

BERRIGAN SHIRE COUNCIL
Special Purpose Financial Reports

for the year ended 30 June 2007

TABLE OF CONTENTS

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

BERRIGAN SHIRE COUNCIL

SPECIAL PURPOSE FINANCIAL REPORTS for the year ended 30 June 2007

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:

- NSW Government Policy Statement "*Application of National Competition Policy to Local Government*".
- Department of Local Government Guidelines "*Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality*".
- The Local Government Code of Accounting Practice and Financial Reporting.
- The Department Water and Energy Best Practice Management of Water Supply 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 the reports false or misleading in any way.

Signed in accordance with a resolution of Council made on 17 October 2007



Cr. John Bruce

MAYOR



Cr. Bernard Curtin

COUNCILLOR



Rowan Perkins

GENERAL MANAGER



Angela Slater

RESPONSIBLE ACCOUNTING OFFICER

BERRIGAN SHIRE COUNCIL

INCOME STATEMENT
WATER SUPPLY BUSINESS ACTIVITY
for the year ended 30 June 2007

	Notes	2007 '000	2006 '000	2005 '000
REVENUE FROM CONTINUING OPERATIONS				
Access Charges	A3	975	1,636	1,489
User Charges	A3	927	210	149
Fees	A3	62	209	298
Interest Received	A3	131	100	105
Grants & Contributions - Operating	A3	41	40	40
Gain on Disposal of Assets	A5	-	-	-
Other Operating Revenues	A3	207	-	1
TOTAL		2,343	2,195	2,082
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	A4	295	428	586
Materials & Contracts	A4	799	382	254
Borrowing Costs	A4	38	38	41
Depreciation & Amortisation	A4	501	507	507
Water Purchase Charges		107	75	44
Loss on Disposal of Assets	A5	-	-	-
NCP Tax Equivalents	1	-	1	3
Debt Guarantee Fee	1	5	5	6
Other Operating Expenses	A4	181	366	226
TOTAL		1,926	1,802	1,667
CONTINUING OPERATIONS RESULT BEFORE CAPITAL AMOUNTS				
		417	393	415
Grants & Contributions - Capital	A4	134	11	3
RESULT FROM ORDINARY ACTIVITIES		551	404	418
Discontinued Operations		-	-	-
SURPLUS (DEFICIT) BEFORE TAX		551	404	418
Corporate Taxation Equivalent	1	125	115	127
SURPLUS (DEFICIT) FOR YEAR		426	289	291
Add: Accumulated Profits brought forward		16,750	16,340	15,913
<i>Adjustments for amounts unpaid</i>				
NCP Tax Equivalents retained	1	-	1	3
Debt Guarantee Fee retained	1	-	5	6
Corporate Tax Equivalent retained	1	125	115	127
Less: Dividends Paid	1	-	-	-
ACCUMULATED SURPLUS		17,301	16,750	16,340
<i>RATE OF RETURN ON CAPITAL</i>	1	1.72%	2.98%	3.33%
<i>NOTIONAL SUBSIDY FROM COUNCIL</i>	1	N/A	N/A	N/A
<i>Calculation of Dividend Payable during next financial year</i>				
Surplus after tax		426	289	291
Less: Capital grants & contribs from LWUs		80	51	44
Surplus for dividend calculation purposes		346	238	247
Dividend calculated from surplus		173	119	124

