

Annual Report 2008/2009

Prepared by:

Cabonne Council

PO Box 17, Molong, 2866

Ph (02) 6392 3200

Fax (02) 6392 3260

Email: council@cabonne.nsw.gov.au

www.cabonne.nsw.gov.au

This document has been prepared in accordance with the
NSW Local Government Act 1993 – Section 428

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General Manager's Message

It seems in the past 12 months that change has occurred in a wide range of areas, not only in the make-up of your Council, but in areas such as Water and Sewer Utilities Reform, RTA Operations, World Financial Crisis, Superannuation, new Federal Government initiatives, new State Government Planning Reform and Local Environmental Plan Templates, Exempt and Complying Development, new Conduct Review and Internal Audit Committees, and Mandatory Asset Valuation, to name just a few.

September 2008 saw eight new Councillors, a new Mayor in Cllr Kevin Duffy and new Deputy Mayor in Cllr Noel Bleakley elected to Cabonne Council and the new Council set about determining its directions and priorities. This commitment, coupled with the Cabonne Community Plan 2025, which is the largest consultation process undertaken by Cabonne in its history, Community Focus Meetings and input from community groups and individuals, has laid a strong platform for Council.

It is important that if Cabonne Council is to maintain its relevance and dynamics, that it adjust to and faces the changes and challenges head-on, with enthusiasm and commitment.

There are a number of significant achievements and issues addressed during the 08/09 year and these have included:

-An emphasis on communication and customer service.
-An extensive range of community consultation meetings undertaken with 13 meetings held right across all areas of the Shire. The attendance of a significant number of Councillors at each one of these meetings along with senior staff has certainly been well received by the general public.
-Continued emphasis on asset renewal as opposed to construction of new assets.
-A reduction in Council's reserves in the past couple of years of some \$7M – this has been a result of the Global Financial Crisis and from predetermined projects identified by Council in previous years.
-Frustration with the delays in relation to Council's new Local Environmental Plan due to a number of factors such as change in Government policy, introduction of standard templates, lack of consultant resources, further ongoing community consultation and staff changeovers. The appointment of a Principal Strategic Planner through the WBC Alliance should improve this situation in the future.
-Waste Management and the proposed HUB development at Molong has required considerable attention, and staff time and resources during the past twelve months. Following an independent evaluation of Council's future landfill capabilities Council took action to dissolve the Joint Waste Management Agreement for the HUB proposal with Orange City Council.
-Completion of the major components of the Cudal Sewerage Scheme.
-Construction of the Waluwin Family & Community Services Centre.
-An increased emphasis on training and an increase in delegate's expenses and financing of Conduct Review Committees is reflective on the increasing demand on Councillors, and this needs to be recognised at the broader community level.
-The continuation of Council's very successful Local Area Improvement Program, Community Improvement Program and some progress at least of the Village Enhancement Program.

-Council has been advised of a need to replace its corporate IT system and is working through our WBC Alliance Partner to determine whether a common corporate system and communications platform can be established.

The events of 2008/2009 have had the shadow of the Global Financial Crisis over them at all times and Council, like every other sector of the community, is certainly not immune from its impact.

The importance of Council's long term Financial Management Strategy has never been of more benefit. Council was able to maintain its workforce, provide services, and carry out capital works in what was a very, very difficult environment.

The new Council has worked particularly hard to identify its priorities and directions. Achieving the right balance with this direction, coupled with the competing priorities and resources, pressures from State and Federal Government, requests and demands from ratepayers and residents, and trying to do the "right thing" for the future sustainability and development of Cabonne is not always easy. I believe Council has been able to achieve the right balance.

Council's Annual Report is an important mechanism of informing residents, ratepayers, and stakeholders of Council's operations over the past 12 months. I commend the Report to all those interested parties. The Report also covers the official reporting requirements under Section 428 of the Local Government Act and thus satisfies Council's statutory obligations. I encourage you, if you require any further information on the report or its contents, to contact Council's Public Officer, Mr Gerry Aguila, on (02) 6392 3200, who will be only too pleased to provide further information.

Council remains committed and passionate about serving our villages and rural areas. We are a genuine rural Council and take pride in that fact. One of our greatest strengths is the support, input and volunteers in our communities – we acknowledge this and record our appreciation to so many people across the Shire. Our motto, "Working with our Communities", that appears on the side of some of our major plant items says a lot about Cabonne and our people.



GLP Fleming
General Manager

Principal Activities

Council's Management Plan is divided into 13 Principal Activities and the performance achieved in these areas compared with the projected performance is contained in Council's Final Strategic Plan (June review) for 2008/2009 which is attached. A Final progress comment is included for each item.

Where actions have not been able to be completed in the 2008/2009 Management Plan, they have after review, if appropriate, been transferred to the 2009/2010 Management Plan.

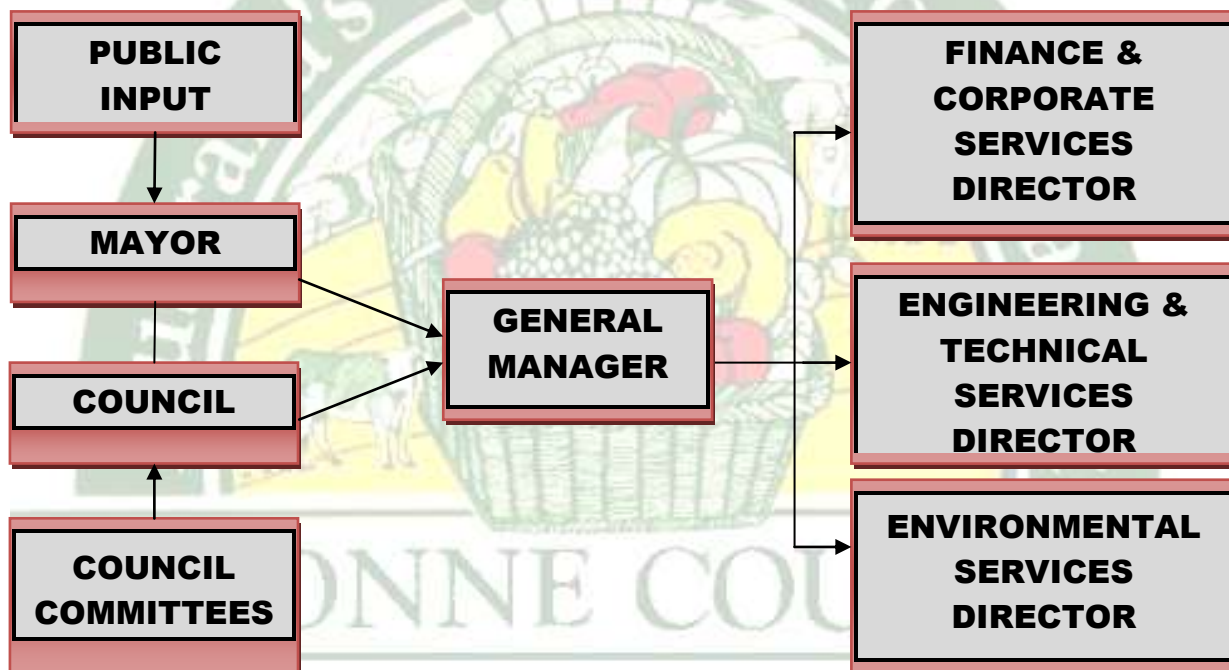
Statement of Affairs as at 30 June 2009

Structure & Functions of Council

Basis of Constitution

Cabonne Council is constituted under the Local Government Act, 1993. Council carries out its functions according to the principles stated in Section 8(1) of the Act.

Structure



Functions & Objectives

Council has adopted as its Vision:

“To be a progressive and innovative Council which maintains relevance through local governance to its community and diverse rural area by facilitating the provision of services to satisfy identified current and future needs”

In support of this, Council's Functional areas and corresponding objectives are:-

1. GOVERNANCE :

- To provide efficient, effective and relevant Local Governance through an open and responsive Council and Committee meeting process
- To maintain strong relationships and liaise effectively with all relevant Government agencies and other councils
- To ensure long term viability of Wellington/Blayney/Cabonne Strategic Alliance

2. ADMINISTRATION:

- To provide high quality advice and support for Council's operations and give guidance and leadership on issues
- To control and manage finances and property assets to ensure the future financial sustainability of Council
- To ensure information systems meeting the business needs of Council
- To provide high quality customer service

3. PUBLIC ORDER AND SAFETY:

- To maintain an effective and efficient local emergency system for the protection of life and property
- To respond to concerns over domestic and stock animals to ensure public safety

4. HEALTH:

- To protect the health and safety of the community
- To maintain effective control of noxious weeds
- Equitable access to health and medical services for Cabonne residents

5. COMMUNITY SERVICES AND EDUCATION:

- To provide childcare services to meet the needs of the community
- To provide a flexible and responsive service to Cabonne residents requiring Home and Community Care
- To ensure adequate facilities for the aged to meet the needs of the community

6. HOUSING AND COMMUNITY AMENITIES:

- To maintain and manage public cemeteries
- To provide and maintain systems for waste collection, recycling and disposal
- To develop integrated land use plans to ensure the physical development of Cabonne commensurate with sustainable development
- To enhance the amenity of towns and villages in Cabonne
- To provide high quality and environmentally sensitive drainage systems

7. WATER SUPPLIES:

- To provide an adequate and secure water supply to defined areas
- Potable water supply for all Villages

8. SEWERAGE SERVICES:

- To provide and maintain environmentally sustainable, high quality sewerage facilities

9. RECREATION AND CULTURE:

- To provide library services to Cabonne residents through participation in Central West Libraries
- To provide public hall facilities relevant to the needs of residents
- To provide high quality sporting, recreational and cultural facilities
- To maintain and manage parks and gardens in the Cabonne Shire
- To maintain and manage Council owned buildings and land in the Cabonne Shire

10. MINING MANUFACTURING AND CONSTRUCTION:

- To provide an efficient and effective building assessment and advisory service
- Operation of gravel pits to meet Council's construction and maintenance requirements

11. TRANSPORT AND COMMUNICATION:

- To provide a safe and quality urban and rural transport systems for vehicles and pedestrians
- To provide services to RTA for Regional and State road network
- To provide and maintain bridge structures throughout the Shire
- To maximise safety for road users and pedestrians
- To manage assets in a sustainable manner
- To ensure accessibility for all members of the community

12. ECONOMIC AFFAIRS:

- To promote ***Cabonne Country – Australia's Food Basket*** as a destination to visit
- To encourage, facilitate and support the economic viability of the Cabonne region

13. GENERAL PURPOSE REVENUE:

- To maximize revenue to Council through fair and sustainable means

Effect That Council Functions Have on the Public

The Council's functions are directed towards meeting the needs and expectations of the public, which it serves, and to fulfil legislative and regulatory requirements. In fulfilling these requirements, Council makes decisions that impact the public. These include determining:

- The rating structure and the amount of rates paid by property owners
- Fees and charges levied by Council
- Development and Building applications
- Policies and procedures in the provision of services

Council Policy Development – Public Participation

Meetings of the Council and its Committees are open to the members of the public and all are welcome to attend.

The opportunity is also offered to members of the public to address Council on matters that are within its jurisdiction. Prior arrangements should be made with the General Manager.

In addition, Council periodically holds informal meetings in towns across the Shire to allow residents to raise matters of particular interest with Councillors and Senior Staff.

Business papers and minutes of Committee and Ordinary Council meetings are placed on Council's Website under "About Cabonne Council", "Council Business" www.cabonne.nsw.gov.au. Council's Management Plan, Annual Financial Statements and Annual Report can also be accessed on the website.

Types of Documents held by Council

Cabonne Council holds documents that relate to a number of different issues concerning the Cabonne area. These documents cover a wide range including; files, policy documents, general documents and legal documents.

Some of these documents may be made available to the public by either requesting them over the phone, in person or in writing. Documents that are not normally available to the public may require a Freedom of Information application to be completed in order that the release of such documents can be assessed.

Because of the wide range of files, documents, manuals etc, held by Council, it may well be that the information sought is not immediately available. Every effort will be made to comply with requests for access to information as quickly as possible.

How Members of the Public May Access Council Documents

Any Freedom of Information inquiries or other document access inquiries should be directed to: - Council's Public Officer, Cabonne Council, Bank Street or PO Box 17, MOLONG NSW 2866. Tel: (02) 6392 3200 Fax: (02) 6392 3260 or email to council@cabonne.nsw.gov.au.

Council's reporting obligations under the Freedom of Information Act 1989 and Privacy and Personal Information Protection Act 1978 are addressed below.

Freedom of Information Requirements

Council must prepare an annual report on its obligations under the Freedom of Information Act, 1989, and publicise this in its Annual Report for the preceding year. During 2008/2009, Cabonne Council processed one (1) Freedom of Information request. Details are listed below including a comparison with the previous year.

Number of New Requests

FOI Requests	08/09	07/08
New (including transferred in)	1	3
Completed	1	2
Withdrawn		1
Unfinished (carried forward)		

What Happened to New Requests

Result of FOI Request	08/09	07/08
Granted in full	1	0
Granted in part		2
Refused		
Deferred		

Formal Consultations

No of Requests Requiring Formal Consultation	08/09	07/08
	1	2

FOI Requests Granted in Part or Refused Nil

Costs and Fees of Requests Processed 08/09

	Assessed costs	FOI Fees received
All completed Requests	\$0	\$30

Days to Process

Elapsed Time	08/09	07/08
0-21 Days		
22-35 Days		2
Over 35 Days	1	

Processing Time

Processing Hours	08/09	07/08
0-10 Hours	1	1
11-20 Hours		1
21-40 Hours		
Over 40 Hours		

Number of Internal Reviews Finalised - 0

Number of Ombudsman's Reviews Finalised - 0

Number of District Court Appeals Finalised - 0

Privacy and Personal Information Protection Act

In accordance with Section 33(3) of the Privacy and Personal Information Protection Act 1978, a statement must be included in a Council's Annual Report relating to the action taken by Council in complying with the requirements of that Act.

Cabonne Council adopted a Model Privacy Management Plan in July 2000. Council programmed training for key staff in relation to the Plan and the applicable Privacy Codes of Practice.

No reviews were conducted as provided for under Part 5 of the Privacy and Personal Information Protection Act, 1998 during the period under consideration.

As requested by the NSW Privacy Commission, Council hereby confirms that applicants seeking access to their personal information will not be charged a fee.

Cost of Legal Proceedings

Debt recovery: All debt recovery proceedings are either finalised or proceeding in accordance with Councils debt recovery procedures.	\$ 2,675.67
Investment	\$28,997.35
Legal Advice (not proceeding to court)	nil
Total	\$31,673.02

Legal Proceedings Public Liability claims Employment Advice	\$66,307.80 nil nil
Total	\$66,307.80

Legal Action Against Council

With the exception of sundry public liability claims, two proceedings were commenced in the Land & Environment Court – with both the matters having proceeded to hearing.

Contracts Awarded

Environment One – Supply of pressure sewer components for the Four Town Sewerage Scheme – (contract to run through 2009/10)	\$2,859,032 + GST for all hours
Donnelly Mining and Civil – Construction of Cudal Sewerage Treatment Plant	\$1,149,020 + GST
Pressure Sewer Solutions – Design of Pressure Sewer Systems for Cudal and Manildra	\$254,095 + GST
Downer EDI Works – Second year of a two year bitumen sealing contract	\$1,909,309.09 + GST over two years

Audited Financial Reports

A copy of the primary Audited Financial Reports is attached (annexure 1). A full copy of the Audited Reports is available by contacting Council's Public Officer on (02) 6392 3200.

Business Activities

Category 1- Businesses

Nil

Category 2 - Businesses

Cabonne Council Combined Water Supplies
Cabonne Council Combined Sewerage Supplies
Cabonne Council Agricultural Lime Quarry
Cabonne Council Private Works

Joint Ventures, Co-operatives, Partnerships and Controlling Interests in Companies

- Statewide Insurance Group - bulk purchase of Public Liability, Professionals Indemnity, Motor Vehicle and Fidelity Guarantee Insurance.
- Central West Regional Organisation of Councils (CENTROC).
- Central West Libraries - comprising Cabonne, Orange, Blayney, Forbes and Cowra Councils.
- The Hub – Regional Resource Centre – Cabonne and Orange Councils.
- Southern Phone Company – shareholder.
- Wellington Blayney Cabonne Strategic Alliance.

Cabonne Council does not hold controlling interests in any companies.

Private Works carried out under s67 of the Local Government Act

During 2008/2009, Council carried out private works, the expenditure on which totalled \$269,047.00 for general private work and \$8,303.00 for Noxious Weeds. None of these works were subsidised under s67 of the Local Government Act, 1993.

Expenditure Under s356

Miscellaneous Financial Assistance	\$18,099.00
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Rates and Charges Abandoned

Total rates and charges abandoned during 2008/2009	\$ 734.50
Water/Sewer charges abandoned during 2008/2009	\$8,843.64
TOTAL	\$9,578.14

Write-Offs

Write off of stores and materials \$13,282.08

Impairment of assets: Family Day Care Cottage \$30,900.00

Competitive Neutrality Policy

Council has indicated several businesses that are considered to be significant in the local context as a business activity under the principles of neutrality. To ensure Council meets its obligation regarding competitive neutrality Council has implemented several processes. The process involves applying full cost attribution where practicable to ensure that the integrity of apportioning costs is on an accurate and reliable basis.

Cabonne Council has disclosed, by way of notes to and forming part of the financial statement, information pertaining to their full cost attribution that includes taxation equivalent, council subsidies, loan and debt guarantee fees, rate of return on investment and dividends paid.

It is envisaged that Council will continue to monitor and develop these methods for applying full cost attribution to ensure that Council adheres to the Governments requirements regarding competitive neutrality pricing requirement.

Complaint Handling Mechanism

A Complaint Handling Mechanism has been established including anti- competitive behaviour and is incorporated into Council's Policy Document. Council is not aware of any Competitive Neutrality complaints made against Council during the reporting year.

Mayoral/Councillors Fees and Policy on Reimbursement of Expenses and Provision of Facilities

Mayoral allowance	\$ 19,790.04
Councillors Fees & Allowances	\$106,295.39
Councillor Expenses:	
• Provision of office equipment to Councillors	\$ 1,737.73
• Telephone Calls	\$ 2,080.74
• Attendance of Councillors at conferences & seminars	\$ 27,792.68
• Councillor Training	\$ 4,703.42
• Travelling	\$ 23,815.53
• Interstate Visits	\$ 1,588.71
• Overseas Visits	\$ -
• Expenses of spouses/partners	\$ 45.46
• Carers Expenses	\$ -
• Meals	\$ 12,792.02
• Miscellaneous (stationery, uniform, name tags)	\$ 3,485.56
• Insurance	\$ 1,995.00
Total	\$ 206,122.28

Council's policy on the provision of facilities and payment of expenses is available for perusal on contacting the Public Officer of Council, and has been developed under the following headings:

Section 1 – Expenses

Agreed training; Mandatory Councillor Information session; Conferences & Seminars; Local travel; Interstate Travel; Overseas Travel; Motor Vehicle; Mobile Phone; Internet Access; Stationery; Business Cards, Name tags, etc; Corporate Uniform (50% contribution); Mayoral Office Refreshments.

Note: where individual limits are set for Councillors such limitations are a global amount and not a strict individual limit.

Section 2 – Facilities

The following facilities are currently available to Mayor and councillors as indicated:

Facility	Mayor	Deputy Mayor	Councillors
	Facilities Available / Not available for Council Business Use		
Laptop computer *	Available	Available	Available
Fax Machine*	Available	Available	Available
Mobile Phone *	Available	Not available	Not available
Vehicle Use	Designated Vehicle	When acting as Mayor or subject to policy and	Subject to policy and availability

Facility	Mayor	Deputy Mayor	Councillors
Facilities Available / Not available for Council Business Use			
		availability	
Furnished Mayoral room	Available	Available by arrangement with Mayor	Available by arrangement with Mayor
Secretarial & Administrative support	Available	Not available	Not available
Photocopier Official purposes only at Molong and Cudal Council offices	Available	Available	Available
Stationery & office supplies	Available	Available	Available
Business cards	Available	Available	Available
Consumables eg toner	Available	Available	Available
Corporate clothing	Available	Available	Available
Safety equipment (eg Safety vests on Traffic committee inspections)	Available	Available	Available
Meals / refreshments related to council, committee and work group meetings and office functions.	Available	Available	Available
Ceremonial garb	Available	Not Available	Not Available
Use of council chamber	When free for use	When free for use	When free for use

Council facilities, equipment and services are not for private use ("private use" includes the production of election material or material for other political purpose).

Section 3 - Arbitration of Claims

Referred to the General Manager.

Senior Staff Employment

Cabonne Council employs the General Manager subject to total remuneration package as detailed:

Note: The other costs associated with employment of senior staff include items such as superannuation, motor vehicle, Fringe Benefits Tax, and a Retention Payment of \$15,000 etc. totalling \$123,729.

The Director of Finance and Corporate Services receives an allowance in his position as Assistant General Manager amounting to a maximum of \$3,200.00 where applicable.

Remuneration Package Break-up as at the 30th June 2009

General Manager	Salary	Retention Payment	Total Contract
GLP Fleming	\$78,820	\$15,000	\$202,549

Contract amount as at 30/06/09

Overseas Visits Funded by Council

During the period, Council did not fund any overseas visits.

Human Resource Activities/Development Appraisal Systems/Training Programs

The Local Government (State) Award 2007 provides for each Council to establish and properly maintain a Consultative committee which provides a forum for consultation between Council and its employees. The Committee comprises representatives from Council, Management, office and field staff.

During 2008/2009 the Cabonne Consultative Committee met on 7 occasions to discuss matters relating to Human Resource Activities and made recommendations to Council, specifically the review of Council's salary system.

Council has a Development Appraisal System in place where all staff are reviewed annually. As a result of the review the tasks required in the position are assessed along with the staff member's skills, knowledge and ability to undertake the job. Goals are determined for the following 12 months and training requirements identified for each staff member.

External training arrangements were undertaken by staff during 2008/2009. In addition, in-house training was also provided to staff whose positions were of a nature which enabled on-the-job instruction.

Council continued to dedicate a significant amount of the training budget to Occupational Health and Safety related programs during the 2008/2009 financial year. The major areas for training included Traffic Control, Working near Overhead Powerlines, Asbestos Removal, Time Management, Fire Warden Training, Microsoft Software Applications (Word & Excel) and Leading Work Teams for Supervisors and Team Leaders.

A number of professional development activities, seminars, and workshops were also attended by both indoor and outdoor staff to ensure they were kept up to date with current trends and changes in their areas of expertise.

Council continues to support apprenticeships, traineeships and scholarships with its involvement in the Wellington, Blayney, Cabonne Strategic Alliance. Council also supports a Work Experience program for local school students, coordinated through the school's Careers Advisor.

Equal Employment Opportunity Management Plan

Council continues to revise its Equal Employment Opportunity (EEO) Management Plan annually to ensure its activities are in accordance with obligations relating to EEO, Anti-Discrimination and associated legislation.

Programs to Promote Services

Programs undertaken during the year to promote services and access to services for residents and other users of those services included:

- Community consultation meetings in each of Council's towns and villages are held twice in each Council term to discuss issues of relevance to those areas and of relevance to the Cabonne area and to Local Government as a whole.
- Community committees are operational in Manildra, Cudal, Yeoval, Cumnock to facilitate discussion and implementation of sewerage schemes in each of these towns.
- Assistance with grant funding applications for local events and organisations.
- Production of a Council subsidised revised Visitors Guide to promote the Orange, Cabonne, Blayney region and allow reasonable advertising rates for business.
- Completion of the villages of Cabonne brochure at no cost to operators.
- Visitor Information Centres provide an outlet for local businesses to promote their products free of charge.
- Participation in Central NSW and Tourism NSW marketing initiatives.
- Promotion and recognition of local businesses through the Daroo Business Awards program.
- "What's On" Community Calendar produced monthly.
- Initiation of the Wine of the Month program that promotes Cabonne wines.
- Continuous promotion of events in the Shire.
- Attendance at relevant Field Days and Trade Shows including the Australian National Field Days, tourism, economic development and Noxious Weeds conferences.

- Establishment and ongoing liaison with s355 Committees which are charged with the care, control and maintenance of Council assets, or which act as liaison committees eg Food Services Committee.
- Ongoing commitment to Cabonne Tourism Advisory Committee.
- Cabonne Tourism website www.cabonnecountry.com
- Cabonne Council actively participates in Local Government Week by contacting schools and community groups indicating preparedness to visit schools, speak to community groups and service organisations, and conduct tours of Council facilities and projects. An information newsletter was also prepared and posted to all Cabonne residents during Local Government Week.
- Cabonne produces a series of information directories designed to assist various client groups. These include:
 - Community Services Directory
 - Information to Ratepayers Booklet
 - Business Directory
- A monthly Mayoral Column appears in all local papers.
- Council makes extensive use of media releases to regularly promote services, events and facilities.
- A weekly radio program is conducted to highlight Council's services and activities.
- Cabonne Council website www.cabonne.nsw.gov.au highlighting Council's services, tourist information and economic/business development.
- Ongoing commitment to Youth of the Month and Youth Ambassador Awards.
- Ongoing commitment to Wellington, Blayney, Cabonne Strategic Alliance.
- Instigation of 'Grantblast' funding information newsletter for private sector, not-for-profit organisations, schools and community organisations.
- Ongoing and increased town commitment to Small Towns Development Committee.
- Delegation of Council representation to all town Progress Associations.
- Installation and support of 88FM (information radio) in Molong and Canowindra.
- Molong and Canowindra are represented on Tourism NSW State Data Warehouse.
- Ongoing major Council projects to local communities eg Village Enhancement Program

- Ongoing Events Assistance Programme funding program to assist in the promotion and marketing of local events
- Promotion and membership of Regional Committees such as Film central and Promotion of initiative derived from these.
- Promotion of localised representative committees such as Brand Orange, B&B Association, wine groups and Orchardist Taskforce Committee.
- Programs undertaken during the year to promote services and access to services for residents and other users of those services included

Programs for Diverse Cultural and Linguistic Backgrounds

Frontline administrative staff cater for all sections of the community, including those from diverse cultural and linguistic backgrounds. Council has adopted a Social Plan detailing specific strategies to address the needs of this group. Contact numbers for the telephone interpreter service are held at each of Council's offices.

