



19th August 2016

NOTICE OF MEETING OF THE COUNCIL

The meeting of the Council will be held at

RIVERINA WATER COUNTY COUNCIL CHAMBERS,
91 HAMMOND AVENUE, WAGGA WAGGA

on

WEDNESDAY, 24TH AUGUST 2016 at 9.30 am

and your attendance is requested accordingly

FOLLOWED BY A LUNCHEON, DETAILS TO BE PROVIDED

Yours faithfully

A handwritten signature in black ink, appearing to read 'Graeme J Haley', is written over a light blue horizontal line.

Graeme J Haley
GENERAL MANAGER

APOLOGIES

ACKNOWLEDGEMENT TO COUNTRY

DECLARATION OF PECUNIARY & NON-PECUNIARY INTEREST

CONFIRMATION OF MINUTES HELD 22ND JUNE 2016

CORRESPONDENCE

GENERAL MANAGER'S REPORT TO THE COUNCIL	2
1. INVESTMENT REPORT	2
2. FINANCIAL STATEMENTS – FINANCIAL POSITION AS AT 30TH OF JUNE 2016	3
3. FINANCIAL STATEMENTS 2015/2016	4
4. CAPEX BUDGET RESULT 2015/16	5
5. REVOTED BUDGET 2015/2016	8
6. OPERATIONAL PLAN – PERFORMANCE TARGETS	9
7. PECUNIARY INTEREST REGISTER - DISCLOSURE OF INTEREST	11
8. OVERDUE DEBTORS JUNE 2016	11
9. COUNCIL MEETING DATES AND TIMES	12
10. MINUTES AUDIT & RISK COMMITTEE MEETING	13
11. EXTENSION OF TERM OF APPOINTMENT FOR COMMUNITY MEMBERS OF AUDIT AND RISK COMMITTEE	16
12. MEETING WITH ADMINISTRATOR OF FEDERATION COUNCIL	16
13. HIGH SECURITY WATER LICENSE	16
14. PERFORMANCE REVIEW – GENERAL MANAGER.....	16
15. AWARD NOMINATIONS	17
16. CUSTOMER SERVICE CHARTER	18
17. PRODUCTIVITY IMPROVEMENT AT RIVERINA WATER COUNTY COUNCIL	19
18. REQUEST FOR CONTRIBUTION – LOCKHART BOWLING CLUB.....	22
19. REQUEST FOR FINANCIAL ASSISTANCE – THE QUINTY MENS SHED	23
20. REQUEST FOR FINANCIAL ASSISTANCE – WAGGA WAGGA COUNTRY CLUB.....	24
21. DRAFT POLICY 1.10 COUNCILLOR'S EXPENSES AND FACILITIES	25
22. DRAFT POLICY 3.1 ASSET MANAGEMENT.....	26
23. POLICY 1.14 - FRAUD AND CORRUPTION PREVENTION	27
24. COUNCIL RESOLUTION SHEET	28
DIRECTOR OF ENGINEERING'S REPORTS TO COUNCIL MEETING	32
1. WORKS REPORT COVERING JUNE 2016.....	32
2. WORKS REPORT COVERING JULY 2016.....	33
3. ANNUAL REPORT STATISTICS FOR 2015/2016	34
4. CONTROL OF NOXIOUS WEEDS	35
5. CONTESTABILITY OF CAPITAL WORKS	36
QUESTIONS & STATEMENTS	38
CLOSURE OF MEETING TO THE PUBLIC (CONFIDENTIAL REPORTS).....	38
1. PERFORMANCE REVIEW – GENERAL MANAGER.....	39
2. HIGH SECURITY WATER LICENSE	40



GENERAL MANAGER'S REPORT TO THE COUNCIL

19th August 2016

The Chairperson and Councillors:

1. INVESTMENT REPORT

RECOMMENDED that the report detailing Council's external investments for the months of June and July 2016 be received.

-
- Investments – June 2016
 - Investments – July 2016

Monthly Investment Report as at 30/06/2016

a) Council's Investments as at 30/06/2016

Investment	Inception Date	Term (Days)	Maturity Date	S&P Rating	Interest Rate (%)	Performance Benchmark	Benchmark Rate (%)	Percentage of Portfolio	Principal Value	Market Value
Term Deposits										
Bank of Queensland	21/04/2016	90	20/07/16	A-2	3.06	BBSW	2.01	12.754%	\$2,500,000.00	\$2,500,000.00
ME Bank	12/05/2016	90	10/08/16	A-2	2.95	BBSW	2.01	12.754%	\$2,500,000.00	\$2,500,000.00
Bank of Queensland	13/04/2016	90	12/07/16	A-2	2.95	BBSW	2.01	5.101%	\$1,000,000.00	\$1,000,000.00
National Australia Bank	17/05/2016	63	19/07/16	A-1+	2.56	BBSW	1.97	3.826%	\$750,000.00	\$750,000.00
National Australia Bank	23/05/2016	59	21/07/16	A-1+	2.59	BBSW	1.97	10.203%	\$2,000,000.00	\$2,000,000.00
National Australia Bank	25/05/2016	62	26/07/16	A-1+	2.59	BBSW	1.97	10.203%	\$2,000,000.00	\$2,000,000.00
National Australia Bank	11/05/2016	91	10/08/16	A-1+	2.95	BBSW	2.01	10.203%	\$2,000,000.00	\$2,000,000.00
								65.04%	\$12,750,000.00	\$12,750,000.00
Cash Deposit Account										
T Corp				A-1+	2.48	Cash Rate	1.75	13.46%	\$2,637,938.15	\$2,637,938.15
AMP				A-1	2.30	Cash Rate	1.75	21.499%	\$4,214,379.72	\$4,214,379.72
								34.96%	\$6,852,317.87	\$6,852,317.87
TOTAL INVESTMENTS								100.00%	\$19,602,317.87	\$19,602,317.87
Cash at Bank										\$387,121.68
TOTAL FUNDS										\$19,989,439.55

b) Application of Investment Funds

Restricted Funds	Description	Value
Externally Restricted	LIRS Loan Funds	\$0.00
		\$0.00
Internally Restricted	Employee Leave Entitlements (30% of ELE)	\$1,099,288.61
	Asset Replacement	\$1,516,740.00
	Loan Funds	\$0.00
	Sales Fluctuation	\$5,000,000.00
		\$7,616,028.61
Unrestricted Funds		\$12,373,410.94
TOTAL FUNDS		\$19,989,439.55

* Externally & Internally Restricted Reserve figures are subject to final adjustment and external audit at 30 June each year.

CERTIFICATE

I hereby certify that all the above investments have been made in accordance with the provision of Section 625 of the Local Government Act 1993 and the regulations thereunder.

M. L. Curran

M Curran

MANAGER CORPORATE SERVICES

Monthly Investment Report as at 31/07/2016

a) Council's Investments as at 31/07/2016

Investment	Inception Date	Term (Days)	Maturity Date	S&P Rating	Interest Rate (%)	Performance Benchmark	Benchmark Rate (%)	Percentage of Portfolio	Principal Value	Market Value
Term Deposits										
Bank of Queensland	20/07/2016	90	18/10/16	A-2	2.70	BBSW	1.85	12.344%	\$2,500,000.00	\$2,500,000.00
ME Bank	12/05/2016	90	10/08/16	A-2	2.95	BBSW	1.85	12.344%	\$2,500,000.00	\$2,500,000.00
Bank of Queensland	12/07/2016	91	11/10/16	A-2	2.95	BBSW	1.85	4.938%	\$1,000,000.00	\$1,000,000.00
National Australia Bank	19/07/2016	63	20/09/16	A-1+	2.51	BBSW	1.85	3.703%	\$750,000.00	\$750,000.00
National Australia Bank	21/07/2016	61	20/09/16	A-1+	2.52	BBSW	1.85	9.875%	\$2,000,000.00	\$2,000,000.00
National Australia Bank	26/07/2016	63	27/09/16	A-1+	2.51	BBSW	1.85	9.875%	\$2,000,000.00	\$2,000,000.00
National Australia Bank	11/05/2016	91	10/08/16	A-1+	2.95	BBSW	1.85	9.875%	\$2,000,000.00	\$2,000,000.00
								62.96%	\$12,750,000.00	\$12,750,000.00
Cash Deposit Account										
T Corp				A-1+	2.48	Cash Rate	1.50	17.47%	\$3,537,938.15	\$3,537,938.15
AMP				A-1	2.30	Cash Rate	1.50	19.575%	\$3,964,379.72	\$3,964,379.72
								37.04%	\$7,502,317.87	\$7,502,317.87
TOTAL INVESTMENTS								100.00%	\$20,252,317.87	\$20,252,317.87
Cash at Bank										\$370,388.70
TOTAL FUNDS										\$20,622,706.57

b) Application of Investment Funds

Restricted Funds	Description	Value
Externally Restricted	LIRS Loan Funds	\$0.00
		\$0.00
Internally Restricted	Employee Leave Entitlements (30% of ELE)	\$1,140,647.69
	Asset Replacement	\$1,516,740.00
	Loan Funds	\$0.00
	Sales Fluctuation	\$5,000,000.00
		\$7,657,387.69
Unrestricted Funds		\$12,965,318.88
TOTAL FUNDS		\$20,622,706.57

* Externally & Internally Restricted Reserve figures are subject to final adjustment and external audit at 30 June each year.

CERTIFICATE

I hereby certify that all the above investments have been made in accordance with the provision of Section 625 of the Local Government Act 1993 and the regulations thereunder.

M. L. Curran

M Curran

MANAGER CORPORATE SERVICES

2. FINANCIAL STATEMENTS – FINANCIAL POSITION AS AT 30TH OF JUNE 2016

RECOMMENDED that the unaudited statements of the financial position as at 30th June 2016 be received.

The unaudited statements of RWCC Financial Position as at 30th June 2016 are submitted for examination by Council.

The anticipated operating result for 2015/2016 is a surplus of \$14,051,000. The original estimate was for a surplus of \$4,256,000.

The items of note in the final operating result variance from Council's original budget are:

	\$ ('000)
Additional Water Sales (due to dry weather)	2,250
Additional S64 Developer Contributions (due to additional land development releases)	1,550
Additional Interest Revenue (due to cash on hand from unfinished CAPEX & additional water sales)	430
Additional Other Revenue (due to court settlement payment)	300
Additional Capitalised Wages allocated to Assets (due to large CAPEX projects utilising staff time ie. Sthn Trunk & developer works)	800
Reversal of Impairment Loss on HS Water Licence	750
Reduction of Energy Accounts (due to energy efficiency)	750
Reduction of Material & Contracts (due to works focused on CAPEX projects instead of operational maintenance eg. Sthn Trunk & developer works)	880
Reduction of Borrowing Costs (due to capitalising cost to Water Treatment Plant Asset)	650

The draft primary statements follow.

- **Financial Statements 2015/2016 – primary statements following**

Riverina Water County Council

Income Statement

for the year ended 30 June 2016

Budget 2016	¹ \$ '000	Notes	Actual 2016	Actual 2015
	Income from continuing operations			
	Revenue:			
4,844	Rates and annual charges	3a	5,100	5,031
18,971	User charges and fees	3b	21,727	20,994
390	Interest and investment revenue	3c	922	1,140
127	Other revenues	3d	570	504
680	Grants and contributions provided for operating purposes	3e,f	723	735
2,300	Grants and contributions provided for capital purposes	3e,f	3,849	3,115
	Other income:			
–	Net gains from the disposal of assets	5	17	–
27,312	Total income from continuing operations		32,908	31,519
	Expenses from continuing operations			
8,650	Employee benefits and on-costs	4a	8,032	7,148
1,039	Borrowing costs	4b	162	902
2,629	Materials and contracts	4c	1,748	3,096
7,100	Depreciation and amortisation	4d	6,945	6,711
–	Impairment	4d	(750)	(650)
3,638	Other expenses	4e	2,720	3,034
–	Net losses from the disposal of assets	5	–	34
23,056	Total expenses from continuing operations		18,857	20,275
4,256	Operating result from continuing operations		14,051	11,244
4,256	Net operating result for the year		14,051	11,244
4,256	Net operating result attributable to Council		14,051	11,244
1,956	Net operating result for the year before grants and contributions provided for capital purposes		10,202	8,129

¹ Original budget as approved by Council – refer Note 16

Riverina Water County Council

Statement of Comprehensive Income for the year ended 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
Net operating result for the year (as per Income Statement)		14,051	11,244
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	86,322	2,786
Total items which will not be reclassified subsequently to the operating result		86,322	2,786
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
Total other comprehensive income for the year		86,322	2,786
Total comprehensive income for the year		100,373	14,030
Total comprehensive income attributable to Council		100,373	14,030

Riverina Water County Council

Statement of Financial Position as at 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
ASSETS			
Current assets			
Cash and cash equivalents	6a	19,890	8,398
Investments	6b	—	27,500
Receivables	7	5,079	3,777
Inventories	8	2,770	3,771
Other	8	—	7
Total current assets		27,739	43,453
Non-current assets			
Infrastructure, property, plant and equipment	9	320,524	206,462
Intangible assets	25	3,500	2,750
Total non-current assets		324,024	209,212
TOTAL ASSETS		351,763	252,665
LIABILITIES			
Current liabilities			
Payables	10	826	829
Borrowings	10	1,499	1,411
Provisions	10	3,803	3,664
Total current liabilities		6,128	5,904
Non-current liabilities			
Borrowings	10	12,262	13,761
Total non-current liabilities		12,262	13,761
TOTAL LIABILITIES		18,390	19,665
Net assets		333,373	233,000
EQUITY			
Retained earnings	20	98,893	84,842
Revaluation reserves	20	234,480	148,158
Total equity		333,373	233,000

Riverina Water County Council

Statement of Changes in Equity for the year ended 30 June 2016

\$ '000	Notes	Retained earnings	Reserves (Refer 20b)	Council interest	Non-controlling Interest	Total equity
2016						
Opening balance (as per last year's audited accounts)		84,842	148,158	233,000	—	233,000
a. Correction of prior period errors	20 (c)	—	—	—	—	—
b. Changes in accounting policies (prior year effects)	20 (d)	—	—	—	—	—
Revised opening balance (as at 1/7/15)		84,842	148,158	233,000	—	233,000
c. Net operating result for the year		14,051	—	14,051	—	14,051
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	—	86,322	86,322	—	86,322
Other comprehensive income		—	86,322	86,322	—	86,322
Total comprehensive income (c&d)		14,051	86,322	100,373	—	100,373
e. Distributions to/(contributions from) non-controlling Interests		—	—	—	—	—
f. Transfers between equity		—	—	—	—	—
Equity – balance at end of the reporting period		98,893	234,480	333,373	—	333,373

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2015						
Opening balance (as per last year's audited accounts)		73,598	145,372	218,970	—	218,970
a. Correction of prior period errors	20 (c)	—	—	—	—	—
b. Changes in accounting policies (prior year effects)	20 (d)	—	—	—	—	—
Revised opening balance (as at 1/7/14)		73,598	145,372	218,970	—	218,970
c. Net operating result for the year		11,244	—	11,244	—	11,244
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	—	2,786	2,786	—	2,786
Other comprehensive income		—	2,786	2,786	—	2,786
Total comprehensive income (c&d)		11,244	2,786	14,030	—	14,030
e. Distributions to/(contributions from) non-controlling Interests		—	—	—	—	—
f. Transfers between equity		—	—	—	—	—
Equity – balance at end of the reporting period		84,842	148,158	233,000	—	233,000

Riverina Water County Council

Statement of Cash Flows

for the year ended 30 June 2016

Budget 2016	\$ '000	Notes	Actual 2016	Actual 2015
Cash flows from operating activities				
Receipts:				
4,840	Rates and annual charges		5,130	4,900
18,954	User charges and fees		22,043	20,231
476	Investment and interest revenue received		1,090	1,073
3,199	Grants and contributions		4,547	3,831
–	Bonds, deposits and retention amounts received		11	7
644	Other		2,292	2,276
Payments:				
(8,535)	Employee benefits and on-costs		(8,163)	(6,497)
(3,150)	Materials and contracts		(1,995)	(4,023)
(1,039)	Borrowing costs		(162)	(902)
(3,638)	Other		(4,707)	(3,771)
11,751	Net cash provided (or used in) operating activities	11b	20,086	17,125
Cash flows from investing activities				
Receipts:				
18,992	Sale of investment securities		27,500	–
323	Sale of infrastructure, property, plant and equipment		333	166
Payments:				
–	Purchase of investment securities		–	(6,000)
(42,611)	Purchase of infrastructure, property, plant and equipment		(35,016)	(11,870)
(23,296)	Net cash provided (or used in) investing activities		(7,183)	(17,704)
Cash flows from financing activities				
Receipts:				
12,000	Proceeds from borrowings and advances		–	–
Payments:				
(1,531)	Repayment of borrowings and advances		(1,411)	(1,341)
10,469	Net cash flow provided (used in) financing activities		(1,411)	(1,341)
(1,076)	Net increase/(decrease) in cash and cash equivalents		11,492	(1,920)
3,077	Plus: cash and cash equivalents – beginning of year	11a	8,398	10,318
2,001	Cash and cash equivalents – end of the year	11a	19,890	8,398
Additional Information:				
plus:	Investments on hand – end of year	6b	–	27,500
Total cash, cash equivalents and investments			19,890	35,898

Please refer to Note 11 for information on the following:

- Non-cash financing and investing activities
- Financing arrangements
- Net cash flow disclosures relating to any discontinued operations

3. FINANCIAL STATEMENTS 2015/2016

RECOMMENDED that:

- (i) Council's Draft Financial Statements be referred to audit by Council's auditors, Crowe Howarth,
- (ii) Council make a resolution in accordance with section 413 (2c) that the annual financial report is in accordance with:
 - the Local Government Act 1993 (as amended) and the Regulations made there under,
 - the Australian Accounting Standards and professional pronouncements,
 - the Local Government Code of Accounting Practice and Financial Reporting,
 - presents fairly the councils operating results and financial position for the year,
 - accords with Council's accounting and other records, and
 - that Council is not aware of any matter that would render this report false or misleading in any way.
- (iii) That Council adopt the abovementioned Statement and that the Chairman, Deputy Chairman and General Manager be authorised to complete the "Statement by Members of the Council" in relation to Council's 2015/16 Financial Statements and Special Purpose Financial Reports and be attached thereto.
- (iv) That Council delegate to the General Manager the authority to "finalise the date" at which the Audit Report and Financial Statements are to be presented to the public.

Council's Financial Statements and Special Purpose Financial reports for 2015/2016 have been completed and are ready to be forwarded to Council's Auditors.

Under the provisions of Section 412(2c) of the Local Government Act 1993, the Financial Statements and Special Purpose Financial Reports shall be accompanied by a statement made in accordance with a resolution by Council, signed by two Councillors, General Manager and Responsible Accounting Officer along the lines of the recommendation (ii) above.

Following receipt of the Auditor's Report, it will be necessary to give public notice for a period of at least seven (7) days prior to the adoption of the Financial Statements.

It is anticipated that the auditor's report will be submitted to Council's Ordinary Meeting on 26 October 2016. Council's Annual Report for 2015/2016 can be adopted at the same meeting.

A copy of the "Statement by Members of the Council" referred above in recommendation (iii) follows:-

- **Statements by Councillors and Management**

Riverina Water County Council

General Purpose Financial Statements

for the year ended 30 June 2016

Statement by Councillors and Management

made pursuant to Section 413(2)(c) of the *Local Government Act 1993 (NSW)* (as amended)

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

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

To the best of our knowledge and belief, these financial statements:

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

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

Signed in accordance with a resolution of Council made on 24 August 2016.

Clr G Hiscock
Chairperson

Clr G Verdon
Councillor

Mr G Haley
General Manager

Ms M Curran
Responsible Accounting Officer

Riverina Water County Council

Special Purpose Financial Statements

for the year ended 30 June 2016

Statement by Councillors and Management

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

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

- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

To the best of our knowledge and belief, these financial statements:

- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 24 August 2016.

Clr G Hiscock
Chairperson

Clr G Verdon
Councillor

Mr G Haley
General Manager

Ms M Curran
Responsible Accounting Officer

4. CAPEX BUDGET RESULT 2015/16

RECOMMENDED that Council receive and note report on the final Capital Expenditure Budget result for the 2015/16 financial year.

The following table summarises Council's Capital Expenditure Budget Result for 2015/16:-

Description	Current Budget 2015/16	Actual	Budget Remain
	\$	\$	\$
MANAGEMENT			
LAND & BUILDINGS FOR ADMIN. DEPOTS AND WORKSHOPS			
Administration Office	15,000	1,807	13,193
Depot Buildings	3,271,340	3,300,683	-29,343
Workshops	25,000	24,726	274
Access, Parking and Landscaping	230,000	61,996	168,004
SUB-TOTAL LAND & BUILDINGS FOR ADMIN, DEPOTS & WORKSHOPS	3,541,340	3,389,212	152,128
PLANT & EQUIPMENT			
IT Equipment	413,500	104,910	308,590
Office Furniture & Equipment	4,000	1,954	2,046
Working Plant & Vehicle Purchases	1,043,000	811,811	231,189
Fixed Plant Tools & Equipment	9,000	6,795	2,205
Telemetry & Control Systems Upgrade	180,000	82,317	97,683
Radio Communications Upgrade/Replacements/Improvements	20,000	9,676	10,325
RTUs - New/Additional	25,000	41,992	-16,992
RTUs - Replacements/Upgrades	68,000	30,147	37,853
Energy Efficiency & Cost Minimisation	45,000	4,831	40,169
CAD/GIS/Asset Management System	103,500	78,167	25,333
Communication Equipment	72,000	27,222	44,778
SUB-TOTAL PLANT & EQUIPMENT	1,983,000	1,199,823	783,177
TOTAL MANAGEMENT	5,524,340	4,589,035	935,305

SOURCES			
Bores-renew/refurbish/decommission	207,000	173,269	33,731
Source Works General Improvements	25,000	45,452	-20,452
Switchboards Improvements/Replacements	5,000	5,710	-710
TOTAL SOURCES	237,000	224,431	12,569
TREATMENT PLANTS			
General Improvements	20,000	2,014	17,986
Aeration Tower Replacements	15,000	13,014	1,986
Aeration Tower Covers	70,000	0	70,000
Specific Treatment Plant improvements	72,000	29,932	42,068
Treatment Plant refurbishments	25,373,000	22,417,139	2,955,861
Laboratory Equipment	1,000	1,190	-190
Laboratory Facilities Upgrade	50,000	35,301	14,699
Treatment Plant Switchboards/Control Systems Replacement/Upgrade	5,000	0	5,000
TOTAL TREATMENT PLANTS	25,606,000	22,498,591	3,107,409
PUMPING STATIONS			
General Improvements	30,000	10,325	19,675
Magflow Replacements	10,000	12,179	-2,179
Pump Stations Renewal/Refurbish/Upgrade	129,000	73,677	55,323
Pump Station Switchboards/Control Systems Replacement/Upgrade	5,000	5,100	-100
TOTAL PUMPING STATIONS	174,000	101,281	72,719
RESERVOIRS			
General Improvements	29,000	14,372	14,628
New/Replacement Reservoirs	1,170,000	1,007,316	162,684
Reservoirs - Upgrade Ladders and Access	25,000	16,706	8,294
Reservoir Hatches Magflows	16,000	13,561	2,439
TOTAL RESERVOIRS	1,240,000	1,051,956	188,044

MAINS, SERVICES & METERS			
System Improvements	70,000	26,853	43,147
Reticulation for Developers (including other extensions)	820,000	739,016	80,984
Renew Reticulation Mains	902,500	724,534	177,966
Renew Trunk Mains	2,836,000	3,022,600	-186,600
SUB-TOTAL MAINS	4,628,500	4,513,003	115,497
SERVICES			
Service Connections, new including Meters	550,000	480,380	69,620
Renew Services	70,000	60,689	9,311
SUB-TOTAL SERVICES	620,000	541,070	78,930
METERS			
Water meters replacement	180,000	142,979	37,021
Remote metering	5,663	6,177	-514
Water Filling Stations Upgrade	40,000	38,822	1,178
SUB-TOTAL METERS	225,663	187,978	37,685
TOTAL MAINS, SERVICES & METERS	5,474,163	5,242,051	232,112
TOTALS	38,255,503	33,707,344	4,548,159

5. REVOTED BUDGET 2015/2016

RECOMMENDED that expenditure totalling \$723,250 be revoted and included in the 2016/2017 budget.

After reviewing the status of the 2015/2016 Operational Plan with management, I am of the opinion that \$723,250 should be revoted into the 2016/2017 budget.

The items are listed as follows:-

Project / GL	Description	Revotes
OPERATIONAL EXPENDITURE		
11171	OEH Energy Audit	40,000
CAPITAL EXPENDITURE		
51	Corporate IT Software Upgrade	50,000
160	Lake Albert Rd Replacement	103,000
71	Administration Office	6,400
205	Main Low Level Reservoir 2x11ML Investigation & Design - Urban	64,377
133	Radio Telemetry SCADA Upgrade	60,300
84	Woomargama Reservoir 3	55,500
99	Urana WTP replacement - Non-Urban	87,945
73	Fitter/Electrician Workshop	5,000
72	Store Building Hammond Ave - Urban	10,000
110	West Wagga Shires pump upgrade - Urban	10,000
221	Morundah 130kL Replacement - Non-Urban	15,000
57	West Wagga WTP & Bores Control System Upgrade	18,000
217	Bulgary Aeration Cover	30,000
218	Ralvona Aeration Cover	40,000
155	Levee protection stage 2 Hammond Ave - Urban	78,400
156	Alternate access Hammond Ave - Urban	49,328

For the information of Council, the following budget items totalling \$2,398,709 will be carried forward to the 2016/2017 budget. This expenditure was committed to be spent prior to 30 June 2016.

Project / GL	Description	Carry Fwd
CAPITAL EXPENDITURE		
160	Lake Albert Rd Replacement	3,000
71	Administration Office	3,600
205	Main Low Level Reservoir 2x11ML Investigation & Design - Urban	10,844
81	Collingullie Reservoir Upgrade - Non-Urban	15,000
150	Shires Reservoir Relocation - Non-Urban	17,430
133	Radio Telemetry SCADA Upgrade	19,700
84	Woomargama Reservoir 3	44,500
99	Urana WTP replacement - Non-Urban	129,226
137	WTP stage 1 - Urban	2,105,809
224	Radio Communication Analysis	10,000
155	Levee protection stage 2 Hammond Ave - Urban	39,600

6. OPERATIONAL PLAN – PERFORMANCE TARGETS

RECOMMENDATION: That the report detailing progress, as at 30th June 2016, achieved towards the various objectives set out in the 2015/2016 Operational Plan be noted and received.

In accordance with the provisions of Section 407 of the Local Government Act 1993, I report to Council on the progress achieved in the year for the various Key Performance Indicators set out in the 2015/2016 Operational Plan.

Services

Measure	Key Performance Indicator	Year Ending 30 June 2016
Customer Satisfaction Rating	>4 (out of 5)	4.43 (out of 5)
Water Quality Satisfaction	>4 (out of 5)	4.17 (out of 5)

Asset Replacement

Measure	Key Performance Indicator	Year Ending 30 June 2016
Projects completed from Capital Works Program	>85%	89.2%

Demand Management

Measure	Key Performance Indicator	Year Ending30 June 2016
Peak Day Demand (weekly average)	<65 ML	69.9ML

WHS

Objectives	Key Performance Indicator	Year Ending30 June 2016	
Number of days lost through injury	< previous period	2015 12	2016 1
Percentage of sick leave hours to ordinary hours worked	<3.5%	3.15 %	2.8 %
Total hours worked compared to time lost through injury & illness	< previous period	.072%	.0075%

Environmental Protection

Key Performance Indicator	Key Performance Indicator	Year Ending30 June 2016	
Power used per ML of water produced KWh	< same period last year	2015 806KWh	2016 829KWh
Power used per ML of water produced \$	< same period last year	\$149	\$132

Equal Employment Opportunity

Key Performance Indicator	Key Performance Indicator	Year Ending30 June 2016
Number of legitimate EEO complaints resolved	100%	Nil lodged
Percentage of staff returning from parental leave	100%	100%

Charges and Fees

Key Performance Indicator	Key Performance Indicator	Year Ending30 June 2016
Level of Water Charges overdue compared to water sales for previous 12 months	<5%	1.64%
Level of Sundry Debtor Accounts overdue compared to debtors raised for previous 12 months	<5%	0.75%

7. PECUNIARY INTEREST REGISTER - DISCLOSURE OF INTEREST

RECOMMENDED that the information be received and noted.

Sections 441-448 of the Local Government Act, 1993, specify that returns in relation to disclosures of interest, are to be completed by councillors and designated persons, that is, General Manager and other senior staff of councils.

The returns must be completed and lodged with the General Manager within three months after 30th of June 2016.

The returns have been issued to each Councillor and designated person to be completed and lodged with the General Manager by 30 September 2016.

8. OVERDUE DEBTORS JUNE 2016

RECOMMENDATION that the following report on overdue debtors for the period ended 30th June 2016 be received and noted.

Following are details of balances, along with comparative figures for June 2015.

Debtor Category	June 2016		June 2015	
	Overdue	% Annual Revenue	Overdue	% Annual Revenue
Water Billing Debtors	\$426,743	1.64%	\$518,286	2.07%
Sundry Debtors	\$42,608	0.75%	\$315,043	5.36%
TOTAL	\$469,351	1.48%	\$833,329	2.70%

9. COUNCIL MEETING DATES AND TIMES

RECOMMENDED that Council's December Council Meeting be held on Friday 9th December 2016 commencing at 2.00pm.

Council meeting dates are normally the fourth Wednesday of February, April, June, August, October and December, with the December meeting usually being held on the same day as the Staff Christmas Gathering.

The remaining scheduled dates for 2016 are:

26th October

28th December

The Council normally conducts its Ordinary December meeting in conjunction with the staff Christmas Function. Last year the meeting was held on Friday, 11 December 2015 (the second Friday in December). A similar time this year would be on Friday, 9 December 2016.

10. MINUTES AUDIT & RISK COMMITTEE MEETING

RECOMMENDED that the Minutes of the Audit & Risk Committee Meeting be noted.

MINUTES of the MEETING of AUDIT & RISK COMMITTEE **held at 91 HAMMOND AVENUE, WAGGA WAGGA,** **on MONDAY, 25th JULY 2016 at 9.00 am**

PRESENT:

David Maxwell (Chairperson)
Michael Commins
Clr. Kevin Poynter

IN ATTENDANCE:

General Manager	Graeme Haley
Corporate Strategy – WWCC	Christine Priest
Manager Corporate Services	Michele Curran
Crowe Horwath	Brad Bohun
Crowe Horwath	Dannielle McKenzie

The meeting of the Audit and Risk Committee commenced at 9.00am.

DECLARATIONS OF PECUNIARY INTEREST

Declaration by David Maxwell. Has Software, Handbooks and Training to all Councils, but not RWCC.

Declaration by Michael Commins. He has a position at Commins Hendriks Solicitors. This firm undertakes conveyancing on behalf of Riverina Water County Council at times. Mr Commins does not participate in these matters, since he works out of the Junee office of the firm.

CONFIRMATION OF MINUTES – 30th MAY 2016

Recommendation:

On the motion of David Maxwell and Clr. Poynter that the Minutes of the proceedings of the Audit and Risk Committee meeting of 30th May 2016 be received and noted.

CARRIED

AUDIT & RISK COMMITTEE ACTIONS REGISTER

Recommendation:

On the motion of Michael Commins and Clr. Poynter that the Audit & Risk Committee receive and note the report.

CARRIED

SUMMARY OF INSURANCE FOR INTERNAL AUDIT COMMITTEE

Recommendation:

On the motion of Clr. Poynter and Michael Commins that the Audit & Risk Committee receive and note Council's insurance policy information.

CARRIED

REPORT TO AUDIT & RISK COMMITTEE ON LEGAL FEES

Recommendation:

On the motion of Michael Commins and David Maxwell that the Audit & Risk Committee receive and note report on legal expenditure during 2015/16 financial year.

CARRIED

INTERNAL AUDIT PROGRESS REPORT

Recommendation:

On the motion of Clr. Poynter and Michael Commins that the Audit & Risk Committee receive and note the report.

CARRIED

On the motion of Clr. Poynter and Michael Commins that the General Manager follow up with the Internal Auditor regarding efficiencies in the follow up report.

CARRIED

GENERAL MANAGER'S UPDATE ON CURRENT LITIGATION MATTERS

Recommendation:

On the motion of Michael Commins and Clr. Poynter that the information is noted.

CARRIED

REVIEW OF BUSINESS CONTINUITY PLAN

Recommendation:

On the motion of Michael Commins and Clr. Poynter that the advice of the General Manager be received and noted and that regular testing of the Business Continuity Plan occur outside of the testing conducted by Statewide Mutual.

CARRIED

DPI WATER – WATER SUPPLY PERFORMANCE

Recommendation:

On the motion of David Maxwell and Michael Commins that the advice of the General Manager be received and noted.

CARRIED

LEGISLATIVE COMPLIANCE REGISTER

Recommendation:

On the motion of Michael Commins and Clr. Poynter that the Audit & Risk Committee receive and note the report.

CARRIED

OPERATIONAL REVIEW – IT TESTING

Recommendation:

On the motion of Clr. Poynter and Michael Commins that the Audit & Risk Committee receive and note the report.

CARRIED

SPECIAL REVIEW OF OPERATIONS (IE ENGINEER REPORT IF PROJECT IN PROGRESS)

Recommendation:

On the motion of Michael Commins and Clr. Poynter that the information be noted, together with the identification of the elevated risks.

CARRIED

LEAD ORGANISATIONAL CRITICAL ISSUES

Recommendation:

On the motion of David Maxwell and Clr. Poynter that Audit & Risk Committee receive and note the report and that management be encouraged to develop a more comprehensive risk list.

CARRIED

INTERNAL AUDIT UNIVERSE

Recommendation:

On the motion of Clr. Poynter and Michael Commins that the Audit & Risk Committee adopt the Internal Audit Universe 2016-2020.

CARRIED

DRAFT AUDIT & RISK COMMITTEE ANNUAL REPORT

Recommendation:

On the motion of Clr. Poynter and Michael Commins that the Audit & Risk Committee adopt the Audit and Risk Committee Annual Report for referral to Council.

CARRIED

RWCC DELIVERY PROGRAM 2016/2017 TO 2018/2019 AND OPERATIONAL PLAN 2016/2017

Recommendation:

On the motion of David Maxwell and Michael Commins that the advice of the General Manager be received and noted.

CARRIED

LOCAL GOVERNMENT ACT – PHASE 1 AMENDMENTS

Recommendation:

On the motion of David Maxwell and Clr. Poynter that the Audit & Risk Committee receive and note the report.

CARRIED

GENERAL BUSINESS

Next General Meeting: Monday, 26th September 2016 at 9.00 am

Meeting Closed 12.15pm

11. EXTENSION OF TERM OF APPOINTMENT FOR COMMUNITY MEMBERS OF AUDIT AND RISK COMMITTEE

RECOMMENDATION: That Council extend the term of the two community members of the Audit and Risk Committee until March 2017.

12. MEETING WITH ADMINISTRATOR OF FEDERATION COUNCIL

RECOMMENDATION: That the report of the General Manager be received and noted.

The Chairperson, Director of Engineering and General Manager met with the Administrator of Federation Council, Mr Mike Eden, and Manager Water & Sewerage Mr. Geoff Lewis in Corowa on 26 July 2016.

Riverina Water's operations within the Federation Council area were explained to the Federation Council representatives.

A number of matters of mutual interest were discussed, including utilizing the staff of each council, when mutually beneficial. Instances discussed were after hours monitoring of Federation Council water treatment facilities and mains repair works in the western part of Riverina Water area, when less travelling may be involved.

The matter of providing suitable training for Federation Council staff based in Urana was discussed, with a view to retaining employment in Urana and perhaps providing some succession planning for current Riverina Water staff.

These matters will be investigated by managerial staff of both Riverina Water and Federation Shire.

13. HIGH SECURITY WATER LICENSE

RECOMMENDATION: That Council consider the report "High Security Water License", whilst the meeting is closed to the public, information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business, as prescribed by Section 10A(2)(c) of the Local Government Act 1993.

14. PERFORMANCE REVIEW – GENERAL MANAGER

RECOMMENDED that the Council consider the Chairman's Report "Performance Review – General Manager" whilst the meeting is closed to the public as it relating to personnel matters about an individual, as prescribed by Section 10A(2)(a) of the Local Government Act 1993.

15.AWARD NOMINATIONS

RECOMMENDATION: That the report of the General Manager be received and noted.

Riverina Water County Council has had a practice of applying for awards from appropriate organisations when suitable opportunities arise.

In past years these have resulted in industry recognition for both Riverina Water County Council and/or its employees.

Past awards received, have been a Green Globe Award for Water Efficiency Program and individual staff awards, such as Apprentice/Trainee of the Year from GTES.

Council staff have also presented papers at various conferences, such as the Local Government New South Wales Water Management Conference and the Water Industry Operators Association Conference.

These presentations and awards have improved the profile of Riverina water within the water industry, local government and the community.

While no awards have been received in the past year, nominations are closing shortly for Australian Utility Innovators Awards. It is anticipated that Riverina water will be nominated for an award as a sustainable utility for the energy savings and efficiencies that have been achieved over the past 2 years.

It is also anticipated that Riverina Water will be nominating for a Local Government NSW Bluett Award following the completion of the new Water Treatment Plant.

The Water Treatment Plant will be also put forward for a number of Engineering Excellence Awards following its completion.

16. CUSTOMER SERVICE CHARTER

RECOMMENDATION: That the report of the General Manager be received and noted.

Riverina Water County Council has adopted a Customer Service Charter that summarises the organisation's commitment to delivering personalised service to its customers in a professional manner, ensuring consistency and efficiency.

A copy of the Customer Service Charter is attached for Councillors information.

Response times in the charter are outlined as follows:

- Attend to enquiries made in person within 5 minutes
- Answer calls within 20 seconds, identifying ourselves on answering. We will deal with the call, redirect the call or take a clear message as appropriate
- Return calls within 1 business day and ensure follow-up activities are carried out
- Respond to written correspondence within 5 business days. We will keep you informed of our progress if a final response cannot be given within a specified timeframe.

Council administration staff have been appropriately trained in customer service techniques and ensure that all counter inquiries are dealt with promptly. All have attended externally provided training on customer service and on how to deal with difficult customers.

Staff are trained and instructed in promptly responding to telephone inquiries. Should all staff be otherwise engaged, either on the telephone or in personal contact with other customers, Council's telephone system is programed to redirect the call. Telephone messages taken are responded to within a day.

Council's electronic document management system is set up in such a way that if a response to correspondence is not made within 1 week, (5 working days) a reminder is sent to the employee and their manager. This prompts a follow up, so that at least an acknowledgement is made. The results included in the recent customer survey indicate a very high level of customer satisfaction within the Riverina Water County Council area, with an average result in customer satisfaction of 4.43 out of a possible 5.

While this is a very good result, staff will not be resting on their laurels and will continue to strive for excellent customer service.

- **Administration Customer Service Charter**

Riverina Water County Council is committed to delivering personalised service to our customers in a professional manner, ensuring consistency and efficiency. Our Charter sets out how we propose to meet these commitments to our customers and fulfil our regulatory obligations. Council operates under the Local Government Act 1993.

The following are the basic commitments we make to our customers:

Contacting Riverina Water County Council

We are committed to:

- Treating you with honesty and integrity
- Providing prompt, friendly, courteous and efficient customer service
- Enabling you to contact us in the way you prefer – by telephone, online, in writing or in person
- Providing service at our administration office from 8.30am to 4pm each business day
- Being clear and helpful in our dealings with you, giving reasons for our decisions and referring enquiries we cannot answer to an appropriate source

Billing and Payments

We are committed to:

- Providing you with accurate, easy to understand bills
- Providing you with accessible payment options
- Providing flexible payment options to customers experiencing financial hardship

Our Service Standards

We are committed to:

- Attend to enquiries made in person within 5 minutes
- Answer calls within 20 seconds, identifying ourselves on answering. We will deal with the call, redirect the call or take a clear message as appropriate
- Return calls within 1 business day and ensure follow-up activities are carried out
- Respond to written correspondence within 5 business days. We will keep you informed of our progress if a final response cannot be given within a specified timeframe

Your Privacy

We are committed to:

- Protecting your personal information from misuse and unauthorised access
- Providing you access to your personal information and taking reasonable steps to keep your details accurate and up-to-date

Your Concerns and Complaints

We are committed to:

- Dealing with your concerns or complaints promptly, fairly, completely and informing you of how we propose to act, how long it should take and what the results are

How You Can Help Us

We request that you:

- Treat our staff with courtesy and respect
- Respect the rights of other customers
- Be accurate and complete with the details relating to your enquiry with us
- Work with us to solve problems
- Provide us with feedback to help us improve our services to you
- Respect community property

How You Can Contact Us

Street address: 91 Hammond Avenue, Wagga Wagga NSW 2650

Postal address: PO Box 456, Wagga Wagga NSW 2650

Phone: 02 6922 0608

Fax: 02 6921 2241

Email: admin@rwcc.nsw.gov.au

Website: www.rwcc.nsw.gov.au

17. PRODUCTIVITY IMPROVEMENT AT RIVERINA WATER COUNTY COUNCIL

RECOMMENDATION: That the Report of the General Manager be received and noted.

I have been requested to report to Council on Productivity Improvements at Riverina Water County Council.

Electricity Costs

The most obvious productivity improvement in recent years has been in the area of electricity consumption. Through the introduction of technology, such as power factor correction and PLC's on a number of pumps to enable improved control of time of use, RWWCC's energy spend over the past 3 years has been \$2.606M (2013/14), \$2.402M (2014/15) and \$1.796M (2015/16) as saving of \$810,000 over two years. These substantial savings despite increasing electricity usage tariffs and network charges.

The savings have been achieved by implementing time of use management systems as part of council's telemetry and water treatment/pumping control systems together with the design and implementation of power factor correction at a number of council's larger water treatment/pumping facilities.

With network charges increasing by about 15% in 2016/2017 additional work will be undertaken over the next few years to expand the use of power factor correction to smaller sites. This work will be rolled out in order of best value for council. The shorter the payback period on investment, the sooner the work will be undertaken.

The performance measure included in Council's Operational Plan is not an accurate reflection of the efficiencies gained. While these KPIs measure the cost of power per megalitre against the same quarter in the previous year, they do not take into account increases in consumption tariffs and network charges, over which RWCC has little control. Council staff are developing other measures to report to Council that will try and show how efficiently and effectively RWCC is utilising energy.

The most likely indicator (in \$ terms) is expected to be a measure against how RWCC costs compare to a base energy costs. This base cost will be determined after taking into account tariff increases. This development of a new KPI is a work in progress, with another report to be presented to Council at a future date.

As a demonstration of the complexity of this issue, please find attached a copy of a report from Planet Footprint summarising energy usage for the past 12 months, together with a progress report from the manager Operations of the development of the Energy KPIs.

IT Services

In past years RWCC outsourced the hosting of its Corporate IT Applications. This service was undertaken by Civica Australia at a data centre in Mascot. At the time RWCC did not have the expertise on staff to maintain and update this software in house.

Following an investigation by staff, it was decided to host these applications on its own servers. This had an additional benefit of enabling staff to log onto the network faster and also enabled a more efficient interface between its Corporate IT Applications, GIS Applications and Asset Management Applications. The savings in hosting costs has been in the order of \$90,000 per annum. This is an ongoing saving.

Stores Warehouse

The main reason for the construction of the new stores warehouse was to make way for a new water treatment plant, however, it has resulted in a number of efficiencies. Some of these efficiencies are not easily quantified, such as the ability to hold a wider range of stock to meet RWCC's needs.

By having a modern warehouse, council has been able to utilize a modern system of pallet racking. This will enable improved housekeeping in the store and result in better stock control. Although intangible, the new warehouse provides new staff facilities (compared to the old outdated ones), giving staff a nice modern facility with tearooms and amenities – gives the feeling of a good place to work. This in itself aids in staff retention, which is a saving to Council.

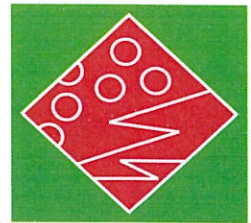
Improvements to systems controls, introduced at the time of moving to the new warehouse, has resulted in improved stock and fuel security, with only gangers and supervisors being able to access the store area after hours.

One efficiency that can be quantified is the fact the new warehouse has given staff the opportunity to organise and bundle fittings onto pallets prior to them being needed for jobs. It is estimated that this saves each work gang at least 1 hour of downtime per week. The resultant saving would be in the order of \$50,000 to \$75,000 per annum.

Private Works

In addition to changes to the way that Council undertakes private works for developers, as has been separately reported to Council, in recent times additional income, in the order of \$200,000 has been achieved from work undertaken for other Councils (Cootamundra, Goldenfields and Greater Hume Shire). It is anticipated that this work will continue as the opportunities arise.

- **Energy Report - Planet Footprint**



Riverina Water County Council

Organisation Footprint - ENERGY

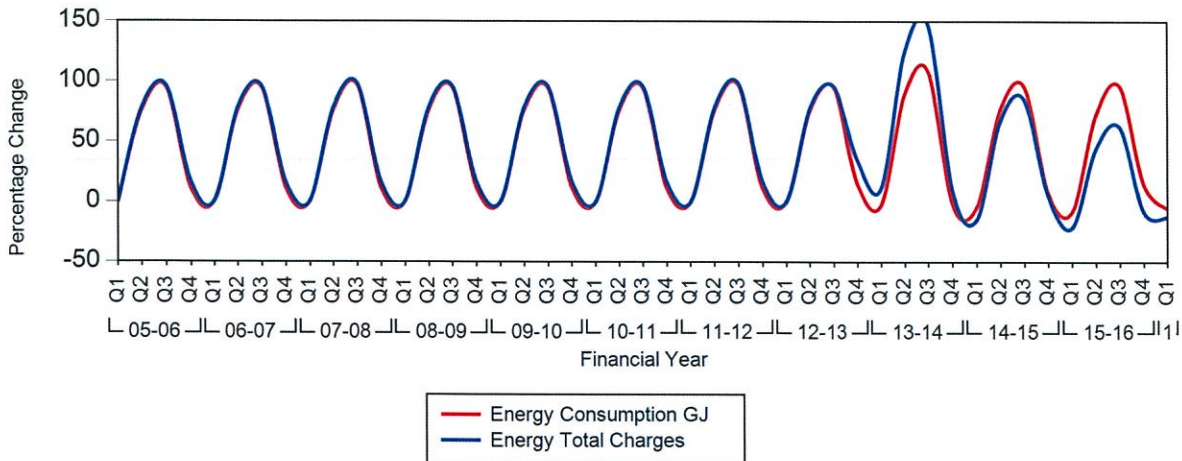
To End of Financial Quarter 1, 2016-2017



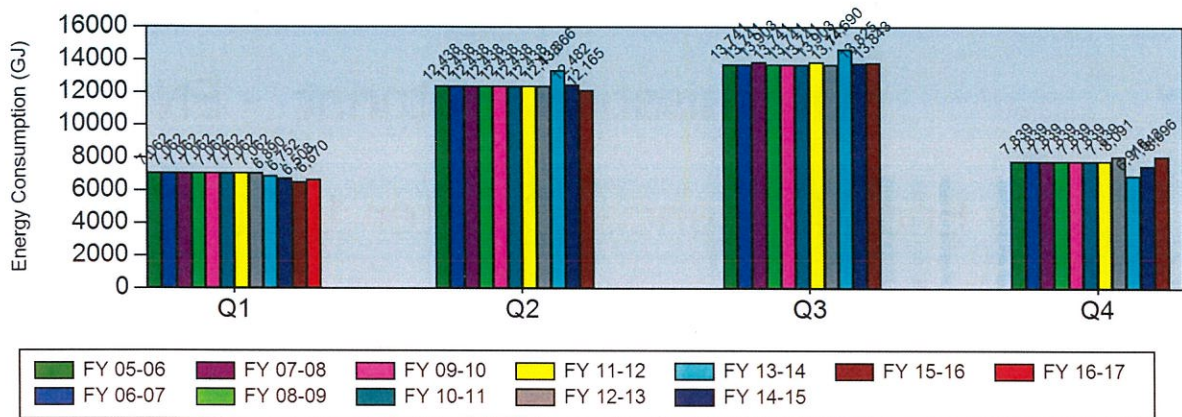


Part A: Stand-alone Performance Over Time

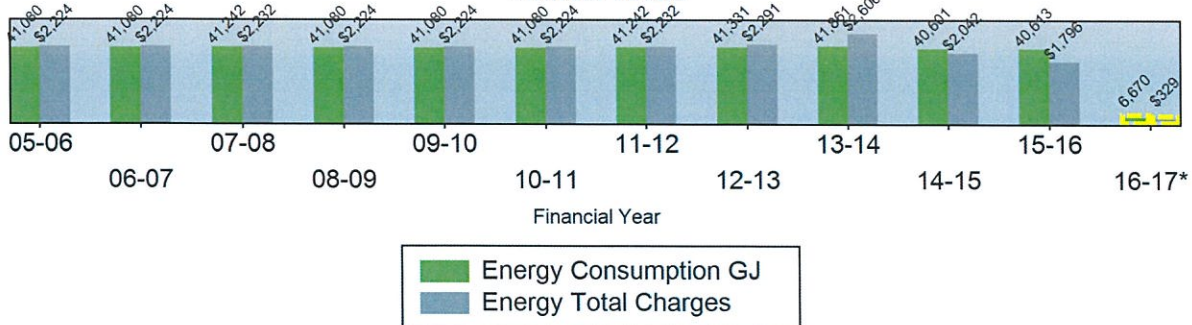
Percentage Change Over Time



Quarterly Comparison to Previous Years



Annual Totals



* Total for final year shows year-to-date only, up to and including Financial Quarter 1, 2016-2017.






