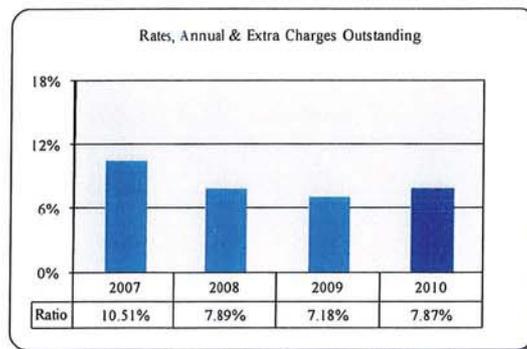
Net rates and annual charges levied during the year totalled \$6.583 million and represented 26.92% of Council's total revenues.

Including arrears, the total rates and annual charges collectible was \$6.933 million of which \$6.529 million (94.17%) was collected.

4.2 Rates, Annual & Extra Charges

After providing for doubtful debts of \$392,000 (2009 - \$478,000), arrears of rates, annual & extra charges stood at \$571,000 (2009 - \$484,000) at the end of the year & represented 7.87% 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 \$2.954 million and consisted mainly of user charges & fees and contribution to works of \$2.350 million. Those considered to be uncertain of collection have been provided for as doubtful debts amounting to \$437,000 and included deferred debtors of \$303,000.

5. PAYABLES

Employees Leave Entitlements - Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$1.732 million.

A cash reserve of \$500,000 was held at year end representing 28.87% 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 infrastructure, plant and equipment have been revalued.

This year, roads, bridges, footpaths and stormwater drainage infrastructure were revalued. The revaluation process resulted in a net decrease to equity of \$206.547 million. Further details of the revaluation is provided in Notes 1(j) and 9 to the Financial Statements.

Revaluation to fair value for the remaining asset categories, including community land, other structures and land under roads, will be required as at 30 June 2011.

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,

HILL ROGERS SPENCER STEER



Gary F. MOTTAU
Partner

Walgett Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2010

“Rivers, Plains and Opals”



Walgett Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2010

Contents	Page
1. Statement by Councillors & Management	2
2. Special Purpose Financial Statements:	
- Income Statement of Water Supply Business Activity	3
- Income Statement of Sewerage Business Activity	4
- Income Statement of Other Business Activities	n/a
- Balance Sheet of Water Supply Business Activity	5
- Balance Sheet of Sewerage Business Activity	6
- Balance Sheet of Other Business Activities	n/a
3. Notes to the Special Purpose Financial Statements	7
4. Auditor's Report	16

Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division 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 statements 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 Statements

for the financial year ended 30 June 2010

Statement by Councillors and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached Special Purpose Financial Statements have been prepared in accordance with:

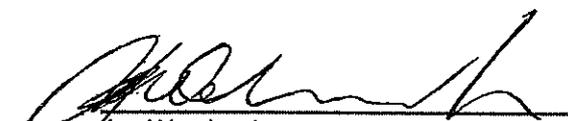
- The NSW Government Policy Statement "Application of National Competition Policy to Local Government"
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality"
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water (Department of Environment, Climate Change and Water) Guidelines - "Best Practice Management of Water and Sewerage".

To the best of our knowledge and belief, these Financial Statements:

- 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 Statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 28 September 2010.



