

# Notice of meeting of Riverina Water County Council

The meeting will be held in the Riverina Water Board Room,  
91 Hammond Ave, Wagga at 9.30am on Wednesday 30  
October 2019

# Meeting Agenda

Welcome to Country

Apologies

Declaration of pecuniary and non-pecuniary interests

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# General Manager's Report to Riverina Water

30 October 2019

The Chairperson and Councillors:

## 1. Election Of Chairperson And Deputy Chairperson

**RECOMMENDATION:** that Council conduct the election of the Chairperson and Deputy Chairperson by the voting method determined by Council for the one year period from October 2019 to October 2020.

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The purpose of this report is to facilitate the election of the Chairperson and Deputy Chairperson. In the case of the Council of Riverina Water County Council, the Chairperson is elected by the members from among the members.

Section 391 of the Local Government Act 1993 (the Act) requires Council to have a Chairperson who is elected in accordance with the provisions of the Act.

The Councillor elected as Chairperson at this meeting will hold that office for a period of one year, until the next Chairperson election in October 2019.

### **Election of the Chairperson – October 2018 to October 2019**

The procedure to be followed for the election of Chairperson is outlined in Schedule 8 of the Local Government (General) Regulation 2005, and is reproduced here under:

#### **Part 1 – Preliminary**

#### **2. Returning Officer**

Councillors are advised that in accordance with Schedule 8 Part 1(2) of the Local Government (General) Regulations 2005, the General Manager, Mr. Andrew Crakanthorp is the returning officer for the election of Chairperson and Deputy Chairperson.

#### **4. Nomination**

(1) A member of a county council may be nominated without notice for election as chairperson of the county council.

(2) The nomination is to be made in writing by 2 or more members of the county council (one of whom may be the nominee). The nomination is not valid unless the nominee has indicated consent to the nomination in writing.



- (3) The nomination is to be delivered or sent to the returning officer.
- (4) The returning officer is to announce the names of the nominees at the county council meeting at which the election is to be held.

## 5. Election

- (1) If only one member of the county council is nominated, that member is elected.
- (2) If more than one member is nominated, the county council is to resolve whether the election is to proceed by preferential ballot, by ordinary ballot or by open voting.
- (3) the election is to be held at the county council meeting at which the county council resolves on the method of voting.
- (4) In this clause:
  - ballot** has its normal meaning of secret ballot.
  - open voting** means voting by a show of hands or similar means

## Part 2 – Ordinary ballot or open voting

### 6. Application of Part

This part applies if the election proceeds by ordinary ballot or by open voting.

### 7. Marking of ballot-papers

- (1) If the election proceeds by ordinary ballot, the returning officer is to decide the manner in which votes are to be marked on the ballot-papers.
- (2) The formality of a ballot-paper under this Part must be determined in accordance with clause 345 (1) (b) and (c) and (5) of this Regulation as if it were a ballot-paper referred to in that clause.
- (3) An informal ballot-paper must be rejected at the count.

### 8. Count – 2 Candidates

- (1) At such a ballot, if there are only 2 candidates, the candidate with the higher number of votes is to be declared elected.
- (2) If there are only 2 candidates and they are tied, the one to be declared elected is to be chosen by lot.

### 9. Count – 3 or more Candidates

- (1) At such a ballot, if there are 3 or more candidates, the one with the lowest number of votes is to be excluded.
- (2) If 3 or more candidates then remain, a further vote is to be taken of those candidates and the one with the lowest number of votes from that further vote is to be excluded.

(3) If, after that, 3 or more candidates still remain, the procedure set out in sub clause (ii) is to be repeated until only 2 candidates remain.

(4) Clauses d) and f) of this Schedule, then apply to the determination of the election as if the 2 remaining candidates had been the only candidates.

(5) If at any stage during a count under this clause, 2 or more candidates are tied on the lowest number of votes, the one to be excluded is to be chosen by lot.

### **Part 3 – Preferential ballot**

#### **10. Application of Part**

This part is required if the election proceeds by preferential ballot.

#### **11. Ballot-papers and voting**

(1) The ballot-papers are to contain the names of all the candidates. The members of the county council are to mark their votes by placing the numbers "1", "2" and so on against the various names so as to indicate the order of their preference for all the candidates.

(2) The formality of the ballot-paper under this Part is to be determined in accordance with clause 345(1) (b) and (c) and (5) of this Regulation as if it were a ballot-paper referred to in that clause.

(3) An informal ballot-paper must be rejected at the count.

#### **12. Count**

(1) If a candidate has an absolute majority of first preference votes, that candidate is elected.

(2) If not, the candidate with the lowest number of first preference votes is excluded and the votes on the unexhausted ballot-papers counted to him or her are transferred to the candidates with second preferences on those ballot-papers.

(3) A candidate who then has an absolute majority of votes is elected, but, if no candidate then has an absolute majority of votes, the process of excluding the candidate who has the lowest number of votes and counting each of his or her unexhausted ballot-papers to the candidates remaining in the election next in order of the voter's preference is repeated until one candidate has received an absolute majority of votes. That candidate is elected.

(4) In this clause, absolute majority, in relation to votes, means a number that is more than one-half of the number of unexhausted formal ballot-papers.

### **13. Tied candidates**

(1) If, on any count of votes, there are 2 candidates in, or remaining in, the election and the numbers of votes cast for the 2 candidates are equal— the candidate whose name is first chosen by lot is taken to have received an absolute majority of votes and is therefore taken to be elected.

(2) If, on any count of votes, there are 3 or more candidates in, or remaining in, the election and the numbers of votes cast for 2 or more candidates are equal and those candidates are the ones with the lowest number of votes on the count of the votes— the candidate whose name is first chosen by lot is taken to have the lowest number of votes and is therefore excluded.

## **Part 4 – General**

### **14. Choosing by Lot**

To choose a candidate by lot, the names of the candidates who have equal numbers of votes are written on similar slips of paper by the returning officer, the slips are folded by the returning officer so as to prevent the names being seen, the slips are mixed and one is drawn at random by the returning officer and the candidate whose name is on the drawn slip is chosen.

### **15. Result**

The result of the election (including the name of the candidate elected as chairperson of the county council) is:

- a) to be declared to the members of the county council at the county council meeting at which the election is held by the returning officer, and
- b) to be delivered or sent to the Director-General and to the Secretary of the Local Government and Shires Associations of New South Wales.

### **Election of the Deputy Chairperson – October 2019 to October 2020**

It has been Council's normal practice to elect a Deputy Chairperson for the same term, immediately following the election of the Chairperson. The same procedure as for the election of Chairperson is to be followed.

Nomination papers for the Chairperson and Deputy Chairperson are attached and have previously been distributed to Councilors. Nomination papers are to be delivered or sent to the Returning Officer (General Manager) prior to the commencement of the Council Meeting to be held Wednesday 30 October 2019 at 9.30am.

- **Chairperson Nomination Form**
- **Deputy Chairperson Nomination Form**



## **RIVERINA WATER COUNTY COUNCIL NOMINATION FOR CHAIRPERSON**

In accordance with Schedule 7 of the Local Government (General) Regulation 2005, we the undersigned, hereby nominate Councillor \_\_\_\_\_ for the office of **Chairperson**.

Name of Proposer: Councillor \_\_\_\_\_

Signature of Proposer: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/2019

Name of Proposer: Councillor \_\_\_\_\_

Signature of Proposer: \_\_\_\_\_

Date: \_\_\_\_/\_ \_\_\_\_/2019

### **CONSENT**

I, Councillor \_\_\_\_\_, hereby consent to my Nomination to the office of Chairperson.

Signature of Nominee: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/2019



## **RIVERINA WATER COUNTY COUNCIL NOMINATION FOR DEPUTY CHAIRPERSON**

In accordance with Schedule 7 of the Local Government (General) Regulation 2005, we the undersigned, hereby nominate Councillor \_\_\_\_\_ for the office of **Deputy Chairperson**.

Name of Proposer: Councillor \_\_\_\_\_

Signature of Proposer: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/2019

Name of Proposer: Councillor \_\_\_\_\_

Signature of Proposer: \_\_\_\_\_

Date: \_\_\_\_/\_ \_\_\_\_/2019

### **CONSENT**

I, Councillor \_\_\_\_\_, hereby consent to my Nomination to the office of Deputy Chairperson.

Signature of Nominee: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/2019

## 2. Delegation of Authority to Chairperson

**RECOMMENDATION:** that in accordance with Section 377 Local Government Act 1993, Council ratify and grant the delegations as set out in the Delegations of Authority Register to the Chairperson

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With the election of a new Council it is appropriate for the Council delegations to be reviewed. The delegations for the Chairperson are submitted for Council's consideration.

- **Draft Delegations of Authority**

# THE CHAIRPERSON

## 1. General

That the Chairperson (being NAME) , or Deputy Chairperson (being NAME) when acting for the Chairperson , be delegated authority under section 377 of the Act to exercise and/perform on behalf of the Council the powers , authorities ,duties and functions as prescribed for the position of Chairperson under the Act , Schedules, Regulations , cognate Legislation , related Legislation , Councils own adopted Policies , Codes and Resolutions , provided that such delegations are not to be sub-delegated without specific approval by Council or as prescribed under the Act.

If, under any other Act, a function is conferred or imposed on the Chairperson of a County Council, the function is taken to be conferred or imposed on the Council and the Chairperson of the County Council will exercise and/or perform on behalf of the Council the powers, authorities, duties and functions as prescribed under that other Act.

## 2. Specific Delegations-Chairman

### (a) Conferring Powers or Duties

To give effect to the provisions of the Act, including but not limited to Sections 225-231 of the Act and any other Act conferring powers or duties upon the Chairperson and to any resolution of direction given to the Chairperson by Council.

### (b) Preside at Meetings of Council

To preside at all meetings of the Council , Committees , Community Committees and Public Meetings convened by the Council at which the Chairperson is present unless the Chairperson otherwise appoints another Councillor or person to perform this function.

### (c) Negotiations on behalf of Council

The Chairperson in conjunction with the General Manager, to participate in negotiations on behalf of the Council with third parties in relation with any significant matter associated with the operations of Riverina Water County Council.

### (d) Code of Conduct

To give direction to the Council, following consultation with the General Manager, in the application of the Code of Conduct as adopted by Council.

### (e) Represent Council-Government and Other Forums

To represent the Council, in conjunction with the General Manager in deputations to government enquiries and other forums where it is appropriate that the Chairperson should present the Councils position.

**(f) Sign and Execute Documents**

To sign and execute documents under the Seal of Council in conjunction with the General Manager.

**(g) Media Releases**

To make Media Statements and issue Press Releases in respect of Councils Resolutions/Recommendations and decisions.

**(h) Approval of Urgent Works**

To authorise expenditure outside the Council approved budget and in consultation with the General Manager ,to undertake urgent works in order to reduce or eliminate a significant safety hazard or critical matter affecting the operation of the water supply system up to an amount of \$100,000 subject to the action being reported to the next meeting of Council.

**End of Delegation**



## 3. Financial Statements 2018/2019

**RECOMMENDATION:** that the 2018/2019 Audited Financial Statements be received

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- Financial Statements 2018/2019

# Riverina Water County Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2019

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**"to provide our community with safe reliable  
water at the lowest sustainable cost"**



## General Purpose Financial Statements

for the year ended 30 June 2019

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### Overview

Riverina Water County Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

91 Hammond Avenue  
Wagga Wagga NSW 2650

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

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

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: [www.rwcc.nsw.gov.au](http://www.rwcc.nsw.gov.au).

General Purpose Financial Statements

for the year ended 30 June 2019

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:

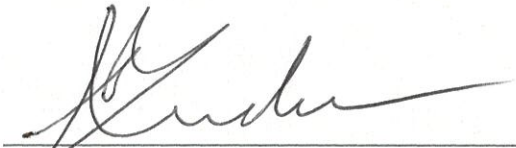
- the *Local Government Act 1993* (NSW) (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and professional pronouncements, and
- the *Local Government Code of Accounting Practice and Financial Reporting*.

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

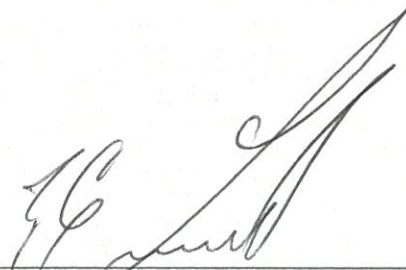
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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 21 August 2019.



Clr G Verdon  
Chairperson



Clr P Funnell  
Councillor



Mr A Crakanthorp  
General Manager



Ms E Tonacia  
Responsible Accounting Officer

## Income Statement

for the year ended 30 June 2019

| Original<br>unaudited<br>budget<br>2019    | \$ '000  | Notes  | Actual<br>2019 | Actual<br>2018 <sup>1</sup> |
|--|--|--------|----------------|-----------------------------|
| <b>Income from continuing operations</b>   |  |        |                |                             |
| <u>Revenue:</u>                            |  |        |                |                             |
| 5,085                                      | Rates and annual charges   | 3a     | 5,551          | 5,471                       |
| 24,693                                     | User charges and fees  | 3b     | 25,994         | 22,877                      |
| 200  | Interest and investment revenue  | 3c     | 691            | 595                         |
| 236  | Other revenues   | 3d     | 662            | 281                         |
| 210  | Grants and contributions provided for operating purposes   | 3e, 3f | 338            | 402                         |
| 3,803                                      | Grants and contributions provided for capital purposes   | 3e, 3f | 3,013          | 3,319                       |
| <u>Other income:</u>                       |  |        |                |                             |
| —  | Net gains from the disposal of assets  | 5      | 73             | —                           |
| —  | Reversal of revaluation decrements / impairment of IPP&E previously expensed                           | 4d     | —              | 25                          |
| 34,227                                     | <b>Total income from continuing operations</b>   |        | 36,322         | 32,970                      |
| <b>Expenses from continuing operations</b> |  |        |                |                             |
| 8,158                                      | Employee benefits and on-costs   | 4a     | 8,972          | 7,942                       |
| 582  | Borrowing costs  | 4b     | 570            | 653                         |
| 3,841                                      | Materials and contracts  | 4c     | 2,580          | 2,202                       |
| 6,100                                      | Depreciation and amortisation  | 4d     | 6,216          | 6,066                       |
| 4,231                                      | Other expenses   | 4e     | 4,515          | 4,389                       |
| —  | Net losses from the disposal of assets   | 5      | —              | 8                           |
| 22,912                                     | <b>Total expenses from continuing operations</b>   |        | 22,853         | 21,260                      |
| 11,315                                     | <b>Operating result from continuing operations</b>   |        | 13,469         | 11,710                      |
| 11,315                                     | <b>Net operating result for the year</b>   |        | 13,469         | 11,710                      |
| 11,315                                     | Net operating result attributable to council   |        | 13,469         | 11,710                      |
| 7,512                                      | <b>Net operating result for the year before grants and contributions provided for capital purposes</b> |        | 10,456         | 8,391                       |

<sup>(1)</sup> The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

The above Income Statement should be read in conjunction with the accompanying notes.

## Statement of Comprehensive Income

for the year ended 30 June 2019

| \$ '000  | Notes | 2019          | 2018 <sup>1</sup> |
|--|-------|---------------|-------------------|
| <b>Net operating result for the year (as per Income Statement)</b>                     |       | <b>13,469</b> | <b>11,710</b>     |
| <b>Other comprehensive income:</b>   |       |               |                   |
| Amounts which will not be reclassified subsequently to the operating result            |       |               |                   |
| Gain (loss) on revaluation of IPP&E  | 9     | 4,454         | 5,835             |
| Gain (loss) on revaluation of intangible assets  |       | 3,302         | 600               |
| <b>Total items which will not be reclassified subsequently to the operating result</b> |       | <b>7,756</b>  | <b>6,435</b>      |
| <b>Total other comprehensive income for the year</b>                                   |       | <b>7,756</b>  | <b>6,435</b>      |
| <b>Total comprehensive income for the year</b>   |       | <b>21,225</b> | <b>18,145</b>     |
| <br>Total comprehensive income attributable to Council                                 |       | <br>21,225    | <br>18,145        |

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# Statement of Financial Position

as at 30 June 2019

| \$ '000                                       | Notes | 2019           | 2018 <sup>1</sup> |
|---|-------|----------------|-------------------|
| <b>ASSETS</b>                                 |       |                |                   |
| <b>Current assets</b>                         |       |                |                   |
| Cash and cash equivalent assets               | 6(a)  | 13,184         | 19,135            |
| Investments                                   | 6(b)  | 15,000         | 7,000             |
| Receivables                                   | 7     | 4,789          | 3,576             |
| Inventories                                   | 8     | 2,572          | 2,334             |
| <b>Total current assets</b>                   |       | <b>35,545</b>  | <b>32,045</b>     |
| <b>Non-current assets</b>                     |       |                |                   |
| Infrastructure, property, plant and equipment | 9     | 360,134        | 346,174           |
| Intangible assets                             | 10    | 7,602          | 4,300             |
| <b>Total non-current assets</b>               |       | <b>367,736</b> | <b>350,474</b>    |
| <b>TOTAL ASSETS</b>                           |       | <b>403,281</b> | <b>382,519</b>    |
| <b>LIABILITIES</b>                            |       |                |                   |
| <b>Current liabilities</b>                    |       |                |                   |
| Payables                                      | 11    | 1,685          | 1,018             |
| Income received in advance                    | 11    | 445            | 462               |
| Borrowings                                    | 11    | 1,761          | 1,675             |
| Provisions                                    | 12    | 4,268          | 3,713             |
| <b>Total current liabilities</b>              |       | <b>8,159</b>   | <b>6,868</b>      |
| <b>Non-current liabilities</b>                |       |                |                   |
| Borrowings                                    | 11    | 7,258          | 9,012             |
| <b>Total non-current liabilities</b>          |       | <b>7,258</b>   | <b>9,012</b>      |
| <b>TOTAL LIABILITIES</b>                      |       | <b>15,417</b>  | <b>15,880</b>     |
| <b>Net assets</b>                             |       | <b>387,864</b> | <b>366,639</b>    |
| <b>EQUITY</b>                                 |       |                |                   |
| Accumulated surplus                           | 13a   | 135,378        | 121,909           |
| Revaluation reserves                          | 13a   | 252,486        | 244,730           |
| <b>Council equity interest</b>                |       | <b>387,864</b> | <b>366,639</b>    |
| <b>Total equity</b>                           |       | <b>387,864</b> | <b>366,639</b>    |

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

for the year ended 30 June 2019

| \$ '000  | Notes | 2019                |                           |              | 2018 <sup>1</sup>   |                           |              |
|--|-------|---------------------|---------------------------|--------------|---------------------|---------------------------|--------------|
|  |       | Accumulated surplus | IPP&E revaluation reserve | Total equity | Accumulated surplus | IPP&E revaluation reserve | Total equity |
| Opening balance  |       | 121,909             | 244,730                   | 366,639      | 110,199             | 238,295                   | 348,494      |
| Net operating result for the year                      |       | 13,469              | –                         | 13,469       | 11,710              | –                         | 11,710       |
| <b>Other comprehensive income</b>                      |       |                     |                           |              |                     |                           |              |
| – Gain (loss) on revaluation of IPP&E                  | 9     | –                   | 4,454                     | 4,454        | –                   | 5,835                     | 5,835        |
| – Gain (loss) on revaluation of intangible assets      |       | –                   | 3,302                     | 3,302        | –                   | 600                       | 600          |
| <b>Other comprehensive income</b>                      |       | –                   | 7,756                     | 7,756        | –                   | 6,435                     | 6,435        |
| <b>Total comprehensive income</b>                      |       | 13,469              | 7,756                     | 21,225       | 11,710              | 6,435                     | 18,145       |
| <b>Equity – balance at end of the reporting period</b> |       | 135,378             | 252,486                   | 387,864      | 121,909             | 244,730                   | 366,639      |

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under *AASB 139 Financial Instruments: Recognition and Measurement*

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



## Statement of Cash Flows

for the year ended 30 June 2019

| Original<br>unaudited<br>budget<br>2019     | \$ '000  | Notes | Actual<br>2019 | Actual<br>2018 |
|---|--|-------|----------------|----------------|
| <b>Cash flows from operating activities</b> |  |       |                |                |
|   | <u>Receipts</u>  |       |                |                |
| 5,200                                       | Rates and annual charges                                     |       | 5,450          | 5,287          |
| 23,502                                      | User charges and fees  |       | 25,708         | 22,822         |
| 300   | Investment and interest revenue received                     |       | 535            | 559            |
| 3,500                                       | Grants and contributions                                     |       | 3,345          | 3,966          |
| –   | Bonds, deposits and retention amounts received               |       | 61             | –              |
| –   | Other  |       | 1,883          | 1,872          |
|   | <u>Payments</u>  |       |                |                |
| (8,048)                                     | Employee benefits and on-costs                               |       | (8,386)        | (8,138)        |
| (3,700)                                     | Materials and contracts                                      |       | (2,731)        | (2,319)        |
| (570)                                       | Borrowing costs  |       | (570)          | (653)          |
| –   | Bonds, deposits and retention amounts refunded               |       | –              | (13)           |
| (4,100)                                     | Other  |       | (5,929)        | (6,108)        |
| 16,084                                      | <b>Net cash provided (or used in) operating activities</b>   | 14b   | 19,366         | 17,275         |
| <b>Cash flows from investing activities</b> |  |       |                |                |
|   | <u>Receipts</u>  |       |                |                |
| –   | Sale of infrastructure, property, plant and equipment        |       | 279            | 214            |
|   | <u>Payments</u>  |       |                |                |
| (5,000)                                     | Purchase of investment securities                            |       | (8,000)        | (7,000)        |
| (14,500)                                    | Purchase of infrastructure, property, plant and equipment    |       | (15,928)       | (11,025)       |
| (19,500)                                    | <b>Net cash provided (or used in) investing activities</b>   |       | (23,649)       | (17,811)       |
| <b>Cash flows from financing activities</b> |  |       |                |                |
|   | <u>Payments</u>  |       |                |                |
| 1,668                                       | Repayment of borrowings and advances                         |       | (1,668)        | (1,575)        |
| 1,668                                       | <b>Net cash flow provided (used in) financing activities</b> |       | (1,668)        | (1,575)        |
| (1,748)                                     | <b>Net increase/(decrease) in cash and cash equivalents</b>  |       | (5,951)        | (2,111)        |
| 7,100                                       | Plus: cash and cash equivalents – beginning of year          | 14a   | 19,135         | 21,246         |
| 5,352                                       | <b>Cash and cash equivalents – end of the year</b>           | 14a   | 13,184         | 19,135         |
| Additional Information:                     |  |       |                |                |
| 15,000                                      | plus: Investments on hand – end of year                      | 6(b)  | 15,000         | 7,000          |
| 20,352                                      | <b>Total cash, cash equivalents and investments</b>          |       | 28,184         | 26,135         |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

for the year ended 30 June 2019

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## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 1. Basis of preparation

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These financial statements were authorised for issue by Council on 18 September 2019.