Part B: Annual Energy Mix (last 4 quarters)

	Mix	Consumption (GJ)	Total Charges	GHG t CO2	Unit cost per GJ	t CO2 / GJ
Electricity	100.00%	40,774	\$1,828,366.00		\$44.84	
All Energy		40,774	\$1,828,366.00		\$44.84	

Part C: Service Summaries (Last Five Quarters)

Energy Sources

			Financial Year 2015-2016				Financial Year 2016-2017
			Q1	Q2	Q3	Q4	Q1
 Electricity	Electricity Consumption	cons (kWh)	1,807,797	3,379,275	3,845,224	2,248,983	1,852,726
	Electricity Usage Charges	usage (\$)	99,735	184,944	210,934	124,463	112,543
	Electricity Service Charges	service (\$)	196,934	357,757	399,635	221,453	216,556
	Electricity Total Charges	total (\$)	296,658	542,708	610,575	346,028	329,055

Notes:

1 kWh = 0.0036 GJ. 1 MJ = 0.001 GJ.



Part D: Energy Efficiency and Renewable Energy Measures for Financial Year 2016-2017

Please contact Planet Footprint on 1300 721 113 or support@planetfootprint.com should you have any questions regarding this report.



PROPOSED ENERGY EFFICIENCY AND COSTS PERFORMANCE MEASURES:

Energy Efficiency (Total kWh/Billed ML):

- Total kWh: Totalising all electricity energy consumed (kWh) by Riverina Water during the financial year (i.e. accumulative by quarter)
- Billed ML: Totalising actual billed units of water through customer's meters over the same period (i.e. accumulative by quarter)

Comments:

- Totalling electricity energy consumed (kWh) associated with direct and indirect energy usage such as the water source extraction, treatment, storage, pumping, depots and administration/ engineering activities
- The billed units of water includes water billed through customer's meters and metered standpipes (ML), but does not include unaccounted water from mains burst, firefighting, mains flushing etc.
- Energy Efficiency Metric to be compared to previous year's result
- By comparing accumulative periods the seasonal variations in water usage is better averaged

Energy Costs Metrics

Energy Retail Usage Costs (Retail \$/ML):

- Comparing 'Percentage Rate of Change of Electricity Retail Prices' applied to a base year of data, to 'Percentage Rate of Change of Actual Retail Usage Costs per Billed ML'

Comments:

- Separates the impacts associated with changes in network charges
- Includes how the energy is used for some sites i.e. Time of Use tariff periods
- Considers whether sites are on suitable tariffs

Example: if the expected percentage rate of change of 'Electricity Retail Prices' is 11%, and the percentage rate of change of 'retail usage costs per billed ML' is 7%, then we have demonstrated improvements with respect to retail prices increases

Energy Retail Usage Costs (Network \$/ML):

- Comparing 'Percentage Rate of Change of Electricity Network Prices' applied to a base year of data, to 'Percentage Rate of Change of Actual Network Usage Costs per Billed ML'

Comments:

- Demonstrates ToU management effectiveness
- Includes assuring Power Factor and minimising kVA charges

Example: If the expected percentage rate of change of 'Electricity Network Charges is 18%', and the percentage rate of change of 'network costs per billed ML' is 21%, then we have not demonstrated any improvements with respect to network charges increases.

18.REQUEST FOR CONTRIBUTION – LOCKHART BOWLING CLUB

RECOMMENDATION that Riverina Water County Council make a contribution towards the cost of a defibrillator at the Lockhart Bowling Club of \$500.

The Lockhart Bowling Club has advised that it proposes to purchase a defibrillator for the club, for use in the case of emergency.

The club advises that a suitable machine would cost \$2,750.

They have requested that this request be put to Council as a proposal to meet some of the costs.

- **Lockhart Bowling Club request**



12 JUL 2016
BY:

A.C.N. 001066388
A.B.N. 60001066388

19 Green Street,
Lockhart NSW 2656
Tel: 6920 5248

4th July 2016

Mr Graeme Haley
General Manager
Riverina Water County Council
91 Hammond Avenue
Wagga Wagga NSW 2650

Dear Mr Hartley,

You are probably aware a large percentage of bowlers are of an advanced age and because of this the Club is proposing to purchase a defibrillator for use in case of an emergency.

From advice received, a suitable one that will meet our requirements is one from Australian Defibrillators and is a Powerheart G5 which costs \$2,750.00.

I am asking you to put to the Council a proposal to meet some of the costs for this very important item and look forward to a favourable response.

Should you have any questions please contact me (mobile is 0401 130 880)

Yours faithfully,

Barry Love
President

19.REQUEST FOR FINANCIAL ASSISTANCE – THE QUINTY MENS SHED

RECOMMENDATION: That Council sponsor The Quinty Mens Shed in the amount of \$4,063 in the form of a water connection to 80 Connorton Street, Uranquinty.

The Quinty Mens Shed has constructed a community facility in partnership with the Uranquinty Community Safety Group. They have requested financial assistance from Riverina Water County Council in the form of a water connection at 80 Connorton Street, Uranquinty.

Please see attached letter.

The shed will require a fire service as it is a public building. The cost of providing a 32mm service is \$4,063.

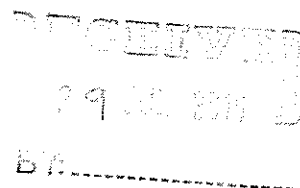
The community grant is as per the Sponsorship Policy 1.25 guidelines.

- **The Quinty Mens Shed request**

The Quinty Mens Shed Inc.

(Locals supporting locals)

ABN: 30 125 653 175
PO Box 277
Uranquinty NSW 2652



The Manager,
Riverina Water County Council
Hammond Avenue
Wagga Wagga, NSW 2650

21 July 2016

Re. Water connection

Dear Sir

The Quinty Mens Shed is a small organization whose goals are to provide fellowship and activities for men in the village of Uranquinty and its surrounds. The shed has also partnered with the Uranquinty Community Safety Group whose objectives are to assist the community in times of natural disaster, such as flooding. We have co-located their radio base station with us and further intend to provide an area within our compound to house a storage facility (40ft container) including electrical connections.

Since its conception in 2012 the Quinty Mens Shed has progressed to a point where we have obtained a lease over land located at 80 Connorton Street Uranquinty, raised funds, and obtained grants and sponsorship that have enabled us to purchase and erect a shed suitable to our needs. Through further sponsorship we were recently able to have an electricity supply connected to the shed.

The shed still requires a lot of work before we can obtain an occupation certificate from Council. At present, the shed is basically an empty shell requiring a multi-purpose room and an amenities block to be built, water and sewer to be connected both to the site and the shed, and storm water, rain water tank and electrical wiring to be installed. In addition, we need to provide driveways and car-parking spaces, landscaping and fencing.

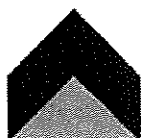
At present, we have sufficient funds to frame up the multi-purpose room and amenities block, and are confident of receiving funding to assist with the completion of the exterior requirements of our shed.

As grant provisions are few and far between, The Quinty Mens Shed is appealing to Riverina Water County Council to assist our small community with the provision of a water connection to the shed large enough to facilitate a fire hose.

We look forward to your positive response in this endeavour.

Yours sincerely

Lyle Salmon (President)



mw

Australian Men's Shed Association
SHOULDER TO SHOULDER

20.REQUEST FOR FINANCIAL ASSISTANCE – WAGGA WAGGA COUNTRY CLUB

RECOMMENDATION: That Council contribute \$5,000 towards the cost of new water connection of the Wagga Wagga Country Club.

The Wagga Wagga Country Club are proposing to install a replacement water connection to their premises on Plumpton Road, Wagga Wagga. The previous connection was from a water main of 80 mm. The new water connection requires a 150mm water main extension under Plumpton Road. The estimated cost of the new water main extension is \$18,770.

They have requested financial assistance from Riverina Water County Council towards the cost of this water main extension.

Please see attached letter. Subsequent to receiving the request from the Country Club, the estimated cost of the connection has been revised from \$19,010 to \$18,770.

The club premises will require a fire service at a future date. The new connection will enable this to occur.

The community grant is as per Council's Sponsorship Policy 1.25 guidelines.

- **Wagga Wagga Country Club request**



WAGGA WAGGA COUNTRY CLUB

ABN 36 001 045 156

Plumpton Road
Wagga Wagga NSW 2650

Phone: 02 6922 6444

Fax: 02 6922 5016

Email: admin@wwcc.com.au

10th August 2016

Mr Graeme Hayley
General Manager
Riverina Water County Council
PO Box 456
Wagga Wagga NSW 2650

Dear Graeme

Re: Application Community Support Fund

The Wagga Wagga Country Club would like to be considered for an allocation of funds from the Riverina Water Community Support Fund.

The Club is undergoing a project to replace the main waterline from Plumpton Road to the Clubhouse, installation of a fire hydrant, on-course toilet and driveway lighting into the Club. The project will cost approximately \$150,000 to complete.

The funding for the project will come from a bank loan with the upgrade to our infrastructure and services seen as high priority because of the following reasons;

1. The existing line is asbestos and is beyond it's life span
2. The Club recently had a fire in a cart storage shed and had no hydrant line for fires services to access
3. Pressure from insurers to upgrade fire protection
4. The Club is an important community asset that needs to be protected from high risk occurrences

The project has already seen a number of local businesses and members of the Club committing their time and resources, any further assistance would be invaluable. The Club is a Not for Profit organisation and the improvements are for the benefit of the members and the public that use our facilities.

We are asking if the statement of fees for the service connection (Ref ID 25434) of \$19,010 could be partially funded from the Community Support Fund for the Club as an important community asset.

If any further information is required please don't hesitate to contact me on the matter.

Yours sincerely

A handwritten signature in dark ink, appearing to be 'John Turner', written over a horizontal line.

John Turner
Secretary/Manager

21.DRAFT POLICY 1.10 COUNCILLOR'S EXPENSES AND FACILITIES

RECOMMENDED that the Draft Policy 1.10 Councillor's Expenses and Facilities be adopted.

The Draft Policy 1.10 Councillor's Expenses and Facilities was placed on public exhibition, commencing 16 July 2016. There have been no changes to this Draft Policy from that adopted in 2015.

Following the exhibition of the Draft Policy 1.10 Councillor's Expense and Facilities, no submissions have been received. A copy of the Draft Policy is attached for Councillors information.

- **Draft Policy 1.10 Councillor's Expenses and Facilities**

COUNCILLOR'S EXPENSES AND FACILITIES POLICY

POLICY REFERENCE NUMBER:		POL 1.10	
Original publication date		27 August 1997	
Revision number	Issue Date	Approved	Approval date
0	27 August 1997	Res: 97/57	27 August 1997
1		Res: 05/86	19 October 2005
2		Res: 06/77	17 October 2006
3		Res: 07/65	22 August 2007
4		Res: 08/54	27 August 2008
5		Res: 09/73	26 August 2009
6		Res: 10/100	25 August 2010
7		Res: 11/87	24 August 2011
8		Res: 12/144	24 October 2012
9		Res: 13/107	23 August 2013
10		Res: 14/92	20 August 2014
11		Res 15/120	2 September 2015
12		Res 16/???	24 August 2016
<p style="text-align: center;">This document is to be reviewed every year. Next review date: August 2017</p>			
RESPONSIBLE OFFICER		General Manager	

PART A – INTRODUCTION

1.0 – GENERAL PROVISIONS

1.1 Purpose of the Policy

The purpose of the Policy is to ensure there is accountability and transparency in the reimbursement of expenses incurred or to be incurred by Councillors.

The Policy also ensures that the facilities provided to assist Councillors to carry out their civic duties are reasonable.

1.2 Objectives and coverage of the Policy

To give guidance to the Chairman and Councillors as to what facilities and resources are available to them.

To provide direction for the payment of expenses incurred, or to be incurred, by Councillors and the provision of facilities to the Chairman and other Councillors in relation to discharging the functions of their office.

Implementation of our legislative responsibility, in adopting a policy concerning the payment of expenses and the provision of facilities and resources to the Chairman and Councillors in carrying out their civic duty (Sections 252 and 253 of the Local Government Act 1993).

1.3 Making and Adoption of the Policy

Council must implement section 253 of the *Local Government Act 1993* before adopting or amending a policy. Council must give public notice of its intention and allow at least 28 days for public submissions.

Council must consider any submissions received and make any appropriate changes to the policy. Council does not need to give public notice of a proposed amendment to the policy, if the amendment is not substantial. Within 28 days of adopting or amending the policy, the policy and details of submissions are to be forwarded to the Director-General of the Division of Local Government.

The term “not substantial” should be taken to mean minor changes to wording of the policy or changes to monetary provisions or rates that are less than 5%. It also means minor changes to the standard of the provision of equipment and facilities. Substantial amendments to the policy that could include larger changes to monetary limits than the limit noted above, and/or major changes to the standard provision of equipment and facilities, will require public notice of the amendment. Any new category of expenses, facilities and equipment included in the policy will also require public notice.

1.4 Promotion and Availability of the Policy

Council should promote its policies on the payment of expenses and the provision of facilities to councillors to the community by placing them on their websites and making them readily accessible. Council should ensure that the policy is easy to locate and view by the public.

1.5 Review

Councils are required on an annual basis to review and submit their policy to the Director-General of the Division of Local Government within 28 days of adoption by council, even if they propose to adopt an unchanged policy. Current policies must be submitted by 30 November each year.

1.6 Reporting Requirements

- Section 428 of the *Local Government Act 1993* requires council to include in its annual report:
- the councils policy on the provision of facilities for, and the payment of expenses to, mayors and councillors,
- the total amount of money expended during the year on providing those facilities and paying those expenses
- additional information as required by the *Local Government (General) Regulation 2005*.

1.7 Legislative Provisions

1.7.1 Provisions under the *Local Government Act 1993*

Changes to sections 252(5) and 253 of the *Local Government Act 1993*, made by the *Local Government Amendment Act 2005*, require councils to make and submit their Expenses and Provision of Facilities Policy annually to the Department of Local Government.

Section 252 of the *Local Government Act 1993* requires councils to adopt or amend a policy annually for the payment of expenses and the provision of facilities to mayors, deputy mayors and other councillors. Mayors and councillors can only be reimbursed for expenses and provided with facilities in accordance with this policy.

Section 252 also makes provision for a council to reduce the amount payable to mayors and councillors (under sections 248-251 of the *Local Government Act 1993*) by the amount representing any private benefit of a facility provided by the council to them. It also requires that the policy be made under the provisions of this Act, the Local Government (General) Regulation and any relevant guidelines issued under section 23A of the Act.

Section 253 specifies actions that council must undertake before a policy concerning expenses and facilities can be adopted or amended. As earlier stated these actions include a requirement to give public notice with a minimum period of 28 days for the making of submissions, procedure for consideration of any submissions received and circumstances where public notice is not required. This section also details the reporting requirements to the Director General.

Section 254 requires that part of a council or committee meeting which considers the adopting or amending of such a policy must not be closed to the public.

The Government Information Public Access Act 2009 and Regulation 2009 provides that the public is able to inspect during office hours at the council, and at no charge, the current version and the immediately preceding version of the council's expenses and facilities policy. The public are also entitled to a copy of the policy, either free of charge, or, on payment of a reasonable copying charge.

Section 23A makes provision for the Director-General of the Division of Local Government to prepare, adopt or vary guidelines that relate to the exercising by a council of any of its functions. It also requires that a council must take the relevant guidelines into consideration before exercising any of its functions.

Section 428(4)(b) requires that councils must report on any other information required by the regulations.

1.7.2 Provisions under the *Local Government (General) Regulation 2005*

Clause 217 Provides details of information to be included in Councils Annual Report in addition to the above provisions, such as details of overseas trips by councillors and staff representing Council and details of expenses paid to Councillors.

Clause 403 (Payment of expenses and provision of facilities) states:

A policy under section 252 of the Local Government Act 1993 must not include any provision enabling a council:

- (a) to pay any councillor an allowance in the nature of a general expense allowance, or*
- (b) to make a motor vehicle owned or leased by the council available for the exclusive or primary use or disposition of a particular Councillor other than a mayor.*

1.8 Other NSW Government Policy Provisions

1.8.1 Department of Local Government Guidelines

As previously noted under section 252(5) of the Local Government Act 1993 the council expenses policy must comply with these guidelines issued under section 23A of the Act.

1.8.2 Department of Local Government Circulars to Councils

The policy must take into account the following Circulars:

- Circular 11/27 Findings from Review of Councillors Expenses and Facilities Policies
- Circular 10/26 Misuse of Council Resources
- Circular 09/36 Updated Guidelines for the Payment of Expenses and the provision of facilities to Mayors and Councillors – Additional annual reporting requirements and other matters
- Circular 05/08 Legal Assistance for Councillors and Council Employees
- Circular 02/34 Unauthorised Use of Council Resources

1.8.3 The Model Code of Conduct for Local Councils in NSW

The policy should be consistent with the Model Code of Conduct for Local Councils in NSW, Department of Local Government – June 2008.

1.8.4 ICAC Publication – *No Excuse for Misuse, Preventing the Misuse of Council Resources*

Councils should also be aware of and take account of the Independent Commission Against Corruption (ICAC) publication, *No Excuse for Misuse, Preventing the Misuse of Council Resources* (Guidelines 2) November 2002.

This publication is available on the ICAC website at www.icac.nsw.gov.au.

1.9 Approval Arrangements

Approval of councillors to attend conferences and other council business that involves travel and/or accommodation should be, where possible, approved by a full meeting of the council. If this is not possible, the approval should be given jointly by the Chairperson and General Manager.

If the Chairperson requires approval to travel outside of council meetings, it should be given jointly by the Deputy Chairperson, or another councillor, if the Deputy Chairperson is unavailable and the General Manager.

PART B – PAYMENT OF EXPENSES

2.0 GENERAL PROVISIONS

2.1 Payment of Expenses Generally

This policy sets levels of expenses and facilities to realistically account for costs incurred by councillors independent of the level of their annual fees.

2.1.1 Allowances and Expenses

The Local Government Remuneration Tribunal determines the minimum and maximum limit of fees payable to Chairperson and councillors according to the category of council. The council will determine the actual level of fees between these limits on an annual basis following the determination of the Local Government Remuneration Tribunal.

The amount of the annual fee for the Chairperson and Councillors will be paid monthly in arrears.

During the month of June in each year, the Council will review the fees and expenses paid to or facilities provided for the Chairperson and Councillors and determine the amounts to be paid for the ensuing year.

The amount of expenses for conveyance to official Council functions by car will be determined by the rates provided in the Council's Award and will be paid monthly in arrears to Councillors that do not reside in the Local Government Area where the function is being held.

Provided that where a Councillor ceases to be the Chairperson, the fee to be paid will be calculated on a daily basis for the proportion of the month that the Councillor remained the Chairperson.

Similarly, where a Councillor is elected Chairperson, the fee to be paid will be calculated on a daily basis for the proportion of the month in which the Councillor became Chairperson.

2.1.2 Reimbursement and Reconciliation of Expenses

Actual expenses incurred by councillors in carrying out civic duty are only reimbursed upon the production of appropriate receipts, tax invoices and other documentation, together with the completion of the required claim forms. Expenses and costs incurred must be in accordance with the requirements of this policy.

2.1.3 Payment in Advance

Councillors may request payment in advance in anticipation of expenses to be incurred in attending conferences, seminars and training away from home. Councillors may also request an advance payment for the cost of any other service or facility covered by the policy. However, councillors must fully reconcile all expenses against the cost of the advance when they return within two months. No allowance type expense payment will be payable in any circumstances.

2.2 Establishment of Monetary Limits and Standards

2.2.1 Monetary Limits as to Expenses

The monetary limit for expenses will be generally guided by the budgeted items in the Operational Plan under the following line items:

- Travelling and Subsistence Allowance – Councillors
- Councillor Expenses

Some expenses will have a specific limit or rate set.

2.2.2 Standard of Provision of Equipment and Facilities

The standard of provision of equipment and facilities will be done so in conjunction with staff to ensure the most economically efficient method of delivery. This applies to accommodation, travel, services and facilities.

2.3 Spouse and Partner Expenses

There may be limited instances where certain costs incurred by the councillor on behalf of their spouse, partner or accompanying person are properly those of the councillor in the performance of his or her functions (hence they are properly incurred by, and reimbursable to the councillor). An accompanying person is a person who has a close personal relationship with the councillor and/or provides carer support to the councillor.

As a consequence, meeting the reasonable costs of spouses and partners or an accompanying person for attendance at official council functions that are of a formal and ceremonial nature, is considered appropriate where accompanying councillors within the Riverina Water County Council area. Such functions would be those that a councillor's spouse, partner or accompanying person could be reasonably expected to attend. Examples could include, but not be limited to, Australia Day award ceremonies, civic receptions and charitable functions for charities formally supported by the council.

Limited expenses of spouses, partners or accompanying persons associated with attendance at the Local Government New South Wales annual conference may be met by council. These expenses will be limited to the cost of registration and the official conference dinner. Travel expenses, any additional accommodation expenses, and the cost of partner/accompanying person tours etc. are the personal responsibility of individual councillors. Consideration will

be given to the payment of expenses for the spouse, partner or accompanying person of the Chairperson, or councillor when they are representing the Chairperson, when they are called on to attend an official function of council or carry out an official ceremonial duty while accompanying the Chairperson outside the council area, but within the general region of the Council. Examples include charitable functions to which the Chairperson has been invited and award ceremonies and other functions to which the Chairperson is invited to represent the council.

The above circumstances shall be distinguished from spouses, partners or accompanying persons who accompany a councillor at any event or function outside the council area, including interstate or overseas, where the costs and expenses of the spouse or partner or accompanying person should not be paid by council (with the exception of the attendance at the Local Government New South Wales annual conference, as noted above).

The above examples shall also be distinguished from circumstances where spouses, partners or accompanying persons accompany councillors at seminars and conferences and the like. In these situations all costs, including any additional accommodation costs, must be met by the councillor or the Spouse/partner/accompanying person.

The payment of expenses for spouses, partners or accompanying persons for attending appropriate functions as permitted above shall be confined specifically to the ticket, meal and/or the direct cost of attending the function. Peripheral expenses incurred by spouses, partners or accompanying persons such as grooming, special clothing and transport are not considered reimbursable expenses.

2.4 Incidental Expenses

Reasonable out of pocket or incidental expenses associated with attending conferences, seminars or training courses that councillors incur may be reimbursed upon the presentation of official receipts and the completion of the necessary claim forms.

Incidental expenses could reasonably include telephone or facsimile calls, refreshments, internet charges, laundry and dry cleaning, newspapers, taxi fares and parking fees. In addition, the cost of meals not included in the registration fees for conferences or similar functions may be reimbursed after reconciliation.

All advanced payments are required to be reconciled.

2.5 Authorisation of Claims

Travel claims will be authorised as follows:

- The General Manager will authorise travel expense claims made by the Chairperson and Councillors. The Chairperson will authorise the General Manager's travel claims.
- Travel expenses claimed by a traveller but not supported with receipts will not be paid for by Council
 - supporting documentation should be dated to allow the authorising officer to determine if the expense item related to the authorised period of travel
 - receipts should also contain details of the nature of the transaction to allow the authorising officer to determine if the item is valid or not
- Registration fees for a conference can entitle the traveller to included meals at the conference venue. Claims for meals at other venues when these included conference meals are available will not be paid for by Council.

- Claims for meals / drinks / entertainment for "other people" will only be considered for possible authorisation if the name / position / organisation of the "other people" are detailed - if no details are provided, Council will not pay the claim.
- Payment in Advance - Provision of a payment in advance may be requested by a Councillor however such an advance must be fully accounted for upon return and any unspent portion returned to Council.

3.0 SPECIFIC EXPENSES FOR CHAIRPERSON AND COUNCILLORS

3.1 Attendance at Seminars and Conferences

Riverina Water Councillors are required to represent Council from time to time at a variety of seminars and conferences.

Attendance at these events will be approved by Council and recorded in the minutes of the relevant meeting. All travel, accommodation and seminar/conference fees, as well as incidental expenses will be met by Council.

Council will meet reasonable costs of accommodation and acknowledges the economic and practical benefits of being accommodated at the conference /seminar venue.

Council will also meet reasonable costs of main meals where any of these meals are not provided as part of the conference. Receipts of purchases will need to be presented for reimbursement. Costs for mini bar use will not be paid by Council

A written report shall be provided to the Council on the seminar/conference by the Councillor or accompanying staff member (Local Government New South Wales Annual Conferences excepted).

3.2 Training and Educational Expenses

It is desirable for Councillors to undertake training and development from time to time.

Attendance at these events will be approved by Council and recorded in the minutes of the relevant meeting. All travel, accommodation and training fees, as well as incidental expenses will be met by Council.

3.3 Motor Vehicle Travel Arrangements and Expenses

A Council vehicle shall be made available for the use of councillors wherever possible. However where it is not possible and councillors are required to provide their own private transport for travelling on authorised Council business then the councillors shall be paid an allowance for travelling at the rate specified in the Riverina Water Council Enterprise Award, currently:

- Under 2.6 Litres - \$0.74 per kilometre
- 2.6 Litres and Over - \$0.75 per kilometre

Council will also meet the costs associated with parking and road tolls. The driver of the vehicle is personally responsible for all traffic or parking fines incurred while travelling in private or Council owned vehicles and should abide by Council's *Safe Driving Policy* (Policy 3.4).

3.4 Overseas Travel

Councils shall avoid international visits unless direct and tangible benefits can be established for the council and the local community. Detailed proposals for overseas travel should be provided, including the nomination of the councillors undertaking the trip, purpose of the trip and expected benefits. The duration, itinerary and approximate total costs of each proposed visit, should also be provided.

Overseas travel must be approved by a meeting of the full council prior to a councillor undertaking the trip. Travel must be approved on an individual trip basis. Council shall not allow the retrospective reimbursement of overseas travel expenses unless prior authorisation of the travel has been obtained.

Travel proposals should be included in the council business papers. The use of a chairperson's minute to obtain council approval for travel is not appropriate and is not consistent with the principles of openness and transparency.

After returning from overseas, councillors, or accompanying member of council staff, should provide a detailed written report to council on the aspects of the trip relevant to council business and/or the local community. Councillors are also strongly encouraged to report back on their overseas travel to a full meeting of the council.

Details of overseas travel must also be included in council's annual reports.

3.5 Interstate Travel

Prior approval of travel should generally be required for interstate travel. The application for approval shall include full details of the travel including itinerary, costs and reasons for the travel.

3.6 Attendance at Dinners and Other Non-Council Functions

Consideration will be given to meeting the cost of councillors' attendance at dinners and other non-council functions which provide briefings to councillors from key members of the community, politicians and business. Approval to meet expenses shall only be given when the function is relevant to the council's interest. Only the cost of the service provided shall be met. No payment shall be reimbursed for any component of a ticket that is additional to the service cost of the function, such as a donation to a political party or candidate's electoral fund, or some other private benefit. An additional payment to a registered charity may be acceptable as part of the cost of the function after prior approval by Chairman and General Manager.

3.7 Care and Other Related Expenses

Riverina Water County Council will make the provision for the reimbursement of the reasonable cost of carer arrangements, including childcare expenses and the care of elderly, disabled and/or sick immediate family members of councillors, to allow councillors to undertake their council business obligations. This is in accordance with the principles of participation, access and equity and is considered by the Division of Local Government to be a legitimate expense. Councillors claiming the carer expense should not be subject to criticism for doing so.

Consideration shall be given to the payment of other related expenses associated with the special requirement of councillors such as disability and access needs, to allow them to perform their normal civic duties and responsibilities. Application shall be made for such expenses.

3.8 Insurance Expenses and Obligations

Section 382 of the *Local Government Act 1993* requires a council to make arrangements for its adequate insurance against public liability and professional liability. Councillors are covered under such following insurance policies held by Riverina Water County Council:

- *Professional Indemnity* (for matters arising out of councillors' performance of their civic duties and/or exercise of their council functions)
- *Public Liability* (for matters arising out of councillors' performance of their civic duties and/or exercise of their council functions)
- *Statutory Liability* (provides indemnity for fines and penalties arising out of conduct of the business of Council)
- *Personal Accident* (provides for the payment of non-medical expenses and loss of wages resulting from an accident whilst on official business for the Council and a capital payment if the accident results in death)

3.9 Legal Expenses and Obligations

Council may indemnify or reimburse the reasonable legal expenses of a hearing into a Councillor's conduct by an appropriate investigative or review body in the following actions:

- a. A Councillor defending an action arising from the performance in good faith of a function under the Local Government Act (section 731 refers) or
- b. A Councillor defending an action in defamation provided the statements complained of were made in good faith in the course of exercising a function under the Act or
- c. A Councillor for proceedings before the Council's Conduct Review Committee/Reviewer, Office of the NSW Ombudsman, Independent Commission Against Corruption, Division of Local Government, Department of Premier and Cabinet, NSW Police Force, Director of Public Prosecutions Local Government Pecuniary Interest and Disciplinary Tribunal or an investigative body provided the subject of the proceedings arises from the performance in good faith of a function under the Act and the Tribunal or investigative body makes a finding substantially favourable to the Councillor.

Council will not meet the costs of an action in defamation taken by a Councillor or council employee as plaintiff in any circumstances. Council will not meet the costs of a Councillor or council employee seeking advice in respect of possible defamation or in seeking a non-litigious remedy for possible defamation.

Legal assistance and reimbursement as specified above will only be provided upon resolution of Council.

PART C – PROVISION OF FACILITIES

4.0 GENERAL PROVISIONS

4.1 Provision of Facilities Generally

Councillors are provided with access and use of the following:

- Access to a room suitably furnished for use by all councillors
- Access to a motor vehicle for the purpose of attending conferences, seminars, official functions or meetings outside of Wagga Wagga
- Use of Council photocopiers, telephones, computers, facsimile machines and associated equipment in the course of undertaking official business.

Councillors should not generally obtain private benefit from the provision of equipment and facilities, nor from travel bonuses or any other loyalty schemes. However it is acknowledged that incidental use of Council equipment and facilities may occur from time to time. Such incidental use is not subject to a compensatory payment. Where more substantial private use has occurred, the Act provides that a payment may be made to cover the level of that private use.

5.0 PROVISION OF EQUIPMENT AND FACILITIES FOR COUNCILLORS

Each Councillor will be provided with business cards and name badge and an IPAD.

Any equipment issued to the Chairperson or Councillors remains the property of the Council and is to be returned to Council upon the Chairperson or councillor ceasing to hold office, unless Council makes a resolution otherwise.

6.0 ADMINISTRATIVE SUPPORT

The Chairperson shall be provided secretarial support in relation to official correspondence.

7.0 SUSTENANCE/MEALS

Councillors shall, at the discretion of the General Manager, be provided with a meal and/or refreshments in conjunction with their attendance at Committee/Council meetings or at any official ceremony or gathering authorised by Council or the Chairperson or in carrying out their Council responsibilities including meetings with its residents, ratepayers or guests of Riverina Water County Council.

8.0 DISPUTE PROCESS

Any dispute over the payment or reconciliation of expenses to a Councillor is to be addressed in writing to the General Manager outlining reasons. If available, the disputed claim should be supported with relevant documentation. The General Manager is to review the matter within 14 days and provide a written response detailing his/her resolution to the dispute.

22. DRAFT POLICY 3.1 ASSET MANAGEMENT

RECOMMENDATION that Riverina Water County Council adopt Draft Policy 3.1 Asset Management.

As part of the development of Council's Strategic Business Plan in 2012, included was an Asset Management Plan. Riverina Water County Council subsequently adopted a policy to provide guidance for the operation of its Asset Management Plan.

The policy has been reviewed and is attached for Councillors' information.

This policy set out the broad framework for undertaking infrastructure asset management in a structured and coordinated way. It outlined why and how asset management will be undertaken. It provided a clear direction for asset management and defines key principles that underpin asset management for Council.

Accordingly the policy has the following objectives;

- Provides a link between asset management and a platform for service delivery
 - Integrates asset management with Council's strategic planning
 - Maximises value for money by adoption of lifecycle costing ,combined with performance management
 - Assigns accountability and responsibility for service delivery together with asset management
 - Promotes sustainability to protect the needs of future generations.
-
- **Draft Policy 3.1 Asset Management**

POLICY
ASSET MANAGEMENT

POLICY REFERENCE NUMBER:		POL 3.1	
Original publication date		14 December 2012	
Revision number	Issue Date	Approved	Approval date
0	14 Dec 2012	Res: 12/176	14 Dec 2012
NAME CHANGED 22/11/13 FROM 5.33			
1	24 June 2016	Res: 16/???	24 Aug 2016
This document is to be reviewed every council term. Next review date: June 2020			
RESPONSIBLE OFFICER		Director of Engineering	

I. INTRODUCTION

The purpose of this policy is to outline a framework which provides for the sustainable management of Councils water supply infrastructure to ensure it meets the current and future planned needs of its consumers.

2. POLICY OBJECTIVES

This policy sets the broad framework for undertaking infrastructure asset management in a structured and coordinated way. It outlines why and how asset management will be undertaken. It provides a clear direction for asset management and defines key principles that underpin asset management for Council.

Accordingly the policy has the following objectives;

- Provides a link between asset management and a platform for service delivery
- Integrates asset management with Council's strategic planning
- Maximises value for money by adoption of lifecycle costing ,combined with performance management
- Assigns accountability and responsibility for service delivery together with asset management
- Promotes sustainability to protect the needs of future generations.

3. DEFINITIONS

- **Infrastructure Assets** – Include all components of the water reticulation network, plant and building assets owned or managed by Council.
- **Life Cycle Cost** – The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
- **Asset Register** – A record of asset information considered worthy of separate identification including inventory, historical, financial, condition, construction and technical.
- **Useful Life** – The period over which a depreciable asset is expected to be used.
- **Asset Management Plan** – A plan developed for the management of an infrastructure asset or asset category that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset. The Asset Management Plan establishes, for each Asset Category and sub category:
 - Levels of service – specifies the services and levels of service to be provided by Council
 - Future demand – how this will impact on future service delivery and how this is to be met.

4. RELATED DOCUMENTS

This policy is supported and linked with the following documents;

Asset Management Strategy
Riverina Water County Council Asset Management Plan
Strategic Business Plan and Resourcing Strategy for Water Supply
Integrated Water Cycle Management (IWCM)
Four (4) Year Capital Works Program
Rolling Thirty (30) Year Capital Works Program
Drought Management Plan
Assets Register
Workforce Plan
Financial Plan
Maintenance plan

5. APPLICABLE LEGISLATION

Local Government Act 1993 and subsequent Regulations under the Act.
NSW Water Management Act 2000
Water Act 1912

6. ASSET MANAGEMENT

6.1 Background

Riverina Water County Council (Riverina Water) is responsible for the water supply functions within the local government areas of Wagga Wagga City Council, Lockhart Shire, Urana Shire and parts of Greater Hume Shire Council's area. There are currently some 32,000 service connections within a service area of approximately 15,400 sq. kms.

Riverina Water core assets include;

- Sources
- Water Treatment Plants
- Pumping Stations
- Distribution Mains
- Reservoirs
- Land & Buildings
- Plant & Equipment

These assets are listed in detail within Councils Asset Management Plan and Councils Asset Register.

6.2 Policy Principles

The purpose of this policy is to outline a framework for the sustainable management of Councils infrastructure.

Council is committed to delivering financial sustainability by making decisions that lead to cost effective management of its asset base, by focusing on asset renewal, rationalising under-utilised assets and limiting asset expansion unless justified. The principles supporting this policy are;

- Providing a level of service to the community that is affordable and responds to changing community needs
- Ensuring asset condition and development meets the future needs of the communities served by Riverina Water County Council.
- Identifies funding to support and maintain necessary infrastructure development and maintenance.

6.3 Policy Integrating with Asset Strategy and Planning

This asset management policy sets out the framework, goals and objectives for Riverina Water Service delivery. It also sets the context for asset management systems and identifies key performance measures, timeframes and responsibilities.

These policy provisions are supported by an Asset Management Strategy and an Asset Management Plan.

The purpose of an Asset Management Strategy is to detail where Riverina Water is currently positioned in regard to asset management, its future targets for asset management and the means to achieve these targets. This information is set out in Section 1 of the Riverina Water County Council Asset Management Plan. The Strategic Business Plan is an integral part of this strategy, as it is linked with the rolling 30 year capital works program and includes forecasting of necessary renewal investment. The Riverina Water Long Term Financial Plan demonstrates the financial sustainability of the organisation and its ability to meet the funding of the Asset Management Plan.

The aim of an asset management plan is to provide, operate and maintain physical assets over the whole life cycle to achieve the required levels of service at least cost, while still satisfying statutory, regulatory and sustainability requirements. When the “reason” for and “resources” available to asset management change (as a result of changes in community priorities), Councils asset management plans will be modified to suit. The asset management plans will be reviewed over time with improved information on assets (condition and costs) and as asset condition changes over time.

6.4 Policy Statement

In the process of planning for asset management involving the principles outlined in this policy the following Policy Statement was developed;

Context

Riverina Water uses a large asset base to deliver water supply services to residential, rural, industrial, commercial and municipal customers in the Riverina Region. The water supply system is critical to the development, the economic viability and the way of life of the community.

Criticality

The ability of Riverina Water to deliver water at the appropriate quality and quantity is reliant on the effective operation, maintenance and replacement of the existing assets and the development of new assets. Riverina Water will rely on a robust asset management system to successfully manage the assets. The system will be reviewed annually and audited as required.

Objectives

Riverina Water assets will continue to deliver the levels of service adopted by Riverina Water and accepted by the community.

Strategic Direction

Riverina Water County Council reviews the levels of service for its consumers through its strategic planning process. The asset management strategy and asset management plan together with this policy will ensure that the adopted levels of service are achieved.

This asset management planning process is part of Riverina Water Strategic Business Plan which also satisfies Integrated Planning and Reporting and Best-Practice Management requirements.

Value

Riverina Water will maximise value for money over the asset life cycle. This objective will also involve development of fees and charging regimes that will ensure acceptable cost recovery of assets provided.

Sustainability

Riverina Water assets will continue to support the community and protect the environment now and in the future. Riverina Water will review its Business Plan on an annual basis to ensure that sufficient funding is available to achieve a sustainable asset management strategy and plan.

Community Input

The asset management policy will be included in Riverina Water community consultation activities, providing opportunity for community input.

Responsibility

The Elected Councillors are responsible for the implementation of the asset policy.

The Executive (General Manager and Director) are responsible for the implementation of the asset strategy.

The Managers are responsible for the implementation of the asset plan.

23. POLICY 1.14 - FRAUD AND CORRUPTION PREVENTION

RECOMMENDATION that Riverina Water County Council adopt Draft Policy 1.14 - Fraud and Corruption Prevention.

In December 2012 Riverina Water County Council adopted Policy 5.29 – Fraud and Corruption Prevention. This Policy summarised Council's commitment to the prevention of fraud and corruption throughout the operations of the Council.

This Policy has been renumbered and is now called Policy 1.14 – Fraud and Corruption Prevention.

During late 2015 an Audit of Councils Fraud and Corruption Prevention practices was undertaken by Countplus National Audits (Twomeys). As part of this Audit a Fraud and Corruption Prevention Framework together with a Risk Register and Action Plan were developed. A copy of these two documents are attached for Councillors information. The Fraud and Corruption Prevention Policy has been amended to include reference to these documents.

A copy of the proposed Policy is also attached for Councillors' information.

The objectives of the Policy are:-

- To ensure a sound ethical culture exists within Council
- To protect public funds and assets
- To protect the integrity, security and reputation of the Council and its staff

It is appropriate that this policy be adopted to demonstrate Council's commitment to the prevention of fraud and corruption.

- **Policy 1.14 – Fraud and Corruption Prevention**
- **Final RWCC Fraud Risk Register & Action Plan**
- **Final Fraud & Corruption Control Framework RWCC**

FRAUD & CORRUPTION PREVENTION POLICY

POLICY REFERENCE NUMBER:		POL 1.14	
Original publication date		14 December 2012	
Revision number	Issue Date	Approved	Approval date
0	14 Dec 2012	Res:12/172	14 December 2012
Name Changed from 5.29 on 22/11/13			
1	15 Oct 2014	Res: 14/132	15 th October 2014
2	July 2016	Res: 16/??	24 August 2016
<p>This document is to be reviewed once each Council term.</p> <p>Next review date: July 2018</p>			
RESPONSIBLE OFFICER	General Manager		

PART 1: INTRODUCTION

Council is committed to preventing fraud at its origin and believes that an emphasis on prevention and detection is the best way to deal with fraud.

The underlining thrust of Council's policy on fraud prevention is to encourage the public and staff to understand that fraudulent acts against Council are unacceptable, may constitute a criminal offence and will be prosecuted.

1.1 Policy Objectives

- To ensure a sound ethical culture exists within Council
- To protect public funds and assets
- To protect the integrity, security and reputation of the Council and its staff

1.2 Scope of Policy

This policy applies to all Councillors, Council staff, delegates, volunteers, contractors, consultants and customers.

1.3 Definitions

Fraud

Fraud is a crime involving the dishonest obtaining of a financial benefit by deception.

A basic test for fraud could include the following questions:

- Was deceit employed?
- Was the action unlawful?
- Did it result in money/benefits being received to which a person was not entitled?

Some examples of fraud include:

- Unauthorised use of Council plant and equipment;
- Private use of Council's inventory and stores.
- Misuse of a Council issued credit card or taxi travel voucher
- Claiming incorrect travel expenses to attend a meeting of Council.

- Theft of money or goods from Council or its customers;
- Claiming unworked overtime on timesheets;
- Providing confidential Council information to unauthorised people or organisations;
- Allowing contractors to not fully meet contract requirements;
- Obtaining benefits by use of a false identity or false qualifications.

Corruption

Corruption involves breaching public trust. Corruption leads to wasted resources and wasted public money.

Corrupt conduct is broadly defined in section 8 of the Independent Commission Against Corruption Act, 1988. The key notion is the misuse of public office. Commonly it involves the dishonest or biased use of power.

Corrupt conduct is also any conduct of any person (whether or not public official) that adversely affects or that could adversely affect, either directly or indirectly, the exercise of official functions by any public official, any group or body of public officials or any public authority.

Internal Reporting

Internal reporting is the situation where a Councillor or staff member reports an instance of fraud or corruption. The procedure in this circumstance is outlined in Council's Protected Disclosures Policy under the provisions of the Public Interest Disclosures Act 1994 (Policy Number 1.11)

1.4 Legislative Context

In Circular No. 06-46, dated 26 July 2006, the NSW Department of Local Government advised councils that they were required under Auditing Standard AUS210, "the Auditor's Responsibility to Consider Fraud in an Audit of a Financial Report" to provide a written representation to its external auditors that it has systems to deal effectively with fraud risks.

1.5 Related Documents

Local Government Act 1993

Local Government (General) Regulation 2005

Fraud and Corruption Control Framework

Fraud Risk Register and Action Plan

Protected Disclosures Policy

Complaints Management Policy

Council Code of Conduct

Independent Commission Against Corruption Act 1988

Australian Standard AS 8001-2008 Fraud and Corruption Control

Australian National Audit Office – Fraud Control in Australian Government Agencies (2011)

PART 2: POLICY CONTENT

2.1 General Principles

1. Council believes that fraudulent acts are unacceptable, may constitute a criminal offence and may be prosecuted.
2. Council is committed to preventing fraud at its origin. Council believes that an emphasis on fraud prevention rather than fraud investigation will lead to a reduction of opportunities for waste, abuse and mismanagement.
3. All Councillors and Council managers are responsible for fostering an environment that makes active fraud control a responsibility of all staff and for issuing clear standards and procedures to encourage the minimisation and deterrence of fraud.
4. Council recognises that fraud prevention requires the maintenance of an ethical climate that encourages all staff to be active in protecting Council's funds and assets, and in reporting any breaches of accepted standards.
5. Measures to prevent fraud shall be continually monitored, reviewed, developed and reported.
6. Council will investigate all reported instances of fraud as thoroughly as possible. Depending upon the circumstances of the fraud, an internal investigation may be undertaken or the matter may be referred to an external body such as the NSW Police, the ICAC or the Ombudsman.
7. Any employee found guilty of fraud will be subject to disciplinary procedures that may involve admonition, termination, demotion or redeployment.
8. Council will make every effort to recover losses due to fraud where the likely benefits of such recovery will exceed the funds and resources invested in the recovery action.

2.2 Elements of Council's Fraud and Corruption Control Framework

The Australian National Audit Office (ANAO) has developed a *Guide for Fraud Control in Government Agencies* which provides a Fraud Control Framework that is consistent with the Commonwealths legislative and policy requirements. This framework is based on governance models and fraud control strategies which are considered best practice in the public and private sectors.

Council's Fraud and Corruption Control Framework is based the framework developed by the ANAO and includes the following elements:

Fraud Control Framework

1. Leadership and Culture

- Strong leadership and management commitment
- Management Accountability
- Code of Conduct
- Sound Ethical Culture
- Clearly defined roles and responsibilities

2. Legislation, Policy and Governance

- Legislative context
- Policies and Procedures

3. Fraud Control Strategies

Prevention

- Maintaining a strong internal control environment
- Fraud and Corruption Risk Assessment
- Fraud Risk Register and Action Plan
- Communication and awareness
- Supplier due diligence
- Employment screening
- Managing conflicts of interest

Detection

- Red flags and internal controls
- Reporting mechanisms
- Internal and external Audit

Response

- Investigation process
- Disciplinary procedures
- Recovery action
- Internal controls review

Monitoring and Evaluation

- Regular monitoring and review
- Post incident evaluation of controls

PART 3: POLICY IMPLEMENTATION GUIDELINES

The principles set out in this policy will be implemented and assessed through the provisions of Council's *Fraud & Corruption Control Framework*.