Ian Woodcock
MAYOR



Bill Murray
DEPUTY MAYOR



Don Ramsland
GENERAL MANAGER



Susie Jones
RESPONSIBLE ACCOUNTING OFFICER

Walgett Shire Council

Income Statement of Council's Water Supply Business Activity

for the financial year ended 30 June 2010

\$ '000	Actual 2010	Actual 2009	Actual 2008
Income from continuing operations			
Access charges	1,283	1,263	1,180
User charges	-	-	-
Fees	-	-	1
Interest	23	21	30
Grants and contributions provided for non capital purposes	12	12	12
Profit from the sale of assets	-	-	-
Other income	2	-	-
Total income from continuing operations	1,320	1,296	1,223
Expenses from continuing operations			
Employee benefits and on-costs	219	390	406
Borrowing costs	7	10	10
Materials and contracts	838	474	649
Depreciation and impairment	450	443	388
Water purchase charges	-	-	-
Loss on sale of assets	-	-	-
Calculated taxation equivalents	-	-	-
Debt guarantee fee (if applicable)	-	-	-
Other expenses	-	-	-
Total expenses from continuing operations	1,514	1,317	1,453
Surplus (deficit) from Continuing Operations before capital amounts	(194)	(21)	(230)
Grants and contributions provided for capital purposes	71	-	159
Surplus (deficit) from Continuing Operations after capital amounts	(123)	(21)	(71)
Surplus (deficit) from Discontinued Operations	-	-	-
Surplus (deficit) from ALL Operations before tax	(123)	(21)	(71)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	-
SURPLUS (DEFICIT) AFTER TAX	(123)	(21)	(71)
plus Opening Retained Profits	9,675	9,696	9,497
plus/less: Prior Period Adjustments	-	-	270
plus Adjustments for amounts unpaid:			
- Taxation equivalent payments	-	-	-
- Debt guarantee fees	-	-	-
- Corporate taxation equivalent	-	-	-
less:			
- Tax Equivalent Dividend paid	-	-	-
- Surplus dividend paid	-	-	-
Closing Retained Profits	9,552	9,675	9,696
Return on Capital %	-1.5%	-0.1%	-1.9%
Subsidy from Council	811	661	973
Calculation of dividend payable:			
Surplus (deficit) after tax	(123)	(21)	(71)
less: Capital grants and contributions (excluding developer contributions)	-	-	-
Surplus for dividend calculation purposes	-	-	-
Potential Dividend calculated from surplus	-	-	-

Walgett Shire Council

Income Statement of Council's Sewerage Business Activity

for the financial year ended 30 June 2010

\$ '000	Actual 2010	Actual 2009	Actual 2008
Income from continuing operations			
Access charges	629	617	590
User charges	-	-	1
Liquid Trade Waste Charges	-	-	-
Fees	-	-	-
Interest	12	13	16
Grants and contributions provided for non capital purposes	11	11	11
Profit from the sale of assets	-	-	-
Other income	-	-	-
Total income from continuing operations	652	641	618
Expenses from continuing operations			
Employee benefits and on-costs	355	171	153
Borrowing costs	2	4	4
Materials and contracts	94	163	141
Depreciation and impairment	143	187	136
Loss on sale of assets	-	-	-
Calculated taxation equivalents	-	-	-
Debt guarantee fee (if applicable)	-	-	-
Other expenses	-	-	-
Total expenses from continuing operations	594	525	434
Surplus (deficit) from Continuing Operations before capital amounts	58	116	184
Grants and contributions provided for capital purposes	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	58	116	184
Surplus (deficit) from discontinued operations	-	-	-
Surplus (deficit) from ALL Operations before tax	58	116	184
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(17)	(35)	(55)
SURPLUS (DEFICIT) AFTER TAX	41	81	129
plus Opening Retained Profits	9,119	9,003	8,828
plus/less: Prior Period Adjustments	-	-	(9)
plus Adjustments for amounts unpaid:			
- Taxation equivalent payments	-	-	-
- Debt guarantee fees	-	-	-
- Corporate taxation equivalent	17	35	55
less:			
- Tax Equivalent Dividend paid	-	-	-
- Surplus dividend paid	-	-	-
Closing Retained Profits	9,177	9,119	9,003
Return on Capital %	0.6%	1.2%	2.0%
Subsidy from Council	443	418	429
Calculation of dividend payable:			
Surplus (deficit) after tax	41	81	129
less: Capital grants and contributions (excluding developer contributions)	-	-	-
Surplus for dividend calculation purposes	41	81	129
Potential Dividend calculated from surplus	20	41	64