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

BERRIGAN SHIRE COUNCIL

**INCOME STATEMENT
SEWERAGE BUSINESS ACTIVITY
for the year ended 30 June 2007**

	Notes	2007 '000	2006 '000	2005 '000
REVENUE FROM CONTINUING OPERATIONS				
Access Charges	A3	1,048	1,048	1,001
User Charges	A3	27	-	-
Liquid Trade Waste Charges	A3	2	-	-
Fees	A3	-	-	-
Interest Received	A3	199	135	117
Grants & Contributions - Operating	A3	40	39	41
Gain on Disposal of Assets	A5	-	304	-
Other Operating Revenues	A3	-	39	61
TOTAL		1,316	1,565	1,220
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	A4	190	303	419
Materials & Contracts	A4	498	482	293
Borrowing Costs	A4	-	7	13
Depreciation & Amortisation	A4	400	403	403
Loss on Disposal of Assets	A5	-	-	-
NCP Tax Equivalents	1	-	1	8
Debt Guarantee Fee		-	1	2
Other Operating Expenses	A4	85	24	15
TOTAL		1,173	1,221	1,153
CONTINUING OPERATIONS RESULT BEFORE CAPITAL AMOUNTS		143	344	67
Grants & Contributions - Capital	A4	-	-	11
RESULT FROM ORDINARY ACTIVITIES		143	344	78
Discontinued Operations		-	-	-
SURPLUS (DEFICIT) BEFORE TAX		143	344	78
Corporate Taxation Equivalent	1	43	104	23
SURPLUS (DEFICIT) FOR YEAR		100	240	55
Add: Accumulated Profits brought forward		11,298	10,952	10,864
Adjustments for amounts unpaid		-	-	-
NCP Tax Equivalents retained	1	-	1	8
Debt Guarantee Fee retained		-	1	2
Corporate Tax Equivalent retained		43	104	23
Less: Dividends Paid	1	-	-	-
ACCUMULATED SURPLUS		11,441	11,298	10,952
<i>RATE OF RETURN ON CAPITAL</i>	1	0.93%	4.35%	0.00%
<i>NOTIONAL SUBSIDY FROM COUNCIL</i>	1	N/A	N/A	N/A
<i>Calculation of Dividend Payable during next financial year</i>				
Surplus after tax		100	240	55
Less: Capital grants & contribs from LWUs		40	39	52
Surplus for dividend calculation purposes		60	201	3
Dividend calculated from surplus		30	101	2

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

BERRIGAN SHIRE COUNCIL**INCOME STATEMENT OF BUSINESS ACTIVITIES
for the year ended 30 June 2007**

		Saleyards \$'000	
		2007	2006
REVENUES FROM CONTINUING OPERATIONS	Notes		
Rates & Annual Charges	A3	-	-
User Charges & Fees	A3	162	169
Interest Received	A3	-	-
Grants & Contributions - Operating	A3	-	-
Profit on Disposal of Assets	A5	-	-
Other Operating Revenues	A3	-	-
TOTAL		162	169
EXPENSES FROM CONTINUING OPERATIONS			
Employee Costs	A4	116	113
Materials & Contracts	A4	192	62
Borrowing Costs	A4	6	11
Depreciation & Amortisation	A4	37	40
Loss on Disposal of Assets	A5	-	-
NCP Imputation Payments	1	-	-
Other Operating Expenses	A4	30	75
TOTAL		381	301
CONTINUING OPERATIONS RESULT BEFORE CAPITAL AMOUNTS		(219)	(132)
Grants & Contributions - Capital		-	-
RESULT FROM ORDINARY ACTIVITIES		(219)	(132)
Correction of Fundamental Error		-	-
SURPLUS (DEFICIT) BEFORE TAX		(219)	(132)
Corporate Taxation Equivalent	1	-	-
SURPLUS (DEFICIT) FOR YEAR		(219)	(132)
Add: Accumulated Profits brought forward		688	820
NCP Imputation Payments retained	1	-	-
Less: Dividends Paid	1	-	-
ACCUMULATED SURPLUS		469	688
RATE OF RETURN ON CAPITAL	1	NIL	NIL
NOTIONAL SUBSIDY FROM COUNCIL	1	N/A	N/A

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

BERRIGAN SHIRE COUNCIL
BALANCE SHEET
WATER SUPPLY BUSINESS ACTIVITY
for the year ended 30 June 2007