2015/16 Fraud Risk Register and Action Plan

Fraud Risk Description	Fraud Risk Factor	Risk Category	Consequence	Likelihood	Inherent Risk Rating	Existing Controls in Place	Consequence	Likelihood	Residual Risk Rating	Potential Further Actions	Responsible Person	Action Date
Theft of Portable Attractive Items (PAI)	Theft of Portable Attractive Items such as IT equipment, cameras, power tools, audio visual etc by staff, contractors or members of the public	Asset Management	2. Minor	4. Likely	8	Asset identification tagging exists for some items (tag and test), IT Asset Register, Staff returns process for company issues	2. Minor	4. Likely	8	Develop a PAI register Investigate outsource options for tag and test items to create an independent register	Director Engineering	
Theft of fleet, plant and equipment	Theft of fleet, plant and equipment by staff, contractors or members of the public	Asset Management	3. Moder	4. Likely	12	Asset Register for Capital items, stocktakes, segregation of duties for procurement and disposal process	3. Moder	3. Possib	9	Develop small plant equipment register for non-capital items Review disposal process for small items	Director Engineering	
Theft of stock, materials and stores issues	Theft of stock, materials and stores issues by staff, contractors and members of the public	Asset Management	2. Minor	4. Likely	8	Stores issues procedures, stocktakes	2. Minor	3. Possib	6	Review stores procedures following completion of new building	Director Engineering	
Theft of non-stock items (eg. stock in vehicles, consumables)	Theft of non-stock items (not in stores) by staff, contractors and members of the public	Asset Management	2. Minor	4. Likely	8	None identified	2. Minor	4. Likely	8	Review process for restocking vehicles Conduct vehicle stock takes	Director Engineering	
Unauthorised building and site access (chemicals/fuels/small assets)	Theft of items from buildings and remote work sites	Asset Management	2. Minor	4. Likely	8	Physical security, alarms	2. Minor	4. Likely	8	Review access and security at all depots	Director Engineering	
Theft of cash	Theft of cash from premises or while in transit	Asset Management	2. Minor	3. Possib	6	Petty cash procedures, daily security cash collection from office	2. Minor	3. Possib	6	No further action at this stage - ongoing monitor and review	General Manager	
Theft of fuel from depots, worksites and vehicles	Fuel taken from depots, worksites or vehicles for private use	Asset Management	2. Minor	4. Likely	8	Daily fuel reconciliations	2. Minor	4. Likely	8	Use of surveillance cameras in new stores building to help monitor and identify discrepancies Review reconciliation process for fuel bowser at The Rock depot Develop more formal fleet management systems including fuel consumption monitoring Investigate use of fuel cards instead of depot bowsers	Director Engineering	
Unauthorised disposal of assets	Surplus assets or scrap items disposed of for personal gain	Asset Management	2. Minor	4. Likely	8	POL1.19 Procurement and Disposal, POL3.2 Plant and Vehicle Purchase and Disposal, Delegations	2. Minor	4. Likely	8	Review disposal procedures for low value and scrap items	Director Engineering	
Fraudulent write-offs	Fraudulant writing off of debtor accounts and fines for personal benefit	Governance	3. Moder	2. Unlike	6	POL2.9 Debt Recovery, POL2.8 Water Billing Hardship, Debt Recovery Procedure	3. Moder	2. Unlike	6	Review existing delegations and procedures for writing off doubtful debts to ensure compliance with the Act and Regulations (s377,s567,s577,s583,s595,s607, s610E)	General Manager	
Misuse of delegation of authority	Conflicts of Interest not managed, personal gain by employees in exercising duties	Governance	3. Moder	3. Possib	9	POL1.6 Conflicts of Interest, Code of Conduct, Delegations Register, Pecuniary Interest Disclosures	3. Moder	3. Possib	9	Develop designated persons criteria for persons required to complete Pecuniary Interest Disclosures (including committee members s450A)	General Manager	
Inappropriate receipt of gifts/hospitality	Staff receive inappropriate gifts/hospitality from contractors and suppliers	Governance	2. Minor	5. Certain	10	POL1.7 Gifts and Benefits, Code of Conduct, Gifts and Benefits Register	2. Minor	3. Possib	6	Code of Conduct refresher training to be scheduled	General Manager	
Theft or misuse of information	Theft or misuse of information, including personal data, credit card details and sensitive political information	Governance	2. Minor	4. Likely	8	POL1.18 Records Management, POL1.20 Privacy, Code of Conduct, Credit card payments not accepted unless exception circumstances ie in case of restriction - otherwise must use post billpay	2. Minor	4. Likely	8	Establish working group to review information protocols and permission settings for access Review procedures for customer credit card details being supplied for payment authorisations	General Manager	
Misappropriation of funds/fraudulent payments	Unauthorised EFT transactions, payments made or diverted using electronic banking for personal gain	Governance	3. Moder	4. Likely	12	Delegations, use of dongles and dual authorisations required for EFT, bank reconciliation process	3. Moder	2. Unlike	6	No further action at this stage - ongoing monitor and review	General Manager	
Misuse of Council vehicles and equipment	Unauthorised use of council vehicles and equipment for non-Council business	Governance	2. Minor	4. Likely	8	POL3.18 Vehicles Taken Home, POL3.19 Lease Private Motor Vehicles, Code of Conduct	2. Minor	4. Likely	8	Review POL3.18 Review process for monitoring personal use of items that could be abused eg. tag and test machine, trade tools	Director Engineering	
Manipulating operational permissions for self gain	Operational settings are manipulated to ensure that exceptions occur which will generate overtime call outs eg. reservoir alarm set points, alarm sensors etc.	Governance	2. Minor	4. Likely	8	Timesheet system, overtime authorisations	2. Minor	4. Likely	8	Review operational settings and on call operations	Director Engineering	

2015/16 Fraud Risk Register and Action Plan

Fraud Risk Description	Fraud Risk Factor	Risk Category	Consequence	Likelihood	Inherent Risk Rating	Existing Controls in Place	Consequence	Likelihood	Residual Risk Rating	Potential Further Actions	Responsible Person	Action Date
Unauthorised private works	Staff perform additional private works for customers that is not council business	Governance	2. Minor	4. Likely	8	Code of Conduct, POL1.5 Complaints Management, POL1.11 Protected Disclosures	2. Minor	4. Likely	8	Code of Conduct refresher training to be scheduled	General Manager	
Unauthorised investment of funds	Funds not invested in accordance with Council policy, personal gain from unauthorised investments	Governance	4. Major	3. Possib	12	POL1.23 Investments, Financial Performance Reports to Council, dual authorisations for transactions	4. Major	2. Unlike	8	Review POL1.23 Investments Policy ensure it aligns with current best practice standards	Manager Corporate Services	
Fraudulent accounting practices	Deliberate misstatement of accounts to hide waste and inefficiencies	Governance	2. Minor	4. Likely	8	Audit and Risk Committee, External Audit	2. Minor	3. Possib	6	No further action at this stage - ongoing monitor and review	General Manager	
Payments to ghost employees	Payments to fictitious employees through payroll	Human Resources	2. Minor	4. Likely	8	Timesheet system, verification of employees and hours worked part of payroll authorisation process	2. Minor	2. Unlike	4	Potential internal audit area	Manager Corporate Services	
Fraudulent employee attendance records	Employees fraudulently not attending work e.g. fraudulent sick leave, extra holidays, evening and weekend overtime work etc, not performing on call duties, unauthorised on call roster swapping	Human Resources	2. Minor	4. Likely	8	Timesheet system, overtime authorisations, leave approvals, sick leave monitoring	2. Minor	4. Likely	8	Conduct regular exception reporting for leave and overtime Review process for self directed overtime and capturing details of work performed	Manager Corporate Services	
Fraudulent information on job application forms	Information included in job application forms is fraudulent e.g. qualifications, job history etc	Human Resources	2. Minor	4. Likely	8	Reference checks and background checks for certain positions	2. Minor	4. Likely	8	Identify high risk positions for detailed background checks and qualification verifications to be undertaken	HR Coordinator	
Employee recruitment process manipulated	Selection of employees not based on merit, criteria weighted to favour particular candidate, position descriptions designed to suit individuals, wages not aligned with competencies in EBA	Human Resources	2. Minor	4. Likely	8	POL4.1 Equal Employment Opportunity and Anti Discrimination, Recruitment process in place, selection panel includes independent member	2. Minor	4. Likely	8	Review recruitment process for permanent, casual and fixed term employees, including business cases for new and vacant positions and job design processes	HR Coordinator	
Manipulation of skills review process	Wage increases approved for staff based on manipulated performance review process, KPIs set too low or not related to position, favouritism to particular employees	Human Resources	2. Minor	4. Likely	8	EBA, Skills Review Process	2. Minor	4. Likely	8	Review skills review and pay increment process as part of EBA review	HR Coordinator	
Inappropriate secondary employment	Employee with inappropriate secondary employment	Human Resources	2. Minor	4. Likely	8	Code of Conduct, Secondary Employment Form	2. Minor	4. Likely	8	Include secondary employment review as part of skills review process to identify potential conflicts of interest	HR Coordinator	
Abuse of workers compensation and return to work provisions	Employees falsely claim for workers compensation, physical assessments manipulated for return to work duties	Human Resources	2. Minor	4. Likely	8	POL4.3 Work Health and Safety	2. Minor	4. Likely	8	Review return to work procedures	HR Coordinator	
Abuse of communication devices - telephone and email	Abuse of landline phones and mobile phones by staff, making private calls, calling premium numbers etc. Staff using email excessively for personal use or sending inappropriate emails	Information Communication Technology	1. Insignif	4. Likely	4	IT Protocols, Code of Conduct, IT Coordinator reviews usage	1. Insignif	4. Likely	4	Quarterly exceptions reports to management	Manager Corporate Services	
Unauthorised access to computer systems	Staff or individuals with inappropriate access to computer systems could alter data for personal gain or advantage, transfer or divert funds, information etc.	Information Communication Technology	3. Moder	4. Likely	12	IT Systems Security	3. Moder	3. Possib	9	Penetration testing to be scheduled	Manager Corporate Services	
Abuse of internet	Staff using internet excessively for personal use and viewing inappropriate sites	Information Communication Technology	1. Insignif	4. Likely	4	IT Protocols, Code of Conduct, IT Coordinator reviews usage, site restrictions	1. Insignif	4. Likely	4	Quarterly reports to management	Manager Corporate Services	
Unauthorised or non-compliant issuing of certificates and permits	Compliance Certificates, Plumbing Permits, Occupancy Certificates and Final Plumbing issued without regulatory conditions being met	Legal and Compliance	2. Minor	4. Likely	8	None identified	2. Minor	4. Likely	8	Review process for issuing compliance certificates and permits eg. rotation of duties for certifiers, checks and balances process	Director Engineering	
Non issue of fines/infringements	Regulatory fines and sanctions not issued due to conflicts of interest or personal gain	Legal and Compliance	2. Minor	4. Likely	8	None identified	2. Minor	4. Likely	8	Review process for issuing fines and ensure appropriate delegations exist	Director Engineering	
Procurement Fraud - Conflicts of Interest	Insider dealing relating to the award of major contracts. Staff involved in the process or who gain knowledge pass on information to other parties giving them an advantage in a tender process	Procurement	3. Moder	3. Possib	9	POL1.19 Procurement and Disposal, Code of Conduct, Procurement specific training in COC, Conflicts of Interest Forms during tender process, Tenderlink subscription for managing larger procurement	3. Moder	3. Possib	9	Code of Conduct refresher training to be scheduled Review and develop formal purchasing guidelines including tools and templates and ensure segregation of duties	General Manager	
Innapropriate claims for allowances (eg. tool/meal/travel)	Allowances claimed are not eligible or have been exploited	Procurement	2. Minor	4. Likely	8	EBA, Code of Conduct	2. Minor	4. Likely	8	Review EBA allowance provisions	General Manager	



2015/16 Fraud Risk Register and Action Plan

Fraud Risk Description	Fraud Risk Factor	Risk Category	Consequence	Likelihood	Inherent Risk Rating	Existing Controls in Place	Consequence	Likelihood	Residual Risk Rating	Potential Further Actions	Responsible Person	Action Date
Innapropriate claims for reimbursements (eg. memberships, CPE claims, training attendance)	False claims for reimbursements due to false records or non attendance at training and conferences	Procurement	2. Minor	4. Likely	8	Claims for Reimbursements Procedure	2. Minor	4. Likely	8	Review process for verifying training and conference attendance	HR Coordinator	
Fraudulent invoices or claims from contractors	Fraudulent invoices or claims from contractors are submitted and paid	Procurement	3. Moder	4. Likely	12	Purchase Order System, Goods Received sign off, Supplier ABN Checks	3. Moder	3. Possib	9	Develop preffered supplier list	Director Engineering	
Fraudulent credit card purchases	Credit cards used by staff for personal benefit. Credit cards lost or stolen and used to make purchases	Procurement	2. Minor	4. Likely	8	Credit Card Policy and Procedures, Reconciliation Process, Authorisation Process	2. Minor	2. Unlike	4	Potential internal audit area	Manager Corporate Services	



Riverina Water County Council

Fraud and Corruption Control Framework

Document Control

Revision Number	Approval Date	Changes Made
0	December 2015	Original Version

Introduction

Statement of Commitment

Riverina Water County Council is committed to preventing fraud at its origin and believes that an emphasis on prevention and detection is the best way to deal with fraud.

The underlining thrust of Council's policy on fraud prevention is to encourage the public and staff to understand that fraudulent acts against Council are unacceptable, may constitute a criminal offence and will be prosecuted.

Purpose

This Fraud and Corruption Control Framework demonstrates Council's commitment and shared responsibility to protect Council from fraud, corruption and unethical behaviour. It aims to help staff and others who deal with Council to prevent, detect and report suspected fraud and corruption.

Its specific purpose is to set out how Council will manage the risk of fraud and corruption, its approach to detection and how it will respond to allegations of, and actual instances of fraud and corruption.

Fraud and Corruption Control Framework Overview

Council's Framework has been developed based upon best-practice fraud and corruption control resources including:

- Australian National Audit Office (2011) – Fraud Control in Australian Government Entities (ANAO Better Practice Guide)
- NSW Auditor General (2015) - Better Practice Guide Fraud Control Kit
- Standards Australia – *AS 8001-2008 Fraud and Corruption Control* (the Standard)

Riverina Water County Council Fraud and Corruption Control Framework



The ANAO better practice guide describes how fraud control requires the implementation of a number of key control strategies which contribute to an effective fraud control framework. The strategies are grouped in four key themes:

- **Fraud Prevention** involves those strategies designed to prevent fraud from occurring in the first instance
- **Fraud Detection** includes strategies to discover fraud as soon as possible after it has occurred

- **Fraud Response** covers the systems and processes that assist an entity to respond appropriately to an alleged fraud when it is detected
- **Fraud Monitoring, Reporting and Evaluation** are strategies to provide assurance that legislative responsibilities are being met, as well as promoting accountability by providing information that demonstrates compliance with specific fraud control strategies.

Further details of the elements of Council's Fraud and Corruption Control Framework are provided later within this document.

What is Fraud and Corruption

Term	Definition (as per AS 8001 – 2008 Fraud and Corruption Control)
Corruption	<p>Dishonest activity in which a Councillor, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.</p> <p>Corruption can also involve corrupt conduct by the entity, or a person purporting to act on behalf of and in the interests of the entity, in order to secure some form of improper advantage for the entity either directly or indirectly.</p>
Fraud	<p>Dishonest activity causes actual or potential financial loss to any person or entity including theft of money or other property by Councillors/employees or persons external to the entity and where deception is used at the time, immediately before or immediately following the activity.</p> <p>This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit.</p> <p>This can involve fraudulent or corrupt conduct by internal or external parties targeting the entity or fraudulent or corrupt conduct by the entity itself targeting external parties.</p>

Common Examples of Fraud and Corruption

- Theft of Council property, plant and equipment
- Unauthorised/private use of Council property, plant and equipment
- Unauthorised disposal of assets
- Misuse of delegations of authority
- Misuse of a Council issued credit card
- Inappropriate claims for allowances
- Claiming unworked time on timesheets
- Theft or misuse of confidential information
- Allowing contractors to not fully meet contract requirements
- Fraudulent invoices being submitted by contractors
- Obtaining benefits by use of a false identity or false qualifications
- Payment or solicitation of donations for an improper political purpose
- Inappropriate solicitation or acceptance of gifts and benefits
- Payment or receipt of secret commissions (bribes)
- Serious conflict of interest involving a councillor or employee acting in his or her own self-interest rather than the interests of the Council
- Manipulation of the procurement process by favouring one tenderer over others or selectively providing information to some tenderers.

Roles and Responsibilities

Responsible Person/Body	Responsibilities
General Manager	<p>The General Manager:</p> <ul style="list-style-type: none">• Maintain Council's Fraud and Corruption Control Framework and activities.• Act and be seen to act honestly, ethically and with integrity.• Assign responsibilities in relation to fraud and corruption control.• Report to ICAC any matter he/she suspects, on reasonable grounds, that concerns or may concern corrupt or fraudulent conduct.• Investigates referred allegations of fraud and corruption as set out in Council policies, procedures and guidelines.• Ensures Directors, Managers and staff receive support, training and adequate resources to fulfil their responsibilities.• Declare and manage all conflicts of interests.
Directors and Managers	<p>Directors and Managers:</p> <ul style="list-style-type: none">• Act and be seen to act honestly, ethically and with integrity• Actively support and promote Council's Fraud and Corruption Control Framework across the organisation.• Systematically identifying, analysing, evaluating and treating any fraud risk that might impact on their objectives.• Ensure support is given to staff that report or intend to report corrupt or fraudulent activities.• Must declare and manage all conflicts of interests.

Responsible Person/Body	Responsibilities
All Staff	<p>All Staff:</p> <ul style="list-style-type: none"> • Adhere to Council's Code of Conduct • Report to the appropriate Council staff actual or suspected fraudulent or corrupt activities. • Maintain an awareness of fraud and corruption risks that can impact Council. • Actively support and contribute to fraud and corruption risk management practices. • Must declare and manage all conflicts of interests.
Councillors	<p>All Councillors:</p> <ul style="list-style-type: none"> • Adhere to Council's Code of Conduct • Report to the General Manager/Chairperson actual or suspected fraudulent or corrupt activities. • Maintain an awareness of fraud and corruption risks that can impact Council. • Actively support and contribute to fraud and corruption risk management practices. • Must declare and manage all conflicts of interests.
Audit & Risk Committee	<ul style="list-style-type: none"> • Report to the General Manager/Chairperson actual or suspected fraudulent or corrupt activities. • Maintain an awareness of fraud and corruption risks that can impact Council. • Actively support and contribute to fraud and corruption risk management practices. • Must declare and manage all conflicts of interests.

Leadership and Culture

Strong Leadership and Commitment

Council encourages its management to take part in the various fraud and corruption initiatives relevant to their division, including:

- Participating in the fraud and corruption risk assessment process
- Attending fraud and corruption awareness training
- Ensuring all reports of suspected fraud or corrupt conduct are reported and investigated thoroughly, impartially and in a timely manner

Management will lead by example and behave in a way which reflects positively on Council.

Management Accountability

Management are required to assess the risk of fraud occurring in their areas and implement appropriate controls. Management should ensure that fraud and corruption measures are updated as work practices change and that their people understand their individual responsibilities in preventing fraud and corruption.

An important control in managing fraud and corruption is a well-informed workforce, prepared to disclose fraudulent and corrupt behaviour. Management are responsible to ensure that their people are appropriately informed on fraud and corruption.

Code of Conduct

Council's Code of Conduct (POL1.1) sets the minimum requirements of conduct for Council officials in carrying out their duties to enhance public confidence in the integrity of local government. Procedures for the administration of the Code of Conduct are detailed in POL1.1a and should be referred to for any alleged breaches of the code.

Sound Ethical Culture

To strengthen ethical behaviour in Council an ethical culture must be fostered which focuses on people's shared values and behaviour.

An ethical culture also needs to be supported by appropriate structures, systems, processes and tools which are resourced properly and promote and reinforce ethical behaviour.

Setting the ethical tone will be achieved by:

- Continuing to employ managers and supervisors who will be positive role models for ethical behaviour
- Adopting and enforcing policies that emphasise the importance of ethical behaviour
- Issuing clear standards and procedures to minimise opportunities for fraudulent and corrupt behaviour, and enhance detection mechanisms
- Advising elected members, staff and all other individuals or entities that they are accountable for their own actions.

Legislation, Policy and Governance

Legislative Context

In Circular No. 06-46, dated 26 July 2006, the NSW Department of Local Government stated that based on the results of reviews under the Local Government Reform Program – Promoting Better Practice, a number of councils had yet to develop effective fraud prevention strategies that address both internal and external fraud risks.

The Department advised councils that they were required under Auditing Standard AUS210, “the Auditor’s Responsibility to Consider Fraud in an Audit of a Financial Report” to provide a written representation to its external auditors that it has systems to deal effectively with fraud risks.

This Framework helps to address this requirement and implement the provision of Council’s Fraud and Corruption Prevention Policy.

Independent Commission Against Corruption Act 1988

The object of the Independent Commission Against Corruption Act 1988 (ICAC Act) is to promote the integrity and accountability of public administration by constituting an Independent Commission Against Corruption as an independent and accountable body that will:

- Investigate, expose and prevent corruption involving or affecting public authorities and public officials, and
- To educate public authorities, public officials and members of the public about corruption and its detrimental effects on public administration and on the community.

The Act achieves this objective by conferring on the Commission special powers to inquire into allegations of corruption.

The ICAC Act (section 11) specifically confers a responsibility on the General Manager (Principal Officer) to notify the Commission of possible corrupt conduct.

Other relevant Legislation

- Local Government Act 1993
- Ombudsman Act 1974
- Public interest Disclosures Act 1994
- Government Information (Public Access) Act 2009

Relationship with other Council Policies and Procedures

- POL1.1 Code of Conduct
- Procedure for the Administration of the Model Code of Conduct
- POL1.3 Good Governance
- POL 1.5 Complaints Management
- POL1.6 Conflicts of Interest
- POL 1.7 Gifts and Benefits
- POL1.11 Protected Disclosures
- POL1.13 Risk Management
- Risk Management Plan (under development)
- POL 1.14 Fraud and Corruption Prevention
- Fraud Risk Register and Action Plan
- POL 1.17 Internal Audit
- POL 1.19 Procurement and Disposal
- POL 3.18 Vehicles Taken Home

Fraud and Corruption Prevention

Maintaining a Strong Internal Control Environment

Poor internal control systems in an organisation can permit fraudulent or corrupt activity to occur. In many cases where fraud and corruption is detected, it is possible to identify a fundamental internal control weakness or failure that either allowed the incident to occur or failed to detect it promptly after it occurred. As a consequence, Council recognises that a strong internal control environment is an effective defence against fraud and corruption.

Following are some of the elements of Council's internal control system which have been designed to help protect itself against the risk of fraud and corruption:

- Internal controls are appropriately recognised and documented
- Internal controls are regularly reviewed and adjusted to deliver meaningful outcomes
- Internal controls are communicated effectively to all staff appropriate to their level of responsibility and position description
- Council maintains a strong internal control environment in which all staff understand the importance of adhering to internal control
- Council has an internal audit program that incorporates a regular review of the effectiveness of internal controls

Fraud and Corruption Risk Assessment Methodology

Risk management is an integral part of Council's management practice. Council aims to integrate fraud and corruption control into its risk management assessments. Fraud and corruption risk assessments will be conducted in accordance with the Australian Standard AS/NZS ISO 31000:2009. A fraud and corruption risk assessment measures the vulnerability of an organisation to fraud and corruption and is essential for fraud and corruption prevention and control.

Fraud and Corruption Risk Register and Action Plan

The Fraud and Corruption Risk Register and Action Plan will:

- Identify fraud and corruption risks that are applicable to Council's operations
- Assess these risks in accordance with AS/NZS ISO 31000:2009
- Identify the existing controls in place that address these risks
- Identify potential additional activities that can be undertaken to further mitigate these risks
- Enable the monitoring and tracking of any proposed actions

Fraud and corruption risk assessments will be conducted at least annually and regularly revised by management and documented on the Fraud Risk Register and Action Plan.

Communication and Awareness

One significant way that an organisation manages the risk of fraud and/or corruption is to make sure that its people are provided with appropriate information and training.

Employees will be made aware of Council's ethical conduct expectations by:

- The inclusion of ethical conduct requirements in information packages for new employees
- An ongoing program of inclusion of ethical behaviour expectations within all position descriptions for new and existing positions
- Awareness training for all staff on Council's Code of Conduct on a regular basis
- Staff with particular responsibilities, such as cash handling and purchasing authority, will be given specific training in approved cash handling and purchasing procedures.

Supplier Due Diligence

Confirming the identity and reputation of service providers is important in managing fraud control within an organisation. The following processes will be conducted as part of the contractor and supplier vetting process:

- Search of companies register
- ABN confirmation
- Assessment of credit rating
- Confirmation of any current legal proceedings

Employment Screening

The appropriate screening of employees is an integral part of Council's fraud and corruption prevention strategy. Employee screening, with the consent of the individual, will be undertaken in respect of all persons joining Council or for staff being transferred to an Executive position or to a position that is considered by Council to be a higher risk in terms of the potential exposure to fraud and corruption. Before undertaking re-screening of staff Council should consider the context of the risks represented by their role and the costs associated with re-screening.

Where practical and reasonable screening of a new staff member will include:

- Verification of identity
- Reference checks with the two most recent employers
- Consideration through interview and any necessary follow-up of any employment history gaps and reasons for those gaps
- Verification of qualifications and/or professional memberships where appropriate

Managing Conflicts of Interest

One of the most common situations experienced by government agencies and their people concern related-party transactions or other forms of conflicts of interest. Guidance on conflicts of interest and managing them is provided by Council's Conflicts of Interest Policy (POL1.6).

Fraud and Corruption Detection

Red Flags and Internal Controls

Fraud and corruption can be detected by establishing effective accounting and system controls and by recognising variations from standard practice. Council staff are important in detecting fraud and corruption because of their detailed knowledge of work practices and accountabilities. Cooperation and initiative prevents and detects a significant amount of fraud and corruption in most organisations.

Council staff should be alert to the common signs of fraud or corruption. Possible indicators of actual, potential or perceived fraud or corrupt conduct include:

- Missing or altered documentation such as purchase orders, invoices and time sheets
- Staff who do not take holidays for extended periods
- Undue secrecy, or excluding people from available information
- Staff in autonomous positions or who work outside normal work hours
- Excessive staff turnover
- Actual, potential or perceived conflicts of interest not declared
- Excessive span of duties (eg. both processing and approving the same transaction) residing with one person
- Complaints from staff or members of the public

Fraud and corruption are evolving risks, and the fraud and corruption risks faced by Council will change as Council changes. As Council commences new projects or engage in new initiatives, it is imperative that fraud and corruption control strategies are reviewed to assess their ongoing effectiveness in the changing environment.

Internal and External Audit

Council recognises that internal and external audit activities can be an effective part of the overall control environment to identify the indicators of fraud and corruption.

The internal auditor's role is to assist Council in the identification and deterrence of fraud and corruption by examining and evaluating the adequacy and the effectiveness of the systems of internal control.

International and Australian Auditing standards require the external auditor to consider the likelihood of material misstatements due to the occurrence of fraud and corruption.

Council will support the work of internal and external auditors in achieving their objectives and provide all reasonable assistance as necessary.

Reporting Mechanisms

It is important that all instances of fraudulent or corrupt activity detected within, against or by Council are reported appropriately. Reports of behaviour involving possible fraud or corruption can be communicated in a number of ways, including:

- General Manager
- Chairperson
- Director of Engineering
- Managers and supervisors
- Audit and Risk Committee
- Protected Disclosure Coordinator (Manager Corporate Services)
- Through reporting channels external to Council, ICAC, the Office of Local Government, the NSW Ombudsman, or the NSW Police

It is a legislative requirement that the General Manager report all suspected or actual fraudulent or corrupt activities to ICAC.

Protected Disclosures Policy

Council's Protected Disclosures Policy (POL1.11) establishes an internal reporting system for the reporting of disclosures of corrupt conduct, maladministration, the serious and substantial waste of public money or contravention of the GIPA Act by the Council, its staff and Councillors.

The system enables such internal disclosures to be made to the Disclosure Coordinator, a Nominated Disclosure Officer, or the Chairman as an alternative to the General Manager.

Where a complaint is received regarding corrupt conduct, an assessment must be made to determine if the complaint is to be treated as a protected disclosure, and that protected disclosures procedures will apply.

Fraud and Corruption Response

Investigation

Council recognises that it will not always be successful in its efforts to prevent fraud. It will therefore investigate all reported instances of fraud and corrupt conduct as thoroughly as possible. Depending upon the circumstances of the alleged fraud, an internal investigation may be undertaken or the matter referred to an external body such as NSW Police, ICAC or the Ombudsman.

The following table indicates the line of responsibility in receiving and investigating complaints:

Complaint Regarding	Responsible Officer
Elected Member	Chairperson (where applicable), in conjunction with the General Manager
General Manager	Chairperson.
Employee or other persons / entities	General Manager

Investigations should be conducted in accordance with the principles outlined in the AS8001-2008 Fraud and Corruption Control and ICAC's Guide to Conducting Internal Investigations. These include:

- Ensuring any investigation and resulting disciplinary proceedings are conducted in an atmosphere of transparency, at all times applying and observing the rules of natural justice and procedural fairness
- Applying the overall guiding principles of independence and objectivity to an investigation
- Ensuring confidentiality and keeping adequate records in accordance with legal, best practice and privacy management guidelines

Conflicts of Interest

Should an investigator or any of the people involved in an investigation have an actual, potential or perceived conflict of interest in relation to a matter being investigated, this needs to be declared and if thought necessary alternative arrangements will be made.

Support for Investigations

Council may, from time to time, engage external third parties to investigate specific allegations of fraud on its behalf. These external investigative resources may be engaged due to the complexity of the investigation or to ensure complete objectivity in the investigation process.

Disciplinary Procedures

Investigations made into staff conduct that might give rise to disciplinary action must occur in accordance with the relevant industrial instrument and make provision for procedural fairness including the right of an employee to be represented by their union.

Any action taken against staff depends on the severity, scale and significance of the fraudulent or corrupt behaviour and must be determined in accordance with any relevant industrial instruments or contracts.

Action taken against delegates and/or members of Council committees or volunteers depends on the severity, scale and significance of the fraudulent or corrupt activity and may include:

- Censure
- Counselling
- Prosecution for any breach of the law
- Removing or restricting the person's delegation
- Removing the person from membership of the relevant Council committee

Recovery Action

Council may undertake an assessment of the costs associated with any civil recovery action before a decision is made to initiate civil proceedings.

Council may seek to recover funds that have been illegally obtained by means of fraud or corruption. These means may include:

- Initiating civil action against the parties involved in the fraudulent conduct with the aim of recovering the proceeds of the fraud
- Referring the matter to the NSW Police for criminal investigation and, if charges are proven in court, orders for restitution

Monitoring and Evaluation

Monitoring

Effective monitoring of Council's Fraud and Corruption Control Framework can assist management to:

- Assess the continued relevance and priority of fraud and corruption prevention strategies
- Assess whether fraud and corruption control strategies are effective
- Determine whether there are more cost-effective ways of combating fraud
- Align fraud and corruption prevention strategies with any current best practice methodologies that are available.

To achieve this, the Fraud and Corruption Risk Register and Action Plan will be reviewed and updated at least annually or when changes to operations affect any existing control activities.

This Fraud and Corruption Control Framework will be reviewed in conjunction with the scheduled review of POL1.14 Fraud and Corruption Prevention Policy (once each Council term).

Evaluation

In each instance where fraud is detected, the relevant director or manager should reassess the adequacy of the internal controls environment (particularly those controls directly impacting on the fraud incident and potentially allowing it to occur) and consider where and how rectification and/or improvements are to be made. Consideration should be given to whether the situation was a result of:

- One-off action by a person in a position of privilege (any new person in this position may be subjected to additional or periodical screening or monitoring)
- The inadequacy of internal controls (in this case the controls should be re-evaluated and any deficiencies remedied)
- Collusion (internal control systems can often be overridden by two or more people acting in conjunction with one another).

Where improvements are required, these should be implemented immediately.

Responsibility for ensuring the internal controls are re-assessed and that the recommendations arising out of this assessment are implemented should be allocated to particular staff with the authority to implement within required time frames.

24. COUNCIL RESOLUTION SHEET

Council Resolution Sheet – Meeting held 2/09/2015				
Report Ref	Subject	Responsible Officer	Council Decision	Action Taken
Meeting held 12 December 2014				
14/190	Purchase of Land for Alternative Access to Hammond Ave	GM	That Council: 1) Purchase land for operational and access requirements in accordance with Section 187 of the Local Government Act 1993. 2) Delegate authority to the General Manager to negotiate the land purchase and sign the relevant sale documents. 3) Affix Council's Common Seal to documentation as required.	Negotiations continuing. Business Valuation completed. Additional investigations underway.
14/191	Purchase Of Land – New Shires Reservoir	GM	That Council: 1) Purchase the land for the Shires Reservoir of approximately 6,400 sq. metres on Lot 143 DP 754567, Olympic Highway. 2) Delegate authority to the General Manager to negotiate the land purchase and establishment of easements for pipeline and access. 3) Affix Council's Common Seal to documents as required.	Agreement reached with landowner Tenders called for earthworks. Tenders close 24 th September 2016.
Meeting held 28 October 2015				
15/170	Land and Environment Court – Nash Bros Case	GM	That Council authorise the General Manager to negotiate a settlement to recover legal costs from Nash Bros Builders Pty Ltd in relation to the Grange Retirement Village Land & Environment Court case.	Nash Brothers have lodged an appeal against the decision of the L&E Court. Matter listed for hearing in NSW Supreme Court on 15 th June 2016. No further advice received to date.

Meeting held 11 December 2015				
15/207	Contestability of Works	Manager Works	That: a) Council note the results of the procurement process; and b) Collaborative Planning and Engineering Associates be engaged to undertake an external review of the contestability of capital works at a cost of \$16,321.	Workshops with management and staff held during May. Draft report received. To be submitted to August 2016 Council Meeting.
Meeting held 27 April 2016				
16/50	Local Government NSW 2016 Annual Conference	GM	that: a) Council be represented the Local Government NSW 2016 Annual Conference; b) Council delegate be the Chairman and the General Manager (observer); c) Approve the attendance of up to 2 other councillors as observers;	Chairperson, Deputy Chairperson and GM registered. Accommodation booked.
16/51	Local Government NSW - 2016 Water Management Conference	GM	That: a) Council be represented at the Local Government New South Wales 2016 Water Management Conference, b) the Chairman or his nominee attend as a delegate, c) nominations of other Councillors to attend be called, (nominations received from Clrs. McInerney and Verdon to attend) d) the General Manager and Director of Engineering or their nominees attend as observers	Delegate and observers registered. Accommodation booked
16/66	Tender W.208 for Purchase of Backhoe / Loader	DoE	That Council not accept any of the tenders, and that replacement be deferred to 2016/2017 financial year.	Fresh tenders called, closing 18 th September 2016
16/67	Tender W.207 for Purchase of Water Meter Electronic Reading Equipment	DoE	that Council: a) Not accept any of the tenders; b) Reduce the scope of the proposed trial area; c) Call for fresh tenders of the new area in the 2016/17 financial year; and d) Defer funding for the trial to the 2016/17 financial year.	Noted

Meeting held 22 June 2016				
16/77	Determination Of Remuneration Fees for Councillors and Chairperson 2016/2017	GM	That the fees for 2016/2017 be set at: i) Councillors \$5,646, and ii) Additional fee for Chairperson \$9,276	Noted
16/78	Adoption of Revised Delivery Program 2016/2020 and Operational Plan 2016/2017	GM	That the Draft Revised Delivery Program 2016/2020 and Operational Plan 2016/17, as exhibited, following close of public comments, be adopted as Council's Delivery Program 2016/2020 and Operational Plan for 2016/2017, subject to changes.	Noted Revised Delivery program and Operational Plan placed on web site
16/79	Making of Rates and Charges For 2016/2017	GM	That the rates and charges be made for 2016/2017 year, as outlined in the adopted Operational Plan 2016/2017.	Noted
16/80	Report on the Contractual Conditions of Senior Staff	GM	That the Report on the Contractual Conditions of Senior Staff be received and noted.	Noted
16/81	Annual Residents Survey	GM	That the General Manager's report into the 2016 Riverina Water County Council residents survey be received and noted.	Noted
16/82	Audit and Risk Committee Minutes	GM	That Council receive and note the minutes of the Audit and Risk Committee Meeting held 30th May 2016 and endorse the recommendations contained therein.	Noted
16/83	Draft Policy 1.9 Purchasing and Draft Policy 3.2 Asset Purchase and Disposal	GM	That Council adopt Draft Policy 1.9 Purchasing and Draft Policy 3.2 Asset Purchase and Disposal.	Policy on Council web page and intranet
16/84	Draft Policy 1.23 Investments	MCS	That Riverina Water County Council adopt Draft Policy 1.23 Investments.	Policy on Council web page and intranet
16/85	Draft Policy 2.3 Pesticide Use Notification Plan	DoE	That Council: a) adopt Draft Policy 2.3 Pesticide Use Notification Plan, and b) Council receive a further report on training for field staff in the best practice management of Noxious and Invasive Weeds.	Policy on Council web page and intranet
16/86	Draft Policy 2.9 Debt Recovery	GM	That the Draft Policy 2.9 Debt Recovery be adopted.	Policy on Council web page and intranet
16/104	Tender W.211 Supply of 12,000 and 19,000 Litre Surge Tanks	DoE	That Council accept the tender of Safe Surge Pty Ltd for the supply and commissioning of 1 x 12,000 and 1 x 19,000 surge tanks for the sum of \$283,800 including GST.	Tenderer notified. Order placed
16/105	Tender W.212 for Purchase of 6 X 4 Truck with Tipper	DoE	That Council accept the Wagga Trucks tender for a Hino FS 2848 Truck with Tipper for a price of \$185,165 ex GST.	Tenderers notified. Order placed
16/106	Negotiations Regarding RWCC Enterprise Award 2016	GM	That Council receive and note the advice of the General Manager.	Following imposition of selective work bans, RWCC put matter to NSW IRC. Work bans lifted. New Award finalised.

QUESTION TRACKING		
Meeting Held 24 February 2016		
Cr Meyer OAM	Requested an update on the Henty Crossing.	Works completed.
Meeting Held 27 April 2016		
Cr Meyer OAM	Asked if approval has been received for work to proceed on the Henty Railway Crossing works.	Works completed.
Meeting held 22 June 2016		
Cr Meyer OAM	Asked if the new pipeline in Henty railway crossing could be laid before new Streetscape implemented?	Consultation with GHSC undertaken. RWCC staff working in with GHSC.
Cr Verdon	Raised issue of change to constituent Councils not reflected in Delivery Plan.	Changes to Delivery Program have been made.
Cr Funnell	Requested GM to contact Minister regarding TCorp Borrowing facility for County Councils.	Letter written 23 rd June 2016. GM & Chairperson discussed with Minister 2 nd August 2016. Minister to address the issue.



Graeme J. Haley
GENERAL MANAGER

DIRECTOR OF ENGINEERING'S REPORTS TO **COUNCIL MEETING**

17th August 2016

1. WORKS REPORT COVERING JUNE 2016

RECOMMENDATION That this report be received and noted.

- Works Report – June 2016

DIRECTOR OF ENGINEERING'S REPORTS TO AUGUST 2016 COUNCIL MEETING

20th July 2016

1 WORKS REPORT COVERING JUNE 2016

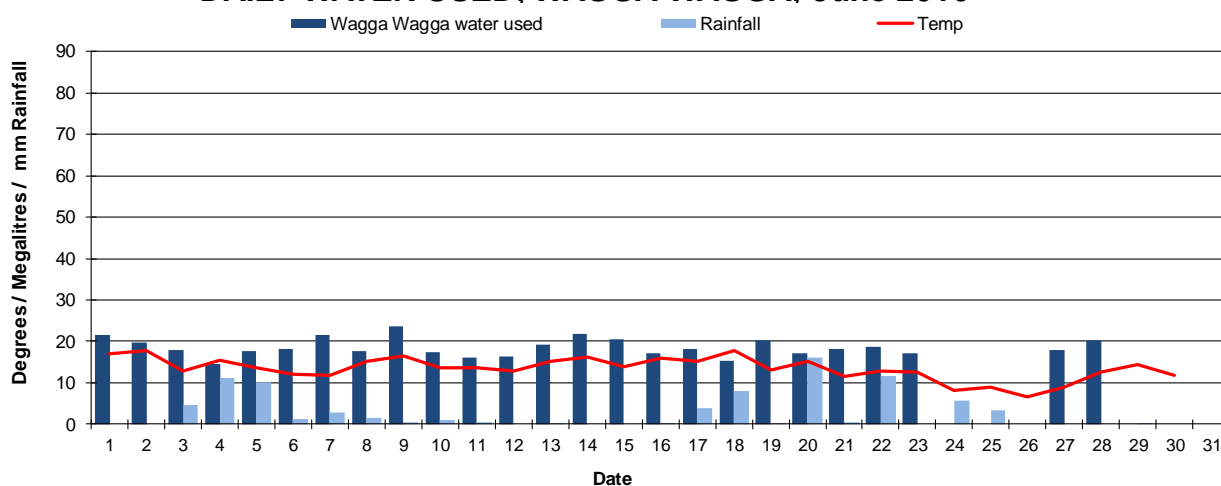
RECOMMENDATION: That this report be received and noted.

1.1 WATER SOURCED AND USED

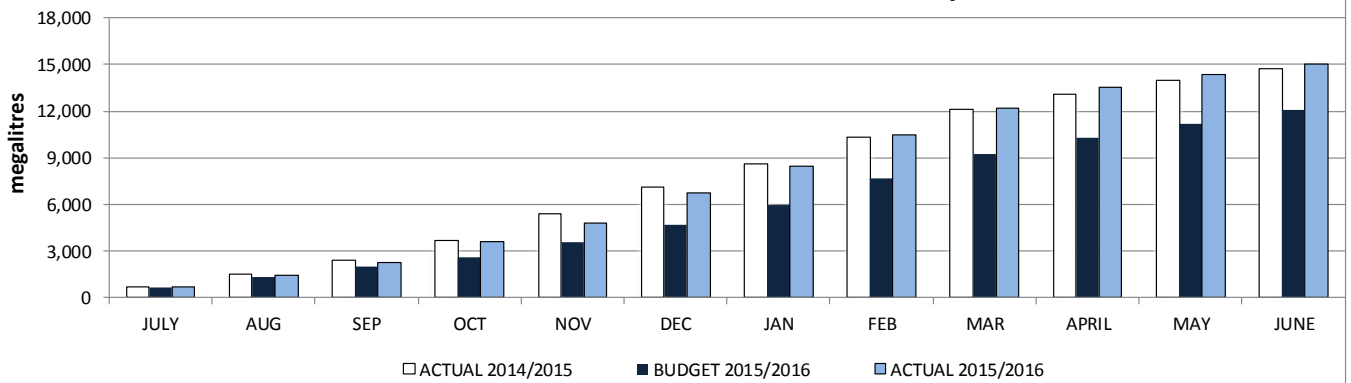
June	2014	2015	2016
Rainfall	86.2	100.0	83.4
Wet Days	17	8	20
WATER SOURCED June 2016 (MI)			
North Wagga bores	144.47	161.11	125.69
West Wagga bores	229.81	107.68	187.95
East Wagga bores	321.12	438.96	313.90
Murrumbidgee River	0.00	0.00	0.00
SUB-TOTAL	695.40	707.75	627.54
Bulgary Bores	22.64	25.52	32.60
Urana Source	0.00	0.00	0.00
Ralvona Bores	22.39	16.31	12.40
Walla Walla Bores	0.00	0.00	0.00
Goldenfields Water Supply System	1.08	2.21	6.09
SUB-TOTAL	46.11	44.04	51.09
Woomargama	1.42	0.77	1.02
Humula	0.56	0.52	0.51
Tarcutta	2.97	2.18	1.90
Oura	1.50	1.54	1.79
Walbundrie/Rand	2.07	2.26	2.20
Morundah	0.28	0.50	0.41
Collingullie	3.73	3.84	4.23
SUB-TOTAL	12.53	11.61	12.06
TOTALS	754.04	763.40	690.69

WATER USED June 2016 (MI)			
	2014	2015	2016
East Bomen	19.98	19.83	19.33
Estella	32.22	33.91	35.28
North Wagga	77.32	90.40	53.00
Wagga Wagga – Low Level	149.49	125.86	113.12
Wagga Wagga – High Level	292.74	313.13	282.58
Wagga Wagga – Bellevue Level	31.37	31.58	32.23
SUB-TOTAL	603.12	614.71	535.54
Ladysmith System	4.53	2.09	2.63
Brucedale Scheme	11.45	12.30	14.65
Currawarna Scheme	6.21	9.19	7.59
Rural south from Wagga Wagga	65.88	71.93	64.76
Rural from Walla Walla Bore	0.00	0.00	0.00
Bulgary, Lockhart and Boree Creek	12.28	13.55	24.34
From Boree Crk to Urana and Oaklands	9.70	11.95	8.84
Holbrook	22.39	16.31	12.40
SUB-TOTAL	132.44	137.32	135.21
Woomargama	1.42	0.77	1.02
Humula	0.56	0.52	0.51
Tarcutta	2.97	2.18	1.90
Oura	1.50	1.54	1.79
Walbundrie/Rand	2.07	2.26	2.20
Morundah	0.28	0.50	0.41
Collingullie	3.73	3.84	4.23
SUB-TOTAL	12.53	11.61	12.06
TOTALS	748.09	763.64	682.81

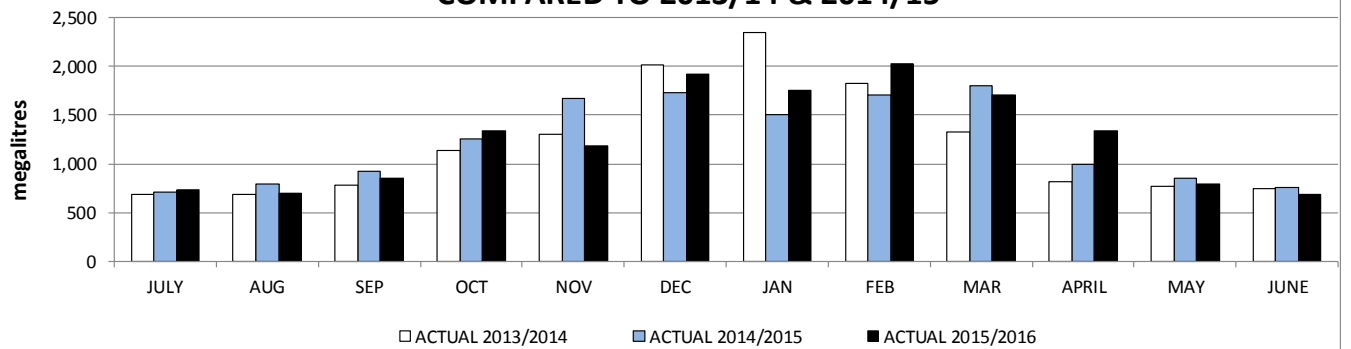
DAILY WATER USED, WAGGA WAGGA, June 2016



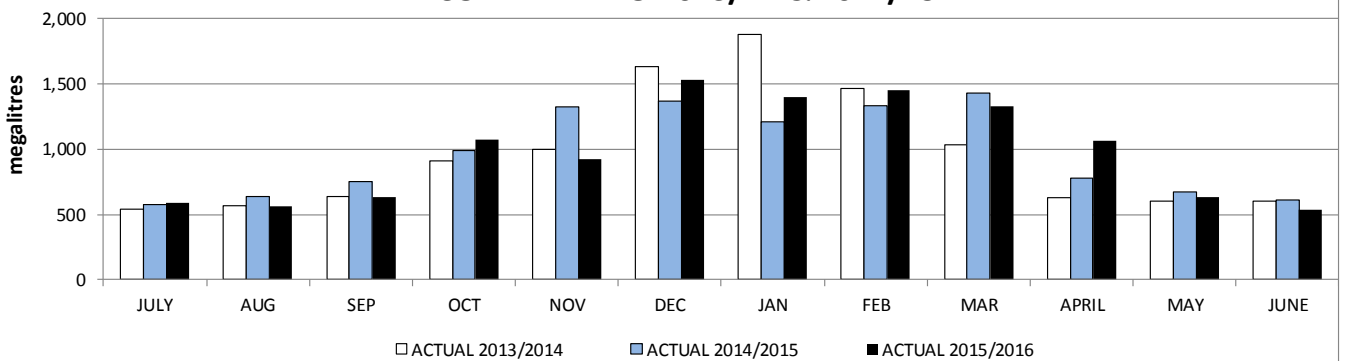
TOTAL CUMULATIVE WATER USED 2015/2016



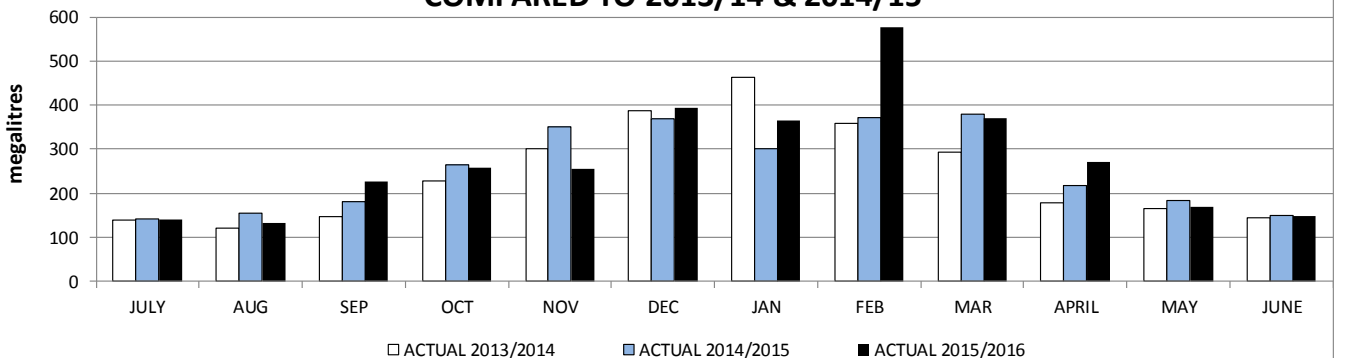
MONTHLY TOTAL WATER USED 2015/16 COMPARED TO 2013/14 & 2014/15