Council's Community Services section takes care to ensure that the special needs of clients from diverse cultural and linguistic backgrounds are taken into account in the provision of services.

Council conducts regular Citizenship Ceremonies in accordance with the Australian Citizenship Act 2007 and seeks to welcome participants as full Australian Citizens recognising their cultural contributions to our Society. Ceremony proceedings are conducted when required and reflect the significance and dignity of the occasion. In 2008/2009 four residents became Australian citizens at ceremonies organised by Council.

Community Services

In addition to sponsoring a wide range of community services as listed elsewhere in this report, Council works closely with community groups and government departments to ensure that as wide as possible range of services and facilities are available to the residents of the Cabonne area. This includes needs assessment, consultation, analysis of demographic information, development of strategies to address needs and pursuit of funding opportunities.

Council wishes to improve the cooperation between services and is working to address youth issues, is seeking an improved range of health services and has worked together with community groups to address housing needs within Cabonne. During 2008/2009 Council commissioned the construction of the Waluwin Family and Community Service Centre at Molong. The Waluwin Centre will house General Practitioners, Community Health Services, Family Day Care, and a range of other community and allied health services. Progress this year has included construction of this facility to an advanced stage with completion anticipated in November 2009. Meetings have been held with the Greater Western Area Health Service and local medical practitioners in planning more integrated health services in the Canowindra and Eugowra areas.

After School Hours Care Services are provided by Council at Mullion Creek and also at Millthorpe and Blayney through the WBC Strategic Alliance and has enabled many families to participate in the workforce knowing that their children are well cared for in a safe and stimulating environment. All services demonstrated strong growth and the centre at Millthorpe passed the quality assurance validation visit at a very high level.

Additional funding was secured from the Commonwealth to enable Council's Childcare links project to move to continue for a further two years in a new format. This program recognises and promotes services that help the development of children in the critical first few years of life.

Community Transport

Cabonne Community Transport Service provides a range of transport services to the residents of the Cabonne local government area. Funding for this project is received from the Ministry of Transport, NSW Department of Ageing, Disabilities and Home Care and the Greater Western Area Health Service and is administered by Council. Over 30 local people are trained as volunteer drivers and ensure that the community transport project operates in a professional and efficient manner under the supervision of the Service's Coordinator. The volunteers are an integral part of the service providing over 105,000 kilometres of transport in the last year.

Home and Community Care (HACC) transport is available to the frail aged, people with a disability and their carers and others who may be at risk. This transport can be utilised for shopping, medical appointments and social activities. HACC transport is about providing clients with access and assisting in maintaining quality of life.

Numerous bus services are regularly run to link people from the smaller communities in Cabonne to regional centres. These services allow residents who can use a mainstream form of transport the opportunity to access facilities and services that may not be available in their own communities and to help reduce the gap in public transport availability. Social bus trips are organised throughout the year and provide Cabonne residents with an opportunity to visit interesting places, socialise with others and enjoy a low cost activity.

Health Related Transport provides transport for any person in the local government area who has a medical specific appointment and has difficulty accessing transport to it. This service requires a referral but can be easily accessed and assists those who suffer transport disadvantage.

Cabonne Community Transport Service continues to provide bus services and activities for youth in Cabonne funded by the NSW Ministry of Transport. Activities conducted have included trips to Kiama, Jamberoo Water Park, movies and ten pin bowling.

A taxi voucher system was expanded with many clients in Canowindra and Molong using this service and resulting in a good partnership developing between Cabonne Community Transport and local taxi services for the benefit of clients.

Cabonne Community Transport takes a professional and active approach in service promotion, community awareness and participation. The Service Coordinator promotes the service through public meeting attendance, making service information available and utilising networking opportunities.

Home and Community Care Services

Council administers a multi-service Home and Community Care (HACC) Outlet that provides four service types. These include Food Services, Other Food Services, Non Output Based and Social Support Services. These are funded by both the Australian and State Governments through the Department of Ageing, Disability and Home Care.

Services are provided by assessment and are based on individual relative need. Priority is given to best quality service provision that is flexible, individually tailored, efficient, effective and planned to provide support to clients and their carers in a manner that allows choice and a high degree of independence. It is aimed at preventing premature or inappropriate institutionalisation.

Because the needs of clients and their carers vary, levels of support through this programme also vary. Clients currently receive a mix of support services that may include hot delivered meals, frozen meal delivery, needs based food packs, shopping assistance, social activities, special interest groups, visiting, telephone support, library book delivery, accompanied payment of accounts and a range of low level "one off" individual services.

The service also offers subsidised assistance with lawn mowing and other handy person activities.

During the year 2008-2009 the programme has provided the following outputs (units) as reported to DADHC. Assessments and Service Reviews are not funded separately but are essential to ensure service provision is suited to client need and complies with funding requirements. The following graph shows number of units of service delivered per service type.

Service Type	1st quarter	2nd quarter	3rd quarter	4th quarter	Totals
Social Support	2,151 hours	1,128 hours	674 hours	2,150 hours	6,103 hours
Home Delivered Meals	2,690 meals	2,112 meals	2,485 meals	2,733 Meals	11,127 meals
Community Restaurants	369 meals	198 meals	141 meals	399 Meals	
Other Food Services	26 hours	7 hours	10 hours	36 Hours	79 hours
Assessments & Service Reviews	22 hours	27 hours	14 hours	44 Hours	107 hours

Overall, service units show an increase this year of 192 meals and 617 social support hours from last year's statistics. Other Food Services show a decrease of units because of current funding requirements. Assessment and reviews were not recorded in previous years so no comparison could be made.

Highlights for the year included:

- A trip to the Yarrowonga area for clients and volunteers. This trip provided a safe environment for people who are frail to enjoy a few days away from home and was subsidised by Community Transport.
- Seniors Week Activities
- Celebration of Meals on Wheels Day when free meals and a small gift was distributed to clients receiving home delivered meals
- Celebration of Neighbour Aid Day with an outing to the Mustard Seed Farm
- The development of a Volunteers Hand Book and an OH&S for Volunteers Booklet, and
- Promotion of the service in the form of Food Tastings and talking at various service club meetings.

Of note is the continued success of the:

- Eugowra Men's Group
- Movie Buffs
- Block bookings for the Skin Cancer Clinic
- Outside window wash
- Cleaning out of guttering
- Card Makers Group

Without the great support and continuing assistance of the Cabonne Joint Committee and the work of many volunteers the programme would be unable to offer the range and level of services that are currently available. The Cabonne HACC Service has 151 volunteers. During the year volunteers were given practical instruction on a variety of issues including safety, confidentiality, advocacy, the complaints system, back care and understanding the grief and loss process. HACC volunteers attended the Neighbour Aid fun activity and the Christmas Party. One volunteer attended the Neighbour Aid and Social Support Conference held in Sydney.

All major service types provided were reviewed during the year to ensure that services offered were the ones most needed in the area and were being provided in accordance with the funding guidelines.

Throughout the year the service continued to network with other service providers in the region to foster joint approaches in working to address the needs of the HACC Target Group, volunteer management concerns and the wider rural community.

Staff accessed training provided that enhanced their knowledge of the various aspects of service provision to the target population to maintain best practice within the service.

Community Visitors Scheme

Council is funded through the Australian Government to administer a Community Visitors Scheme that supports eleven volunteer visitors that offer support to socially isolated residents living in federally funded nursing homes or hostels. It is organised as a one on one activity – one visitor to one resident and is aimed at reducing isolation and improving quality of life by fostering genuine friend shipping experiences.

The scheme is currently funded to support the visitors in a variety of ways including: reimbursement of costs, informal get-togethers, formal training, newsletters and general information on the ageing process.

Special support is needed for visitors when the person they visit dies, no longer recognises the visitor or is moved to another area. Grief and Loss issues are discussed in a group situation to help each visitor learn coping strategies but there is still a great need of support for each one when an incident occurs.

At present visitors are available to visit residents in Moyne Eventide Home in Canowindra and the UPA facilities at Molong and Yeoval.

Visitor Training, Information and Support Activities included:

- The development of a pamphlet entitled “Grief and Loss – help me understand the journey”. These were distributed to visitors following a workshop and are available for distribution as the need arises.
- Visitors received special greetings at Christmas, on Valentine’s Day, Easter and during International Volunteer Week
- An information session called “Walking in their Shoes” was cancelled due to lack of response
- Two information afternoon teas were held at Yeoval to discuss
 1. The safe management of residents who are wheel chair bound
 2. Dementia Basics
- Visitors received six newsletters and two special editions that recapped the information presented at the afternoon tea sessions
- Monthly personal contacts continue with the CVS Representative on the Joint Committee sending cards, information, etc.
- Various personal visits, phone calls, and letters to visitors in response to the loss of their resident friend continue

Promotional Activities include:

- The displays in the shop front window have brought inquiries and one visitor
- The scheme is promoted to new staff in each facility by co-ordinator visits and letters
- A “Happy Christmas” letter-box drop was held in December as a promotional exercise and gained two very responsive visitors
- All new visitors receive a welcome letter, a personal introduction to the co-ordinator, an information pack and an introduction to the facility they will be working in
- New visitors are oriented to the facility by facility staff
- All visitors are subject to a compulsory Federal Police Check. This expense is currently funded above our designated funding but this will cease in future years.

Family Day Care

Family Day Care provides quality care for children, 0-12 years, by licensed Caregivers in the Caregiver’s own home. Long day, occasional and overnight care, before and after school care are available. Regular playgroups are organised by staff in all areas where carers reside.

During the past year the Scheme also provided library sessions in Blayney, Canowindra and Molong, which were attended by Family Day Care carers and children as well as families and children from the wider community.

Several new caregivers were recruited and were chosen for their ability to provide a secure, safe, loving, and stimulating home environment. Each carer's home is required to meet New South Wales Government Safety standards.

The scheme currently has 27 registered carers and this number continues to grow.

Cabonne/Blayney Family Day Care successfully registered as an In-home Care provider in November 2006. In-home Care provides care to families in their home with a Carer recruited and trained by the Scheme's Coordination Unit. The Scheme currently has one registered in-home care families and carers.

With the support of the Family Day Care Coordination Unit in conducting training sessions carers were resourced, trained and brought up to date with current childcare practices.

Cabonne Council has provided active support for the Cabonne/Blayney Family Day Care Scheme since its inception in 1992. The scheme is funded on operational data, which is based on effective full time enrolments. We are currently operating at an average of 93.

The Scheme was nominated in the 2007 Regional Achievement & Community Awards for NSW in the Community of the Year Award (population over 15,000)

The Scheme was accredited by the National Childcare Accreditation Council (NCAC) with high passes in each of the quality areas in early 2009 and licensed through the Department of Community Services (DOCS).

All families using the scheme are eligible for assistance with their childcare fees (Child Care Benefit). The amount of subsidy is dependant upon the family's income.

Cabonne/Blayney Family Day Care is funded by the Commonwealth Government. Family Day Care staff can be contacted on (02) 6392 3219.

Access and Equity

During 2007/2008 Council made significant progress in improving physical access to Council assets and equitable service provision to all people in the Cabonne LGA.

Significant works to improve disability access has included the implementation of the first stage of Council's Pedestrian Access and Mobility Plan (PAMP) with funding support from the RTA, with key areas of high use targeted for improvements to their accessibility.

Achievements from the plan include the construction of a Pedestrian and Gopher Route between Cargo School and Park plus Cudal School and Pool both as joint projects between the RTA and Cabonne Council.

New and improved kerb ramps have been installed in the villages of Molong, Canowindra, Manildra and Cudal that will benefit people with personal mobility problems.

As recommended by its Social Plan, Council has made a budget allocation for accessibility of \$45,000 for improvement of access in Cabonne towns and villages in the 2008/2009 financial year and a similar amount budgeted for 2009/2010.

Council's Social Plan also recommended that Council continue to maintain and develop a range of Community Transport Services for older people and this has been followed up with an increased number of bus and individual trips being arranged many of which were for people with functional disabilities.

Delegation to Committees

Council delegates the care, control and management of a number of its responsibilities to Community Committees under s377 of the Local Government Act, 1993. A list of these committees and their principal activities is detailed below. Council reviews its delegation annually, in accordance with the Local Government Act.

SECTION 355 COMMITTEES	WORK, PROPERTY OR UNDERTAKING
Cudal Memorial Pool Committee	Cudal Memorial Swimming Pool
Cumnock Pool Committee	Cumnock Swimming Pool
Eugowra Memorial Pool Committee	Eugowra Memorial Swimming Pool
Manildra Memorial Pool Committee	Manildra Memorial Swimming Pool
Yeoval Pool Committee	Yeoval Swimming Pool
Cudal Homes for Aged Persons Committee	Boree Lodge
Eugowra Self Care Units Committee	Eugowra Self Care Units
Doctor for Cudal Committee	Doctors Residence – Cudal
Molong & District Health Watch Committee	Molong Doctor's Surgery
Acacia Lodge Management Committee	Molong Community Housing
Cargo Community Centre Committee	Cargo Community Centre
Eugowra Community Children's Centre and Preschool Committee	Eugowra Community Centre & Preschool
Manildra Memorial Hall Committee	Manildra Memorial Hall
Yeoval Memorial Hall Management Committee	Yeoval Memorial Hall
Canowindra Sports Trust	Canowindra Sports Complex
Manildra Sports Council	Manildra Sports Complex
Cumnock Community Centre Committee	Cumnock Community Centre
Canowindra Beautification Committee	Canowindra Court House & Beautification of Canowindra
Molong Town Beautification Committee	Beautification Projects in & around Molong
Canowindra Pre-School Kindergarten	Canowindra Pre-School Building

Cudal Community Children's Centre Committee	(Pre-School) Cudal Community Children's Centre
Eugowra Promotion & Progress Association	Eugowra Historical Museum & Bushranger Centre
Age of Fishes Museum Canowindra Committee	Age of Fishes Museum
Amusu Theatre Inc	Amusu Theatre
Yeoval Progress Association	O'Halloran's Cottage and Buckinbah Park.
Eugowra Medical Centre Committee	Doctors Residence & Surgery - 47 Nanima St Eugowra

State Of The Environment Report

A Regional State of the Environment Report 2008–2009 is available as a separate document on Council's website www.cabonne.nsw.gov.au.

Planning Agreements

Council did not enter into any planning agreements during 2008/2009.

Statement of activities in relation to Companion Animals Management

- Lodgement of pound data collection returns with the department**
A return of Council seizures of cats and dogs for 2008/2009 was completed and returned to the Department of Local Government by 30th September 2008.
- Lodgement of data relating to dog attacks with the department**
Data relating to 1 dog attack was registered with the department in the 2008/09 financial year.
- Amount of funding spent relating to companion animal management and activities**
\$67,296
- Companion animal community education programs carried out**
Nil
- Strategies council has in place to promote and assist the desexing of dogs and cats**
At this stage, only the brochures supplied by the Department of Local Government are available at Council's offices.
- Strategies in place to comply with the requirement under section 64 (Companion Animals Act) to seek alternatives to euthanasia for unclaimed animals**
Council delivers unclaimed animals to the RSPCA to be re-homed. Cabonne Council is also in the process of developing a new animal management plan.

7. Off leash areas provided in council area

No areas currently available as off leash area but will be addressed in the new animal management plan.

8. Details financial information on the use of companion animals fund money for management and control of companion animals in the area

The amount of \$2,972 companion animal fund money was received for 2008/2009 year and went towards Ranger salary, animal shelter maintenance and operating costs.

Condition of Public Works

The condition of Public Works infrastructure for 2008/2009 has been reported in accordance with the status of the infrastructure data collection required by AAS27, and bearing in mind the limitations as detailed in the previous section associated with performance in principal activities.

Special Schedules report refers to the relative value, condition and maintenance requirements of those assets, as at 30 June 2009.

- Estimate of cost to bring to satisfactory standard

Council completed “fair value” evaluation of its Water and Sewer asset in 2009. The results of this valuation are reported in Special Schedules and establish the cost to bring to a satisfactory standard.

- Estimated Annual Maintenance Expense

This figure as outlined in Special Schedule report is based on the predicted maintenance vote for the upcoming financial year.

- Maintenance program for 2008/2009

These figures as outlined in Special Schedules report relate to the maintenance and repair costs for the various assets finalized in the 2008/2009 statements. Improvement items have not been included in these figures.

Water and Sewerage Schemes

Special Schedules report refers to the relative value, condition and maintenance requirements of those assets, as at 30 June 2009.

Council Roads Asset will undergo “fair value” re-evaluation in 2009/2010.

Public Roads and Bridges

Special Schedules report refers to the relative value, condition and maintenance requirements of those assets, as at 30 June 2009.

This register includes all regional, local and urban roads within the Shire. Currently there are some 216Km of regional road, 1715Km of rural roads and 92Km of urban roads that have been inspected, recorded and evaluated both in terms of service condition and replacement value.

Urban roads (including laneways) are defined by all road reserves within the townships and villages that are zoned 2(v) under the Environmental Planning and Assessment Act, 1979. Roads beyond this zoning are classified as either local or regional. Council also maintains some 167 kilometres of state road (RTA controlled) under the SIC agreement between Council and RTA.

- Data Collection
Road asset data collected to date includes the full inspection and condition rating of all urban, local and regional roads throughout the shire. The full condition rating and data collection was performed according to Council policy.
Council Roads Asset will undergo “fair value” re-evaluation in 2009/2010.
Council’s Road Asset Register identifies rural roads by number and name and is segmented in sealed and un-sealed lengths.
- Condition Rating
The condition rating systems used in the evaluation of road assets was based on that as presented in Special Schedule No 7 – Condition of Public Works.
The Road Asset Group, with the exception of Kerb & Gutter are rated as fair to marginal (3)
- Depreciation
Depreciation rates are disclosed against each category of rate in the Special Schedule report.
- Level of Service Considerations and a Satisfactory Condition
In more recent times Council has considered road asset condition data to aid in policy development and the definition of service levels for the road network. Whilst the existing level of service is considered to be below a desirable level, Council will continue to extend the sealed road network whilst still having regard for the existing sealed roads.
Council’s draft Roads Asset Management Plan establishes a road hierarchy and associated levels of service. The AMP will also provide Council with financial consideration.
- Bridges
Council is currently the custodian of 101 bridges on local roads, 14 are timber, 87 are reinforced concrete and steel. There are a further 12 bridges on regional roads managed by Council but funded by the RTA of which 4 are timber and 8 are reinforced concrete and steel.
- Condition Rating
The majority of timber bridges are estimated to be 50 years old. The theoretical design life for a timber bridge deck is 10 years and substructure is 40 to 50 years. Three timber bridges are listed for replacement in Council’s 2009/2010 year works program to be funded from various sources including RTA Regional Road Timber Bridge Replacement Program, RTA REPAIR Program, RTA Regional Block Grant and Federal and Council funds. To date 8 timber bridges have already been replaced.

Gum Creek Bridge, Baldry Bridge, Murray’s Bridge and Paling Yards Creek on Bowen Park Road all commenced in 2008/09 and will be completed in 2009/10 along with “the Gap” on the Molong Manildra – Packhams Way.
It should be noted that the condition rating used in the Schedule is based on the criteria as outlined in the Special Schedules report.

Stormwater Drainage Systems

Council developed a drainage asset register for recording all drainage assets under the operation and maintenance of Cabonne Council. This register includes all pipes, culverts and channels within the urban areas. All drainage assets have been inspected, recorded and evaluated both in terms of service condition and replacement value. Drainage assets within Cabonne Council make up a relatively small portion of the infrastructure operated and maintained by Council. The small stormwater systems in the Council's seven villages are in a satisfactory condition, however there are signs of deterioration. A detailed Stormwater Drainage Management plan that includes all of the Cabonne villages has been established is subject to annual review.

Council's 2008/2009 Management Plan includes a program for stormwater improvements funded from the levy. The Urban Stormwater Works Service Levy program identifies projects through to 2012/2013.

Council commenced work on projects identified in the Urban Stormwater Works Service levy in 2007. Council's Management Plan includes the levy in the annual budget.

- Data Collection

The data collection was completed in July 1997. Drainage asset data has been recorded on Microsoft Excel and MapInfo.

Major Stormwater improvements were completed in 2008/2009 in Molong with funding assistance for State and Federal Government.

- Condition Rating

The condition rating systems used in the evaluation of drainage assets in 1997 was based on the RTA's ROCOND 90 and has since been converted to that as specified in the Special Schedules report.

The following tables summarise the estimated costs to bring Council's public works assets to a satisfactory standard. They also provides a summary of estimated annual maintenance expenses and programmed maintenance works.

Cabonne Council

Special Schedule No. 7 - Condition of Public Works
as at 30 June 2009

S'000											
ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n. Expense (\$)	Cost	Valuation	Accumulated Depreciation & Impairment	Carrying Amount (WDV)	Asset Condition ¹	Estimated cost to bring up to a satisfactory condition standard ²	Required ³ Annual M'nt	Current ³ Annual M'nt
Buildings		per Rate 1	per Rate 2	per Rate 3			per Section 4.25(2)(b)				
	Council Offices	2.25%	116	-	4,175	1,827	2,348	2	500	40	20
	Council Works Depot	2.15%	102	-	4,229	2,106	2,114	3	3,000	200	90
	Council Halls	2.27%	189	-	8,724	5,268	3,456	4	8,000	50	48
	Council Houses	1.42%	37	-	1,640	608	1,232	1	100	20	15
	Museum	2.42%	30	-	1,073	246	827	3	1,000	100	5
	Sports Grounds	1.12%	134	-	5,494	2,806	2,688	3	3,000	300	200
	Childcare Centre(s)	2.17%	13	-	568	241	327	3	-	30	11
	Parks	1.15%	36	-	1,514	686	828	3	500	50	20
	Amenities/Toilets	3.95%	8	-	313	77	236	3	400	150	60
	Bushfire	1.65%	24	-	1,011	269	722	3	-	-	-
	Pools	1.15%	85	-	4,029	2,575	1,454	4	3,000	400	200
	Backyards	1.75%	1	-	30	28	11	4	-	1	1
	Waste Services	1.80%	-	-	7	-	7	3	-	10	10
	Caravan Parks	2.25%	16	-	685	357	328	3	1,000	300	130
	Quarry	2.15%	14	-	478	221	257	3	-	-	-
	Health Doctors Centre	1.80%	2	-	2,106	46	2,061	2	200	50	25
	Aged Units	1.50%	25	-	1,250	660	590	2	700	100	50
	Other	3.00%	27	-	1,818	469	1,349	3	1,000	80	41
	Sub Total		861	-	38,344	18,508	20,836		22,400	1,881	844

Special Schedule No. 7 - Condition of Public Works (continued)
as at 30 June 2009

\$'000

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n. Expense (\$)	Cost	Valuation	Accumulated Depreciation & Impairment	Carrying Amount (WDV)	Asset Condition ^a	Estimated cost to bring up to a satisfactory condition standard ⁽¹⁾	Required ⁽²⁾ Annual Maintenance	Current ⁽³⁾ Annual Maintenance
		per Note 1	per Note 4	per Note 5				per Section 438(2b)			
Public Roads	Sealed Roads	1.00%	1,029	94,396	-	54,460	39,916	3	55,000	4,000	1,094
	Unsealed Roads	1.00%	1,434	73,034	-	46,845	25,189	4	45,000	2,000	1,256
	Bridges	1.00%	355	35,494	-	17,975	17,519	2	10,000	250	114
	Footpaths	2.00%	38	2,020	-	500	1,520	4	2,000	350	88
	Kerb and Gutter	1.70%	43	2,999	-	1,046	1,953	4	1,000	50	10
	Other	1.00%	3	84	-	11	73	-	-	-	-
	sub-total		3,795	207,027	-	129,857	86,170		113,000	6,650	3,352
Water	Treatment Plants	1.40%	-	-	16	-	16	3	3,000	200	132
	Water Connections	0.00%	256	-	22,460	12,546	9,912	3	5,000	200	97
	Bore	3.00%	6	-	246	53	195	2	300	40	20
	Reservoirs	1.00%	42	-	4,211	2,798	1,413	3	2,500	40	19
	Dams	1.00%	141	-	13,293	6,730	7,063	2	4,000	100	59
	sub-total		445	-	40,220	21,629	18,599		14,800	630	327
Sewerage	Pump Stations	1.40%	365	-	27,500	10,442	17,058	2	10,000	250	155
	Treatment Works	2.00%	30	-	502	198	304	3	500	200	185
	sub-total		395	-	28,002	10,640	17,362		10,500	450	340

(1) added

Special Schedule 2009

Special Schedule No. 7 - Condition of Public Works (continued)
as at 30 June 2009

\$'000

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n. Expense (\$)	Cost	Valuation	Accumulated Depreciation & Impairment	Carrying Amount (WDV)	Asset Condition ^a	Estimated cost to bring up to a satisfactory condition standard ⁽¹⁾	Required ⁽²⁾ Annual Maintenance	Current ⁽³⁾ Annual Maintenance
		per Note 1	per Note 4	per Note 5				per Section 438(2b)			
Drainage Works	Stormwater Conduits	1.40%	46	2,811	-	1,186	1,623	3	1,000	150	131
	sub-total		46	2,811	-	1,186	1,623		1,000	150	131
TOTAL - ALL ASSETS			5,532	209,838	107,574	172,823	144,589		161,700	9,781	5,104

Notes:

- (1). Satisfactory refers to estimated cost to bring the asset to a satisfactory condition as deemed by Council. It does not include any planned enhancements to the existing asset.
 (2). Required Annual Maintenance is what should be spent to maintain assets to a satisfactory standard.
 (3). Current Annual Maintenance is what has been spent in the current year to maintain assets.