	Notes	2007 '000	2006 '000
CURRENT ASSETS			
Cash & cash equivalents	A6	1,108	40
Investments	A6	1,792	2,630
Receivables	A7	324	118
Inventories	A8	48	92
Other	A8	-	30
Non-current assets held for sale		-	-
TOTAL CURRENT ASSETS		3,272	2,910
NON-CURRENT ASSETS			
Investments	A6	-	-
Receivables	A7	-	-
Inventories	A8	-	-
Infrastructure, Property, Plant & Equipment	A9	26,498	14,210
Investment Property			
Other	A8	-	-
TOTAL NON-CURRENT ASSETS		26,498	14,210
TOTAL ASSETS		29,770	17,120
CURRENT LIABILITIES			
Payables	A10	-	7
Interest bearing liabilities	A10	258	171
Provisions	A10	-	8
TOTAL CURRENT LIABILITIES		258	186
NON-CURRENT LIABILITIES			
Payables	A10	-	-
Interest bearing liabilities	A10	915	184
Provisions	A10	-	-
TOTAL NON CURRENT LIABILITIES		915	184
TOTAL LIABILITIES		1,173	370
NET ASSETS		\$ 28,597	16,750
EQUITY			
Accumulated Surplus		17,301	16,750
Asset Revaluation Reserve		11,296	-
TOTAL EQUITY		\$ 28,597	16,750

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

BERRIGAN SHIRE COUNCIL**BALANCE SHEET
SEWERAGE BUSINESS ACTIVITY
for the year ended 30 June 2007**

	Notes	2007 '000	2006 '000
CURRENT ASSETS			
Cash & equivalent assets	A6	706	3
Investments	A6	1,731	2,540
Receivables	A7	138	53
Inventories	A8	3	4
Other	A8	-	576
Non-current assets held for sale		-	-
TOTAL CURRENT ASSETS		2,578	3,176
NON-CURRENT ASSETS			
Investments	A6	-	-
Receivables	A7	1,018	-
Inventories	A8	-	-
Infrastructure, Property, Plant & Equipment	A9	15,389	8,128
Investment Property		-	-
Other	A8	-	-
TOTAL NON-CURRENT ASSETS		16,407	8,128
TOTAL ASSETS		18,985	11,304
CURRENT LIABILITIES			
Payables	A10	-	2
Interest bearing liabilities	A10	-	-
Provisions	A10	-	4
TOTAL CURRENT LIABILITIES		-	6
NON-CURRENT LIABILITIES			
Payables	A10	-	-
Interest bearing liabilities	A10	-	-
Provisions	A10	-	-
TOTAL NON CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		-	6
NET ASSETS		\$ 18,985	11,298
EQUITY			
Accumulated Surplus		11,441	11,298
Asset Revaluation Reserve		7,544	-
TOTAL EQUITY		\$ 18,985	11,298

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

BERRIGAN SHIRE COUNCIL**BALANCE SHEET by BUSINESS ACTIVITIES
for the year ended 30 June 2007**

		Saleyards \$'000	
	Notes	2007	2006
CURRENT ASSETS			
Cash & equivalent assets	A6	-	-
Investments	A6	-	-
Receivables	A7	-	-
Inventories	A8	-	-
Other	A8	-	-
TOTAL CURRENT ASSETS		-	-
NON-CURRENT ASSETS			
Investments	A6	-	-
Receivables	A7	-	-
Inventories	A8	-	-
Property, Plant & Equipment	A9	513	785
Other	A8	-	-
TOTAL NON-CURRENT ASSETS		513	785
TOTAL ASSETS		513	785
CURRENT LIABILITIES			
Payables	A10	-	-
Interest Bearing Liabilities	A10	44	41
Provisions	A10	-	-
TOTAL CURRENT LIABILITIES		44	41
NON-CURRENT LIABILITIES			
Payables	A10	-	-
Interest Bearing Liabilities	A10	-	56
Provisions	A10	-	-
TOTAL NON CURRENT LIABILITIES		-	56
TOTAL LIABILITIES		44	97
NET ASSETS		\$ 469	688
EQUITY			
Accumulated Surplus		469	688
Asset Revaluation Reserve		-	-
TOTAL EQUITY		\$ 469	688

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

BERRIGAN SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORTS for the year ended 30 June 2007

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

1. The Special Purpose Financial Reports

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

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

2. Basis of Accounting

2.1 Compliance

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

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

2.2 Basis

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

3. National Competition Policy

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

Berrigan Shire Council's Water Supply

Supplying drinking quality Water to the towns of Barooga, Berrigan, Finley and Tocumwal

Berrigan Shire Sewerage Service

Supply of a reticulated sewerage service to the towns of Barooga, Berrigan, Finley and Tocumwal

Finley Saleyards

Supply of livestock exchange centre to vendors and buyers throughout Finley, Northern Victoria and Southern NSW.