MONTHLY WAGGA WATER USED 2015/16 COMPARED TO 2013/14 & 2014/15



MONTHLY RURAL WATER USED 2015/16 COMPARED TO 2013/14 & 2014/15



1.2 NEW SERVICE CONNECTIONS, REPAIRS, METERS, LOCATIONS & COMPLAINTS FOR THE MONTH OF JUNE 2016

Location	New Connect., Residential	New connect., Non Residential	Services Renewed	Services Repaired	Quality Complaints	Supply Complaints *	Customer dealings complaints	Other Complaints	Frost damage	Meter or Metercock fault	Leaking valves or hydrants	Locations
Wagga	13		2	11	2	5				41	1	7
Brucedale				1								
Currawarna												
Euberta												
Humula												
Ladysmith												
Oura				1								
San Isidore										1		
Tarcutta										1		
The Gap												
Bulgary												
Collingullie												
French Park												
Lockhart												1
Mangoplah												
Milbrulong												
Pleasant Hills					1							
The Rock				2						1		1
Uranquinty												
Yerong Creek					1							
Culcairn												
Henty											2	
Holbrook										1		
Morven												
Walbundrie				1								
Walla Walla												
Woomargama												
Boree Creek										1		
Morundah												
Oaklands												
Rand										1		
Urana						1				1		
TOTAL	13	0	2	16	4	6	0	0	0	48	3	9

1.3 WATER SYSTEM REPAIRS

WAGGA WAGGA								
Date	Location	Town	Main Type	Cause	Live Repair	Outage Duration Time	Customers Affected (no supply)	Water Lost KI
1	Huthwaite St	Wagga Wagga	150 AC	Pipe Failure (not specified)	No	2:00	37	2
9	115 Ashmont Ave	Wagga Wagga	100 AC	Pipe Failure (not specified)	No	2:00	0	0
9	Jasmin Cres	Lake Albert	100 AC	Pipe Failure (not specified)	No	2:15	0	0
9	Berry St	Wagga Wagga	100 AC	Pipe Failure (not specified)	Yes	0:00	0	0
17	86 Allonby Ave	Wagga Wagga	200 BPVC	Pipe Failure (not specified)	No	1:00	1	0
15	2 Urana St	Wagga Wagga	375 DI CL	Pipe Failure (not specified)	No	3:30	0	0
20	Marshall & Ashmont St	Wagga Wagga	200 AC	T/ Band Broken/Leaking	No	1:00	0	0
21	East St	North Wagga	450 DI CL	Pipe Failure (not specified)	Yes	0:00	0	0
21	2 Dalman Pkwy	Glenfield	250 AC	Accidental damage	Yes	0:00	0	0
28	24 Brindabella Dr	Tatton	200 BPVC	Pipe Failure (not specified)	No	1:20	0	0
29	Morgan St	Wagga Wagga	25 PVC	Accidental damage	No	0:45	0	0
TOTALS						11:45	38	2
				Breaks needing shut off -	8		Breaks affecting customers –	2
	Total Breaks –	11						

RURAL									
Date	Location	Town	Main Type	Cause	Live Repair	Outage Duration Time	Customers Affected (no supply)	Water Lost KI	
2	15 Allan St	Henty	100 AC	Pipe Failure - Ground Movement	Yes	0:00	0	15	
3	1 Hume St	Woomargama	75 AC	Accidental damage	No	0:30	0	10	
7	Oura St	Rand	100 AC	Pipe Failure - Ground Movement	Yes	0:00	0	13	
14	Doigs Lne	Pleasant Hills	40 PE	Pipe Failure - Ground Movement	Yes	0:00	0	9	
14	Bind St	Rand	50PE	Pipe Failure - Ground Movement	Yes	0:00	0	8	
15	Old Trunk Rd	The Rock	100 CI	Pipe Failure - Ground Movement	No	2:00	2	19	
12	Pattersons Rd	Brucedale	32 PVC	Pipe Failure (not specified)	Yes	0:00	0	0	
14	611 Poiles Rd	Brucedale	32 PVC	Pipe Failure (not specified)	Yes	0:00	0	0	
20	Narrandera Rd	Lockhart	40 PE	Pipe Failure - Ground Movement	No	2:30	3	9	
24	Olympic Hwy	Henty	200 AC	Pipe Failure - Ground Movement	No	4:00	0	56	
28	Napier Rd	Milbrulong	150 CI	Pipe Failure - Ground Movement	No	4:30	0	864	
27	Napier Rd & Chambers Lne	Lockhart	150 CI	Pipe Failure (not specified)	No	3:00	2	0	
27	Healy's Lane	Lockhart	150 CI	Pipe Failure (not specified)	No	4:00	2	12,000	
TOTALS						20:30	9	13,003	
			Breaks needing				Breaks affecting		
	Total Breaks –	13		shut off -		7	customers –		4

1.4 WATER QUALITY COMPLAINTS

Water quality complaints received during June 2016 were:

Date	Location	Problem	Action Taken
5/06/2016	Oleander Cr, Lake Albert	Dirty water	Gal pipes causing dirty water. Flushed house
6/06/2016	Manson St, Pleasant Hills	Cloudy water	Air in mains. Flushed
10/06/2016	Olympic Way, Yerong Ck	Air in water	Flushed service
11/06/2016	Thorne St, Wagga	Dirty water	Flushed service

1.5 MAINS CONSTRUCTIONS

1.5.1 MAINS EXTENSIONS AND NEW WORKS

New water mains laid during June 2016 include:

LOCATION	PROJECT	100
		OPVC
Pine Gully Road	New Subdivision	306
	TOTAL	306

1.5.2 REPLACEMENT OF EXISTING MAINS

Mains replaced during June 2016 include:

LOCATION	PROJECT	150	100	450
		OPVC	OPVC	DICL
Bomen North	450 Main Replacement			102
The Gap	100mm Replacement		460	
Lake Albert Rd	150 Main Replacement	99		
	TOTAL	99	460	102

1.6 OTHER CONSTRUCTION

Other construction works during June 2016 include:

LOCATION OR PROJECT	WORK DONE
Temora Street, Cootamundra	156 metres of 150mm OPVC pipe
Wagga Wagga Depot	New sand bays

1.7 MAJOR REPAIRS / OVERHAULS

Major repairs/overhauls during June 2016 include:

LOCATION OR PROJECT	WORK DONE
Gardners Crossing	High Lift 1 & 2 Overhaul
Lockhart Pumpstation	High Lift 2 Overhaul
Tarcutta WTP	High Lift 1 Overhaul
Buckmans Reservoir	Install Bypass Suction Hose
West Wagga Bore No. 2	Inspect Bore Pump
Woomargama Reservoirs	Relocate Control Cable & Control System
Tarcutta WTP	Clean & Recommission Iron Filter
Holbrook High Level reservoir	Point-to-Point Comms Failure- Repaired

1.8 WATER FILLING STATION ACTIVITY

Water Filling Station activity during June 2016 include:

LOCATION	NUMBER OF FILLS
Bomen	18
Estella	11
Forest Hill	13
Glenfield	34
Henty	0
Holbrook	33
Lake Albert	6
Lockhart	26
Pleasant Hills	0
The Rock	0
Yerong Creek	0

1.9 STAFF TRAINING & SAFETY

The following training and/or safety activities were undertaken during June 2016:

Training or Programme	Number of Staff
First Aid Refresher	3
Workcover Licence - C6	1
Leadership Program	18

1.10 FLEET DISPOSALS

No fleet disposals made during June 2016.

1.11 FLEET ACQUISITIONS

No fleet acquisitions made during June 2016.



Bede Spannagle
DIRECTOR OF ENGINEERING

2. WORKS REPORT COVERING JULY 2016

RECOMMENDATION That this report be received and noted.

- Works Report – July 2016

DIRECTOR OF ENGINEERING'S REPORTS TO AUGUST 2016 COUNCIL MEETING

16th August 2016

1 WORKS REPORT COVERING JULY 2016

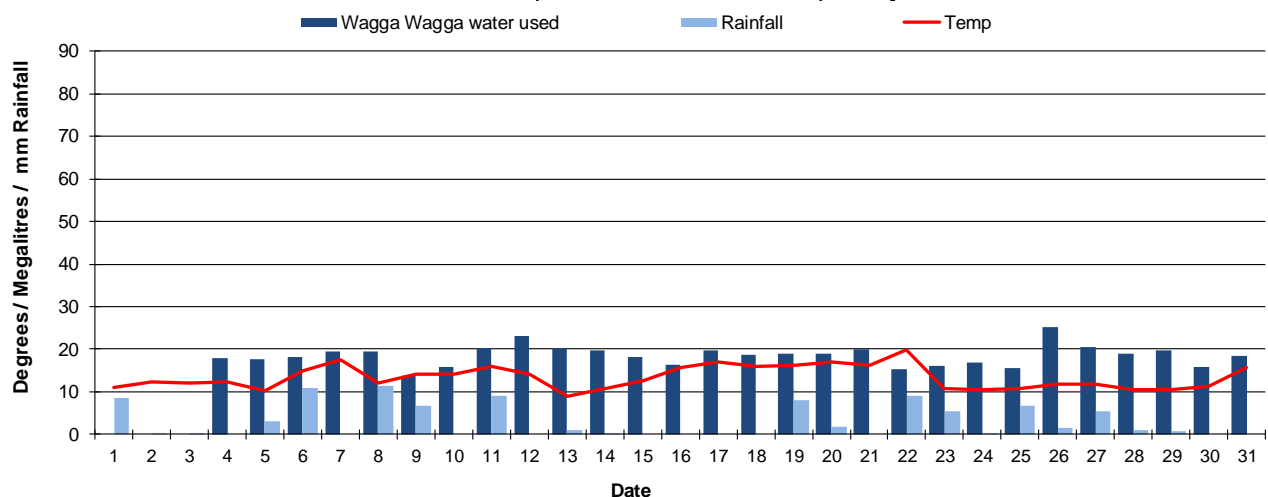
RECOMMENDATION: That this report be received and noted.

1.1 WATER SOURCED AND USED

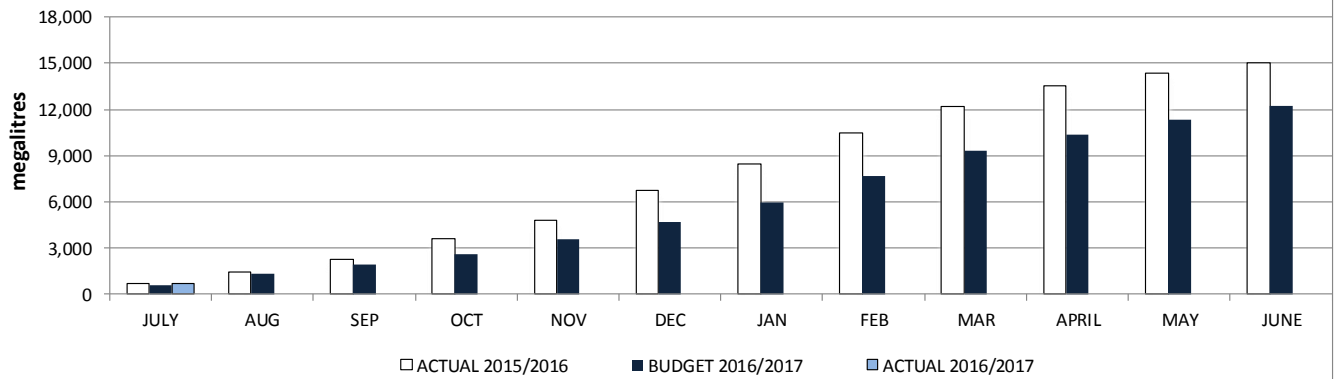
July	2014	2015	2016
Rainfall	25.4	67.0	91.4
Wet Days	17	16	20
WATER SOURCED July 2016 (MI)			
North Wagga bores	159.89	159.81	136.77
West Wagga bores	171.64	28.29	248.81
East Wagga bores	333.07	488.70	260.95
Murrumbidgee River	0.00	0.00	0.00
SUB-TOTAL	664.60	676.80	646.53
Bulgary Bores	22.15	24.90	18.96
Urana Source	0.00	0.01	0.00
Ralvona Bores	19.87	14.61	13.19
Walla Walla Bores	0.00	0.00	0.00
Goldenfields Water Supply System	0.73	2.21	6.80
SUB-TOTAL	42.75	41.73	38.95
Woomargama	1.30	0.96	0.86
Humula	0.57	0.52	0.60
Tarcutta	2.52	2.12	1.81
Oura	1.70	1.66	1.63
Walbundrie/Rand	2.40	2.14	1.46
Morundah	0.43	0.30	0.31
Collingullie	3.19	2.94	2.42
SUB-TOTAL	12.11	10.64	9.09
TOTALS	719.46	729.17	694.57

WATER USED July 2016 (MI)			
	2014	2015	2016
East Bomen	23.50	18.08	17.36
Estella	29.93	31.53	31.78
North Wagga	91.04	93.42	72.50
Wagga Wagga – Low Level	111.15	122.98	108.04
Wagga Wagga – High Level	287.18	293.12	302.82
Wagga Wagga – Bellevue Level	29.53	32.62	20.29
SUB-TOTAL	572.33	591.75	552.79
Ladysmith System	2.85	2.19	2.49
Brucedale Scheme	10.01	11.44	14.32
Currawarna Scheme	8.22	7.56	5.83
Rural south from Wagga Wagga	67.76	67.17	70.18
Rural from Walla Walla Bore	0.00	0.00	0.00
Bulgary, Lockhart and Boree Creek	11.94	15.27	10.26
From Boree Crk to Urana and Oaklands	9.85	10.97	9.12
Holbrook	19.87	14.61	13.19
SUB-TOTAL	130.50	129.21	125.39
Woomargama	1.30	0.96	0.86
Humula	0.57	0.52	0.60
Tarcutta	2.52	2.12	1.81
Oura	1.70	1.66	1.63
Walbundrie/Rand	2.40	2.14	1.46
Morundah	0.43	0.30	0.31
Collingullie	3.19	2.94	2.42
SUB-TOTAL	12.11	10.64	9.09
TOTALS	714.94	731.60	687.27

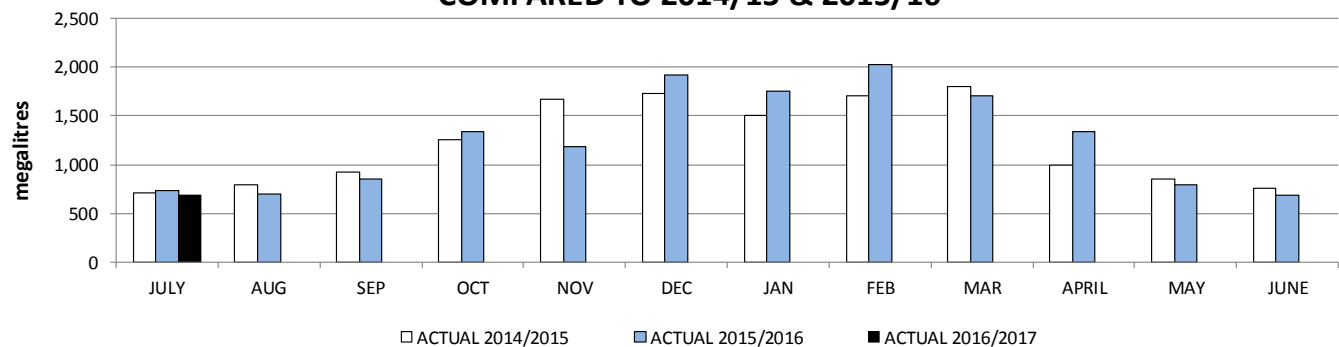
DAILY WATER USED, WAGGA WAGGA, July 2016



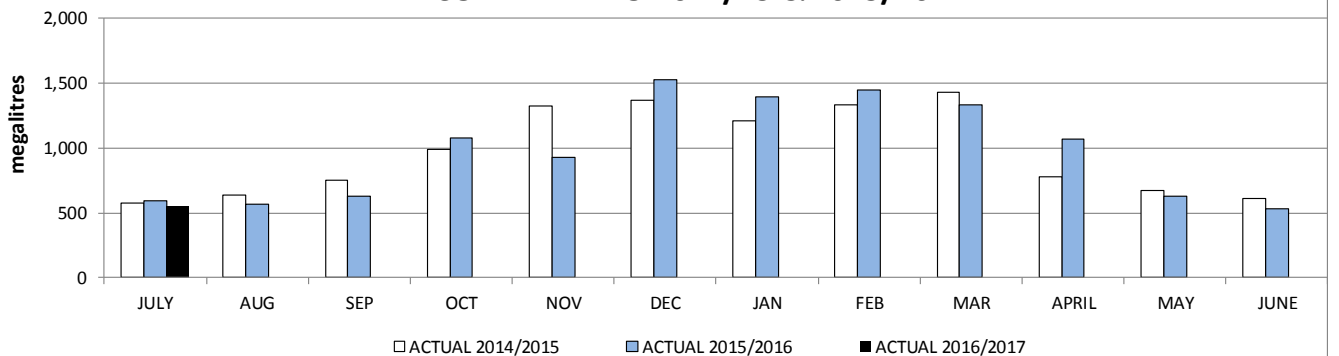
TOTAL CUMULATIVE WATER USED 2016/2017



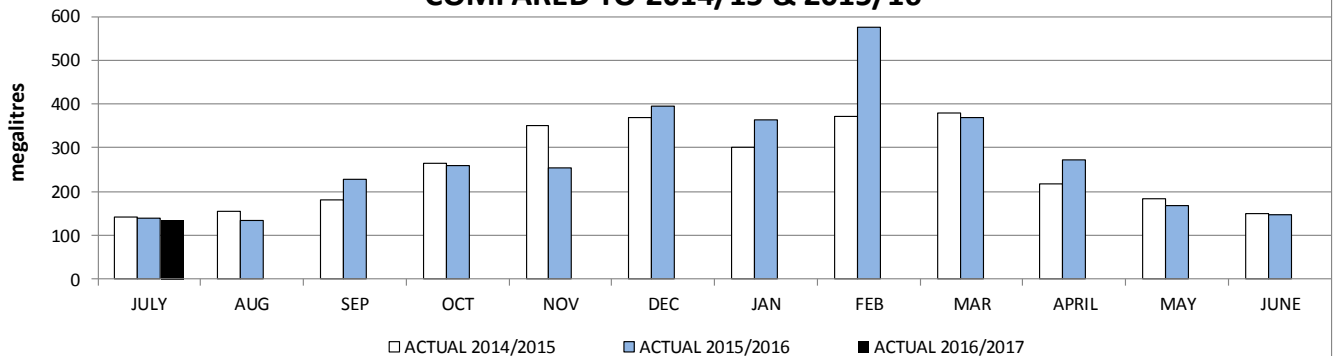
MONTHLY TOTAL WATER USED 2016/17 COMPARED TO 2014/15 & 2015/16



MONTHLY WAGGA WATER USED 2016/17 COMPARED TO 2014/15 & 2015/16



MONTHLY RURAL WATER USED 2016/17 COMPARED TO 2014/15 & 2015/16



1.2 NEW SERVICE CONNECTIONS, REPAIRS, METERS, LOCATIONS & COMPLAINTS FOR THE MONTH OF JULY 2016

Location	New Connect., Residential	New connect., Non Residential	Services Renewed	Services Repaired	Quality Complaints	Supply Complaints *	Customer dealings complaints	Other Complaints	Frost damage	Meter or Metercock fault	Leaking valves or hydrants	Locations
Wagga	20		7	9	2	2				28		4
Brucedale												
Currawarna										1		
Euberta												
Humula												
Ladysmith	1			1								
Oura	1											
San Isidore												
Tarcutta												
The Gap				2								
Bulgary												
Collingullie	1			2						1		
French Park												
Lockhart	1									2		
Mangoplah												
Milbrulong												
Pleasant Hills												
The Rock					1	2				1		
Uranquinty										1		
Yerong Creek	1											
Culcairn					1							
Henty		1	1									
Holbrook				1								
Morven												
Walbundrie												
Walla Walla												
Woomargama					1							
Boree Creek												
Morundah												
Oaklands				1						1		
Rand			1									
Urana												
TOTAL	25	1	9	16	5	4	0	0	0	35	0	4

1.3 WATER SYSTEM REPAIRS

WAGGA WAGGA								
Date	Location	Town	Main Type	Cause	Live Repair	Outage Duration Time	Customers Affected (no supply)	Water Lost KI
6	Peter & Thompson St	Wagga Wagga	100 CI	Pipe Failure (not specified)	No	0:30	0	14
12	Main St	Lake Albert	150 AC	Tree Roots	No	2:30	0	22
12	Laurel Rd	Lake Albert	100 AC	T/ Band Broken/Leaking	No	1:30	12	4
19	21 Heydon Ave	Wagga Wagga	100 AC	Pipe Failure (not specified)	Yes	0:00	0	6
23	233 Fernleigh Rd	Wagga Wagga	250 AC	Pipe Failure (not specified)	Yes	0:00	0	20
TOTALS						4:30	12	66
Breaks needing						Breaks affecting		
shut off -					3	customers – 1		
Total Breaks –		5						

RURAL								
Date	Location	Town	Main Type	Cause	Live Repair	Outage Duration Time	Customers Affected (no supply)	Water Lost KI
1	Olympic Hwy	Yerong Creek	300 CI	Pipe Failure - Ground Movement	No	4:30	0	78
2	2366 Sturt Hwy	Collingullie	50 PVC	Pipe Failure (not specified)	No	1:00	5	5
4	Olympic Hwy	Henty	150 CI	Pipe Failure - Ground Movement	Yes	0:00	0	12
12	County Boundary Rd	Milbrulong	80 PVC	Pipe Failure - Ground Movement	No	4:00	0	43
4	Becks Lane	Brucedale	80 PVC	Pipe Failure (not specified)	No	0.50	0	8
8	Abbots Lane	Ladysmith	100 AC	Pipe Failure (not specified)	Yes	0:00	0	23
16	Doigs Lane	Pleasant Hills	40 PE	Pipe Failure - Ground Movement	No	1:00	3	15
17	Sydney Rd	Tarcutta	100 DICL	Pipe Failure (not specified)	No	1:00	0	15
20	Mate St	Humula	100 AC	Pipe Failure (not specified)	Yes	1:30	0	12
24	Coolamon Rd	Brucedale	32 PVC	Pipe Failure (not specified)	No	0:00	3	8
TOTALS						13.50	11	219
Breaks needing						Breaks affecting		
shut off -					7	customers – 3		
Total Breaks –		10						

1.4 WATER QUALITY COMPLAINTS

Water quality complaints received during July 2016 were:

Date	Location	Problem	Action Taken
1/07/2016	6 Egret Place, Estella	Low chlorine at dead end	Flushed & tested main
6/07/2016	The Rock	Air in water when Rural main breaks	Install 20mm air valve in service
11/07/2016	Wagga Wagga	Low chlorine	Flushed & tested main
11/07/2016	6 Egret Place, Estella	Low chlorine at dead end	Flushed & tested main
8/07/2016	Cummings Rd, Culcairn	Air in water when Rural main breaks	Flushed service
30/07/2016	1 Hume Street, Woomargama	Dirty water	Flushed service and main

1.5 MAINS CONSTRUCTIONS

1.5.1 MAINS EXTENSIONS AND NEW WORKS

New water mains laid during July 2016 include:

LOCATION	PROJECT	100	150
		OPVC	OPVC
Temora St Cootamundra	Cootamundra	24	18
Estella	Pine Gully	270	
	TOTAL	294	18

1.5.2 REPLACEMENT OF EXISTING MAINS

Mains replaced during July 2016 include:

LOCATION	PROJECT	150	
		OPVC	DICL
Wagga Wagga	Beckwith St		36
Lake Albert	Lake Albert Rd	234	
	TOTAL	234	36

1.6 OTHER CONSTRUCTION

Other construction works during July 2016 include:

LOCATION OR PROJECT	WORK DONE
Clear water rising main	Pipe work on pads construction and testing
	600mm and 375mm fittings

1.7 MAJOR REPAIRS / OVERHAULS

Major repairs/overhauls during July 2016 include:

LOCATION OR PROJECT	WORK DONE
West Wagga Bore #2	Install new pump and motor & commission
North Wagga Bore #3	Acid treatment & pump to waste, recommission
Bellevue Pump Station	Overhaul #1 pump & motor
Lockhart Pump Station	Overhaul #2 pump & motor
Tarcutta WTP	Clean & remove media from holding tank, repair iron filter & recommission

1.8 WATER FILLING STATION ACTIVITY

Water Filling Station activity during July 2016 include:

LOCATION	NUMBER OF FILLS
Bomen	3
Estella	20
Forest Hill	10
Glenfield	28
Henty	0
Holbrook	14
Lake Albert	8
Lockhart	0
Pleasant Hills	0
The Rock	1
Yerong Creek	0

1.9 STAFF TRAINING & SAFETY

The following training and/or safety activities were undertaken during July 2016:

Training or Programme	Number of Staff
Leadership Program	16
Digital Literacy	15
Workcover Licence - Elevated Work Platform	1

1.10 FLEET DISPOSALS

No fleet disposals made during July 2016.

1.11 FLEET ACQUISITIONS

Fleet acquisitions made during July 2016 are:

New Vehicle Details					
Vehicle No	Tenders Received	Accepted Tenderer	Vehicle Type	Make & Model	Price exc GST
358		Wagga Motors	Extra Cab with Tray	Isuzu D-Max	\$30,622
359		Wagga Motors	Extra Cab with Tray	Isuzu D-Max	\$30,622

1.12 MAJOR CAPITAL PROJECTS PROGRESS

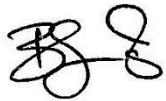
	- On track
	- Behind Schedule
	- Unlikely this Financial Year

MAJOR PROJECTS 2016/17 (> Over \$100,000) - July 2016

Description	2016/17 Budget	Actual & Committed to Date	Comments
MANAGEMENT			
Land & Buildings for Admin, Depot & Workshops			
Replace Administration Airconditioning - Urban	\$175,000	\$0	
Access, Parking and Landscaping			
Levee protection stage 2 Hammond Ave - Urban	\$1,500,000	\$40,347	
PLANT & EQUIPMENT			
Working Plant & Vehicle Purchases			
Routine plant & vehicle replacements	\$858,000	\$552,063	
SOURCES			
Bores-renew/refurbish/decommission			
Bores-renew/refurbish/decommission - Urban	\$170,000	\$35,000	
TREATMENT PLANTS			
Aeration Tower Covers			
East Wagga Aeration Basin cover - Urban	\$160,000	\$0	
Treatment Plant Refurbishments			
WTP Stage 1 - Urban	\$13,500,000	\$11,362,445	
Woomagama WTP - Non-Urban	\$120,000	\$952	

RESERVOIRS			
New/Replacement Reservoirs			
Shires Reservoir Relocation - Non-Urban	\$1,300,000	\$43,363	
Main Low Level Reservoir 2x11ML Investigation & Design - Urban	\$500,000	\$10,960	
MAINS, SERVICES & METERS			
MAINS			
System Improvements			
System Improvements - Urban	\$150,000	\$0	
Reticulation for Developers (including other extensions)			
Reticulation for Developers - Urban	\$800,000	\$21,614	
Trunk Mains Extensions			
Southern Trunk (Uranquinty Power Station) 6km x 150mm oPVC - Non-Urban	\$330,000		
Renew Reticulation Mains			
Renew Reticulation Mains - Non-Urban	\$200,000	\$44,319	
Renew Reticulation Mains - Urban	\$400,000	\$0	
The Gap / Brucedale System - Non-Urban	\$100,000	\$0	
Main St, Lake Albert - Urban	\$150,000	\$0	
Angel St, Lake Albert - Urban	\$100,000	\$0	
Beckwith St - Urban	\$100,000	\$2,017	
Renew Trunk Mains			
Bomen Trunk Main B (north of river) - Urban	\$300,000	\$0	
Southern Trunk - Highway to New Reservoir 1.8km 450mm DICL	\$900,000	\$0	

SERVICES			
Service Connections, new including Meters			
Service Connections, new - Urban	\$500,000	\$31,337	
Renew Services			
Renew Services - Urban	\$100,000	\$13,886	
METERS			
Water Meters Replacement			
Water meters replacement - Urban	\$150,000	\$7,976	
Remote Metering			
Remote metering - Urban	\$250,000	\$0	



Bede Spannagle
DIRECTOR OF ENGINEERING

3. ANNUAL REPORT STATISTICS FOR 2015/2016

RECOMMENDATION: That the Director of Engineering's Report covering 2015/2016 annual statistics be accepted and the contents noted.

- Annual Statistics for 2015/2016

DIRECTOR OF ENGINEERING'S REPORTS TO COUNCIL MEETING AUGUST 2016

24th August 2016

3. ANNUAL REPORT STATISTICS FOR 2015/2016

RECOMMENDATION: That the Director of Engineering's Report covering 2015/2016 annual statistics be accepted and the contents noted.

Statistics and activities of Riverina Water County Council have been compiled in the following report for Councillors and staff information and reference:

3.1. Annual water sourced and water used for the last four years is summarised in Tables 3.1.1 & 3.1.2

Table 3.1.1 - Water Sourced:

	2012/13	2013/14	2014/15	2015/16
Rainfall (mm)	427	454	452.8	652.2
Wet Days	97	125	108.0	121.0
	Megalitres	Megalitres	Megalitres	Megalitres
North Wagga bores	2389	2495	2,512	2,489
West Wagga bores	5410	4550	4,956	4,637
East Wagga bores	3397	4027	3,930	4,607
Murrumbidgee River	2524	2400	2,121	2,200
TOTAL WAGGA SOURCES	13721	13472	13519	13933
Bulgary bores	494	470	496	512
Urana Source	45	43	52	38
Ralvona bores	285	300	301	260
Walla Walla bores	146	185	183	162
Goldenfields Water Supply System	34	56	32	53
TOTAL RURAL SOURCES	1005	1053	1064	1026
Woomargama	17	19	16	19
Humula	10	10	9	9
Tarcutta	41	48	45	42
Oura	48	39	34	41
Walbundrie	34	36	40	38
Rand	0	0	0	0
Morundah	10	8	10	11
Collingullie	68	66	73	63
TOTAL INDEPENDENT SOURCES	227	225	228	224
GRAND TOTALS	14953	14750	14811	15183
PROPORTION FROM SURFACE	17.3%	16.7%	14.8%	14.9%
PROPORTION FROM GROUNDWATER (BORES)	82.7%	83.3%	85.2%	85.1%

2015 / 2016 WATER SOURCED

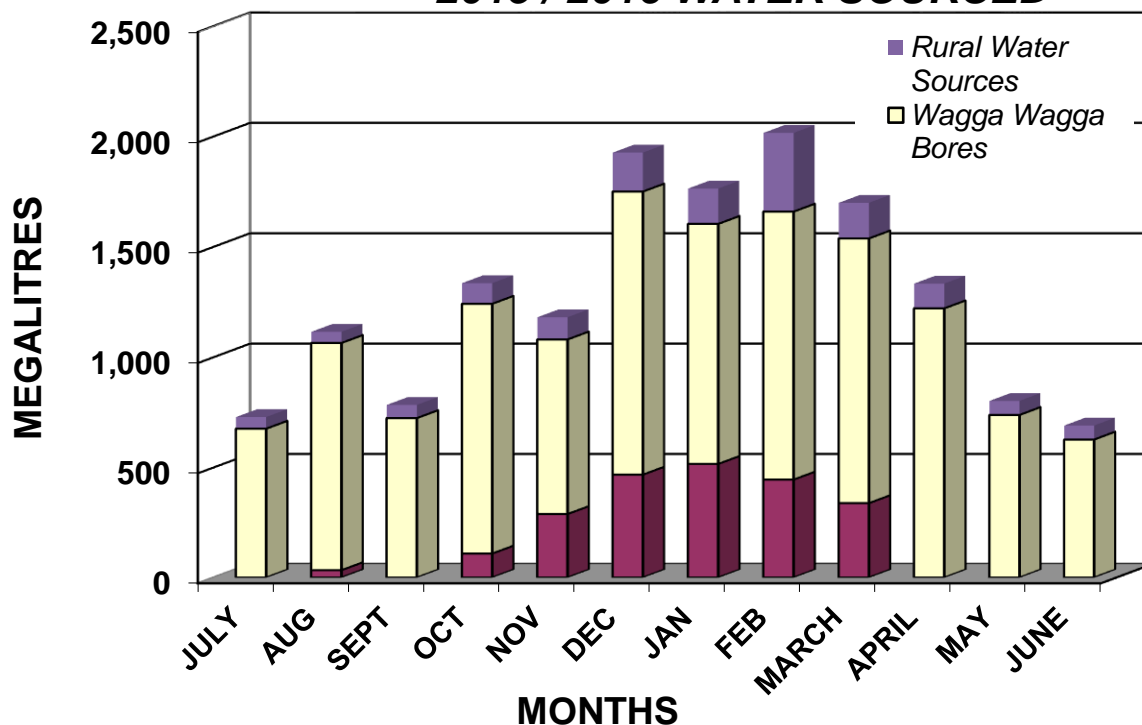
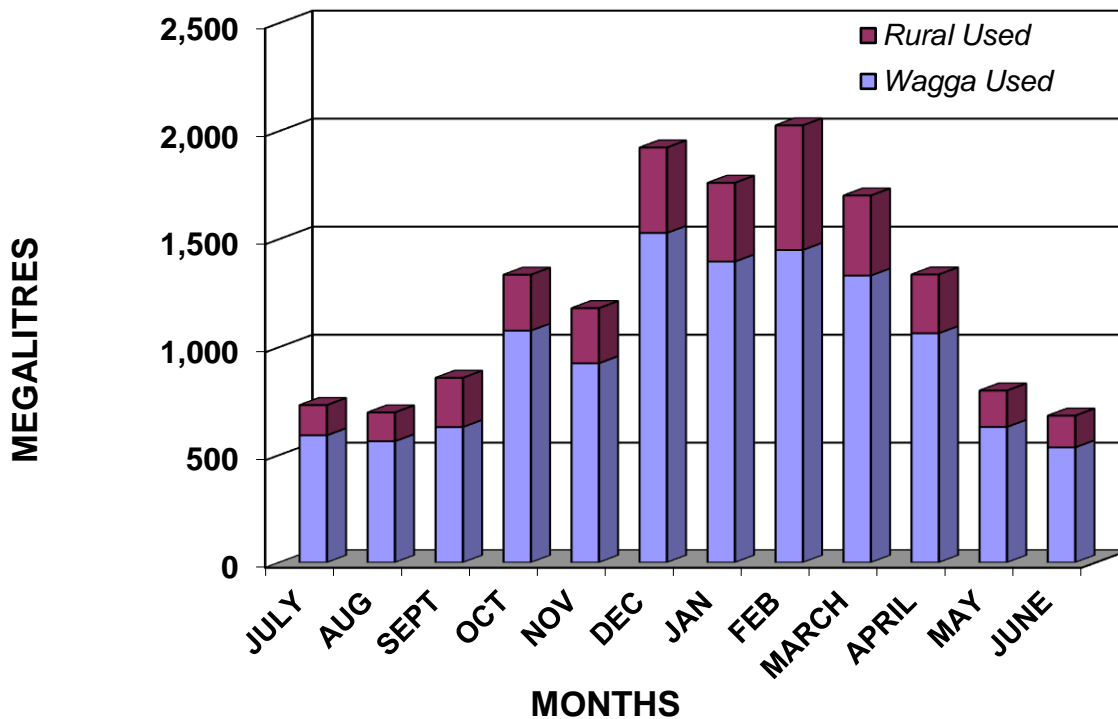


Table 3.1.2 – Water Treated:

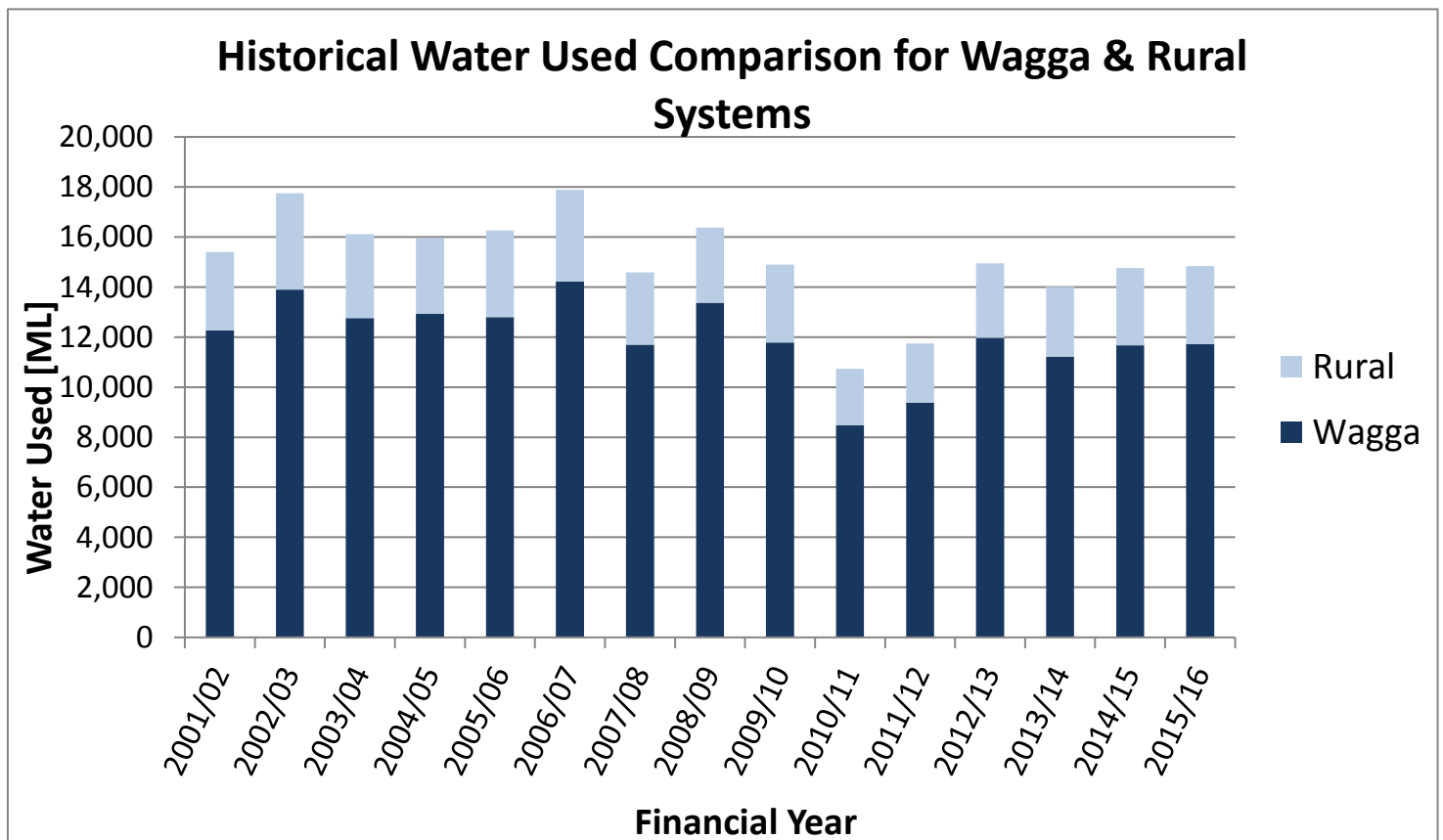
	MEGALITRES USED			
	2012/13	2013/14	2014/15	2015/16
East Bomen	260	285	291	288
Estella	720	736	729	838
North Wagga	1,023	990	1,150	1,012
Wagga Wagga - Low Level	2,161	1,960	2,004	1,985
Wagga Wagga - High Level	6,934	6,474	6,628	6,756
Wagga Wagga - Bellevue Level	868	782	869	844
SUB-TOTAL	11,967	11,226	11,672	11,723
Ladysmith	63	67	62	60
Brucedale	250	243	246	268
Currawarna	166	162	152	164
Rural south from Wagga Wagga	1,337	1,151	1,368	1,415
Rural from Walla Walla Bore	146	185	183	162
Milbrulong, Lockhart and Boree Creek	264	267	322	319
Urana and Oaklands	249	218	231	239
Holbrook	285	283	301	260
SUB-TOTAL	2,762	2,576	2,865	2,888
Woomargama	17	17	16	19
Humula	10	9	9	9
Tarcutta	41	45	45	42
Oura	48	37	34	41
Walbundrie	34	33	40	38
Rand	0	0	0	0
Morundah	10	8	10	11
Collingullie	68	64	72	63
SUB-TOTAL	227	214	227	224
TOTAL	14,956	14,016	14,765	14,835
AVERAGE RESIDENTIAL CONSUMPTION				
Urban (Wagga Wagga)	337	311	308	310
Non-Urban (Townships and Rural)	406	390	384	436

2015 / 2016 WATER USED



The full year's total treated water production of 14,835 megalitres is an increase of 4.7% from 2014/15. Total monthly treated water production peaked at 2,027 megalitres in February 2016 compared to a high of 1806 megalitres in March 2015. The maximum Wagga Wagga peak 24-hour demand was 81.8 megalitres (recorded on 24th February 2016), compared to 71.9 megalitres (recorded on 18th December 2015). The 2015/16 rainfall was 652.2mm (over 121 wet days), compared to 2014/15 rainfall of 453mm (over 108 wet days). Note: the long term average rainfall in Wagga Wagga is 570.3mm (derived from historical BoM data).