Walgett Shire Council

Balance Sheet of Council's Water Supply Business Activity

as at 30 June 2010

\$ '000	Actual 2010	Actual 2009
ASSETS		
Current Assets		
Cash and cash equivalents	2,839	3,319
Investments	-	-
Receivables	325	276
Inventories	-	-
Other	182	-
Non-current assets classified as held for sale	-	-
Total Current Assets	3,346	3,595
Non-Current Assets		
Investments	-	-
Receivables	-	54
Inventories	-	-
Infrastructure, property, plant and equipment	12,237	11,731
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	12,237	11,785
TOTAL ASSETS	15,583	15,380
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	3	-
Interest bearing liabilities	13	10
Provisions	-	-
Total Current Liabilities	16	10
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	86	109
Provisions	-	-
Total Non-Current Liabilities	86	109
TOTAL LIABILITIES	102	119
NET ASSETS	15,481	15,261
EQUITY		
Retained earnings	9,552	9,675
Revaluation reserves	5,929	5,586
Council equity interest	15,481	15,261
Minority equity interest	-	-
TOTAL EQUITY	15,481	15,261

Walgett Shire Council

Balance Sheet of Council's Sewerage Business Activity

as at 30 June 2010

\$ '000	Actual 2010	Actual 2009
ASSETS		
Current Assets		
Cash and cash equivalents	1,991	1,818
Investments	-	-
Receivables	194	100
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	2,185	1,918
Non-Current Assets		
Investments	-	-
Receivables	-	88
Inventories	-	-
Infrastructure, property, plant and equipment	9,867	9,715
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	9,867	9,803
TOTAL ASSETS	12,052	11,721
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	-	-
Interest bearing liabilities	7	9
Provisions	-	-
Total Current Liabilities	7	9
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	18	23
Provisions	-	-
Total Non-Current Liabilities	18	23
TOTAL LIABILITIES	25	32
NET ASSETS	12,027	11,689
EQUITY		
Retained earnings	9,177	9,119
Revaluation reserves	2,850	2,570
Council equity interest	12,027	11,689
Minority equity interest	-	-
TOTAL EQUITY	12,027	11,689

Walgett Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2010

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	8
2	Water Supply Business Best Practice Management disclosure requirements	11
3	Sewerage Business Best Practice Management disclosure requirements	13

Walgett Shire Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2010

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Division of Local Government.

For the purposes of these statements, the Council's business activities (reported herein) are not reporting entities.

These special purpose financial statements, unless otherwise stated, have been prepared in accordance with;

- applicable Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Australian Accounting Interpretations,
- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

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 Division 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 NSW Office of Water (Department of Environment, Climate Change and Water) some amounts shown in Notes 2 and Note 3 are disclosed in whole dollars.

Walgett Shire Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2010

Note 1. Significant Accounting Policies (continued)

(i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

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%

Land Tax – The first **\$376,000** of combined land values attracts **0%**. From \$376,001 to \$2,299,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,299,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.65%** on the value of taxable salaries and wages in excess of \$638,000.

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 this 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 Council's GPFS.

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.

Walgett Shire Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2010

Note 1. Significant Accounting Policies (continued)

(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.

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 5.10% at 30/6/10.

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 2010 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 NSW Office of Water prior to making the dividend and only after it has approved its payment.

Walgett Shire Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2010

Note 2. Water Supply Business Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2010

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 2010, less the cumulative dividends paid for the 2 years to 30 June 2008	(215,000)												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">2010 Surplus</td> <td style="width: 25%; text-align: center;">(123,000)</td> <td style="width: 25%;">2009 Surplus</td> <td style="width: 25%; text-align: center;">(21,000)</td> <td style="width: 25%;">2008 Surplus</td> <td style="width: 25%; text-align: center;">(71,000)</td> </tr> <tr> <td></td> <td></td> <td>2009 Dividend</td> <td style="text-align: center;">-</td> <td>2008 Dividend</td> <td style="text-align: center;">-</td> </tr> </table>			2010 Surplus	(123,000)	2009 Surplus	(21,000)	2008 Surplus	(71,000)			2009 Dividend	-	2008 Dividend	-
2010 Surplus	(123,000)	2009 Surplus	(21,000)	2008 Surplus	(71,000)									
		2009 Dividend	-	2008 Dividend	-									
(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	n/a												
(v)	Dividend actually 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]	YES
	- Complying charges [Item 2(b) in Table 1]	YES
	- DSP with Commercial Developer Charges [Item 2(e) in Table 1]	YES
	- If Dual Water Supplies, Complying Charges [Item 2(g) in Table 1]	NO
(iii)	Sound Water Conservation and Demand Management implemented	YES
(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 Statements
for the financial year ended 30 June 2010Note 2. Water Supply Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2010