Asset Condition "Key" - as per NSW Local Government Asset Accounting Manual

- | | | | |
|---|--|---|---|
| 1 | Near Perfect - Ranges from New or Good | 5 | Asset Unserviceable - Critical, Beyond Repair |
| 2 | Superficial Deterioration - Ranges from Generally Good to Fair | | |
| 3 | Deterioration Evident - Ranges from Fair to Marginal | | |
| 4 | Requires Major Reconstruction - Ranges from Poor to Critical | | |

(1) added

Special Schedule 2009

Annexure 1 – Primary Audited Financial Reports

Financial Report 2009

Cabonne Council

Income Statement

for the financial year ended 30 June 2009

Budget ⁽¹⁾ 2009	\$ '000	Notes	Actual 2009	Actual 2008
Income from Continuing Operations				
Revenue:				
9,742	Rates & Annual Charges	3a	9,721	9,451
5,267	User Charges & Fees	3b	7,842	6,747
1,815	Interest & Investment Revenue	3c	1,755	888
1,274	Other Revenues	3d	1,818	1,365
8,071	Grants & Contributions provided for Operating Purposes	3e,f	9,008	7,124
9,406	Grants & Contributions provided for Capital Purposes	3e,f	4,547	5,923
Other Income:				
-	Net gains from the disposal of assets	5	430	216
-	Net Share of interests in Joint Ventures & Associated Entities using the Equity Method	19	-	-
35,575	Total Income from Continuing Operations		35,121	31,714
Expenses from Continuing Operations				
10,510	Employee Benefits & On-Costs	4a	10,651	8,099
82	Borrowing Costs	4b	123	130
7,279	Materials & Contracts	4c	7,240	7,302
6,812	Depreciation & Amortisation	4d	8,065	7,304
-	Impairment	4d	-	-
809	Other Expenses	4e	2,759	2,641
-	Interest & Investment Losses	3c	-	-
25,492	Total Expenses from Continuing Operations		28,838	25,476
10,083	Operating Result from Continuing Operations		6,283	6,238
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
10,083	Net Operating Result for the Year		6,283	6,238
10,083	Net Operating Result attributable to Council		6,283	6,238
-	Net Operating Result attributable to Minority Interests		-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes				
677			1,736	315

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

This report should be read in conjunction with the accompanying Notes.

Cabonne Council

Balance Sheet
as at 30 June 2009

\$ '000	Notes	Actual 2009	Actual 2008
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	27,456	27,130
Investments	6b	1,788	2,279
Receivables	7	5,520	5,045
Inventories	8	1,493	1,452
Other	8	214	182
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		36,471	36,088
Non-Current Assets			
Investments	6b	-	-
Receivables	7	566	223
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	221,457	215,444
Investment Property	14	-	-
Intangible Assets	25	-	-
Other	8	193	158
Total Non-Current Assets		222,216	215,825
TOTAL ASSETS		258,687	251,913
LIABILITIES			
Current Liabilities			
Payables	10	2,813	3,442
Borrowings	10	120	113
Provisions	10	3,261	3,261
Total Current Liabilities		6,194	6,816
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	851	972
Provisions	10	1,375	1,302
Total Non-Current Liabilities		2,226	2,274
TOTAL LIABILITIES		8,420	9,090
Net Assets		250,267	242,823
EQUITY			
Retained Earnings	20	216,600	210,197
Revaluation Reserves	20	33,667	32,626
Council Equity Interest		250,267	242,823
Minority Equity Interest		-	-
Total Equity		250,267	242,823

This report should be read in conjunction with the accompanying Notes.

Cabonne Council

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

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2009						
Opening Balance (as per Last Year's Audited Accounts)		210,197	32,626	242,823	-	242,823
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/08)		210,197	32,626	242,823	-	242,823
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (i)	-	1,041	1,041	-	1,041
- Transfers to/(from) Other Reserves	20b (i)	-	-	-	-	-
- Other Income/Expenses recognised	20b (i)	120	-	120	-	120
- Other Adjustments	20b (i)	-	-	-	-	-
Net Income Recognised Directly in Equity		120	1,041	1,161	-	1,161
d. Net Operating Result for the Year		6,283	-	6,283	-	6,283
Total Recognised Income & Expenses (c&d)		6,403	1,041	7,444	-	7,444
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		216,600	33,667	250,267	-	250,267

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2008						
Opening Balance (as per Last Year's Audited Accounts)		205,827	20,296	226,123	-	226,123
a. Correction of Prior Period Errors	20 (c)	(1,868)	-	(1,868)	-	(1,868)
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/07)		203,959	20,296	224,255	-	224,255
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (i)	-	12,330	12,330	-	12,330
- Transfers to/(from) Other Reserves	20b (i)	-	-	-	-	-
- Other Income/Expenses recognised	20b (i)	-	-	-	-	-
- Other Adjustments	20b (i)	-	-	-	-	-
Net Income Recognised Directly in Equity		-	12,330	12,330	-	12,330
d. Net Operating Result for the Year		6,238	-	6,238	-	6,238
Total Recognised Income & Expenses (c&d)		6,238	12,330	18,568	-	18,568
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		210,197	32,626	242,823	-	242,823

This report should be read in conjunction with the accompanying Notes.

Cabonne Council

Cash Flow Statement

for the financial year ended 30 June 2009

Budget 2009	\$ '000	Notes	Actual 2009	Actual 2008
Cash Flows from Operating Activities				
<u>Receipts:</u>				
9,740	Rates & Annual Charges		9,530	9,424
5,267	User Charges & Fees		8,472	6,450
1,815	Interest & Investment Revenue Received		1,725	1,701
17,477	Grants & Contributions		11,034	10,510
1,274	Other		2,407	3,347
<u>Payments:</u>				
(10,925)	Employee Benefits & On-Costs		(10,698)	(8,037)
(7,279)	Materials & Contracts		(8,660)	(7,120)
(82)	Borrowing Costs		(82)	(76)
(609)	Other		(4,193)	(4,727)
-	Consolidation of Section 355 Committees Balance Sheet		120	-
16,478	Net Cash provided (or used in) Operating Activities	11b	9,655	11,472
Cash Flows from Investing Activities				
<u>Receipts:</u>				
-	Sale of Investment Securities		-	45
1,245	Sale of Real Estate Assets		58	183
-	Sale of Infrastructure, Property, Plant & Equipment		1,086	947
-	Deferred Debtors Receipts		-	8
<u>Payments:</u>				
-	Purchase of Investment Securities		550	-
(22,298)	Purchase of Infrastructure, Property, Plant & Equipment		(10,905)	(13,580)
-	Purchase of Real Estate Assets		(4)	(38)
(21,053)	Net Cash provided (or used in) Investing Activities		(9,215)	(12,435)
Cash Flows from Financing Activities				
<u>Receipts:</u>				
Nil				
<u>Payments:</u>				
(116)	Repayment of Borrowings & Advances		(114)	(149)
(116)	Net Cash Flow provided (used in) Financing Activities		(114)	(149)
(4,691)	Net Increase/(Decrease) in Cash & Cash Equivalents		326	(1,112)
27,130	plus: Cash & Cash Equivalents - beginning of year	11a	27,130	28,242
22,439	Cash & Cash Equivalents - end of the year	11a	27,456	27,130

Please refer to Note 11 for information on the following:

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

This report should be read in conjunction with the accompanying Notes.

Annexure 2 – Strategic Plan (June review) for 2008/2009

STRATEGIC PLAN

2008/2009

Final Review

1. Governance

Goals:

- *To provide efficient, effective and relevant Local Governance through an open and responsive Council and Committee meeting process*
- *To maintain strong relationships and liaise effectively with all relevant Government agencies and other Councils*
- *To ensure long term viability of Wellington/Blayney/Cabonne Strategic Alliance*

Objectives	Performance Measures	Responsibility	Progress
1. Provide quality administrative support and governance to Councillors and Residents	1.1 Review the effectiveness of business paper procedures	DFCS	InfoCouncil introduced for Council and Committees in May 2009
	1.2 Provide and retain skilled and trained staff to deliver Council services	ALL	Final version submitted to Directors
	1.3 Actioning of Council Motions	ALL	InfoCouncil Resolutions Register operational since May meetings.
2. Develop and maintain a unified Council that is accountable and transparent	2.1 Provide appropriate mechanisms for democracy and participation for Cabonne residents	DFCS	Attendees schedule kept & updated.
	2.2 Review effectiveness of community consultation/feedback systems	DFCS	Actions & updates uploaded onto Council's website, distributed to Progress Associations and various outlets as per community feedback.

Objectives	Performance Measures	Responsibility	Progress
<p>3.Enhance responsiveness to the community current and future needs & objectives</p> <p>4.Maintain effective links with State and Federal members of parliament</p> <p>5.Maintain active membership of CENTROC, LGSA and other forums</p>	2.3 Review Councillor numbers and wards as part of State Governments Local Government Reform Agenda	DFCS	Completed.
	3.1 Develop a Long Term Community Strategic Plan	DFCS	Data analysis being undertaken. 3,000 surveys returned, 600 postcards submitted by schools.
	4.1 Appropriate communications and representations are made on relevant issues	DFCS	Hon J Cobb MP addressed April Council
	5.1 Attendance at meetings	ALL	Shires Conference attended. CENTROC Board Meeting attended 22/5/09 3 Finance Staff attended Finance Professional Conference in Wollongong – May 2009 RMO attended CENTROC OHS/RM meeting 10/6/09
	5.2 Matters are brought forward by Cabonne at those forums	ALL	RMO put forward signs for Stock Grazing issue to CENTROC OHS/RM Group
	5.3 Participation in programs	ALL	RMO Continued to participate in Enterprise Risk Management Project model

Objectives	Performance Measures	Responsibility
6.Active commitment to the WBC Alliance	6.1 Attendance and involvement at meetings	ALL
	6.2 Participation in joint projects	ALL
	6.3 Benefits achieved	ALL
7. Ensure the Recommendations of the Inquiry into the Financial Sustainability of NSW Local Government are assessed and actioned as required	7.1 Recommendations of the Inquiry into Financial Sustainability of NSW Local Government are actioned and considered as necessary	ALL
8. Ensure the Recommendations of the DLG Promoting Better Practice Review are assessed and actioned as required	8.1 Recommendations of the DLG Promoting Better Practice Review are assessed and actioned as required.	ALL

Progress
Moody Blues Team as part of Managers WBC Forum completed 'Internal Audit Prospect.' Four kits have been sold to other Councils with income being \$1,400. HRO & RMO participated in WBC project "Heroes" demonstrating current training and skills database, and identifying enhancements available
WBC Professional Team Meetings attended 17/6/09 Councillor Declaration of Interest form developed and shared with Blayney.
WBC Project Officer provided update during her address to June Council meeting.
Completed October.
Addressed in conjunction with the Operational Plan

<i>Objectives</i>	Performance Measures	Responsibility
9. Provide adequate training & professional development opportunities for prospective candidates & new Councillors	9.1 Prospective candidates Seminar provided.	DFCS
	9.2 Induction evening for new Councillors elected September 2008	DFCS
	9.3 Training provided for all Councillors after September 2008 elections in accordance with DLG guidelines	DFCS

Progress
Completed.
Conducted 24/9/08 OH&S training outstanding.
Clr Bleakley completed Consultative Committee training 18/6/09

2. Administration

Goals:

- *To provide high quality advice and support for Council's operations and give guidance and leadership on issues*
- *To control and manage finances to ensure the future financial sustainability of Council*
- *To ensure information systems meet the business needs of Council*

Objectives	Performance Measures	Responsibility
1. Develop and maintain a strong and skilled workforce	1.1 Provide regular forums for management to meet and discuss contemporary issues	ALL
	1.2 Ensure appropriate performance measures and incentives are in place	DFCS
	1.3 Review effectiveness of revised salary system in light of Industrial Relations reforms	DFCS
2. Provide a records management system which meets statutory and organisational demands	2.1 Compliance with the State Records Act	DFCS
	2.2 User needs met	DFCS
	2.3 Appropriate use of appropriate EDMS software	DFCS

Progress
Finance & Corporate Services Operational Plan Team meeting held 7/7/09
Review completed September 2008.
3.2% increase passed on in November 2008.
Records staff members attended archive training.
Further training provided on a one to one basis as requested
Upgrade of InfoXpert undergoing final live testing at Beta site before introduction.

Objectives	Performance Measures	Responsibility	Progress
3. Provide, maintain and develop financial services and systems to accepted standards – satisfying regulatory and customer requirements	3.1 Statutory reporting completed on time	DFCS	FBT return completed and sent to ATO by due date. Summary of Affairs return submitted on time.
	3.2 Financial Health check	DFCS	Financial Health Check completed and presented to November Council meeting.
	3.3 Investment indicator	DFCS	Major percentage of investments transferred into Bank Bills
	3.4 User needs met	DFCS	As required.
	3.5 Report on progress to review Finance & Corporate Services Department	CDU/DFCS	
4. Provide effective communications and information systems for staff and residents	4.1 Availability and usage of systems	DFCS	Completed on a monthly basis.
	4.2 Enhancement of website	DFCS	Waiting on Local-e for new website templates. Minor tidy up and updates ongoing.
	4.3 Customer Service reviewed	CDU/DFCS	Customer Service Working Party established.
	4.4 Customer Service software acquired and used	DFCS	Customer Service Request being monitored by CSC. Training has been provided. Service Requests to go on website once new templates have been implemented by Local-e.

Objectives	Performance Measures	Responsibility	Progress
5. Ensure Business continuity	4.5 Level of compliance with Customer Service Policy response periods	ALL	Monitoring being undertaken. Follow ups actioned where required.
	4.6 Review communications strategy	DFCS	To be undertaken by the Communications Officer
	5.1 Develop a Draft Disaster Recovery Plan	DFCS	Defer until CENTROC ERM Model completed.

3. Public Order and Safety

Goals:

- To maintain an effective and efficient local emergency system for the protection of life and property
- To respond to concerns over domestic and stock animals to ensure public safety

<i>Objectives</i>	Performance Measures	Responsibility
1. Identify and provide for any foreseeable emergency in the Cabonne Shire	1.1 Development and review of Local Emergency Management Plan	DETS
	1.2 Implementation of the Emergency Risk Management Plan (ERM)	DETS
	1.3 Review and update as required Standard operating Procedure (SOP's)	DETS
	1.4 Emergency Operations Centre established	DETS
2. Support the management of the Canobolas Rural Fire Zone	2.1 Attend meetings as required	ALL
3. Administer statutory requirements (Companion Animals Act & Impounding Act) in accordance with community needs	3.1 Staff and systems in place to implement the Acts & Committees	DES
	3.2 Ensure complaints are dealt with promptly	DES

Progress
DISPLAN amended to be submitted to August LEMC meeting for adoption
ERM submitted, under review SEMC.
SOPs reviewed annually.
Funded works complete.
Meetings attended
Planners position is vacant once more. Position to be filled as soon as possible.
Complaints investigated /researched/responded to promptly.

4. Health

Goals:

- *To protect the health and safety of the community*
- *To maintain effective control of noxious weeds*
- *Equitable access to health and medical services for Cabonne residents*

Objectives	Performance Measures	Responsibility	Progress
1. Develop and implement an Environmental Health Program	1.1 Regular inspections of and level of compliance with standards of food and other premises	DES	Food inspections undertaken June/July 2009
	1.2 Ensure complaints are dealt with promptly	DES	
2. Maintain an effective campaign of noxious weed control by gaining landowner co-operation	2.1 Issue information to the community on priorities	DETS	Councils Weed Management Plan annual review submitted to July Works for adoption.
	2.2 Participate in regional Advisory Committees	DETS	Meetings regularly attended.
	2.3 Spraying activities advertised in accordance with Noxious Weeds Act	DETS	Notices issued as required under the ACT.

<i>Objectives</i>	Performance Measures	Responsibility	Progress
3. Facilitate the provision of Health & Medical services 4. Manage Council's appropriate response to climate change at a local government level	2.4 Number of inspections vs s18 and s20 notices issued	DETS	Notices issued and inspections reported to Council.
	3.1 Health services reviewed	DFCS	Completion expected November 2009.
	3.2 Report on condition of Doctor surgeries for 2008 and beyond	DFCS	Completed.
	4.1 Response measures consistent with other similar Local Government Areas	DETS	Fleet Management promoting use of fuel efficient cars through lease back fee structure.
	4.2 Level of "Green Energy" electricity used by Council buildings	DETS	Audit recommendations with section Managers for implementation.
	4.3 Level of "environmentally friendly" fuels used by Council Vehicles and Plant	DETS	New Plant/Depot coordinator to review project brief and report to DETS. Low priority.
	4.4 Level of Grid connect electricity generated by Council	DETS	Solar Energy Generation units to be installed at Waluwin Centre. Units currently stored at Molong Depot.

<i>Objectives</i>	Performance Measures	Responsibility	Progress
5. Increase the level of sustainable purchasing	5.1 Level of implementation of "Sustainable Choices" initiatives within Council	ALL	

5. Community Services and Education

Goals:

- To provide childcare services to meet the needs of the community
- To provide a flexible and responsive service to Cabonne residents requiring Home and Community Care
- To ensure adequate facilities for the aged to meet the needs of the community

<i>Objectives</i>	Performance Measures	Responsibility	Progress
1. Ensure a quality childcare service that is affordable	1.1 Service reviewed and reported on half yearly	DFCS	Reported to May Community Services Committee
	1.2 Carers are recruited, trained and monitored as required	DFCS	Training conducted and accreditation visit conducted.
	1.3 Level of occupancy of childcare facilities	DFCS	Reported to November 08 Community Services Committee
	1.4 Family Day Care promoted	DFCS	Advertising & story time sessions continuing.
	1.5 In Home & After School care opportunities reviewed	DFCS	Carer commenced at Blayney.
2. Provide affordable and reliable medical and HACC transport services to Cabonne residents	2.1 Level of usage of service	DFCS	Service Promoted to Clients

Objectives	Performance Measures	Responsibility	Progress
3. Enhance delivery and management of community services	3.1 Communication and referral numbers with other agencies	DFCS	Interagency meeting supported. FDC & HACC staff represented Regional & Statewide meetings.
	3.2 Service promoted within Cabonne	DFCS	Media releases on Volunteer of the Month and Mural at Molong Pool.
	3.3 Feedback from users	DFCS	HACC Service conducted survey of Food.
	3.4 Integrated Primary Health Care Centre under construction	DFCS	At lockup stage.
4. Facilitate retirement and aged care projects	4.1 The level at which need in the community is met	DFCS	Meetings held regarding possible retirement projects for Cudal & Molong.
	4.2 Impact of proposed controls of Department of Housing Review	DFCS	Reported to February Community Services Committee & submission made.
5. Monitor the impact of changing demographic due to ageing population	5.1 Impact of ageing population on Cabonne reported	DFCS	Updated statistics in Social Plan. Further information to be reported.
6. Respond to demographic changes	6.1 Report on ABS data changes	DFCS	Included in social plan – completed.
7. Improve access & equity throughout the Shire	7.1 Develop a Pedestrian Access & Mobility Plan	DETS	PAMPS projects identified in 5yr forward works plan

<i>Objectives</i>	Performance Measures	Responsibility	Progress
8. Promote & create opportunities for Youth	7.2 Increase in walking tracks & cycle ways	DETS	Extension of cycle/walk track deferred, requires RTA approval
	8.1 Youth addressing Council meetings	DFCS	Students addressed May Council meeting
	8.2 Grant opportunities pursued	DFCS	New 'Grant Blast' format complete. Distributed when they arise.
	8.3 Report on school facilities made available for general usage	DFCS	Research being conducted.
	8.4 Support services promoted	DFCS	Youth address to Council publicised.

6. Housing and Community Amenities

Goals:

- *To maintain and manage public cemeteries*
- *To provide and maintain systems for waste collection, recycling and disposal*
- *To develop integrated land use plans to ensure the physical development of Cabonne commensurate with sustainable development*
- *To enhance the amenity of towns and villages in Cabonne*
- *To provide high quality and environmentally sensitive drainage systems*

<i>Objectives</i>	Performance Measures	Responsibility	Progress
1. Develop and implement improvements for Cabonne cemeteries	1.1 Improvements identified and implemented	DES	Audits undertaken of cemeteries, to review management and maintenance programs. Works program to fumigate rabbit infestation at Canowindra, Toogong, Eugowra and Molong cemeteries to be carried out July-Oct 2009.
	1.2 Improvements & Maintenance Plan prepared	DES	Audit undertaken. Further planning to be carried out to revise strategies.
2. Provide an effective and reliable waste and recycling service to the community	2.1 Commence development of overall Shire Management Strategy	DES	Preliminary study to determine life of landfill sites to be provided by Consultants by late July 2009.
	2.2 Monitor waste collection and disposal contracts	DES	Ongoing monitoring

Objectives	Performance Measures	Responsibility	Progress
3. Progress a Regional Resource Recovery Centre	2.3 Ensure management of former and current landfill sites	DES	Draft Strategy reported to Council with final report July 2009
	2.4 Strategy for move to Transfer Stations adopted	DES	Subject to findings of Quadro report.
	2.5 Report on options for improvement of waste disposal/collection for rural landholders	DES	Investigations currently being carried out.
	2.6 Evaluation of expansion of services to Nashdale / Borenore / Mullion Creek / March / Clergate	DES	Investigation of secure options currently being carried out.
	3.1 Progress towards realisation of Centre	DES	Re-appraising opportunities following Cabonne's withdrawal from the joint proposal with OCC.
4. New Local Environment Plan & associated documents	4.1 Strategy adopted	DES	Strategy adopted with exception of lifestyle lots and minimum lot sizes.
	4.2 Impact of Central West into Rural land enquiry evaluated	DES	Appointment of Strategic Planner for WBC Strategic Alliance.
	4.3 Timetable for completion adopted	DES	Timeframe established for LEP Review.
5. Provide efficient and effective development assessment	5.1 Approval procedures and systems are documented and followed	DES	Workflow process followed. System tracking through InfoXpert.

<i>Objectives</i>	Performance Measures	Responsibility	Progress
6. Provision of a Heritage Program	5.2 Median number of days to provide services	DES	Assessments undertaken in timely manner, subject to staff resourcing levels
	6.1 Local heritage assistance program promoted	DES	2008/09 program finalised on time and within budget
	6.2 Heritage Committee meeting held	DES	Committee established and meets once a month. Committee minutes reported to Council.
7. Prepare and participate in specific purpose land use plans	6.3 Investigate preparation of a Shire Heritage Plan	DES	To be undertaken as part of LEP review.
	7.1 Development of Development Control Plans	DES	To form part of LEP review, with planning of timeline coordinated by the Alliance Strategic Planner.
8. Develop a village amenity improvement plan	8.1 implementation of Village Enhancement Program	DETS	Bank Street project in progress.
	8.2 Other Village Improvements completed	DETS	CIP & LAIP backlog approved March Council meeting.
9. Manage and reduce risk of damage by flooding to	9.1 Compliance with Floodplain Management guidelines	DETS	Requirement of Floodplain guidelines considered when undertaking activities in flood prone areas.

Objectives	Performance Measures	Responsibility	Progress
urban areas 10. Provide systems for stormwater and pollution control in accordance with EPA requirements	9.2 Plans developed and adopted for Eugowra and Molong	DETS	Draft Eugowra Floodplain study workshopped by Committee. Meeting scheduled Draft release and consultation deferred for further investigation and detail required for the overland flow model.
	9.3 Draft plan prepared and adopted for Canowindra	DETS	Canowindra Draft Plan adopted November 2008.
	10.1 Standards adopted	DETS	Stormwater Management Plan to be reviewed following completion of Flood Plans.
	10.2 Development and upgrading of existing drainage	DETS	Bank Street drainage completed. Additional works in Watson Street in progress.
	10.3 Stormwater levy program completed	DETS	Works included in the 5 year forward works plan

7. Water Supplies

Goals:

- To provide an adequate and secure water supply to defined areas
- Potable water supply for all Villages

<i>Objectives</i>	Performance Measure	Responsibility	Progress
1. Manage water supply schemes	1.1 Review condition of assets as required by new international accounting standards as directed by State Government	DETS	Completed.
	1.2 Report on demand and supply	DETS	Demand Management Module Draft complete – with Department of Water & Energy for comment.
	1.3 Implementation of Capital Works plans for schemes	DETS	Plan of Works reviewed monthly by Works Committee.
	1.4 Independent review of Molong Water scheme operations conducted	DETS	Secure Yield study for Molong Dam with DOC for comment.
	1.5 Report on sustainability of council water funds including one water fund	DETS	One water supply system “Cabonne Water” established
2. Provide water to standards adopted by Council from all schemes	2.1 Regular testing meets required standards	DETS	Water analysis/testing carried out as required under the guidelines.
3. Meet requirements of the Water Management Act	3.1 Level at which requirements are met	DETS	Water testing/quality taken to ensure levels meet requirements of the Water Management Act.

8. Sewerage Services

Goals:

- To provide and maintain an environmentally sustainable, high quality sewerage facility

Objectives	Performance Measures	Responsibility	Progress
1. Manage sewerage schemes	1.1 Review condition of assets as required by new international accounting standards as directed by State Government	DETS	Completed.
	1.2 Operating Sewerage treatment plant in accordance with Department of Environment & Conservation Licence	DETS	Operations and reporting undertaken in accordance with DEC requirements.
	1.3 Implementation of Capital Works plan for schemes	DETS	Implementation of works as reported to Works Committee monthly.
	1.4 Report on review of future upgrade needs for Molong sewer	DETS	Draft Strategic Business Plan and charges completed. Department of Water & Energy to comment.
2. Construct sewerage schemes in Manildra, Cudal, Cumnock and Yeoval	2.1 Tenders awarded	DETS	Tenders for Manildra STP advertised
	2.2 Community consultation completed	DETS	May newsletter issued

<i>Objectives</i>	Performance Measures	Responsibility	Progress
	2.3 Submit tender price to Government for funding commitment	DETS	Section 60 approval received
	2.4 Compliance with Implementation time frame including Construction Schedule	DETS	Connection of allotments in progress, scheduled completion July/August.
	2.5 Report on construction of Cudal & Manildra	DETS	Cudal completion date July/August Tender for STP advertised. Construction subject to acceptance and DWE approval.