Graph – Historical Water Used Comparison for Wagga & Rural Systems

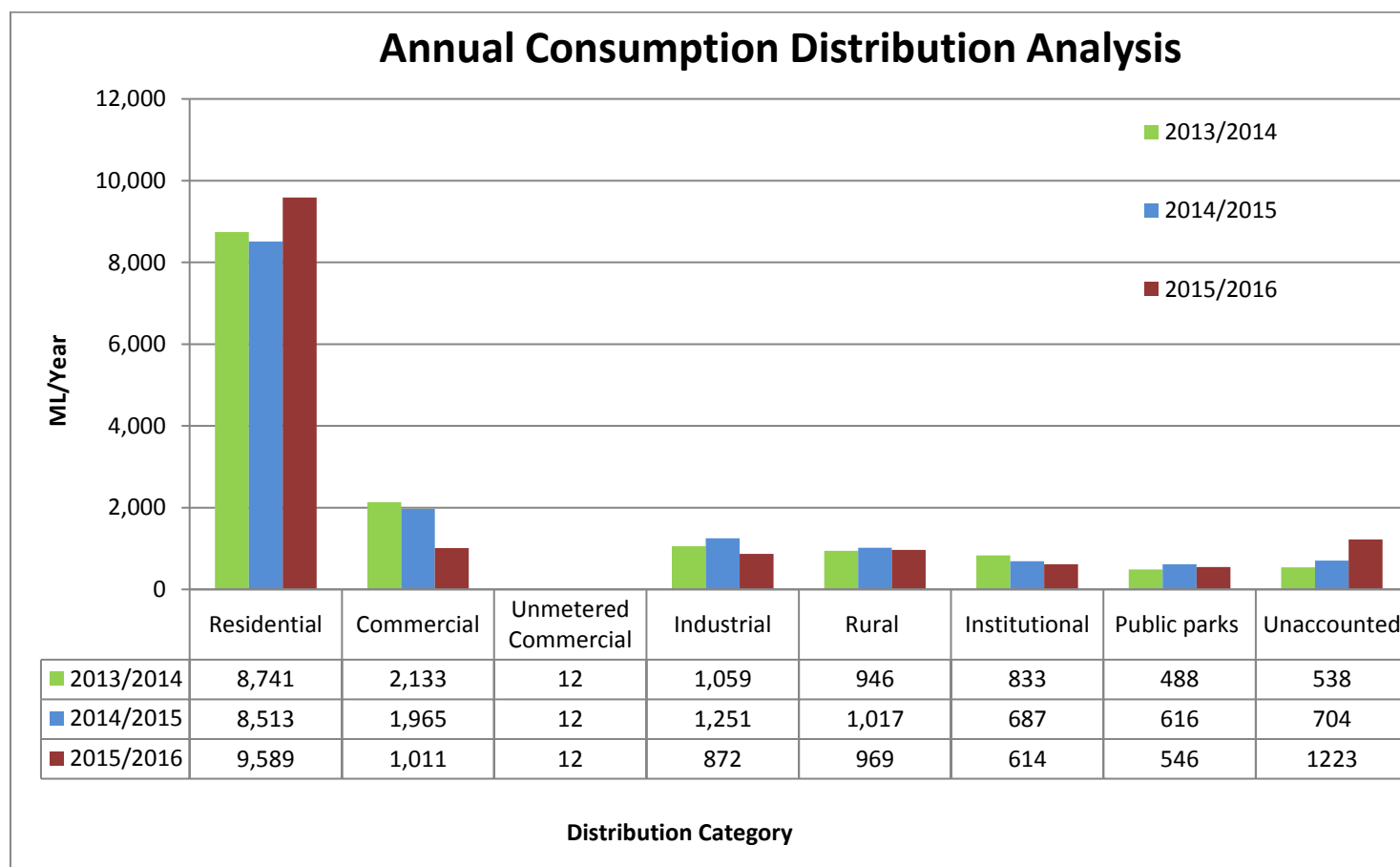


Distribution

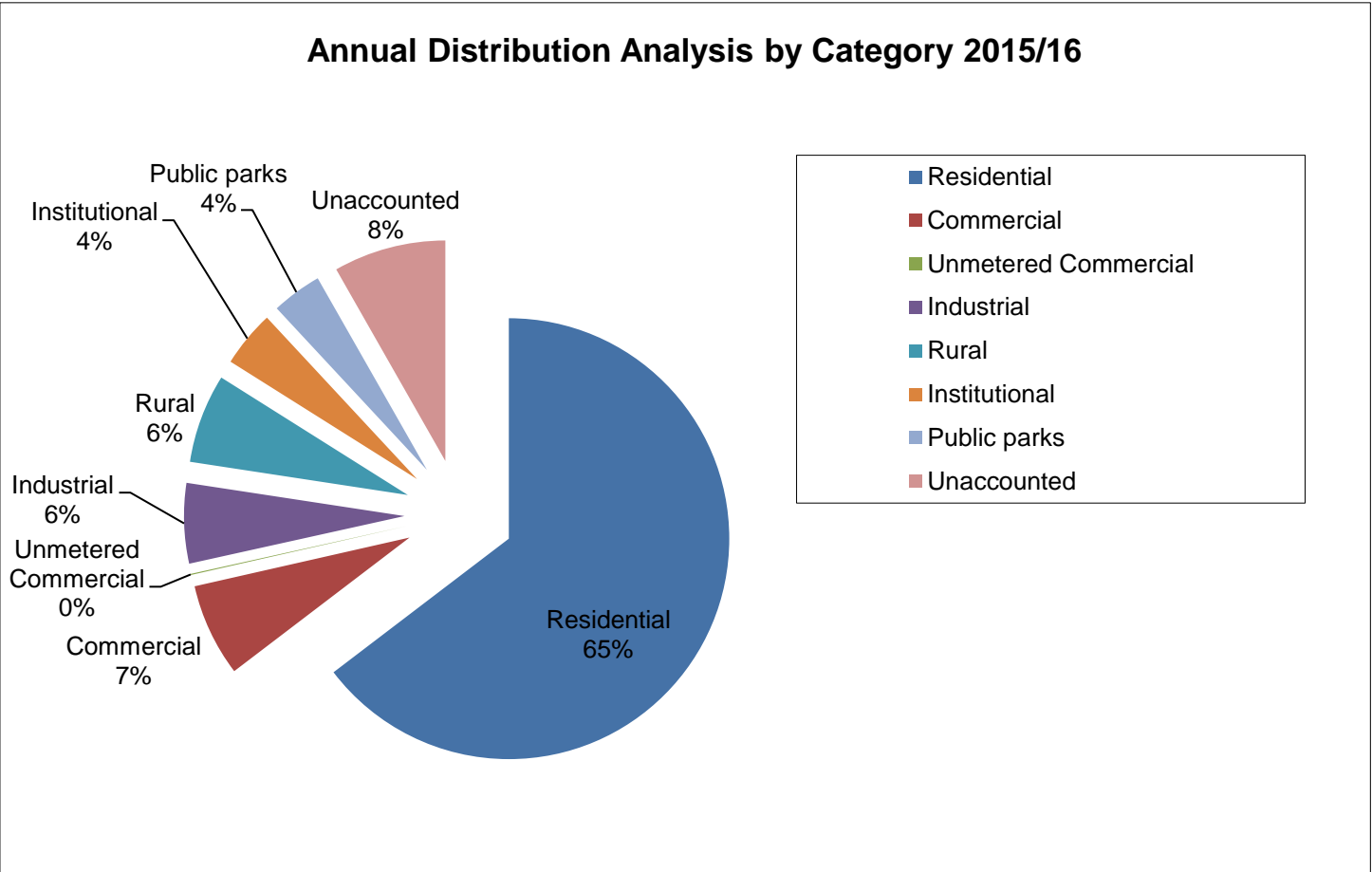
Table 3.2.1 – Annual Distribution Analysis

	2014/2015		2015/2016		% change from previous year
	Consumption	Percentage	Consumption	Percentage	
	(MI)		(MI)		
Residential	8,513	57.66%	9,589	64.8%	11.22%
Commercial	1,965	13.31%	1,011	6.7%	- 48.55%
Commercial Unmetered	12	0.08%	12	0.08%	0%
Industrial	1,251	8.47%	872	5.8%	- 30.30%
Rural	1,017	6.89%	969	6.5%	- 4.72%
Institutional	687	4.65%	614	4.1%	- 10.63%
Public parks	616	4.17%	546	3.7%	- 11.36%
Unaccounted (Including flushing, firefighting, unmetered use)	704	4.77%	1,223	8.3%	42.44%
	14,765	100.00%	14,835	100.00%	0.47%

Graph – Annual Consumption Distribution Analysis



Graph – Annual Distribution Analysis by Category 2015/16



New Customers

New consumers were connected at the various centres listed below:

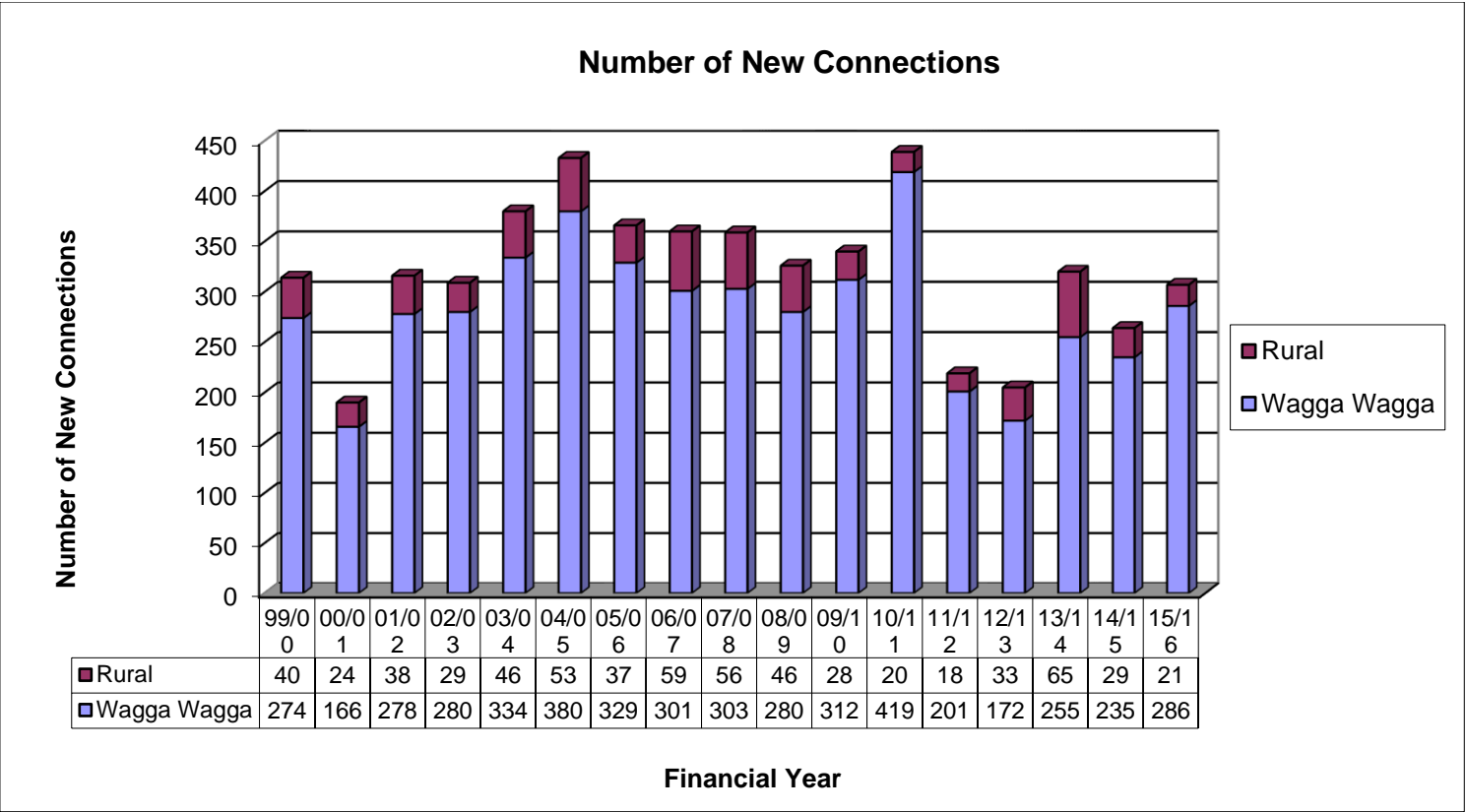
Table 3.2.2 – New Customers

LOCATION	NUMBER CONNECTED					
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Bidgeemia						
Boree Creek						
Bruce Dale - The Gap	2	1	1		1	
Bulgary				1		
Collingullie				1		
Coorabin						
Culcairn						
Currawarna	1	2	1		1	
French Park						
Forest Hill				24		
Henty	1	1	3	4		3
Holbrook	5		8	5	2	3
Humula						
Ladysmith				2	1	
Lockhart	1	6	7	6	4	6
Mangoplah			1			1
Milbrulong						
Morundah						1
Morven	3		1	2	2	1
Oaklands	1			3		
Oura		2	1		2	
Pleasant Hills			2	1	1	
Rand						
San Isidore						
Tarcutta					1	
The Rock	1	1		4	1	
Urana				1		
Uranquinty	3	3	2	8	4	5
Wagga Wagga	419	201	172	255	235	286
Walbundrie			1			
Walla Walla	1	1	3	2	3	
Woomargama				1	4	1
Yerong Creek	1	1	2		2	
TOTALS	439	219	205	320	264	307

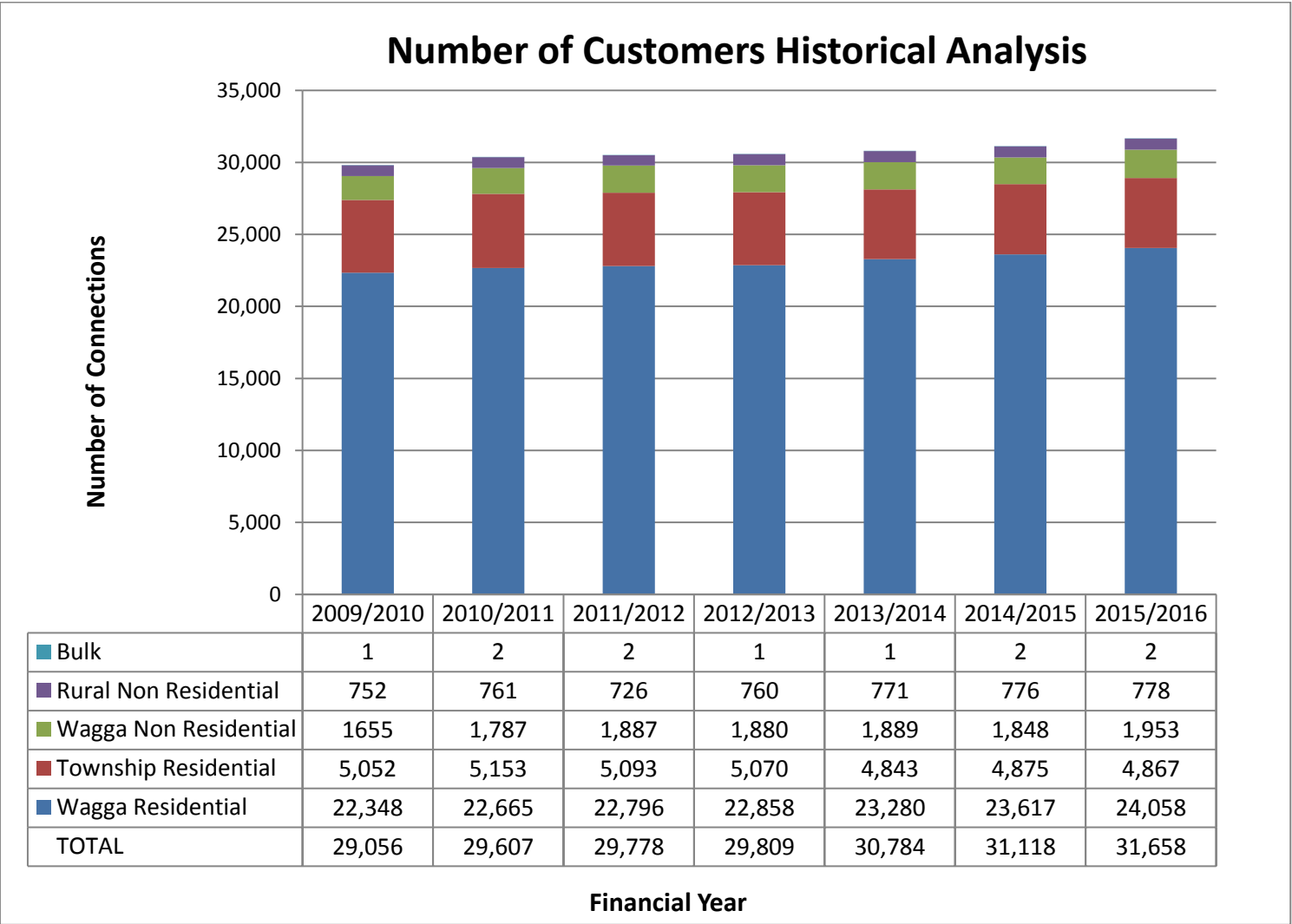
Total customers at 30th June 2016: 31,658

The data shows a minor reduction of our township residential connections during 2015/16 but an overall growth in total customers across all areas of 1.7% for the year. The long term growth rate has averaged 1.3% per annum over the past 7 years.

Graph – Number of New Connections 1999/2000 to 2015/2016



Graph – Number of Customers Historical Analysis



3.2. Plant & Motor Vehicles

Table 3.3.1 - Total distances travelled covered by Council's fleet over the past 6 years:

YEAR	TOTAL KILOMETRES	NUMBER OF VEHICLES	AVERAGE KILOMETRES PER VEHICLE
2010/2011	1,262,931	62	20,370
2011/2012	1,092,224	61	17,905
2012/2013	1,113,376	62	17,958
2013/2014	997,874	58	17,205
2014/2015	1,104,040	65	16,985
2015/2016	1,227,382	70	17,534

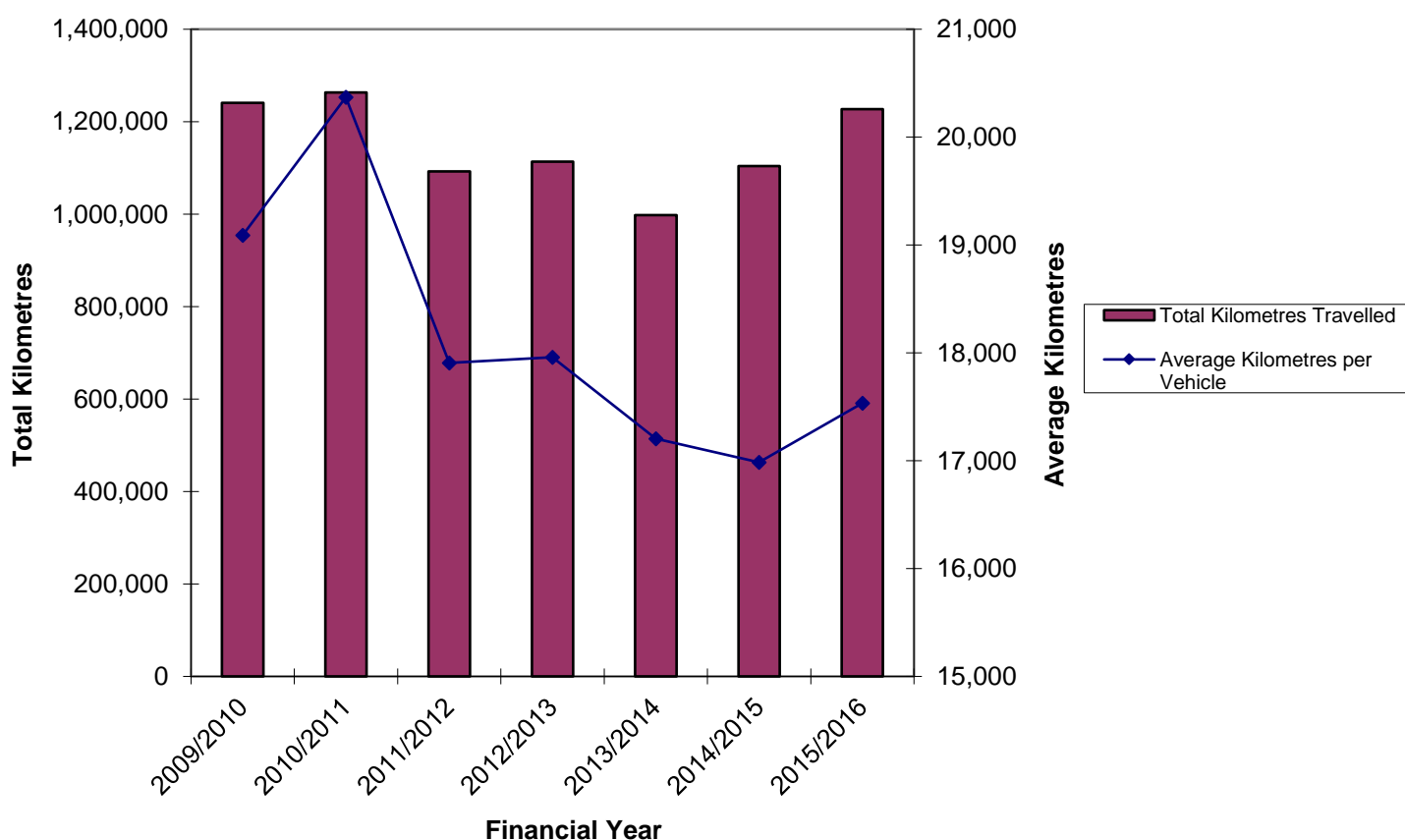
Table 3.3.2 - Vehicle disposals and purchases made in 2015/2016:

Existing Vehicle					
Vehicle No	Description	Vehicle Type	Make & Model	Year	kms
308	The Rock Gang	Extra cab with tray	Isuzu D-Max	2013	102,000
244	Electrician	Dual Cab Ute	Isuzu D-Max	2010	93,500
289	Engineers	Wagon	Hyundai Sante Fe	2012	54,227
270	Admin	Sedan	VW Passat	2011	31,585
299	Engineers	Wagon	Toyota Prado	2012	100,000
310	Admin	Sedan	Holden Caprice	2013	46,139
74	West Wagga	Fork Lift	Hyster	1970	1,833 hrs
298	Engineers	Wagon	Toyota Prado	2012	51,000
303	Works	Dual Cab Ute	Nissan Navara	2012	75,000
161	Depot Gangs	Truck	Hino 921 Auto	2006	105,290
95	Plumbing	Trailer	RWCC	2005	-
135	Plumbing	Trencher	Vermeer RT450	2005	-
324	Rural Operators	Extra Cab with Tray	Ford Ranger	2014	-
305	WH&S	Dual Cab Ute	Isuzu D-Max	2013	79,463
282	Depot Gangs	Extra Cab Ute	Ford Ranger	2011	-

Disposal Details		
Vehicle No	Method	Price exc GST
308	Auction - 05/08/2015	\$21,455
244	Auction - 16/09/2015	\$17,846
289	Auction - 21/10/2015	\$21,351
270	Auction - 21/10/2015	\$16,182
299	Auction - 21/10/2015	\$35,454
310	Auction - 29/10/2015	\$32,727
74	Auction - 25/11/2015	\$3,409
298	Auction - 04/11/2015	\$40,909
303	Auction - 04/11/2015	\$22,182
161	Auction - 03/02/2016	\$19,364
95	Auction 06/04/2016	\$4,545
135	Auction 06/04/2016	\$14,545
324	Auction 04/05/2016	\$23,636
305	Auction 04/05/2016	\$28,182
282	Auction 04/05/2016	\$16,909

Vehicle Acquisition				
Tenders Received	Accepted Tenderer	Vehicle Type	Make & Model	Price exc GST
3	Wagga Motors	Extra cab with tray	Isuzu D-Max	\$29,062
3	Wagga Motors	Extra cab with tray	Isuzu D-Max	\$29,062
3	Riverina Lift Trucks	Second Hand Forklift	Hyster	\$14,250
15	Wagga Motors	Dual Cab Ute	Holden RG Colorado LS	\$35,044
15	Wagga Motors	Dual Cab Ute	Holden RG Colorado LTZ	\$31,244
15	Wagga Motors	Wagon	Holden Captiva 7 LS	\$29,393
3	Wagga Trucks	Truck	Hino 921 Auto	\$71,843
15	Riverina Motor Group	Sedan	VW Jetta	\$29,422
12	Jupiter Motors	Wagon	Subaru Outback	\$34,785
8	Hillis Ford	Sedan	Mondeo Titanium	\$38,821
3	Norwood	Backhoe	JCB 1CX	\$99,600
9	Wagga Motors	Dual Cab Ute with Canopy	Holden Colorado LTZ	\$37,754
7	Wagga Motors	Xtra Cab Ute with Hard Cover	Isuzu D-Max	\$33,841
4	Southwest Traliers	Trailer	Southwest Trailers	\$10,909
9	Wagga Motors	Extra Cab with tray	Holden Colorado	\$28,186
7	Wagga Motors	Dual Cab with Tray	Isuzu D-Max	\$29,637
9	Biti Motors	Extra Cab with Tray	Ford Ranger	\$30,050
15	Wagga Motors	Dual Cab Ute	Isuzu D-Max	\$31,760.36
15	Wagga Motors	Dual Cab Ute with canopy	Holden Colorado	\$30,674.83

Total Distances Travelled by Council's Vehicle Fleet



3.3. Pipeline Losses

Estimated pipeline losses due to bursts for each month are shown in Table 3.4.1. The daily average over the past 6 years is shown in Table 3.4.2 for comparison.

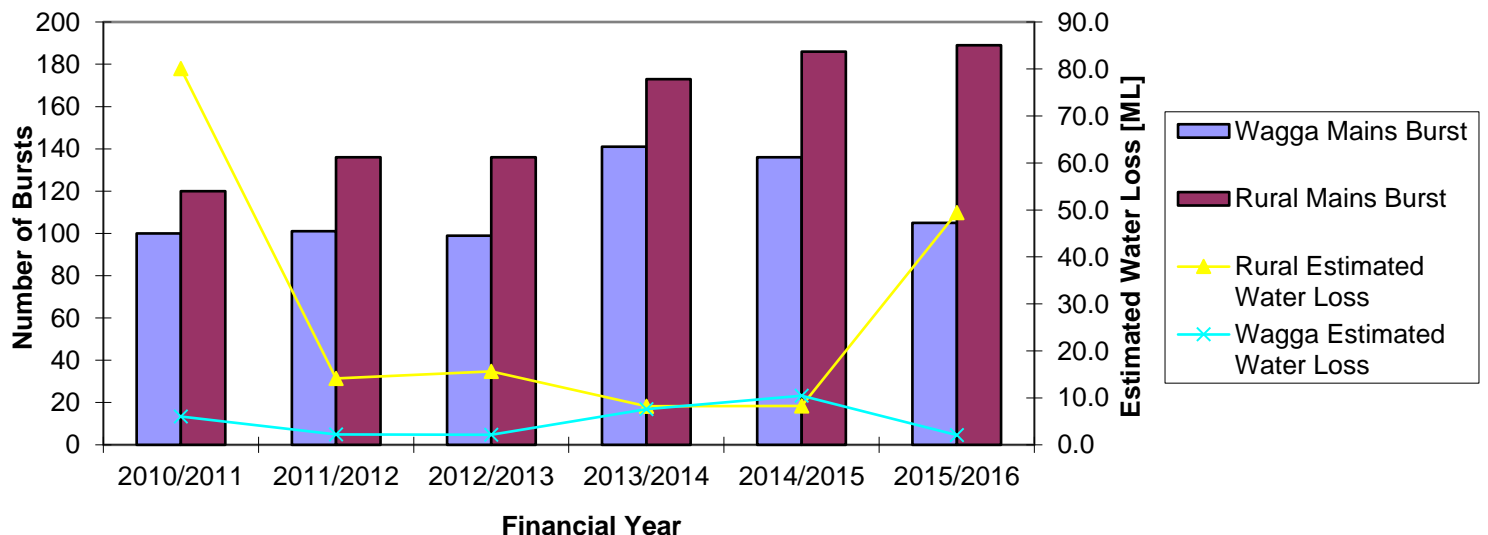
Table 3.4.1 - Monthly analysis of pipeline breaks and rainfall for July 2015 - June 2016:

MONTH	RAINFALL (Wagga Wagga AMO)	WET DAYS (<1.0mm)	WAGGA MAIN BREAKS	WAGGA MAIN LOSSES (kl)	RURAL MAIN BREAKS	RURAL MAIN LOSSES (kl)
Jul-15	67	16	5	36	16	1704
Aug-15	86	19	7	62	11	1225
Sep-15	18.2	6	11	94	11	409
Oct-15	17.2	6	8	68	9	142
Nov-15	118.6	10	5	44	19	177
Dec-15	37.6	4	9	62	25	213
Jan-16	54.2	13	8	78	14	269
Feb-16	16.2	1	10	90	21	259
Mar-16	33.2	8	6	2	21	214
Apr-16	10.8	4	13	148	15	115
May-16	109.8	14	12	72	14	308
Jun-16	83.4	20	11	2	13	13003
TOTALS	652.2	121	105	758	189	18038

Table 3.4.2 – Average daily losses due to burst mains over the past 6 years:

YEAR	WAGGA WAGGA		RURAL	
	BURST MAINS	ESTIMATED LOSS KL	BURST MAINS	ESTIMATED LOSS KL
2010/2011	100	6.0	120	80.0
2011/2012	101	2.2	136	14.1
2012/2013	99	2.1	136	15.6
2013/2014	73	7.6	173	8.2
2014/2015	136	10.5	186	8.3
2015/2016	105	2.1	189	49.4

Annual Mains Bursts and Estimated Water Losses for Wagga and Rural



3.4. Mains Construction

Table 3.5.1 – Pipes Laid – New & Extensions – Size, length (metres) and location of all watermains constructed during 2015/2016:

NEW MAINS - WAGGA WAGGA	Month	100 OPVC	100 DICL	150 OPVC	150 DICL	200 OPVC	200 DICL	250 DICL	375 DICL	450 DICL	600 DICL	All Sizes
Bourkelands Stage 24A	Jul-15	270				234						504
Depot Rising Mains	Jul-15								38.5		77	115
Realign Mains for Treatment Plant	Jul-15		133							75	133	341
Southern Trunk	Jul-15									422		422
Brunslea Park New Sub-Division	Aug-15	160		230								390
Docker St Mains Extension	Sep-15				12			96				108
Glen Oak New Sub-Division	Sep-15	282										282
Estella Rise New Sub-Division	Sep-15	24	24									48
Staunton Oval New Sub-Division	Sep-15		24				75					99
Estella Rise New Sub-Division	Oct-15	196	81				44					321
Docker St Mains Extension	Oct-15				13.5							13
Booroma New Sub-Division	Nov-15		49		50.5							100
Urana St New Sub-Division	Nov-15		36				18					54
Estella Rise New Sub-Division	Nov-15	240										240
Estella Rise New Sub-Division	Dec-15	618				120						738
Booroma New Sub-Division	Dec-15		66									66
Pipework for Treatment Plant	Dec-15		51									51
Staunton Oval New Sub-Division	Dec-15	69										69
Booroma New Sub-Division	Jan-16	258										258
Booroma New Sub-Division	Feb-16	180		24	518							722
CSU Urana St New Sub-Division	Feb-16	335				126						461
Pine Gully Road New Sub-Division	Feb-16		24		24							48
CSU Estate New Sub-Division	Mar-16					66	18					84
Pine Gully Road New Sub-Division	Mar-16		66		26		24					116
Southern Trunk	Mar-16									880		880
Belmore St New Sub-Division	Mar-16	72										72
Strickland Dr New Sub-Division	Mar-16						18					18
Estella Rise New Sub-Division	May-16	287		324								611

Pine Gully Road New Sub-Divison	Jun-16	100										100
		3091	555	578	644	546	197	96	38.5	1377	210	7333

		100 OPVC	100 DICL	150 OPVC	150 DICL	200 OPVC	200 DICL	250 DICL	375 DICL	450 DICL	600 DICL	All Sizes
Mangoplah P/House Suction Main	Jul-15			216								216
The Rock New Sub-Division	Aug-15	248	11									259
Mangoplah Kane Street	Oct-15	132										132
Total Rural New		380	11	216	0	0	0	0	0	0	0	607
TOTAL NEW MAINS		3471	566	794	644	546	197	96	38	1377	210	7940

Table 3.5.2 - Pipes Laid – Renewed mains – Size, length (metres) and location of all water mains replaced during 2015/2016:

RENEWED MAINS - WAGGA WAGGA	Month	32 PE	40 PE	63 PE	100 OPVC	100 DICL	150 OPVC	150 DICL	375 DICL	450 DICL	600 DICL	All Sizes
Mount Austin Ave	Jul-15						90	6				96
Treatment Plant Replacement	Aug-15					74				70	74	218
Mains Replacement	Aug-15					34	84					118
Rural Trunk Main Replacement	Sep-15									161		161
New Treatment Plant	Sep-15					77		77			11	165
Mains Replacement	Oct-15									519		519
Mason St Bomen Rising Main	Nov-15								89			89
Southern Trunk Replacement	Nov-15									250		250
Southern Trunk Replacement	Dec-15									490		490
Plumpton Rd	Dec-15					30						30
Mason St Bomen Rising Main	Dec-15								116			116
Mason St Bomen Rising Main	Jan-16								96			96
Southern Trunk Replacement	Jan-16									227		227
Treatment Plant Replacement	Jan-16					20						20
Mason St Bomen Rising Main	Feb-16								150			150
The Haven Mains Upgrade	Feb-16				39							39
Johnston St Mains Replacement	Feb-16					187						187
Flinders St Mains Replacement	Feb-16							90				90
Johnston St Mains Replacement	Mar-16					14						14
Flinders St Mains Replacement	Mar-16					114						114
Flinders St Mains Replacement	Apr-16					189						189
Inglis St Mains Replacement	Apr-16				357	18						375
Mason St Bomen Rising Main	Apr-16								118			118
Southern Trunk Replacement	Apr-16									1390		1390
Mason St Bomen Rising Main	May-16								246			246
Treatment Plant Replacement	May-16									71		71
Inglis St Mains Replacement	May-16				100							100
Mason St Bomen Rising Main	Jun-16									102		102
Lake Albert Rd Mains Replacement	Jun-16						99					99
Total Wagga Renewed		0	0	0	496	757	273	173	815.8	3280	85	5879

RENEWED MAINS - RURAL	Month	32 PE	40 PE	63 PE	100 OPVC	100 DICL	150 OPVC	150 DICL	375 DICL	450 DICL	600 DICL	All Sizes
Holbrook Mains Replacement	Aug-15				11			93				104
Holbrook Mains Replacement	Sep-15					131		11				142
Holbrook Young St Mains Replacement	Oct-15				5	79						84
Oura Wheel of Fortune Rd Mains Replacement	Oct-15		80									80
Collingullie Reservoir New Pipework	Oct-15							20				20
Oura Wheel of Fortune Rd Mains Replacement	Nov-15									250		250
Holbrook Mains Replacement	Jan-16				43							43
Mangoplah Service Replacement	Jan-16	127										127
Cobdens Lane The Gap Mains Replacement	Jan-16			1350								1350
Holbrook Swift St Mains Replacement	Feb-16				60							60
Urana Treatment Plant Mains Replacement	Feb-16							38				38
Collingullie Reservoir Mains Replacement	Feb-16							131				131
Culcairn Olympic Way Mains Replacement	Apr-16	100										100
The Gap Mains Replacement	Jun-16						99					99
Total Rural Renewed		227	80	1350	119	210	99	293.5	0	250	0	2629
TOTAL MAINS RENEWED		227	80	1350	615	967	372	466.5	815.8	3530	85	8508

**Table 3.5.3 – Water main constructed 2009 to June 2016 (metres)
(New & Replacement)**

[illegible]

3.5. Staff Movements

Table 3.6.1 - Staff Movements during 2015/2016

	Admin	Engineering	Waterworks	Depot Base	Rural	Totals
Perm.June 2015	10	11	20	45	7	96
Temp.June 2015		3				
TOTAL June 2015	10	14	20	45	7	96
Retired						
Resigned		1	2	1		
Terminated						
Appointed			2			
Casual						
Internal Transfer						
Transfer to Perm.						
Temp. Appointed						
Temp.Terminated	1	1		1		
Perm.June 2016	10	10	20	43	7	92
Temp.June 2016		2				
TOTAL June 2016	10	12	20	43	7	92

Table 3.6.2 - Training Undertaken 2015/2016

TRAINING COURSE	NUMBER OF
Backhoe/Excavator	3
WC Licence - Dogging	7
Confined Space Refresher	10
LG Procurement CIV	2
Perform Standard Calibrations	3
First Aid Refresher	20
WT Operator Training - Orange	2
Handling Difficult People	10
Traffic Controller – Blue Card	12
Warden Training	6
LG Procurement Annual Conference	1
LG Purchasing	2
PWTMP - Red Card	8
Workcover Licence - Elevated Work Platform (EWP)	1
Blue Green Algae Training	3
Asbestos Removal Training	4
ChemCert Chemical Recertification	4
Skid Steer - Comp Certificate	5
Design Build Expo	2
Chainsaw Training	6
Introduction to Asset Management	2
Workcover Licence - C6	1
Leadership Program	18
TOTAL	132

3.6. Capital Works

The capital works programme was carried out in 2015/16 including the following significant projects:

Depots and Buildings

Completion of the Depot Store building.

SCADA System

- Completion of the migration of remote sites to the new telemetry software system.

Sources

- East Wagga bore refurbishment.

Water Treatment Plants (WTP's)

- Urana WTP new clarifier (candy tank) installed
- The contract for the replacement of the Wagga Wagga Water Treatment Plant was awarded to UGL Engineering Pty Ltd. UGL commenced on site in July 2015. Substantial works were completed during the 2015/16 year, and works will continue through 2016/17.

Pump Stations

- West Wagga Shires Pump Station Upgrade completed, which included installation and commissioning a new 1.5MVA transformer, southern trunk main pumping system, and upgrading the existing Wagga High Level pump systems with variable speed drives
- Mangoplah Pump Station Upgrade completed.

Reservoirs

- Collingullie Reservoir was completed, with commissioning in June 2016.
- Morundah 130kL replacement reservoir completed and commissioning occurring now.

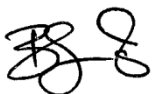
Major Trunk Main Replacements

- Southern Trunk main, Stage 3: Kapooka to rural reservoir offtake complete, 4.5km of 450 dia DICL,
- Bomen trunk main A (south of river), complete.
- Bomen trunk main B (north of river), complete.
- Low and high level rising mains from new Clear Water tank commenced. To be completed after Marshal's Creek footbridge replaced in 2016/17.

3.7. Wagga Wagga Sources and Allocations

The following table compares water abstracted at Wagga Wagga to our Town Water Licence Allocations.

	Water Access Licence (ML)	Extraction Limit (ML)	Used (ML)	% of Allocation
Surface Water	7,805	7,805	2,200	28.2%
Ground Water	14,000	12,371	11,733	83.8%
Total Water	21,805	20,176	13,933	63.9%



Bede Spannagle
DIRECTOR OF ENGINEERING

4. CONTROL OF NOXIOUS WEEDS

RECOMMENDATION: That Council note the report.

Introduction

This report outlines the various ways in which RWCC manages and controls noxious weeds.

Background

At the June 2016 Council meeting, Council requested a report on the ways in which noxious weeds are managed on RWCC controlled sites.

Major Capital Works

For Councils major capital works, (such as the Southern Trunk Main), a Review of Environmental Factors (REF) is prepared by a qualified environmental consultant. The REF identifies all noxious weeds within the area, and recommends actions to be undertaken to prevent spreading to other areas.

These actions normally include transfer preventative measures such as the control and appropriate disposal of spoil, washdown of machines, particularly tyres and tracks to prevent seed transfer, and the maintenance of regrowth in disturbed areas.

Other RWCC works

RWCC's constituent Councils identify the locations of noxious weeds with red guide posts prior to work commencing. Staff who must work in these areas are trained in how to prevent the spread of weeds, including taking preventative measures such as washing footwear and vehicles before they leave the site.

Council Property

RWCC undertakes a maintenance program of mowing and spraying on its own properties such as reservoir and treatment plant sites in order to control vegetation and weeds.

The constituent Council in each area undertake regular inspections of Councils operational land, such as reservoir sites. If noxious weeds are identified, RWCC will either undertake the relevant action to address the problem or engage an appropriate contractor to do so.

5. CONTESTABILITY OF CAPITAL WORKS

RECOMMENDATION: That Council endorse the implementation of the six recommendations of the independent review of capital works at RWCC.

Introduction

This report outlines the recommendations from the external review of capital works contestability.

Background

At the April 2015 Council meeting, Council requested a report on the contestability of capital works. At the August 2015 Council meeting the terms of reference for the contestability review of Council's capital works were presented and Council resolved to seek expressions of interest from suitably qualified consultants. At the December 2015 Council meeting, Council resolved to engage Collaborative Planning and Engineering Associates (CPEA) to undertake the review.

Discussion

CPEA undertook extensive investigations including current industry practices and comparative analyses to guide future improvement actions for RWCC with regards to capital works.

In summary, the analysis found;

- RWCC's construction costs are comparable with industry costs,
- Construction time frames and new development deliverables have improved recently,
- A high level of satisfaction from customers.

The primary driver for other water authorities to allowing private contractors to construct their assets was found to be a desire to downsize the organisation. The benefit of RWCC not following this route is that RWCC is able to provide assistance to constituent councils in emergencies (e.g. Wagga Floods) and can engage in private works for neighbouring local water utilities (LWU's) to generate external income (Goldenfields Water, Cootamundra Shire). This has positive flow on effects for the organisation, its customers and the communities RWCC services.

Due to the size and experience (professional and technical) of RWCC operations (staff and equipment etc), RWCC is in a unique and positive position in regards to most rural and regional LWU's, where they are normally a small department within a general purpose council. This provides opportunities for RWCC with regards to its market position in the region.

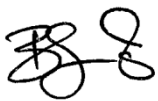
Based on the cost competitiveness and continued delivery of works to customer satisfaction, CPEA provided six recommendations:

1. Project delivery process review – internal review of RWCC procedures in relation to project management to improve delivery timeframes
2. Streamline the relationship between RWCC and Wagga Wagga City Council – explore options to streamline processes for developers in relation to sewer and water; explore options to provide further services to WWCC.
3. Flexible employment measures – engage additional resources to meet increased demand and reduce timeframes, through temporary means

4. Marketing of specialist skills – utilise RWCC specialist skills to assist neighbouring LWU's, who are usually smaller and lack specialist skills and equipment.
5. Enhance the partnership approach with developers – continue RWCC recent approach of working with the head contract to improve delivery times in relation to developments/subdivisions
6. Undertake market testing by competitively bidding for work for external organisations – continue to bid for external work, to remain competitive with private industry. RWCC construction rates to date have made this possible.

It is recommended that RWCC continue to undertake the current suite of work from both its capital works program and new development work. To ensure competitiveness, RWCC will continue to benchmark its construction costs, timeliness and quality with both other LWU's and the private sector.

- **See Separate Document - Contestability of Capital Works**



Bede Spannagle
DIRECTOR OF ENGINEERING

QUESTIONS & STATEMENTS

CLOSURE OF MEETING TO THE PUBLIC **(Confidential Reports)**



CONFIDENTIAL

CHAIRPERSON'S MEMO

1. PERFORMANCE REVIEW – GENERAL MANAGER

RECOMMENDED that this report be received and noted.

Dear Councillors

I wish to report that on 18 August 2016, the General Manager's Performance Review Committee, comprising the undersigned as Chairperson, the Deputy Chairperson, Cr Verdon, together with Crs Kendall and McInerney, carried out a performance review of the General Manager Mr G.J. Haley. The Performance Review Committee referred to a previously developed performance agreement, in conjunction with Mr Haley, at this review.

The Committee found that Mr Haley's performance to be satisfactory in all applicable areas, except for 2 areas which were rated as more than satisfactory and 1 area that was rated as unsatisfactory. This area related to the nomination of council for appropriate awards.

Mr Haley's current contract commenced on 17 January 2016, for a period of two years.

A handwritten signature in black ink, appearing to read 'G Hiscock', is written over a light blue horizontal line.

Clr. G Hiscock
CHAIRPERSON

CONFIDENTIAL

2. HIGH SECURITY WATER LICENSE

RECOMMENDATION: That Riverina Water County Council retain the ownership of its high security water license.

In 2008 Riverina Water County Council purchased a 1,000 ML high security water license at a cost of \$3,608,000. The license was purchased following a review of Councils long term planning of water availability.

This water license subsequently dropped in value significantly, following the breaking of the drought.

Council should be able to sell the license on the open market, at the present time, for between \$3,700,000 and \$4,000,000.

The question arises as to whether Council should do this, and purchase water in future years, when the market price is lower.

Council is currently leasing 950 ML of the high security water for \$104/ML. This would equate to a return of 2.88%. The current return is comparable with Council's return on its cash investments, however the return on investment in past years has been a lot less, as indicated in the following table.

Year	Lease (\$,000)	ROI
2012	17.9	0.50%
2013	16.9	0.47%
2014	45.9	1.27%
2015	97.4	2.70%
2016	104	2.88%

The reasons for the initial purchase of the water allocation are still valid. The main reason to consider the sale of the allocation by Riverina Water would be to assist in cash flow. At the present time this does not appear to be an issue at Riverina Water.

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Riverina Water County Council

Contestability of Capital Works: Report

Client Issue V1.0

June 2016

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Document Control

Issue	Rev	Issued to	Date	Author	Reviewed by	Approved by
Discussion Paper	0.1	AM	7-4-16	CR,MB	MB, JH	MB
Discussion Paper	0.2	AM	9-5-16	CR,MB	MB, JH	MB
Report	0.3	DM	31-5-16	CR,MB,JH	DM	
Report	1.0	AM	6-5-16	CR,MB,JH	DM	MB

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Executive Summary

Riverina Water has commissioned this independent assessment report on the contestability of Council's existing capital works arrangements. This report provides information on current industry practice, analyses comparative performance information, and provides a series of recommendations, in the form of improvement actions, to assist Riverina Water in determining their future direction. The report is informed by the workshop with key RWCC staff that was held on Wednesday 18 May 2016.

Based upon the feedback received from the industry sample, Riverina Water remains one of the few water authorities that undertake subdivision capital works using in-house resources. Most water authorities now allow Developers to carry out this work to the Authority's specifications, with a formal hand over process at the end of the construction process. Riverina Water, like most other water authorities, procures major capital works such as construction of reservoirs, pumping stations and treatment plants through a construction contract.

Historically, many water authorities cited public health risks as the reason to undertake capital works in-house. With appropriate specifications and quality control procedures, these risks can be addressed. The primary driver for most water authorities moving away from undertaking their capital works in-house is the desire to downsize the organisation, and generally it is the capital works that are outsourced in the first instance. Many water authorities see their future role in terms of operation and maintenance, particularly with most of the backlog requirements now cleared from the capital program. If these drivers are manageable, and comparative information is favourable, then there is no overwhelming reason to change the status quo.

The report includes an analysis of comparative information for the costs of laying water mains, which demonstrates that Riverina Water's costs are comparable with industry costs. The analysis of time performance provides information on recent initiatives to implement a partnership approach with developers, which has led to a marked improvement in time performance. A customer survey indicates a high level of satisfaction with the services delivered by Riverina Water.

Riverina Water is in a unique position amongst similar sized water authorities. Because capital works are undertaken in-house, Riverina Water is in a position of strength to respond in a very timely manner to emergency situations with a crew of highly skilled staff, and can provide competitive services to neighbouring water authorities. Riverina Water, however, has a responsibility to demonstrate that it is cost competitive and can deliver an appropriate level of service delivery to its customers. In this regard, six recommendations are offered to improve the performance of the organisation:

1. Project delivery process review
2. Streamline the relationship between RWCC and Wagga Wagga City Council
3. Flexible employment measures
4. Marketing of specialist skills
5. Enhance the partnership approach with developers.
6. Undertake market testing by competitively bidding for work for external organisations.

Contents

1	Introduction.....	1
1.1	Purpose of Report	1
1.2	Background	2
1.3	Acknowledgements.....	3
1.4	Disclaimer.....	3
2	Industry Review.....	4
2.1	The Survey.....	4
2.2	Comparison of surveyed water authorities.....	5
2.3	Summary of Industry Findings.....	7
2.3.1	Reasons for change from service provision by day labour to contractors	9
2.3.2	Reasons for retaining system improvement work in-house.....	10
2.4	Issues specific to Wagga Wagga	10
3	Review of Capital Works at Riverina Water County Council	13
3.1	Workshop.....	13
3.2	How is RWCC's performance viewed in the community?	14
3.3	How do RWCC costs of water main laying compare? - Benchmarking	15
3.3.1	Subdivision Construction	15
3.3.2	Trunk Water Main Construction.....	16
3.4	How does RWCC's time performance compare? - Internal Benchmarking	17
3.5	How does Riverina Water's WH&S performance compare?.....	18
3.6	Internal Work Practices – Project Delivery	19
4	Recommendations and Improvement Actions	20
4.1	RECOMMENDATION 1 - Project delivery process review	20
4.2	RECOMMENDATION 2 – Streamline the relationship between RWCC and Wagga Wagga City Council	20
4.3	RECOMMENDATION 3 – Flexible employment measures	21
4.4	RECOMMENDATION 4 – Marketing of specialist skills	21
4.5	RECOMMENDATION 5 - Enhance the partnership approach with developers.	21
4.6	RECOMMENDATION 6 – Undertake market testing by competitively bidding for work for external organisations.....	22
Appendix A	Summary of industry positions regarding connections - Water supply.....	B-1
Appendix B	Detailed Analysis of Industry Comparison – Water Supply Connections	B-1
B.1	Work Activities.....	B-1
B.2	New Subdivisions – Residential Connections	B-2
B.3	Industry Experience of this Service Aspect	B-2
B.4	Factors Supporting this Industry Practice.....	B-2
B.5	Reasons Why this Practice Adopted	B-3
B.6	Issues to be considered.....	B-5
B.7	New Subdivisions – Commercial Connections	B-6
B.8	New Subdivisions – Industrial Connections	B-7
B.9	Minor Subdivision Work.....	B-7
	Factors Supporting this Industry Practice	B-8
	Reasons Why this Practice Adopted	B-8
	Issues to be Considered in Relation to Using Private Workforce	B-8
B.10	Servicing of Existing Residential Properties	B-9
	Industry Experience of this Service Aspect	B-9
	Factors Supporting this Industry Practice	B-10
	Reasons Why this Practice Adopted	B-10

Issues to be considered in Relation to Using Private Workforce	B-10
B.11 Servicing of Existing Commercial and Industrial Properties	B-11
B.12 Upgrading of the Existing Connection – Residential.....	B-11
Industry Experience of this Service Aspect	B-12
Factors Supporting this Industry Practice	B-12
Reasons Why this Practice Adopted	B-12
Issues to be Considered in Relation to Using Private Workforce	B-12
B.13 Upgrading of the Existing Connection – Strata Titles.....	B-12
Industry Experience of this Service Aspect	B-12
Factors Supporting this Industry Practice	B-13
Reasons Why this Practice Adopted	B-13
Issues to be Considered in Relation to Using Private Workforce	B-14
B.14 Upgrading of the Existing Connection – Commercial.....	B-15
B.15 Upgrading /Modifying the Industrial Connections	B-15
B.16 Automatic Meter Reading.....	B-15
B.17 Replacement of Meters	B-16
Appendix C Work Practices	C-19

Tables

Table 1 – Comparison with surveyed water authorities.....	5
Table 2 - Summary of Findings from Survey of Water Authorities	7
Table 3 - RWCC current construction rates.....	15
Table 4 - Cost of trunk main construction.....	16
Table 5 - RWCC time performance on recent projects	17

Figures

Figure 1 Number of total connected properties for surveyed water authorities	6
Figure 2 Percentage of new connections added to the network per annum for surveyed water authorities ...	6
Figure 3 RWCC Comparison with DPI Water Reference Rates	16
Figure 4 – Comparison of trunk water main laying costs	17
Figure 5 - RWCC quoted time vs actual time	18
Figure 6 – WH&S Comparison information from the 2013-14 DPI Water Performance Reports	19

1 Introduction

1.1 Purpose of Report

Historically local water authorities have provided a number of services to developers and property owners on a fee for service basis. These works have generally been for the connection of private properties to the water authority's mains. Typical examples of these works have included.

- The **laying of new mains** in a subdivision including the service lines from the authority main to the private property. The **installation of the water meter** to the property when the building on the property is under construction or has been constructed.
- **Extensions of existing mains** to service newly created properties or other properties that were not originally serviced.
- **Later connections of property service lines** not constructed at the time of the subdivision's construction. This often included commercial and industrial connections where there were some doubts over the size of the connection and it was felt better to wait until those requirements determined.
- **Redeveloped properties where the service connection may need to be changed** due to the properties being redeveloped or taking in a new role. The conversion of a number of standalone residential buildings into strata title blocks of units being arguably the most common example of this type of service.

In all cases the water authority either had a standard charge for standard works such as for the meter installation or service line. For new subdivisions or mains extensions to serve new properties an estimated cost to carry out the work was provided on a project by project basis. This estimate was normally provided to the property owner, his or her builder or a developer in the case of a subdivision or mains extension. However many of these historical roles have changed for a number of modern water authorities and some of these "private services" are now carried out in a different manner. Similarly the legislation that has governed these works has also altered.

In addition to the above works, Riverina Water also undertakes the following capital works:

- **Construction and replacement of trunk water mains.** Experienced staff undertake this work up to size 600 mm DICL. Specialist equipment and knowledge is required and the crew that undertakes this work is skilled to undertake this work. The value of this work is greater than subdivisional work.
- **Maintenance and upgrading of pump stations and reservoirs.** This work is undertaken using a mix of day labour and contract labour.
- **Specialist Telemetry and SCADA work.**

Riverina Water is reviewing its policy on how it wishes to proceed with the provision of these services. A starting point is a review of current industry practice, and how any changes may have or have not worked for the various authorities. It is also insightful to consider why any authority

may have pursued a particular direction and whether that reasoning is applicable to Riverina Water.