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	1,300
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)]	%	0.16%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	12,237
NWI F11	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	1,057
NWI F14	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	402
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)]	%	-1.69%
NWI F26	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	71

- 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 Statements
for the financial year ended 30 June 2010Note 3. Sewerage Business
Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2010

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]	20,300
(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 2010, less the cumulative dividends paid for the 2 years to 30 June 2008	250,600

2010 Surplus	40,600	2009 Surplus	81,200	2008 Surplus	128,800
		2009 Dividend	-	2008 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	20,300
(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]	YES
	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]	NO
(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 Statements
for the financial year ended 30 June 2010Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2010

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	640
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	9,867
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	449
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	14
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)]	%	0.49%
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	1,940
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.19%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	416
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)]	%	-0.72%
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 Statements
for the financial year ended 30 June 2010Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2010

National Water Initiative (NWI) Financial Performance Indicators
Water & Sewer (combined)

NWI F22	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)]	%	-17.77%
NWI F23	Interest Cover (Water & Sewerage) Earnings before Interest & Tax (EBIT) divided by Net Interest Earnings before Interest & Tax (EBIT): 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: Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		-
NWI F24	Net Profit After Tax (Water & Sewerage) Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))	\$'000	(136)
NWI F25	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.

Hill Rogers
Spencer Steer

WALGETT SHIRE COUNCIL
SPECIAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying *special purpose financial statements* of *Walgett Shire Council*, which comprises the Balance Sheet as at 30 June 2010, 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 Statements

The Council is responsible for the preparation and fair presentation of the financial statements 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 statements, are appropriate to meet the financial reporting requirements of the Division 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 statements that are 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 statements 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 statements are 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 statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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Hill Rogers
Spencer Steer

The financial statements have been prepared for distribution to the Council and the Division of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Division of Local Government, or for any purpose other than that for which they were 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 statements of the Council are 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.

HILL ROGERS SPENCER STEER



Gary F. MOTTAU
Partner

Dated at Sydney this 30th day of November 2010

Walgett Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2010

“Rivers, Plains and Opals”



Walgett Shire Council

Special Schedules

for the financial year ended 30 June 2010

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¹ 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 NSW Office of Water,
 - the Department of Environment, Climate Change and Water, and
 - the Division 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 the financial activities of specific services.

Walgett Shire Council

Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2010

\$'000

Function or Activity	Expenses from continuing operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Administration	5,225	1,138	-	(4,087)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	280	10	-	(270)
Beach Control	-	-	-	-
Enforcement of Local Govt Regs	2	-	-	(2)
Animal Control	101	10	-	(91)
Other	-	-	-	-
Total Public Order & Safety	383	20	-	(363)
Health	863	39	-	(824)
Environment				
Noxious Plants and Insect/Vermin Control	-	-	-	-
Other Environmental Protection	-	-	-	-
Solid Waste Management	-	-	-	-
Street Cleaning	-	-	-	-
Drainage	-	-	-	-
Stormwater Management	-	-	-	-
Total Environment	-	-	-	-
Community Services and Education				
Administration & Education	898	153	-	(745)
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	-	-	-	-
Childrens Services	-	-	-	-
Total Community Services & Education	898	153	-	(745)
Housing and Community Amenities				
Public Cemeteries	60	40	-	(20)
Public Conveniences	-	-	-	-
Street Lighting	115	-	-	(115)
Town Planning	-	-	-	-
Other Community Amenities	1,920	1,233	-	(687)
Total Housing and Community Amenities	2,095	1,273	-	(822)
Water Supplies	1,515	1,392	-	(123)
Sewerage Services	594	652	-	58

Walgett Shire Council

Special Schedule No. 1 - Net Cost of Services (continued)
for the financial year ended 30 June 2010