Council has the power to amend and reissue these financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity for the purpose of preparing these financial statements.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Full dollars have been used in Note 20 Related Party Disclosures in relation to the disclosure of specific related party transactions.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts.

Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 18 – Material budget variations

and are clearly marked.

#### (a) New and amended standards adopted by Council

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019.

Those newly adopted standards which had an impact on reported position, performance and/or disclosures have been discussed in Note 13.

#### (b) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of infrastructure, property, plant and equipment and investment property.

#### (c) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

#### Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note 9
- (ii) estimated fair values of intangibles – refer Note 10
- (iii) employee benefit provisions – refer Note 12

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 1. Basis of preparation (continued)

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#### Significant judgements in applying the council's accounting policies

##### (i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables in Note 7.

#### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

#### New accounting standards and interpretations issued not yet effective

##### New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods (and which have not been early adopted by Council).

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

##### AASB 16 Leases

AASB 16 will result (for YE 19/20 and beyond) in almost all operating leases being recognised on the balance sheet by Council (alongside existing finance leases) with the distinction between operating and finance leases removed.

Under the new standard, a financial liability (ie. a lease liability) and an asset (ie. a right to use the leased item) will be recognised for nearly all arrangements where Council commits itself to paying a rental fee for the use of a specific asset.

The only exceptions are short-term and low-value leases which are exempt from the accounting (but not disclosure) requirements of AASB 16 - Leases.

Council staff have reviewed all of Council's leasing arrangements over the last 12 months taking into consideration the new lease accounting rules in AASB 16 (applicable from 1/7/19) and can confirm Council currently does not have any material lease arrangements that it will have to recognise on its balance sheet.

Council's activities as a lessor are not material and hence Council does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

##### AASB 15 Revenue from Contracts with Customers and associated amending standards.

AASB15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

Councils should assess each revenue stream but particular impact is expected for grant income and rates which are paid before the commencement of the rating period.

The changes in revenue recognition requirements in AASB15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 1. Basis of preparation (continued)

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The impact of AASB15 is expected to have no significant effects on the accounting treatment of revenue streams currently in place.

#### **AASB 1058 Income of NFP Entities**

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions.

Under AASB 1058 the future timing of income recognition will depend on whether the transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service) related to an asset (such as cash or another asset) received by an entity.

AASB 1058 also applies when a council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the council's objective is principally to enable the asset to further the council's objectives.

Upon initial recognition of the asset, this standard requires council to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable accounting standard, such as:

- (a) contributions by owners
- (b) revenue, or a contract liability arising from a contract with a customer
- (c) a lease liability
- (d) a financial instrument, or
- (e) a provision.

If the transaction is a transfer of a financial asset to enable council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), the council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will then recognise income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

If the transaction does not enable council to acquire or construct a recognisable non-financial asset to be controlled by council, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.

The specific impacts of AASB1058 for Council are expected to be the timing of income recognition. If the conditions of AASB15 are not met, income will be accounted for under AASB1058, being recognised when the cash is received.

Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2018.

# Notes to the Financial Statements

for the year ended 30 June 2019

## Note 2(a). Council functions/activities – financial information

Income, expenses and assets have been directly attributed to the following functions or activities.  
Details of those functions or activities are provided in Note 2(b).

| \$ '000                               | Income from continuing operations |               | Expenses from continuing operations |               | Operating result from continuing operations |               | Grants included in income from continuing operations |            | Total assets held (current and non-current) |                |
|---------------------------------------|-----------------------------------|---------------|-------------------------------------|---------------|---|---------------|--|------------|---|----------------|
|                                       | 2019                              | 2018          | 2019                                | 2018          | 2019  | 2018          | 2019   | 2018       | 2019  | 2018           |
| <b>Functions or activities</b>        |                                   |               |                                     |               |   |               |  |            |   |                |
| Water supplies                        | 36,322                            | 32,970        | 22,853                              | 21,260        | 13,469                                      | 11,710        | 544  | 602        | 401,832                                     | 382,057        |
| Other                                 | –                                 | –             | –                                   | –             | –   | –             | (206)  | (200)      | 1,449                                       | 462            |
| <b>Total functions and activities</b> | <b>36,322</b>                     | <b>32,970</b> | <b>22,853</b>                       | <b>21,260</b> | <b>13,469</b>                               | <b>11,710</b> | <b>338</b>   | <b>402</b> | <b>403,281</b>                              | <b>382,519</b> |

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 2(b). Council functions/activities - component descriptions

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

#### **Water supplies**

Comprising the water supply functions servicing the Local Government Areas of Lockhart, Wagga Wagga and parts of the Greater Hume Shire and Federation Council.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 3. Income from continuing operations

| \$ '000  | 2019         | 2018         |
|--|--------------|--------------|
| <b>(a) Rates and annual charges</b>                |              |              |
| <b>Annual charges</b>                              |              |              |
| (pursuant to s.496, s.496A, s.496B, s.501 & s.611) |              |              |
| Water supply services – commercial                 | 491          | 486          |
| Water supply services – residential                | 4,854        | 4,785        |
| <b>Annual charges levied</b>                       | <b>5,345</b> | <b>5,271</b> |
| Pensioner subsidies received:                      |              |              |
| – Water  | 206          | 200          |
| <b>Total annual charges</b>                        | <b>5,551</b> | <b>5,471</b> |
| <b>TOTAL RATES AND ANNUAL CHARGES</b>              | <b>5,551</b> | <b>5,471</b> |

**Accounting policy for rates and charges**

Annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts.

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

| \$ '000   | 2019          | 2018          |
|---|---------------|---------------|
| <b>(b) User charges and fees</b>  |               |               |
| <b>Specific user charges</b>  |               |               |
| (per s.502 - specific 'actual use' charges)                                   |               |               |
| Water supply services – commercial  | 7,576         | 7,010         |
| Water supply services – residential   | 17,218        | 14,896        |
| <b>Total specific user charges</b>  | <b>24,794</b> | <b>21,906</b> |
| <b>Other user charges and fees</b>  |               |               |
| <b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>  |               |               |
| Private works – section 67  | 14            | 5             |
| Section 603 certificates  | 154           | 154           |
| <b>Total fees and charges – statutory/regulatory</b>                          | <b>168</b>    | <b>159</b>    |
| <b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b> |               |               |
| Leaseback fees – Council vehicles   | 34            | 30            |
| Water connection fees   | 739           | 585           |
| Standpipe fees  | 259           | 197           |
| <b>Total fees and charges – other</b>   | <b>1,032</b>  | <b>812</b>    |
| <b>TOTAL USER CHARGES AND FEES</b>  | <b>25,994</b> | <b>22,877</b> |



## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 3. Income from continuing operations (continued)

| \$ '000 | 2019 | 2018 |
|---------|------|------|
|---------|------|------|

**Accounting policy for user charges and fees**

User charges and fees are recognised as revenue when the service has been provided.

**(c) Interest and investment revenue (including losses)****Interest on financial assets measured at amortised cost**

|  |            |            |
|--|------------|------------|
| – Overdue rates and annual charges (incl. special purpose rates) | 67         | 83         |
| – Cash and investments   | 624        | 512        |
| <b>TOTAL INTEREST AND INVESTMENT REVENUE</b>                     | <b>691</b> | <b>595</b> |

**Interest revenue is attributable to:****Unrestricted investments/financial assets:**

|   |            |            |
|---|------------|------------|
| Overdue rates and annual charges (general fund) | 67         | 83         |
| General Council cash and investments            | 624        | 512        |
| <b>Total interest and investment revenue</b>    | <b>691</b> | <b>595</b> |

**Accounting policy for interest and investment revenue**

Interest income is recognised using the effective interest rate at the date that interest is earned.

**(d) Other revenues**

|                            |            |            |
|----------------------------|------------|------------|
| Sales – general            | 190        | 115        |
| Lease rental               | 35         | 9          |
| Sales – scrap material     | 3          | 4          |
| Sundry Income              | 281        | –          |
| Temporary water allocation | 153        | 153        |
| <b>TOTAL OTHER REVENUE</b> | <b>662</b> | <b>281</b> |

**Accounting policy for other revenue**

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Rental income is accounted for on a straight-line basis over the lease term.

Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 3. Income from continuing operations (continued)

| \$ '000                                  | Operating<br>2019 | Operating<br>2018 | Capital<br>2019 | Capital<br>2018 |
|--|-------------------|-------------------|-----------------|-----------------|
| <b>(e) Grants</b>                        |                   |                   |                 |                 |
| <b>Specific purpose</b>                  |                   |                   |                 |                 |
| LIRS subsidy                             | 318               | 377               | –               | –               |
| Diesel and alternative fuels             | 20                | 25                | –               | –               |
| <b>Total specific purpose</b>            | <b>338</b>        | <b>402</b>        | <b>–</b>        | <b>–</b>        |
| <b>Total grants</b>                      | <b>338</b>        | <b>402</b>        | <b>–</b>        | <b>–</b>        |
| <b>Grant revenue is attributable to:</b> |                   |                   |                 |                 |
| – Commonwealth funding                   | 226               | 225               | –               | –               |
| – State funding                          | 112               | 177               | –               | –               |
|  | <b>338</b>        | <b>402</b>        | <b>–</b>        | <b>–</b>        |

| \$ '000  | Notes | Operating<br>2019 | Operating<br>2018 | Capital<br>2019 | Capital<br>2018 |
|--|-------|-------------------|-------------------|-----------------|-----------------|
| <b>(f) Contributions</b>   |       |                   |                   |                 |                 |
| <b>Developer contributions:</b><br><b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b> |       |                   |                   |                 |                 |
| <b>Cash contributions</b>  |       |                   |                   |                 |                 |
| S 64 – water supply contributions  |       | –                 | –                 | 3,013           | 3,319           |
| <b>Total developer contributions – cash</b>  |       | <b>–</b>          | <b>–</b>          | <b>3,013</b>    | <b>3,319</b>    |
| <b>Total developer contributions</b>   | 21    | <b>–</b>          | <b>–</b>          | <b>3,013</b>    | <b>3,319</b>    |
| <b>Total contributions</b>   |       | <b>–</b>          | <b>–</b>          | <b>3,013</b>    | <b>3,319</b>    |
| <b>TOTAL GRANTS AND CONTRIBUTIONS</b>  |       | <b>338</b>        | <b>402</b>        | <b>3,013</b>    | <b>3,319</b>    |

**Accounting policy for grants and contributions**

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset at the date of transfer. Developer contributions may only be expended for the purposes for which the contributions were required, but the Council may apply contributions according to the priorities established in work schedules

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 4. Expenses from continuing operations

| \$ '000  | 2019          | 2018          |
|--|---------------|---------------|
| <b>(a) Employee benefits and on-costs</b>                    |               |               |
| Salaries and wages   | 7,200         | 7,081         |
| Travel expenses  | 153           | 161           |
| Employee leave entitlements (ELE)                            | 1,806         | 1,233         |
| Superannuation   | 1,318         | 1,272         |
| Workers' compensation insurance                              | 248           | 147           |
| Fringe benefit tax (FBT)                                     | 36            | 19            |
| Payroll tax  | 484           | 479           |
| Training costs (other than salaries and wages)               | 256           | 242           |
| Uniforms   | 55            | 57            |
| Safety Bonus   | 22            | —             |
| Sick leave bonus   | 151           | 153           |
| <b>Total employee costs</b>                                  | <b>11,729</b> | <b>10,844</b> |
| Less: capitalised costs                                      | (2,757)       | (2,902)       |
| <b>TOTAL EMPLOYEE COSTS EXPENSED</b>                         | <b>8,972</b>  | <b>7,942</b>  |
| Number of 'full-time equivalent' employees (FTE) at year end | 96            | 96            |

**Accounting policy for employee benefits and on-costs**

Employee benefit expenses are recorded when the service has been provided by the employee.

*Retirement benefit obligations*

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

*Superannuation plans*

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Council participates in a Defined Benefit Plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 16 for more information.

**(b) Borrowing costs****(i) Interest bearing liability costs**

|  |            |            |
|--|------------|------------|
| Interest on loans                                      | 570        | 653        |
| <b>Total interest bearing liability costs expensed</b> | <b>570</b> | <b>653</b> |

**(ii) Other borrowing costs**

|  |          |          |
|--|----------|----------|
| Fair value adjustments on recognition of advances and deferred debtors | —        | —        |
| <b>Total other borrowing costs</b>                                     | <b>—</b> | <b>—</b> |

|                                       |            |            |
|---------------------------------------|------------|------------|
| <b>TOTAL BORROWING COSTS EXPENSED</b> | <b>570</b> | <b>653</b> |
|---------------------------------------|------------|------------|

**Accounting policy for borrowing costs**

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

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 4. Expenses from continuing operations (continued)

| \$ '000                                     | 2019                | 2018                |
|---|---------------------|---------------------|
| <b>(c) Materials and contracts</b>          |                     |                     |
| Raw materials and consumables               | 246                 | 257                 |
| Contractor and consultancy costs            | 2,206               | 1,872               |
| Auditors remuneration <sup>1</sup>          | 78                  | 55                  |
| Strategic Documents                         | 50                  | –                   |
| <b>Legal expenses:</b>                      |                     |                     |
| – Legal expenses: other                     | –                   | 18                  |
| <b>Total materials and contracts</b>        | <b>2,580</b>        | <b>2,202</b>        |
| <b><u>TOTAL MATERIALS AND CONTRACTS</u></b> | <b><u>2,580</u></b> | <b><u>2,202</u></b> |

**1. Auditor remuneration**

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

**Auditors of the Council - NSW Auditor-General:****(i) Audit and other assurance services**

Audit and review of financial statements

|  |           |           |
|--|-----------|-----------|
|  | 30        | 30        |
| <b>Remuneration for audit and other assurance services</b> | <b>30</b> | <b>30</b> |
| <b>Total Auditor-General remuneration</b>                  | <b>30</b> | <b>30</b> |

**Non NSW Auditor-General audit firms****(i) Audit and other assurance services**

Other audit and assurance services: Council's Internal Auditor

|  |           |           |
|--|-----------|-----------|
|  | 48        | 25        |
| <b>Remuneration for audit and other assurance services</b>       | <b>48</b> | <b>25</b> |
| <b>Total remuneration of non NSW Auditor-General audit firms</b> | <b>48</b> | <b>25</b> |
| <b>Total Auditor remuneration</b>                                | <b>78</b> | <b>55</b> |

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 4. Expenses from continuing operations (continued)

| \$ '000  | Notes | 2019         | 2018         |
|--|-------|--------------|--------------|
| (d) Depreciation, amortisation and impairment of intangible assets and IPP&E                                 |       |              |              |
| <b>Depreciation and amortisation</b>   |       |              |              |
| Plant and equipment  |       | 515          | 470          |
| Office equipment   |       | 155          | 157          |
| <b>Infrastructure:</b>   |       |              |              |
| – Buildings – non-specialised  |       | 50           | 50           |
| – Buildings – specialised  |       | 143          | 143          |
| – Water supply network   |       | 5,353        | 5,246        |
| <b>Total gross depreciation and amortisation costs</b>   |       | <b>6,216</b> | <b>6,066</b> |
| Total depreciation and amortisation costs  |       | 6,216        | 6,066        |
| <b>Impairment / revaluation decrement of IPP&amp;E</b>   |       |              |              |
| Intangible assets  | 10    | –            | (25)         |
| Total IPP&E impairment / revaluation decrement costs / (reversals) charged to Income Statement               |       | –            | (25)         |
| <b>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR INTANGIBLES AND IPP&amp;E</b> |       | <b>6,216</b> | <b>6,041</b> |

**Accounting policy for depreciation, amortisation and impairment expenses of intangibles and IPP&E****Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 9 for IPPE assets and Note 10 for intangible assets.