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

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

Note 1 - Significant Accounting Policies (cont)

Management of Water Supply and Sewerage” include specific requirements relating to the calculation and payment of “dividends” by water supply and sewerage business units.

3.1 Taxation Equivalent Payments

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

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

3.2 Council Rates, Charges & Fees

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

3.3 Loan & Debt Guarantee Fees

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

3.4 Corporate Taxation Equivalent

In accordance with the Code of Local Government Accounting Practice and Financial Reporting, income taxation has been calculated on the Operating Result before Capital Amounts disclosed in the Income Statement of the Special Purpose Financial Reports. No allowance has been made for non-deductible items, timing differences or carried forward losses. Australian Accounting Standard AAS 3 “Accounting for Income Tax (Tax Effect Accounting)” has not been applied.

3.5 Dividends Paid

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

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

3.6 Return on Investment (Rate of Return)

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

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

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

Note 1 - Significant Accounting Policies (cont)

3.7 Notional Subsidy from Council

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

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

4. Special Rate Funds

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

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

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

5. Other Accounting Policies and Notes

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

6. Rounding

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

7. National Competition Policy Notional Payments

	Notional Rate Applied %
Corporate Tax Rate	30%
Sales Tax	N/A
Land Tax	As per NSW Land Tax Schedule
Stamp Duty	N/A
Payroll Tax	N/A
Loan & Debt Guarantee Fees	14.29% of interest expense

BERRIGAN SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORTS

**NOTE 1 Table - NATIONAL COMPETITION POLICY NOTIONAL PAYMENTS
for the year ended 30 June 2007**

BUSINESS ACTIVITIES					
Water		Sewer		Saleyards	
2007	2006	2007	2006	2007	2006

<i>Category</i>	1	1	2	2	2	2
-----------------	----------	----------	----------	----------	----------	----------

TAXATION EQUIVALENT PAYMENTS

Land Tax	Rate 0%	<i>Rate</i> Applies	Rate 0%	<i>Rate</i> Applies	Rate 0%	<i>Rate</i> 0%
Stamp Duty	0%	0%	0%	0%	0%	0%
Payroll Tax	Applies	0%	Applies	0%	0%	0%
Fringe Benefits Tax	Applies	Applies	Applies	Applies	Applies	Applies

COUNCIL RATES, CHARGES & FEES

See Note 1, Item 3.2

LOAN & DEBT GUARANTEE FEES

14.29%	14.29%	14.29%	14.29%	0.00%	0.00%
---------------	--------	---------------	--------	--------------	-------

CORPORATE TAXATION EQUIVALENT

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

DIVIDENDS PAID

0.00%	0.00%	0.00%	0.00%	N/A	N/A
--------------	-------	--------------	-------	------------	-----

RATE OF RETURN ON CAPITAL

Required Rate of Return	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Actual Rate of Return	1.72%	2.98%	0.93%	4.35%	NIL	NIL

BERRIGAN SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE STATEMENTS for the year ended 30 June 2007