\$'000

Function or Activity	Expenses from continuing operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	273	38	-	(235)
Museums	22	11	-	(11)
Art Galleries	43	22	-	(21)
Community Centres and Halls	-	-	-	-
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	-	-	-	-
Sporting Grounds and Venues	-	-	-	-
Swimming Pools	872	-	-	(872)
Parks & Gardens (Lakes)	-	-	-	-
Other Sport and Recreation	-	-	-	-
Total Recreation and Culture	1,210	71	-	(1,139)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	-	81	-	81
Other Mining, Manufacturing & Construction	-	-	-	-
Total Mining, Manufacturing and Const.	-	81	-	81
Transport and Communication				
Urban Roads (UR) - Local	-	-	-	-
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	-	-	-	-
Sealed Rural Roads - Regional	1,045	-	-	(1,045)
Unsealed Rural Roads (URR) - Local	-	-	-	-
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	-	-	-	-
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	-	-	-	-
Parking Areas	-	-	-	-
Footpaths	-	-	-	-
Aerodromes	144	11	133	-
Other Transport & Communication	7,057	8,230	2,164	3,337
Total Transport and Communication	8,246	8,241	2,297	2,292
Economic Affairs				
Camping Areas & Caravan Parks	-	-	-	-
Other Economic Affairs	227	45	-	(182)
Total Economic Affairs	227	45	-	(182)
Totals – Functions	21,256	13,105	2,297	(5,854)
General Purpose Revenues⁽¹⁾		9,056	-	9,056
Share of interests - joint ventures & associates using the equity method	-	-	-	-
NET OPERATING RESULT FOR YEAR	21,256	22,161	2,297	3,202

(1) Includes: Rates & Annual Charges (incl. Ex Gratia), Untied General Purpose Grants & Interest on Investments (excl. Restricted Assets)

Walgett Shire Council

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2010

\$'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
Loans (by Source)											
Commonwealth Government	-	-	-							-	-
Treasury Corporation	-	-	-							-	-
Other State Government	-	-	-							-	-
Public Subscription	-	-	-							-	-
Financial Institutions	20	131	151	14	22	-	-	9	20	123	143
Other	-	-	-							-	-
Total Loans	20	131	151	14	22	-	-	9	20	123	143
Other Long Term Debt											
Ratepayers Advances	-	-	-							-	-
Government Advances	-	-	-							-	-
Finance Leases	-	-	-							-	-
Deferred Payments	-	-	-							-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	20	131	151	14	22	-	-	9	20	123	143

Notes: Excludes (i) Internal Loans & (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 GPFS'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 2010

\$'000	Actuals 2010	Actuals 2009
A Expenses and Income Expenses		
1. Management expenses		
a. Administration	149	136
b. Engineering and Supervision	72	67
2. Operation and Maintenance expenses		
- Dams & Weirs		
a. Operation expenses	-	-
b. Maintenance expenses	-	-
- Mains		
c. Operation expenses	64	72
d. Maintenance expenses	248	134
- Reservoirs		
e. Operation expenses	7	6
f. Maintenance expenses	20	5
- Pumping Stations		
g. Operation expenses (excluding energy costs)	40	88
h. Energy costs	71	-
i. Maintenance expenses	50	45
- Treatment		
j. Operation expenses (excluding chemical costs)	186	106
k. Chemical costs	66	46
l. Maintenance expenses	77	112
- Other		
m. Operation expenses	7	5
n. Maintenance expenses	-	-
o. Purchase of water	-	44
3. Depreciation expenses		
a. System assets	450	443
b. Plant and equipment	-	-
4. Miscellaneous expenses		
a. Interest expenses	7	8
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	1,514	1,317

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 2010

\$'000	Actuals 2010	Actuals 2009
Income		
6. Residential charges		
a. Access (including rates)	1,283	1,263
b. Usage charges	2	-
7. Non-residential charges		
a. Access (including rates)	-	-
b. Usage charges	-	-
8. Extra charges	3	3
9. Interest income	20	18
10. Other income	-	-
11. Grants		
a. Grants for acquisition of assets	71	-
b. Grants for pensioner rebates	12	12
c. Other grants	-	-
12. Contributions		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
13. Total income	<u>1,391</u>	<u>1,296</u>
14. Gain or loss on disposal of assets	-	-
15. Operating Result	<u>(123)</u>	<u>(21)</u>
15a. Operating Result (less grants for acquisition of assets)	(194)	(21)