**Impairment of non-financial assets**

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 4. Expenses from continuing operations (continued)

| \$ '000  | 2019                | 2018                |
|--|---------------------|---------------------|
| <b>(e) Other expenses</b>  |                     |                     |
| Advertising  | 146                 | 54                  |
| Bank charges   | 89                  | 123                 |
| Computer software charges  | 203                 | 205                 |
| Contributions/levies to other levels of government                           |                     |                     |
| Members expenses – chairperson’s fee   | 16                  | 10                  |
| Members expenses – members fees  | 86                  | 52                  |
| Members expenses (incl. chairperson) – other (excluding fees above)          | 24                  | 22                  |
| Donations, contributions and assistance to other organisations (Section 356) | 94                  | 89                  |
| Demand management  | 63                  | 36                  |
| Electricity and heating  | 2,938               | 2,971               |
| Insurance  | 157                 | 146                 |
| Office expenses (including computer expenses)                                | 204                 | 44                  |
| Postage  | 114                 | 121                 |
| Printing and stationery  | 25                  | 30                  |
| Rates and user charges   | 122                 | 225                 |
| Subscriptions and publications   | 65                  | 84                  |
| Telephone and communications   | 169                 | 177                 |
| <b><u>TOTAL OTHER EXPENSES</u></b>   | <b><u>4,515</u></b> | <b><u>4,389</u></b> |

**Accounting policy for other expenses**

Other expenses are recorded on an accruals basis as the Council receives the goods or services.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

| \$ '000  | Notes | 2019             | 2018              |
|--|-------|------------------|-------------------|
| <b>Plant and equipment</b>   | 9     |                  |                   |
| Proceeds from disposal – plant and equipment                         |       | 279              | 214               |
| Less: carrying amount of plant and equipment assets sold/written off |       | (206)            | (222)             |
| <b>Net gain/(loss) on disposal</b>                                   |       | <b>73</b>        | <b>(8)</b>        |
| <b><u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u></b>                  |       | <b><u>73</u></b> | <b><u>(8)</u></b> |

**Accounting policy for disposal of assets**

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 6(a). Cash and cash equivalent assets

| \$ '000                                | 2019          | 2018          |
|--|---------------|---------------|
| <b>Cash and cash equivalents</b>       |               |               |
| Cash on hand and at bank               | 397           | 1,644         |
| Cash-equivalent assets                 |               |               |
| – Short-term deposits                  | 12,787        | 17,491        |
| <b>Total cash and cash equivalents</b> | <b>13,184</b> | <b>19,135</b> |

**Accounting policy for cash and cash equivalents**

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

## Note 6(b). Investments

| \$ '000   | 2019<br>Current | 2019<br>Non-current | 2018<br>Current | 2018<br>Non-current |
|---|-----------------|---------------------|-----------------|---------------------|
| <b>Investments</b>  |                 |                     |                 |                     |
| a. 'Held to maturity'   | 15,000          | –                   | 7,000           | –                   |
| <b>Total Investments</b>  | <b>15,000</b>   | <b>–</b>            | <b>7,000</b>    | <b>–</b>            |
| <b>TOTAL CASH ASSETS, CASH<br/>EQUIVALENTS AND INVESTMENTS</b>      | <b>28,184</b>   | <b>–</b>            | <b>26,135</b>   | <b>–</b>            |
| <b>Financial assets at amortised cost / (held to maturity 2018)</b> |                 |                     |                 |                     |
| Long term deposits  | 15,000          | –                   | 7,000           | –                   |
| <b>Total</b>  | <b>15,000</b>   | <b>–</b>            | <b>7,000</b>    | <b>–</b>            |

**Accounting policy for investments****Accounting policy under AASB 9 – applicable from 1 July 2018**

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

**Classification**

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

**Accounting policy under AASB 139 – applicable for 2018 comparatives only****Classification**

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.



# Notes to the Financial Statements

for the year ended 30 June 2019

## Note 6(c). Restricted cash, cash equivalents and investments – details

| \$ '000                                      | 2019<br>Current | 2019<br>Non-current | 2018<br>Current | 2018<br>Non-current |
|--|-----------------|---------------------|-----------------|---------------------|
| Total cash, cash equivalents and investments | 28,184          | –                   | 26,135          | –                   |
| <b>attributable to:</b>                      |                 |                     |                 |                     |
| External restrictions                        | –               | –                   | –               | –                   |
| Internal restrictions                        | 8,639           | –                   | 8,714           | –                   |
| Unrestricted                                 | 19,545          | –                   | 17,421          | –                   |
|  | 28,184          | –                   | 26,135          | –                   |

| \$ '000 | 2019 | 2018 |
|---------|------|------|
|---------|------|------|

### Details of restrictions

#### Internal restrictions

|                                    |              |              |
|------------------------------------|--------------|--------------|
| Employees leave entitlement        | 2,134        | 1,856        |
| Asset replacement                  | 1,505        | 1,858        |
| Sales fluctuation                  | 5,000        | 5,000        |
| <b>Total internal restrictions</b> | <b>8,639</b> | <b>8,714</b> |
| <b>TOTAL RESTRICTIONS</b>          | <b>8,639</b> | <b>8,714</b> |

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 7. Receivables

| \$ '000                         | 2019<br>Current | 2019<br>Non-current | 2018<br>Current | 2018<br>Non-current |
|---------------------------------|-----------------|---------------------|-----------------|---------------------|
| <b>Purpose</b>                  |                 |                     |                 |                     |
| Rates and annual charges        | 840             | —                   | 739             | —                   |
| User charges and fees           | 2,586           | —                   | 2,317           | —                   |
| Accrued revenues                |                 |                     |                 |                     |
| Accrued interest on investments | 229             | —                   | 73              | —                   |
| Other Accrued Income            | 37              | —                   | —               | —                   |
| Government grants and subsidies | 206             | —                   | 200             | —                   |
| Sundry debtors                  | 891             | —                   | 247             | —                   |
| <b>Total</b>                    | <b>4,789</b>    | <b>—</b>            | <b>3,576</b>    | <b>—</b>            |
| <b>TOTAL NET RECEIVABLES</b>    | <b>4,789</b>    | <b>—</b>            | <b>3,576</b>    | <b>—</b>            |

## Accounting policy for receivables

## Recognition and measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables (Note 7) in the Statement of Financial Position.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

## Accounting policy under AASB 9 applicable from 1 July 2018

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Council uses the presentation that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held) or
- the financial assets (for non-rates debtors) are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

None of the receivables that have been written off are subject to enforcement activity.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 7. Receivables (continued)

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Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

#### **Accounting policy under AASB 139 – applicable for 2018 comparatives only**

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

Rates and annual charges outstanding are secured against the property.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 8. Inventories and other assets

| \$ '000                          | 2019<br>Current     | 2019<br>Non-current | 2018<br>Current     | 2018<br>Non-current |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Inventories</b>               |                     |                     |                     |                     |
| <b>(i) Inventories at cost</b>   |                     |                     |                     |                     |
| Stores and materials             | 2,572               | –                   | 2,334               | –                   |
| <b>Total inventories at cost</b> | <b>2,572</b>        | <b>–</b>            | <b>2,334</b>        | <b>–</b>            |
| <b><u>TOTAL INVENTORIES</u></b>  | <b><u>2,572</u></b> | <b><u>–</u></b>     | <b><u>2,334</u></b> | <b><u>–</u></b>     |

**Accounting policy for inventories and other assets****Inventory held for distribution**

Inventory held for distribution is held at cost, adjusted where applicable for any loss of service potential.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 9. Infrastructure, property, plant and equipment

| \$ '000  | as at 30/6/2018       |                          |                     | Asset movements during the reporting period |                      |                             |                      |                           |  | as at 30/6/2019       |                          |                     |
|--|-----------------------|--------------------------|---------------------|---|----------------------|-----------------------------|----------------------|---------------------------|--|-----------------------|--------------------------|---------------------|
|  | Gross carrying amount | Accumulated depreciation | Net carrying amount | Additions renewals <sup>1</sup>             | Additions new assets | Carrying value of disposals | Depreciation expense | Adjustments and transfers | Revaluation increments to equity (ARR) | Gross carrying amount | Accumulated depreciation | Net carrying amount |
| Capital work in progress                                   | 40,345                | –                        | 40,345              | 6,518                                       | 1,628                | –                           | –                    | –                         | –                                      | 48,491                | –                        | 48,491              |
| Plant and equipment  | 6,140                 | (3,326)                  | 2,814               | 1,414                                       | –                    | (205)                       | (515)                | –                         | –                                      | 6,840                 | (3,332)                  | 3,508               |
| Office equipment   | 1,080                 | (721)                    | 359                 | –   | 60                   | –                           | (155)                | –                         | –                                      | 1,129                 | (865)                    | 264                 |
| <b>Land:</b>   |                       |                          |                     |   |                      |                             |                      |                           |  |                       |                          |                     |
| – Operational land   | 4,416                 | –                        | 4,416               | –   | 803                  | –                           | –                    | (701)                     | –                                      | 4,518                 | –                        | 4,518               |
| – Land Improvements  | –                     | –                        | –                   | –   | 1,267                | –                           | –                    | 701                       | –                                      | 1,968                 | –                        | 1,968               |
| <b>Infrastructure:</b>                                     |                       |                          |                     |   |                      |                             |                      |                           |  |                       |                          |                     |
| – Buildings – non-specialised                              | 3,784                 | (535)                    | 3,249               | 23  | –                    | –                           | (50)                 | –                         | –                                      | 3,807                 | (585)                    | 3,222               |
| – Buildings – specialised                                  | 12,324                | (1,072)                  | 11,252              | 107   | –                    | –                           | (143)                | –                         | –                                      | 12,431                | (1,215)                  | 11,216              |
| – Water supply network                                     | 427,149               | (143,410)                | 283,739             | 3,232                                       | 875                  | –                           | (5,353)              | –                         | 4,454                                  | 435,710               | (148,763)                | 286,947             |
| <b>Total Infrastructure, property, plant and equipment</b> | <b>495,238</b>        | <b>(149,064)</b>         | <b>346,174</b>      | <b>11,294</b>                               | <b>4,633</b>         | <b>(205)</b>                | <b>(6,216)</b>       | <b>–</b>                  | <b>4,454</b>                           | <b>514,894</b>        | <b>(154,760)</b>         | <b>360,134</b>      |

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

| \$ '000  | as at 30/6/2017       |                          |                     | Asset movements during the reporting period |                      |                             |                      |  |  | as at 30/6/2018       |                          |                     |
|--|-----------------------|--------------------------|---------------------|---|----------------------|-----------------------------|----------------------|--|--|-----------------------|--------------------------|---------------------|
|  | Gross carrying amount | Accumulated depreciation | Net carrying amount | Additions renewals <sup>1</sup>             | Additions new assets | Carrying value of disposals | Depreciation expense | Revaluation increments to equity (ARR) |  | Gross carrying amount | Accumulated depreciation | Net carrying amount |
| Capital work in progress                                   | 37,766                | –                        | 37,766              | –   | 2,579                | –                           | –                    | –                                      |  | 40,345                | –                        | 40,345              |
| Plant and equipment  | 5,897                 | (3,017)                  | 2,880               | 626   | –                    | (222)                       | (470)                | –                                      |  | 6,140                 | (3,326)                  | 2,814               |
| Office equipment   | 950                   | (579)                    | 371                 | 145   | –                    | –                           | (157)                | –                                      |  | 1,080                 | (721)                    | 359                 |
| <b>Land:</b>   |                       |                          |                     |   |                      |                             |                      |  |  |                       |                          |                     |
| – Operational land   | 3,714                 | –                        | 3,714               | 702   | –                    | –                           | –                    | –                                      |  | 4,416                 | –                        | 4,416               |
| <b>Infrastructure:</b>                                     |                       |                          |                     |   |                      |                             |                      |  |  |                       |                          |                     |
| – Buildings – non-specialised                              | 3,778                 | (485)                    | 3,293               | 6   | –                    | –                           | (50)                 | –                                      |  | 3,784                 | (535)                    | 3,249               |
| – Buildings – specialised                                  | 12,284                | (929)                    | 11,355              | 40  | –                    | –                           | (143)                | –                                      |  | 12,324                | (1,072)                  | 11,252              |
| – Water supply network                                     | 414,489               | (138,166)                | 276,323             | 4,141                                       | 2,686                | –                           | (5,246)              | 5,835                                  |  | 427,149               | (143,410)                | 283,739             |
| <b>Total Infrastructure, property, plant and equipment</b> | <b>478,878</b>        | <b>(143,176)</b>         | <b>335,702</b>      | <b>5,660</b>                                | <b>5,265</b>         | <b>(222)</b>                | <b>(6,066)</b>       | <b>5,835</b>                           |  | <b>495,238</b>        | <b>(149,064)</b>         | <b>346,174</b>      |

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 9. Infrastructure, property, plant and equipment (continued)

**Accounting policy for infrastructure, property, plant and equipment**

Infrastructure, property, plant and equipment are held at fair value. Independent valuations are performed at least every five years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Water network assets are indexed annually between full revaluations in accordance with the latest indices provided in the Rates Reference Manual issued by Department of Industry (DoI) - Water.

Increases in the carrying amounts arising on revaluation are credited to the revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

| <b>Plant and equipment</b>        | <b>Years</b> | <b>Water assets</b>       | <b>Years</b> |
|-----------------------------------|--------------|---------------------------|--------------|
| Office equipment                  | 5 to 10      | Reservoirs                | 80 to 100    |
| Office furniture                  | 10 to 20     | Bores                     | 20 to 40     |
| Computer equipment                | 5            | Reticulation pipes: PVC   | 80           |
| Vehicles                          | 5 to 10      | Reticulation pipes: other | 25 to 75     |
| Heavy plant/road making equipment | 5 to 10      | Pumps and telemetry       | 15 to 20     |
| Other plant and equipment         | 5 to 15      | <b>Buildings</b>          |              |
|                                   |              | Buildings: masonry        | 50 to 100    |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 10. Intangible assets

| \$ '000 | 2019 | 2018 |
|---------|------|------|
|---------|------|------|

Intangible assets are as follows:

**Opening values at 1 July**

|   |              |              |
|---|--------------|--------------|
| Gross book value                        | 4,300        | 3,575        |
| <b>Net book value – opening balance</b> | <b>4,300</b> | <b>3,575</b> |

**Movements for the year**

|  |       |     |
|--|-------|-----|
| – Purchases  | –     | 100 |
| – Fair valuation (decrement reversal via Income Statement)         | –     | 25  |
| – Fair valuation (increment to Equity – Asset Revaluation Reserve) | 3,302 | 600 |

**Closing values at 30 June**

|                  |       |       |
|------------------|-------|-------|
| Gross book value | 7,602 | 4,300 |
|------------------|-------|-------|

**TOTAL INTANGIBLE ASSETS – NET BOOK VALUE**

|              |              |
|--------------|--------------|
| <b>7,602</b> | <b>4,300</b> |
|--------------|--------------|

The net book value of intangible assets represents:

|                  |              |              |
|------------------|--------------|--------------|
| – Water licences | 7,602        | 4,300        |
|                  | <b>7,602</b> | <b>4,300</b> |

**Accounting policy for intangible assets****Water Licence Rights**

Costs capitalised include external direct costs associated with the purchase of the licence. These rights are valued each year and any associated impairment or fair revaluation increment are included.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 11. Payables and borrowings

| \$ '000                                    | 2019<br>Current | 2019<br>Non-current | 2018<br>Current | 2018<br>Non-current |
|--|-----------------|---------------------|-----------------|---------------------|
| <b>Payables</b>                            |                 |                     |                 |                     |
| Goods and services – operating expenditure | 238             | –                   | 151             | –                   |
| Accrued expenses:                          |                 |                     |                 |                     |
| – Salaries and wages                       | 211             | –                   | 180             | –                   |
| – Other expenditure accruals               | 1,100           | –                   | 612             | –                   |
| Security bonds, deposits and retentions    | 136             | –                   | 75              | –                   |
| <b>Total payables</b>                      | <b>1,685</b>    | <b>–</b>            | <b>1,018</b>    | <b>–</b>            |
| <b>Income received in advance</b>          |                 |                     |                 |                     |
| Payments received in advance               | 445             | –                   | 462             | –                   |
| <b>Total income received in advance</b>    | <b>445</b>      | <b>–</b>            | <b>462</b>      | <b>–</b>            |
| <b>Borrowings</b>                          |                 |                     |                 |                     |
| Loans – secured <sup>1</sup>               | 1,761           | 7,258               | 1,675           | 9,012               |
| <b>Total borrowings</b>                    | <b>1,761</b>    | <b>7,258</b>        | <b>1,675</b>    | <b>9,012</b>        |
| <b>TOTAL PAYABLES AND BORROWINGS</b>       | <b>3,891</b>    | <b>7,258</b>        | <b>3,155</b>    | <b>9,012</b>        |

(1) Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 19.

#### (a) Payables and borrowings relating to restricted assets

There are no restricted assets (external or internal) applicable to the above payables and borrowings

| \$ '000   | 2019       | 2018      |
|---|------------|-----------|
| <b>(b) Current payables and borrowings not anticipated to be settled within the next twelve months</b>              |            |           |
| The following liabilities, even though classified as current, are not expected to be settled in the next 12 months. |            |           |
| Payables – security bonds, deposits and retentions  | 136        | 81        |
| <b>Total payables and borrowings</b>  | <b>136</b> | <b>81</b> |



## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 11. Payables and borrowings (continued)

## (c) Changes in liabilities arising from financing activities

|                 | as at<br>30/6/2018 |                |                          |                                   |                                | as at<br>30/6/2019 |
|-----------------|--------------------|----------------|--------------------------|-----------------------------------|--------------------------------|--------------------|
| \$ '000         | Opening<br>Balance | Cash flows     | Non-cash<br>acquisitions | Non-cash<br>fair value<br>changes | Other<br>non-cash<br>movements | Closing<br>balance |
| Loans – secured | 10,687             | (1,668)        | –                        | –                                 | –                              | 9,019              |
| <b>TOTAL</b>    | <b>10,687</b>      | <b>(1,668)</b> | <b>–</b>                 | <b>–</b>                          | <b>–</b>                       | <b>9,019</b>       |

| \$ '000 | 2019 | 2018 |
|---------|------|------|
|---------|------|------|

## (d) Financing arrangements

## (i) Unrestricted access was available at balance date to the following lines of credit:

|  |            |            |
|--|------------|------------|
| Bank overdraft facilities <sup>1</sup> | 250        | 250        |
| Credit cards/purchase cards            | 100        | 100        |
| Market Rate Facility                   | 500        | 500        |
| <b>Total financing arrangements</b>    | <b>850</b> | <b>850</b> |

## Drawn facilities as at balance date:

|   |           |           |
|---|-----------|-----------|
| – Credit cards/purchase cards             | 15        | 14        |
| <b>Total drawn financing arrangements</b> | <b>15</b> | <b>14</b> |

## Undrawn facilities as at balance date:

|   |            |            |
|---|------------|------------|
| – Bank overdraft facilities                 | 250        | 250        |
| – Credit cards/purchase cards               | 85         | 86         |
| – Market Rate Facility                      | 500        | 500        |
| <b>Total undrawn financing arrangements</b> | <b>835</b> | <b>836</b> |

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

## Accounting policy for payables and borrowings

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Council comprise trade payables, bank and other loans and finance lease liabilities.

## Payables

These amounts represent liabilities for goods and services provided to the council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

## Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective-interest method.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired.

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

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 12. Provisions

| \$ '000  | 2019<br>Current | 2019<br>Non-current | 2018<br>Current | 2018<br>Non-current |
|--|-----------------|---------------------|-----------------|---------------------|
| <b>Provisions</b>                              |                 |                     |                 |                     |
| <b>Employee benefits</b>                       |                 |                     |                 |                     |
| Annual leave                                   | 942             | –                   | 895             | –                   |
| Sick leave                                     | 6               | –                   | 6               | –                   |
| Long service leave                             | 3,320           | –                   | 2,812           | –                   |
| <b>Sub-total – aggregate employee benefits</b> | <b>4,268</b>    | <b>–</b>            | <b>3,713</b>    | <b>–</b>            |
| <b>TOTAL PROVISIONS</b>                        | <b>4,268</b>    | <b>–</b>            | <b>3,713</b>    | <b>–</b>            |

| \$ '000 | 2019 | 2018 |
|---------|------|------|
|---------|------|------|

**Current provisions not anticipated to be settled within the next twelve months**

The following provisions, even though classified as current, are not expected to be settled in the next 12 months.

|                                 |              |              |
|---------------------------------|--------------|--------------|
| Provisions – employees benefits | 3,342        | 2,927        |
|                                 | <b>3,342</b> | <b>2,927</b> |

**Employee benefits****Short-term obligations**

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

**Other long-term employee benefit obligations**

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

**Defined Benefit Superannuation Disclosure**

Council participates in an employer sponsored Defined Benefit Superannuation Scheme that is a multi-employer plan.

(a) *Funding arrangements, including methodology to determine rate of contributions and any minimum funding requirements.*

Pooled Employers are required to pay standard employer contributions and additional lump sum contributions to the Fund.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 12. Provisions (continued)

The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are:

|            |                                   |
|------------|-----------------------------------|
| Division B | 1.9 times employee contributions  |
| Division C | 2.5% of salary                    |
| Division D | 1.64 times employee contributions |

The additional lump sum contributions for each Pooled Employer is a share of the total additional contributions of \$40.0 million per annum for 1 July 2018 for 4 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2018. The additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2018.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

*(b) Extent to which Council may be liable to plan the plan for other entities' obligations under the terms and conditions of the multi-employer plan.*

As stated above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the entity.

*(c) Description of any agreed allocation of a deficit or surplus on:*

*(i) wind-up of the plan*

There are no specific contributions under the Fund's trust deed dealing with deficits or surplus on wind-up.