9. Recreation and Culture

Goals:

- *To provide library services to Cabonne residents through participation in Central West Libraries*
- *To provide public hall facilities relevant to the needs of residents*
- *To provide high quality sporting, recreational and cultural facilities*
- *To maintain and manage parks and gardens in the Cabonne Shire*
- *To maintain and manage Council owned buildings and land in the Cabonne Shire*

<i>Objectives</i>	Performance Measures	Responsibility	Progress
1. Increase awareness and availability of library services in Cabonne	1.1 Participate in decision making processes and initiatives of Central West Libraries	DFCS	Next CWL meeting on 30 October 2009
	1.2 Level of usage of library	DFCS	Reported to November Council meeting – completed.
2. Efficient operation and maintenance of halls and facilities	2.1 Develop and implement asset management plan	DETS	Review management plans and asset registers as part of the 2008 re-evaluations.
	2.2 Appropriate levels of fees and charges for facilities	DETS	Reviewed annually.
	2.3 Usage rates	DETS	Reviewed annually.

Objectives	Performance Measures	Responsibility	Progress
3. Maintain and provide safe and usable parks, sporting fields and equipment	3.1 Maintenance carried out in accordance with sporting code and community needs and risk management principles	DETS	Regular inspection of facilities undertaken. Maintenance carried out as required.
	3.2 Review compliance of playground equipment with relevant Australian Standards	DETS	Inspections undertaken and maintenance carried out as required.
	4.1 Develop and implement upgrading and management plan for pools	DETS	Swimming pool management and operations plan under review for 2009 season.
	4.2 Scheduled upgrade works completed for members & kiosks	DETS	Final inspections completed.
	4.3 Develop & implement Operational Plans including Risk Management Plans	DETS	Swimming Pool Management Plan & Operational Plan under review
4. Maintain Council pools to acceptable standards	5.1 Level of support given	DFCS	Advertising for a consultant for second stage of the project.
	5.2 Progress report on Regional Collections Survey project received	DFCS	Reported to December Council meeting.
5. Provide appropriate support to Museums in the Shire			

10. Mining Manufacturing and Construction

Goals:

- To provide an efficient and effective building assessment and advisory service
- Operation of gravel pits to meet Council's construction and maintenance requirements

Objectives	Performance Measures	Responsibility	Progress
1.Ensure buildings are constructed in accordance with the Building Code of Australia	1.1 Inspection of buildings under construction	DES	Inspections carried out in timely and professional manner.
	1.2 Issue of Construction / Compliance Certificates and Occupation Certificates	DES	Applications of certificates assessed and issued promptly.
	1.3 Level of knowledge and training of staff	DES	Identify staff training opportunities through annual staff appraisals.
2. Maximise return on Council's Lime Quarry Asset	2.1 Financial return	DETS	Activity reports to be included in Monthly Council Business paper.
	2.2 Report on alternative products & production measures	DETS	Investigations found material not suitable. On hold.
	2.3 Report on future operations & ownership	DETS	Long term ownership/management of the quarry subject to annual review and profitability.

11. Transport and Communication

Goals:

- *To provide a safe and quality urban and rural transport systems for vehicles and pedestrians*
- *To provide services to RTA for Regional and State road network*
- *To provide and maintain bridge structures throughout the Shire*
- *To maximise safety for road users and pedestrians*
- *To manage assets in a sustainable manner*
- *To ensure accessibility for all members of the community*

Objectives	Performance Measures	Responsibility	Progress
1. Provide safe and well signposted roads in accordance with recognised technical standards	1.1 Area of reseals	DETS	Budget allocations for maintenance and renewals completed.
	1.2 Area of road rehabilitation	DETS	The rehabilitation completed to revised funding allocation.
	1.3 Reports on causeway signposting	DETS	Signposting of causeways identified as high priority completed. Minor causeway signposting ongoing.
2. Ensure that the repair of existing road surfaces and failed pavements is carried out in a Strategic Risk management approach	2.1 Develop and adopt Asset Management Plan for Roads (WBC)	DETS	Draft completed and under review by staff.
	2.2 Cost effectiveness of repairs in accordance with Asset Management Plan	DETS	Maintenance treatment and level of service to be included in Asset management Plan.

<i>Objectives</i>	Performance Measures	Responsibility	Progress
3. Remain a core service provider to the RTA	2.3 Level of maintenance conducted	DETS	Level of service will be covered in the Asset Management Plan
	3.1 Meet RTA specification and tender requirements	DETS	As per RMCC contract.
	3.2 Design and construct to RTA standards	DETS	Cabonne Council holds R1 (R2 not being sought at this time)
	3.3 Financial return on service provision	DETS	Single Invitation Contract continues to provide the financial benefit to the Alliance.
	3.4 State Road Contracts awarded	DETS	Nil
	3.5 Obtain R2 accreditation (currently hold R1)	DETS	Requirement for Council to have R2 (Contracts over \$2m) under review. Discussions continuing with RTA
4. Replace or upgrade bridges	4.1 Bridges replaced or upgraded in accordance with plan	DETS	Gum Creek scheduled for completion 2008/9. Murray's scheduled for completion 2009/10
5. Initiate and implement Road Safety Programs	5.1 Programs implemented and results measured	DETS	Road Safety Program adopted.
	5.2 Communication and co-operation with local police command	DETS	RSO attending meetings, Traffic Committee and Road Safety Steering Committee.

Objectives	Performance Measures	Responsibility	Progress
6. To ensure access and mobility for all sections of the community	6.1 Construction complies with Disability Discrimination Act	DETS	All new works comply with Australian Standards for disabled access.

12. Economic Affairs

Goals:

- To promote Cabonne Country – Australia's Food Basket as a destination to visit
- To encourage, facilitate and support the economic viability of the Cabonne region

Objectives	Performance Measures	Responsibility	Progress
1. Actively promote and support tourism development in Cabonne	1.1 Develop promotional activities and materials	GM	Assistance provided to: - Borenore Trail – Discovery Tour, - Club tours kit developed - Animals on bikes. Promotions and activities on website
	1.2 Participate and facilitate in tourism meetings	GM	CTAC attended April, May, June.
	1.3 Develop and implement a Promotion and Tourism strategy	GM	Review being undertaken. Consultation completed with CTAC.
2. Create economic development opportunities within Cabonne	2.1 Participation in regional development activities	GM	Regular contact with DSRD

<i>Objectives</i>	Performance Measures	Responsibility	Progress
	2.2 Economic development strategy implemented	GM	Reviewed & reported to Council August 08
	2.3 Land Development Strategy adopted & implemented	GM	Presented to Land Development Committee.

13. General Purpose Revenue

Goals:

- *To maximise revenue to Council through fair and sustainable means*

<i>Objectives</i>	Performance Measures	Responsibility	Progress
1. Implement “user pays” principle for fees and charges where appropriate	1.1 Appropriate opportunities for “user pays” identified and implementation plan prepared (WBC)	DFCS	Fees & Charges completed. Adopted by Council in conjunction with Management Plan.
2. Maintain a high level of rate collection	2.1 Rate of collection	DFCS	Completed on a monthly basis & reported to Council.
3. Ensure fees and charges are commercially fair and reasonable	3.1 Review of fees and charges undertaken annually (WBC)	DFCS	Fees & Charges completed & adopted by Council.

<i>Objectives</i>	Performance Measures	Responsibility	Progress
4. Identify alternate (non traditional) revenue sources	4.1 Report on potential sources	DFCS	\$1,400 received through sale of 'Internal Audit 'guide developed by Finance Team with the WBC Alliance.

Canobolas Zone Rural Fire Service (RFS) Annual Report

The Canobolas Zone 2008/2009 Annual Report is now available on the Canobolas Zone webpage. This information can be accessed and downloaded for your information from the following link:

http://www.canobolas.rfs.nsw.gov.au/dsp_content.cfm?cat_id=1766

Cabonne Council

GENERAL PURPOSE FINANCIAL REPORT
for the year ended 30 June 2009

*“...providing sustainable local government to our rural communities
through consultation and sound financial management”*



Cabonne Council

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

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Overview

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

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

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

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

- (iii) All figures presented in this Financial Report represent Australian Currency.
 - (iv) This Financial Report was authorised for issue by the Council on 21/09/09.
Council has the power to amend and reissue the financial report.
-

Cabonne Council

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

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

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

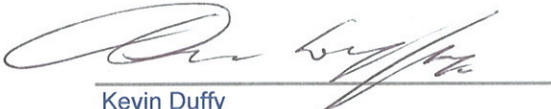
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

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

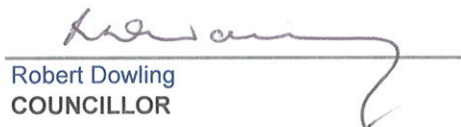
- presents fairly the Council's operating result and financial position for the year, and
- accords with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 21st September 2009.



Kevin Duffy
MAYOR



Robert Dowling
COUNCILLOR



Graeme Fleming
GENERAL MANAGER



Stephen Harding
RESPONSIBLE ACCOUNTING OFFICER

Cabonne Council

Income Statement

for the financial year ended 30 June 2009

Budget ⁽¹⁾ 2009 \$ '000		Notes	Actual 2009	Actual 2008
Income from Continuing Operations				
Revenue:				
9,742	Rates & Annual Charges	3a	9,721	9,451
5,267	User Charges & Fees	3b	7,842	6,747
1,815	Interest & Investment Revenue	3c	1,755	888
1,274	Other Revenues	3d	1,818	1,365
8,071	Grants & Contributions provided for Operating Purposes	3e,f	9,008	7,124
9,406	Grants & Contributions provided for Capital Purposes	3e,f	4,547	5,923
Other Income:				
-	Net gains from the disposal of assets	5	430	216
-	Net Share of interests in Joint Ventures & Associated Entities using the Equity Method	19	-	-
35,575	Total Income from Continuing Operations		35,121	31,714
Expenses from Continuing Operations				
10,510	Employee Benefits & On-Costs	4a	10,651	8,099
82	Borrowing Costs	4b	123	130
7,279	Materials & Contracts	4c	7,240	7,302
6,812	Depreciation & Amortisation	4d	8,065	7,304
-	Impairment	4d	-	-
809	Other Expenses	4e	2,759	2,641
-	Interest & Investment Losses	3c	-	-
25,492	Total Expenses from Continuing Operations		28,838	25,476
10,083	Operating Result from Continuing Operations		6,283	6,238
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
10,083	Net Operating Result for the Year		6,283	6,238
10,083	Net Operating Result attributable to Council		6,283	6,238
-	Net Operating Result attributable to Minority Interests		-	-
677	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		1,736	315

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

Cabonne Council

Balance Sheet

as at 30 June 2009

\$ '000	Notes	Actual 2009	Actual 2008
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	27,456	27,130
Investments	6b	1,788	2,279
Receivables	7	5,520	5,045
Inventories	8	1,493	1,452
Other	8	214	182
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		36,471	36,088
Non-Current Assets			
Investments	6b	-	-
Receivables	7	566	223
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	221,457	215,444
Investment Property	14	-	-
Intangible Assets	25	-	-
Other	8	193	158
Total Non-Current Assets		222,216	215,825
TOTAL ASSETS		258,687	251,913
LIABILITIES			
Current Liabilities			
Payables	10	2,813	3,442
Borrowings	10	120	113
Provisions	10	3,261	3,261
Total Current Liabilities		6,194	6,816
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	851	972
Provisions	10	1,375	1,302
Total Non-Current Liabilities		2,226	2,274
TOTAL LIABILITIES		8,420	9,090
Net Assets		250,267	242,823
EQUITY			
Retained Earnings	20	216,600	210,197
Revaluation Reserves	20	33,667	32,626
Council Equity Interest		250,267	242,823
Minority Equity Interest		-	-
Total Equity		250,267	242,823

Cabonne Council

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

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2009						
Opening Balance (as per Last Year's Audited Accounts)		210,197	32,626	242,823	-	242,823
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/08)		210,197	32,626	242,823	-	242,823
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (ii)	-	1,041	1,041	-	1,041
- Transfers to/(from) Other Reserves	20b (ii)	-	-	-	-	-
- Other Income/Expenses recognised	20b (ii)	120	-	120	-	120
- Other Adjustments	20b (ii)	-	-	-	-	-
Net Income Recognised Directly in Equity		120	1,041	1,161	-	1,161
d. Net Operating Result for the Year		6,283	-	6,283	-	6,283
Total Recognised Income & Expenses (c&d)		6,403	1,041	7,444	-	7,444
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		216,600	33,667	250,267	-	250,267

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2008						
Opening Balance (as per Last Year's Audited Accounts)		205,827	20,296	226,123	-	226,123
a. Correction of Prior Period Errors	20 (c)	(1,868)	-	(1,868)	-	(1,868)
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/07)		203,959	20,296	224,255	-	224,255
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (ii)	-	12,330	12,330	-	12,330
- Transfers to/(from) Other Reserves	20b (ii)	-	-	-	-	-
- Other Income/Expenses recognised	20b (ii)	-	-	-	-	-
- Other Adjustments	20b (ii)	-	-	-	-	-
Net Income Recognised Directly in Equity		-	12,330	12,330	-	12,330
d. Net Operating Result for the Year		6,238	-	6,238	-	6,238
Total Recognised Income & Expenses (c&d)		6,238	12,330	18,568	-	18,568
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		210,197	32,626	242,823	-	242,823

Cabonne Council

Cash Flow Statement

for the financial year ended 30 June 2009

Budget 2009	\$ '000	Notes	Actual 2009	Actual 2008
Cash Flows from Operating Activities				
Receipts:				
9,740	Rates & Annual Charges		9,530	9,424
5,267	User Charges & Fees		8,472	6,450
1,815	Interest & Investment Revenue Received		1,725	1,701
17,477	Grants & Contributions		11,034	10,510
1,274	Other		2,407	3,347
Payments:				
(10,925)	Employee Benefits & On-Costs		(10,698)	(8,037)
(7,279)	Materials & Contracts		(8,660)	(7,120)
(82)	Borrowing Costs		(82)	(76)
(809)	Other		(4,193)	(4,727)
-	Consolidation of Section 355 Committees Balance Sheet		120	-
16,478	Net Cash provided (or used in) Operating Activities	11b	9,655	11,472
Cash Flows from Investing Activities				
Receipts:				
-	Sale of Investment Securities		-	45
1,245	Sale of Real Estate Assets		58	183
-	Sale of Infrastructure, Property, Plant & Equipment		1,086	947
-	Deferred Debtors Receipts		-	8
Payments:				
-	Purchase of Investment Securities		550	-
(22,298)	Purchase of Infrastructure, Property, Plant & Equipment		(10,905)	(13,580)
-	Purchase of Real Estate Assets		(4)	(38)
(21,053)	Net Cash provided (or used in) Investing Activities		(9,215)	(12,435)
Cash Flows from Financing Activities				
Receipts:				
Nil				
Payments:				
(116)	Repayment of Borrowings & Advances		(114)	(149)
(116)	Net Cash Flow provided (used in) Financing Activities		(114)	(149)
(4,691)	Net Increase/(Decrease) in Cash & Cash Equivalents		326	(1,112)
27,130	plus: Cash & Cash Equivalents - beginning of year	11a	27,130	28,242
22,439	Cash & Cash Equivalents - end of the year	11a	27,456	27,130

Please refer to Note 11 for information on the following:

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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n/a - not applicable

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies

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

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

(a) Basis of preparation

(i) Background

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

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

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

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

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

Examples include;

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

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

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

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

(iii) Application of AAS 27

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

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

(iv) Basis of Accounting

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

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

(v) Changes in Accounting Policies

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

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

(vi) Critical Accounting Estimates

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

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

(b) Revenue recognition

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

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

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

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

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

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

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

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

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

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.

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.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

Interest and Rents

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

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

(c) Principles of Consolidation

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

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

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

(i) The Consolidated Fund

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

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

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

- General Purpose Operations
- Local Water Supply Funds (Molong, Cumnock & Yeoval)
- Local Sewerage Funds (Molong, Canowindra, Eugowra, Cudal, Manildra, Cumnock & Yeoval)

Other joint ventures and associated entities in which Council is involved are included to the extent set out in Note 19.

(ii) The Trust Fund

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

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

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

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

(iii) Joint Venture Entities

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.

Details relating to such Entities and Partnerships (where applicable) are set out in Note 19.

(iv) Associated Entities

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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 not a member of any County Councils.

(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 Finance or Operating Leases.

Finance Leases

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

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

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

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

The interest element of the finance charge is costed to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

Operating Leases

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

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

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

(e) Cash and Cash Equivalents

Cash and cash equivalents includes;

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

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

(f) Investments and Other Financial Assets

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

- **financial assets at fair value through profit or loss**,
- **loans and receivables**,
- **held-to-maturity investments**, and
- **available-for-sale financial assets**.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

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

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

(iv) Available-for-sale financial assets

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

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

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

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

Financial Assets – Reclassification

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

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

Council may also choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

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

Actual Reclassifications

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

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

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

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

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

(ii) Subsequent Measurement

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

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

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

Unrealised gains and losses arising from changes in the fair value of non monetary securities classified

as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve.

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

Impairment

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

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

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

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

(iii) Types of Investments

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

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

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

Council amended its policy during the current reporting year following revisions to the Investment Order arising from the Cole Inquiry recommendations. Certain investments the Council holds are no longer prescribed (eg. managed funds, CDOs, and equity

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

linked notes), however they have been retained under grandfathering provisions of the Order.

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

(g) Fair value estimation

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

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

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

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

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

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

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

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

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

(h) Receivables

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

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

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

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

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

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

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

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

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

Inventories held in respect of stores have been valued using the weighted average cost on a continual basis, after adjustment for loss of service potential.

Work in progress and finished goods in respect of business undertakings are 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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

expenditure, the latter being allocated on the basis of normal operating capacity.

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

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

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

Land Held for Resale/Capitalisation of Borrowing Costs

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

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

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

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

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

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

Acquisition of assets

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

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

- **Investment Properties** – refer Note 1(p),

- **Water and Sewerage Networks** which are carried at Fair Value (generally based upon Depreciated Replacement Cost).

- **Operational Land** (External Valuation)

- **Buildings – Specialised/Non Specialised** (External Valuation)

- **Plant and Equipment** (as approximated by depreciated historical cost)

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

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

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

Initial Recognition

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

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

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

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

Subsequent costs

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

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

Asset Revaluations (including Indexation)

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

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

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

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
- land under roads (purchases after 30/6/08)	100% Capitalised

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

Buildings & Land Improvements	
Park Furniture & Equipment	> \$1,000

Building	
- construction/extensions	100% Capitalised
- renovations	> \$1,000

Other Structures	> \$1,000
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Water & Sewer Assets	
Reticulation extensions	> \$1,000
Other	> \$1,000

Stormwater Assets	
Drains & Culverts	> \$1,000
Other	> \$1,000

Transport Assets	
Road construction & reconstruction	> \$1,000
Reseal/Re-sheet & major repairs:	> \$1,000

Bridge construction & reconstruction	> \$1,000
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Depreciation

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

Land is not depreciated.

Estimated useful lives for Councils assets include:

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

Plant & Equipment

- Office Equipment	10 years
- Office furniture	20 years
- Computer Equipment	5 years
- Vehicles	5 to 10 years
- Heavy Plant/Road Making equip.	7 to 10 years
- Other plant and equipment	5 to 7 years

Other Equipment

- Playground equipment	5 to 15 years
- Benches, seats etc	10 to 20 years

Buildings

- Buildings : Masonry	100 years
- Buildings : Other	33 to 50 years

Stormwater Drainage

- Drains	60 years
- Culverts	60 years

Transportation Assets

- Sealed Roads : Surface	50 years
- Sealed Roads : Structure	50 years
- Unsealed roads	50 years
- Bridge : Concrete	100 years
- Bridge : Other	50 years
- Road Pavements	60 years
- Kerb, Gutter & Paths	70 years

Water & Sewer Assets

- Dams and reservoirs	100 years
- Bores	30 years
- Reticulation pipes : PVC	40 to 80 years
- Reticulation pipes : Other	25 to 75 years
- Pumps and telemetry	10 to 70 years

Other Infrastructure Assets

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

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

Disposal and De-recognition

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

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

(k) Land

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

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

(l) Land under roads

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

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

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

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

Council will recognise all land under roads when the valuation methodology has been determined by the industry and is, in the meantime, collecting the necessary physical data to undertake the valuation.

(m) Intangible Assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

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

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

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

(n) Crown Reserves

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

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

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

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

(o) Rural Fire Service assets

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

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

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

(p) Investment property

Investment property comprises land &/or buildings that are principally held for long-term rental yields, capital gains or both and is not occupied by Council.

Investment property is carried at fair value, representing an open-market value determined annually by external valuers.

Annual changes in the fair value of Investment Properties are recorded in the Income Statement as part of "Other Income".

Full revaluations are carried out every three years with an appropriate index utilised each year in between the full revaluations.

(q) Provisions for close down, restoration and for environmental clean up costs – including Tips and Quarries

Close down, Restoration and Remediation costs include the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas.

Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

Costs are estimated on the basis of a closure plan.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

The cost estimates are calculated annually during the life of the operation to reflect known developments, eg updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down, Restoration and Remediation costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations.

Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the income statement in each accounting period.

This amortisation of the discount is shown as a borrowing cost.

Other movements in the provisions for Close down, Restoration and Remediation costs including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment.

These costs are then depreciated over the lives of the assets to which they relate.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each balance sheet date and the cost is charged to the income statement.

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date.

These costs are charged to the income statement.

Movements in the environmental clean up provisions are presented as an operating cost, except for the unwind of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations.

The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates.

As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

Specific Information relating to Councils provisions relating to Close Down, Restoration and Remediation costs can be found at Note 26.

(r) 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.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

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.

(s) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

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

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

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

(t) 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.

(u) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

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

(v) Borrowing costs

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

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

(w) Provisions

Provisions for legal claims and service warranties are recognised when:

- Council has a present legal or constructive obligation as a result of past events;

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

- 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.

(x) Employee benefits

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

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

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

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

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

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

(ii) Long service leave

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

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

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

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

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

(iii) Retirement benefit obligations

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

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

Defined Benefit Plans

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

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

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

Council has, however, disclosed a contingent liability in note 18 to reflect the possible obligation that may

arise should the Scheme require immediate payment to correct the deficiency.

Define Contribution Plans

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

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

(iv) Employee Benefit On-Costs

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

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

(y) Self insurance

Council has determined to self-insure for various risks including public liability and professional indemnity.

A provision for self-insurance has been made to recognise outstanding claims the amount of which is detailed in Note10.

Council also maintains cash and investments to meet expected future claims and these are detailed in Note6(c).

(z) 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.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

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.

(aa) Taxes

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

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

Goods & Services Tax (GST)

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

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

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

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

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

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

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

(ab) New accounting standards and UIG interpretations

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

Council has not adopted any of these standards early.

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

Applicable to Local Government with implications:

Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (effective from 1 January 2009)

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

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

Council will apply the revised standard from 1 July 2009.

Applicable to Local Government but no implications for Council;

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

The revised AASB 123 has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial reports as Council already capitalises borrowing costs relating to qualifying assets.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

AASB-I 16 clarifies which foreign currency risks qualify as hedged risk in the hedge of a net investment in a foreign operation and that hedging instruments may be held by any entity or entities within the group.

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

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

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

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

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

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

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

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

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

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

Not applicable to Local Government per se;

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

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

(ac) Rounding of amounts

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

(ad) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

individually reported for the first time within this Financial Report and/or the Notes.

(ae) Disclaimer

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget 2009	Actual 2009	Actual 2008	Original Budget 2009	Actual 2009	Actual 2008	Original Budget 2009	Actual 2009	Actual 2008	Actual 2009	Actual 2008	Actual 2009	Actual 2008
Governance	-	107	-	-	1,509	1,269	-	(1,402)	(1,269)	-	1,016	39,577	46,253
Administration	27	1,005	711	1,978	4,393	4,476	(1,951)	(3,388)	(3,765)	13	31	10,699	10,457
Public Order & Safety	179	828	1,250	729	776	666	(550)	52	584	711	1,151	3,564	2,882
Health	2,339	743	2,323	797	1,073	906	1,542	(330)	1,417	543	2,151	2,425	253
Community Services & Education	1,318	1,709	1,505	1,307	1,854	1,549	11	(145)	(44)	1,348	1,108	1,318	929
Housing & Community Amenities	1,369	2,183	1,193	3,712	2,306	1,702	(2,343)	(123)	(509)	613	367	4,913	4,064
Water Supplies	919	979	864	857	894	980	62	85	(116)	152	102	19,919	18,591
Sewerage Services	7,154	3,642	1,720	1,112	1,222	1,050	6,042	2,420	670	2,147	284	26,313	21,685
Recreation & Culture	358	322	300	1,351	1,692	1,294	(993)	(1,370)	(994)	64	73	13,637	10,570
Fuel & Energy	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining, Manufacturing & Construction	994	1,280	1,136	1,144	896	1,213	(150)	384	(77)	-	-	2,078	1,198
Transport & Communication	6,335	8,696	9,119	11,572	11,527	9,783	(5,237)	(2,831)	(664)	940	117	131,034	131,392
Economic Affairs	506	421	589	933	696	588	(427)	(275)	1	-	4	3,210	3,639
Total Functions & Activities	21,498	21,915	20,710	25,492	28,838	25,476	(3,994)	(6,923)	(4,766)	6,531	6,404	258,687	251,913
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income ¹	14,077	13,206	11,004	-	-	-	14,077	13,206	11,004	4,558	3,452	-	-
Operating Result from Continuing Operations	35,575	35,121	31,714	25,492	28,838	25,476	10,083	6,283	6,238	11,089	9,856	258,687	251,913

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 2(b). Components of Functions / Activities

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

GOVERNANCE

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

ADMINISTRATION

Costs not otherwise attributed to other functions / activities.