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 2010

\$'000	Actuals 2010	Actuals 2009
B Capital transactions		
Non-operating expenditures		
16. Acquisition of Fixed Assets		
a. Subsidised scheme	-	-
b. Other new system assets	320	-
c. Renewals	82	-
d. Plant and equipment	-	-
17. Repayment of debt		
a. Loans	18	13
b. Advances	-	-
c. Finance leases	-	-
18. Transfer to sinking fund	-	-
19. Totals	420	13
Non-operating funds employed		
20. Proceeds from disposal of assets	-	-
21. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
22. Transfer from sinking fund	-	-
23. Totals	-	-
C Rates and charges		
24. Number of assessments		
a. Residential (occupied)	1,911	1,911
b. Residential (unoccupied, ie. vacant lot)		-
c. Non-residential (occupied)		-
d. Non-residential (unoccupied, ie. vacant lot)		-
25. Number of ETs for which developer charges were received	ET	- ET
26. Total amount of pensioner rebates (actual dollars)	\$ 11,585	\$ 21,273

Walgett Shire Council

Special Schedule No. 3 - Water Supply Cross Subsidies
for the financial year ended 30 June 2010

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
27. Annual charges			
a. 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 land value from access charges (ie rates)?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
NB. Such charges for both residential customers and non-residential customers comply with section 3.2 of Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy from residential customers using less than allowance (page 25 of Guidelines)			<input type="text"/>
c. Cross-subsidy to non-residential customers (page 24 of Guidelines)			<input type="text"/>
d. Cross-subsidy to large connections in unmetered supplies (page 26 of Guidelines)			<input type="text"/>
28. Developer charges			
a. Has council completed a water supply Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/> No	
b. Total cross-subsidy in water supply developer charges for 2009/10 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
29. Disclosure of cross-subsidies			
Total of cross-subsidies (27b +27c + 27d + 28b)			<input type="text"/> -

* Councils which have not yet implemented best practice water supply pricing should disclose cross-subsidies in items 27b, 27c and 27d above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice pricing and is phasing in such pricing over a period of 3 years.

Walgett Shire Council

Special Schedule No. 4 - Water Supply Balance Sheet

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2010

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
30. Cash and investments			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	3,021	-	3,021
31. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and charges	273	52	325
c. Other	-	-	-
32. Inventories	-	-	-
33. Property, plant and equipment			
a. System assets	12,237	-	12,237
b. Plant and equipment	-	-	-
34. Other assets	-	-	-
35. Total assets	<u>15,531</u>	<u>52</u>	<u>15,583</u>
LIABILITIES			
36. Bank overdraft	-	-	-
37. Creditors	2	-	2
38. Borrowings			
a. Loans	9	91	100
b. Advances	-	-	-
c. Finance leases	-	-	-
39. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
40. Total liabilities	<u>11</u>	<u>91</u>	<u>102</u>
41. NET ASSETS COMMITTED	<u>15,520</u>	<u>(39)</u>	<u>15,481</u>
EQUITY			
42. Accumulated surplus			9,552
43. Asset revaluation reserve			5,929
44. TOTAL EQUITY			<u>15,481</u>
Note to system assets:			
45. Current replacement cost of system assets			28,468
46. Accumulated current cost depreciation of system assets			(16,231)
47. Written down current cost of system assets			<u>12,237</u>

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 2010

\$'000	Actuals 2010	Actuals 2009
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	101	28
b. Engineering and Supervision	23	21
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	-	-
b. Maintenance expenses	113	111
- Pumping Stations		
c. Operation expenses (excluding energy costs)	33	49
d. Energy costs	-	-
e. Maintenance expenses	43	19
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	80	60
g. Chemical costs	-	-
h. Energy costs	-	-
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	32	36
- Other		
l. Operation expenses	23	12
m. Maintenance expenses	1	-
3. Depreciation expenses		
a. System assets	143	187
b. Plant and equipment	-	-
4. Miscellaneous expenses		
a. Interest expenses	2	2
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Tax Equivalent Dividends (actually paid)	-	-
5. Total expenses	594	525