*(ii) entity's withdrawal from the plan*

There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

*(d) Further information relating to reasons for accounting for the pooled employer fund as a defined contribution plan:*

*(i) the fact the plan is a defined benefit plan*

Council confirms that the plan is a defined benefit plan.

*(ii) why sufficient information is not available to enable Council to account for the plan as a defined benefit plan*

1. Assets are not segregated within the sub-group according to the employees of each sponsoring employer;
2. The contribution rates have been the same for all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer; and
3. Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer; and
4. The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors set out above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of sponsoring employers and hence shares in the associated gains and losses (to the extent that they are not borne by the members). As such we do not believe that there is sufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group in the same way as it would for a single employer sponsored defined benefit plan.

*(iii) the expected contribution to the plan for the next annual reporting period*

The expected contributions by Council to the Fund for the next annual reporting period are \$272,254.32

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 12. Provisions (continued)

*(iv) information about any deficit or surplus in the plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any, for the entity*

The estimated employer reserves financial position for the Pooled Employers at 30 June 2019 is:

| <i>Employer reserves only*</i> | <i>\$M</i> | <i>Asset Coverage</i> |
|--------------------------------|------------|-----------------------|
| Assets                         | 1,798.7    |                       |
| Past Service Liabilities       | 1,784.2    | 100.8%                |
| Vested Benefits                | 1,792.0    | 100.4%                |

\* excluding member accounts and reserves in both assets and liabilities

The key economic long term assumptions used to calculate the present value of accrued benefits are:

|   |                 |
|---|-----------------|
| Investment Return                             | 5.75% per annum |
| Salary Inflation (plus promotional increases) | 3.5% per annum  |
| Increase in CPI                               | 2.5% per annum  |

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers.

*(v) an indication of the level of Council's participation in the plan compared with other participating entities*

Council's participation in the Scheme compared with other entities is about 0.28% based on the Council's current level of annual additional contributions against total contributions. The last valuation of the Fund was performed by Mr Richard Boyfield, FIAA on 31 December 2018, relating to the period ending 30 June 2018.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 13. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

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#### (a) Nature and purpose of reserves

##### **Infrastructure, property, plant and equipment revaluation reserve**

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

#### (b) Changes in accounting policies due to adoption of new accounting standards (not-retrospective)

During the year, Council adopted a number of new accounting standards. There was no impact caused by the adoption and associated transition disclosures that resulted in any non retrospective application.

##### **Measurement of equity instruments**

All equity instruments of the Council are measured at fair value under AASB 9 whereas there was a cost exception under AASB 139 that allowed certain unlisted investments to be carried at amortised cost in the absence of a reliable measurement of fair value. There was no difference in the previous carrying amount and the fair value is recognised in the opening retained earnings (or other component of equity, as appropriate) at 1 July 2018.

Equity instruments are no longer subject to impairment testing and therefore all movements on equity instruments, classified as fair value through other comprehensive income, are taken to the relevant reserve.

##### **Impairment of financial assets**

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost. There was no impact caused by the addition of this standard.

#### (c) Changes in accounting policies due to adoption of new accounting standards (retrospective)

##### **Changes in accounting policies due to adoption of new accounting accounting standard (retrospective)**

During the year, Council adopted a number of new accounting standards. There was no impact caused by the adoption and associated transition disclosures that resulted in any retrospective application.

#### (d) Changes in accounting estimates

##### **Nature and effect of changes in accounting estimates on current year**

There was no impact on the accounting estimates in the current year.

##### **Nature and effect of changes in accounting estimates on future years**

There are no foreseeable impacts on the accounting estimates for the future years.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 14. Statement of cash flows - additional information

| \$ '000  | Notes | 2019          | 2018          |
|--|-------|---------------|---------------|
| <b>(a) Reconciliation of cash assets</b>   |       |               |               |
| Total cash and cash equivalent assets  | 6(a)  | 13,184        | 19,135        |
| <b>Balance as per the Statement of Cash Flows</b>  |       | <b>13,184</b> | <b>19,135</b> |
| <b>(b) Reconciliation of net operating result to cash provided from operating activities</b>         |       |               |               |
| <b>Net operating result from Income Statement</b>  |       | 13,469        | 11,710        |
| <b>Adjust for non-cash items:</b>  |       |               |               |
| Depreciation and amortisation  |       | 6,216         | 6,066         |
| Net losses/(gains) on disposal of assets   |       | (73)          | 8             |
| Reversal of prior year IPP&E revaluation decrements / impairment previously costed direct to the P&L |       | –             | (25)          |
| <b>+/- Movement in operating assets and liabilities and other cash items:</b>                        |       |               |               |
| Decrease/(increase) in receivables   |       | (1,213)       | 11            |
| Decrease/(increase) in inventories   |       | (238)         | 49            |
| Increase/(decrease) in payables  |       | 87            | 54            |
| Increase/(decrease) in other accrued expenses payable  |       | 519           | (472)         |
| Increase/(decrease) in other liabilities   |       | 44            | 22            |
| Increase/(decrease) in provision for employee benefits   |       | 555           | (148)         |
| <b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>        |       | <b>19,366</b> | <b>17,275</b> |

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 15. Commitments

| \$ '000 | 2019 | 2018 |
|---------|------|------|
|---------|------|------|

## Capital commitments (exclusive of GST)

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

## Property, plant and equipment

|                          |              |              |
|--------------------------|--------------|--------------|
| Water Treatment Plant    | 38           | 1,692        |
| Shires Reservoir         | –            | 160          |
| Low Level Reservoir      | 239          | 269          |
| Purchase of Vacant Land  | 123          | –            |
| Glenoak Reservoir        | 1,177        | –            |
| <b>Total commitments</b> | <b>1,577</b> | <b>2,121</b> |

## These expenditures are payable as follows:

|                      |              |              |
|----------------------|--------------|--------------|
| Within the next year | 1,577        | 2,121        |
| <b>Total payable</b> | <b>1,577</b> | <b>2,121</b> |

## Sources for funding of capital commitments:

|                                 |              |              |
|---------------------------------|--------------|--------------|
| Unrestricted general funds      | 1,577        | 2,121        |
| <b>Total sources of funding</b> | <b>1,577</b> | <b>2,121</b> |

## Details of capital commitments

Contract for the construction of the Wagga Wagga Water Treatment Plant, project to be finalised during 2019/20 financial year.  
 Contract for the construction of the Low Level Reservoir, project to be finalised during 2019/20 financial year.  
 Purchase of vacant land for depot facilities, settlement to take place in 2019/20 financial year.  
 Contract for the Glenoak Reservoir, project to be finalised in the 2019/20 financial year.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 16. Contingencies and other assets/liabilities not recognised

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The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

#### LIABILITIES NOT RECOGNISED

##### 1. Guarantees

###### (i) Defined benefit superannuation contribution plans

Council makes employer contributions to the defined benefits categories of the Scheme at rates determined by the Scheme's Trustee. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefit, as defined in the Trust Deed, as they accrue.

Council has an ongoing obligation to share in the future rights and liabilities of the Scheme. Favourable or unfavourable variations may arise should the financial requirements of the Scheme differ from the assumptions made by the Scheme's actuary in estimating the accrued benefits liability.

###### (ii) Statewide Limited

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

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

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

###### (iii) StateCover Limited

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

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

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

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

###### (iv) Other guarantees

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

##### 2. Other liabilities

###### (i) Third party claims

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

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

###### (ii) Sick Leave Payable on Retirement due to Medical Grounds

At balance date there is a contingent liability for staff who are entitled to a sick leave to be paid out if they were to retire due to medical grounds. This is an unlikely event. Amount totals \$46,050 (2017/18 \$64,337).



## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 16. Contingencies and other assets/liabilities not recognised (continued)

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#### **ASSETS NOT RECOGNISED**

##### **(i) Water Treatment Plant Bank Guarantees**

The Council holds bank guarantees totalling \$2.4 million for the contract period from contractors responsible for the construction of the Wagga Wagga Water Treatment Plant.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 17. Financial risk management

#### Risk management

Council's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

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

Financial risk management is carried out by Council's finance section under policies approved by the Council.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

#### (a) Market risk – price risk and interest rate risk

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

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

| \$ '000  | Increase of values/rates |        | Decrease of values/rates |        |
|--|--------------------------|--------|--------------------------|--------|
|  | Profit                   | Equity | Profit                   | Equity |
| <b>2019</b>  |                          |        |                          |        |
| Possible impact of a 1% movement in interest rates | 282                      | 282    | (282)                    | (282)  |
| <b>2018</b>  |                          |        |                          |        |
| Possible impact of a 1% movement in interest rates | 261                      | 261    | (261)                    | (261)  |

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 17. Financial risk management (continued)

## (b) Credit risk

Council's major receivables comprise (i) annual charges and (ii) user charges and fees.

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

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

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

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

## Credit risk profile

## Receivables – annual charges

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

|             | Not yet<br>overdue | < 1 year<br>overdue | 1 - 2 years<br>overdue | 2 - 5 years<br>overdue | > 5 years<br>overdue | Total |
|-------------|--------------------|---------------------|------------------------|------------------------|----------------------|-------|
| <b>2019</b> |                    |                     |                        |                        |                      |       |
| Overdue     | 607                | 233                 | –                      | –                      | –                    | 840   |
| <b>2018</b> |                    |                     |                        |                        |                      |       |
| Overdue     | 556                | 183                 | –                      | –                      | –                    | 739   |

## Receivables - non-rates and annual charges

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2019 is determined as follows. The expected credit losses incorporate forward-looking information.

|                        | Not yet<br>overdue | 0 - 30 days<br>overdue | 31 - 60 days<br>overdue | 61 - 90 days<br>overdue | > 91 days<br>overdue | Total |
|------------------------|--------------------|------------------------|-------------------------|-------------------------|----------------------|-------|
| <b>2019</b>            |                    |                        |                         |                         |                      |       |
| Gross carrying amount  | 3,403              | 546                    | –                       | –                       | –                    | 3,949 |
| Expected loss rate (%) | 0.00%              | 0.00%                  | 0.00%                   | 0.00%                   | 0.00%                | 0.00% |
| <b>2018</b>            |                    |                        |                         |                         |                      |       |
| Gross carrying amount  | 2,197              | 640                    | –                       | –                       | –                    | 2,837 |
| Expected loss rate (%) | 0.00%              | 0.00%                  | 0.00%                   | 0.00%                   | 0.00%                | 0.00% |

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 17. Financial risk management (continued)

## (c) Liquidity risk

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

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

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's payables and borrowings are set out in the maturity table below:

| \$ '000                            | Weighted<br>average<br>interest<br>rate | Subject<br>to no<br>maturity | ≤ 1 Year     | payable in:<br>1 - 5<br>Years | > 5 Years    | Total cash<br>outflows | Actual<br>carrying<br>values |
|------------------------------------|---|------------------------------|--------------|-------------------------------|--------------|------------------------|------------------------------|
| <b>2019</b>                        |   |                              |              |                               |              |                        |                              |
| Trade/other payables               | 0.00%                                   | 136                          | 1,549        | –                             | –            | 1,685                  | 1,685                        |
| Loans and advances                 | 5.70%                                   | –                            | 2,249        | 6,811                         | 1,880        | 10,940                 | 9,019                        |
| <b>Total financial liabilities</b> |   | <b>136</b>                   | <b>3,798</b> | <b>6,811</b>                  | <b>1,880</b> | <b>12,625</b>          | <b>10,704</b>                |
| <b>2018</b>                        |   |                              |              |                               |              |                        |                              |
| Trade/other payables               | 0.00%                                   | 75                           | 943          | –                             | –            | 1,018                  | 1,018                        |
| Loans and advances                 | 5.69%                                   | –                            | 2,257        | 8,779                         | 2,161        | 13,197                 | 10,687                       |
| <b>Total financial liabilities</b> |   | <b>75</b>                    | <b>3,200</b> | <b>8,779</b>                  | <b>2,161</b> | <b>14,215</b>          | <b>11,705</b>                |

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 18. Material budget variations

Council's original financial budget for 18/19 was adopted by the Council on 26/06/2018 and is not required to be audited.

While the Income Statement included in this General Purpose Financial Statements must disclose the original budget adopted by Council, the Local Government Act 1993 requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

Material variations represent those variances between the original budget figure and the actual result that amount to **10%** or more.

**Variation Key:** **F** = Favourable budget variation, **U** = Unfavourable budget variation.

| \$ '000   | 2019<br>Budget | 2019<br>Actual | 2019<br>----- Variance* ----- |                |
|---|----------------|----------------|-------------------------------|----------------|
| <b>REVENUES</b>   |                |                |                               |                |
| Rates and annual charges  | 5,085          | 5,551          | 466                           | 9% <b>F</b>    |
| User charges and fees   | 24,693         | 25,994         | 1,301                         | 5% <b>F</b>    |
| Interest and investment revenue   | 200            | 691            | 491                           | 246% <b>F</b>  |
| Cash levels are higher than anticipated due to payments for the Water Treatment Plant project being lower than budgeted due to project delays, as well as higher than anticipated water sales. This resulted in increased investment revenue. |                |                |                               |                |
| Other revenues  | 236            | 662            | 426                           | 181% <b>F</b>  |
| Higher than budgeted due to a temporary water licence allocation and receipt of liquidated damages from Water Treatment Plant.  |                |                |                               |                |
| Operating grants and contributions  | 210            | 338            | 128                           | 61% <b>F</b>   |
| Variance due to LIRS subsidy being budgeted as a capital grant rather than operational.   |                |                |                               |                |
| Capital grants and contributions  | 3,803          | 3,013          | (790)                         | (21)% <b>U</b> |
| Variance due to lower than anticipated developer contributions.   |                |                |                               |                |
| Net gains from disposal of assets   | –              | 73             | 73                            | ∞ <b>F</b>     |
| New gains from disposal of assets not included in the budget.   |                |                |                               |                |
| Reversal of revaluation decrements / impairment of IPP&E previously expensed  | –              | –              | –                             | ∞ <b>F</b>     |
| <b>EXPENSES</b>   |                |                |                               |                |
| Employee benefits and on-costs  | 8,158          | 8,972          | (814)                         | (10)% <b>U</b> |
| Higher than anticipated employee costs due to differences in staff levels, safety bonus and ELE adjustment.   |                |                |                               |                |
| Borrowing costs   | 582            | 570            | 12                            | 2% <b>F</b>    |
| Materials and contracts   | 3,841          | 2,580          | 1,261                         | 33% <b>F</b>   |
| Increased focus on capital works projects have diverted expenditure away from operational.  |                |                |                               |                |
| Depreciation and amortisation   | 6,100          | 6,216          | (116)                         | (2)% <b>U</b>  |
| Other expenses  | 4,231          | 4,515          | (284)                         | (7)% <b>U</b>  |
| Net losses from disposal of assets  | –              | –              | –                             | ∞ <b>F</b>     |

# Notes to the Financial Statements

for the year ended 30 June 2019

## Note 18. Material budget variations (continued)

| \$ '000  | 2019<br>Budget | 2019<br>Actual | 2019<br>----- Variance* ----- |                 |
|--|----------------|----------------|-------------------------------|-----------------|
| <b>STATEMENT OF CASH FLOWS</b>   |                |                |                               |                 |
| Net cash provided from (used in) operating activities                            | 16,084         | 19,366         | 3,282                         | 20% <b>F</b>    |
| Net cash provided from (used in) investing activities                            | (19,500)       | (23,649)       | (4,149)                       | 21% <b>U</b>    |
| Decreased capital expenditure due to delays in Water Treatment Plant project.    |                |                |                               |                 |
| Net cash provided from (used in) financing activities                            | 1,668          | (1,668)        | (3,336)                       | (200)% <b>U</b> |
| Loans not drawn down due to delay in works on the Water Treatment Plant project. |                |                |                               |                 |

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 19. Fair Value Measurement

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment
- Financial assets and liabilities

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## (1) Assets and liabilities that have been measured and recognised at fair values

|  |       | Fair value measurement hierarchy |                              |                               |                                 |
|--|-------|----------------------------------|------------------------------|-------------------------------|---------------------------------|
| 2019   |       |                                  | Level 1                      | Level 2                       | Level 3                         |
| Recurring fair value measurements                          | Notes | Date of latest valuation         | Quoted prices in active mkts | Significant observable inputs | Significant unobservable inputs |
|  |       |                                  |                              |                               | Total                           |
| <b>Financial assets</b>                                    |       |                                  |                              |                               |                                 |
| High Security Water Licence                                |       | 30/06/19                         | –                            | 7,602                         | –                               |
| <b>Total financial assets</b>                              |       |                                  | –                            | 7,602                         | –                               |
| <b>Infrastructure, property, plant and equipment</b>       | 9     |                                  |                              |                               |                                 |
| Water Treatment Plants                                     |       | 30/06/16                         | –                            | –                             | 28,127                          |
| Ground Water Bores   |       | 30/06/16                         | –                            | –                             | 6,830                           |
| Water Pumping Stations                                     |       | 30/06/16                         | –                            | –                             | 7,904                           |
| Water Reservoirs   |       | 30/06/16                         | –                            | –                             | 45,652                          |
| Other Water Assets   |       | 30/06/16                         | –                            | –                             | 1,171                           |
| Pipes  |       | 30/06/16                         | –                            | –                             | 197,293                         |
| Buildings  |       | 30/06/16                         | –                            | –                             | 14,437                          |
| Land   |       | 30/06/16                         | –                            | –                             | 6,486                           |
| Plant & Equipment  |       | 30/06/16                         | –                            | 3,507                         | –                               |
| Office Equipment   |       | 30/06/16                         | –                            | 264                           | –                               |
| <b>Total infrastructure, property, plant and equipment</b> |       |                                  | –                            | 3,771                         | 307,900                         |
|  |       |                                  |                              |                               | 311,671                         |

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 19. Fair Value Measurement (continued)

|  |       | Fair value measurement hierarchy |                              |                               |                                  |         |
|--|-------|----------------------------------|------------------------------|-------------------------------|----------------------------------|---------|
| 2018   |       |                                  | Level 1                      | Level 2                       | Level 3                          |         |
| Recurring fair value measurements                          | Notes | Date of latest valuation         | Quoted prices in active mkts | Significant observable inputs | Significant unobserv-able inputs | Total   |
| <b>Financial assets</b>                                    |       |                                  |                              |                               |                                  |         |
| High Security Water Licence                                |       | 30/06/18                         | –                            | 4,300                         | –                                | 4,300   |
| <b>Total financial assets</b>                              |       |                                  | –                            | 4,300                         | –                                | 4,300   |
| <b>Infrastructure, property, plant and equipment</b>       |       |                                  |                              |                               |                                  |         |
|  | 9     |                                  |                              |                               |                                  |         |
| Water Treatment Plants                                     |       | 30/06/16                         | –                            | –                             | 28,145                           | 28,145  |
| Ground Water Bores   |       | 30/06/16                         | –                            | –                             | 6,972                            | 6,972   |
| Water Pumping Stations                                     |       | 30/06/16                         | –                            | –                             | 8,193                            | 8,193   |
| Water Reservoirs   |       | 30/06/16                         | –                            | –                             | 44,898                           | 44,898  |
| Other Water Assets   |       | 30/06/16                         | –                            | –                             | 937                              | 937     |
| Pipes  |       | 30/06/16                         | –                            | –                             | 194,594                          | 194,594 |
| Buildings  |       | 30/06/16                         | –                            | –                             | 14,501                           | 14,501  |
| Land   |       | 30/06/16                         | –                            | –                             | 4,416                            | 4,416   |
| Plant & Equipment  |       | 30/06/16                         | –                            | 2,814                         | –                                | 2,814   |
| Office Equipment   |       | 30/06/16                         | –                            | 359                           | –                                | 359     |
| <b>Total infrastructure, property, plant and equipment</b> |       |                                  | –                            | 3,173                         | 302,656                          | 305,829 |

Note that capital WIP is not included above since it is carried at cost.

## (2) Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

## (3) Valuation techniques used to derive level 2 and level 3 fair values

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

**Intangible assets**

An external valuation is conducted for the High Security Water Licence on an annual basis based on observed market rates for similar licences.