This report:

- Provides Riverina Water with a brief overview of what other similar sized water authorities are doing in relation to their private water connections. This includes reference to some of the major water authorities as a possible guide to emerging industry directions.
- Provides background as to why authorities have elected to go about providing these services in the manner they have.
- Identifies the pressure for change within the industry, and allow officers to determine if any of these pressures are applicable to Riverina Water.
- Provides comparative performance information to allow Riverina Water to assess their competitiveness.
- Provides a series of recommendations, in the form of improvement actions, to assist Riverina Water in determining their future direction

This report is informed by the workshop with senior & relevant RWCC staff that was held on Wednesday 18 May. The workshop considered a Discussion Paper that was provided to RWCC on 18 April 2016, and discussed many aspects of RWCC's operations. The workshop was facilitated by Mike Brearley and Daryl McGregor of CPE Associates, and attended by eight staff of Riverina Water.

1.2 Background

Water authorities by their very nature form natural monopolies, with very expensive assets that are long lived but very difficult to replace in a tightening operating environment. Governments have, over the last few decades been endeavouring to open up the work undertaken by these authorities to greater competition.

The opening up of areas of construction to private contractors varies in nature as well as suitability. Movement in this direction would seem to be supported by legislation. However, the feedback received in this industry survey did not cite any examples of where the legislative provision had been enacted, rather changes in authority procedures tended to occur as a consequence of other pressures or as part of the authority reviewing its policies in these areas.

It is also emphasised that whilst the Act may be favouring this "opening up" direction, the Water Authority cannot delegate away the risks involved with the service provision by simply delegating the works to the private sector in accordance with preferred government direction. They are exposed in terms of the public health aspects associated with a potable water supply, general community safety during the construction phases, as well as WH&S aspects covering the contractors.

1.3 Acknowledgements

We acknowledge the following water authorities, who provided information for this report:

- Albury City Council
- Gold Coast City Council;
- Goldfields Water
- Hunter Water
- Icon Water (ACT)
- North East Water (Victoria)
- Orange City Council
- Riverina Water
- Shoalhaven Water
- Sydney Water
- Tamworth Regional Council
- Queanbeyan City Council
- Wagga Wagga City Council

We also acknowledge the input of the staff of Riverina Water in providing information for this report and participating in the workshop, particularly Bede Spannagle, Austin Morris and Aran Beckett.

1.4 Disclaimer

This document has been prepared for a particular purpose, using information made available by the client in accordance with the client's instructions. Users of this document should note the assumptions and approximations used. Any use of the document outside of the stated purpose is at the user's risk.

The information on other water authorities was obtained through telephone interviews with individuals who indicated they had sufficient knowledge of the system to answer the questions being asked. We cannot guarantee the accuracy of the information provided. Each water authority was approached on the basis that Riverina Water was reviewing their position on contestability. **The authorities interviewed have not granted permission for the information to be circulated more widely than for use by Riverina Water.**

2 Industry Review

2.1 The Survey

The thirteen water authorities listed below were interviewed. Those selected were of a similar size and duty to Riverina Water although clearly many also included a sewerage function as well as their water function. Wagga Wagga City Council had only a dedicated sewerage and stormwater role, and does not provide water supply services.

The survey also included a couple of major Water Authorities to provide a balance and a slightly different view to water service provision. They were also selected as a potential source of new directions for industry reform. Some of the interstate bodies, whilst performing similar functions to Riverina Water, operated in very different regulatory environments and their input was of limited value.

Water Authorities surveyed include:

- Albury City Council
- Gold Coast City Council;
- Goldfields Water
- Hunter Water
- Icon Water (ACT)
- North East Water (Victoria)
- Orange City Council
- Riverina Water
- Shoalhaven Water
- Sydney Water
- Tamworth Regional Council
- Queanbeyan City Council
- Wagga Wagga City Council

Notes

- 1 Several attempts were made to gain information from Unity Water but none of the requests for a return call were responded to, so Gold Coast Water was added into the sample in lieu of Unity Water.
- 2 The survey also attempted to determine the reasons why different water authorities may have elected to take the direction they did. However many of the systems have been altered for some time and in many cases the answers supplied may reflect what the individual believes rather than the full rationale as to why the water authority elected to go in that direction.. For example ICON Water in the ACT have had their system in place since the days of the NCDC and as such there would be few if any left that knew the basis on why that system was originally compiled in that way and is arguably unique when compared to NSW agencies.

The intention of this overview was to present a picture of current industry directions. It is not suggested that any water authority specifically needs to follow any of these directions. Rather, a

water authority should be clear on why they are electing to service the properties in the manner they are, what are the potential ramifications of their actions, what the conflicting issues are and what the risk profiles are.

2.2 Comparison of surveyed water authorities

Comparison information was sourced from the DPI Water Performance Report 2013-14 on the characteristics of each of the water authorities who were surveyed:

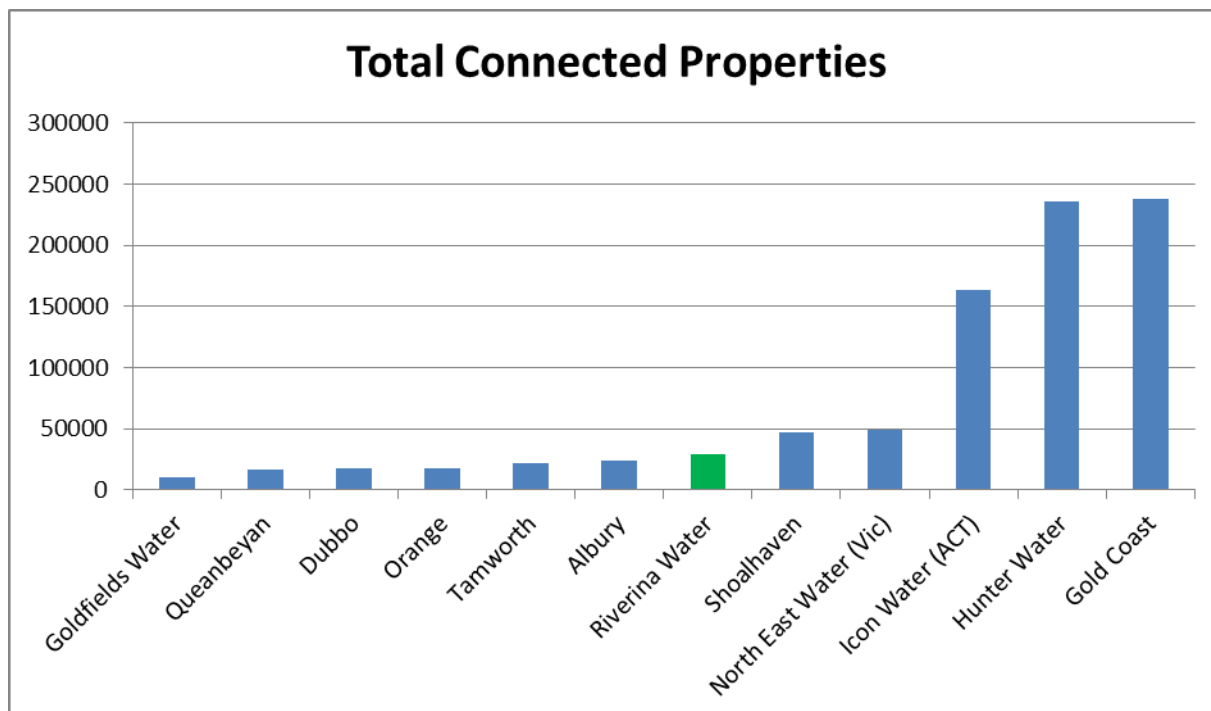
Table 1 – Comparison with surveyed water authorities

LWU	Total Connected Properties	% New connections	Employees per 1000 properties	Outsourcing % of Maintenance Cost	Injuries	Days lost due to injury
Goldfields Water	10200	0.8	4.2	3	13	0
Queanbeyan	16410	7.9	0.6	5	0	0
Dubbo	17150	1.1	6	0	1	11
Orange	17190	1.7	1.1		0	0
Tamworth	21420	2.3	2	0	6	39
Albury	23590	1.7	0.7	69	0	0
Riverina Water	29550	1.2	3.1	0	4	104*
Shoalhaven	46980	1.2	1.9	0	2	11
North East Water (Vic)	49114					
Icon Water (ACT)	163000					
Hunter Water	235835					
Gold Coast	238302					
Sydney Water	1848000					

* Note – This figure is not representative of current information. In 2015/16, there are no reported lost days due to injury.

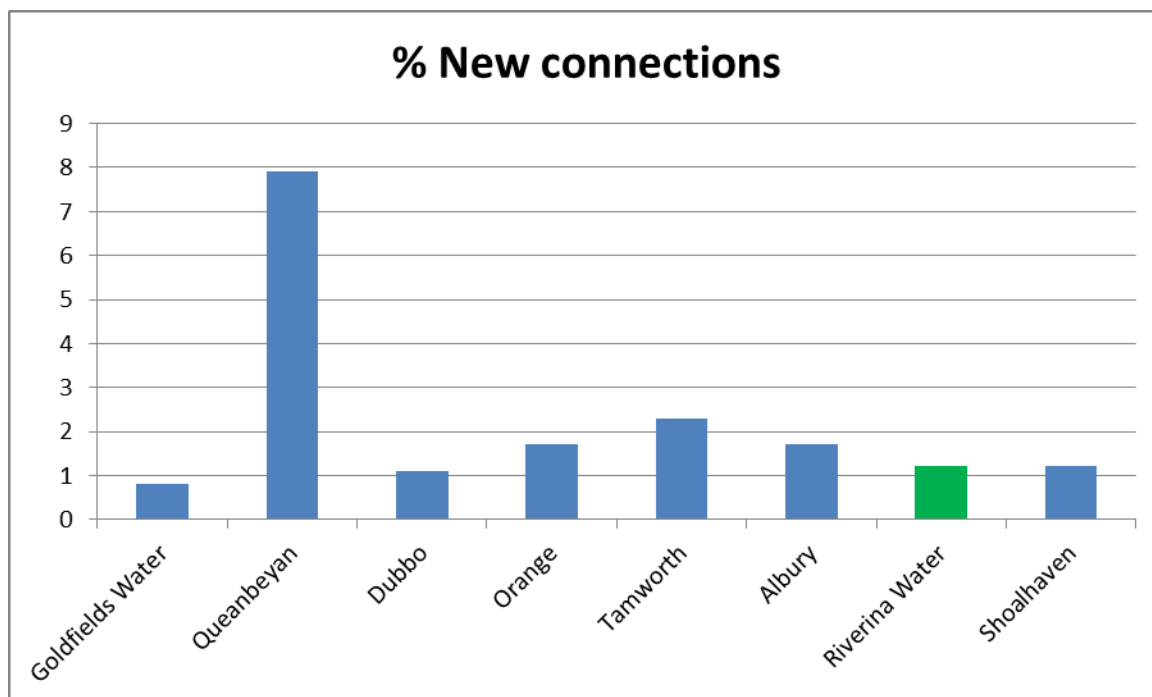
The key comparison information is shown below in Figure 1 and Figure 2.

Figure 1 Number of total connected properties for surveyed water authorities



RWCC is typical in size to the other regional water authorities surveyed, noting that Sydney Water is not shown.

Figure 2 Percentage of new connections added to the network per annum for surveyed water authorities



With the exception of Queanbeyan Council, growth at RWCC is typical of the regional water authorities who were surveyed.

2.3 Summary of Industry Findings

The main findings to emerge from the survey are summarised below. A tabulation of the findings from each authority are contained in **Appendix A**. The detailed findings, which is reprinted from the Discussion Paper, is contained in **Appendix B**.

Table 2 - Summary of Findings from Survey of Water Authorities

	Finding	Description
1	The water mains and the service connections for new subdivisions are now normally provided for the Authorities by Developer and his or her contractors	<ul style="list-style-type: none">Assets are formally handed over to the water authority at the completion of the subdivision works. These arrangements seem to have been in place for around 10 – 15 years generally and for bodies like ICON Water in the ACT these arrangements have been the way water supplies have always been provided with the developers supervised by the National Capital Development Commission.This new subdivision forms 75 – 80% of what might have been termed the private works with the numbers of other connections considerable smaller.Those water authorities contacted did not report any significant problems with the current arrangements that see the Developer responsible for these construction procedures but did emphasise the need for strong control measures such as minimum engineering standards for the subdivision, strong supervision of the contractors, etc. needing to be in place before such arrangements can occur. This is discussed further in detail in section 3.2.Many of the Developers are now well experienced at this as are their contractors and they are known to the water authority.
2	There is very limited ability to obtain comparative cost information from private service providers	<ul style="list-style-type: none">Water authorities do not track the costs of service provisions by developers.Cost information is really only known by the Developers who keep this information as commercial in confidence. It is impossible to provide any effective comments on the costs of Riverina Water as opposed to other authorities or the private sector to carry out these services.Potential costs are discussed further in section 3.2 of this document.The agencies contacted in the survey did not indicate any significant problems but strongly emphasised the need for appropriate standards and supervision to ensure the quality of the assets being taken over.

	Finding	Description
3	There is little interest to support water authorities tendering for development work	<p>There is little interest in tendering for development work because:</p> <ul style="list-style-type: none"> Many water authorities have divested themselves of their construction crews and have moved to developers to service the new subdivisions. This has allowed the water authorities to enhance their services in other areas into the future The difficulties with being both a contractor to and regulator of the developer were seen as an obstacle
4	Water authorities recover their costs to supervise the works either through a direct charge or through building it into the developer rates	<ul style="list-style-type: none"> Fees and charges are based upon estimates and none of the water authorities indicated any in depth study as to the adequacy of these charges
5	The number of additional properties serviced is proportional to the size of the township and its growth rates.	<ul style="list-style-type: none"> Typically, the number of new connections made may be of the order of 1000 per annum in a city the size of Canberra, greater in a City the size of Sydney and in the 150 – 300 range in a city like Wagga Wagga
6	All contractors need to have the appropriate accreditation	<ul style="list-style-type: none"> Authorities have recognised that they cannot delegate away this responsibility and have indicated highlighted the needs for constant vigilance in ensure these arrangements are checked for all projects. Accreditation includes not just WH&S, but all equipment, particularly confined spaces equipment
7	Virtually all NSW local government water authorities insisted on being the body to install the meters	<ul style="list-style-type: none"> The need to ensure the right meter is connected to the right property is the primary reason for this insistence. For those authorities like ICON water in the ACT they have simply supplied the meters to others to install as part of the new subdivisions for many decades. They indicated no real problems with any mistakes addressed at the first meter reading before bills are sent out.
8	For minor subdivision work, such as extensions of the authority mains and the construction of a few property lines, this work is generally carried out by the water authority	<ul style="list-style-type: none"> Reasons offered in the survey centred around the local land owner not having the experience to deal with this aspect of the service provision to the new properties. Land owners find it useful to be able to buy the service from a reliable supplier particularly one that effectively requires no supervision on their part. The other reason is that few small private contractors such as local plumbers have the equipment and tools to carry out this work. Water authorities indicated they were not under any pressure to change these arrangements and indeed feedback in general was that the market place was very happy with the current arrangements. Whilst this type of service may only be small in number, as they do involve the extension of authority mains, they can represent a significant sum of money

	Finding	Description
9	For older subdivisions or modifications to the existing connections this connection work seems to be primarily undertaken by the water authorities	<ul style="list-style-type: none"> Predominantly water authorities undertake this work for health reasons as they still bear the responsibility should a health issue ever arise. This is not universally the case with water authorities like Dubbo City Council, who have three accredited plumbers who are authorised to do this work whilst Council construction employees are busy on other work. The number of these connections is generally not large and tends to be decreasing each year as the number of vacant properties decreases. Consequently it is not likely to be an attractive market to be pursued by the private sector.
10	For modifications to existing properties including industrial, commercial or the conversion of a number of urban properties into a single strata title then again most of these connections appear to be provided by the water authorities.	<ul style="list-style-type: none"> The number of these connections is also not particularly large, unless you were in a large city like Sydney where the sheer size of the city may provide a number of opportunities.
11	Most water authorities have formal policy in place in respect to these connections/ potential private work. These policies are now dated (with the major exception of Orange City) and much has become more custom and practice rather than policy.	<ul style="list-style-type: none"> A water authority such as Riverina Water should review their policy in this area and revise the policy even if there are few changes. None of the policies appear to have been tested at law. This may not be the intent of legislation, which allows for others to bid for works such as these connections. However, the authority still bears primary responsibility of contractor's work, particularly if it leads to a public health incident or an accident. Thus is it appropriate that an authority ensure that the work be carried out in a prescribed manner. The authority needs to be clear in setting its policy and able to defend it - if you are the unlucky authority to suffer a real incident.

2.3.1 Reasons for change from service provision by day labour to contractors

The **main reasons cited for allowing the transition to outsourcing** (developers undertaking new subdivision work) included:

- Water authorities wanting to downsize their workforce particularly now that most backlog programs have been cleared and there is general pressure on water authorities to minimise their costs.
- It is becoming difficult for some water authorities to justify retention of a construction crew where their future focus is on operations and maintenance. Removing a construction crew is a logical step when downsizing.
- Pressure from developers on governments indicating that they could do it at a lower cost than the water authorities. That pressure is sometimes exerted through governmental

regulators leaning on authorities to open up what are seen as “monopoly areas” to competition.

- It is possible to provide supervision of the contractor’s workforce at the developers cost and have confidence in the quality of the assets that are handed over.

2.3.2 Reasons for retaining system improvement work in-house

The reasons stated as to why authorities have tended to retain these works in house included:

- They did not allow contractors to touch their mains for reasons of “public health” and the fact that they, more than the Contractor, would be held liable if there were to be an incident.
- These risks also include road crossings, damage to private property, environmental consequences, etc., as the contractors do not necessarily have any rights to work in the road reserve excepting if permitted by the Water Authority.
- There is no real pressure emerging in the market place to change the current arrangements and water authorities are happy to be able to charge on a fee for service basis knowing that it will be done correctly. The scale of this work is typically quite small.
- Most of the small local contractors would not have the appropriate tools to do the work. This may not be true for the larger contractors but their interest in this type of work is questionable.
- The new subdivision work allows for reasonable supervision to be put in place, paid for by the contractor and with confidence that the final product will be what is required. This is not possible for minor works where the additional supervision costs would be disproportionate and will make the work much more expensive for the property owner.
- Within many of the water authorities, responsibilities for minor private works are scattered between different sub branches of the authority such as the subdivisions area, construction, operations and maintenance. It is suggested that a water authority formally review internal policies and procedures at least once every 5 years.
- It is therefore appropriate that Riverina Water should review its policies in these areas. This paper has been compiled to assist with discussion in that review process.

2.4 Issues specific to Wagga Wagga

In Wagga Wagga, there is a specific water authority (namely Riverina Water) and one sewer and stormwater authority (Wagga Wagga City Council). This arrangement does lead to some inconsistencies in terms of the roles of other bodies (third parties) in relation to the water and sewerage works, for example:

- For Developers, they are able to have their sewerage services provided by their contractors, whilst water services are provided by Riverina Water. This is also at odds with what is generally happening across industry where developers have can provide water, sewer and stormwater services for new subdivisions and potentially gain a better scale of efficiencies for themselves from these enlarged works. The

subdivision is potentially more profitable for the developer. This financial incentive will remain a source of pressure on Riverina Water.

- Wagga Wagga City Council permits private plumbers to make sewerage connections and has a list of accredited plumbers to undertake this work. Thus when a property owner wants to make such a connection they simply engage one of these accredited plumbers to undertake the works and Council will inspect the works before any backfilling occurs; at the expense of the subdivider or contractor. Failure on the part of the Contractor may see them lose their accreditation.

If there is any pressure from plumbers to be given greater access to Riverina Water assets, it may be somewhat understandable in terms of one authority permitting it whilst the other does not allow it. **There is a perceived inconsistency. Such a view however is simplistic and fails to recognise the significantly greater risk profile associated with the water supply when compared to the sewerage services.**

- Riverina Water does not permit any contractors to work on their mains and will provide the connection to the property including the installation of the water meter. The private contractors then take the responsibility for the connection to the homes thereafter.
- Riverina Water install the water meters as part of the building permit.
- Notifications/ applications for connections for new dwellings on existing properties (or changes to those services) that were not connected as part of a new subdivision would normally be directed to both Authorities for prior approval. Based on the above, builders constructing properties find themselves dealing effectively with private plumbers for one service and a water authority for the other service.
- This situation however has existed for some time in the city and is understood by all parties.

Wagga Wagga City Council would appear to see their role more as a maintenance and operational authority. WWCC has not had a significant construction crew for some time, nor do they have specialist crews to do the specific sewerage connections. To undertake these works Council would need to establish a new crew and they have no interest in doing so.

Rather Wagga Wagga City Council has elected to purchase these services from external bodies when required and have allowed other services to be procured separately, such as the connections, with only approval fees attached. They seem happy with this arrangement and no cost comparison has been carried out to determine if this direction is more cost effective. There is no real cost comparison mechanism in relation to the scale of these private services that is possible in terms of the levels of expenditure.

Riverina Water's refusal to allow others access to any form of live mains is however very much in line with industry practice for water supply. Many of the other water authorities are also

prepared to allow a little more access to their sewerage areas and thus Wagga City Council's actions are not significantly at odds with industry direction either.

The risk profile with the water connections (should mistakes be made) is considerably higher with significant consequences for the water authority if an incident were to occur. The likelihood however, based on industry experience, is low.

3 Review of Capital Works at Riverina Water County Council

3.1 Workshop

A workshop was held on Wednesday 18 May to discuss the contestability of capital works. The workshop was facilitated by Mike Brearley and Daryl McGregor from CPE Associates, and there was active participation from 8 staff members of Riverina Water.

The workshop explored the Discussion Paper, and covered many aspects of Riverina Water's operations, including:

Key Findings from Discussion paper

- Water mains for new subdivisions are normally provided by contractors engaged by developers
- Very limited ability to obtain cost information from private service providers
- Little interest to support competitive tendering by water authorities for this work
- Cost recovery for supervision through direct charges
- All contractors must have accreditation

Reasons given by water authorities for reduction in “hands on” service provision

- Desire to downsize workforce to reduce costs
- Many authorities focus on maintenance and operations, and leave capital works to the private sector
- External pressure from governments and from the private sector
- Availability of specifications
- Ability to provide supervision at developer's expense

Drivers for Contestability Considerations

- Public health risk is still very much a driver. NSW Department of Health will talk first to the water authority whenever there is any issue. Heavy regulation is in place governing water supply.
- Feedback from developers is another driver.

Specific Issues in Wagga Wagga

- Inconsistencies in approach between WWCC and RWCC
- Developers can have their sewer service undertaken by private contractors, but not their water service
- Builders deal with private plumbers for sewer service but water authority for water service
- Risk profile for water is higher than for sewer
- WWCC do not have specialist sewer crews

Water Industry Survey

- The survey information presented at the workshop is included in Appendix A.

Performance Comparison Information

- Growth Comparisons
- Maintenance outsourcing comparison
- Safety performance
- Cost comparison of water main construction
- Internal time performance
- Perception of performance within the community
- Relevant information is analysed in the sections following.

Recommended procedures if RWCC seeks greater contestability

- A formally approved and legally “watertight” RWCC Approvals Policy for such works
- Engineering specifications
- Ability to reject unsatisfactory work
- Handover procedures
- Prequalification schemes for contractors
- Recovery of costs for supervision

Future Directions

- Six recommendations are proposed in Section 4 of this report.

3.2 How is RWCC’s performance viewed in the community?

IRIS Research was commissioned in 2016 by RWCC to conduct a comprehensive telephone based survey among the area’s residents. The survey sought a range of resident attitudes and opinions as an input to the improvement of RWCC’s delivery of services. Residents of Wagga Wagga, Lockhart, Urana and Greater Hume were contacted.

The survey showed that 14.5% of residents made contact with RWCC staff within the past 12 months. The most common form of contact was via telephone (83.4%). Residents contacted RWCC for a variety of reasons, the most common being payment of an account.

The survey found that regardless of whether the residents were from Wagga or a rural area, the service level that was experienced on that last encounter with RWCC was of a “high” level. The top three service attributes amongst residents from Wagga that contacted RWCC in the past 12 months were: “friendly and caring service”, “knowledge and skill of staff” and “the ability to meet needs on the first contact”. The top service attribute amongst residents from the rural areas was “handling your transaction accurately”.

Residents were asked to rate their level of satisfaction with the quality of water provided by RWCC. More than 95% stated that they were satisfied or very satisfied with the reliability of the water supply. More than 83% stated that they were satisfied or very satisfied with the overall quality of water.

From this contemporary survey, it appears that RWCC is well regarded in the community. RWCC is responsive to contact from the community and provides a satisfactory water service.

3.3 How do RWCC costs of water main laying compare? - Benchmarking

3.3.1 Subdivision Construction

Riverina Water's current Construction rates including their costs per Lot/subdivision are shown in Table 3.1 below. Cost per metre of pipe laid is relatively consistent, at an average of \$101 per metre. Cost per lot varies considerably as the number of lots serviced by a particular main can vary wildly.

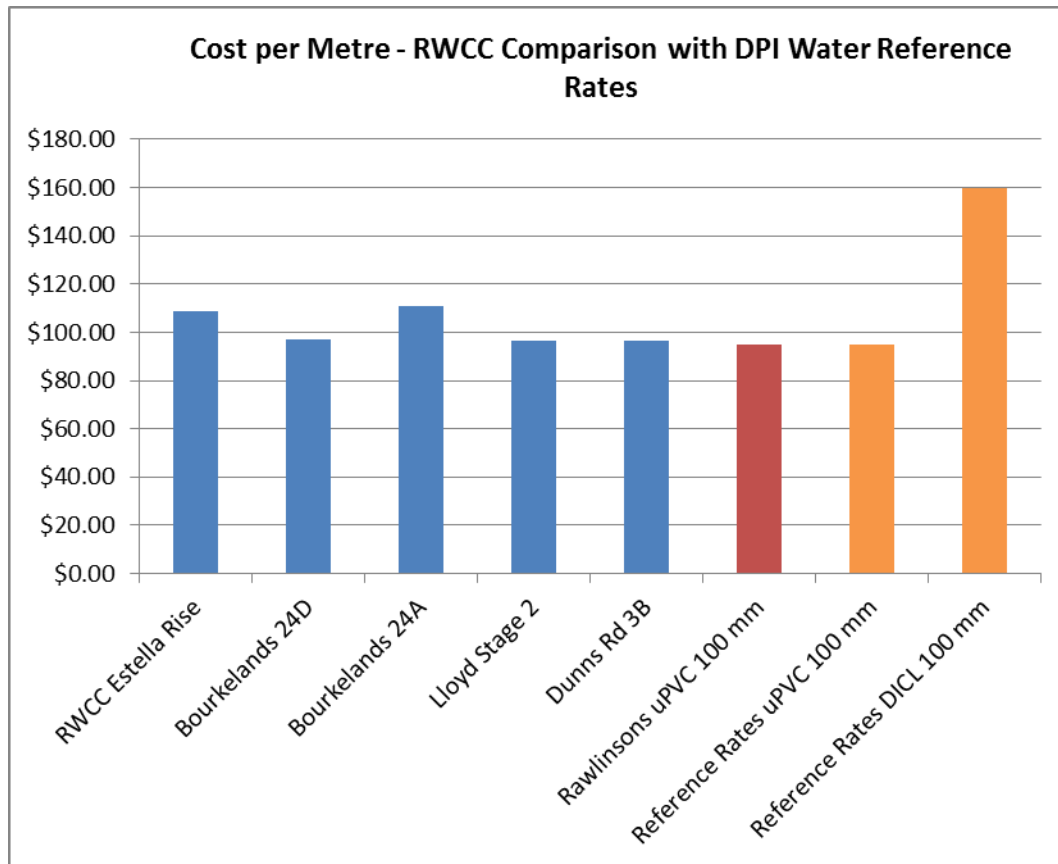
Table 3 - RWCC current construction rates

Subdivision	Cost per metre	Cost per Lot
Estella Rise 3A	\$108.54	\$2,104.40
Bourkelands 24D	\$97.04	\$3,008.33
Bourkelands 24A	\$110.97	\$2,302.63
Lloyd Stage 2	\$96.60	\$1,077.24
Dunns Rd 3B	\$96.56	\$2,834.64

Because RWCC is the only water authority amongst those surveyed who undertakes this type of work, it was not possible to obtain meaningful comparative information from the private sector. Benchmarking is therefore undertaken with Rawlinson 2015 and DPI Water Reference Rates.

Figure 3 demonstrates that Riverina Water's construction rates are comparable with industry benchmarks. In comparing the information, it should be noted that the rates quoted for Riverina Water are for all main laying activities within a subdivision, which includes road crossings using DICL pipe materials. The unit rates for RWCC therefore include a component of DICL main, which is a higher cost than PVC mains.

Figure 3 RWCC Comparison with DPI Water Reference Rates



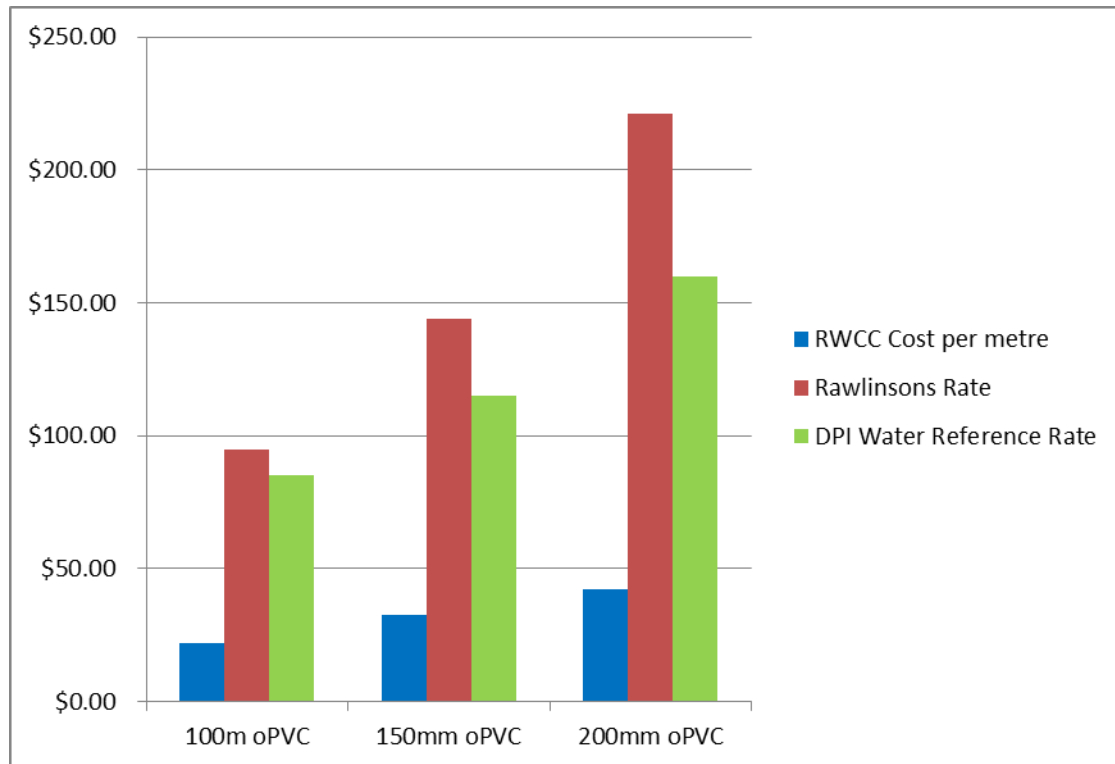
3.3.2 Trunk Water Main Construction

Riverina Water also lays trunk water mains. Table 4 and Figure 4 below demonstrate that this work is undertaken at very competitive rates. The RWCC rates are substantially below the Rawlinsons rate and the DPI Water Reference Rate, and additional factors such as overheads and on-costs may need to be considered further for a more accurate benchmarking.

Table 4 - Cost of trunk main construction

Project	Distance	Material	Cost per metre	Environment	Rawlinson Rate	DPI Water Reference Rate
Mountain View to Walla Walla	5500m	100m oPVC	\$21.83	In old disused JHR rail corridor, 2 DICI road crossings	\$95	\$85
Morven Reservoir to township	6200m	150mm oPVC	\$32.77	Through farmland	\$144	\$115
Bulgary Bores to rising main	8650n	200mm oPVC	\$42.21	Through farmland, 1 DICI road crossing including under bore	\$221	\$160

Figure 4 – Comparison of trunk water main laying costs



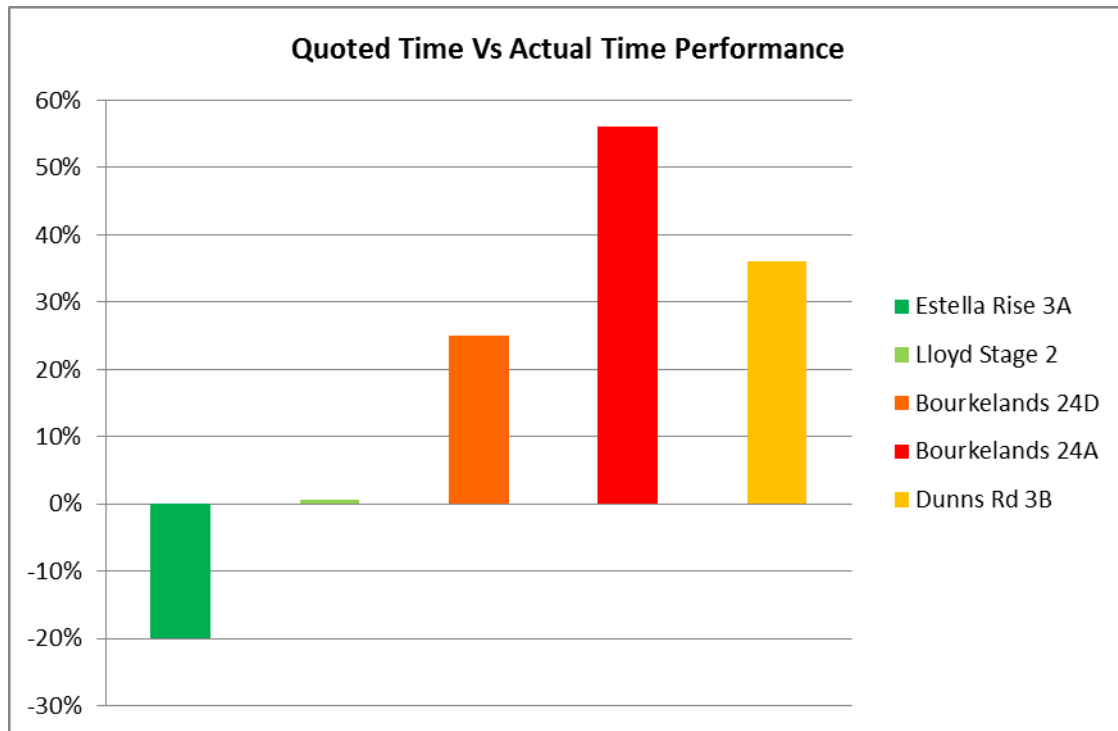
3.4 How does RWCC's time performance compare? - Internal Benchmarking

Riverina Water forecasts the time taken for each particular job, then reviews the actual time at the completion of the job. This information is shown below in Table 5 and Figure 5.

Table 5 - RWCC time performance on recent projects

Subdivision	Estimated Hours	Actual Hours	Difference	Reasons
Estella Rise 3A	1183	951	-20%	Better progress than anticipated
Bourkelands 24D	84	105	+25%	Slower going than anticipated
Bourkelands 24A	456	712	+56%	Hard Rock, slow going
Lloyd Stage 2	338	340	+0.6%	
Dunns Rd 3B	254	347	+36%	Slower going than anticipated, tight cost estimate???

Figure 5 - RWCC quoted time vs actual time



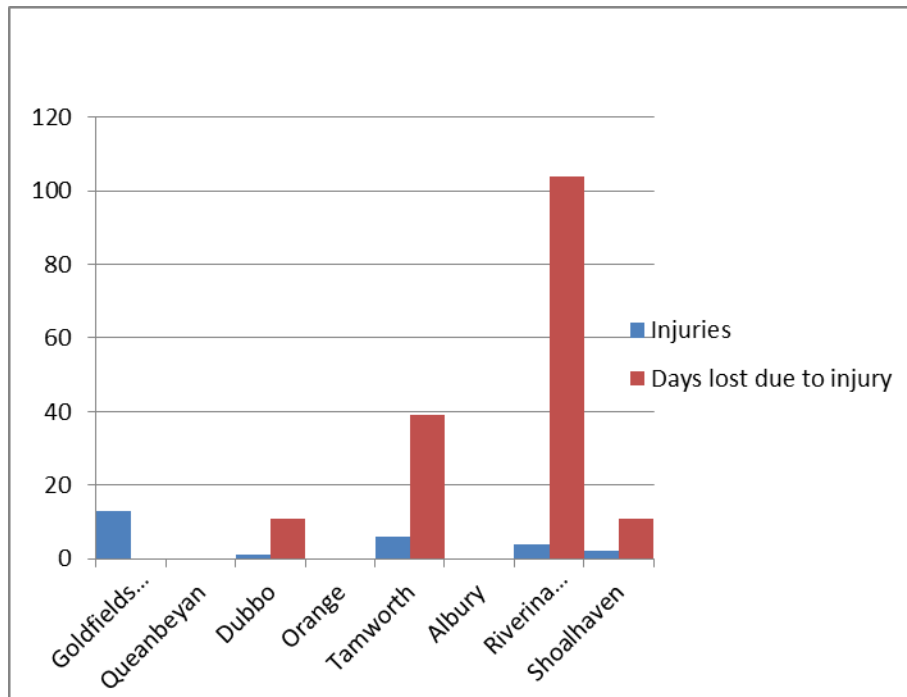
The information shows good performance on two recent projects, at Estella Rise and Lloyd. Riverina Water adopted a partnership approach with Developers for these two projects, where there were extensive discussions with the respective developers prior to the scheduling of construction. Agreement was reached to incorporate Riverina Water's activities into the developer's delivery program, which puts the responsibility onto the head contractor to manage the timing of the work done by Riverina Water. Riverina Water is then in a position to respond to the developer's needs and to arrange for timely delivery of services rather than being the last utility to go into the site.

The approach adopted for Estella Rise and Lloyd has seen a marked improvement in time performance. The approach will be implemented more widely, and perhaps a Memorandum of Understanding or formal Policy can be developed to clarify the work practice.

3.5 How does Riverina Water's WH&S performance compare?

Information extracted from the 2013-14 performance reports is shown in Figure 6. This information is now dated. In relation to work place injuries, the information does not reflect favourably on Riverina Water and it is possible that there was a long term injury at that time. **This financial year, Riverina Water has not lost any time on capital works due to injury or accidents.**

Figure 6 – WH&S Comparison information from the 2013-14 DPI Water Performance Reports



3.6 Internal Work Practices – Project Delivery

Discussion during the workshop identified gaps in project delivery work practices. Some participants felt that there is no defined hand over between sections, there is little research into jobs prior to going onto site and there is little involvement from field staff in the planning of jobs.

It was agreed that improvements are needed in these areas, and that project management and delivery work practices could be improved through a quality management review. Such a review could focus on the implementation of a project team approach that would involve design, engineering and field staff to plan and deliver projects, with a formal handover process.

A quality management review may also identify the need for a project quality plan (PQP) type of approach, where steps in the project delivery process are documented and defined in a series of workflows or checklists. This will enable each of the parties involved in project delivery to confirm that all aspects of the project delivery are taken into account.

4 Recommendations and Improvement Actions

Riverina Water is in a unique position amongst similar sized water authorities. Because capital works are undertaken using in-house resources, Riverina Water is in a position of strength to respond to emergency situations with a crew of highly skilled staff, and can provide competitive services to neighbouring water authorities.

Section 2 of this report explained how certain factors have led other water authorities to move away from performing capital works in-house. If these drivers are not applicable to Riverina Water then there is no overwhelming reason to change the status quo.

Like all water authorities, Riverina Water has a responsibility to demonstrate that it is cost competitive and can deliver an appropriate level of service delivery to its customers. In this regard, a number of recommendations are offered to improve the performance of the organisation:

4.1 RECOMMENDATION 1 - Project delivery process review

A quality management review is recommended to improve the project delivery process. The review may identify improvements such as

- Implementation of a project team approach that would involve design, engineering and field staff to plan and deliver projects
- Implementation of a formal handover process.
- Implementation of a project quality plan (PQP) type of approach, where steps in the project delivery process are documented and defined in a series of workflows or checklists

4.2 RECOMMENDATION 2 – Streamline the relationship between RWCC and Wagga Wagga City Council

In Wagga Wagga, water services are delivered by Riverina Water County Council and sewerage services are delivered by Wagga Wagga City Council. This can create inconsistencies in approach between the two organisations and lead to inefficiencies with the customers. However, this situation has been in place for a number of years and is well established.

It is recommended that RWCC take the lead and offer suggestions to WWCC as to means where there can be better coordination between the authorities. For example, there may be an opportunity to:

- streamline the approval process for developers for sewer and water capital works, with similar processes for WWCC and RWCC
- provide services to WWCC in a competitive bidding process or at appropriate rates.

4.3 RECOMMENDATION 3 – Flexible employment measures

The ability to engage casuals allows flexibility to upscale and down scale according to work demand. This practice should continue because it gives the organisation the flexibility to respond to work load. Consultation with unions is important to ensure that all industrial relations aspects are addressed.

4.4 RECOMMENDATION 4 – Marketing of specialist skills

Riverina Water has a number of specialist skills that are marketable and can be offered to neighbouring water authorities. For example Riverina Water has specialist telemetry, SCADA and PLC skills. These skills could be offered to neighbouring water authorities in a competitive bidding process or at appropriate rates, and if successful, could earn an income back to Riverina Water.

Smaller water authorities have difficulty attracting specialist staff and often pay a premium to engage contractors with specialist knowledge. Across the industry there are many gaps, particularly where skilled staff are retiring, and Riverina Water may be able to provide competitive services in what is a specialised market.

4.5 RECOMMENDATION 5 - Enhance the partnership approach with developers.

Riverina Water is implementing a partnership approach with Developers, where agreement is reached to incorporate Riverina Water's activities into the developer's delivery program. This puts the responsibility onto the head contractor to manage the timing of the work done by Riverina Water. Riverina Water is then in a position to respond to the developer's needs and to arrange for timely delivery of services rather than being the last utility to go into the site.

The approach adopted for Estella Rise and Lloyd has seen a marked improvement in time performance. The approach will be implemented more widely, and it is recommended that a Memorandum of Understanding can be developed to clarify the work practice.

Should RWCC determine that some of these services can be provided by private contractors, it is recommended that RWCC develop a formal, legally "watertight" Approvals Policy and detailed specifications for such work.

4.6 RECOMMENDATION 6 – Undertake market testing by competitively bidding for work for external organisations

Riverina Water can construct some capital works such as trunk water main construction at very competitive rates. It is recommended that market testing of these services be undertaken by quoting/ tendering for external work for other water authorities in the region.

Recent initiatives to undertake work for Goldenfields Water, at Cootamundra Shire Council in the area of mains renewal and upgrading of pumps bring a regional benefit. Additionally, Riverina Water recently constructed the recycle main through Tarcutta Street and in times of flooding has assisted Wagga Wagga City Council. Competitive bidding for these projects enables market testing of these activities and enhances the standing of Riverina Water in the region.

Appendix A Summary of industry positions regarding connections - Water supply¹

Table 4 Summary of industry positions regarding connections

	Albury, Dubbo, ² Shoalhaven, Tamworth	Goldenfields Water	Orange City	Queanbeyan City	Riverina	Icon (ACT)	North East Water (Victoria)	Hunter Water	Sydney Water ³
Authority ownership: Connection from main in same property	Property line from main to downstream connection of meter. Main protected by easement.								Junction to main tap and water meter, but will repair up to 1 metre in the property for free.
Authority ownership: Connection from main in road	Property line to downstream connection of meter.								Property line from main to main tap only (minimal) and water meter.
Authority ownership: Connection from main in other private property	Easement protection of property service line in other property.								

¹ The information collected in the survey was provided by individuals who identified themselves as having sufficient knowledge to advise of their authority's position and rationale. There may be some discrepancies between the position of these individuals and the authority as a whole. For this reasons it is suggested that this information not be circulated beyond the workshop.

² Dubbo City Council has three accredited contractors that undertake work when Council's internal staff do not have the capacity to do so

³ The information for Sydney Water is generally based on their published fact sheets "Policy: Responsibilities of connected customers", "Property Development Connection Requirements" and "Water meter installation guide"

	Albury, Dubbo, ² Shoalhaven, Tamworth	Goldenfields Water	Orange City	Queanbeyan City	Riverina	Icon (ACT)	North East Water (Victoria)	Hunter Water	Sydney Water ³
Subdivisions – residential	Developer constructed. Property lines constructed to immediately within boundary.				Authority constructed	Developer constructed. Property lines constructed to immediately within boundary.			Developer constructed. Property lines constructed to point where meter is to be connected.
Infill development – residential	Developer or Authority	Generally, Authority			Authority constructed	Developer constructed			
Vacant lots – residential	Authority makes tapping and provides service line to meter.			Authority makes tapping and provides service line. Meter install by Plumber.	Authority makes tapping and provides service line to meter.	Authority makes tapping and provides service line to meter (very rare in ACT).	Accredited plumbers. Tapping under Authority supervision.	Accredited plumbers	Connection by accredited plumber with Authority approval.
Connections: Strata properties	Common meter close to property boundary. Unit meter is the responsibility of the body corporate.			Common meter close to property boundary. No interest in separate metering.	Willing to meter individual strata properties.	Common meter close to property boundary. Unit meters responsibility of body corporate.	Common meter close to property boundary. No interest in separate metering.	Common meter close to property boundary. Will provide submetering on a fee for service basis.	Connection by accredited plumber with Authority approval. Submetering of new strata developments required.
Connections: Shops (separate, zero setback)	Minimise length of property line to building								Connection by accredited plumber with Authority approval.

	Albury, Dubbo, ² Shoalhaven, Tamworth	Goldenfields Water	Orange City	Queanbeyan City	Riverina	Icon (ACT)	North East Water (Victoria)	Hunter Water	Sydney Water ³
Connections: Shops (complexes)	Common meter close to property boundary.								Connection by accredited plumber with Authority approval.
Connections: Other commercial	As per residential								
Connections: Industrial subdivisions	As per residential. Large connections by Authority.					Accredited plumbers or Authority	Accredited plumbers, Authority may assist	Accredited plumbers or Authority	Connection by accredited plumber with Authority approval.
Work on live mains	Authority only						Accredited plumbers permitted		Listed drillers. Authority only for mains >200mm.
Work on Authority owned service lines	Authority	Authority or accredited plumbers (limited)	Authority (except meter installations)	Authority	Authority (except meter installations)	Accredited plumbers permitted		Accredited plumbers. Authority only for connection >50mm.	

	Albury, Dubbo, ² Shoalhaven, Tamworth	Goldenfields Water	Orange City	Queanbeyan City	Riverina	Icon (ACT)	North East Water (Victoria)	Hunter Water	Sydney Water ³
Meter installer	Authority	Authority (rare occasions Plumber installs Authority supplied meter).	Authority or Plumber installation of Authority supplied meter.	Plumber installation of Authority supplied meter.	Authority	Plumber installation of Authority supplied meter.		Authority	Locked & tagged services: Authority only 20-50mm light duty: Plumber or Authority 50mm+ heavy duty: Plumber Master supplied by Authority. Submeters for multi-level units require purchase through accredited supplier.
Automatic Meter Reading	Minimal/none	Extensive- 11,000 devices ⁴	Minimal/none						Requirement for multi-level strata buildings ⁵
Backflow	Installation witnessed by Authority, annual certification required by Owner.			Reflux valve for large applications with bypass capacity.	Installation witnessed by Authority, annual certification required by Owner.	Installation & certification by Accredited plumber		Authority install & ownership of devices up to 32mm. Plumber install of larger devices.	Installation & certification by Accredited plumber for non-low hazard properties & meters>25mm.

⁴ <http://taggle.com.au/case-studies/goldenfields-water>

⁵ Systems are to be provided by an accredited supplier and consist of automatic meter reading, facilitating remote reading from street side, and automatic meter infrastructure, which transmits meter data directly to the Authority.