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 2010

\$'000	Actuals 2010	Actuals 2009
Income		
6. Residential charges (including rates)	629	617
7. Non-residential charges		
a. Access (including rates)	-	-
b. Usage charges	-	-
8. Trade Waste Charges		
a. Annual Fees	-	-
b. Usage charges	-	-
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	-	-
10. Interest income	12	13
11. Other income	-	-
12. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	11	11
c. Other grants	-	-
13. Contributions		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
14. Total income	<u>652</u>	<u>641</u>
15. Gain or loss on disposal of assets	-	-
16. Operating Result	<u>58</u>	<u>116</u>
16a. Operating Result (less grants for acquisition of assets)	58	116

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 2010

\$'000	Actuals 2010	Actuals 2009
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. Subsidised scheme	-	-
b. Other new system assets	-	-
c. Renewals	14	-
d. Plant and equipment	-	-
18. Repayment of debt		
a. Loans	6	6
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	20	6
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	-	-
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	1,764	1,764
b. Residential (unoccupied, ie. vacant lot)		-
c. Non-residential (occupied)		-
d. Non-residential (unoccupied, ie. vacant lot)		-
26. Number of ETs for which developer charges were received	ET	- ET
27. Total amount of pensioner rebates (actual dollars)		\$ 19,523

Walgett Shire Council

Special Schedule No. 5 - Sewerage Cross Subsidies
for the financial year ended 30 June 2010

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
28. Annual charges			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/>	<input type="checkbox"/> No	
If Yes, go to 29a. If No, please report if council has removed land value from access charges (ie rates)?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
NB. 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, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy to non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)			<input type="text"/>
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/> No	
b. Total cross-subsidy in sewerage developer charges for 2009/10 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
30. Disclosure of cross-subsidies			
Total of cross-subsidies (28b + 28c + 29b)			<input type="text"/> -

* Councils which have not yet implemented best practice sewer pricing & liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.

However, disclosure of cross-subsidies is **not** 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.

Walgett Shire Council

Special Schedule No. 6 - Sewerage Balance Sheet

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2010

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	1,991	-	1,991
32. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and charges	103	91	194
c. Other	-	-	-
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	9,867	-	9,867
b. Plant and equipment	-	-	-
35. Other assets	-	-	-
36. Total Assets	<u>11,961</u>	<u>91</u>	<u>12,052</u>
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	-	-	-
39. Borrowings			
a. Loans	7	18	25
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
41. Total Liabilities	<u>7</u>	<u>18</u>	<u>25</u>
42. NET ASSETS COMMITTED	<u>11,954</u>	<u>73</u>	<u>12,027</u>
EQUITY			
42. Accumulated surplus			9,177
44. Asset revaluation reserve			2,850
45. TOTAL EQUITY			<u>12,027</u>
Note to system assets:			
46. Current replacement cost of system assets			15,938
47. Accumulated current cost depreciation of system assets			(6,071)
48. Written down current cost of system assets			<u>9,867</u>

Walgett Shire Council

Notes to Special Schedule No.'s 3 & 5

for the financial year ended 30 June 2010

Administration ⁽¹⁾

(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 ⁽¹⁾

(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 ⁽²⁾ (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 ⁽²⁾ (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:

⁽¹⁾ 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).

⁽²⁾ 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 2010

\$'000	Actual ⁽¹⁾ 09/10	Forecast 10/11	Forecast 11/12	Forecast ⁽³⁾ 12/13	Forecast ⁽³⁾ 13/14
(i) RECURRENT BUDGET					
Income from continuing operations	24,458	19,105	20,834	21,452	22,097
Expenses from continuing operations	21,256	20,421	20,944	21,539	22,189
Operating Result from Continuing Operations	<u>3,202</u>	<u>(1,316)</u>	<u>(110)</u>	<u>(87)</u>	<u>(92)</u>
(ii) CAPITAL BUDGET					
New Capital Works ⁽²⁾	371	-			
Replacement/Refurbishment of Existing Assets	10,452	4,914			
Total Capital Budget	<u>10,823</u>	<u>4,914</u>	<u>-</u>	<u>-</u>	<u>-</u>
Funded by:					
- Loans	-	-			
- Asset sales	-	-			
- Reserves	-	44			
- Grants/Contributions	10,823	4,700			
- Recurrent revenue	-	170			
- Other	-	-			
	<u>10,823</u>	<u>4,914</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes:

(1) From 09/10 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.