**Infrastructure, property, plant and equipment (IPP&E)**

Council engages external, independent and qualified valuers to determine fair value of infrastructure and property assets on a regular basis. This was undertaken during 2015/16. Techniques used to derive fair values:

**Land:** where an active market exists, a market approach has been adopted. For other types of land the cost approach was adopted. Market valuations were determined by comparing recent sales of land with similar characteristics. Cost valuations were obtained by assuming the need to purchase land from an adjoining neighbour, the value could be determined based on known zoning and town planning restrictions, comparing recent sales of similar land.

**Buildings:** buildings are disaggregated into different components. Observable inputs to the valuation include design and construction, average cost of construction, condition and consumption, supported by inspection and market evidence. Unobservable inputs include pattern of consumption and remaining service potential, which required professional judgement.



## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 19. Fair Value Measurement (continued)

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**Infrastructure:** assets are componentised into significant parts. Unit rates are based on similar capacity, using market evidence or other inputs that require professional judgement.

**Plant and Equipment:** valued based on actual historical costs.

#### (4) Fair value measurements using significant unobservable inputs (level 3)

Refer to Note 9 for the changes in level 3 fair value asset classes (Infrastructure, Property, Plant & Equipment).

#### (5) Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 20. Related Party Transactions

#### (a) Key management personnel

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly. Council had transactions with 12 KMP during the reporting period.

The aggregate amount of KMP compensation included in the Income Statement is:

| \$ '000                  | 2019       | 2018       |
|--------------------------|------------|------------|
| <b>Compensation:</b>     |            |            |
| Short-term benefits      | 497        | 574        |
| Post-employment benefits | 37         | 36         |
| Other long-term benefits | 19         | 18         |
| <b>Total</b>             | <b>553</b> | <b>628</b> |

#### (b) Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. supply of water to the residence of KMP) will not be disclosed.

Councillors of Riverina Water County Council are also Councillors for constituent member Councils. Councillors are elected as independent members of Riverina Water County Council's board. Constituent Councils do not hold direct control over Riverina Water County Council and transactions between Councils have not been classified as Related Party transactions.

Council had no other transactions with KMP and their related parties during the reporting period.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 21. Statement of developer contributions

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

|                            | as at 30/6/2018    | Contributions<br>received during the year |          | Interest<br>earned<br>in year | Expenditure<br>during<br>year | Internal<br>borrowing<br>(to)/from | as at 30/6/2019                |   |
|----------------------------|--------------------|---|----------|-------------------------------|-------------------------------|------------------------------------|--------------------------------|---|
|                            | Opening<br>Balance | Cash                                      | Non-cash |                               |                               |                                    | Held as<br>restricted<br>asset | Cumulative<br>internal<br>borrowings<br>due/(payable) |
| \$ '000                    |                    |   |          |                               |                               |                                    |                                |   |
| S64 contributions          | —                  | 3,014                                     | —        | —                             | (3,014)                       | —                                  | —                              | —   |
| <b>Total contributions</b> | <b>—</b>           | <b>3,014</b>                              | <b>—</b> | <b>—</b>                      | <b>(3,014)</b>                | <b>—</b>                           | <b>—</b>                       | <b>—</b>  |

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 22(a). Statement of performance measures – consolidated results

| \$ '000   | Amounts<br>2019 | Indicator<br>2019 | Prior periods<br>2018      2017 |            | Benchmark  |
|---|-----------------|-------------------|---------------------------------|------------|------------|
| <b>1. Operating performance ratio</b>   |                 |                   |                                 |            |            |
| Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1, 2</sup> | <b>10,383</b>   | <b>31.24%</b>     | 28.27%                          | 30.96%     | >0.00%     |
| Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>                            | <b>33,236</b>   |                   |                                 |            |            |
| <b>2. Own source operating revenue ratio</b>  |                 |                   |                                 |            |            |
| Total continuing operating revenue excluding all grants and contributions <sup>1</sup>                                | <b>32,692</b>   | <b>90.19%</b>     | 88.10%                          | 90.09%     | >60.00%    |
| Total continuing operating revenue <sup>1</sup>   | <b>36,249</b>   |                   |                                 |            |            |
| <b>3. Unrestricted current ratio</b>  |                 |                   |                                 |            |            |
| Current assets less all external restrictions   | <b>35,545</b>   | <b>9.47x</b>      | 9.43x                           | 6.77x      | >1.50x     |
| Current liabilities less specific purpose liabilities   | <b>3,755</b>    |                   |                                 |            |            |
| <b>4. Debt service cover ratio</b>  |                 |                   |                                 |            |            |
| Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>              | <b>17,169</b>   | <b>7.67x</b>      | 6.77x                           | 8.97x      | >2.00x     |
| Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)                                | <b>2,238</b>    |                   |                                 |            |            |
| <b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>                                    |                 |                   |                                 |            |            |
| Rates, annual and extra charges outstanding   | <b>840</b>      | <b>13.66%</b>     | 12.10%                          | 12.41%     | <10.00%    |
| Rates, annual and extra charges collectible   | <b>6,151</b>    |                   |                                 |            |            |
| <b>6. Cash expense cover ratio</b>  |                 |                   |                                 |            |            |
| Current year's cash and cash equivalents plus all term deposits   | <b>28,184</b>   | <b>17.54 mths</b> | 16.68 mths                      | 16.00 mths | >3.00 mths |
| Monthly payments from cash flow of operating and financing activities   | <b>1,607</b>    |                   |                                 |            |            |

(1) Excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets, and net loss of interests in joint ventures and associates.

(2) Excludes impairment/revaluation decrements, net loss on sale of assets, and net loss on share of interests in joint ventures and associates

Notes to the Financial Statements  
for the year ended 30 June 2019

End of audited financial statements

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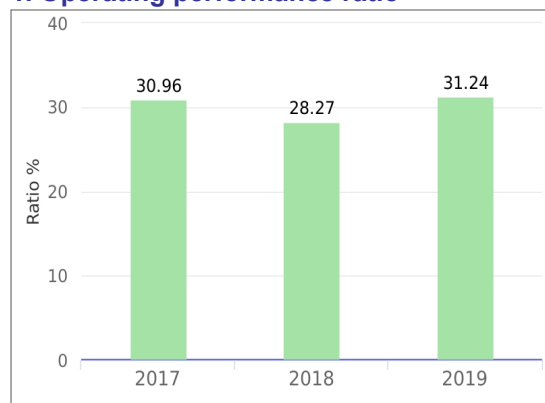
**End of audited financial statements**

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 22(b). Statement of performance measures – consolidated results (graphs)

## 1. Operating performance ratio



## Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

## Commentary on 2018/19 result

2018/19 ratio 31.24%

Extended dry and hot weather over the summer period resulted in higher than anticipated water sales.

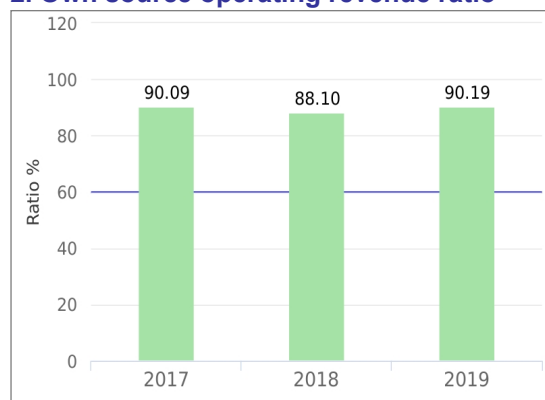
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

## 2. Own source operating revenue ratio



## Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

## Commentary on 2018/19 result

2018/19 ratio 90.19%

Council primarily relies on water sales income to fund operations, which results in a consistently high ratio.

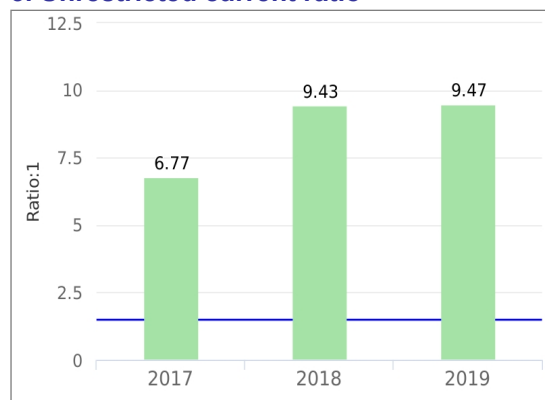
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

## 3. Unrestricted current ratio



## Purpose of unrestricted current ratio

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

## Commentary on 2018/19 result

2018/19 ratio 9.47x

An increase in this ratio for the current year is due to increased cash holdings. This has occurred due to increased water sales.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

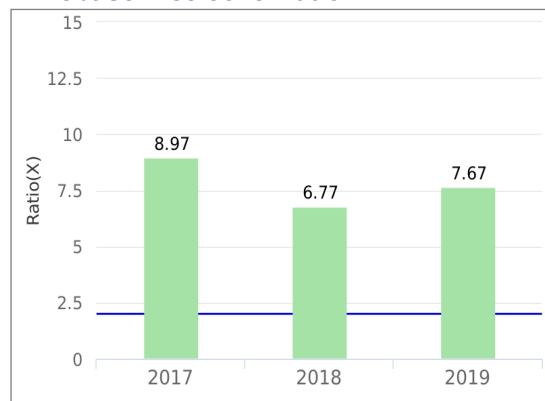
Ratio is outside benchmark

# Notes to the Financial Statements

for the year ended 30 June 2019

## Note 22(b). Statement of performance measures – consolidated results (graphs)

### 4. Debt service cover ratio



#### Purpose of debt service cover ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

#### Commentary on 2018/19 result

2018/19 ratio 7.67x

A larger operating result in 2018/19 has increased this ratio.

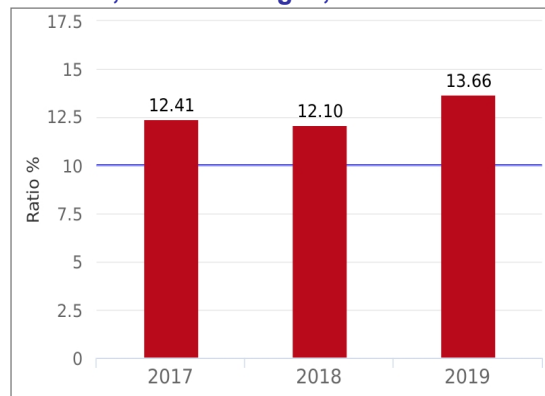
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

### 5. Rates, annual charges, interest and extra charges outstanding percentage



#### Purpose of rates, annual charges, interest and extra charges outstanding

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

#### Commentary on 2018/19 result

2018/19 ratio 13.66%

This ratio is consistent over the years due to debt recovery measures in place. The ratio is high compared to benchmark due to a rolling quarterly billing cycle where accounts are raised throughout the quarter. This measure takes into account all accounts regardless of whether they are overdue.

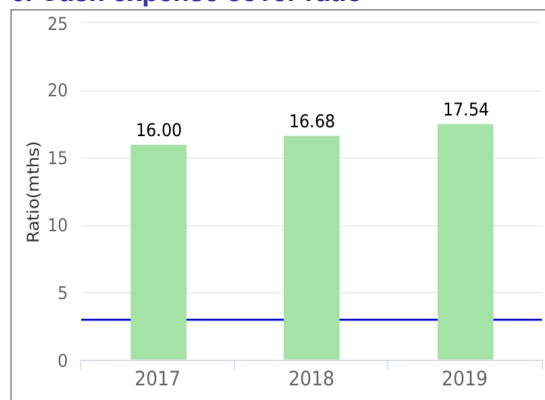
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

### 6. Cash expense cover ratio



#### Purpose of cash expense cover ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

#### Commentary on 2018/19 result

2018/19 ratio 17.54 mths

This ratio has remained fairly consistent with a slight increase due to increased cash holdings at year end.

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 23. Financial review

| \$ '000   | 2019    | 2018    | 2017    | 2016    | 2015    |
|---|---------|---------|---------|---------|---------|
| <b>Key financial figures of Council over the past 5 years</b>     |         |         |         |         |         |
| <b>Inflows:</b>   |         |         |         |         |         |
| Rates and annual charges revenue                                  | 5,551   | 5,471   | 5,221   | 5,100   | 5,031   |
| User charges revenue  | 25,994  | 22,877  | 21,412  | 21,727  | 20,994  |
| Interest and investment revenue (losses)                          | 691     | 595     | 522     | 922     | 1,140   |
| Grants income – operating and capital                             | 338     | 402     | 648     | 723     | 735     |
| Total income from continuing operations                           | 36,322  | 32,970  | 30,840  | 33,658  | 32,169  |
| Sale proceeds from I,PP&E   | 279     | 214     | 452     | 333     | 166     |
| <b>Outflows:</b>  |         |         |         |         |         |
| Employee benefits and on-cost expenses                            | 8,972   | 7,942   | 8,127   | 8,032   | 7,148   |
| Borrowing costs   | 570     | 653     | 163     | 162     | 902     |
| Materials and contracts expenses                                  | 2,580   | 2,202   | 2,026   | 1,492   | 3,096   |
| Total expenses from continuing operations                         | 22,853  | 21,260  | 19,534  | 19,607  | 20,925  |
| Total cash purchases of I,PP&E                                    | 15,928  | 11,025  | 17,716  | 35,016  | 11,870  |
| Total loan repayments (incl. finance leases)                      | 1,668   | 1,575   | 1,499   | 1,411   | 1,341   |
| Operating surplus/(deficit) (excl. capital income)                | 10,456  | 8,391   | 8,914   | 10,202  | 8,129   |
| <b>Financial position figures</b>                                 |         |         |         |         |         |
| Current assets  | 35,545  | 32,045  | 27,216  | 27,739  | 43,453  |
| Current liabilities   | 8,159   | 6,868   | 7,319   | 6,128   | 5,904   |
| Net current assets  | 27,386  | 25,177  | 19,897  | 21,611  | 37,549  |
| Available working capital (Unrestricted net current assets)       | 27,669  | 23,338  | 15,898  | 19,068  | 26,059  |
| Cash and investments – unrestricted                               | 19,545  | 17,421  | 13,153  | 12,045  | 19,333  |
| Cash and investments – internal restrictions                      | 8,639   | 8,714   | 8,093   | 7,845   | 16,565  |
| Cash and investments – total                                      | 28,184  | 26,135  | 21,246  | 19,890  | 35,898  |
| Total borrowings outstanding (Loans, advances and finance leases) | 9,019   | 10,687  | 12,262  | 13,761  | 15,172  |
| Total value of I,PP&E (excl. land and earthworks)                 | 510,376 | 490,822 | 475,164 | 454,537 | 360,265 |
| Total accumulated depreciation                                    | 154,760 | 149,064 | 143,176 | 137,663 | 157,401 |
| Indicative remaining useful life (as a % of GBV)                  | 70%     | 70%     | 70%     | 70%     | 56%     |

**Source:** published audited financial statements of Council (current year and prior year)



## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 24. Council information and contact details

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**Principal place of business:**

91 Hammond Avenue  
Wagga Wagga NSW 2650

#### Contact details

**Mailing Address:**

PO Box 456  
Wagga Wagga NSW 2650

**Telephone:** 02 6922 0608

**Facsimile:** 02 6921 2241

**Opening hours:**

8:30am - 4:00pm  
Monday to Friday

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

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

#### Officers

**GENERAL MANAGER**

Mr A Crakanthorp

**RESPONSIBLE ACCOUNTING OFFICER**

Ms E Tonacia

**PUBLIC OFFICER**

Ms E Tonacia

**AUDITORS**

Audit Office of New South Wales  
Level 15, 1 Margaret Street  
Sydney NSW 2000

#### Elected members

**CHAIRPERSON**

Clr G Verdon (Lockhart Shire)

**COUNCILLORS**

Clr P Funnell (City of Wagga Wagga)  
Clr T Quinn (Greater Hume Shire)  
Clr D Meyer, OAM (Greater Hume Shire)  
Clr G Conkey, OAM (City of Wagga Wagga)  
Clr T Koschel (City of Wagga Wagga)  
Clr Y Braid, OAM (City of Wagga Wagga)  
Clr V Keenan (City of Wagga Wagga)  
Clr P Bourke (Federation Council)

#### Other information

**ABN:** 52 084 883 210



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Riverina Water County Council

To the Councillors of the Riverina Water County Council

### Opinion

I have audited the accompanying financial statements of Riverina Water County Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been presented, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Other Information**

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the [special purpose financial statements] [and] Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 18 Material budget variations
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, appearing to read 'M. Kharzoo', with a stylized flourish at the end.

Michael Kharzoo  
Delegate of the Auditor-General for New South Wales, Financial Audit Services

18 September 2019  
SYDNEY

Andrew Crakanthorp  
General Manager  
PO Box 456  
WAGGA WAGGA NSW 2650

Contact: Michael Kharzoo  
Phone no: (02) 9275 7188  
Our ref: D1921088/1822

18 September 2019

Dear Mr Crakanthorp

**Report on the Conduct of the Audit  
for the year ended 30 June 2019  
Riverina Water County Council**






I have audited the general purpose financial statements (GPFS) of the Riverina Water County Council (the Council) for the year ended 30 June 2019 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2019 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

## INCOME STATEMENT

### Operating result

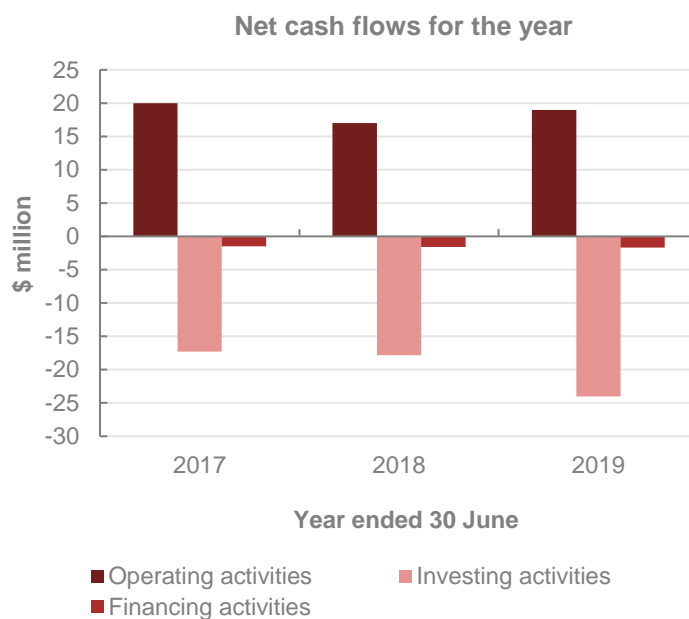
|  | 2019<br>\$m | 2018<br>\$m | Variance<br>%   |
|--|-------------|-------------|---|
| Rates and annual charges revenue                             | 5.6         | 5.5         |  1.8   |
| User Charges and fees  | 26.0        | 22.9        |  13.5  |
| Grants and contributions revenue                             | 3.4         | 3.7         |  8.1   |
| Operating result for the year                                | 13.5        | 11.7        |  15.4  |
| Net operating result before capital grants and contributions | 10.5        | 8.4         |  25.0 |

The following comments are made in respect of Council's operating result for the year:

- Rates and annual charges revenue was \$5.6 million (\$5.5 million for the year ended 30 June 2018). The increase of \$0.1 million (1.8%) is consistent with an increase in Council rates by 1.8%.
- User charges and fees revenue was \$26.0 million (\$22.9 million for the year ended 30 June 2018). The increase of \$3.1 million (13.5%) can be attributed to the dry and hot weather over the summer period which resulted in higher water sales.
- Grants and contributions revenue was \$3.4 million (\$3.7 million for the year ended 30 June 2018). The decrease of \$0.3 million (8.1%) was due to lower than anticipated section 64 water contributions.
- Council's net operating result was a surplus of \$13.5 million (\$11.7 million surplus for the year ended 30 June 2018). The increase of \$1.8 million was mainly due to the increase of \$3.1 million in user charges and fees revenue. This was offset by the \$1.5 million increase in operating expenses during the year.
- The Council's net operating result before capital grants and contributions was a surplus of \$10.5 million (\$8.4 million for the year ended 30 June 2018). The increase of \$2.1 million was mainly due to the increase of \$3.1 million in user charges and fees revenue. This was offset by the \$1.5 million increase in operating expenses during the year.