PUBLIC ORDER & SAFETY

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

HEALTH

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

COMMUNITY SERVICES & EDUCATION

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

HOUSING & COMMUNITY AMENITIES

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

WATER SUPPLIES

SEWERAGE SERVICES

RECREATION & CULTURE

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

FUEL & ENERGY - Gas Supplies

MINING, MANUFACTURING & CONSTRUCTION

Building control, abattoirs, quarries and pits, other.

TRANSPORT & COMMUNICATION

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

ECONOMIC AFFAIRS

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

Cabonne Council

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

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2009	Actual 2008
(a). Rates & Annual Charges			
Ordinary Rates			
Residential		2,128	2,026
Farmland		3,947	3,908
Mining		1,281	1,241
Business		127	127
Total Ordinary Rates		7,483	7,302
Special Rates			
Nil			
Annual Charges (pursuant to s.496 & s.501)			
Domestic Waste Management Services		591	566
Water Supply Services		194	186
Sewerage Services		1,090	1,056
Waste Management Services (non-domestic)		284	263
Other		79	78
Total Annual Charges		2,238	2,149
TOTAL RATES & ANNUAL CHARGES		9,721	9,451

Council has used 1/7/2007 year valuations provided by the NSW Valuer General in calculating its rates.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(b). User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Water Supply Services		430	381
Sewerage Services		112	96
Total User Charges		542	477
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s608, 610A & 611)			
Discretionary Fees - Other		753	717
Planning & Building Regulation		214	233
Private Works - Section 67		312	344
Section 611 Charges		5	5
Other		108	87
Total Fees & Charges - Statutory/Regulatory		1,392	1,386
(ii) Fees & Charges - Other (incl. General User Charges (per s.610C))			
Cemeteries		52	46
Lease Rentals		72	77
Recycling Income (Non Domestic)		50	73
RTA Charges (State Roads not controlled by Council)		5,734	4,688
Total Fees & Charges - Other		5,908	4,884
TOTAL USER CHARGES & FEES		7,842	6,747

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(c). Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges		62	58
- Interest earned on Investments (interest & coupon payment income)		1,621	1,751
- Interest & Dividend Income - Other		13	-
Fair Value Adjustments			
- Fair Valuation Movements in Investments (unrealised capital gains/(losses))		59	(921)
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>1,755</u>	<u>888</u>

Interest Revenue is attributable to:

Unrestricted Investments/Financial Assets:

Overdue Rates & Annual Charges	40	41
General Council Cash & Investments	1,165	249

Restricted Investments/Funds - External:

Development Contributions		
- Section 94	28	35
Water Fund Operations	162	183
Sewerage Fund Operations	173	284
Domestic Waste Management operations	72	-
Other Externally Restricted Assets	115	95

Restricted Investments/Funds - Internal:

Internally Restricted Assets	-	1
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Total Interest & Investment Revenue Recognised	1,755	888
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(d). Other Revenues

Rental Income - Other Council Properties	75	38
Legal Fees Recovery - Rates & Charges (Extra Charges)	3	12
Commissions & Agency Fees	77	105
Diesel Rebate	-	92
Insurance Claim Recoveries	209	27
Limestone Quarry & Gravel Pits	1,170	997
Other - Section 355 Committee Income	113	-
Other - Superannuation refund	37	-
Other - Sundry Sale of Materials	26	-
Other - HACC Other Income	21	-
Other	87	94
<u>TOTAL OTHER REVENUE</u>	<u>1,818</u>	<u>1,365</u>

Cabonne Council

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

Note 3. Income from Continuing Operations (continued)

\$ '000	2009 Operating	2008 Operating	2009 Capital	2008 Capital
(e). Grants				
General Purpose (Untied)				
Financial Assistance - General Component	2,483	1,852	-	-
Financial Assistance - Local Roads Component	1,982	1,507	-	-
Pensioners' Rates Subsidies - General Component	93	93	-	-
Total General Purpose	4,558	3,452	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Water	12	13	-	-
- Sewerage	30	31	-	-
- Domestic Waste Management	40	41	-	-
Water Supplies	171	72	4	17
Sewerage Services	-	-	2,147	252
Bushfire & Emergency Services	30	-	681	1,152
Community Care	1,197	1,109	-	-
Employment & Training Programs	13	-	-	-
Library	46	39	-	-
Noxious Weeds	91	169	-	-
Street Lighting	34	33	-	-
Transport (Roads to Recovery)	956	888	-	-
Transport (Other Roads & Bridges Funding)	-	-	-	181
Molong Health One	-	-	450	1,982
RLCIP	-	-	391	-
Other	148	220	90	205
Total Specific Purpose	2,768	2,615	3,763	3,789
Total Grants	7,326	6,067	3,763	3,789
Grant Revenue is attributable to:				
- Commonwealth Funding	5,662	3,452	-	-
- State Funding	1,664	2,615	3,763	3,772
- Other Funding	-	-	-	17
	7,326	6,067	3,763	3,789

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 3. Income from Continuing Operations (continued)

\$ '000	2009 Operating	2008 Operating	2009 Capital	2008 Capital
(f). Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the NSW LG Act):				
S 94 - Contributions towards amenities/services	42	22	-	-
Total Developer Contributions ¹⁷	42	22	-	-
Other Contributions:				
Bushfire Services	99	400	14	(345)
Community Services	105	-	-	-
Emergency Operations	-	-	-	191
Kerb & Gutter	-	-	25	-
Roads & Bridges	298	-	-	227
RTA Contributions (Regional/Local, Block Grant)	834	524	584	1,782
Sewerage (excl. Section 64 contributions)	-	-	80	-
WBC Alliance Income	98	-	-	-
Flood Contribution	140	-	-	-
Other	66	111	81	279
Total Other Contributions	1,640	1,035	784	2,134
Total Contributions	1,682	1,057	784	2,134
<u>TOTAL GRANTS & CONTRIBUTIONS</u>	<u>9,008</u>	<u>7,124</u>	<u>4,547</u>	<u>5,923</u>

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2009	Actual 2008
(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	6,021	2,889
add: Grants and contributions recognised in the current period which have not been spent:	2,615	5,859
less: Grants and contributions recognised in a previous reporting period which have been spent in the current reporting period:	(4,225)	(2,727)
Net Increase (Decrease) in Restricted Assets during the Current Reporting Period	(1,610)	3,132
Unexpended at the Close of this Reporting Period and held as Restricted Assets	4,411	6,021
Comprising:		
- Specific Purpose Unexpended Grants	2,784	3,996
- Developer Contributions	493	544
- Other Contributions	1,134	1,481
	4,411	6,021

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2009	Actual 2008
(a) Employee Benefits & On-Costs			
Salaries and Wages		7,846	5,984
Travelling		285	247
Employee Leave Entitlements (ELE)		1,438	1,469
Superannuation		966	760
Workers' Compensation Insurance		686	766
Fringe Benefit Tax (FBT)		6	4
Training Costs (other than Salaries & Wages)		206	126
Other		101	88
Total Employee Costs		11,534	9,444
less: Capitalised Costs		(883)	(1,345)
TOTAL EMPLOYEE COSTS EXPENSED		10,651	8,099
Number of "Equivalent Full Time" Employees at year end		179	174
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		70	80
Interest on Advances		2	2
Total Interest Bearing Liability Costs		72	82
less: Capitalised Costs		-	-
Total Interest Bearing Liability Costs Expensed		72	82
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	51	48
Total Other Borrowing Costs		51	48
TOTAL BORROWING COSTS EXPENSED		123	130

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(c) Materials & Contracts			
Raw Materials & Consumables		7,106	7,172
Contractor & Consultancy Costs		2	22
Audit Services - Council's Auditor		28	35
Audit Services - Other Services (Council's Auditor)		-	4
Legal Expenses:			
- Legal Expenses - Planning & Development		66	13
- Legal Expenses - Other		32	23
Operating Lease Rentals - Minimum Lease Payments ⁽¹⁾		6	33
Total Materials & Contracts		7,240	7,302
less: Capitalised Costs		-	-
<u>TOTAL MATERIALS & CONTRACTS</u>		<u>7,240</u>	<u>7,302</u>

1. Operating Leases are attributable to:

- Computers	6	33
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\$ '000	Depreciation/Amortisation		Impairment Costs	
	Actual 2009	Actual 2008	Actual 2009	Actual 2008
(d) Depreciation, Amortisation & Impairment				
Plant and Equipment	2,100	2,167	-	-
Office Equipment	169	127	-	-
Furniture & Fittings	45	45	-	-
Land Improvements (depreciable)	96	91	-	-
Buildings - Non Specialised	7	7	-	-
Buildings - Specialised	854	201	-	-
Other Structures	69	62	-	-
Infrastructure:				
- Roads, Bridges & Footpaths	3,795	3,682	-	-
- Stormwater Drainage	46	42	-	-
- Water Supply Network	445	441	-	-
- Sewerage Network	385	384	-	-
Other Assets				
- Other	3	3	-	-
Asset Reinstatement Costs	51	52	-	-
Total Depreciation & Impairment Costs	8,065	7,304	-	-
less: Capitalised Costs	-	-	-	-
<u>TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED</u>	<u>8,065</u>	<u>7,304</u>	<u>-</u>	<u>-</u>

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		88	72
Bad & Doubtful Debts		15	15
Contributions to Other Levels of Government		374	183
Councillor Expenses - Mayoral Fee		20	19
Councillor Expenses - Councillors' Fees		106	105
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		78	50
Donations, Contributions & Assistance to other organisations (Section 356)		261	259
Election Expenses		76	-
Electricity & Heating		220	181
External Plant Hire		649	1,001
Insurance		294	247
Postage		28	27
Printing & Stationery		79	70
Street Lighting		148	146
Subscriptions & Publications		20	18
Telephone & Communications		128	139
Valuation Fees		62	42
Other		113	67
Total Other Expenses		2,759	2,641
less: Capitalised Costs		-	-
<u>TOTAL OTHER EXPENSES</u>		<u>2,759</u>	<u>2,641</u>

Note 5. Gains or Losses on Disposal of Assets

Property (excl. Investment Property)

Proceeds from Disposal	-	138
less: Carrying Amount of Property Assets Sold	(33)	(100)
Net Gain/(Loss) on Disposal	(33)	38

Plant & Equipment

Proceeds from Disposal	1,086	809
less: Carrying Amount of P&E Assets Sold	(663)	(658)
Net Gain/(Loss) on Disposal	423	151

Real Estate Assets Held For Sale

Proceeds from Disposal	58	183
less: Carrying Amount of Real Estate Assets Sold	(18)	(156)
Net Gain/(Loss) on Disposal	40	27

NET GAIN/(LOSS) ON DISPOSAL OF ASSETS

430	216
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Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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

\$ '000	2009 Actual Current	2009 Actual Non Current	2008 Actual Current	2008 Actual Non Current
Cash & Cash Equivalents (Note 6a)				
Cash on Hand and at Bank	759	-	798	-
Cash-Equivalent Assets ¹				
- Deposits at Call	26,697	-	26,332	-
Total Cash & Cash Equivalents	27,456	-	27,130	-
Investment Securities (Note 6b)				
- CDO's	1,788	-	2,279	-
Total Investment Securities	1,788	-	2,279	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS	29,244	-	29,409	-

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"	27,456	-	27,130	-
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Investments

a. "At Fair Value through the Profit & Loss"				
- "Held for Trading" 6(b-i)	1,788	-	2,279	-
b. "Held to Maturity" 6(b-ii)	-	-	-	-
c. "Loans & Receivables" 6(b-iii)	-	-	-	-
d. "Available for Sale" 6(b-iv)	-	-	-	-
Investments	1,788	-	2,279	-

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 6b. Investments (continued)

	2009	2009	2008	2008
\$ '000	Actual Current	Actual Non Current	Actual Current	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	2,279	-	3,245	-
Revaluations (through the Income Statement)	59	-	(966)	-
Disposals (sales & redemptions)	(550)	-	-	-
Balance at End of Year	1,788	-	2,279	-
Comprising:				
- CDO's	1,788	-	2,279	-
Total	1,788	-	2,279	-

Note 6(b-ii)

Reconciliation of Investments classified as "Held to Maturity"

Nil

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 6c. Restricted Cash, Cash Equivalents & Investments

	2009 Actual Current	2009 Actual Non Current	2008 Actual Current	2008 Actual Non Current
\$ '000				
Total Cash, Cash Equivalents and Investment Securities	29,244	-	29,409	-
attributable to:				
External Restrictions (refer below)	12,378	-	15,906	-
Internal Restrictions (refer below)	15,086	-	10,457	-
Unrestricted	1,780	-	3,046	-
	29,244	-	29,409	-

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

Details of Restrictions

External Restrictions - Included in Liabilities

Specific Purpose Unexpended Loans-General (A)	46	-	-	46
RTA Advances (B)	173	-	-	173
External Restrictions - Included in Liabilities	219	-	-	219

External Restrictions - Other

Developer Contributions - General (D)	544	70	(121)	493
RTA Contributions (E)	1,017	7,334	(7,684)	667
Specific Purpose Unexpended Grants (F)	3,996	-	(1,212)	2,784
Water Supplies (G)	3,269	233	-	3,502
Sewerage Services (G)	4,970	-	(1,933)	3,037
Domestic Waste Management (G)	1,427	-	(218)	1,209
Other	464	88	(85)	467
External Restrictions - Other	15,687	7,725	(11,253)	12,159
Total External Restrictions	15,906	7,725	(11,253)	12,378

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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

2009 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	2,611	2,897	(1,147)	4,361
Employees Leave Entitlement	1,066	283	(184)	1,165
Office Equipment	344	276	(270)	350
Land Development	33	354	(330)	57
Capital Works	3,784	5,081	(1,740)	7,125
Housing	163	20	(23)	160
Limestone Quarry	235	249	(56)	428
Waste Management	1,388	88	(884)	592
Small Town Sewerage	12	-	-	12
Other	821	90	(75)	836
Total Internal Restrictions	10,457	9,338	(4,709)	15,086
TOTAL RESTRICTIONS	26,363	17,063	(15,962)	27,464

- A** Loan moneys which must be applied for the purposes for which the loans were raised.
- B** Advances by the Roads and Traffic Authority for works on the State's classified roads.
- C** Self Insurance liability resulting from reported claims or incurred claims not yet reported.
- D** Development contributions which are not yet expended for the provision of services & amenities in accordance with contributions plans (refer Note 17).
- E** RTA Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- 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.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 7. Receivables

\$ '000	2009		2008	
	Current	Non Current	Current	Non Current
Purpose				
Rates & Annual Charges	930	152	911	90
Interest & Extra Charges	46	-	35	-
User Charges & Fees	436	6	356	-
Private Works	801	-	687	-
Accrued Revenues				
- Interest on Investments	122	-	162	-
Government Grants & Subsidies	3,053	-	2,943	-
Deferred Debtors	65	40	77	28
Other Debtors	211	368	23	105
Total	5,664	566	5,194	223
less: Provision for Impairment				
Rates & Annual Charges	(39)	-	(149)	-
User Charges & Fees	(105)	-	-	-
Total Provision for Impairment - Receivables	(144)	-	(149)	-
<u>TOTAL NET RECEIVABLES</u>	<u>5,520</u>	<u>566</u>	<u>5,045</u>	<u>223</u>
Externally Restricted Receivables				
Water Supply				
- Specific Purpose Grants	11	-	6	-
- Rates & Availability Charges	428	6	352	1
- Other	2	2	-	-
Sewerage Services				
- Specific Purpose Grants	1,169	-	327	-
- Rates & Availability Charges	724	20	708	21
- Other	11	27	-	-
Total External Restrictions	2,345	55	1,393	22
Internally Restricted Receivables				
Nil				
Unrestricted Receivables	3,175	511	3,652	201
<u>TOTAL NET RECEIVABLES</u>	<u>5,520</u>	<u>566</u>	<u>5,045</u>	<u>223</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 10.00% (2008 10.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 8. Inventories & Other Assets

\$ '000	2009		2008	
	Current	Non Current	Current	Non Current
Inventories				
Real Estate for resale (refer below)	1,074	-	1,088	-
Stores & Materials	419	-	364	-
Total Inventories	1,493	-	1,452	-
Other Assets				
Prepayments	14	-	-	-
Section 355 Committees	-	193	-	158
Other	200	-	182	-
Total Other Assets	214	193	182	158
<u>TOTAL INVENTORIES & OTHER ASSETS</u>	<u>1,707</u>	<u>193</u>	<u>1,634</u>	<u>158</u>

Details for Real Estate Development

Residential	919	-	937	-
Industrial/Commercial	155	-	151	-
Total Real Estate for Resale	1,074	-	1,088	-

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

Represented by:

Acquisition Costs	669	-	683	-
Development Costs	405	-	405	-
Total Costs	1,074	-	1,088	-
less: Provision for Under Recovery	-	-	-	-
Total Real Estate for Resale	1,074	-	1,088	-

Movements:

Real Estate assets at beginning of the year	1,088	-	1,206	-
- Purchases and other costs	4	-	38	-
- WDV of Sales (recognised as exp's)	(18)	-	(156)	-
Total Real Estate for Resale	1,074	-	1,088	-

Cabonne Council

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

Note 8. Inventories & Other Assets (continued)

\$ '000	2009		2008	
	Current	Non Current	Current	Non Current
(i) Externally Restricted Assets				
Total Externally Restricted Assets	-	-	-	-
Total Internally Restricted Assets	-	-	-	-
Total Unrestricted Assets	1,707	193	1,634	158
TOTAL INVENTORIES & OTHER ASSETS	1,707	193	1,634	158

(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;

	2009	2008
Real Estate for Resale	544	1,088
	544	1,088

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

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2008					Asset Movements during the Reporting Period					as at 30/6/2009				
	At Cost	At Fair Value	Accumulated		Carrying Value	Asset Additions	WDV Asset Disposals	Depreciation Expense	Revaluation Decrements to Equity (ARR)	Revaluation Increments to Equity (ARR)	At Cost	At Fair Value	Accumulated		Carrying Value
			Deprec.	Impairment									Dep'n	Impairment	
Capital Work in Progress	439	-	-	-	439	3,578	-	-	-	-	4,017	-	-	-	4,017
Plant & Equipment	-	34,125	20,063	-	14,062	3,358	(663)	(2,100)	-	-	-	35,072	20,415	-	14,657
Office Equipment	-	1,584	1,085	-	499	343	-	(169)	-	-	-	1,927	1,254	-	673
Furniture & Fittings	-	521	329	-	192	14	-	(45)	-	-	-	535	374	-	161
Plant & Equipment (under Finance Lease)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land:															
- Operational Land	-	4,323	-	-	4,323	289	-	-	-	-	-	4,612	-	-	4,612
- Community Land	186	-	-	-	186	-	-	-	-	-	186	-	-	-	186
- Land under Roads (purchased pre 1/7/08)	2,999	-	-	-	2,999	-	-	-	-	-	2,999	-	-	-	2,999
- Land under Roads (purchased post 30/6/08)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Improvements - non depreciable	1,061	-	-	-	1,061	-	-	-	-	-	1,061	-	-	-	1,061
Land Improvements - depreciable	2,455	-	1,030	-	1,425	62	-	(96)	-	-	2,518	-	1,127	-	1,391
Buildings - Non Specialised	-	340	12	-	328	-	-	(7)	-	-	-	340	19	-	321
Buildings - Specialised	-	37,057	17,748	-	19,309	2,096	(31)	(854)	(6)	-	-	39,004	18,490	-	20,514
Other Structures	2,094	-	984	-	1,110	250	(2)	(69)	-	-	2,341	-	1,052	-	1,289
Infrastructure:															
- Roads, Bridges, Footpaths	203,609	-	117,062	-	86,547	3,418	-	(3,795)	-	-	207,027	-	120,857	-	86,170
- Bulk Earthworks (non-depreciable)	44,729	-	-	-	44,729	-	-	-	-	-	44,729	-	-	-	44,729
- Stormwater Drainage	2,759	-	1,142	-	1,617	52	-	(46)	-	-	2,811	-	1,188	-	1,623
- Water Supply Network	-	38,796	20,554	-	18,242	261	-	(445)	-	541	-	40,228	21,629	-	18,599
- Sewerage Network	-	27,178	9,946	-	17,232	9	-	(385)	-	506	-	28,002	10,640	-	17,362
Other Assets:															
- Heritage Collections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Library Books	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other	689	-	22	-	667	3	-	(3)	-	-	692	-	25	-	667
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26:															
- Tip Asset	288	-	274	-	14	-	-	-	-	-	288	-	274	-	14
- Quarry Asset	657	-	194	-	463	-	-	(51)	-	-	657	-	245	-	412
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	261,965	143,924	190,445	-	215,444	13,733	(696)	(8,065)	(6)	1,047	269,326	149,720	197,589	-	221,457

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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

\$ '000 Class of Asset	Actual 2009				Actual 2008			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Water Supply								
Plant & Equipment	-	3,114	2,062	1,052	-	3,053	2,008	1,045
Land								
- Operational Land	-	142	-	142	-	142	-	142
- Community Land	44	-	-	44	44	-	-	44
- Improvements - depreciable	23	-	2	21	23	-	2	21
Infrastructure	-	39,700	21,434	18,266	-	38,796	20,554	18,242
Other Assets	17	-	-	17	17	-	-	17
Total Water Supply	84	42,956	23,498	19,542	84	41,991	22,564	19,511
Sewerage Services								
Plant & Equipment	-	5,593	3,067	2,526	-	5,574	2,921	2,653
Land								
- Operational Land	-	254	-	254	-	254	-	254
- Community Land	10	-	-	10	10	-	-	10
- Improvements non-depreciable	989	-	-	989	989	-	-	989
- Improvements - depreciable	977	-	442	535	977	-	393	584
Buildings	-	200	10	190	-	200	5	195
Infrastructure	-	28,003	10,639	17,364	-	27,177	9,945	17,232
Other Assets	4,391	-	-	4,391	814	-	-	814
Total Sewerage Services	6,367	34,050	14,158	26,259	2,790	33,205	13,264	22,731
Domestic Waste Management								
Plant & Equipment	-	302	65	237	-	320	39	281
Land								
- Operational Land	-	242	-	242	-	34	-	34
- Community Land	-	100	-	100	100	-	-	100
- Improvements - depreciable	-	244	16	228	77	-	7	70
Buildings	-	7	-	7	-	-	-	-
Other Structures	-	3	2	1	3	-	2	1
Other Assets	-	168	9	159	333	-	9	324
Total DWM	-	1,066	92	974	513	354	57	810
TOTAL RESTRICTED I,PP&E	6,451	78,072	37,748	46,775	3,387	75,550	35,885	43,052

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

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2009		2008	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		2,401	-	3,042	-
Accrued Expenses;					
- Borrowings		6	-	17	-
Security Bonds, Deposits & Retentions		395	-	374	-
Other		11	-	9	-
Total Payables		2,813	-	3,442	-
Borrowings					
Loans - Secured ¹		120	826	107	942
Government Advances		-	25	6	30
Total Borrowings		120	851	113	972
Provisions					
Employee Benefits;					
Annual Leave		911	10	902	-
Long Service Leave		2,350	140	2,359	129
Sub Total - Aggregate Employee Benefits		3,261	150	3,261	129
Asset Remediation/Restoration (Future Works)	26	-	1,225	-	1,173
Total Provisions		3,261	1,375	3,261	1,302
Total Payables, Borrowings & Provisions					
		6,194	2,226	6,816	2,274

(i) Liabilities relating to Restricted Assets

	2009		2008	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Water	13	76	10	45
Sewer	117	925	100	1,298
Other	173	-	173	-
Liabilities relating to externally restricted assets	303	1,001	283	1,343
Internally Restricted Assets				
Nil				
Total Liabilities relating to restricted assets	303	1,001	283	1,343

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.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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

\$ '000	2009	2008
(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	2,350	2,359
	2,350	2,359

Note 10b. Description of and movements in Provisions

Class of Provision	2008			2009		
	Opening Balance as at 1/7/08	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/09
Annual Leave	902	653	(645)	11	-	921
Long Service Leave	2,488	163	(179)	18	-	2,490
Asset Remediation	1,173	52	-	-	-	1,225
TOTAL	4,563	868	(824)	29	-	4,636

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.

b. Asset Remediation, Reinstatement & Restoration Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 11. Cash Flow Statement - Additional Information

\$ '000	Notes	Actual 2009	Actual 2008
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	27,456	27,130
Less Bank Overdraft	10	-	-
BALANCES as per the CASH FLOW STATEMENT		27,456	27,130
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		6,283	6,238
Adjust for non cash items:			
Depreciation & Amortisation		8,065	7,304
Net Losses/(Gains) on Disposal of Assets		(430)	(216)
Non Cash Capital Grants and Contributions		(2,828)	(1,404)
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "@ Fair Value" or "Held for Trading"		(59)	921
Unwinding of Discount Rates on Reinstatement Provisions		52	48
Net Loss/(Gain) on Council Restructure/Amalgamations (excl. Cash)		120	-
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(813)	(1,706)
Increase/(Decrease) in Provision for Doubtful Debts		(5)	34
Decrease/(Increase) in Inventories		(55)	94
Decrease/(Increase) in Other Current Assets		(67)	(43)
Increase/(Decrease) in Payables		(641)	88
Increase/(Decrease) in accrued Interest Payable		(11)	6
Increase/(Decrease) in other accrued Expenses Payable		-	-
Increase/(Decrease) in Other Current Liabilities		23	46
Increase/(Decrease) in Employee Leave Entitlements		21	62
Increase/(Decrease) in Other Provisions		-	-
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from CASH FLOW STATEMENT		9,655	11,472

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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

\$ '000	Notes	Actual 2009	Actual 2008
(c) Non-Cash Investing & Financing Activities			
Bushfire Grants		681	1,152
PWD Construction		2,147	252
Total Non-Cash Investing & Financing Activities		2,828	1,404
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		450	450
Total Financing Arrangements		450	450
Amounts utilised as at Balance Date:			
- Bank Overdraft Facilities		-	-
Total Financing Arrangements Utilised		-	-

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2009	Actual 2008
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(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

Buildings	1,177	10
Plant & Equipment	1,744	2,151
Total Commitments	2,921	2,161

These expenditures are payable as follows:

Within the next year	2,921	2,161
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
Total Payable	2,921	2,161

Sources for Funding of Capital Commitments:

Unrestricted General Funds	1,744	10
Unexpended Grants	1,177	-
Internally Restricted Reserves	-	2,151
Total Sources of Funding	2,921	2,161

(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:

DWM & Recycling Services	1,566	1,855
Audit Services	88	119
Regional Waste Facility	50	82
Total Commitments	1,704	2,056

These expenditures are payable as follows:

Within the next year	321	353
Later than one year and not later than 5 years	1,102	1,133
Later than 5 years	281	570
Total Payable	1,704	2,056

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(c) Finance Lease Commitments			
Nil			
(d) Operating Lease Commitments (Non Cancellable)			
Nil			
(e) Investment Property Commitments			
Nil			
(f) 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		675	654
Later than one year and not later than 5 years		1,170	1,494
Later than 5 years		-	-
Total Payable		1,845	2,148

(g) Investment in Associates / Joint Ventures - Commitments

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 13. Statement of Performance Measurement - Indicators

\$ '000	Amounts 2009	Indicator 2009	Prior Periods 20082007	
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	21,204	5.99 : 1	4.24	7.45
Current Liabilities less Specific Purpose Liabilities ^(2,3)	3,541			
2. Debt Service Ratio				
Debt Service Cost	186	0.71%	1.04%	2.54%
Revenue from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	26,124			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	9,721	27.68%	29.80%	30.44%
Revenue from Continuing Operations	35,121			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	1,089	10.20%	8.54%	8.80%
Rates, Annual & Extra Charges Collectible	10,673			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾ [Buildings & Infrastructure]	6,338	114.57%	169.10%	n/a
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)	5,532			

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 ELE not expected to be paid in the next 12 months.