Appendix B Detailed Analysis of Industry Comparison – Water Supply Connections

The water authorities contacted indicated that the water authority retained ownership of the water mains, (which are generally laid in the road reserve), and the service lines just onto the properties. This ownership arrangement effectively commences at the handover of the mains, whether from the authority's construction arm or from a contractor.

Generally, the authorities do not allow contractors / private plumber's access to their mains once live. Public health safety (and the associated risk profile) is the primary reason for this refusal to allow access.

B.1 Work Activities

The term "private works" is generally used to describe those works carried out to connect the property to the authority's water mains. They have also involved modifications to existing connections installations, water meters, and late connections in old subdivisions where the service connections were not constructed at the time of the subdivision.

In recent years there have been moves to open up this work to private plumbers/contractors as part of moves to reduce monopolies. This report divides those works broadly into the following categories to assist discussion of the issues in a more structured manner.

- New Subdivisions – Residential
- New Subdivisions - Commercial
- New Subdivisions - Industrial
- Mains Extensions (Generally Minor Subdivisions)
- Servicing of Existing properties – Residential
- Servicing of Existing properties - Commercial
- Servicing of Existing properties - Industrial
- Upgrading of Connections Residential
- Upgrading of Connections Strata Title
- Upgrading of Connections Commercial
- Upgrading of Connections Industrial
- Adoption of Automatic Meter Reading

Each of these is described in greater detail in the following sections, including the reasons why the authorities interviewed have chosen a particular method of service delivery.

B.2 New Subdivisions – Residential Connections

When these works are carried out by the water authority it is on a fee for service basis to either the developer or the property owner. The fee is based upon an estimated cost for the authority to undertake these works. The Developer is however somewhat spared any supervision cost as the water authority will be the organisation taking over the works they effectively self-regulate.

The number of new residential properties connected each year is generally proportional to the size of the city /town being serviced and its growth rates. The authorities interviewed had between 300 to 1000 new connections per annum.

B.3 Industry Experience of this Service Aspect

With the exception of Riverina Water, all of the water authorities contacted indicated that these works in new residential subdivisions were being provided by the Developers and this practice has generally been in place for around 10 years or more. None of the officers spoken to was reporting any problems with this system of servicing new residential subdivisions. Similarly there was no feedback of any authorities wanting to move away from this method of servicing the new properties.

The only weakness identified with this type of upfront service provision is that the location for the water meter is not known at the time of the subdivision and there was the occasional requirement to move the meter at a later date to accommodate driveways etc., which is generally done by the water authority. It became an additional cost to the home owner but none of the authorities felt it was of any importance to warrant changing the current construction procedures.

Effective supervision of the work when it was carried out by contractors is essential. It was felt by the authorities that this supervision should be sufficient to catch most faults with the new assets and ensure they were rectified before any handover proceeded.

B.4 Factors Supporting this Industry Practice

The feedback received highlighted / even stressed that for the water authority to take over the assets it wants, then the following must be in place:

- Well defined minimum engineering standards for the quality of the water and sewerage assets to be constructed. This includes the quality of the workmanship, materials to be used and the proposed location of the mains as well as their size and the pipe materials.
- Formal handover procedures so that the authority can have confidence in the assets it is taking over and then a formal handover process.
- The ability to refuse to accept unsatisfactory assets in this handover is considered critical in this private works scenario. This s may also include a hold point on the handover procedure if it is considered that work is not to standard.

- Appropriate supervision of the works by authority's personnel.
- The contractors carrying out the work having the appropriate skills and resources on site as the water authority will still bear considerable responsibility if a problem arises following the maintenance period. The authority will mitigate much of this responsibility by ensuring that the Contractors have the appropriate systems in place to carry out the work within the specification and the relevant legislation.
- Buried assets to be inspected before being backfilled and the authority needs to have the authority to demand these assets be uncovered if they are inadvertently buried before inspections.
- Pressure testing regimes need to be well understood including the pressures at which the mains are to be tested.
- Recovery of the costs for this supervision from the Developer either as a direct cost or in specific headworks charges applied by the Authority. The water authority however needs to be able to justify any costs applied.
- The authority is the body to make the final connection into its own mains that allows the subdivision to become live and will have start up procedures that may include flushing of the new mains as well as any super chlorination.
- The authority can manage the risks through a guarantee period, a bond arrangement, and can recover costs from the developer

Should Riverina Water choose to open up these works to contestability, adequate time would need to be allowed to develop these specifications and procedures. There are many examples of processes and procedures available, including the "AUSSPEC" suite of specifications. .

B.5 Reasons Why this Practice Adopted

The reasons for moving in this direction seem to have varied between the different authorities contacted. There is the concern that those individuals spoken may not have been there when the decision was made, and the reasons stated may not be fully reflective of why the decisions were made. However the major reasons given in this survey include:

- Many water authorities seem keen not to retain any significant construction workforce. Rather they saw their longer term direction as an operation and maintenance authority. Some of this may have become caught up in the general industry trends to downsizing that has been occurring across the whole water industry for the last few decades.
- Pricing/ industry regulators for some of the larger water authorities were keen to see these areas opened up to competition as part of a wider push to end monopoly type situations.
- Pressure from developers particularly on the political side that the water authorities reported to. The developers have espoused that this was a lower cost direction for the eventual property owners

- For some water authorities, use of contractors is simpler because it manages the situation where there is a downturn in the workload.

It has not been possible to benchmark Riverina Water's cost for subdivision work against other water authorities, because none of the authorities interviewed undertake this work. Amongst the authorities interviewed, all work associated with subdivisions are carried out by Developers. These costs are not publicly available because:

- Developers are the only bodies to see the full costs of the provision of services and they guard this information as strictly commercial in confidence.
- Developers are in a position to lean on their contractors if the contractor wants more work from the Developer and the concern here is that the contractors will in turn look to cut every corner possible. Thus there may be no accurate comparison, particularly if the Developer does not include the authority's supervision costs in the equation.
- Some developers will often be locked into a view that any government department will naturally be more expensive

Developers are required to meet authority supervision costs to ensure the works are carried out in an appropriate manner. Whilst most authorities are confident that their costs are being recovered there does not seem to have been any significant investigation to confirm this.

In opening up these traditional water authority areas to competition it was discussed that the water authority could tender for the work and if successful this potentially would be an indication that they were actually of a lower cost. Feedback here indicated the following:

- The Developer is not bound to accept the lowest price
- There could be claims by contractors over discrimination over differing levels of supervision (authority contractors vs. independent contractors).
- If successful then the water authority needs to be established as an independent business unit with all overheads applied.
- If the main purpose in moving in this direction to open up the subdivisions to developers was to downsize or move away from construction, then tendering would seem to be inappropriate and it also raised the argument of what did you do with this workforce when there was no contract work.
- There is a need to include risk and profit in the pricing, causing an increase in cost

B.6 Issues to be considered.

Option 1 – Contestability of Capital Works

Factors/ issues that would seem to favour a change of policy to allow Developers to undertake these works using their own contractors would seem to include:

- Appeasing Developer pressure based upon claims by the same that the process is made more expensive to use Riverina Work. Claims have not been substantiated.

If cost is the determining factor and given that the only party who truly know the costs involved with these subdivisions are the developers then surely the onus of proof should then be on the developers to indicate what their costs would be and allow analysis by an independent party. There will also be a need to include Riverina Water costs for supervising a developer contractor included in this analysis. In that way the costs passed on to the end user would be more the real issue.

The supervisory costs would effectively be based on an audit/ surveillance type approach, not full time supervision.
- Wagga Wagga City Council as the local sewerage authority for Wagga where most of these new subdivisions occur already allows there services to be provided by the Developer's Contractors and a change in policy would seem to address this inconsistency for the Developers in relation to new subdivisions.
- Riverina Water may have a position in regards to the ideal size of its workforce.
- Riverina Water is somewhat out of step with the rest of industry. Riverina Water should be able to demonstrate the efficiency and effectiveness of their operation.
- Does Riverina Water have sufficient work for this workforce all of the time or is make up work involved between subdivisions? Riverina Water manages this through a flexible workforce and through assignment to other capital works.

Option 2 – Retention of Capital Works in-house

Factors that would seem to favour retention of these works by Riverina Water would include:

- This work provides some local employment as there is a strong chance that the Developers Contractor's will not be local.
- The current arrangement should make a reasonable return on the investment and this helps to minimise rates for the existing customers.
- The current system seems to work and if there is no specific pressure to downsize why

- Better retention of skills within the organisation and more staff available if there was to be an emergency.
- Is Riverina Water satisfied that this auditing type supervision substitutes for the knowledge that the work was executed correctly the first time around?

Other Factors to be considered under either option

Other factors that need to be considered in any decision making include:

- Estimation of the costs in providing supervision/ auditing will be required and would need to be justified.
- A full set of procedures from agreeing the design and materials to be used through to the provision of WAE documentation and formal handover needs to be in place before such a step can proceed.
- Sufficient power in the specification for the new subdivisions that allow Riverina Water the ability to cease all work if they deem the work being carried out is unsafe for the workers, the community and if it will result in inferior assets being handed over. Similarly the authority should have the power to refuse any asset deemed unsuitable in the handover procedure providing it can justify that rejection.

B.7 New Subdivisions – Commercial Connections

These effectively mirror the practices for the new residential new subdivisions and the information does not warrant duplication in detail however the major differences may be:

- The shop frontage may be on the boundary and as such the meter may need to be place further inside the property but generally at the minimum possible difference or the water service may be made through the rear of the property.
- In larger commercial complexes such as shopping malls a single connection is generally provided to the complex owners and this will include a fire fighting service that also has to be metered. These will be located in a plant room, alcove etc. which is locked and to which a meter reader will need access.

In the case of the shopping mall, it may require nothing more than an extension of mains to the site. In these instances the authority may be responsible for the extension of the mains as they are effectively live mains or the new service provision to the authority. Generally, these more specific instances are dealt with on a case by case basis as opposed to greenfield commercial applications.

The issues in the decision making process do not change significantly excepting that the following also need to be considered.

- If it just effectively requires a mains extension and new service lines then the water authority undertaking the work is effectively in line with industry practice.
- To a single commercial developer they may be happy to purchase this service from a secure provider as they are not in the business of churning out lots with lots of service type connections as is the residential developer.
- There will be a limited number of plumbers who can undertake this work as there will be a fire service also required and with it larger and more specialist tools.
- The quantum of work is not particularly attractive as it will be quite small. Cost to lay the mains will be high and tend to make this look more attractive on paper but this will require specialist pipe layers that may not be local.

B.8 New Subdivisions – Industrial Connections

These also are less common than residential subdivisions and typically are located in dedicated area or at the fringes of the urban development. There is some diversity of approach here depending upon the nature of the subdivision. Typically, where this is likely to involve small warehouse or simple processing facilities these would be dealt with in the same manner as new residential subdivisions excepting that some authorities would see a 25 mm connection as the appropriate minimum size.

Where the subdivision is likely to take on heavier industry such as say the Bomen estate in Wagga some Developers elect just to have the mains constructed and then have the authority provide a service at a later date when the needs of the new property owners are better known. In these instances the Developer's contractors construct the mains and the authority provides the service connections as required.

The authority will have prior discussion with the property owner's contractors and designers over the size of the connection and carry out this work on a fee for service basis.

Thus what constitutes industry practice alters a little here. In urban areas serviced by Riverina Water this is most likely only going to occur in Wagga Wagga, and realistically the number of these type of subdivisions is likely to be of the order of once every decade or so.

B.9 Minor Subdivision Work

These are those smaller subdivisions where a property owner may elect to subdivide their property and take on this Developer role. These are not like the larger developers responsible for the new urban subdivisions and which are well versed in what is required.

Rather these individuals would normally seek to use local tradespersons who may or may not be suitably qualified to carry out the work.

This type of work tends to be little more than an extension of the existing water main down a new access road and the provision of a few service lines to a small number of properties. The work is normally carried out by the water authority.

Factors Supporting this Industry Practice

The supporting arguments for this practice include:

- This practice tends to be the lowest overall cost solution for the Developer, particularly as supervision costs per property for these works are quite expensive.
- These types of subdivisions represent the biggest risk from a health perspective as they are not appealing to the contractors with the right skills and training for their personnel. Hence if done by lesser qualified contractors the risk profile increases
- The Developer will not be routinely familiar with the standards involved with this type of work and in general feedback has indicated that they are happy to use a service that effectively requires they do little more than pay a fee
- The water authority has to make the final connection and implement the start-up procedures and that would be on a fee for service basis anyway.

Reasons Why this Practice Adopted

This was part of the original provision of services by the water authority before new procedures were implemented to allow Developers to assume the full responsibility for service provisions to new subdivisions. This practice has effectively not changed as there has been no pressure to change this service. Indeed it would appear that most of these types of developers like this service being provided in this manner. This service also reduces the risk profile for the Developer as well as the water authority.

Issues to be Considered in Relation to Using Private Workforce

Factors/ issues that would seem to favour a change of policy to allow Developers to undertake these works using their own contractors would seem to include:

- It meets legislative requirements to open these works up to more competition
- It is consistent with other subdivision work but a question remains over whether that is an accurate comparison.

Factors that would seem to favour retention of these works by Riverina Water would seem to include:

- A small number of local water authorities have accredited contractors that they may allow to carry out these works rather than retaining a

construction workforce. In this manner the individual contractors get the work but in a more controlled environment. As these are generally long term contractors well known to the water authority and who face the loss of their accreditation for poor work. Use of accredited plumbers would therefore be one way an authority may be able to retain better control of this type of installation if it wanted to divest itself of any construction workforce.

- Us of accredited plumbers would be consistent with what Wagga City Council would do in these types of applications.
- The does not appear to be any pressure in the market place to change these arrangements and indeed based upon industry feedback it would appear that there is a demand for this service to be provided by the water authority.
- This allows for better retention of skills within the water authority.
- This will provide a small but possibly lucrative stream of income for the water authority.
- Riverina Water's current policy would appear to be in line with industry practice.

Other factors that neither support or are contrary to any changes in policy here, but need to be considered in any decision making include:

- Determining when a minor subdivision becomes a major subdivision needs to be defined.

B.10 Servicing of Existing Residential Properties

In new subdivisions the property owner engages a plumber to connect their property to the water meter when they build on the property. The owner's plumber will request the water authority to come onto the site and install the meter on the already constructed service line and then the plumber will connect the new dwelling to that meter arrangement when it is provided.

There are however a number of properties in older subdivisions where these service connections do not already exist and as such a **live tapping of the mains** will be required, along with the construction of a service main into the property. The number of these connections is small.

Industry Experience of this Service Aspect

Generally, these connections are provided by the Water Authority with a very small number of the authorities contacted indicating the usage of accredited plumbers to undertake these works and some of that on an occasional basis.

Factors Supporting this Industry Practice

The supporting arguments for this practice include:

- Concern over public health issues with Authorities concerned over their exposure if a private contractor were to cause a public health issue in providing this service connection.
- Concern over damage to their mains if the private contractor has limited experience of live tapping and in fact the water authorities do not permit any contractor to touch their mains.
- Based upon the feedback received it would appear that there has been no industry pressure from local plumbers to amend this current arrangement.
- It is a system well understood by property owners and their builders as well as plumbers.
- Few local plumbers would have the equipment or training for the live tapping of water mains and no authority wants to provide the “hands on” training for the private sector or deal with poorly made tappings that could result in property damage.

Reasons Why this Practice Adopted

This was part of the original provision of services by the water authority and there has been no pressure to change this arrangement. There has been no alteration to this service provision aspect. One or two authorities do however carry out some of these works using accredited contractors.

Issues to be considered in Relation to Using Private Workforce

Factors/ issues that would seem to favour a change of policy to allow Developers to undertake these works using their own contractors would seem to include:

- It meets legislative requirements to open these works up to more competition. To date there would be no feedback of any contractors pursuing this provision.
- If the authority were to be downsizing then use of accredited private contractors may offer this ability to downsize.

Factors/ issues that would seem to favour retention of these works by Riverina Water would seem to include:

- A small number of local water authorities have a limited number of accredited contractors that they may use to carry out these works **for the water authority**. These are generally long term contractors well known to the water authority and who face the loss of their accreditation for poor work. This construction methodology seems to offer few problems with no significant feedback here. Indeed in some instances these contractors are used when authority personnel are required in other areas rather than hold up a client. Use of accredited plumbers would therefore

be one way an authority may be able to retain better control of this type of installation if it wanted to divest itself of any construction workforce.

- Use of accredited plumbers would be consistent with what Wagga City Council would do in these types of applications.
- There does not appear to be any pressure in the market place to change these arrangements and the market is very small.
- This allows for better retention of skills within the water authority.
- Riverina Water's current policy would appear to be in line with industry practice.
- Setting up a system to allow it to occur externally would require
 - Having a structured set of standards in place
 - Establishment of supervisory procedures for these external contractors and that could effectively double the cost to the property owner
 - Ensuring minimal qualifications or the accreditation system for those carrying out the work
 - Control measures to address risks associated with public safety and work within the road reserve.

Other factors that need to be considered in any decision making include:

- Small numbers involved here and as stated unlikely that there is an effective market place.

B.11 Servicing of Existing Commercial and Industrial Properties

Practices here are essentially the same as for residential properties with the same issues arising.

Additionally, for some of the industrial properties there may be a need to construct a tee into the line and add a fire fighting service rather than just making the connection using a tapping band. Based on industry practice this will involve line shut downs and the correct tools and materials being used. Managing impact on the community of the shutdown is the responsibility of the water authority.

B.12 Upgrading of the Existing Connection – Residential

This would generally apply to a residential dwelling where there is significant household modification that requires the moving of the meter. For example, if a driveway was to be relocated or so another structure is proposed at the boundary.

Industry Experience of this Service Aspect

The overall industry direction in relation to these modifications is that they are carried out by the water authority particularly if it involves moving the meter. A small number of the authorities contacted indicated the use of accredited plumbers to undertake these works but otherwise it is carried out by water authority day labour. The numbers involved here are again not high as these types of modification are relatively rare.

Factors Supporting this Industry Practice

These are as per those factors already set out in section 3.6.2 excepting that in this instance the authority also wants to ensure that its meter is returned to the correct property or not damaged in the process. It also needs to modify any work as executed information that it has on record to assist field operators to maintain the facilities and meter readers to locate the meter after it has been moved.

Reasons Why this Practice Adopted

This was part of the original provision of services by the water authority and there has been no pressure to change this arrangement.

Issues to be Considered in Relation to Using Private Workforce

These are as per section 3.6.4 and not duplicated here.

B.13 Upgrading of the Existing Connection – Strata Titles

The nature of modern urban environments is that as they grow, a number of older standalone residential buildings are replaced by a series of multi-story units or flats under some form of strata title arrangement. This new construction sees a number of old water connections blocked off and replaced by a single large connection with the water bills sent directly to the Body Corporate. Such connections will usually also include the construction of a dedicated fire service to service the new arrangement.

The number of these types of connections is growing. It is common in the city where urban density is increasing. The size of these connections could require a tee being cut into the existing main to accommodate any fire services and possibly even the service line, depending upon the size of the construction.

Industry Experience of this Service Aspect

These modifications appear to be carried out by the water authorities after agreement is reached regarding the size of the connections between the strata owner's builders and the water authority. Construction of the fire service is in accordance with the appropriate

regulations with the water authority normally requiring some form of metering arrangement on the fire service to ensure it is not inappropriately used.

A small number of authorities had allowed metering to individual units where the strata titles was only a few units but in general the wider industry trend now days is to simply bill the body corporate. The body corporate then individually meters or set up whatever charging policy they want to meet the bills.

Factors Supporting this Industry Practice

The supporting arguments for this practice include:

- Concern over public health issues was raised as the primary reason for this policy direction as it included the authority's exposure if a private contractor were to cause a public health issue. This is increased by the fact that the works here are likely to be more than just a cut in tee through a tapping band and hence the risks in general are greater with this type of connection.
- Ensuring that the fire service regulations are complied with and that that water supply is not used inappropriately for other purposes on the property.
- There has been no industry pressure from local plumbers to amend this arrangement.
- The plumbers are not likely to have the tools, nor access to the pipe sizes and materials for a fire services.
- The risk profile for the water authority if the fire service does not perform adequately should there be a fire as the water authority cannot delegate away its responsibilities in these matters.
- The authority is better positioned to manage a mains shut down and ensure those impacted are effectively communicated with
- It is a system well understood by property owners and their builders as well as plumbers.
- Few local plumbers would have the equipment or training for cutting into of large water mains.

Reasons Why this Practice Adopted

This was part of the original provision of services by the water authority and there has been no pressure to change this arrangement. It has become custom with no real revision of any policy in this area. Feedback has indicated that this was meeting a market need. This latter statement based upon the fact that the strata title developers did not have the skills to provide these types of services.

Issues to be Considered in Relation to Using Private Workforce

Factors/ issues that would seem to favour a change of policy to allow Developers to undertake these works using their own contractors would seem to include:

- It meets legislative requirements to open these works up to more competition. To date there was no feedback of any contractors pursuing this provision.
- If the authority were to be downsizing then use of accredited private contractors may offer this ability to downsize but overall the numbers of individual involved here is very small.

Factor issues that would seem to favour retention of these works by Riverina Water would seem to include:

- A small number of local water authorities have a limited number of accredited contractors that they may use to carry out these works **for the water authority**. These are generally long term contractors well known to the water authority and who face the loss of their accreditation for poor work. Indeed, in some instance these contractors are used when authority personnel are required in other areas rather than hold up a client. Use of accredited plumbers would therefore be one way an authority may be able to retain better control of this type of installation if it wanted to divest itself of any construction workforce.
- The potential overall risk profile for the water authority if the private contractor was to create an incident.
- Use of accredited plumbers would be consistent with what Wagga City Council would do in these types of applications.
- There does not appear to be any pressure in the market place to change these arrangements and the market is very small.
- This allows for better retention of skills within the water authority.
- Riverina Water's current policy would appear to be in line with industry practice.
- Set up a system to allow it to occur externally would require
 - Having a structured set of standards in place
 - Establishment of supervisory procedures for these external contractors and that could effectively double the cost to the property owner
 - Ensuring minimal qualifications or the accreditation system for those carrying out the work
 - Control measures being to ensure risks associated with public as well as the contractor working in the road reserve should there be any damage.

Other factors that neither support or are contrary to any changes in policy here, but need to be considered in any decision making include:

- The local contractors are unlikely to have the tools requires and the cost of bringing external skilled contractors will add to the building costs.
- Water authority charges to supervise these works to ensure the quality of the assets being handed over would add to the costs.
- The developers would need plan to ensure the supervision of the works did not impact their time lines.

B.14 Upgrading of the Existing Connection – Commercial

For retail areas these works may involve the conversion of part of a shopping precinct into a mall of some size and arrangements in that instance are effectively identical as for the strata title.

For non-shopping commercial arrangements then the service is only likely to be upgraded to accommodate either expansion of the premises to a multi-story application and this too would then potentially be treated in the same manner as a strata title application with all of the issues their equally applying there.

In the case of a simple remodelling of the commercial premises requiring the moving of a meter or a minor upgrade in service size then this would effectively be treated the same as for the residential upgrades/modifications.

The factors to be considered in reviewing this policy, the issues involved and why industry has continued in this manner are effectively as discussed under the strata title arrangements (section 3.8.4) and no further duplicated is needed here.

B.15 Upgrading /Modifying the Industrial Connections

These modifications will most likely occur as a result of a change of purpose of the property site and require more water be provided to the facility. There would seldom be any requests to reduce the size of the meter and connection line. As with the strata titles these types of modifications are virtually only done by the water authority as they are the only bodies likely to have the equipment required and the overall number of these types of applications is only likely to be of the order of 1 or 2 per annum with a number of years where there are no such connections.

The factors to be considered in reviewing this policy, the issues involved and why industry has continued in this manner are effectively as discussed under the strata title arrangements (section 3.8.4) and no further duplicated is needed here.

B.16 Automatic Meter Reading

Industry feedback indicates that this is effectively confined to a few commercial and industrial applications where meter reading is problematic. The only real exception would appear to be Goldfields Water where those contacted during the survey indicated

that is fairly wide spread over both remote serviced properties and the urban areas. Unfortunately, the technical expert was on long term leave but the key issues are:

Where authority ownership ends is less clear in these applications, not so much in terms of the water meter but rather the automatic mechanisms that may in some instance be attached near the property's electric switch board. Any cables running back from that switchboard to the meter would seem too small to justify taking an easement over the same. Potential location of the meter may be further onto the property and where the demarcation point for maintenance responsibilities lie needs to be considered on a case by case arrangement.

This is highly specialised work and most authorities at this time feel that it is better done either through retention of a highly specialised contractor engaged by the water authority or having authority staff trained to acquire this expertise. **This activity is not considered further as a contestable work.**

B.17 Replacement of Meters

Meters at all times would appear to remain the property of the water authority. The water authority will periodically replace these to ensure the accuracy of the meters and compliance with Australian Standards. The most common problem reported is that meters slow down disadvantaging the water authority. There was no common trigger reported to the replacement of the meters. Meter replacement tend to occur based upon set registrations, time, when funds are available, reports of meters in a particular area not being accurate, when there is a quiet period for authority workforces.

None of the agencies contacted had indicated that they had elected outsource meter replacement. Meter replacement has never been considered private work. Some authorities will use accredited plumbers to carry out meter replacement and the feedback was that they retained a better control over this process. It would however be possible to allow these works including the meter reading to be carried out entirely by an outside agency on a fee for service basis against a performance specification.

Additional factors that were considered to be supportive of continuing to exclude meter replacement these from the private works included:

- The health concerns as always with a public water supply.
- Meter serial numbers being wrong recorded against differing properties given the number of properties involved in one of these replacement programs. Redressing this will clearly have cost ramifications for the authority.

- Loss of reputation of the water authority if there were significant numbers of these and they were not detected in the first billing cycle.
- Delays in the ability to bill if there are a considerable numbers of meters that are wrongly assigned as this may trigger a second reading just to check what meter is where.
- There are significant issues attached to the privacy of this data and the need to ensure its security if an alternative arrangement was to occur.
- An external agency would potentially also pick up on the AMR applications and it is considered that the water industry is not sufficiently mature to allow that to be controlled by others.
- Some of the smart metering carried out in the electricity industry has drawn considerable criticism from the consumers and as such authorities indicated that they would prefer to manage this and are better positioned to do it with more credibility than a private company.
- None of the water authorities would appear to allow an outside agency to run this process for them as it directly impacts the revenue stream for the authority even though contract water meter readers are often used.
- With this data carried out by an external body the ability to match total water meters with bulk meters to determine losses can become compromised. When the current ICON water was part of the federal government (Department of Housing and Construction) water meters were not part of the water authorities' role and as such the nexus on system losses was difficult. When the corporatised ACTEW was formed thousands of meters were discovered for which billing had never been attained. This example is typically of what water authorities fear at this time if a private company was used to take over this service.

The industry feedback indicated that this should remain outside of what would be considered private works.

Appendix C Work Practices

This section outlines RWCC current work practices for new works, reflecting earlier information provided by Austin Morris:

Levels of Resourcing

- General data on how the level of resourcing is determined for each project.
 - When working out costing/resourcing for any given water main installation project, a whole gang is allocated to the job (5 workers).
 - The timeframe is worked out based on the number of DICL road crossings (usually 2 or 3 per day), and then roughly 50m of water main installation per day.
 - Allowances are then made for any known factors that may alter this assessment, e.g. likelihood of hitting rock, congestion of work area, size of mains to be installed, additional work involved (e.g. under boring), etc.

Technical Specifications

- Riverina Water's technical specifications in respect to construction, including acceptable materials and practices
 - New water mains to be constructed using (minimum) class 16 oPVC and PN35 (K9) DICL.
 - All DICL pipe to be covered using appropriate protective plastic pipe sleeving
 - All pipe to be laid on a bed of clean river-fill sand, minimum 100mm thickness.
 - All pipes to be completely encased using clean river-fill sand
 - All DICL road crossings to be re-instated using 4% stabilised sand and DGB20 road-base, as per WWCC guidelines
 - All pipes to be installed at minimum depth of 600mm cover to top of pipe (may increase depth according to specific project, location etc.)
 - In urban areas, hydrants to be located every 70m maximum spacing.
 - In non-urban areas, hydrants to be located every 120m maximum spacing.

Time Performance

- Riverina's Water time performance – Generally, the Developer phones the week before and RWCC can accommodate the Developer's needs the following week.

Workload

- Annual data on numbers for current FY
 - 1207 – Estella Stage 12 (33 Lots)
 - 1229 – Governors Hill - two stages (21+ Lots)
 - 1236 – Estalla Rise Stage 2 & 3 (68 Lots)
 - 1238 – Brunslea Park Stage –Two stages (25+ Lots)

- 1252 – Dunns Road (7 Lots)
- 1254 - Staunton Estate Stage 1 (27 Lots)
- 1255 – Boorooma Stage – two stages (54+ Lots)
- 1294 – Urana St Stage 1 (30 lots)
- 1241 – Milne Road the Rock
- 1228 – Bourkelands (24 lots)

Policy information

- RWCC has a policy of only charging the developer for the pipe size for their subdivision. Council pays the costs for any increase in size associated with future developments (see attached).

ADDENDUM TO DIRECTOR OF ENGINEERING'S REPORT TO COUNCIL MEETING ON 24th AUGUST 2016

22ND August 2016

1. CONTRACT W195 – WATER TREATMENT PLANT PROGRESS REPORT

RECOMMENDATION: that Council receive and note this report.

UGL Engineering Pty Ltd continue to make progress on the Wagga Wagga Water Treatment Plant project however there have been some quality issues that will delay completion of the project. The quality issues include; welding on Stainless Steel Lamella frames, painting of steel components and use of non-compliant electrical cables.

Construction of the Raw Water Intake has not progressed and temporary coffer dam has been inundated for the majority of the past 2 months. A formal Notice Of Issue (NOI) from UGL in relation to scope of the work has not yet been resolved although meetings have been held and both parties are working towards a resolution.

RWCC are now working with UGL on contingency plans to allow the existing WTP to operate this summer.

The July and draft August 2016 UGL project status reports are attached.

- **UGL Project Status report – July 2016**
- **UGL Draft Project Status report – August 2016**

A handwritten signature in black ink, appearing to be "Bede Spannagle".

Bede Spannagle
DIRECTOR OF ENGINEERING



PROJECT STATUS REPORT



PROJECT: Wagga Wagga WTP Upgrade

CLIENT: Riverina Water County Council

CONTRACT NO.: W195

UGL PROJECT NO.: 3200-0485

REPORT DATE: 23rd July 2016

REPORT NO.: 11

PROJECT MANAGER: David Murphy

PREPARED BY: David Murphy

TABLE OF CONTENTS

1.0	SUMMARY	3
2.0	SCOPE OF WORK	4
3.0	HSSE	4
4.0	RISK / CRITICAL ACTION AREAS	4
5.0	CONTRACT/COMMERCIAL	5
5.1	PROGRESS CLAIM	5
5.2	VARIATIONS	7
6.0	FINANCE	8
7.0	PROGRAMME	8
8.0	QUALITY	9
9.0	ENVIRONMENTAL	9
10.0	INDUSTRIAL RELATIONS	10
11.0	DESIGN AND TECHNICAL	10
12.0	COMMISSIONING	10
13.0	STAKEHOLDERS	10
14.0	SITE PROGRESS	11
	APPENDIX A – SCOPE OF WORKS SUMMARY	15
	APPENDIX B – JUNE MONTHLY SAFETY REPORT	16
	APPENDIX C – JULY PROJECT PROGRAMME	17

1.0 SUMMARY

The primary focus of works on the project is remains squarely focussed on construction activities. The particularly wet weather is proving to be a real challenge for the site due to the underground piping and conduit works attempting to be finalised as well the need for undercover work areas for the other crews. Considerable effort was spent trying to stabilise the site through temporary gravel and rock works to improve the work conditions for the crews. Admirably they have been battling on through very tough muddy conditions endeavouring to continue to progress the project.

The team remains focussed on the critical path activities associated with the filter area as the filter media loading and washing is a key milestone in commissioning which is planned to commence in August.

Concrete works have been focussed on the existing thickener floor, miscellaneous pipe supports and slabs, k-floor preparations and clear water switchroom finalisation.

Building works continue to be spread across the four buildings on site. The chemical building plinths were completed. The new centrifuge building was erected and the clear water switch room was completed barring doors. Fit-out works in the control room continue although as a lower priority the focus has been on the other buildings.

Underground process pipework and conduits continued through the month with good progress at the eastern end of the site.

Mechanical installation progress this month has been impacted by a number of factors including the adverse weather and site conditions; however the most significant activities planned was the installation of the Lamella Units which require some defect rectification work prior to installation.

In the filter area the filter floor support walls and penstocks were completed.

Electrical installation works are progressing with cabling and installation of equipment in the main filter building switchroom, filter gallery and chemical building. HV voltage works are now waiting for the final Essential Energy approval to allow the first stage of changeover of supply to occur.

The Raw Water Intake works continue to be significantly impacted by the river levels. We are continuing to try and identify a suitable approach for works in this area given the ongoing challenges.

PLC/SCADA system development is progressing continues to progress working towards the upcoming FAT. Other engineering effort has been focussed on site support and production of O&M Manuals.

Key Milestones achieved in the Period were:

- Erection of the centrifuge building.
- Roofing of chemical and Clearwater switchroom.
- Installation of backwash pumps and pipework.
- Installation of structural steelwork commenced.
- Installation of centrifuges
- HV installation completion in preparation of stage 1 energisation.
- Electrical cabling and termination of equipment in the main process switchroom.

2.0 SCOPE OF WORK

The project scope of works is to replace the Wagga Wagga Water Treatment Plant (WTP) to provide additional process capacity and asset reliability to produce up to 55ML/day of water for the residents of Wagga Wagga.

Refer to Appendix A for a summary of scope of works for the project

3.0 HSSE

Total hours worked on the project in June is 12,675 hours. Subcontractor hours recorded on site in is 10,185 hours. Total hours worked on the project to date is 100,346.

No lost time injury (LTI) and one first aid injury (FAI) were recorded in the month of June.

Site inductions of 19 individuals have been undertaken and 26 HSSE pre-start toolboxes were held. Four safety incidents were recorded in the month of June; two near misses associated with low level alcohol readings; a near miss associated with defective boat motor; and a near miss associated with a subcontractor beings stuck an EWP.

Proactive measures undertaken include 320 Utake-5 observation cards, 38 Hazard Observation Cards and 48 Safety Inspections. Routine random blood alcohol testing was undertaken on a number of occasions with total tests completed now 1695.

The June Safety Report is shown in Appendix B.

4.0 RISK / CRITICAL ACTION AREAS

During the period the significant risk associated with inclement weather continued to materialise. This impacted site wide productivity but had a particularly significant impact on the works in the raw water preventing welding of the bracing for the coffer and inundation preventing the pumping down of the structure.

A further challenge is the continued progress of the key building sub-contractor, a number of strategies are being implemented to mitigate the impacts. These have included additional resourcing, re-sequencing of activities and an endeavour to focus on any activities which inhibit other trades.

While it was not recognised as a top risk last month, the materialisation of a number of quality issues associated with third party vendor supplied goods have impacted construction activities

Summary of Top Risks at July:-

Risk Description	Potential Impact	Control Measures
Defect rectification works take longer than anticipated	Overrun to construction programme	Offsite quality inspection Use of independent Adequately plan rectification works and apply additional resources Where possible re-allocate resources
Program Construction	Overrun above the construction	Additional staff & blue collar resources

Overrun - critical path	program impacting on-time production of water	required. Spread workload through multiple subcontractors to share risk and increase capacity Utilise weekend works Prepare contingency plans for dewatering facility to allow production from existing treatment plant.
Compressed schedule results in Labour productivity lower than planned	Subcontractors falling behind on program schedule.	Additional resources brought in to increase productivity on site. Increase direct supervision and interaction. Weekend work required to increase productivity.
Commissioning Program Overrun	Plant not ready for performance trial by the required date.	Commission plant in stages and work with RWCC to optimise witnessing process. Weekend work required to commission plant by the required date. Additional commissioning resources required.
Exceptional Inclement Weather	Delays associated with site inundation due to additional rainfall on site and rise in river levels.	Dewatering equipment readily available and established to dewater deep excavations. Purchase of additional site stabilisation material. Additional stabilisation works at the raw water. Labour relocated to other work fronts. Levee bank crated to protect site from major flooding. Inlet structure works completed during low flows in the river.

5.0 CONTRACT/COMMERCIAL

5.1 Progress Claim

Monthly progress meeting number 11 was held at site. The twelfth progress claim was agreed. The table below summarises the progress to the 23rd July.

WAGGA WAGGA WATER TREATMENT PLANT		Month	Jul-16
Item No.	Schedule of Prices	Total Claim to date	
1	Provision of Preconstruction Activities		
	Preconstruction Activities subtotal (1)	100%	
2	Provision of Project Management and Site Running Activities		
	Prooject Management Activities subtotal (2)	70%	
3	Complete all additional designs, where required		
	Design and Documentation subtotal (2)	99%	
4	Intake Works		
	Intake Works - General subtotal (3)	25%	
5	Raw Water Piping System		
	Raw Water Piping subtotal (4)	37%	
6	Lamella & Rapid Mix Tank		
	Lamella & Rapid Mix Tank subtotal (5)	77%	
7	Filters		
	Filters subtotal (7)	92%	
8	Filter Water Tank & Backwash		
	Filter Water Tank & Backwash subtotal (8)	98%	
9	Machinery Room		
	Machinery Room subtotal (9)	76%	
10	Clear Water Storage & Pumping System		
	Clear Water subtotal (10)	77%	
11	Aluminium Dosing Plant		
	Aluminium Dosing Plant subtotal (11)	13%	
12	PACL Dosing Plant		
	PACL Dosing Plant subtotal (12)	12%	
13	Caustic Soda Dosing Plant Facilities		
	Caustic Soda Dosing Plant subtotal (13)	11%	
14	Sodium Hydrochlorite Dosing Plant		
	Sodium Hydrochlorite Dosing Subtotal (14)	14%	
15	Polymer Dosing Plant		
	Polymer Dosing Plant subtotal (15)	15%	
16	Fluoride Dosing Plant		
	Fluoride Dosing subtotal (16)	14%	
17	Other Items		
	Other Items subtotal (17)	54%	
18	Electrical Items		
	Electrical subtotal (18)	67%	
19	Testing Demonstration Commissioning		
	Testing Demonstration and Commissioning (19)	0%	
20	Post Process Proving		
	Post Process Proving (20)	0%	
21	Sludge Handling & Dewatering System		
	Sludge Handling subtotal (19)	55%	
22	Other Options Accepted		
	Options subtotal (20)	79%	
23	Variations		
	Variations Subtotal	90%	

5.2 Variations

During the period two variations were approved and one additional variation submitted relating to design development and further scope definition.

The raw water area has seen further clarification in the scope over the last month as the design has been issued. The difference in this scope is still being assessed but is considered material. This is now being worked through to a resolution.

The table below provides a summary of variations against the contract.

Contract	Variation No.	Title	Amount (\$ 000) Incl. GST	Status (February)
W195	VO01	Control System Design for fully networked plant	15	Approved
W195	VO02	AC Road Surface	101	Approved
W195	VO03	Future UV	21	Approved
W195	VO04	Disabled Access	305	Approved
W195	VO05	Aggressive Water Response	87	Approved (value to be finalised)
W195	VO06	NSC02 – removal of Gyprock	5	Approved
W195	VO07	Transformer supplied by principle	- 244	Approved
W195	VO08	Existing Balance Tank Permanent Walkway	82	Not accepted
W195	VO09	Chemical Dosing – Alum Storage	81	Approved
W195	VO10	Switchboards additional spare capacity	8	Approved
W195	VO11	Lamella plate capacity	45	Approved
W195	VO12	Sewer pump station	6	Approved
W195	VO13	Manual Penstocks on Clarifier Inlet	10	Approved
W195	VO14	Increased bearing capacity in the filters	30	Approved
W195	VO15	Waste in excavation NSC04 & NSC06	11	Approved
W195	VO16	Asbestos in Levee	29	Approved
W195	VO17	Warehouse Facility	- 14	Submitted
W195	VO18	Filter Gallery Trenches	41	Approved
W195	VO19	Additional 25mm cover to Slab	9	Approved
W195	VO20	Raw Water Intake		Under development
W195	VO21	Material Compatibility Changes	- 17	Approved
W195	VO22	Non-relocation of Workshop Sewer	- 6	Submitted
W195	VO23	Pits under existing centrifuge building - NSC10	7	Submitted
W195	VO24	Clear Water Pumps Mechanical Seal	Tba	Under revision

6.0 FINANCE

The table below summarises the invoices and payment status within each of the contracts.

Claim Description	Invoice no.	Amount	Claim/Invoice Status
W195 Progress Claim 1	Invoice # 1	\$ 879,128.59	Paid
W195 Progress Claim 2	Invoice # 2	\$ 1,428,346.00	Paid
W195 Progress Claim 3	Invoice # 3	\$ 1,246,918.00	Paid
W195 Progress Claim 4	Invoice # 4	\$ 2,341,562.00	Paid
W195 Progress Claim 5	Invoice # 5	\$ 2,269,089.00	Paid
W195 Progress Claim 6	Invoice #6	\$ 1,652,403.00	Paid
W195 Progress Claim 7	Invoice #7	\$ 2,039,696.00	Paid
W195 Progress Claim 8	Invoice #8	\$ 1,764,615.00	Paid
W195 Progress Claim 9	Invoice #9	\$ 2,037,494.00	Paid
W195 Progress Claim 10	Invoice #10	\$ 2,510,494.00	Paid
W195 Progress Claim 11	Invoice #11	\$ 3,296,966.00	Paid
W195 Progress Claim 11	Invoice #12	\$1,416,136.00	Submitted

During the period no variations were approved as part of the W195 Contract. The table below summarises the current approved Contract value of the Contract.

Contract	Value (ex GST)	Contract Value Status (July)
W195	\$ 32,737,491	Unchanged

7.0 PROGRAMME

The combined construction programme is attached in Appendix C.
The schedule shows a completion date of at 4th January, 2016.

There have been significant works undertaken on site in the last month particularly as
Currently the site workforce is in the range of 50 individuals.

Concrete works have been focussed on the existing thickener floor, miscellaneous pipe supports and slabs, k-floor preparations and clear water switchroom finalisation.

Building works continue to be spread across the four buildings on site. The chemical building plinths were completed. The new centrifuge building was erected and the clear water switch room was completed barring doors. Fit-out works in the control room continue although as a lower priority the focus has been on the other buildings.

Underground process pipework and conduits continued through the month with good progress at the eastern end of the site.

Mechanical installation progress this month has been impacted by a number of factors including the adverse weather and site conditions; however the most significant activities planned was the installation of the Lamella Units which require some defect rectification work prior to installation.

In the filter area the filter floor support walls and penstocks were completed.

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The Raw Water Intake works continue to be significantly impacted by the river levels. We are continuing to try and identify a suitable approach for works in this area given the ongoing challenges.

PLC/SCADA system development is progressing continues to progress working towards the upcoming FAT. Other engineering effort has been focussed on site support and production of O&M Manuals.

Key revised target construction dates for the month ahead are as follows:-

Activity	Target
K-Floor Installation (staged)	23 rd July 2016
Centrifuge building roofing & cladding	29 th July 2016
Chemical building close-up and coatings	18 th August 2016
Concrete works commence Raw Water	TBC pending weather
HV Install – Stage 1 Energisation	12 th August 2016
Dewatering switchboard installation	Early July 2016
Completion of filter area wiring to allow backwashing	5 th August 2016
SCADA FAT	Early August 2016

8.0 QUALITY

Production of Inspection and Test Reports (ITPs) continues for civil/structural, mechanical and electrical works across the site.

More manufactured equipment continues to be delivered site. Disappointingly there have been some issues with quality of this equipment which we continue to work through resolving and attempting to mitigate impacts to the schedule.

A number of Non-Conformance Reports (NCRs) were issued this month including for out of round stainless pipework for Lamella outlet, Lamella clarifier internals (transport damage and manufacturing defects) and incorrect HV cable. We are working through resolving these issues with the suppliers to ensure the final product meets our expectations.

9.0 ENVIRONMENTAL

Project Construction Environmental Management Plan continues to be implemented. In the month of June, four Environmental inspections were conducted. There was also the routine visit by the Environmental Representative with no significant issues identified.

10.0 INDUSTRIAL RELATIONS

No significant issues.

11.0 DESIGN AND TECHNICAL

Design is ostensibly complete barring the control systems, resources are continuing to provide adhoc construction support as required. The controls system works are advanced with PLC simulation code and SCADA database and graphics development occurring in parallel in preparation for the FAT. In addition O&M Manual development was undertaken in earnest with this information being uploaded to WebFM for review.

12.0 COMMISSIONING

The commissioning ITP's are as far advanced as they will be prior to mobilisation. The Commissioning Manager, Jack DeVries, has been allocated and is planned to mobilise part time to site from late August.

13.0 STAKEHOLDERS

The UGL site have continued to experience constructive working relations established with other contractors on site as well RWCC staff and construction teams and no issues arising.

No significant issues to report with External Stakeholders in the month of July.

The Environmental Representative carried out another site visit during the period broadly positive outcomes from this process.

14.0 SITE PROGRESS



Photo 1: Dirty backwash pumps



Photo 2: Centrifuge building construction



Photo 3: Centrifuge being placed into position



Photo 4: Chemical building tank plinths formed read for pour



Photo 5: Clearwater switchboard in placed into position



Photo 6: Clear water switchroom

APPENDIX A – SCOPE OF WORKS SUMMARY

The project scope of works is to replace the Wagga Wagga Water Treatment Plant (WTP) to provide additional process capacity and asset reliability to produce up to 55ML/day of water for the residents of Wagga Wagga.

The WTP shall be designed to operate at a treated water production rate anywhere between 60 ML/d (695 L/s) and 22 ML/d (255 L/s).

The main treatment process of the WTP shall include coagulation and flocculation, inclined plate clarification, dual media filtration, chlorination, and fluoridation. Process wastewater shall be managed using gravity thickening and mechanical dewatering.

Product water shall be produced to meet the quality requirements of the specification and shall treat the required quality. The project target completion periods are for a design and construction period of 60 weeks, followed by a 10 week commissioning and proving period.

The scope of on-site works for UGL Engineering and its subcontractors as described in the contract are limited to the following;

The new water treatment facility shall consist of the following elements for a new 60ML/d Water Treatment Plant:

- Raw water intake and pumping station. The intake would be constructed within the river. The pumping station would be built on Crown Land adjacent to the WTP on the bank of the Murrumbidgee River to supply raw water to the plant;
- Alum and polymer dosing systems;
- Inclined plate clarifiers (Lamella clarifiers);
- Six dual media filters including backwash pumps and air scour blowers;
- Chlorine storage and dosing system and channel-type static mixer for clear water storage;
- Fluoride dosing system;
- pH correction dosing systems;
- Dewatering building with two new centrifuges to dewater sludge material produced from clarification and filtration during the water treatment process.
- Backwash wastewater collection tank and pumping station for the wastewater produced from the clarification and filtration process;
- Clear water system upgrade including a new 3 ML clear water storage tank and low level and high level pumping stations each fitted with three pumps;
- Electrical works including switch-rooms, automation and control infrastructure, electrical substations and two new 1500kVA transformers;
- Filter wastewater collection sump and transfer pumps;
- Pipework and valves;
- Control room, water testing and analysing facilities;
- Internal access roads;

UGL is responsible for undertaking the detailed design, construction, commissioning, training and handover for aspects of the scope of works above.

UGL will also provide post completion technical support comprising, where necessary some site visits, to assist RWCC in operating and optimising the plant.

APPENDIX B – JUNE MONTHLY SAFETY REPORT

HSSE Monthly Safety Report –June 2016

1.0 Overview Statistics

	June 16	Total to Date
UGL Hours	2,490	31,611
Subcontractor hours	10,185	68,735
Total Site Hours	12,675	100,346
LTIFR: Target <.50	0	0
TRIFR: Target 2.70	0	0
MTIFR:	0	0
Lost Time Injuries (LTI)	0	0
Days lost to LTI	0	0
Medical Treatment Injuries (MTI)	0	0
1 st Aid Injuries	0	3
Incidents:		
Injury	0	3
Damage/ Loss	3	4
Near Miss	4	24
Hazard	0	5
Report Only	0	3
Journey Incident	0	0
Non-work related injury	0	0
Environmental	3	5
Safety Initiatives:	2	8
Workplace Safety Inspections	48	326
Environmental Inspections	4	30
Safety Conversations (UGL)	72	534

Utake 5 (UGL)	320	2490
Hazobs	38	312
Site audit (e.g. Plant pre-start)	4	22
SWMS reviews	13	157
Site inductions	19	427
Tool box meetings	2	32
Training hours	0	95
Plant delivery inspections	15	98
Checkit compliance (UGL)	100%	100%
UGL/ External Audits	0	0
Alcohol Breath tests	169	1695
Drug tests	0	105

2.0 Incident Summary

The following incidents occurred on site in June 2016.