Note 2 - BEST PRACTICE MANAGEMENT DISCLOSURES - WATER SUPPLY

	2007	
<i>Values shown in this Note are expressed in WHOLE DOLLARS</i>	\$	
Calculation and Payment of Tax-Equivalents		
(i) Calculated Tax Equivalents	125,012	
(ii) No of assessments multiplied by \$3/assessment	10,386	
(iii) Amounts payable for Tax Equivalents (lesser of (i) and (ii))	10,386	
Dividend from Surplus		
(i) 50% of Surplus before Dividends <i>(Calculated in accordance with Best Practice Management for Water Supply and Sewerage guidelines.)</i>	172,945	
(ii) No of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	93,474	
(iii) Cumulative Surplus before Dividends for 3 years to 30 June 2007, less cumulative dividends paid for 2 years to 30 June 2006	831,142	
(iv) Maximum Dividend from Surplus (least of (i), (ii) and (iii))	93,474	
(v) Dividend paid from Surplus	0	
Required Outcomes for 6 Criteria		
(i) Completion of Strategic Business Plan (including Financial Plan)	YES	
(ii) Pricing with full cost-recovery, without significant cross subsidies (Item 2(a) in Table 1 on page 18 of Best practice guidelines)	YES	
Complying charges (Item 2(b) in Table 1)	YES	
DSP with Commercial Developer Charges (Item 2(e) in Table 1)	NO	
If Dual Water Supplies, Complying Charges (Item 2(g) in Table 1)	YES	
(iii) Sound Water Conservation & Demand Management Implemented	YES	
(iv) Sound Drought Management implemented (by June 2006)	YES	
(v) Complete Performance Reporting Form by 15 September each year	YES	
(vi) Integrated Water Cycle Management Strategy (by June 2006)	NO	
National Water Initiative (NWI) Financial Performance Indicators		
NWI F Residential Revenue from Usage Charges (Water)	%	51.8
NWI F Total Revenue (Water)	\$'000	2,251
NWI F Capital Works Grants (Water)	\$'000	95
NWI F Economic Real Rate of Return (Water)	%	1.75
NWI F Operating Cost (OMA) (Water)	\$'000	1,287
NWI F Total Operating Cost (Water)	\$'000	1,788

BERRIGAN SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE STATEMENTS for the year ended 30 June 2007

Note 3 - BEST PRACTICE MANAGEMENT DISCLOSURES - SEWERAGE

		2007
<i>Values shown in this Note are expressed in WHOLE DOLLARS</i>		\$
Calculation and Payment of Tax-Equivalents		
(i) Calculated Tax Equivalents		42,786
(ii) No of assessments multiplied by \$3/assessment		9,669
(iii) Amounts payable for Tax Equivalents (lesser of (i) and (ii))		9,669
Dividend from Surplus		
(i) 50% of Surplus before Dividends <i>(Calculated in accordance with Best Practice Management for Water Supply and Sewerage guidelines.)</i>		29,972
(ii) No of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment		87,021
(iii) Cumulative Surplus before Dividends for 3 years to 30 June 2007, less cumulative dividends paid for 2 years to 30 June 2006		264,604
(iv) Maximum Dividend from Surplus (least of (i), (ii) and (iii))		29,972
(v) Dividend paid from Surplus		0
Required Outcomes for 4 Criteria		
(i) Completion of Strategic Business Plan (including Financial Plan)		YES
(ii) Pricing with full cost-recovery, without significant cross subsidies (Item 2(a) in Table 1 on page 18 of Best practice guidelines)		NO
Complying charges (a) Residential (Item 2(c) in Table 1)		YES
(b) Non-Residential (Item 2(c) in Table 1)		NO
(C) Trade Waste (Item 2(d) in Table 1)		NO
DSP with Commercial Developer Charges (Item 2(e) in Table 1)		YES
Liquid Trade Waste Approvals & Policy (Item 2(e) in Table 1)		NO
(iii) Complete Performance Reporting Form by 15 September each year		YES
(iv) Integrated Water Cycle Management Evaluation (by June 2007)		NO
National Water Initiative (NWI) Financial Performance Indicators		
NWI F2 Total Revenue (Sewerage)	\$'000	1,118
NWI F21 Capital Works Grants (Sewer)	\$'000	0
NWI F11 Capital Expenditure (Water & Sewerage)	\$'000	1,630
NWI F14 Economic Real Rate of Return (Sewerage)	%	0.19
NWI F12 Economic Real Rate of Return (Water & Sewerage)	%	1.18
NWI F16 Net Debt to Equity (Water & Sewerage)	%	-354.99
NWI F17 Interest Cover (Water & Sewerage)	times	-105.14
NWI F18 Net Profit after Tax (Water & Sewerage)	\$'000	526
NWI F19 Community Service Obligations (Water & Sewerage)	\$'000	81
NWI F5 Revenue from Community Service Obligations (Water & Sewerage)	%	2.40
NWI F7 Operating Cost (OMA) (Sewerage)	\$'000	688
NWI F10 Total Cost (Sewerage)	\$'000	1,088