## STATEMENT OF CASH FLOWS

- Council's cash and cash equivalents was \$13.2 million (\$19.1 million for the year ended 30 June 2018). There was a net reduction in cash and cash equivalents of \$5.9 million at 30 June 2019.
- Net cash provided by operating activities has increased by \$2.1 million. This is mainly due to the increase in cash receipts from user charges and fees of \$2.9 million resulting from drier weather conditions. This is offset by reduction of \$0.6 million in grants and contributions cash receipts.
- Net cash used in investing activities has increased by \$5.8 million. This is due to increase in purchase of infrastructure, property, plant and equipment of \$4.9 million and purchase of investment securities of \$1.0 million.
- Net cash used in financing activities has increased by \$0.1 million. This is due to higher repayment of debt of \$0.1 million during the year.



## FINANCIAL POSITION

### Cash and investments

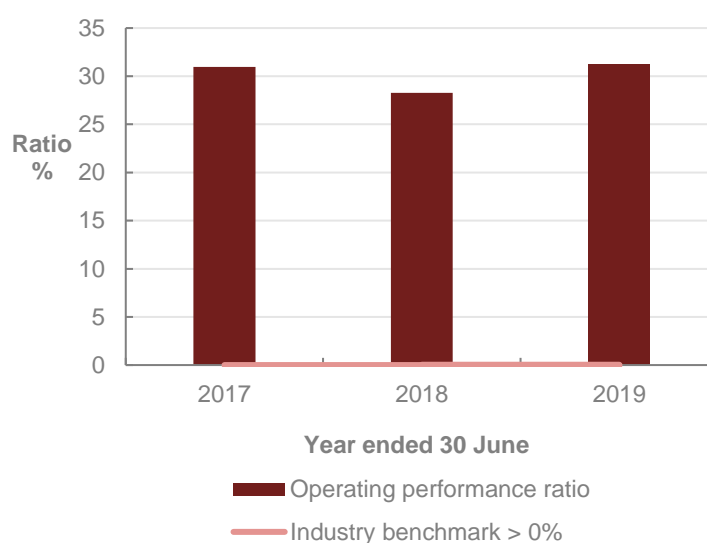
| Cash and investments        | 2019        | 2018        | Commentary   |
|-----------------------------|-------------|-------------|--|
|                             | \$m         | \$m         |  |
| External restrictions       | --          | --          | <ul style="list-style-type: none"> <li>Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. There was minimal movement in the internal restrictions cash balance.</li> <li>Unrestricted cash and investments was \$19.5 million, which is available to provide liquidity for day-to-day operations of the Council. The increase in the unrestricted cash balance was due to higher than anticipated water sales due to dry weather during the year.</li> </ul> |
| Internal restrictions       | 8.6         | 8.7         |  |
| Unrestricted                | 19.5        | 17.4        |  |
| <b>Cash and investments</b> | <b>28.1</b> | <b>26.1</b> |  |

## PERFORMANCE

### Operating performance ratio

- The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the former Office of Local Government (OLG) is greater than zero per cent.
- The operating performance ratio of 31.2% is above the industry benchmark of greater than 0%. This indicates the Council can contain operating expenditures with the operating revenue.
- The operating performance ratio increased to 31.2 % (2018: 28.3%) due to dry weather conditions resulting in higher than anticipated water sales.

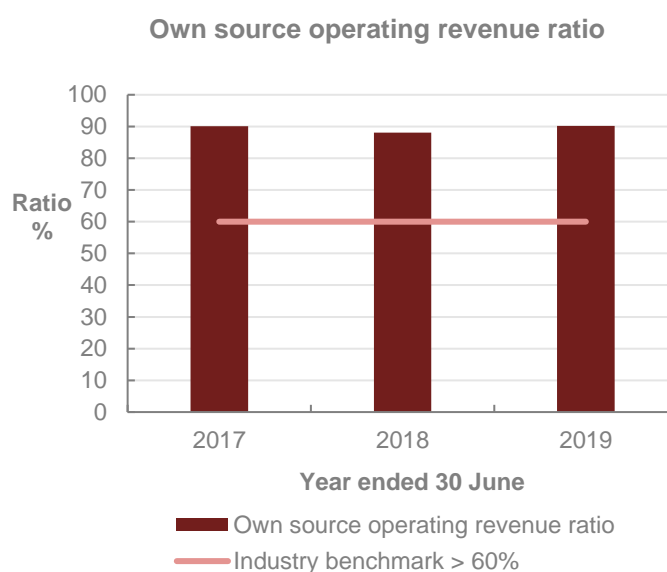
Operating performance ratio





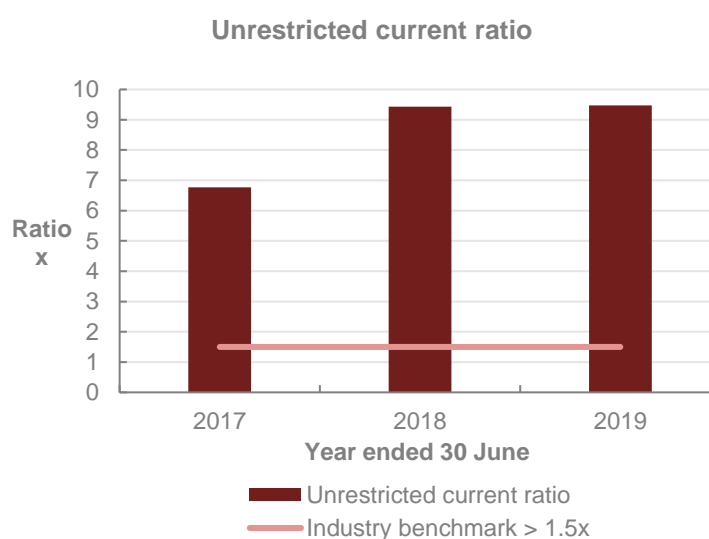
## Own source operating revenue ratio

- The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by the former OLG is greater than 60 per cent.
- The council's own source operating revenue ratio of 90.2% is above the industry benchmark of 60%. Council has met this benchmark as its main source of income is from water sales, rather than reliance on operating grants and contributions.
- The own source operating revenue ratio increased in 2019, due to the decrease in grants and contributions revenue.



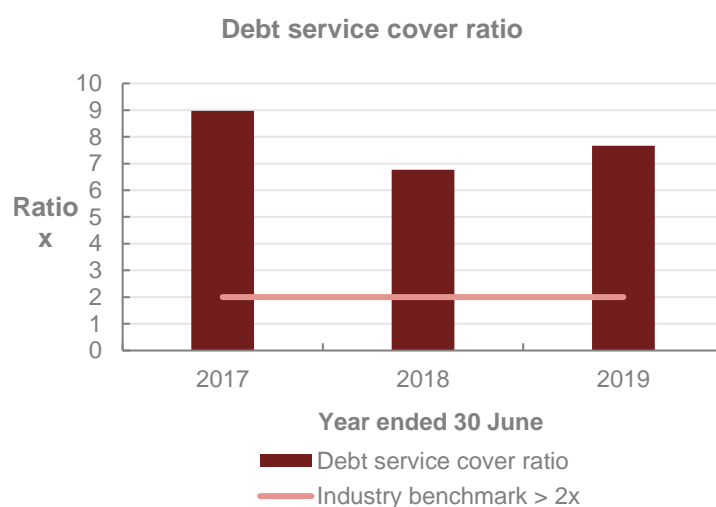
## Unrestricted current ratio

- The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by the former OLG is greater than 1.5 times.
- The council's unrestricted current ratio of 9.5 times is greater than the industry benchmark minimum of greater than 1.5 times. This indicates that the Council has sufficient liquidity to meet its current liabilities as and when they fall due.
- The council's unrestricted current ratio has remained steady.



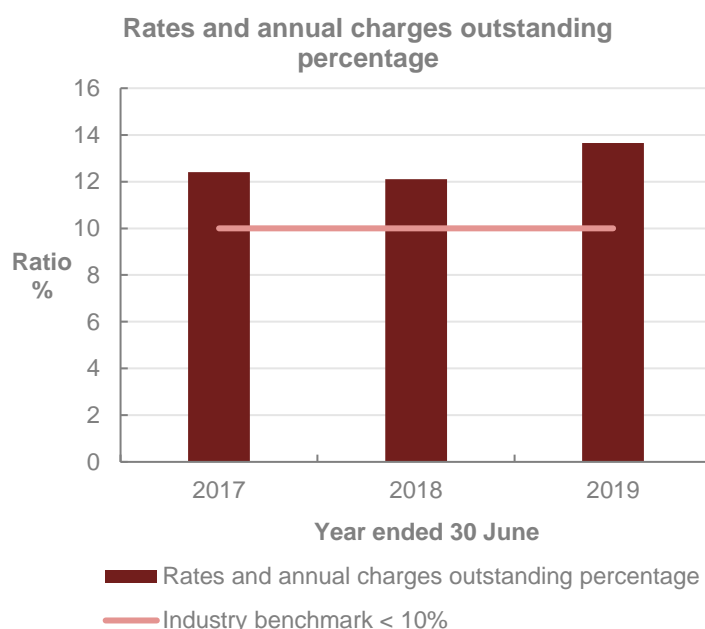
## Debt service cover ratio

- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by the former OLG is greater than two times.
- The council's debt service cover ratio of 7.7 is greater than the industry benchmark minimum of greater than 2 times.
- Council has met this benchmark with an increase in the ratio due to reduced borrowing costs, nearing the completion of the Water Treatment Plant project and increase in income from continuing operations.
- The ratio indicates that the council has 7.7 times in operating cash available to service its debts. Council generates sufficient cash from its operations to fund its debt obligations.



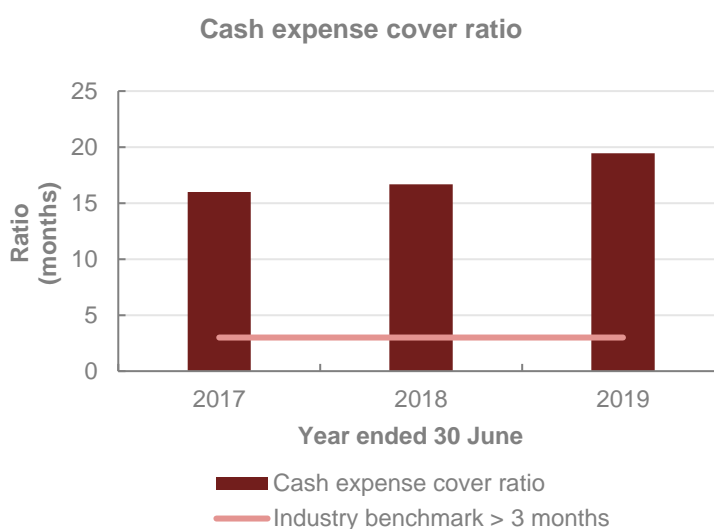
## Rates and annual charges outstanding percentage

- The 'rates and annual charges outstanding ratio' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by the former OLG is less than 10% for regional and rural councils.
- The council's 'rates and annual charges outstanding ratio' of 13.7% is outside the industry benchmark of less than 10% for rural councils.
- The rates and annual charges outstanding percentage has increased from previous years (12.1% in 2018 and 12.4% in 2017).
- Council continues to exceed this benchmark due to the rolling quarterly billing arrangements.
- The billing cycle of water county councils need to be considered when assessing this ratio against other councils.



## Cash expense cover ratio

- This 'cash expense cover ratio' indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by the former OLG is greater than three months.
- The council's 'cash expense cover ratio' was 19.5 months, which is above the industry benchmark of greater than 3 months. This indicates that Council has the capacity to cover 19.5 months of cash expenditure without additional cash inflows at 30 June 2019.
- The cash expense cover ratio increased compared with prior year due to an overall increase in cash holdings. This is as a result of increased water sales due to dry weather conditions.



## Infrastructure, property, plant and equipment renewals

The council has renewed \$11.3 million of assets in the 2018–19 financial year, compared to \$5.7 million of assets in the 2017–18 financial year. The increase is primarily due to the increase of \$6.5 million work in progress renewals relating to the Water Treatment Plant which has experienced further delays and is only expected to be commissioned in the 2019–20 financial year. Renewal of Water supply network infrastructure has remained steady during the year.

## OTHER MATTERS


### New accounting standards implemented

| Application period  | Overview  |
|---|---|
| <b>AASB 9 'Financial Instruments' and revised AASB 7 'Financial Instruments: Disclosures'</b> |   |
| For the year ended 30 June 2019   | <p>AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' and changes the way financial instruments are treated for financial reporting.</p> <p>Key changes include:</p> <ul style="list-style-type: none"><li>• a simplified model for classifying and measuring financial assets</li><li>• a new method for calculating impairment</li><li>• a new type of hedge accounting that more closely aligns with risk management.</li></ul> <p>The revised AASB 7 includes new disclosures as a result of AASB 9.</p> <p>Council's disclosure of the impact of adopting AASB 9 is disclosed in Note 13 (b).</p> |

### Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the council's accounting records or financial statements. The council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.



Michael Kharzoo

Delegate to the Auditor-General for New South Wales, Financial Audit Services

cc: Greg Verdon, Chairperson  
David Maxwell, Chairperson Audit and Risk Committee  
Jim Betts, Secretary of the Department of Planning, Industry and Environment

# Riverina Water County Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2019

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**"to provide our community with safe reliable  
water at the lowest sustainable cost"**



# Special Purpose Financial Statements

for the year ended 30 June 2019

| Contents   | Page     |
|--|----------|
| <b>Statement by Councillors &amp; Management</b>                 | <b>3</b> |
| <b>Special Purpose Financial Statements</b>                      |          |
| Income Statement – Water Supply Business Activity                | 4        |
| Income Statement – Sewerage Business Activity                    | n/a      |
| Statement of Financial Position – Water Supply Business Activity | 5        |
| Statement of Financial Position – Sewerage Business Activity     | n/a      |
| <b>Significant Accounting Policies</b>                           | <b>6</b> |

## Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

# Riverina Water County Council

## Special Purpose Financial Statements

for the year ended 30 June 2019

### 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:

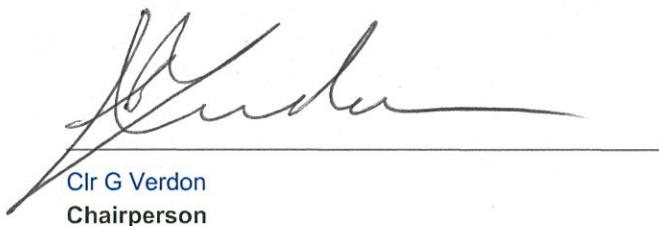
- the NSW Government Policy Statement '*Application of National Competition Policy to Local Government*',
- the Division of Local Government Guidelines '*Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*',
- the Local Government *Code of Accounting Practice and Financial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

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

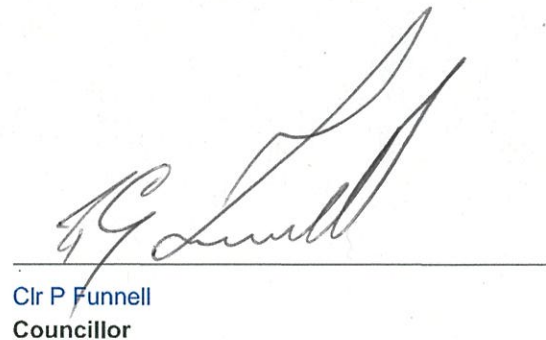
- present fairly the operating result and financial position for each of Council's declared business activities for the year, and accord with Council's accounting and other records.
- Present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

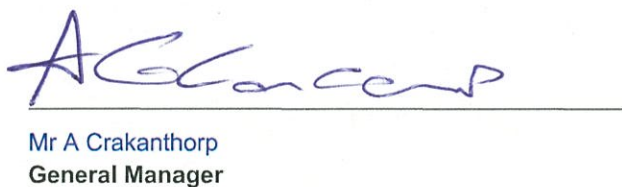
Signed in accordance with a resolution of Council made on 21 August 2019.



Clr G Verdon  
Chairperson



Clr P Funnell  
Councillor



Mr A Crakanthorp  
General Manager



Ms E Tonacia  
Responsible Accounting Officer

# Income Statement – Water Supply Business Activity for the year ended 30 June 2019

| \$ '000  | 2019           | 2018           |
|--|----------------|----------------|
| <b>Income from continuing operations</b>                                       |                |                |
| Access charges   | 5,551          | 5,271          |
| User charges   | 25,994         | 22,877         |
| Interest   | 691            | 595            |
| Grants and contributions provided for non-capital purposes                     | 338            | 602            |
| Other income   | 735            | 306            |
| <b>Total income from continuing operations</b>                                 | <b>33,309</b>  | <b>29,651</b>  |
| <b>Expenses from continuing operations</b>                                     |                |                |
| Employee benefits and on-costs   | 8,972          | 7,942          |
| Borrowing costs  | 570            | 653            |
| Materials and contracts  | 2,580          | 2,202          |
| Depreciation, amortisation and impairment                                      | 6,216          | 6,066          |
| Water purchase charges   | 246            | 255            |
| Loss on sale of assets   | –              | 8              |
| Calculated taxation equivalents  | 40             | 38             |
| Other expenses   | 4,269          | 4,134          |
| <b>Total expenses from continuing operations</b>                               | <b>22,893</b>  | <b>21,298</b>  |
| <b>Surplus (deficit) from continuing operations before capital amounts</b>     | <b>10,416</b>  | <b>8,353</b>   |
| Grants and contributions provided for capital purposes                         | 3,013          | 3,319          |
| <b>Surplus (deficit) from continuing operations after capital amounts</b>      | <b>13,429</b>  | <b>11,672</b>  |
| <b>Surplus (deficit) from all operations before tax</b>                        | <b>13,429</b>  | <b>11,672</b>  |
| Less: corporate taxation equivalent (27.5%) [based on result before capital] * | (2,864)        | (2,506)        |
| <b>SURPLUS (DEFICIT) AFTER TAX</b>   | <b>10,565</b>  | <b>9,166</b>   |
| <b>Plus accumulated surplus</b>  | <b>121,909</b> | <b>110,199</b> |
| <b>Plus adjustments for amounts unpaid:</b>                                    |                |                |
| – Taxation equivalent payments   | 40             | 38             |
| – Corporate taxation equivalent  | 2,864          | 2,506          |
| <b>Closing accumulated surplus</b>   | <b>135,378</b> | <b>121,909</b> |
| <b>Return on capital %</b>   | <b>3.1%</b>    | <b>2.6%</b>    |
| <b>Subsidy from Council</b>  | <b>–</b>       | <b>98</b>      |
| <b>Calculation of dividend payable:</b>  |                |                |
| Surplus (deficit) after tax  | 10,565         | 9,166          |
| Less: capital grants and contributions (excluding developer contributions)     | (3,013)        | 1,191          |
| <b>Surplus for dividend calculation purposes</b>                               | <b>7,552</b>   | <b>10,357</b>  |
| <b>Potential dividend calculated from surplus</b>                              | <b>3,776</b>   | <b>5,178</b>   |

(\*) 2017/18 corporate tax equivalent rate was 30%



## Statement of Financial Position – Water Supply Business Activity

for the year ended 30 June 2019

| \$ '000                                       | 2019           | 2018           |
|---|----------------|----------------|
| <b>ASSETS</b>                                 |                |                |
| <b>Current assets</b>                         |                |                |
| Cash and cash equivalents                     | 13,184         | 19,135         |
| Investments                                   | 15,000         | 7,000          |
| Receivables                                   | 4,789          | 3,576          |
| Inventories                                   | 2,572          | 2,334          |
| <b>Total current assets</b>                   | <b>35,545</b>  | <b>32,045</b>  |
| <b>Non-current assets</b>                     |                |                |
| Infrastructure, property, plant and equipment | 359,595        | 346,174        |
| Intangible assets                             | 7,602          | 4,300          |
| <b>Total non-current assets</b>               | <b>367,197</b> | <b>350,474</b> |
| <b>TOTAL ASSETS</b>                           | <b>402,742</b> | <b>382,519</b> |
| <b>LIABILITIES</b>                            |                |                |
| <b>Current liabilities</b>                    |                |                |
| Payables                                      | 1,146          | 1,018          |
| Income received in advance                    | 445            | 462            |
| Borrowings                                    | 1,761          | 1,675          |
| Provisions                                    | 4,268          | 3,713          |
| <b>Total current liabilities</b>              | <b>7,620</b>   | <b>6,868</b>   |
| <b>Non-current liabilities</b>                |                |                |
| Borrowings                                    | 7,258          | 9,012          |
| <b>Total non-current liabilities</b>          | <b>7,258</b>   | <b>9,012</b>   |
| <b>TOTAL LIABILITIES</b>                      | <b>14,878</b>  | <b>15,880</b>  |
| <b>NET ASSETS</b>                             | <b>387,864</b> | <b>366,639</b> |
| <b>EQUITY</b>                                 |                |                |
| Accumulated surplus                           | 135,378        | 121,909        |
| Revaluation reserves                          | 252,486        | 244,730        |
| <b>TOTAL EQUITY</b>                           | <b>387,864</b> | <b>366,639</b> |

## Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

### Note 1. Significant Accounting Policies

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A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

#### Declared business activities

In accordance with Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality, Council has declared that the following are to be considered as business activities:

##### Category 1

(where gross operating turnover is over \$2 million)

##### Riverina Water County Council

Water supply operations servicing the local government areas of Wagga Wagga City, Federation, Lockhart, & Greater Hume Shire.