⁽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.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 13a. Statement of Performance Measurement - Graphs

\$ '000

<div><div>1. Unrestricted Current Ratio</div><div><div>Ratio : 1</div><div><div><div><div>8.0</div><div>6.0</div><div>4.0</div><div>2.0</div><div>0.0</div></div><div><div>5.40</div><div>7.45</div><div>4.24</div><div>5.99</div></div><div><div>2006</div><div>2007</div><div>2008</div><div>2009</div></div></div><div>Year</div></div></div></div>	<div><div>Purpose of Unrestricted Current Ratio</div><div>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</div></div>	<div><div>Commentary on 2008/09 Result</div><div><div>2008/09 Ratio</div><div>5.99 : 1</div></div><div>Whilst Council's Unrestricted Current Ratio has increased slightly from the previous year, it still indicates however, that Council is comfortably able to satisfy its debts as and when they fall due.</div></div>
<div><div>2. Debt Service Ratio</div><div><div>Ratio %</div><div><div><div>3.5%</div><div>3.0%</div><div>2.5%</div><div>2.0%</div><div>1.5%</div><div>1.0%</div><div>0.5%</div><div>0.0%</div></div><div><div>2.96%</div><div>2.54%</div><div>1.04%</div><div>0.71%</div></div><div><div>2006</div><div>2007</div><div>2008</div><div>2009</div></div></div><div>Year</div></div></div>	<div><div>Purpose of Debt Service Ratio</div><div>To assess the impact of loan principal & interest repayments on the discretionary revenue of council.</div></div>	<div><div>Commentary on 2008/09 Result</div><div><div>2008/09 Ratio</div><div>0.71%</div></div><div>Council's Debt Service Ratio of 0.71% is well below industry benchmarks, however this shows the capacity for Council to increase borrowings in the future. It is expected that Council will utilise loan funds in the coming 12 months for projects such as Small Town Sewerage Schemes and a Regional Waste Facility.</div></div>
<div><div>3. Rates & Annual Charges Coverage Ratio</div><div><div>Ratio %</div><div><div><div>40%</div><div>35%</div><div>30%</div><div>25%</div><div>20%</div><div>15%</div><div>10%</div><div>5%</div><div>0%</div></div><div><div>31.52%</div><div>30.44%</div><div>29.80%</div><div>27.68%</div></div><div><div>2006</div><div>2007</div><div>2008</div><div>2009</div></div></div><div>Year</div></div></div>	<div><div>Purpose of Rates & Annual Charges Coverage Ratio</div><div>To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.</div></div>	<div><div>Commentary on 2008/09 Result</div><div><div>2008/09 Ratio</div><div>27.68%</div></div><div>Council's Rates & Annual Charges Coverage Ratio has decreased over the last 4 years and now stands at 27.68%. This represents Council's continuing downward trend due to an increase level of user charges and fees and overall income. This ratio is comparable with other regional Councils with similar characteristics.</div></div>
<div><div>4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage</div><div><div>Ratio %</div><div><div><div>12%</div><div>10%</div><div>8%</div><div>6%</div><div>4%</div><div>2%</div><div>0%</div></div><div><div>2.44%</div><div>8.80%</div><div>8.54%</div><div>10.20%</div></div><div><div>2006</div><div>2007</div><div>2008</div><div>2009</div></div></div><div>Year</div></div></div>	<div><div>Purpose of Rates & Annual Charges Outstanding Ratio</div><div>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</div></div>	<div><div>Commentary on 2008/09 Result</div><div><div>2008/09 Ratio</div><div>10.20%</div></div><div>The 10.20% result does not show a true representation of the actual amount outstanding. It should be noted receivables includes sewer and water charges (\$577K) that were billed in 08/09 but were not actually in arrears, as the ratepayer did not have the opportunity to actually pay their accounts. The adjusted result of 4.80% is an outstanding result considering the current financial trends. In spite of the global financial crisis, the ratio has decreased from previous years. This is a credit not only to the local community but also Council's staff.</div></div>

Cabonne Council

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

Note 14. Investment Properties

\$ '000

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 15. Financial Risk Management

\$ '000

Risk Management

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

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

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

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

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

	Carrying Value		Fair Value	
	2009	2008	2009	2008
Financial Assets				
Cash and Cash Equivalents	27,456	27,130	27,456	27,130
Investments				
- "Held for Trading"	1,788	2,279	1,788	2,279
Receivables	6,086	5,268	6,086	5,268
Total Financial Assets	35,330	34,677	35,330	34,677
Financial Liabilities				
Payables	2,813	3,442	2,813	3,441
Loans / Advances	971	1,085	971	1,085
Total Financial Liabilities	3,784	4,527	3,784	4,526

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 far value through profit & loss**" or (ii) **Available for Sale** - are based upon quoted market prices at the reporting date or independent valuation.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 15. Financial Risk Management (continued)

\$ '000

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

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

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

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

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

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

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
2009				
Possible impact of a 10% movement in Market Values	14	179	(14)	(179)
Possible impact of a 1% movement in Interest Rates	292	292	(292)	(292)
2008				
Possible impact of a 10% movement in Market Values	14	228	(14)	(228)
Possible impact of a 1% movement in Interest Rates	293	293	(293)	(293)

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

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

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

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

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

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

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

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

	2009 Rates & Annual Charges	2009 Other Receivables	2008 Rates & Annual Charges	2008 Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	-	4,406	-	1,775
Past due by up to 30 days	930	49	-	2,402
Past due between 31 and 180 days	-	279	911	239
Past due between 181 and 365 days	-	-	-	-
Past due by more than 1 year	152	414	90	-
	1,082	5,148	1,001	4,416

(ii) Movement in Provision for Impairment of Receivables

	2009	2008
Balance at the beginning of the year	149	115
- amounts already provided for & written off this year	(5)	-
Balance at the end of the year	144	149

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2009									
Trade/Other Payables	395	2,418	-	-	-	-	-	2,813	2,813
Loans & Advances	-	26	68	-	11	867	-	972	971
Total Financial Liabilities	395	2,444	68	-	11	867	-	3,785	3,784
2008									
Trade/Other Payables	374	3,067	-	-	-	-	-	3,441	3,442
Loans & Advances	-	1	54	107	-	14	991	1,167	1,085
Total Financial Liabilities	374	3,068	54	107	-	14	991	4,608	4,527

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

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

	2009		2008	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	2,813	0.0%	3,442	0.0%
Loans & Advances - Fixed Interest Rate	971	6.9%	1,085	6.9%
	<u>3,784</u>		<u>4,527</u>	

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 08/09 was incorporated as part of its Management Plan and was adopted by the Council on 10th June 2008

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

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

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

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

\$ '000	2009 Budget	2009 Actual	2009 Variance* -----		
REVENUES					
Rates & Annual Charges	9,742	9,721	(21)	(0%)	U
User Charges & Fees	5,267	7,842	2,575	49%	F
Increase in Roads and Traffic Authority fees of \$2,489K from original budget.					
Interest & Investment Revenue	1,815	1,755	(60)	(3%)	U
Other Revenues	1,274	1,818	544	43%	F
The favourable variation is due to an increase in the following areas: Rental property income, Superannuation refund, Sundry sale of materials and in increase in Quarry product sales.					
Operating Grants & Contributions	8,071	9,008	937	12%	F
The favourable variation is due to an advance payment of \$911K for the Financial Assistance Grant.					
Capital Grants & Contributions	9,406	4,547	(4,859)	(52%)	U
The unfavourable variation from the original budget was due to the Small Town Sewer Scheme not being completed as originally anticipated. There was also a reduction in the Regional Maintenance Agreement and the Regional Timber Bridge Program with the Roads and Traffic Authority.					
Net Gains from Disposal of Assets	-	430	430	0%	F

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 16. Material Budget Variations (continued)

\$ '000	2009 Budget	2009 Actual	2009 Variance* -----		
EXPENSES					
Employee Benefits & On-Costs	10,510	10,651	(141)	(1%)	U
Borrowing Costs	82	123	(41)	(50%)	U
The unfavourable variation has occurred as a result of the amortisation of borrowing costs for Council's Limestone quarry and gravel pits not being included in the original budget.					
Materials & Contracts	7,279	7,240	39	1%	F
Depreciation & Amortisation	6,812	8,065	(1,253)	(18%)	U
Due to the revaluation of Council's Land and Buildings and indexation of Water and Sewer assets has resulted in an unfavourable variation.					
Other Expenses	809	2,759	(1,950)	(241%)	U
The unfavourable variation in other expenses is due to an increase in the following areas: Advertising, Contributions to other levels of Government, Electricity and Heating, Insurance, Councillor expenses, Election expenses, Printing and stationery costs.					
\$ '000	2009 Budget	2009 Actual	2009 Variance* -----		
Budget Variations relating to Council's Cash Flow Statement include:					
Cash Flows from Operating Activities	16,478	9,655	(6,823)	(41.4%)	U
The variation is due to the Small town sewer project not being completed as anticipated and therefore grant funds not received this financial year. There was also an increase in the User charges and fees due to the Roads and Traffic Authority.					
Cash Flows from Investing Activities	(21,053)	(9,215)	11,838	(56.2%)	F
The main reason for the variation in Investing activities is due to the Small town sewer project not being completed on time. There are also some other Capital Works projects that were not completed including: timber bridges, cycleways and footpaths, stormwater and village enhancement.					
Cash Flows from Financing Activities	(116)	(114)	2	(1.7%)	F

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 17. Statement of Developer Contributions

\$ '000

Council recovers contributions, raises levies & enters into planning agreements on development works that are subject to a development consent issued by Council. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions & levies and the value of all remaining funds which are "restricted" in their future use.

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	-	-	-	-	-	-	-	-	-	-	-
Roads	376	24	-	18	(114)	-	304	20	(2)	322	-
Traffic Facilities	-	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-	-
Open Space	-	-	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Other	160	18	-	10	(1)	-	187	-	-	187	-
S94 Contributions - under a Plan	536	42	-	28	(115)	-	491	20	(2)	509	-
S94A Levies - under a Plan	-	-	-	-	-	-	-				-
Total S94 Revenue Under Plans	536	42	-	28	(115)	-	491				-
S94 not under Plans	8	-	-	-	(6)	-	2	-	-	2	-
S93F Planning Agreements	-	-	-	-	-	-	-				-
S64 Contributions	-	-	-	-	-	-	-				-
Total Contributions	544	42	-	28	(121)	-	493	20	(2)	511	-

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 1 - Small Rural Holdings

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	12	-	-	1	-	-	13	-	-	13	-
Total	12	-	-	1	-	-	13	-	-	13	-

CONTRIBUTION PLAN NUMBER - General Rural Zone

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	364	24	-	17	(114)	-	291	20	(2)	309	-
Total	364	24	-	17	(114)	-	291	20	(2)	309	-

CONTRIBUTION PLAN NUMBER - Bushfire Equipment

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Other	160	18	-	10	(1)	-	187	-	-	187	-
Total	160	18	-	10	(1)	-	187	-	-	187	-

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

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - NOT UNDER A PLAN

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	8	-	-	-	(6)	-	2	-	-	2	-
Total	8	-	-	-	(6)	-	2	-	-	2	-

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) 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 contributions to the pool and the result of insurance claims within each of the Fund Years.

The future realisation and finalisation 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.

(ii) Statecover Limited

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

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

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

(ii) StateCover Limited (continued)

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

(iii) Other Guarantees

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

1. 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 evenetuate.

(ii) S94 Plans

Council levies Section 94/94A Contributions upon various developments across the Council area through the required Contribution 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.

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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

\$ '000

LIABILITIES NOT RECOGNISED (continued):

1. Guarantees (continued)

(iii) Gelato Ingredients Manufacturing Australia (GIMA)

Council, in conjunction with GIMA has purchased industrial land and erected a commercial building that is now being leased by GIMA. The contract provisions include a call option granting GIMA first option to buy.

The agreement states that in order to purchase the land, the purchase price is determined by either the Valuer General's or an independent licenced valuer's valuation at the date of the contract agreed to by both parties. The purchase price (if purchased by GIMA) is subject to a discount (being a reduction by 2% for each full time job created as a result of the establishment of the factory. A full time job is defined as a job that has been in existence for the previous 12 months, including 1 months annual leave, and based on average full time equivalent full time employees - that is 35 hours per week.

The purchase price for the factory itself is based upon the final construction costs signed off by both parties. The construction costs exclude the provision of infrastructure such as water, sewerage and roads. Of note, the agreement does not provide for indexation or inflation for the purchase price of the building.

At the date of this report, Council is not aware of any intent by GIMA to act upon their option.

ASSETS NOT RECOGNISED:

(i) Defined Benefit Superannuation Contribution Plans

Council participates in an employer sponsored Defined Benefit superannuation Scheme, and makes contributions as determined by the Superannuations Trustees.

The Local Government Superannuation Scheme however, has advised that it is unable to provide Council with an accurate estimate of its share of the Defined Benefits Scheme's assets and liabilities in accordance with AASB 119.

The Scheme's most recent full actuarial review indicated that the Net Assets of the scheme were more than sufficient to meet the accrued benefits of the Scheme's defined benefit member category.

Council has not recorded any asset in these Financial Reports to represent any future economic benefit relating to the Scheme's financial position, nor has it recorded any movements in the Scheme's financial position in these accounts.

Accordingly, contributions made to the defined benefits scheme are recognised as an expense when they become payable - similar to accounting for a defined contributions plan.

(a) Accumulation Fund Members

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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

\$ '000

ASSETS NOT RECOGNISED (continued):

(b) Defined Benefit Members

Council makes employer contributions to the defined benefits categories of the Scheme at rates determined by the Scheme's trustees. The rate since 1 July 2005 has been 95% of member's contributions plus 1.25% of superable salary. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefit, as defined in the Trust Deed, as they accrue.

Council has an ongoing obligation to share in the future experience of the Scheme. Favourable or unfavourable variations may arise should the experience of the Scheme differ from the assumptions made by the Scheme's actuary in estimating the Scheme's accrued benefits liability. The most recent full actuarial review of the Scheme was undertaken by the Scheme's actuary Mr Martin Stevenson BSc, FIA, FIAA on 18th March 2004.

The Scheme's liability for accrued benefits was determined by reference to expected future salary levels and by application of a market-based

i assumptions. It was determined that the net assets of the Scheme were more than sufficient to meet the accrued benefits of the Scheme's defined benefit category members.

(ii) 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.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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

\$ '000

Subsidiaries, Associated Entities & Joint Venture Operations Not Recognised

The following Subsidiaries, Associated Entities & Joint Ventures have not been recognised in this Financial Report

Name of Entity/Operation	Principal Activity/Type of Entity	2009 Net Profit	2009 Net Assets
Central Western Co-Operative Public Library	Library Services to member Councils	(6)	190
Regional Waste Facility	JV agreement to develop a regional waste facility		
Strategic Alliance Wellington, Blayney & Cabonne Councils	Investigation and provision of economies of scale opportunities for member Councils		
Southern Phone Company	Telecommunications		

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2009	Actual 2008
a. Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		210,197	205,827
a. Correction of Prior Period Errors	20 (c)	-	(1,868)
b. Changes in Accounting Policies (Prior Period Effects)	20 (d)	-	-
c. Current Year Income & Expenses Recognised direct to Equity excluding direct to Reserves transactions		120	-
d. Net Operating Result for the Year		6,283	6,238
e. Distributions to/(Contributions from) Minority Interests		-	-
f. Transfers between Equity		-	-
g. Other Changes (disclosure required)		-	-
Balance at End of the Reporting Period		216,600	210,197

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

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	33,667	32,626
Total	33,667	32,626

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

- Opening Balance	32,626	20,296
- Revaluations for the year	9(a) 1,041	12,330
- Balance at End of Year	33,667	32,626

TOTAL VALUE OF RESERVES

33,667	32,626
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(iii). Nature & Purpose of Reserves**Infrastructure, Property, Plant & Equipment Revaluation Reserve**

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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

\$ '000	Notes	Actual 2009	Actual 2008
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c. Correction of Error/s relating to a Previous Reporting Period

Council revalued the following asset classes for the 07/08 Year End:

- Buildings

This reassessment resulted in a material difference as to where some assets actually sat in with respect to their asset life cycle relative to what the value of accumulated depreciation in Council's Financial Reports had previously indicated.

Council did not have sufficient and reliable information that would allow the restatement of information prior to 30/6/08 (the closing date for the comparative figures in last year's report).

As a result, Council adjusted the accumulated depreciation for the Asset Classes below as at 30/6/08 to reflect the correct value of accumulated depreciation;

- Buildings - Specialised (increase)/decrease to accumulated depreciation	(1,868)
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This adjustment resulted in a net increase / (decrease) in Council's Accumulated Surplus as at 30/6/08.

In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.

These amounted to the following Equity Adjustments:

- Adjustments to Opening Equity - 1/7/07 (relating to adjustments for the 30/6/07 reporting year end and prior periods)	-	(1,868)
- Adjustments to Closing Equity - 30/6/08 (relating to adjustments for the 30/6/08 year end)	-	-
Total Prior Period Adjustments - Prior Period Errors	-	(1,868)

d. Voluntary Changes in Accounting Policies

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund	Actual	Actual	Actual	Actual
\$ '000	2009	2009	2009	2009
<u>Continuing Operations</u>	General	Water	Sewer	Other
Income from Continuing Operations				
Rates & Annual Charges	8,445	186	1,090	-
User Charges & Fees	7,297	430	115	-
Interest & Investment Revenue	1,420	162	173	-
Other Revenues	1,705	62	51	-
Grants & Contributions provided for Operating Purposes	8,795	183	30	-
Grants & Contributions provided for Capital Purposes	2,316	4	2,227	-
Other Income				
Net Gains from Disposal of Assets	430	-	-	-
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-	-
Total Income from Continuing Operations	30,408	1,027	3,686	-
Expenses from Continuing Operations				
Employee Benefits & on-costs	10,152	215	284	-
Borrowing Costs	55	-	68	-
Materials & Contracts	6,895	136	209	-
Depreciation & Amortisation	6,991	490	584	-
Impairment	-	-	-	-
Other Expenses	2,361	197	201	-
Interest & Investment Losses	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-	-
Total Expenses from Continuing Operations	26,454	1,038	1,346	-
Operating Result from Continuing Operations	3,954	(11)	2,340	-
<u>Discontinued Operations</u>				
Net Profit/(Loss) from Discontinued Operations	-	-	-	-
Net Operating Result for the Year	3,954	(11)	2,340	-
Net Operating Result attributable to each Council Fund	3,954	(11)	2,340	-
Net Operating Result attributable to Minority Interests	-	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	1,638	(15)	113	-

Cabonne Council

Notes to the Financial Statements

as at 30 June 2009

Note 21. Financial Result & Financial Position by Fund

Balance Sheet by Fund	Actual	Actual	Actual	Actual
\$ '000	2009	2009	2009	2009
ASSETS	General	Water	Sewer	Other
Current Assets				
Cash & Cash Equivalents	20,917	3,502	3,037	-
Investments	1,788	-	-	-
Receivables	3,176	441	1,903	-
Inventories	1,493	-	-	-
Other	214	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-
Total Current Assets	27,588	3,943	4,940	-
Non-Current Assets				
Investments	-	-	-	-
Receivables	510	8	48	-
Inventories	-	-	-	-
Infrastructure, Property, Plant & Equipment	175,656	19,542	26,259	-
Investments Accounted for using the equity method	-	-	-	-
Investment Property	-	-	-	-
Intangible Assets	-	-	-	-
Other	193	-	-	-
Total Non-Current Assets	176,359	19,550	26,307	-
TOTAL ASSETS	203,947	23,493	31,247	-
LIABILITIES				
Current Liabilities				
Payables	2,773	13	27	-
Borrowings	30	-	90	-
Provisions	3,261	-	-	-
Total Current Liabilities	6,064	13	117	-
Non-Current Liabilities				
Payables	-	-	-	-
Borrowings	20	-	831	-
Provisions	1,205	76	94	-
Total Non-Current Liabilities	1,225	76	925	-
TOTAL LIABILITIES	7,289	89	1,042	-
Net Assets	196,658	23,404	30,205	-
EQUITY				
Retained Earnings	186,236	12,315	18,049	-
Revaluation Reserves	10,422	11,089	12,156	-
Council Equity Interest	196,658	23,404	30,205	-
Minority Interests	-	-	-	-
Total Equity	196,658	23,404	30,205	-

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

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

\$ '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 2009, up to and including the date when the financial report is "authorised for issue" have been taken into account in preparing this financial report.

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

Accordingly, the "authorised for issue" date is 21/09/09.

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

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

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

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

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

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

Note 24. Discontinued Operations

Council did not classify any of its Operations as "Discontinued".

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 25. Intangible Assets

\$ '000

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

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

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

Council has legal/public obligations to make restore, rehabilitate and reinstate the following assets/operations;

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2009	2008
Tip Operations	2016	346	344
Quarry Operations	2039	879	829
Balance at End of the Reporting Period	10	1,225	1,173

Under AASB 116 - Property, Plant & Equipment, where the use of an asset results in the obligation to dismantle or remove the asset and restore the site on which the asset stands, an estimate of such costs is required to be included in the cost of the asset.

An equivalent liability must be recognised under AASB 137 - Provisions, Contingent Liabilities and Contingent Assets.

The provision has been calculated by determining the present value of the future expenditures expected to be incurred. The discount rate used is the risk free borrowing rate applicable to Council.

Reconciliation of movement in Provision for year:

Balance at beginning of year	1,173	1,125
Effect of a change in discount rates used in PV calculations	1	-
Amortisation of discount (expensed to borrowing costs)	51	48
Total - Reinstatement, rehabilitation and restoration provision	1,225	1,173

Amount of Expected Reimbursements

Of the above Provisions for Reinstatement, Rehabilitation and Restoration works, those applicable to Garbage Services & Waste Management are able to be funded through future charges incorporated within Council's Annual Domestic Waste Management Charge.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 27. Additional Council Disclosures - Council Information

Principal Place of Business:

99 - 101 Bank Street
Molong NSW 2866

Contact Details

Mailing Address:

PO Box 17
Molong NSW 2866

Telephone: 02 6392 3203

Facsimile: 02 6392 3260

Opening Hours

Monday to Friday
9am to 5pm

Internet: www.cabonne.nsw.gov.au

Email: council@cabonne.nsw.gov.au

Officers

GENERAL MANAGER

Graeme Fleming

RESPONSIBLE ACCOUNTING OFFICER

Stephen Harding

PUBLIC OFFICER

Gerard Aguila

AUDITORS

Morse Group

Elected Members

MAYOR

Kevin Duffy

COUNCILLORS

Robert Dowling

Noel Bleakley

Lachlan MacSmith

Ian Gosper

Anthony Durkin

Kevin Walker

John Farr

Geoff Dean

David Hyde

Janelle Culverson

Sharon Wilcox

Other Information

ABN: 419 929 192 00

**INDEPENDENT AUDITOR'S REPORT
ON THE GENERAL PURPOSE FINANCIAL REPORT OF
CABONNE COUNCIL**

Report on the Financial Report

We have audited the accompanying financial report of Cabonne Council for the financial year ended 30 June 2009. The financial report comprises the Statement by Council, Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying Notes to the Financial Statements. Our audit responsibility does not extend to the original budget figures included in the Income Statement and Cash Flow Statement, the original budget disclosures in Notes 2(a) and 16, nor the projected revenue and expenditure of developer contributions reported in Note 17 and accordingly, we express no opinion on them.