- **Near Miss:** Low Level alcohol test result returned
- **Action:** Personnel issued warning letter

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- **Action:** Personnel issued warning letter

- **Environmental :** Murrumbidgee river rosed due to rain event in local catchment area to a level which allowed the river to flow over coffer dam wall
- **Action:** All plant & equipment removed from coffer dam location

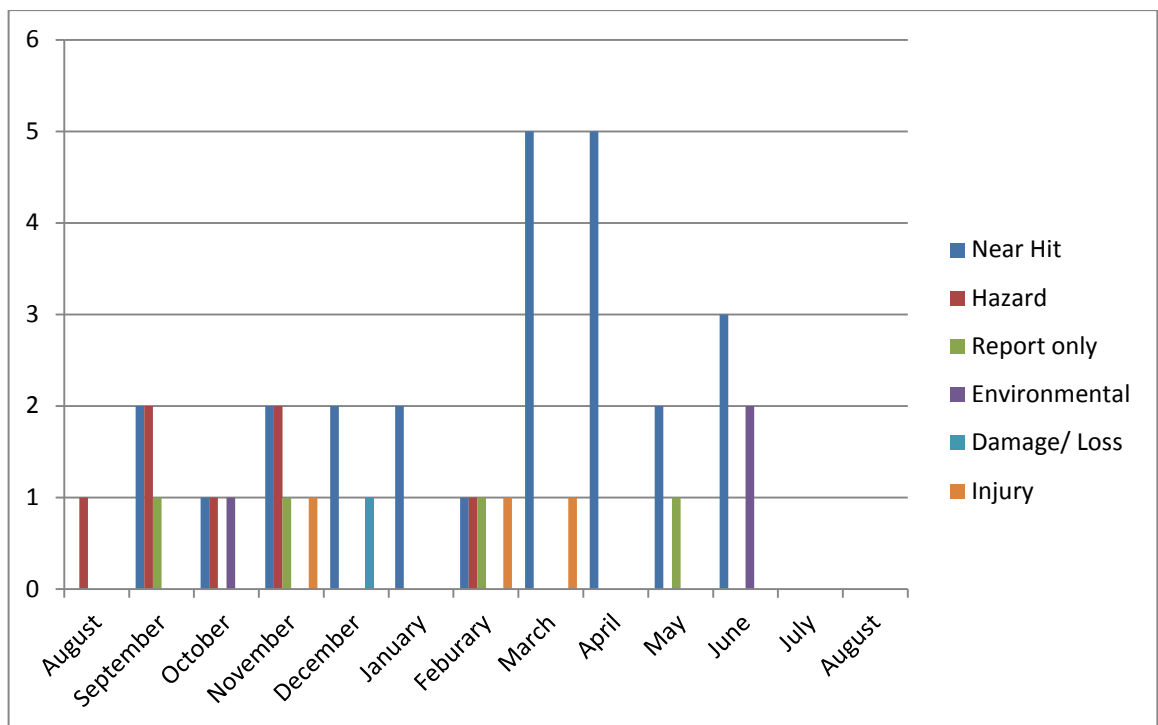
- **Near Miss:** Personnel stuck in EWP due to defect- personnel rescued
- **Action:** Coates Hire instructed to attend site and inspect EWPs for defects

- **Near Miss:** Defective boat motor
- **Action:** Engage specialist silt curtain installation

- **Environmental:** Sediment curtain stuck on coffer dam
- **Action:** Company whom leased the curtain contracted to relocation

- **Environmental:** Erosion of bank intake works
- **Action:** Note only – EPA and Planning notified
- **Damage:** Water enter filter tank during pressure testing
- **Action:** Note only
- **Damage:** Filter cell leaked during testing
- **Action:** Note only
- **Damage:** Water overflowed from RWCC tank
- **Action:** Note only
- **Environmental:** Murrumbidgee river rosed again due to rain event in local catchment area to a level which allowed the river to flow over coffer dam wall
- **Action:** Note only

Wagga Wagga WTP Incident trends



- June 2016 Site inductions 19 not including visitors inductions
- June 2016 Construction Manager Monthly Safety Award – Not award as it was deemed that **ALL** site personnel have contributed to site safety equally due to the wet, muddy site conditions.
- Continuing education of local subcontractors in regards to SWMS & Safety Culture Development/Awareness

3.0 Project Safety Initiatives for June 2016

- **Training:**
 - SWMS development by subcontractors
 - Continuing training site personnel in UGL Utake 5
- Continuing with Construction Manager Monthly Safety Awards
- **UGL Daily Pre-start meetings:**

Daily site hazards, site hazard board updates, continuing discussion of subcontractor interfacing requirement to, site personnel consultation

- **Subcontractor** individual pre-start meetings. Subcontractor individual work tasks & hazards involved

- **UGL Weekly Tools box meeting:**

Site incidents / actions, industry safety alerts, continuing discussion of site safety hazards, site personnel consultation

- **Site Safety Inspections:**

Continuing compliance with UGL WWTP Project Safety Management Plan via:

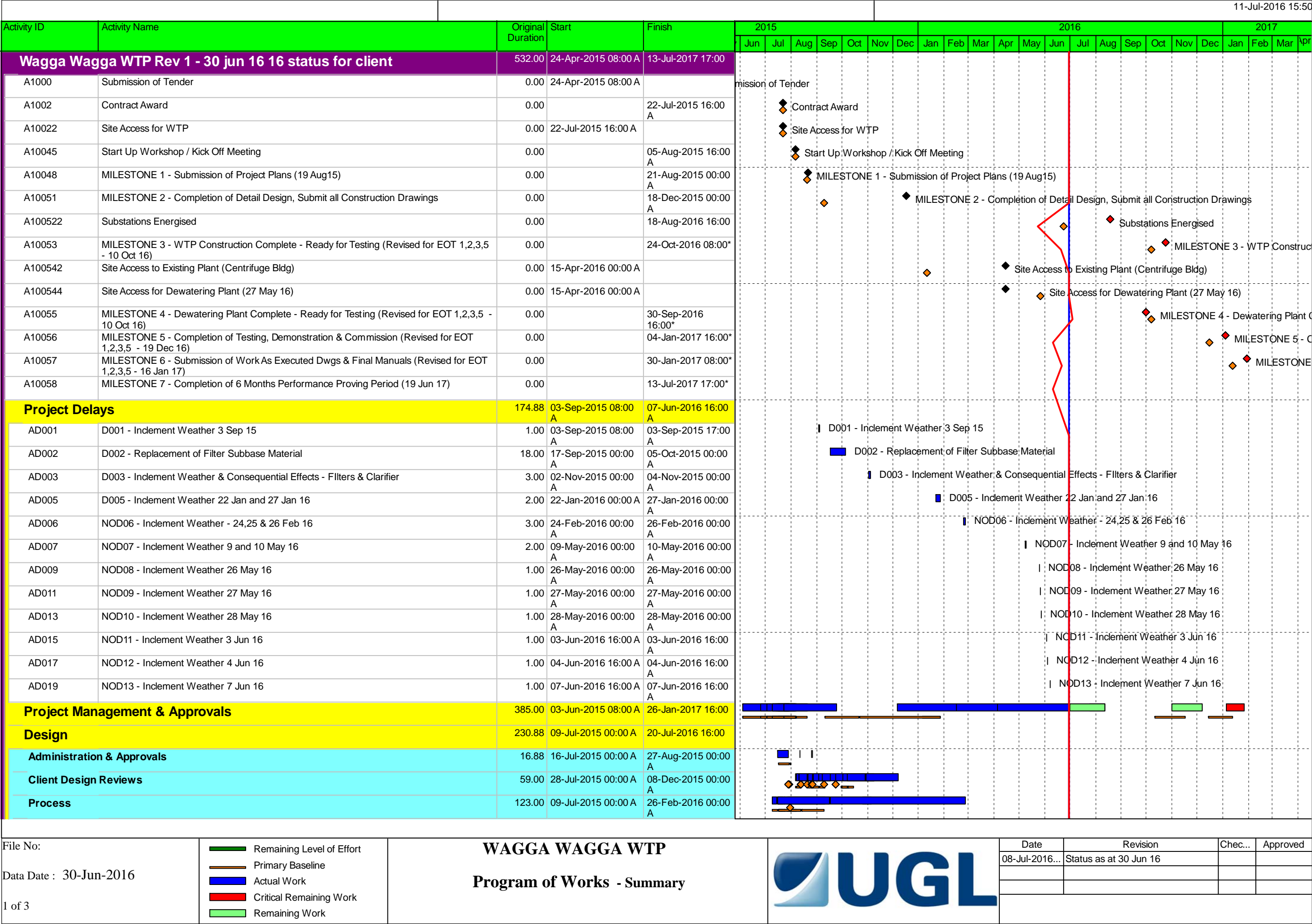
- ✓ Site safety inspections
- ✓ UGL Safety conversations
- ✓ UGL UTake 5s
- ✓ UGL Hazobs
- ✓ Plant operator pre-start inspection audits
- ✓ SWMS reviews, work permit audits

- **Fitness for Work:**
 - Continuing Alcohol testing at pre-start meetings
 - Drug testing as per Project Safety Management Plan
- Continuing Site Environmental inspections

Mark Hunter

UGL Safety Advisor

APPENDIX C – JULY PROJECT PROGRAMME





PROJECT STATUS REPORT



PROJECT: Wagga Wagga WTP Upgrade

CLIENT: Riverina Water County Council

CONTRACT NO.: W195

UGL PROJECT NO.: 3200-0485

REPORT DATE: 23rd August 2016 (Draft)

REPORT NO.: 12

PROJECT MANAGER: David Murphy

PREPARED BY: David Murphy

TABLE OF CONTENTS

1.0	SUMMARY	3
2.0	SCOPE OF WORK	3
3.0	HSSE	4
4.0	RISK / CRITICAL ACTION AREAS	4
5.0	CONTRACT/COMMERCIAL	6
5.1	PROGRESS CLAIM	6
5.2	VARIATIONS	7
6.0	FINANCE	8
7.0	PROGRAMME	8
8.0	QUALITY	9
9.0	ENVIRONMENTAL	9
10.0	INDUSTRIAL RELATIONS	10
11.0	DESIGN AND TECHNICAL	10
12.0	COMMISSIONING	10
13.0	STAKEHOLDERS	10
14.0	SITE PROGRESS	11
	APPENDIX A – SCOPE OF WORKS SUMMARY	15
	APPENDIX B – JULY MONTHLY SAFETY REPORT	16
	APPENDIX C – AUGUST PROJECT PROGRAMME	17

1.0 SUMMARY

Construction continues to progress in August focussed heavily on the mechanical and electrical works as the building and civil works continue to move towards substantial completion within the main plant. The filter area remained a strong focus and the centrifuge area of the plant ramped up to be the other area where a significant focus remains over the next month. The major milestone achieved in the month was the energisation of the HV supply to the site which marks the culmination of many months work by many individuals.

Concrete works have been focussed on the miscellaneous pipe supports and equipment slabs, filter k-floor installation and general completion activities.

Building works are now focussed on finishing trades across the four buildings on the site. The chemical storage bund coatings were completed in preparation for the chemical storage and dosing systems.

Underground process pipework and conduits are now focussed on the complex suite of works in the centrifuge area.

Mechanical installation progress has continued to process with a significant focus on the centrifuge and dewatering area of the site. A number of near miss safety events have occurred within this trade in recent times as the number of workfronts and complexity has increased. A safety reset was undertaken to review works planning and delivery approach, which appears to have improved the performance.

Electrical installation works are now progressing across all plant areas. The filter area works are majority completed now.

PLC/SCADA system development is progressing continues to progress working towards the upcoming FAT.

Commissioning works are ramping up with the mobilisation of the Commissioning Manager and a particular focus on the

Key Milestones achieved in the Period were:

- Stage 1 HV energisation of the site.
- Concrete pouring of filter floors.
- Completion of clearwater and centrifuge switchroom.
- Machinery room equipment installation
- Coating of the chemical bunds to allow tank installation
- Installation of electrical equipment in switchrooms

2.0 SCOPE OF WORK

The project scope of works is to replace the Wagga Wagga Water Treatment Plant (WTP) to provide additional process capacity and asset reliability to produce up to 55ML/day of water for the residents of Wagga Wagga.

Refer to Appendix A for a summary of scope of works for the project

3.0 HSSE

Total hours worked on the project in July is 10,815 hours. Subcontractor hours recorded on site were 9,120 hours. Total hours worked on the project to date is 111,161.

No lost time injury (LTI) and one first aid injury (FAI) were recorded in the month of July.

Site inductions of 18 individuals have been undertaken and 25 HSSE pre-start toolboxes were held. Eight safety incidents were recorded in the month of July; the most significant associated with two near misses associated with work at heights; a near hit associated with a dropped load from a crane hook, and a worker working with .

The continuing high number of incidents resulted in a significant review of approach at site with some targeted interventions being undertaken to improve site conditions, young worker mentoring, works planning and co-ordination, and safety culture. We will monitor the efficacy of these changes over the coming month to identify if any other initiatives are required to continue to maintain our good safety performance.

Proactive measures undertaken include 350 Utake-5 observation cards, 44 Hazard Observation Cards and 17 Safety Inspections. Routine random blood alcohol testing was undertaken on a number of occasions with total tests completed now 1883.

The July Safety Report is shown in Appendix B.

4.0 RISK / CRITICAL ACTION AREAS

During the period the significant risk associated with inclement weather continued to materialise. This impacted site wide productivity but had a particularly significant impact on the works in the raw water preventing welding of the bracing for the coffer and inundation preventing the pumping down of the structure. During the latter period the weather did improve to allow better progress to be made.

While the remaining in ground works have reduced, we continue to find in most new locations incidents of contaminated soil which frustrates progress to finalise the underground piping.

Another risk that materialised during the period has been further design development based on observations made during construction.

The materialisation of a number of quality issues associated with third party vendor supplied goods have impacted construction activities last month. Plans were implemented during the period to rectify these issues and allow installation to progress. The most significant of these is the clarifier internals which are now under a programme of rectification and inspection.

The cumulative impacts of the inclement weather, supplemented with some of the other risks have impacted the ability of the project to finish sufficient early to mitigate the risks of meeting early water demands. To mitigate the risks of production further more detailed planning of the mitigation strategies has been undertaken and the commissioning manager mobilised to ensure sufficient focus on their implementation.

Summary of Top Risks at August:-

Risk Description	Potential Impact	Control Measures
Defect rectification works take longer than anticipated	Overrun to construction programme	Offsite quality inspection Use of independent Adequately plan rectification works and apply additional resources Where possible re-allocate resources
Program Construction Overrun - critical path	Overrun above the construction program impacting on-time production of water	Additional staff & blue collar resources required. Spread workload through multiple subcontractors to share risk and increase capacity Utilise weekend works Prepare contingency plans for dewatering facility to allow production from existing treatment plant.
Compressed schedule results in Labour productivity lower than planned	Subcontractors falling behind on program schedule.	Additional resources brought in to increase productivity on site. Increase direct supervision and interaction. Weekend work required to increase productivity.
Commissioning Program Overrun	Plant not ready for performance trial by the required date.	Commission plant in stages and work with RWCC to optimise witnessing process. Weekend work required to commission plant by the required date. Additional commissioning resources required.
Exceptional Inclement Weather	Delays associated with site inundation due to additional rainfall on site and rise in river levels.	Dewatering equipment readily available and established to dewater deep excavations. Purchase of additional site stabilisation material. Additional stabilisation works at the raw water. Labour relocated to other work fronts. Levee bank crated to protect site from major flooding. Inlet structure works completed during low flows in the river.

5.0 CONTRACT/COMMERCIAL

5.1 Progress Claim

Monthly progress meeting number 12 was held at site. The thirteenth progress claim was agreed. The table below summarises the progress to the 23rd August.

WAGGA WAGGA WATER TREATMENT PLANT		Month	Aug-16
Item No.	Schedule of Prices	Total Claim to date	
1	Provision of Preconstruction Activities		
	Preconstruction Activities subtotal (1)	100%	
2	Provision of Project Management and Site Running Activities		
	Project Management Activities subtotal (2)	76%	
3	Complete all additional designs, where required		
	Design and Documentation subtotal (2)	98%	
4	Intake Works		
	Intake Works - General subtotal (3)	25%	
5	Raw Water Piping System		
	Raw Water Piping subtotal (4)	37%	
6	Lamella & Rapid Mix Tank		
	Lamella & Rapid Mix Tank subtotal (5)	77%	
7	Filters		
	Filters subtotal (7)	92%	
8	Filter Water Tank & Backwash		
	Filter Water Tank & Backwash subtotal (8)	98%	
9	Machinery Room		
	Machinery Room subtotal (9)	90%	
10	Clear Water Storage & Pumping System		
	Clear Water subtotal (10)	77%	
11	Aluminium Dosing Plant		
	Aluminium Dosing Plant subtotal (11)	25%	
12	PACL Dosing Plant		
	PACL Dosing Plant subtotal (12)	12%	
13	Caustic Soda Dosing Plant Facilities		
	Caustic Soda Dosing Plant subtotal (13)	21%	
14	Sodium Hydrochlorite Dosing Plant		
	Sodium Hydrochlorite Dosing Subtotal (14)	29%	
15	Polymer Dosing Plant		
	Polymer Dosing Plant subtotal (15)	37%	
16	Fluoride Dosing Plant		
	Fluoride Dosing subtotal (16)	46%	
17	Other Items		
	Other Items subtotal (17)	52%	
18	Electrical Items		
	Electrical subtotal (18)	74%	
19	Testing Demonstration Commissioning		
	Testing Demonstration and Commissioning (19)	5%	
20	Post Process Proving		
	Post Process Proving (20)	0%	
21	Sludge Handling & Dewatering System		
	Sludge Handling subtotal (19)	72%	
22	Other Options Accepted		
	Options subtotal (20)	81%	
23	Variations		
	Variations Subtotal	99%	

5.2 Variations

During the period no variations were approved and no additional variation submitted relating to design development and further scope definition.

A number of variations have been identified during the period associated with contaminated materials. The raw water area continues to have most material differences in this scope and continues to be worked through to a resolution.

The table below provides a summary of variations against the contract.

Contract	Variation No.	Title	Amount (\$ 000) Incl. GST	Status (February)
W195	VO01	Control System Design for fully networked plant	15	Approved
W195	VO02	AC Road Surface	101	Approved
W195	VO03	Future UV	21	Approved
W195	VO04	Disabled Access	305	Approved
W195	VO05	Aggressive Water Response	87	Approved (value to be finalised)
W195	VO06	NSC02 – removal of Gyprock	5	Approved
W195	VO07	Transformer supplied by principle	- 244	Approved
W195	VO08	Existing Balance Tank Permanent Walkway	82	Not accepted
W195	VO09	Chemical Dosing – Alum Storage	81	Approved
W195	VO10	Switchboards additional spare capacity	8	Approved
W195	VO11	Lamella plate capacity	45	Approved
W195	VO12	Sewer pump station	6	Approved
W195	VO13	Manual Penstocks on Clarifier Inlet	10	Approved
W195	VO14	Increased bearing capacity in the filters	30	Approved
W195	VO15	Waste in excavation NSC04 & NSC06	11	Approved
W195	VO16	Asbestos in Levee	29	Approved
W195	VO17	Warehouse Facility	- 14	Submitted
W195	VO18	Filter Gallery Trenches	41	Approved
W195	VO19	Additional 25mm cover to Slab	9	Approved
W195	VO20	Raw Water Intake		Under development
W195	VO21	Material Compatibility Changes	- 17	Approved
W195	VO22	Non-relocation of Workshop Sewer	- 6	Submitted
W195	VO23	Pits under existing centrifuge building - NSC10	7	Submitted
W195	VO24	Clear Water Pumps Mechanical Seal	Tba	Under revision

6.0 FINANCE

The table below summarises the invoices and payment status within each of the contracts.

Claim Description	Invoice no.	Amount	Claim/Invoice Status
W195 Progress Claim 1	Invoice # 1	\$ 879,128.59	Paid
W195 Progress Claim 2	Invoice # 2	\$ 1,428,346.00	Paid
W195 Progress Claim 3	Invoice # 3	\$ 1,246,918.00	Paid
W195 Progress Claim 4	Invoice # 4	\$ 2,341,562.00	Paid
W195 Progress Claim 5	Invoice # 5	\$ 2,269,089.00	Paid
W195 Progress Claim 6	Invoice #6	\$ 1,652,403.00	Paid
W195 Progress Claim 7	Invoice #7	\$ 2,039,696.00	Paid
W195 Progress Claim 8	Invoice #8	\$ 1,764,615.00	Paid
W195 Progress Claim 9	Invoice #9	\$ 2,037,494.00	Paid
W195 Progress Claim 10	Invoice #10	\$ 2,510,494.00	Paid
W195 Progress Claim 11	Invoice #11	\$ 3,296,966.00	Paid
W195 Progress Claim 12	Invoice #12	\$1,309,013.00	Paid
W195 Progress Claim 13	Invoice #13	\$1,208,270.00	Draft

During the period no variations were approved as part of the W195 Contract. The table below summarises the current approved Contract value of the Contract.

Contract	Value (ex GST)	Contract Value Status (August)
W195	\$ 32,737,491	Unchanged

7.0 PROGRAMME

The combined construction programme is attached in Appendix C. The schedule shows a completion date of at 16th January, 2016.

Site works have continued to progress in the month with the significant works to allow the mechanical and electrical works to spread across further work fronts across the site. The major milestone for the month was the HV energisation of the site which marks the culmination of many different trades and provides a platform for pre-commissioning to commence over the coming weeks.

Currently the site workforce is approximately 40 individuals a slight reduction from the previous peak as the civil trades commence ramping down.

Concrete works have been focussed on the miscellaneous pipe supports and equipment slabs, filter k-floor installation and general completion activities.

Building works continue to be spread across the four buildings on site and are now moving into the completion phase. The filter building and control room has moved to final finishing activities including painting, plumbing and fixtures. The chemical building bund coating has been undertaken to allow equipment installation. Door installation, louvres and final roof finishing are underway in the centrifuge building and the clear water switch room.

Underground process pipework and conduits continued through the month focussed primarily in the centrifuge area of the plant this month which is complex due to the presence of existing pipework.

Mechanical installation progress this month has been impacted this month by a number of factors however the most significant being a number of near miss safety incidents which required a significant “reset” to be undertaken by the team – focussed on works planning, supervision and safety approach. Following this activity works have progressed in a more efficient and safer manner.

Low voltage electrical installation works are progressing throughout the site. The majority of cabling and installation of equipment in the main filter building switchroom is now complete, the focus moves to field equipment in the chemical building and works in the centrifuge and clear water switchrooms.

The Raw Water Intake works continue to be significantly impacted by the river levels, dam levels and predicted future flows. We are continuing to try and identify a suitable approach for works in this area and alternative contingency approaches given the ongoing challenges. It may be necessary to delay these works in response to these conditions.

PLC/SCADA system development is progressing continues to progress working towards the upcoming FAT. Other engineering effort has been focussed on site support and production of O&M Manuals.

Key revised target construction dates for the month ahead are as follows:-

Activity	Target
Completion of major buildings to Lock-up stage	30 August
Centrifuge building M&E works	30 September
Chemical Tank Installation	Early September
Commence K-Floor Nozzle installation and testing	Early September
SCADA FAT	24 th August 2016 – subject to coordination with RWCC

8.0 QUALITY

Production of Inspection and Test Reports (ITPs) continues for civil/structural, mechanical and electrical works across the site.

More manufactured equipment continues to be delivered site. Disappointingly there have been some issues with quality of this equipment which we continue to work through resolving and attempting to mitigate impacts to the schedule.

A number of Non-Conformance Reports (NCRs) were issued this month including for out of round stainless pipework for Lamella outlet, Lamella clarifier internals (transport damage and manufacturing defects) and incorrect HV cable. We are working through resolving these issues with the suppliers to ensure the final product meets our expectations.

9.0 ENVIRONMENTAL

Project Construction Environmental Management Plan continues to be implemented. Significant efforts were invested to improve the site following the recent rain events which included a review of all implemented measures and stabilisation of the river banks.

In the month of July, four Environmental inspections were conducted. There was also the routine visit by the Environmental Representative with no significant issues identified. The issues with completion of the Raw Water have meant some contingency planning around the

10.0 INDUSTRIAL RELATIONS

No significant issues.

11.0 DESIGN AND TECHNICAL

Design is ostensibly complete barring the control systems, resources are continuing to provide adhoc construction support as required. The technical design leadership role The controls system works are advanced with PLC simulation code and SCADA database and graphics development occurring in parallel in preparation for the FAT. In addition O&M Manual development was undertaken in earnest with this information being uploaded to WebFM for review.

12.0 COMMISSIONING

The commissioning ITP's are as far advanced as they will be prior to mobilisation. The Commissioning Manager mobilised to site and commenced detailed planning for the centrifuge area of the plant including the brownfield tie-ins and water production contingency planning.

13.0 STAKEHOLDERS

The UGL site have continued to experience constructive working relations established with other contractors on site as well RWCC staff and construction teams and no issues arising.

No significant issues to report with External Stakeholders during the period.

The Environmental Representative carried out another site visit during the period broadly positive outcomes from this process.

14.0 SITE PROGRESS



Photo 1: Centrifuge building guttering and footings installation



Photo 2: Centrate pump-station works within the existing plant



Photo 3: Chemical building roller door installation



Photo 4: Filter k-floor panels

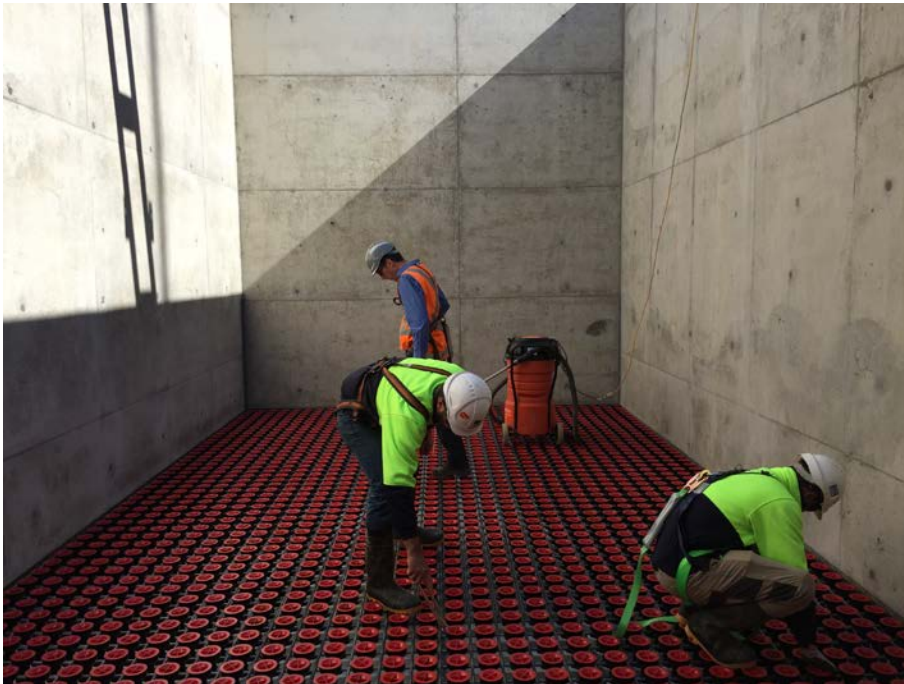


Photo 5: Filter k-floor nozzles final inspections prior to pouring



Photo 6: Clearwater switchboard in placed into position



Photo 7: Conduit installation adjacent to chemical building

APPENDIX A – SCOPE OF WORKS SUMMARY

The project scope of works is to replace the Wagga Wagga Water Treatment Plant (WTP) to provide additional process capacity and asset reliability to produce up to 55ML/day of water for the residents of Wagga Wagga.

The WTP shall be designed to operate at a treated water production rate anywhere between 60 ML/d (695 L/s) and 22 ML/d (255 L/s).

The main treatment process of the WTP shall include coagulation and flocculation, inclined plate clarification, dual media filtration, chlorination, and fluoridation. Process wastewater shall be managed using gravity thickening and mechanical dewatering.

Product water shall be produced to meet the quality requirements of the specification and shall treat the required quality. The project target completion periods are for a design and construction period of 60 weeks, followed by a 10 week commissioning and proving period.

The scope of on-site works for UGL Engineering and its subcontractors as described in the contract are limited to the following;

The new water treatment facility shall consist of the following elements for a new 60ML/d Water Treatment Plant:

- Raw water intake and pumping station. The intake would be constructed within the river. The pumping station would be built on Crown Land adjacent to the WTP on the bank of the Murrumbidgee River to supply raw water to the plant;
- Alum and polymer dosing systems;
- Inclined plate clarifiers (Lamella clarifiers);
- Six dual media filters including backwash pumps and air scour blowers;
- Chlorine storage and dosing system and channel-type static mixer for clear water storage;
- Fluoride dosing system;
- pH correction dosing systems;
- Dewatering building with two new centrifuges to dewater sludge material produced from clarification and filtration during the water treatment process.
- Backwash wastewater collection tank and pumping station for the wastewater produced from the clarification and filtration process;
- Clear water system upgrade including a new 3 ML clear water storage tank and low level and high level pumping stations each fitted with three pumps;
- Electrical works including switch-rooms, automation and control infrastructure, electrical substations and two new 1500kVA transformers;
- Filter wastewater collection sump and transfer pumps;
- Pipework and valves;
- Control room, water testing and analysing facilities;
- Internal access roads;

UGL is responsible for undertaking the detailed design, construction, commissioning, training and handover for aspects of the scope of works above.

UGL will also provide post completion technical support comprising, where necessary some site visits, to assist RWCC in operating and optimising the plant.

APPENDIX B – JULY MONTHLY SAFETY REPORT

HSSE Monthly Safety Report –July 2016

1.0 Overview Statistics

	July16	Total to Date
UGL Hours	1695	33,306
Subcontractor hours	9120	77,855
Total Site Hours	10815	111,161
LTIFR: Target <.50	0	0
TRIFR: Target 2.70	0	0
MTIFR:	0	0
Lost Time Injuries (LTI)	0	0
Days lost to LTI	0	0
Medical Treatment Injuries (MTI)	0	0
1 st Aid Injuries	1	4
Incidents:		
Injury	1	4
Damage/ Loss	1	5
Near Miss	5	29
Hazard	1	6
Report Only	3	6
Journey Incident	0	0
Non-work related injury	0	0
Environmental	1	6
Safety Initiatives:	1	9
Workplace Safety Inspections	28	354
Environmental Inspections	4	34
Safety Conversations (UGL)	71	605

Utake 5 (UGL)	350	2840
Hazobs	44	356
Site audit (e.g. Plant pre-start)	4	22
SWMS reviews	13	170
Site inductions	18	445
Tool box meetings	2	34
Training hours	0	95
Plant delivery inspections	4	102
Checkit compliance (UGL)	100%	100%
UGL/ External Audits	0	0
Alcohol Breath tests	188	1883
Drug tests	0	105

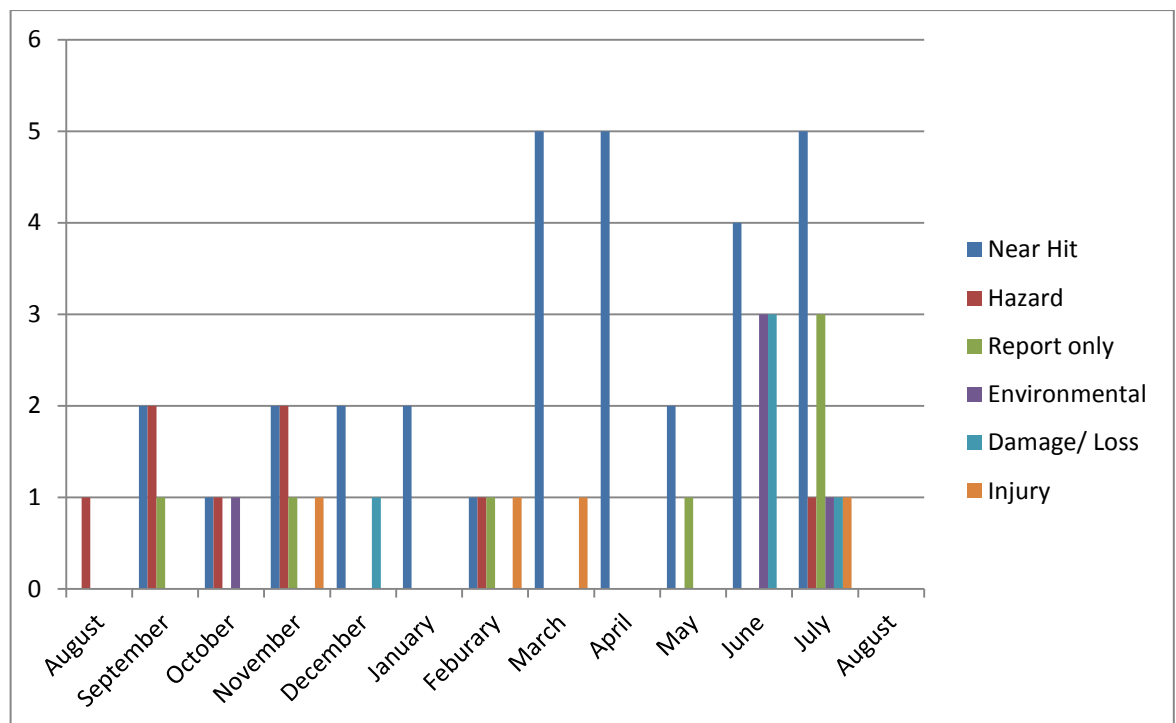
2.0 Incident Summary

The following incidents occurred on site in July 2016.

- **Near Miss:** Younger worker – working with power leads in water
- **Action:** Incident investigation-supervisor training- tool younger workers by Safe work NSW
- **Environmental:** Truck left site tail gate not secured
- **Action:** Location clean- tool box requirement to ensure tail gates are closed & pinned
- **Report Only:** Closed wet conditions
- **Action:** Note
- **Report Only:** Murrumbidgee river raising
- **Action:** Note
- **1st Injury:** Spider bite
- **Action:** Treatment returned to work
- **Near Miss:** Work @ heights no fall protection
- **Action:** Incident investigation- worker left site
- **Hazard:** Unknown substance in soil
- **Action:** Work stopped soil sent for testing- Soil removed with PPE & stored for transport
- **Damage:** Site personnel vehicle stuck against fence in carpark
- **Action:** Tool box incident- barriers placed so workers cannot drive along fence line
- **Report Only:** Cladboy loss of grip-safety retained sheeting

- **Action:** Cladboy inspected cladboy & installed additional controls
- **Near Miss:** Worker observed unattached on top of thickener tank
- **Action:** Incident under investigation
- **Near Hit:** Rigger working off ground
- **Action:** Investigation started worker left site – access removed
- **Near Hit:** Load falls from main crane hook
- **Action:** Incident investigation completed- Safe Work NSW advised. Controls developed

Wagga Wagga WTP Incident trends



- July 2016 Site inductions 18 not including visitors inductions
- July 2016 Construction Manager Monthly Safety Award –
- Continuing education of local subcontractors in regards to SWMS & Safety Culture Development/ Awareness

3.0 Project Safety Initiatives for June 2016

➤ **Training:**

- SWMS development by subcontractors
- Continuing training site personnel in UGL Utake 5

➤ Continuing with Construction Manager Monthly Safety Awards

➤ **UGL Daily Pre-start meetings:**

Daily site hazards, site hazard board updates, continuing discussion of subcontractor interfacing requirement to, site personnel consultation

➤ **Subcontractor** individual pre-start meetings. Subcontractor individual work tasks & hazards involved

➤ **UGL Weekly Tools box meeting:**

Site incidents / actions, industry safety alerts, continuing discussion of site safety hazards, site personnel consultation

➤ **Site Safety Inspections:**

Continuing compliance with UGL WWTP Project Safety Management Plan via:

- ✓ Site safety inspections
- ✓ UGL Safety conversations
- ✓ UGL UTake 5s
- ✓ UGL Hazobs
- ✓ Plant operator pre-start inspection audits
- ✓ SWMS reviews, work permit audits

➤ **Fitness for Work:**

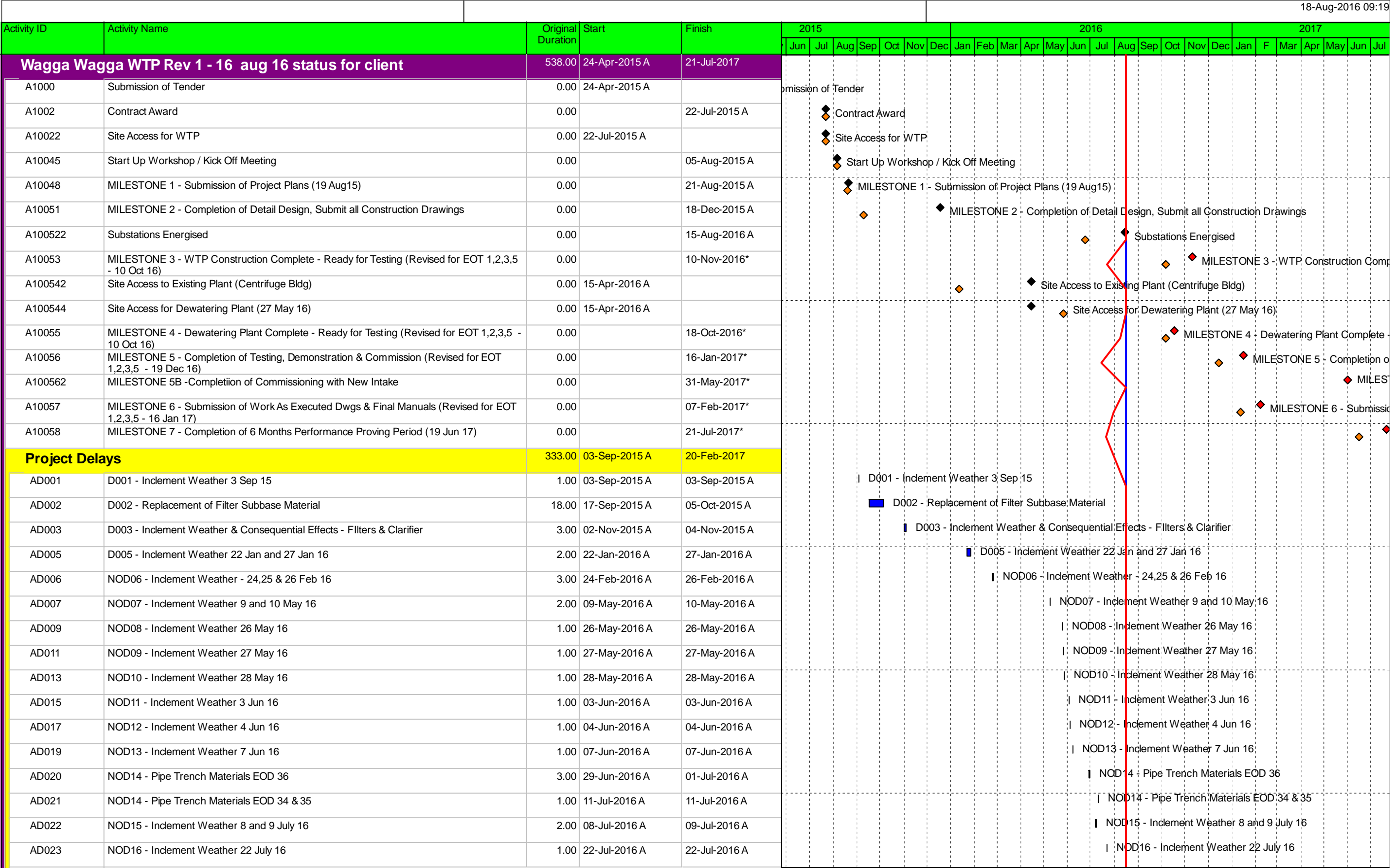
- Continuing Alcohol testing at pre-start meetings
- Drug testing as per Project Safety Management Plan

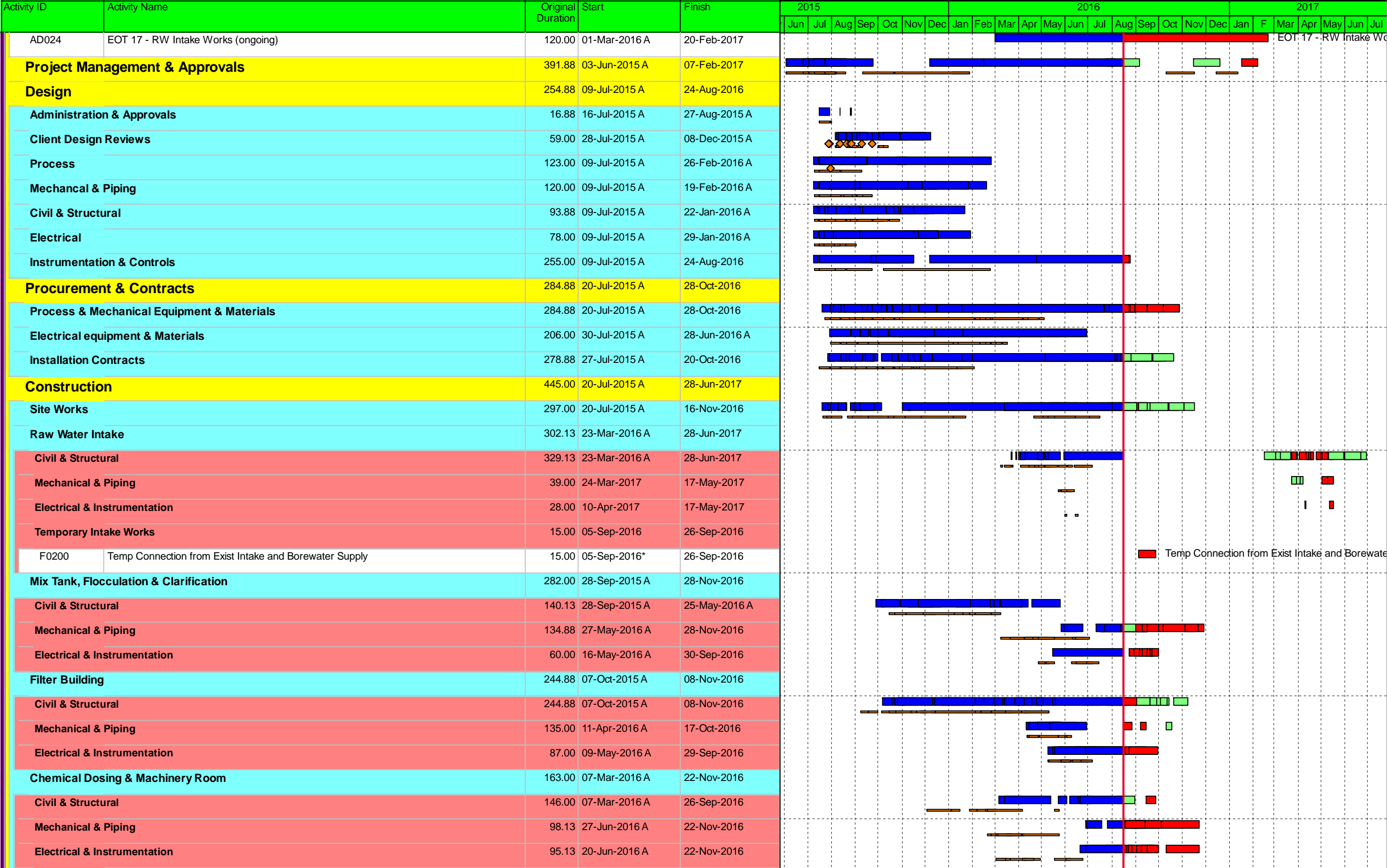
➤ Continuing Site Environmental inspections

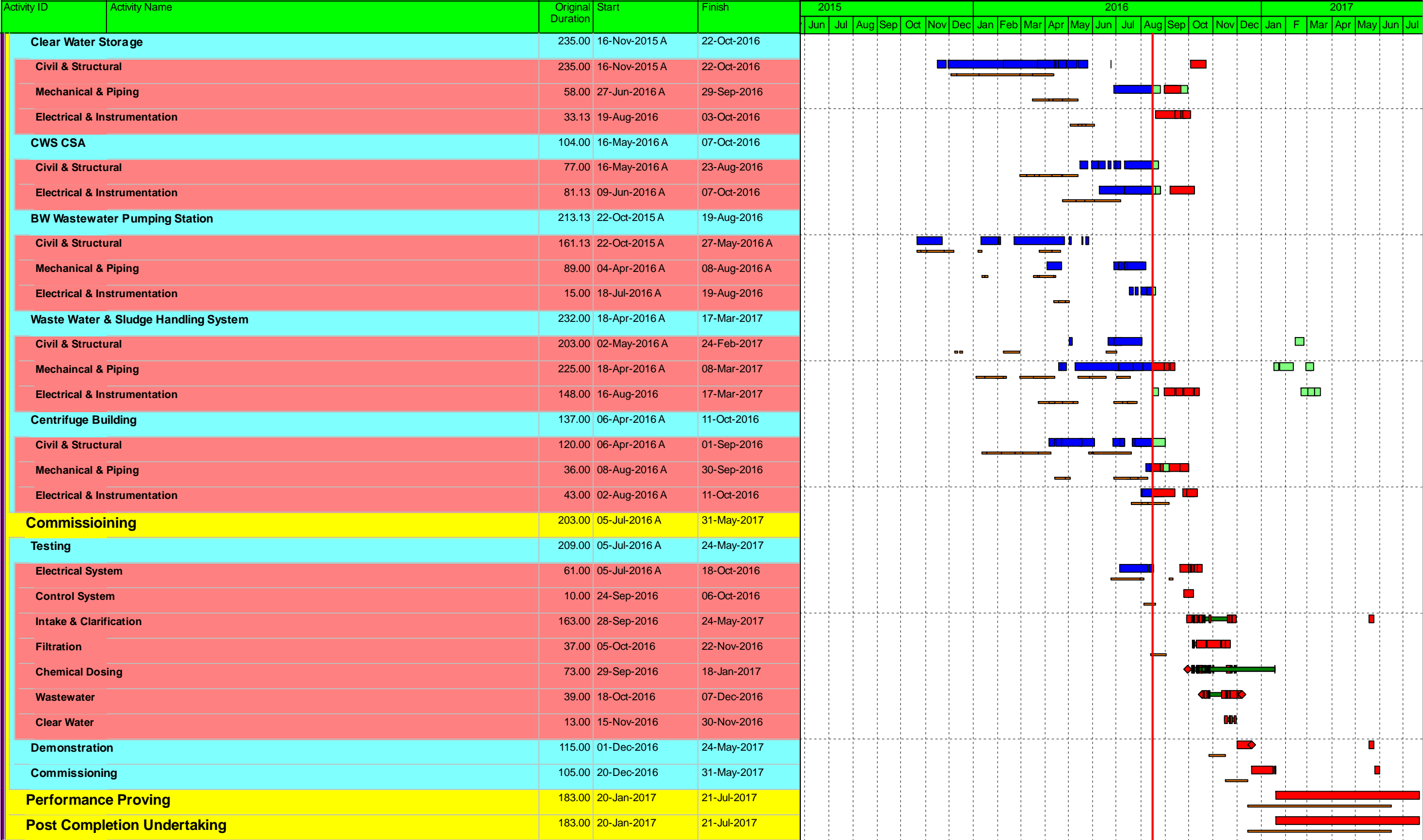
Mark Hunter

UGL Safety Advisor

APPENDIX C – AUGUST PROJECT PROGRAMME







- Remaining Level of Effort
- Primary Baseline
- Actual Work
- Critical Remaining Work
- Remaining Work

WAGGA WAGGA WTP
Program of Works - Summary



Date	Revision	Chec...	Approved
18-Aug-2016	Status as at 16 Aug 16		