##### Category 2

(where gross operating turnover is less than \$2 million)

Nil

#### Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars, except for Note 2 (Water Supply Best-Practice Management Disclosures).

As required by Crown Lands and Water (CLAW), the amounts shown in Note 2 are disclosed in whole dollars.

## Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

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

---

#### (i) Taxation equivalent charges

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

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

#### Notional rate applied (%)

Corporate income tax rate – 27.5%

Land tax – the first \$629,000 of combined land values attracts **0%**. For the combined land values in excess of \$629,001 up to \$3,846,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$3,846,000 a premium marginal rate of **2.0%** applies.

Payroll tax – **5.45%** on the value of taxable salaries and wages in excess of \$750,000.

In accordance with the Department of Industry (DoI) – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the DoI – Water guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the DoI – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

#### Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 27.5% is the equivalent company tax rate prevalent at reporting date.

#### (iii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

## Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

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

---

#### Operating result before capital income + interest expense

---

#### Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.32% at 30/6/19.

#### (iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

Each dividend must be calculated and approved in accordance with the Department of Industry – Water guidelines and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2019 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Department of Industry – Water guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the Department of Industry – Water.



## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the special purpose financial statements**

#### **Riverina Water County Council**

To the Councillors of the Riverina Water County Council

### **Opinion**

I have audited the accompanying special purpose financial statements (the financial statements) of Riverina Water County Council's (the Council) declared business activity, Water Supply, which comprise the Income Statement of the declared business activity for the year ended 30 June 2019, the Statement of Financial Position of the declared business activity as at 30 June 2019, Note 1 Significant accounting policies for the business activity declared by Council, and the Statement by Councillors and Management.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared business activity as at 30 June 2019, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code).

My opinion should be read in conjunction with the rest of this report.

### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

## **Other Information**

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, appearing to read 'M. Kharzoo', with a stylized flourish at the end.

Michael Kharzoo

Delegate of the Auditor-General for New South Wales, Financial Audit Services

18 September 2019  
SYDNEY

# Riverina Water County Council

SPECIAL SCHEDULES

for the year ended 30 June 2019

---

**"to provide our community with safe reliable  
water at the lowest sustainable cost"**





Special Schedules  
for the year ended 30 June 2019

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# Report on Infrastructure Assets

as at 30 June 2019

| Asset Class                                  | Asset Category              | Estimated cost   |   | 2018/19<br>Required<br>maintenance <sup>a</sup> | 2018/19<br>Actual<br>maintenance | Net carrying<br>amount | Gross<br>replacement<br>cost (GRC) | Assets in condition as a percentage of<br>gross replacement cost |       |       |       |      |
|--|-----------------------------|--|---|---|----------------------------------|------------------------|------------------------------------|--|-------|-------|-------|------|
|  |                             | Estimated cost<br>to bring assets<br>to satisfactory<br>standard | to bring to the<br>agreed level of<br>service set by<br>Council |   |                                  |                        |                                    | 1  | 2     | 3     | 4     | 5    |
| (a) Report on Infrastructure Assets - Values |                             |  |   |   |                                  |                        |                                    |  |       |       |       |      |
| Buildings                                    | Buildings – non-specialised | –  | –   | 215   | 241                              | 3,222                  | 3,807                              | 40.9%  | 53.2% | 5.9%  | 0.0%  | 0.0% |
|  | Buildings – specialised     | –  | –   | 162   | 120                              | 11,216                 | 12,431                             | 55.1%  | 11.7% | 31.2% | 1.9%  | 0.0% |
|  | Sub-total                   | –  | –   | 377   | 361                              | 14,438                 | 16,238                             | 51.8%  | 21.5% | 25.3% | 1.5%  | 0.0% |
| Water supply<br>network                      | Treatment Plants            | 4,099  | 4,099   | 860   | 639                              | 28,127                 | 43,376                             | 0.1%   | 17.2% | 38.1% | 44.6% | 0.1% |
|  | Bores                       | 117  | 117   | 195   | 161                              | 6,830                  | 12,065                             | 3.9%   | 30.2% | 62.7% | 3.3%  | 0.0% |
|  | Reservoirs                  | 1,889  | 1,889   | 250   | 187                              | 45,652                 | 63,020                             | 10.1%  | 11.0% | 54.3% | 23.2% | 1.3% |
|  | Pumping Stations            | 76   | 76  | 200   | 238                              | 9,045                  | 16,683                             | 8.9%   | 10.3% | 67.6% | 7.5%  | 5.7% |
|  | Pipeline                    | 17,762   | 17,762  | 875   | 1,363                            | 197,293                | 300,566                            | 22.5%  | 42.6% | 27.5% | 7.4%  | 0.0% |
|  | Sub-total                   | 23,943   | 23,943  | 2,380   | 2,588                            | 286,947                | 435,710                            | 17.4%  | 33.9% | 35.0% | 13.2% | 0.4% |
| TOTAL - ALL ASSETS                           |                             | 23,943   | 23,943  | 2,757   | 2,949                            | 301,385                | 451,948                            | 18.7%  | 33.5% | 34.6% | 12.8% | 0.4% |

(a) Required maintenance is the amount identified in Council's asset management plans.

## Infrastructure asset condition assessment 'key'

|   |                            |                                       |
|---|----------------------------|---------------------------------------|
| 1 | <b>Excellent/very good</b> | No work required (normal maintenance) |
| 2 | <b>Good</b>                | Only minor maintenance work required  |
| 3 | <b>Satisfactory</b>        | Maintenance work required             |
| 4 | <b>Poor</b>                | Renewal required                      |
| 5 | <b>Very poor</b>           | Urgent renewal/upgrading required     |

## Report on Infrastructure Assets (continued)

as at 30 June 2019

| \$ '000  | Amounts<br>2019 | Indicator<br>2019 | Prior periods<br>2018      2017 |         | Benchmark |
|--|-----------------|-------------------|---------------------------------|---------|-----------|
| Infrastructure asset performance indicators (consolidated) *             |                 |                   |                                 |         |           |
| Buildings and infrastructure renewals ratio <sup>1</sup>                 |                 |                   |                                 |         |           |
| Asset renewals <sup>2</sup>  | 3,362           | 60.62%            | 76.98%                          | 104.85% | >=100.00% |
| Depreciation, amortisation and impairment                                | 5,546           |                   |                                 |         |           |
| Infrastructure backlog ratio <sup>1</sup>                                |                 |                   |                                 |         |           |
| Estimated cost to bring assets to a satisfactory standard                | 23,943          | 7.94%             | 7.32%                           | 29.26%  | <2.00%    |
| Net carrying amount of infrastructure assets                             | 301,385         |                   |                                 |         |           |
| Asset maintenance ratio  |                 |                   |                                 |         |           |
| Actual asset maintenance   | 2,949           | 106.96%           | 102.44%                         | 101.71% | >100.00%  |
| Required asset maintenance   | 2,757           |                   |                                 |         |           |
| Cost to bring assets to agreed service level                             |                 |                   |                                 |         |           |
| Estimated cost to bring assets to an agreed service level set by Council | 23,943          | 5.30%             | 4.92%                           | 19.78%  |           |
| Gross replacement cost   | 451,948         |                   |                                 |         |           |

(\*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Excludes Work In Progress (WIP)

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

## 4. Quarterly Budget Review – Period Ended 30 September

**RECOMMENDATION:** that the Quarterly Budget Review for the period ended 30 September 2019 be received and adopted.

---

The Quarterly Review of Council's Budget for the period ending 30 September 2019 is submitted for examination by the Council.

The anticipated Operating Result for 2019/2020 is a surplus of \$7,993,171. The Operating Result was originally budgeted for a surplus of \$8,023,171. Proposed September quarterly review operational adjustments relate to:

- \$30,000 increase in Other Expenses due to unbudgeted increase in insurance premiums.

Also included is a quarterly review Capital Works projects. The proposed Capital expenditure for 2019/2020 totals \$22,012,000. The original Capital expenditure budget for 2019/2020 was \$21,921,000. Proposed September quarterly review adjustments relate to:

- \$15,296 increase in Sources – Source Work General Improvements. This is to fund emergent works on the West Wagga Bore 1.
- \$25,000 increase in Pumping Stations – Pump & Motor Replacements. This is to fund the emergent replacement of Bulgary Bore 3.
- \$50,000 increase in Treatment Plant Refurbishments – This is to fund the automation and metering for transferring water from the Wagga Wagga WTP to the North Wagga System in order to provide water supply security. This connection was used during the 2018/19 summer by opening a manual valve with no flow control or metering which has associated risks.

The Quarterly Budget Review Statement should be read in conjunction with the detailed Capital Expenditure Quarterly Review, which is included at the end of this report.

- **Quarterly Budget Review Statement – September 2019**

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**Report by Responsible Accounting Officer**

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005:

It is my opinion that the Quarterly Budget Review Statement for Riverina Water County Council for the quarter ended 30/09/19 indicates that Council's projected financial position at 30/6/20 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.



**Signed:**

---

**date: 21/10/2019**

Ms Emily Tonacia  
Responsible Accounting Officer

## Income &amp; Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2019

| (\$000's)  | Original<br>Budget<br>2019/20 | Revised<br>Budget<br>2019/20 | Variations<br>for this<br>Sep Qtr | Notes | Projected<br>Year End<br>Result | 19/20<br>Actual<br>YTD<br>figures | 18/19<br>Actual<br>YTD<br>figures |
|--|-------------------------------|------------------------------|-----------------------------------|-------|---------------------------------|-----------------------------------|-----------------------------------|
| <b>Income</b>  |                               |                              |                                   |       |                                 |                                   |                                   |
| Rates and Annual Charges                               | 5,046                         | 5,046                        |                                   |       | 5,046                           | 1,337                             | 1,327                             |
| User Charges and Fees                                  | 23,196                        | 23,196                       |                                   |       | 23,196                          | 3,630                             | 3,827                             |
| Interest and Investment Revenues                       | 300                           | 300                          |                                   |       | 300                             | 187                               | 40                                |
| Other Revenues   | 287                           | 287                          |                                   |       | 287                             | 395                               | 230                               |
| Grants & Contributions - Operating                     | 225                           | 225                          |                                   |       | 225                             | -                                 | 4                                 |
| Grants & Contributions - Capital                       | 3,741                         | 3,741                        |                                   |       | 3,741                           | 780                               | 1,066                             |
| <b>Total Income from Continuing Operations</b>         | <b>32,795</b>                 | <b>32,795</b>                | <b>-</b>                          |       | <b>32,795</b>                   | <b>6,329</b>                      | <b>6,494</b>                      |
| <b>Expenses</b>  |                               |                              |                                   |       |                                 |                                   |                                   |
| Employee Costs   | 9,002                         | 9,002                        |                                   |       | 9,002                           | 2,550                             | 1,887                             |
| Borrowing Costs  | 488                           | 488                          |                                   |       | 488                             | 81                                | 97                                |
| Materials & Contracts                                  | 4,155                         | 4,155                        |                                   |       | 4,155                           | 803                               | 956                               |
| Depreciation   | 6,100                         | 6,100                        |                                   |       | 6,100                           | 1,580                             | 1,511                             |
| Other Expenses   | 5,026                         | 5,026                        | 30                                | 1     | 5,056                           | 1,247                             | 1,086                             |
| <b>Total Expenses from Continuing Operations</b>       | <b>24,771</b>                 | <b>24,771</b>                | <b>30</b>                         |       | <b>24,801</b>                   | <b>6,261</b>                      | <b>5,537</b>                      |
| <b>Net Operating Result from Continuing Operations</b> | <b>8,024</b>                  | <b>8,024</b>                 | <b>(30)</b>                       |       | <b>7,994</b>                    | <b>68</b>                         | <b>957</b>                        |
| Discontinued Operations - Surplus/(Deficit)            |                               | -                            |                                   |       | -                               |                                   |                                   |
| <b>Net Operating Result from All Operations</b>        | <b>8,024</b>                  | <b>8,024</b>                 | <b>(30)</b>                       |       | <b>7,994</b>                    | <b>68</b>                         | <b>957</b>                        |
| <b>Net Operating Result before Capital Items</b>       | <b>4,283</b>                  | <b>4,283</b>                 | <b>(30)</b>                       |       | <b>4,253</b>                    | <b>(712)</b>                      | <b>(109)</b>                      |

### Income & Expenses Budget Review Statement

#### Recommended changes to revised budget

Budget Variations being recommended include the following material items:

[illegible]



## Capital Budget Review Statement

Budget review for the quarter ended 30 September 2019

| (\$000's)                                      | Original<br>Budget<br>2019/20 | Approved Changes  |                  |                    | Revised<br>Budget<br>2019/20 | Variations<br>for this<br>Sep Qtr | Notes | Projected<br>Year End<br>Result | 19/20                    | 18/19                    |
|--|-------------------------------|-------------------|------------------|--------------------|------------------------------|-----------------------------------|-------|---------------------------------|--------------------------|--------------------------|
|  |                               | Carry<br>Forwards | 18/19<br>Revotes | Other<br>than QBRS |                              |                                   |       |                                 | Actual<br>YTD<br>figures | Actual<br>YTD<br>figures |
| <b>Capital Expenditure</b>                     |                               |                   |                  |                    |                              |                                   |       |                                 |                          |                          |
| Land & Buildings                               | 740                           | 169               | 534              | 140                | 1,583                        | -                                 |       | 1,583                           | 651                      | 548                      |
| Plant & Equipment                              | 3,422                         | 216               | 123              | -                  | 3,761                        | -                                 |       | 3,761                           | 612                      | 868                      |
| Water Infrastructure                           | 13,438                        | 1,735             | 1,404            | -                  | 16,577                       | 91                                | 1     | 16,668                          | 7,774                    | 3,880                    |
| Loan Repayments (Principal)                    | -                             | -                 | -                | -                  | -                            | -                                 |       | -                               | 431                      | 414                      |
| <b>Total Capital Expenditure</b>               | <b>17,600</b>                 | <b>2,120</b>      | <b>2,061</b>     | <b>140</b>         | <b>21,921</b>                | <b>91</b>                         |       | <b>22,012</b>                   | <b>9,468</b>             | <b>5,710</b>             |
| <b>Capital Funding</b>                         |                               |                   |                  |                    |                              |                                   |       |                                 |                          |                          |
| Rates & Other Untied Funding                   | 17,600                        | 2,120             | 2,061            | 140                | 21,921                       | 91                                |       | 22,012                          | 9,468                    | 5,710                    |
| New Loans                                      | -                             | -                 | -                | -                  | -                            | -                                 |       | -                               | -                        | -                        |
| <b>Total Capital Funding</b>                   | <b>17,600</b>                 | <b>2,120</b>      | <b>2,061</b>     | <b>140</b>         | <b>21,921</b>                | <b>91</b>                         |       | <b>22,012</b>                   | <b>9,468</b>             | <b>5,710</b>             |
| <b>Net Capital Funding - Surplus/(Deficit)</b> | <b>-</b>                      | <b>-</b>          | <b>-</b>         | <b>-</b>           | <b>-</b>                     | <b>-</b>                          |       | <b>-</b>                        | <b>-</b>                 | <b>-</b>                 |

## Capital Budget Review Statement

### Recommended changes to revised budget

Budget Variations being recommended include the following material items:

[illegible]

## Cash &amp; Investments Budget Review Statement

Budget review for the quarter ended 30 September 2019

| (\$000's)  | Original<br>Budget<br>2019/20 | Approved Changes  |                       | Revised<br>Budget<br>2019/20 | Variations<br>for this<br>Sep Qtr | Notes | Projected<br>Year End<br>Result | Actual<br>YTD<br>figures |
|--|-------------------------------|-------------------|-----------------------|------------------------------|-----------------------------------|-------|---------------------------------|--------------------------|
|  |                               | Carry<br>Forwards | Other than<br>by QBRS |                              |                                   |       |                                 |                          |
| <b>Externally Restricted</b> <sup>(1)</sup>                      |                               |                   |                       |                              |                                   |       |                                 |                          |
| Loan Funds - LIRS  | -                             |                   |                       | -                            |                                   |       | -                               |                          |
| <b>Total Externally Restricted</b>                               | -                             | -                 | -                     | -                            | -                                 |       | -                               | -                        |
| (1) Funds that must be spent for a specific purpose              |                               |                   |                       |                              |                                   |       |                                 |                          |
| <b>Internally Restricted</b> <sup>(2)</sup>                      |                               |                   |                       |                              |                                   |       |                                 |                          |
| Employee Leave Entitlements                                      | 2,134                         | -                 | -                     | 2,134                        | -                                 |       | 2,134                           | 2,134                    |
| Plant Replacement *  | 1,505                         | -                 | -                     | 1,505                        | -                                 |       | 1,505                           | 1,552                    |
| Sales Fluctuation  | 5,000                         | -                 | -                     | 5,000                        | -                                 |       | 5,000                           | 5,000                    |
| <b>Total Internally Restricted</b>                               | <b>8,639</b>                  | -                 | -                     | <b>8,639</b>                 | -                                 |       | <b>8,639</b>                    | <b>8,686</b>             |
| (2) Funds that Council has earmarked for a specific purpose      |                               |                   |                       |                              |                                   |       |                                 |                          |
| <b>Unrestricted</b> (ie. available after the above Restrictions) | 6,598                         | -                 | -                     | 6,598                        | 2,655                             | 1     | 9,253                           | 18,609                   |
| <b>Total Cash &amp; Investments</b>                              | <b>15,237</b>                 | -                 | -                     | <b>15,237</b>                | <b>2,655</b>                      |       | <b>17,892</b>                   | <b>27,295</b>            |

\* This has been renamed from Asset Replacement

**Cash & Investments Budget Review Statement**
**Comment on Cash & Investments Position**

Due to Cash & Investment balances at the start of the financial year being higher than anticipated after the 2018/19 end of year financial result cash on hand is higher than originally budgeted.

**Investments**

Investments have been invested in accordance with Council's Investment Policy.

**Cash**

The Cash at Bank figure included in the Cash & Investment Statement totals \$674,082

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.  
 The date of completion of this bank reconciliation is 01/10/19

**Reconciliation Status**

|   |                     |                 |
|---|---------------------|-----------------|
| The YTD Cash & Investment figure reconciles to the actual balances held as follows: |                     | <b>\$ 000's</b> |
| Cash at Bank (as per bank statements)   |                     | 674             |
| Investments on Hand   |                     | 26,860          |
| less: Unpresented Cheques   | (Timing Difference) | (344)           |
| add: Undeposited Funds  | (Timing Difference) | 105             |

|  |               |
|--|---------------|
| <b>Reconciled Cash at Bank &amp; Investments</b> | <u>27,295</u> |
| <b>Balance as per Review Statement:</b>          | <u>27,295</u> |
| Difference:                                      | -             |

**Recommended changes to revised budget**

Budget Variations being recommended include the following material items:

**Notes Details**

- Being due to a combination of higher cash on hand than anticipated at 30 June 2019 and increases to the capital works program.