Councils' Responsibility for the Financial Report

The Council are responsible for the preparation and fair presentation of the financial report in accordance with the Local Government Act 1993. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility

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

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

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

Independence

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



Chartered Accountants



Audit 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;
- (b) the Council's financial report:
 - (i) has been prepared in accordance with the requirements of this Division;
 - (ii) is consistent with the Council's accounting records;
 - (iii) presents fairly the Council's financial position, the results of its operations and cashflows; and
 - (iv) is in accordance with applicable Australian Accounting Standards, and other mandatory professional reporting requirements.
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial report that have come to light in the course of the audit.



MORSE GROUP

237 Lords Place

Orange

Dated: 22 October 2009



J.D. O'MALLEY
PARTNER

**INDEPENDENT AUDITOR'S REPORT
ON THE CONDUCT OF THE AUDIT OF
CABONNE COUNCIL**

We have audited the financial reports of Cabonne Council for the financial year ended 30 June 2009. The financial reports include the general purpose consolidated accounts of the economic entity comprising the Council and its controlled entities and the special purpose financial report, detailing the income and expenditure of Council's business units and their financial position at balance date. The contents of both of these reports include the Council's Certificate as required by section 413(2) (c) of the Local Government Act 1993. The Council is responsible for the preparation and presentation of the financial reports and the information they contain. We have conducted an independent audit of these financial reports in order to express an opinion on them to the Council.

In accordance with Section 417 of the Local Government Act 1993 we submit our report on the conduct of the audit of Cabonne Council for the year ended 30 June 2009. Our audit reports on the general purpose financial statements of Council and the special purpose financial statements on Council's business units outline the legislative framework of our audit and should be referred to in order to establish the context in which our comments are made.

Council's Responsibility for the Financial Report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with the Local Government Act 1993. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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



Chartered Accountants



Review of Financial Results

(a) Operating Result

As disclosed in Council's Income Statement the year's operations resulted in a net operating result of \$6,283,000 (2008 - \$6,238,000). Selected items of note in the operating statement include:

The operating result from ordinary activities *before* capital amounts was \$1,736,000 (2008 – \$315,000).

User charges and fees income has increased by \$1,095,000 to \$7,842,000 (2008-\$6,747,000) largely due to a \$1,046,000 increase in RTA ordered works.

Interest and investment revenue increased by \$867,000 to \$1,755,000 (2008-\$888,000), due to the recognition last year of a \$921,000 decline in the value of Council's collateralised debt obligation (CDO) investments; no further reduction was recorded in the current year, in fact a gain of \$59,000 was recorded.

Operating grants and contributions increased \$1,884,000 to \$9,008,000 (2008 - \$7,124,000) mainly due to the early payment of the first instalment of the 2010 Financial Assistance Grant.

Capital grants and contributions conversely decreased \$1,376,000 to \$4,547,000 (2008 - \$5,923,000) primarily due to a reduction in RTA contributions for roadworks.

Employee costs increased \$2,552,000 to \$10,651,000 (2008 - \$8,099,000) through a combination of increased staff numbers, increased wage rates, additional superannuation contributions for the defined benefits fund and less capital works.

The depreciation and amortisation expense rose by \$761,000 to \$8,065,000 (2008 - \$7,304,000) due to the upward re-valuation of buildings in the 2008 Financial Year. These assets were depreciated under the re-valued amounts for the first time in the 2009 Financial Year.

Council's other major items of income and expenditure were relatively consistent with the prior period.

(b) Financial Position

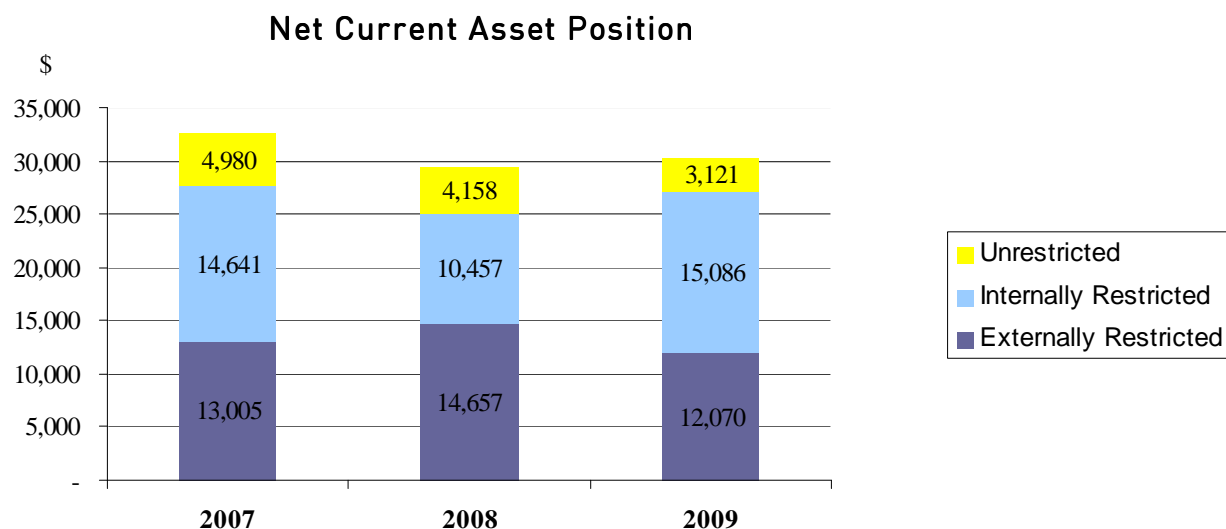
The Balance Sheet discloses that for the year ended 30 June 2009 Council's net assets stood at \$250,267,000 (2008 - \$242,823,000), which represents an increase of \$7,444,000. The increase comprises the net operating surplus after capital amounts of \$6,283,000, the net revaluation increment attributable to the indexation of Council's water and sewer infrastructure of \$1,041,000 and \$120,000 recognised direct to equity, following the inclusion of a new s.355 committee in Council's financial statements.

To assess the health of Council's net current asset position (available working capital) it is necessary to review the level of restrictions placed against the use of Council's assets. The notes to the financial statements indicate clearly where restrictions exist, and the effect of the restrictions is summarised as follows: -

	2009 \$'000	2008 \$'000
Net current assets	30,277	29,272
Less: Amounts externally restricted for special purposes refer Notes 6; 7; & 8 of financial statements	(14,723)	(17,299)
Less: Council internally imposed restrictions (refer Note 6 of financial statements)	(15,086)	(10,457)
Add: Applicable current liabilities refer Note 10		
- Water	13	10
- Sewerage	117	100
- Other	173	173
Add: Employee Leave Entitlements to be paid > 12 months	2,350	2,359
Unrestricted net current asset surplus/(deficit)	<u>3,121</u>	<u>4,158</u>
Unrestricted net current assets comprise: -		
Assets		
Cash	1,780	3,046
Receivables	3,175	3,652
Real estate development land	1,074	1,088
Inventories	419	364
Prepayments	-	-
Other	214	182
Less:	<u>6,662</u>	<u>8,332</u>
Liabilities	(5,891)	(6,533)
Plus:		
Employee Leave Entitlements To be paid > 12 months	2,350	2,359
Unrestricted net current asset surplus/ (deficit)	<u>3,121</u>	<u>4,158</u>

Council's surplus of net current assets to cover the restrictions placed on those assets is further evidence of a strong financial position.

The following table shows the impact of these funding decisions on Council's calculated unrestricted net current asset position:



Liquidity

Note 6 to the accounts discloses total cash and investments of \$29,244,000 (2008 - \$29,409,000), of this amount \$12,378,000 (2008 - \$15,906,000) is subject to external restrictions requiring Council to commit those funds to the purposes for which they were provided and \$15,086,000 (2008 - \$10,457,000) is subject to internal restrictions agreed upon by Council for designated purposes. These internal restrictions may be altered at the discretion of Council, consistent with their management plan.

The unrestricted balance of \$1,780,000 (2008 - \$3,046,000) represents funds available to cover non-budgeted discretionary expenditure and short-term cash flow requirements and reflects Council's strong financial position.

Whilst the consolidated financial report displays healthy levels of cash and investments, we remind the reader that the consolidated data is not necessarily reflective of the position of the individual funds (General, Water & Sewer) and this is equally applicable when reviewing the performance indicators considered below.

(c) Performance Indicators

Note 13 to the Financial Statements provide a measure of Council's performance using a number of selected ratios as follows:

Unrestricted Current Ratios

The Unrestricted Current Ratio is a measure of Council's liquidity that demonstrates its ability to satisfy obligations out of short-term and immediate asset balances. At a ratio of 5.99:1 (2008: 4.24:1) this indicates that Council is comfortably able to satisfy its debts as and when they fall due.

Debt Service Ratio

The cost of repaying debt is reflected in the debt service ratio, which expresses that cost as a percentage of revenue from ordinary activities.

Whilst there is no definitive guide on what constitutes an acceptable ratio it is generally accepted that a ratio of up to 20% depending on the level of long-term development (infrastructure) plans, is considered tolerable. At 0.7% (2008 – 1.04%) Cabonne Council's ratio is well below these industry benchmarks and indicates that Council has the capacity to finance further borrowing.

Rates & Annual Charges Coverage Ratio

The ability of Council to meet community expectations for the delivery of services and provision of facilities is directly influenced by the discretion it can exercise in the allocation of resources.

In relation to rates, a high level of dependency on rates income provides Council with a degree of flexibility in the nature and timing of how funds are spent.

Cabonne Council's ratio of 27.68% (2008 – 29.80%) reflects a continuing downward trend over several years due to an increased level of user charges and fees. It is also lower due to the early payment of the Federal FAG instalment.

The ratio is comparable with other regional councils with similar characteristics of population and geographic size.

Rates & Annual Charges, Interest & Extra Charges Outstanding Ratio

The rates and annual charges, interest and extra charges outstanding percentage is a measure of management efficiency. Whilst prevailing economic conditions may influence Council's ability to collect revenue, the efficiency and application of collection procedures are still the largest determinant of this ratio.

Cabonne Council's rates and annual charges, interest and extra charges outstanding percentage of 10.20 % (2008 – 8.54%) is higher than the prior period due to a water billing run performed on 30 June 2009. Hence the debts were included, but there was no opportunity for payment.

Assets Renewal Ratio

The purpose of this ratio is to assess the rate at which infrastructure assets are being renewed against the rate at which they are depreciating.

While the distinction between replacements, renewals and repairs is not well defined, the fact that this ratio has been in excess of 100% for the past two years suggests that Council is effectively maintaining its infrastructure assets.

(d) Cash Flow Statement

The Statement of Cash Flows reports a net increase in cash assets held of \$326,000 (2008 decrease - \$1,112,000) as follows:

	2009 \$'000	2008 \$'000	Movement \$'000
Cash flow provided by / (used in)			
Operating activities	9,655	11,472	(1,817)
Investing activities	(9,215)	(12,435)	3,220
Financing activities	(114)	(149)	35
Net increase / (decrease) in cash held	326	(1,112)	1,438

Cash flows from operating activities

The cashflows provided by operating activities has decreased against the prior financial year. All material movements have been explained in the commentary on the income statement above.

Cash flows from investing activities

The major cash inflows and outflows from investing activities primarily relates to the sale of \$1,086,000 of fixed assets and the acquisition of \$10,905,000 of property, plant and equipment. Major asset additions included:

- \$3,418,000 of roads, bridges and footpaths including:
 - \$1,041,000 expended on upgrading Baldry Road
- \$3,358,000 of plant and equipment including heavy machinery and Council light vehicles.
- \$2,096,000 of buildings including :
 - \$1,980,000 on the integrated primary health building in Molong.

Cash flows from financing activities

The net cash flow used in financing activities was \$114,000 (2008 - \$149,000), which related solely to the repayment of borrowings during the year.

(e) Comparison of Actual and Budgeted Performance

Council's surplus from ordinary activities after capital amounts of \$6,283,000 was \$3,800,000 less than Council's original estimates.

The nature of this report does not lend itself to detailed analysis of individual budget variations, though it appears that the main variance were in relation to the budgeted amount for depreciation expense. Note 16 of Council's financial statements addresses the contributing factors to these variations in detail.

(f) Other Matters

National Competition Policy

In accordance with the requirements of National Competition Policy guidelines, Cabonne Council has prepared a special purpose financial report on its business units for the year ended 30 June 2009. Council has determined that it has four business units within its operations: Water, Sewerage, Quarry and Private Works.

The Department of Local Government's July 1997 guidelines 'Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality' outlines the process for identifying and allocating costs of activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, rate of return on investments in business units and dividends paid.

An unqualified audit report on the special purpose reports for the year ended 30 June 2009 has been issued.

Management Letters

Our most recent management letter was issued on 23 June 2009. Management has typically responded to recommendations in an appropriate and timely manner.

(g) Progress of Asset Revaluation Program

In Circular 09/09, the Department of Local Government advised the industry that revaluations of roads, drainage and related infrastructure was to be deferred until 30 June 2010.

Cabonne Council has continued to progress this valuation process in order to ensure that they are able to recognise these revaluations at that time.

Council has the following in place:

- a project committee with senior representatives from the relevant departments
- a detailed project plan which establishes key deadlines and responsibilities
- regular reporting on the achievement of milestone in the project plan
- documentation which supports
 - the methodology for identifying all assets under council's control
 - capitalisation thresholds for each asset type for accounting and asset management purposes
 - the methodology used to value each asset type
 - a condition assessment model which allows for the identification of each assets' remaining useful life, annual depreciation and on going assessment of it's performance

It is expected that Council will complete it's revaluation of roads, bridges and footpaths in the required timeframe and of a suitably professional nature.

(h) Legislative compliance

As a result of our audit we advise that there are no material deficiencies in the accounting records or financial reports that have come to our attention during the conduct of the audit and that Cabonne Council's accounting records have been kept in accordance with the requirements of the Local Government Act, 1993 and regulations.

Conclusion

- (a) The Council's accounting records have been kept in a manner and form that facilitated the preparation of the general purpose financial report and allowed proper and effective audit of this report;
- (b) The Council's accounting records have been kept in a manner and form that facilitated the preparation of the special purpose financial reports and allowed proper and effective audit of this report; and
- (c) All information relevant to the conduct of the audit has been obtained.



MORSE GROUP

237 Lords Place
Orange
Dated: 22 October 2008



J. O'MALLEY
PARTNER

Cabonne Council

SPECIAL PURPOSE FINANCIAL REPORTS
for the year ended 30 June 2009

*“...providing sustainable local government to our rural communities
through consultation and sound financial management”*



Cabonne Council

Special Purpose Financial Reports

for the financial year ended 30 June 2009

Contents	Page
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2. Special Purpose Financial Reports:	
- Income Statement of Water Supply Business Activity	3
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Background

(i) These Special Purpose Financial Reports have been prepared for the use by both Council and the Department of Local Government in fulfilling their requirements under National Competition Policy.

(ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.

(iii) For Council, the principle of competitive neutrality & public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and **(b)** those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).

(iv) In preparing these financial reports for Council's self classified Category 1 businesses and ABS defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).

Cabonne Council

Special Purpose Financial Reports for the financial year ended 30 June 2009

Statement by Councillors and Management

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

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

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

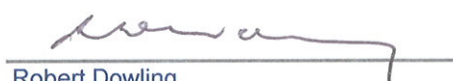
To the best of our knowledge and belief, these Reports:

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 21st September 2009.


 Kevin Duffy
 MAYOR


 Robert Dowling
 COUNCILLOR


 Graeme Fleming
 GENERAL MANAGER


 Stephen Harding
 RESPONSIBLE ACCOUNTING OFFICER

Cabonne Council

Income Statement of Council's Water Supply Business Activity

for the financial year ended 30 June 2009

\$ '000	Actual 2009	Actual 2008	Actual 2007
Income from continuing operations			
Access charges	186	179	170
User charges	430	384	452
Fees	-	-	-
Interest	162	183	173
Grants and contributions provided for non capital purposes	183	85	65
Profit from the sale of assets	-	-	-
Other income	62	72	119
Total income from continuing operations	1,023	903	979
Expenses from continuing operations			
Employee benefits and on-costs	215	127	147
Borrowing costs	-	-	-
Materials and contracts	136	332	324
Depreciation and impairment	490	488	247
Water purchase charges	-	-	-
Loss on sale of assets	-	-	-
Calculated taxation equivalents	-	-	-
Debt guarantee fee (if applicable)	-	-	-
Other expenses	197	154	155
Total expenses from continuing operations	1,038	1,101	873
Surplus (deficit) from Continuing Operations before capital amounts	(15)	(198)	106
Grants and contributions provided for capital purposes	4	21	13
Surplus (deficit) from Continuing Operations after capital amounts	(11)	(177)	119
Surplus (deficit) from Discontinued Operations	-	-	-
Surplus (deficit) from ALL Operations before tax	(11)	(177)	119
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	(32)
SURPLUS (DEFICIT) AFTER TAX	(11)	(177)	87
plus Opening Retained Profits	12,326	12,515	12,396
plus/less: Prior Period Adjustments	-	(12)	-
plus Adjustments for amounts unpaid:			
- Taxation equivalent payments	-	-	-
- Debt guarantee fees	-	-	-
- Corporate taxation equivalent	-	-	32
less:			
- Tax Equivalent Dividend paid	-	-	-
- Surplus dividend paid	-	-	-
Closing Retained Profits	12,315	12,326	12,515
Return on Capital %	-0.1%	-1.0%	0.6%
Subsidy from Council	1,098	1,443	1,078
Calculation of dividend payable:			
Surplus (deficit) after tax	(11)	(177)	87
less: Capital grants and contributions (excluding developer contributions)	(4)	(21)	(13)
Surplus for dividend calculation purposes	-	-	74
Potential Dividend calculated from surplus	-	-	37

Cabonne Council

Income Statement of Council's Sewerage Business Activity

for the financial year ended 30 June 2009

\$ '000	Actual 2009	Actual 2008	Actual 2007
Income from continuing operations			
Access charges	1,090	1,055	1,023
User charges	115	97	106
Liquid Trade Waste Charges	-	-	-
Fees	-	-	-
Interest	173	284	250
Grants and contributions provided for non capital purposes	30	31	31
Profit from the sale of assets	-	-	-
Other income	51	39	62
Total income from continuing operations	1,459	1,506	1,472
Expenses from continuing operations			
Employee benefits and on-costs	284	192	183
Borrowing costs	68	75	80
Materials and contracts	209	173	163
Depreciation and impairment	584	580	331
Loss on sale of assets	-	-	-
Calculated taxation equivalents	-	-	-
Debt guarantee fee (if applicable)	-	-	-
Other expenses	201	175	184
Total expenses from continuing operations	1,346	1,195	941
Surplus (deficit) from Continuing Operations before capital amounts	113	311	531
Grants and contributions provided for capital purposes	2,227	253	58
Surplus (deficit) from Continuing Operations after capital amounts	2,340	564	589
Surplus (deficit) from discontinued operations	-	-	-
Surplus (deficit) from ALL Operations before tax	2,340	564	589
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(34)	(93)	(159)
SURPLUS (DEFICIT) AFTER TAX	2,306	471	430
plus Opening Retained Profits	15,709	15,142	14,466
plus/less: Prior Period Adjustments	-	3	87
plus Adjustments for amounts unpaid:			
- Taxation equivalent payments	-	-	-
- Debt guarantee fees	-	-	-
- Corporate taxation equivalent	34	93	159
less:			
- Tax Equivalent Dividend paid	-	-	-
- Surplus dividend paid	-	-	-
Closing Retained Profits	18,049	15,709	15,142
Return on Capital %	0.7%	1.7%	2.8%
Subsidy from Council	1,274	1,080	744
Calculation of dividend payable:			
Surplus (deficit) after tax	2,306	471	430
less: Capital grants and contributions (excluding developer contributions)	(2,227)	(253)	(58)
Surplus for dividend calculation purposes	79	218	372
Potential Dividend calculated from surplus	40	109	186

Cabonne Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2009

	Quarry		Private Works	
\$ '000	Actual 2009	Actual 2008	Actual 2009	Actual 2008
Income from continuing operations				
Access charges	-	-	-	-
User charges	1,170	997	312	344
Fees	-	-	-	-
Interest	-	8	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	-	-	-	-
Total income from continuing operations	1,170	1,005	312	344
Expenses from continuing operations				
Employee benefits and on-costs	120	209	52	50
Borrowing costs	3	4	-	-
Materials and contracts	385	518	225	196
Depreciation and impairment	196	157	-	-
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	-	-	-	-
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	310	285	-	-
Total expenses from continuing operations	1,014	1,173	277	246
Surplus (deficit) from Continuing Operations before capital amounts	156	(168)	35	98
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	156	(168)	35	98
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	156	(168)	35	98
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(47)	-	(11)	(29)
SURPLUS (DEFICIT) AFTER TAX	109	(168)	25	69
plus Opening Retained Profits	743	911	863	765
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	-	-	-	-
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	47	-	11	29
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	899	743	898	863
Return on Capital %	11.5%	-13.8%	n/a	n/a
Subsidy from Council	-	241	-	-

Cabonne Council

Balance Sheet of Council's Water Supply Business Activity

as at 30 June 2009

\$ '000	Actual 2009	Actual 2008
ASSETS		
Current Assets		
Cash and cash equivalents	3,502	3,269
Investments	-	-
Receivables	441	358
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	3,943	3,627
Non-Current Assets		
Investments	-	-
Receivables	8	1
Inventories	-	-
Infrastructure, property, plant and equipment	19,542	19,309
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	19,550	19,310
TOTAL ASSETS	23,493	22,937
LIABILITIES		
Current Liabilities		
Payables	13	10
Interest bearing liabilities	-	-
Provisions	-	-
Total Current Liabilities	13	10
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	76	45
Total Non-Current Liabilities	76	45
TOTAL LIABILITIES	89	55
NET ASSETS	23,404	22,882
EQUITY		
Retained earnings	12,315	12,326
Revaluation reserves	11,089	10,556
Council equity interest	23,404	22,882
Minority equity interest	-	-
TOTAL EQUITY	23,404	22,882

Cabonne Council

Balance Sheet of Council's Sewerage Business Activity

as at 30 June 2009

\$ '000	Actual 2009	Actual 2008
ASSETS		
Current Assets		
Cash and cash equivalents	3,037	4,970
Investments	-	-
Receivables	1,903	1,035
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	4,940	6,005
Non-Current Assets		
Investments	-	-
Receivables	48	21
Inventories	-	-
Infrastructure, property, plant and equipment	26,259	22,731
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	26,307	22,752
TOTAL ASSETS	31,247	28,757
LIABILITIES		
Current Liabilities		
Payables	27	16
Interest bearing liabilities	90	84
Provisions	-	-
Total Current Liabilities	117	100
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	831	1,298
Provisions	94	-
Total Non-Current Liabilities	925	1,298
TOTAL LIABILITIES	1,042	1,398
NET ASSETS	30,205	27,359
EQUITY		
Retained earnings	18,049	15,709
Revaluation reserves	12,156	11,650
Council equity interest	30,205	27,359
Minority equity interest	-	-
TOTAL EQUITY	30,205	27,359

Cabonne Council

Balance Sheet of Council's Other Business Activities

as at 30 June 2009

	Quarry		Private Works	
	Category 2		Category 2	
\$ '000	Actual 2009	Actual 2008	Actual 2009	Actual 2008
ASSETS				
Current Assets				
Cash and cash equivalents	-	-	1,048	778
Investments	-	-	-	-
Receivables	164	50	27	103
Inventories	214	128	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	378	178	1,075	881
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	1,387	1,189	-	-
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	1,387	1,189	-	-
TOTAL ASSETS	1,765	1,367	1,075	881
LIABILITIES				
Current Liabilities				
Payables	-	-	177	18
Interest bearing liabilities	754	530	-	-
Provisions	108	23	-	-
Total Current Liabilities	862	553	177	18
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	4	71	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	4	71	-	-
TOTAL LIABILITIES	866	624	177	18
NET ASSETS	899	743	898	863
EQUITY				
Retained earnings	899	743	898	863
Revaluation reserves	-	-	-	-
Council equity interest	899	743	898	863
Minority equity interest	-	-	-	-
TOTAL EQUITY	899	743	898	863

Cabonne Council

Special Purpose Financial Reports for the financial year ended 30 June 2009

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	10
2	Water Supply Business Best Practice Management disclosure requirements	13
3	Sewerage Business Best Practice Management disclosure requirements	15

Cabonne Council

Notes to the Special Purpose Financial Reports

for the financial year ended 30 June 2009

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Report (SPFR) prepared for use by the Council, the Department of Water and Energy and the Department of Local Government.

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

This special purpose financial report, unless otherwise stated, has been prepared in accordance with;

- applicable Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Urgent Issues Group Consensus Views,
- the Local Government Act and Regulations,
- the Local Government Code of Accounting Practice and Financial Reporting, and
- the Local Government Asset Accounting Manual.

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

The "Pricing & Costing for Council Businesses A Guide to Competitive Neutrality" issued by the Department of Local Government in July 1997 has also been adopted.

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and

provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

Declared Business Activities

In accordance with *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*, council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

Nil

Category 2

(where gross operating turnover is less than \$2 million)

a. Cabonne Council Combined Water Supplies

Water supply operations servicing the towns of Molong, Yeoval and Cumnock, each of which are established as separate Special Rate Funds

b. Cabonne Council Combined Sewerage Supplies

Sewerage reticulation and treatment operations servicing the towns of Molong, Eugowra, Canowindra, Cudal, Yeoval, Cumnock and Manildra, each of which are established as separate Special Rate Funds

c. Cabonne Council – Agricultural Quarry

Supplies agricultural lime, limestone aggregates and readymixed concrete

d. Cabonne Council – Private Works

Council's Private Works, including the private hiring of plant and equipment for ratepayers and residents

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).

Cabonne Council

Notes to the Special Purpose Financial Reports

for the financial year ended 30 June 2009

Note 1. Significant Accounting Policies (continued)

As required by the Department of Water & Energy, some amounts shown in Notes 2 and Note 3 are shown in whole dollars.

(i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations (General Purpose Financial Report) just like all other costs.

However, where council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all council nominated business activities and are reflected in the SPFR.

For the purposes of disclosing comparative information relevant to the private sector equivalent the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

Notional Rate Applied %

Corporate Income Tax Rate – 30%

Land Tax – The first **\$368,000** of combined land values attracts **0%**. From \$368,001 to \$2,250,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,250,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.875%** on the value of taxable salaries and wages in excess of \$623,000.

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 the taxation equivalent is notional - that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in the GPFR.

The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations that have occurred during the year.

Local Government Rates & Charges

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

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

Cabonne Council

Notes to the Special Purpose Financial Reports

for the financial year ended 30 June 2009

Note 1. Significant Accounting Policies (continued)

have been between the commercial rate and the council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed.

Subsidies occur where council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community service obligations.

Accordingly, Subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of Business Activities.

(iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field".

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense

Written Down Value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 5.54% at 30/6/09.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

(iv) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses or to any external entities.

Local Government Water Supply and Sewerage Businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

The dividend, calculated and approved in accordance with the Best Practice Management Guidelines, must not exceed either **(i)** 50% of this surplus in any one year, or **(ii)** the number of water supply or sewerage assessments at 30 June 2009 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the Department of Water & Energy prior to making the dividend and only after the Department has approved its payment.

Cabonne Council

Notes to the Special Purpose Financial Reports for the financial year ended 30 June 2009

Note 2. Water Supply Business Best Practice Management disclosure requirements

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

2009

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	-
(ii)	No of assessments multiplied by \$3/assessment	3,522
(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	35,220
(iii)	Cumulative surplus before Dividends for the 3 years to 30 June 2009, less the cumulative dividends paid for the 2 years to 30 June 2008	74,200

2009 Surplus	-	2008 Surplus	-	2007 Surplus	74,200
		2008 Dividend	-	2007 Dividend	-

(iv)	Maximum Dividend from Surplus [least of (i), (ii) and (iii) above]	-
(v)	Dividend paid from Surplus [refer below for required pre-dividend payment Criteria]	

3. Required outcomes for 6 Criteria

[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

(i)	Completion of Strategic Business Plan (including Financial Plan)	YES
(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	YES
	b. Complete and implement Integrated Water Cycle Management Strategy	YES

Cabonne Council

Notes to the Special Purpose Financial Reports for the financial year ended 30 June 2009

Note 2. Water Supply Business Best Practice Management disclosure requirements (continued)

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

2009

National Water Initiative (NWI) Financial Performance Indicators

NWI F1	Total Revenue (Water) Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9)	\$'000	869
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)]	%	68.91%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	18,490
NWI F11	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	487
NWI F14	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	218
NWI F17	Economic Real Rate of Return (Water) [Total Income (w13) - Interest Income (w9) - Grants for acquisition of assets (w11a) - Operating Costs (NWI F11) - Current Cost Depreciation (w3)] x 100 divided by [Written Down Current Cost of System Assets (w47) + Plant & Equipment (w33b)]	%	-0.56%
NWI F26	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	-

- Notes:
- References to w (eg. w12) refer to item numbers within Special Schedules No. 3 & 4 of Council's Annual Financial Statements.
 - The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

Cabonne Council

Notes to the Special Purpose Financial Reports for the financial year ended 30 June 2009

Note 3. Sewerage Business Best Practice Management disclosure requirements

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

2009

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	-
(ii)	No of assessments multiplied by \$3/assessment	7,707
(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]	39,550
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	77,070
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2009, less the cumulative dividends paid for the 2 years to 30 June 2008	668,500

2009 Surplus	79,100	2008 Surplus	217,700	2007 Surplus	371,700
		2008 Dividend	-	2007 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	39,550
(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)	YES
(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]	YES
(iii)	Complete Performance Reporting Form (by 15 September each year)	YES
(iv)	a. Integrated Water Cycle Management Evaluation	YES
	b. Complete and implement Integrated Water Cycle Management Strategy	YES

Cabonne Council

Notes to the Special Purpose Financial Reports for the financial year ended 30 June 2009

Note 3. Sewerage Business Best Practice Management disclosure requirements (continued)

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

2009

National Water Initiative (NWI) Financial Performance Indicators

NWI F2	Total Revenue (Sewerage) Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10)	\$'000	1,382
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	23,733
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	567
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	3,606
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)]	%	0.88%
NWI F27	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	2,147

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	2,251
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.87%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	3,824
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)]	%	0.27%
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%

Cabonne Council

Notes to the Special Purpose Financial Reports for the financial year ended 30 June 2009

Note 3. Sewerage Business Best Practice Management disclosure requirements (continued)

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

2009

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

NWI F22	Net Debt to Equity (Water & Sewerage)	%	-10.48%
	Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]		
NWI F23	Interest Cover (Water & Sewerage)		> 100
	Earnings before Interest & Tax (EBIT) divided by Net Interest		
	Earnings before Interest & Tax (EBIT):		122
	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:		- 245
	Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		
NWI F24	Net Profit After Tax (Water & Sewerage)	\$'000	182
	Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))		
NWI F25	Community Service Obligations (Water & Sewerage)	\$'000	42
	Grants for Pensioner Rebates (w11b + s12b)		

- 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.

**INDEPENDENT AUDITOR'S REPORT
ON THE SPECIAL PURPOSE FINANCIAL REPORT OF
CABONNE COUNCIL**

Report on the Financial Report

We have audited the special purpose financial report of Cabonne Council for the year ended 30 June 2009, comprising the Statement by Council, Income Statement by Business Activities, Balance Sheet by Business Activities, and accompanying Notes to the Financial Statements. Our audit responsibility does not extend to the best practice management disclosures in Notes 2 and 3 and accordingly we express no opinion on them.

Councils' Responsibility for the Financial Report

The Council are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial reporting requirements of the Council and the Department of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. The Council's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the Council. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council as well as evaluating the overall presentation of the financial report.

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

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.



Chartered Accountants



Audit Opinion

In our opinion, the special purpose financial report of Cabonne Council is presented fairly in accordance with the requirements of those applicable accounting policies detailed in Note 1, the accounting requirements of the Local Government Act 1993 and the Local Government Code of Accounting Practice and Financial Reporting.



MORSE GROUP

237 Lords Place
Orange
Dated: 22 October 2009



J.D. O'MALLEY
PARTNER

Cabonne Council

SPECIAL SCHEDULES
for the year ended 30 June 2009

*“...providing sustainable local government to our rural communities
through consultation and sound financial management”*



Cabonne Council

Special Schedules

for the financial year ended 30 June 2009

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Special Schedules¹

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- Special Schedule No. 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
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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 Department of Energy, Utilities & Sustainability (DEUS), and
 - the Department of Local Government (DLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - the allocation of borrowing rights, and
 - the monitoring of specific service financial activities.
-

Cabonne Council

Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2009

\$'000

Function or Activity	Expenses from continuing operations		Income from continuing operations			Net Cost of Services	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
Governance	1,509	1,509	107	-	107	(1,402)	(1,402)
Administration							
Corporate Support	3,637		486	23		(3,128)	
Engineering and Works	703		496	-		(207)	
Other Support Services	53	4,393	-	-	1,005	(53)	(3,388)
Public Order and Safety							
Contributions to Fire Service Levy	374		36	-		(338)	
Fire Protection – Other	331		93	595		357	
Animal Control	64		4	-		(60)	
Beach Control	-		-	-		-	
Enforcement of Local Govt Regs	-		-	-		-	
Emergency Services	7		-	100		93	
Other	-	776	-	-	828	-	52
Health							
Administration and Inspection	531		4	-		(527)	
Immunisations	-		-	-		-	
Food Control	-		7	-		7	
Insect/Vermin Control	-		-	-		-	
Noxious Plants	536		282	-		(254)	
Health Centres	6		-	-		(6)	
Other	-	1,073	-	450	743	450	(330)
Community Services and Education							
Administration	107		41	-		(66)	
Family Day Care	657		599	-		(58)	
Child Care	92		451	-		359	
Youth Services	24		1	-		(23)	
Other Families and Children	134		60	-		(74)	
Aged and Disabled	411		555	-		144	
Migrant Services	-		-	-		-	
Aboriginal Services	-		-	-		-	
Other Community Services	102		2	-		(100)	
Education	327	1,854	-	-	1,709	(327)	(145)

Cabonne Council

Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2009

\$'000

Function or Activity	Expenses from continuing operations		Income from continuing operations			Net Cost of Services	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
Housing and Community Amenities							
Housing	50		71	23		44	
Town Planning	185		142	-		(43)	
Domestic Waste Management	1,386		707	-		(679)	
Other Waste Management	70		447	-		377	
Street Cleaning	135			-		(135)	
Other Sanitation and Garbage	38		38	-		-	
Drainage	52		74	-		22	
Stormwater Management	-			-		-	
Environmental Protection	208		147	89		28	
Public Cemeteries	86		52	-		(34)	
Public Conveniences	88		-	-		(88)	
Other Community Amenities	8	2,306	1	392	2,183	385	(123)
Water Supplies	894	894	961	18	979	85	85
Sewerage Services	1,222	1,222	1,415	2,227	3,642	2,420	2,420
Recreation and Culture							
Public Libraries	217		47	-		(170)	
Museums	156		14	19		(123)	
Art Galleries	32		12	-		(20)	
Community Centres	-		-	-		-	
Public Halls	326		12	-		(314)	
Other Cultural Services	6		6	-		-	
Swimming Pools	368		38	-		(330)	
Sporting Grounds	161		-	-		(161)	
Parks and Gardens (Lakes)	304		41	-		(263)	
Other Sport and Recreation	122	1,692	133	-	322	11	(1,370)
Fuel and Energy							
Gas Supplies	-	-	-	-	-	-	-
Mining, Manufacturing and Construction							
Building Control	-		85	-		85	
Abattoirs	-		-	-		-	
Quarries and Pits	896		1,195	-		299	
Other	-	896	-	-	1,280	-	384

Cabonne Council

Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2009

\$'000

Function or Activity	Expenses from continuing operations		Income from continuing operations			Net Cost of Services	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
Transport and Communication							
Urban Roads (UR) - Local	1,343		173	-		(1,170)	
Urban Roads - Regional	16		-	-		(16)	
Sealed Rural Roads (SRR) - Local	1,262		73	-		(1,189)	
Sealed Rural Roads - Regional	1,531		849	-		(682)	
Unsealed Rural Roads (URR) - Local	2,227		52	-		(2,175)	
Unsealed Rural Roads - Regional	112		70	-		(42)	
Bridges on UR - Local	-		-	251		251	
Bridges on UR - Regional	-		-	-		-	
Bridges on SRR - Local	6		-	-		(6)	
Bridges on SRR - Regional	-		-	115		115	
Bridges on URR - Local	-		-	218		218	
Bridges on URR - Regional	-		-	-		-	
Footpaths	162		-	-		(162)	
Aerodromes	1		-	-		(1)	
Parking Areas	1		-	-		(1)	
Bus Shelters and Services	-		-	-		-	
Water Transport	-		-	-		-	
RTA Works (State)	4,146		5,734	-		1,588	
Street Lighting	148		34	-		(114)	
Other	572	11,527	1,102	25	8,696	555	(2,831)
Economic Affairs							
Camping Areas	-		-	-		-	
Caravan Parks	160		93	-		(67)	
Tourism and Area Promotion	228		-	-		(228)	
Industrial Development Promotion	15		-	-		(15)	
Saleyards and Markets	2		-	-		(2)	
Real Estate Development	-		-	-		-	
Commercial Nurseries	-		-	-		-	
Other Business Undertakings	291	696	326	2	421	37	(275)
Totals – Functions		28,838	17,368	4,547	21,915		(6,923)
General Purpose Revenues⁽¹⁾			13,206		13,206	13,206	13,206
Share of interests - joint ventures & associates using the equity method	-	-	-		-	-	-
NET OPERATING RESULT FOR YEAR		28,838	30,574	4,547	35,121	6,283	6,283

Notes:

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

Cabonne Council

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

for the financial year ended 30 June 2009

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
Loans (by Source)											
Commonwealth Government	-	-	-							-	-
Treasury Corporation	-	-	-							-	-
Other State Government	-	-	-							-	-
Public Subscription	-	-	-							-	-
Financial Institutions	110	944	1,054	-	109	-	-	70	113	832	945
Other	-	-	-							-	-
Total Loans	110	944	1,054	-	109	-	-	70	113	832	945
Other Long Term Debt											
Ratepayers Advances	-	-	-							-	-
Government Advances	3	28	31		5			2	7	19	26
Finance Leases	-	-	-							-	-
Deferred Payments	-	-	-							-	-
Total Long Term Debt	3	28	31	-	5	-	-	2	7	19	26
Total Debt	113	972	1,085	-	114	-	-	72	120	851	971

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 GPFR's).

Cabonne Council

Special Schedule No. 3 - Water Supply Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2009

\$'000	Actuals 2009	Actuals 2008
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	104	88
b. Engineering and Supervision	69	59
2. Operation and Maintenance		
- Dams & Weirs		
a. Operation expenses	-	-
b. Maintenance expenses	44	45
- Mains		
c. Operation expenses	-	-
d. Maintenance expenses	76	56
- Reservoirs		
e. Operation expenses	-	-
f. Maintenance expenses	27	187
- Pumping Stations		
g. Operation expenses (excluding energy costs)	-	-
h. Energy costs	13	11
i. Maintenance expenses	50	37
- Treatment		
j. Operation expenses (excluding energy costs)	22	13
k. Chemical costs	13	12
l. Maintenance expenses	66	82
- Other		
m. Operation expenses	3	-
n. Maintenance expenses	-	1
o. Purchase of water	-	-
3. Depreciation		
a. System assets	470	470
b. Plant and equipment	21	19
4. Miscellaneous expenses		
a. Interest expenses	-	-
b. Revaluation Decrements	-	-
c. Other expenses	59	21
d. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	1,037	1,101

Cabonne Council

Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2009

\$'000	Actuals 2009	Actuals 2008
Income		
6. Residential charges		
a. Access (including rates)	157	166
b. Usage charges	348	319
7. Non-residential charges		
a. Access (including rates)	42	41
b. Usage charges	122	117
8. Extra charges	5	4
9. Interest income	157	179
10. Other income	2	9
11. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	12	13
c. Other grants	177	76
12. Contributions		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	4	-
13. Total income	1,026	924
14. Gain or loss on disposal of assets	-	-
15. Operating Result	(11)	(177)
15a. Operating Result (less grants for acquisition of assets)	(11)	(177)

Cabonne Council

Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2009

\$'000	Actuals 2009	Actuals 2008
B Capital transactions		
Non-operating expenditures		
16. Acquisition of Fixed Assets		
a. Subsidised scheme	-	-
b. Other new system assets	-	32
c. Renewals	-	-
d. Plant and equipment	218	17
17. Repayment of debt		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
18. Transfer to sinking fund	-	-
19. Totals	218	49
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)	934	944
b. Residential (unoccupied, ie. vacant lot)	74	74
c. Non-residential (occupied)	166	182
d. Non-residential (unoccupied, ie. vacant lot)	-	-
25. Number of ETs for which developer charges were received	- ET	- ET
26. Total amount (actual dollars) of pensioner rebates	\$ 23,425	\$ 24,046

Cabonne Council

Special Schedule No. 3 - Water Supply Cross Subsidies

for the financial year ended 30 June 2009

\$'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"/> YES	<input type="checkbox"/>	
If Yes, go to 28a.			
If No, please report if council has removed land value from access charges (ie rates)?			
	<input type="checkbox"/>	<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, Department of Water & Energy, December, '2002. Such charges do not involved 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 2008/09 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, Department of Water and Energy, Dec 2002.			
29. Disclosure of cross-subsidies			
Total of cross-subsidies (27b +27c + 27d + 28b)			<input type="text" value="-"/>
* 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.			

Cabonne Council

Special Schedule No. 4 - Water Supply Balance Sheet

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2009

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
30. Cash and investments			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	3,502	-	3,502
31. Receivables			
a. Specific purpose grants	11	-	11
b. Rates and charges	428	6	434
c. Other	2	2	4
32. Inventories	-	-	-
33. Property, plant and equipment			
a. System assets	-	18,490	18,490
b. Plant and equipment	-	1,052	1,052
34. Other assets	-	-	-
35. Total assets	3,943	19,550	23,493
LIABILITIES			
36. Bank overdraft	-	-	-
37. Creditors	13	-	13
38. Borrowings			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
39. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	76	76
40. Total liabilities	13	76	89
41. NET ASSETS COMMITTED	3,930	19,474	23,404
EQUITY			
42. Accumulated surplus			12,315
43. Asset revaluation reserve			11,089
44. TOTAL EQUITY			23,404
Note to system assets:			
45. Current replacement cost of system assets			39,926
46. Accumulated current cost depreciation of system assets			(21,436)
47. Written down current cost of system assets			18,490

Cabonne Council

Special Schedule No. 5 - Sewerage Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2009

\$'000	Actuals 2009	Actuals 2008
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	65	46
b. Engineering and Supervision	97	68
2. Operation and Maintenance		
- Mains		
a. Operation expenses	-	-
b. Maintenance expenses	68	50
- Pumping Stations		
c. Operation expenses (excluding energy costs)	110	110
d. Energy costs	16	19
e. Maintenance expenses		1
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	8	98
g. Chemical costs	-	-
h. Energy costs	20	21
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	145	91
- Other		
l. Operation expenses	38	-
m. Maintenance expenses	-	-
3. Depreciation		
a. System assets	430	550
b. Plant and equipment	154	30
4. Miscellaneous expenses		
a. Interest expenses	68	75
b. Revaluation Decrements	-	-
c. Other expenses	126	37
d. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	1,345	1,196

Cabonne Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2009

\$'000	Actuals 2009	Actuals 2008
Income		
6. Residential charges (including rates)	1,026	992
7. Non-residential charges		
a. Access (including rates)	105	95
b. Usage charges	109	95
8. Trade Waste Charges		
a. Annual Fees	-	-
b. Usage charges	6	10
c. Excess mass charges & re-inspection fees	-	-
9. Extra charges	17	13
10. Interest income	156	271
11. Other income	89	-
12. Grants		
a. Grants for acquisition of assets	2,147	252
b. Grants for pensioner rebates	30	31
c. Other grants	-	-
13. Contributions		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	1
14. Total income	3,685	1,760
15. Gain or loss on disposal of assets	-	-
16. Operating Result	2,340	564
16a. Operating Result (less grants for acquisition of assets)	193	312

Cabonne Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2009

\$'000	Actuals 2009	Actuals 2008
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. Subsidised scheme	-	-
b. Other new system assets	3,585	487
c. Renewals	-	-
d. Plant and equipment	21	42
18. Repayment of debt		
a. Loans	84	78
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	3,690	607
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)	2,063	2,058
b. Residential (unoccupied, ie. vacant lot)	186	182
c. Non-residential (occupied)	288	284
d. Non-residential (unoccupied, ie. vacant lot)	32	31
26. Number of ETs for which developer charges were received	- ET	- ET
27. Total amount (actual dollars) of pensioner rebates	\$ 56,678	\$ 56,817

Cabonne Council

Special Schedule No. 5 - Sewerage Cross Subsidies

for the financial year ended 30 June 2009

\$'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"/> YES	<input type="checkbox"/>	
If Yes, go to 29a.			
If No, please report if council has removed land value from access charges (ie rates)?			
<input type="checkbox"/> <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, Department of Water and Energy, 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 2008/09 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, Department of Water & Energy , Dec 2002.			
30. Disclosure of cross-subsidies			
Total of cross-subsidies (28b + 28c + 29b)			<input type="text" value="-"/>
* 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.			

Cabonne Council

Special Schedule No. 6 - Sewerage Balance Sheet

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2009

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	3,037	-	3,037
32. Receivables			
a. Specific purpose grants	1,169	-	1,169
b. Rates and charges	724	20	744
c. Other	11	27	38
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	23,733	23,733
b. Plant and equipment	-	2,526	2,526
35. Other assets	-	-	-
36. Total Assets	4,941	26,306	31,247
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	27	-	27
39. Borrowings			
a. Loans	90	831	921
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	94	94
41. Total Liabilities	117	925	1,042
42. NET ASSETS COMMITTED	4,824	25,381	30,205
EQUITY			
42. Accumulated surplus			18,049
44. Asset revaluation reserve			12,156
45. TOTAL EQUITY			30,205
Note to system assets:			
46. Current replacement cost of system assets			34,824
47. Accumulated current cost depreciation of system assets			(11,091)
48. Written down current cost of system assets			23,733

Cabonne Council

Notes to Special Schedule No.'s 3 & 5

for the financial year ended 30 June 2009

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.

\$'000

Special Schedules 2009

		Dep'n. Rate (%)	Dep'n. Expense (\$)			Accumulated Depreciation & Impairment	Carrying Amount (WDV)	Asset Condition [#]	Estimated cost to bring up to a satisfactory condition standard ⁽¹⁾	Required ⁽²⁾ Annual Maintenance	Current ⁽³⁾ Annual Maintenance
ASSET CLASS	Asset Category			Cost	Valuation						
Public Roads		per Note 1	per Note 4	<<<<<<<<< per Note 9 >>>>>>>>>				<<<<<<< per Section 428(2d) >>>>>>>			
	Sealed Roads	1.50%	1,923	94,396	-	54,480	39,916	3	55,000	4,000	1,894
	Unsealed Roads	1.00%	1,434	72,034	-	46,845	25,189	4	45,000	2,000	1,256
	Bridges	1.00%	355	35,494	-	17,975	17,519	2	10,000	250	114
	Footpaths	2.00%	38	2,020	-	500	1,520	4	2,000	350	88
	Kerb and Gutter	1.70%	43	2,999	-	1,046	1,953	4	1,000	50	10
	Other	1.50%	2	84	-	11	73	-	-	-	-
	sub total		3,795	207,027	-	120,857	86,170		113,000	6,650	3,362
Water											
	Treatment Plants	1.43%	-	-	16	-	16	3	3,000	200	132
	Water Connections	0.00%	256	-	22,460	12,548	9,912	3	5,000	200	97
	Bores	3.33%	6	-	248	53	195	2	300	40	20
	Reservoirs	1.00%	42	-	4,211	2,798	1,413	3	2,500	40	19
	Dams	1.00%	141	-	13,293	6,230	7,063	2	4,000	150	59
		sub total		445	-	40,228	21,629	18,599		14,800	630
Sewerage											
	Pump Stations	1.43%	355	-	27,500	10,442	17,058	2	10,000	250	155
	Treatment Works	2.00%	30	-	502	198	304	3	500	200	185
		sub total		385	-	28,002	10,640	17,362		10,500	450

		Dep'n. Rate (%)	Dep'n. Expense (\$)	Cost	Valuation	Accumulated Depreciation & Impairment	Carrying Amount (WDV)	Asset Condition [#]	Estimated cost to bring up to a satisfactory condition standard ⁽¹⁾	Required ⁽²⁾ Annual Maintenance	Current ⁽³⁾ Annual Maintenance
ASSET CLASS	Asset Category										
Drainage Works		per Note 1	per Note 4	<<<<<<<<< per Note 9 >>>>>>>>>				<<<<<< per Section 428(2d) >>>>>>>			
	Stormwater Conduits	1.40%	46	2,811	-	1,188	1,623	3	1,000	150	131
	sub total		46	2,811	-	1,188	1,623		1,000	150	131
	TOTAL - ALL ASSETS		5,532	209,838	107,574	172,823	144,589		161,700	9,761	5,104

- (1). Satisfactory refers to estimated cost to bring the asset to a satisfactory condition as deemed by Council. It does not include any planned enhancements to the existing asset.
- (2). Required Annual Maintenance is what should be spent to maintain assets in a satisfactory standard.
- (3). Current Annual Maintenance is what has been spent in the current year to maintain assets.

1	Near Perfect - Ranges from New or Good
2	Superficial Deterioration - Ranges from Generally Good to Fair
3	Deterioration Evident - Ranges from Fair to Marginal
4	Requires Major Reconstruction - Ranges from Poor to Critical

Special Schedules 2009

Cabonne Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2009

\$'000	Actual ⁽¹⁾ 08/09	Forecast 09/10	Forecast 10/11	Forecast ⁽³⁾ 11/12	Forecast ⁽³⁾ 12/13
(i) RECURRENT BUDGET					
Income from continuing operations	35,121	32,500	32,900	33,300	34,465
Expenses from continuing operations	28,838	22,700	22,700	22,800	23,035
Operating Result from Continuing Operations	6,283	9,800	10,200	10,500	11,430
(ii) CAPITAL BUDGET					
New Capital Works ⁽²⁾	7,395	14,600	7,800	7,800	8,000
Replacement/Refurbishment of Existing Assets	6,338	6,528	6,723	6,925	7,132
Total Capital Budget	13,733	21,128	14,523	14,725	15,132
Funded by:					
– Loans	-	1,300	1,300	-	-
– Asset sales	-	-	-	-	-
– Reserves	7,453	15,928	9,323	10,825	11,232
– Grants/Contributions	6,280	3,700	3,700	3,700	3,700
– Recurrent revenue	-	200	200	200	200
– Other	-	-	-	-	-
	13,733	21,128	14,523	14,725	15,132

Notes:

(1) From 08/09 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) If Council has only adopted 3 years of projections then only show 3 years.