**Key Performance Indicators Budget Review Statement - Industry KPI's (OLG)**

Budget review for the quarter ended 30 September 2019

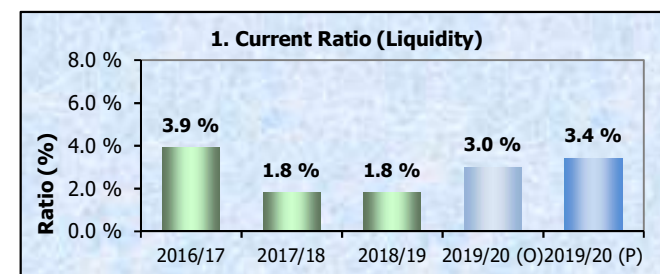
| (\$000's) | Current Projection |           | Original<br>Budget<br>19/20 | Actuals<br>Prior Periods |       |
|-----------|--------------------|-----------|-----------------------------|--------------------------|-------|
|           | Amounts            | Indicator |                             | 18/19                    | 17/18 |
|           | 19/20              | 19/20     |                             |                          |       |

NSW Local Government Industry Key Performance Indicators (OLG):

**1. Current Ratio (Liquidity)**

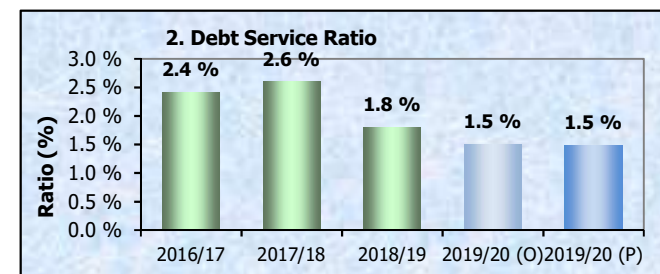
|                     |       |       |       |       |       |
|---------------------|-------|-------|-------|-------|-------|
| Current Assets      | 24307 | 3.4 % | 3.0 % | 1.8 % | 1.8 % |
| Current Liabilities | 7135  |       |       |       |       |

This measures Council's ability to pay existing liabilities in the next 12 months. (target &gt;1.5)


**2. Debt Service Ratio**

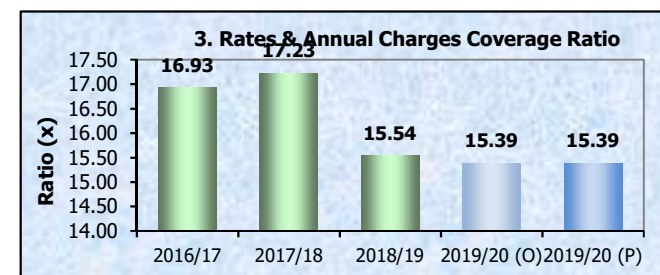
|                                   |       |       |       |       |       |
|-----------------------------------|-------|-------|-------|-------|-------|
| Debt Service Cost                 | 488   | 1.5 % | 1.5 % | 1.8 % | 2.6 % |
| Income from Continuing Operations | 32795 |       |       |       |       |

This measures Council's ability to meet interest repayments and therefore service debt. (target 0% to 5%)


**3. Rates & Annual Charges Coverage Ratio**

|                                   |       |       |       |       |       |
|-----------------------------------|-------|-------|-------|-------|-------|
| Rates & Annual Charges            | 5046  | 15.39 | 15.39 | 15.54 | 17.23 |
| Income from Continuing Operations | 32794 |       |       |       |       |

To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income. (target &lt; 25%)



**Key Performance Indicators Budget Review Statement - Industry KPI's (OLG)**

Budget review for the quarter ended 30 September 2019

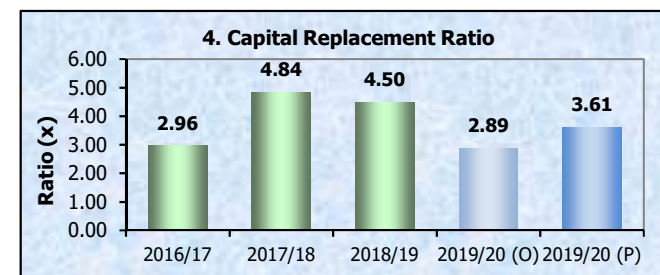
| (\$000's) | Current Projection |           | Original<br>Budget<br>19/20 | Actuals<br>Prior Periods |       |
|-----------|--------------------|-----------|-----------------------------|--------------------------|-------|
|           | Amounts            | Indicator |                             | 18/19                    | 17/18 |
|           | 19/20              | 19/20     |                             |                          |       |

NSW Local Government Industry Key Performance Indicators (OLG):

**4. Capital Replacement Ratio**

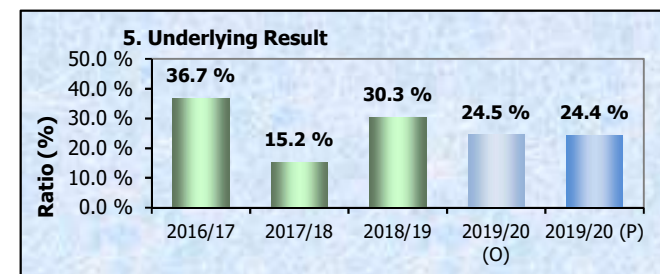
|   |       |      |      |      |      |
|---|-------|------|------|------|------|
| Infrastructure, Property, Plant & Equipment | 22012 | 3.61 | 2.89 | 4.50 | 4.84 |
| Depreciation                                | 6100  |      |      |      |      |

Comparison of the rate of spending on IPP&E with consumption of assets. This is a long-term indicator, as capital expenditure can be deferred in the short term if insufficient funds are available from operations and and borrowing is not an option. (target > 1.5)


**5. Underlying Result**

|               |       |        |        |        |        |
|---------------|-------|--------|--------|--------|--------|
| Net Result    | 7994  | 24.4 % | 24.5 % | 30.3 % | 15.2 % |
| Total Revenue | 32795 |        |        |        |        |

A positive result indicates a surplus and the larger the percentage the stronger the result. A negative result indicates a deficit. Operating deficits cannot be sustained in the long term. (target > 0%)



Contracts Budget Review Statement

Budget review for the quarter ended 30 September 2019  
**Part A - Contracts Listing** - contracts entered into during the quarter

| Contractor | Contract detail & purpose | Contract Value | Start Date | Duration of Contract | Budgeted (Y/N) | Notes |
|------------|---------------------------|----------------|------------|----------------------|----------------|-------|
|            |                           |                |            |                      |                |       |
|            |                           |                |            |                      |                |       |
|            |                           |                |            |                      |                |       |
|            |                           |                |            |                      |                |       |
|            |                           |                |            |                      |                |       |
|            |                           |                |            |                      |                |       |
|            |                           |                |            |                      |                |       |
|            |                           |                |            |                      |                |       |
|            |                           |                |            |                      |                |       |
|            |                           |                |            |                      |                |       |
|            |                           |                |            |                      |                |       |
|            |                           |                |            |                      |                |       |
|            |                           |                |            |                      |                |       |
|            |                           |                |            |                      |                |       |
|            |                           |                |            |                      |                |       |

Notes:

- 1. Minimum reporting level is 1% of estimated income from continuing operations of Council or \$50,000 - whatever is the lesser.
- 2. Contracts listed are those entered into during the quarter being reported and exclude contractors on Council's Preferred Supplier list.
- 3. Contracts for employment are not required to be included.

Consultancy & Legal Expenses Budget Review Statement

Consultancy & Legal Expenses Overview

| Expense       | YTD Expenditure<br>(Actual Dollars) | Budgeted<br>(Y/N) |
|---------------|-------------------------------------|-------------------|
| Consultancies | 18,945                              | Y                 |
| Legal Fees    | 1,015                               | Y                 |

Definition of a consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

Comments

Expenditure included in the above YTD figure but not budgeted includes:

Details



Riverina Water County Council

OPERATIONAL PLAN - SEPTEMBER 2019 REVIEW

| OPERATING SUMMARY                           | YTD ACTUAL<br>\$'000 | CURRENT<br>BUDGET \$'000 | REMAINING<br>\$'000 | % AVAILABLE | 2019/20 BUDGET<br>\$'000 | 30/09/19 REVIEW<br>ADJUSTMENT | REVISED<br>BUDGET \$'000 | REVIEW ADJUSTMENT COMMENT      |
|---|----------------------|--------------------------|---------------------|-------------|--------------------------|-------------------------------|--------------------------|--------------------------------|
| <b>OPERATING INCOME</b>                     |                      |                          |                     |             |                          |                               |                          |                                |
| <b>Access Charges</b>                       |                      |                          |                     |             |                          |                               |                          |                                |
| Urban                                       | 1,100                | 4,075                    | 2,976               | 73%         | 4,075                    | 0                             | 4,075                    |                                |
| Non-Urban                                   | 238                  | 971                      | 733                 | 76%         | 971                      |                               | 971                      |                                |
|   | 1,337                | 5,046                    | 3,709               | 73%         | 5,046                    | 0                             | 5,046                    |                                |
| <b>User Charges</b>                         |                      |                          |                     |             |                          |                               |                          |                                |
| <b>Consumption Charges</b>                  |                      |                          |                     |             |                          |                               |                          |                                |
| Urban                                       | 2,795                | 18,046                   | 15,251              | 85%         | 18,046                   | 0                             | 18,046                   |                                |
| Non-Urban                                   | 559                  | 4,130                    | 3,571               | 86%         | 4,130                    | 0                             | 4,130                    |                                |
|   | 3,354                | 22,176                   | 18,821              | 85%         | 22,176                   | 0                             | 22,176                   |                                |
| <b>Extra Charges</b>                        |                      |                          |                     |             |                          |                               |                          |                                |
| Urban                                       | 17                   | 80                       | 63                  | 78%         | 80                       | 0                             | 80                       |                                |
| Non-Urban                                   | 7                    | 15                       | 8                   | 0%          | 15                       |                               | 15                       |                                |
|   | 24                   | 95                       | 71                  | 74%         | 95                       | 0                             | 95                       |                                |
| <b>Other Income</b>                         | 646                  | 1,202                    | 556                 | 46%         | 1,202                    | 0                             | 1,202                    |                                |
| <b>Interest</b>                             | 187                  | 300                      | 113                 | 38%         | 300                      |                               | 300                      |                                |
| <b>Operating Grants &amp; Contributions</b> | 0                    | 225                      | 225                 | 100%        | 225                      | 0                             | 225                      |                                |
| <b>Capital Grants &amp; Contributions</b>   | 780                  | 3,741                    | 2,960               | 79%         | 3,741                    | 0                             | 3,741                    |                                |
| <b>Private Works Income</b>                 | 0                    | 10                       | 10                  | 0%          | 10                       | 0                             | 10                       |                                |
| <b>TOTAL OPERATING INCOME</b>               | <b>6,329</b>         | <b>32,794</b>            | <b>26,465</b>       | <b>80%</b>  | <b>32,794</b>            | <b>0</b>                      | <b>32,794</b>            |                                |
| <b>OPERATING EXPENSES</b>                   |                      |                          |                     |             |                          |                               |                          |                                |
| <b>Management</b>                           | 2,544                | 9,906                    | 7,362               | 74%         | 9,906                    | 30                            | 9,936                    | Increase in insurance premiums |
| <b>Operations &amp; Maintenance</b>         |                      |                          |                     |             |                          |                               |                          |                                |
| <b>Buildings &amp; Grounds</b>              |                      |                          |                     |             |                          |                               |                          |                                |
| Urban                                       | 159                  | 543                      | 384                 | 71%         | 543                      | 0                             | 543                      |                                |
| Non-Urban                                   | 31                   | 71                       | 40                  | 56%         | 71                       | 0                             | 71                       |                                |
|   | 190                  | 614                      | 424                 | 69%         | 614                      | 0                             | 614                      |                                |
| <b>Management - Operations</b>              |                      |                          |                     |             |                          |                               |                          |                                |
| Urban                                       | 258                  | 950                      | 692                 | 73%         | 950                      | 0                             | 950                      |                                |
| Non-Urban                                   | 103                  | 350                      | 247                 | 71%         | 350                      | 0                             | 350                      |                                |
|   | 361                  | 1,300                    | 939                 | 72%         | 1,300                    | 0                             | 1,300                    |                                |
| <b>Sources</b>                              |                      |                          |                     |             |                          |                               |                          |                                |
| Urban                                       | 228                  | 1,164                    | 935                 | 80%         | 1,164                    | 0                             | 1,164                    |                                |

| OPERATING SUMMARY               | YTD ACTUAL<br>\$'000 | CURRENT<br>BUDGET \$'000 | REMAINING<br>\$'000 | % AVAILABLE | 2019/20 BUDGET<br>\$'000 | 30/09/19 REVIEW<br>ADJUSTMENT | REVISED<br>BUDGET \$'000 | REVIEW ADJUSTMENT COMMENT |
|---------------------------------|----------------------|--------------------------|---------------------|-------------|--------------------------|-------------------------------|--------------------------|---------------------------|
| Non-Urban                       | 77                   | 339                      | 262                 | 77%         | 339                      | 0                             | 339                      |                           |
|                                 | 305                  | 1,503                    | 1,198               | 80%         | 1,503                    | 0                             | 1,503                    |                           |
| <i>Pumping Stations</i>         |                      |                          |                     |             |                          |                               |                          |                           |
| Urban                           | 47                   | 377                      | 330                 | 88%         | 377                      | 0                             | 377                      |                           |
| Non-Urban                       | 47                   | 309                      | 263                 | 85%         | 309                      | 0                             | 309                      |                           |
|                                 | 94                   | 686                      | 593                 | 86%         | 686                      | 0                             | 686                      |                           |
| <i>Reservoirs</i>               |                      |                          |                     |             |                          |                               |                          |                           |
| Urban                           | 63                   | 233                      | 170                 | 73%         | 233                      | 0                             | 233                      |                           |
| Non-Urban                       | 26                   | 130                      | 103                 | 80%         | 130                      | 0                             | 130                      |                           |
|                                 | 89                   | 363                      | 273                 | 75%         | 363                      | 0                             | 363                      |                           |
| <i>Treatment Plant</i>          |                      |                          |                     |             |                          |                               |                          |                           |
| Urban                           | 440                  | 2,329                    | 1,889               | 81%         | 2,329                    | 0                             | 2,329                    |                           |
| Non-Urban                       | 119                  | 530                      | 410                 | 77%         | 530                      | 0                             | 530                      |                           |
|                                 | 559                  | 2,859                    | 2,299               | 80%         | 2,859                    | 0                             | 2,859                    |                           |
| <i>Mains &amp; Services</i>     |                      |                          |                     |             |                          |                               |                          |                           |
| Supervision                     | 32                   | 239                      | 208                 | 87%         | 239                      | 0                             | 239                      |                           |
| Urban                           | 438                  | 1,051                    | 613                 | 58%         | 1,051                    | 0                             | 1,051                    |                           |
| Non-Urban                       | 155                  | 501                      | 346                 | 69%         | 501                      | 0                             | 501                      |                           |
|                                 | 624                  | 1,791                    | 1,167               | 65%         | 1,791                    | 0                             | 1,791                    |                           |
| <i>Other Operations</i>         | -86                  | -350                     | -264                | 75%         | -350                     | 0                             | -350                     |                           |
| <b>Depreciation</b>             | 1,580                | 6,100                    | 4,520               | 74%         | 6,100                    | 0                             | 6,100                    |                           |
| <b>TOTAL OPERATING EXPENSES</b> | <b>6,262</b>         | <b>24,771</b>            | <b>18,509</b>       | <b>75%</b>  | <b>24,771</b>            | <b>30</b>                     | <b>24,801</b>            |                           |
| <b>OPERATING RESULT</b>         | <b>67</b>            | <b>8,023</b>             |                     |             | <b>8,023</b>             | <b>-30</b>                    | <b>7,993</b>             |                           |

## Riverina Water County Council

### Balance Sheet

Projected  
2019/20  
\$'000

#### ASSETS

##### Current Assets

Cash & Cash Equivalents

17,892

Receivables

3,714

Inventories

2,701

##### Total Current Assets

24,307

##### Non-Current Assets

Infrastructure, Property, Plant & Equipment

371,913

Intangible Assets

4,300

##### Total Non-Current Assets

376,213

##### TOTAL ASSETS

400,520

#### LIABILITIES

##### Current Liabilities

Payables

1,055

Income received in advance

231

Borrowings

1,860

Provisions

3,988

##### Total Current Liabilities

7,135

##### Non-Current Liabilities

Borrowings

5,399

##### Total Non-Current Liabilities

5,399

##### TOTAL LIABILITIES

12,533

##### Net Assets

387,986

#### EQUITY

Retained Earnings

143,257

Revaluation Reserves

244,730

##### Total Equity

387,987

### 30 SEPTEMBER 2019 QUARTERLY BUDGET REVIEW

| Description   | Current Budget   | YTD Actual 2019/20 | Budget Remaining | 30/09/19 QBR  | Revised Budget   | Comment                            |
|---|------------------|--------------------|------------------|---------------|------------------|------------------------------------|
|   | \$               | \$                 | \$               | \$            | \$               |                                    |
| <b>MANAGEMENT</b>   |                  |                    |                  |               |                  |                                    |
| <b>LAND &amp; BUILDINGS FOR ADMIN. DEPOTS AND WORKSHOPS</b>             |                  |                    |                  |               |                  |                                    |
| Administration Office   | 65,045           | 16,715             | 48,330           | 0             | 65,045           |                                    |
| Depot Buildings   | 480,740          | 229,206            | 251,534          | 0             | 480,740          |                                    |
| Access, Parking and Landscaping   | 1,038,271        | 405,522            | 632,749          | 0             | 1,038,271        |                                    |
|   |                  | 0                  |                  |               |                  |                                    |
| <b>SUB-TOTAL LAND &amp; BUILDINGS FOR ADMIN, DEPOTS &amp; WORKSHOPS</b> | <b>1,584,056</b> | <b>651,444</b>     | <b>932,612</b>   | <b>0</b>      | <b>1,584,056</b> |                                    |
|   |                  |                    |                  |               |                  |                                    |
| <b>PLANT &amp; EQUIPMENT</b>  |                  |                    |                  |               |                  |                                    |
| IT Equipment  | 599,570          | 174,546            | 425,024          | 0             | 599,570          |                                    |
| Office Furniture & Equipment  | 24,000           | 1,227              | 22,773           | 0             | 24,000           |                                    |
| Working Plant & Vehicle Purchases                                       | 1,372,013        | 193,072            | 1,178,941        | 0             | 1,372,013        |                                    |
| Fixed Plant Tools & Equipment   | 25,000           | 0                  | 25,000           | 0             | 25,000           |                                    |
| Telemetry & Control Systems Upgrade                                     | 994,525          | 90,289             | 904,236          | 0             | 994,525          |                                    |
| Radio Communications Upgrade/Replacements/Improvements                  | 94,939           | 16,922             | 78,017           | 0             | 94,939           |                                    |
| Energy Efficiency & Cost Minimisation                                   | 650,973          | 136,017            | 514,956          | 0             | 650,973          |                                    |
|   |                  |                    |                  |               |                  |                                    |
| <b>SUB-TOTAL PLANT &amp; EQUIPMENT</b>                                  | <b>3,761,020</b> | <b>612,074</b>     | <b>3,148,946</b> | <b>0</b>      | <b>3,761,020</b> |                                    |
|   |                  |                    |                  |               |                  |                                    |
| <b>TOTAL MANAGEMENT</b>   | <b>5,345,076</b> | <b>1,263,518</b>   | <b>4,081,558</b> | <b>0</b>      | <b>5,345,076</b> |                                    |
|   |                  |                    |                  |               |                  |                                    |
| <b>SOURCES</b>  |                  |                    |                  |               |                  |                                    |
| Bores-renew/refurbish/decommission                                      | 240,000          | 69,217             | 170,783          | 0             | 240,000          |                                    |
| Source Works General Improvements                                       | 5,870            | 21,166             | -15,296          | 15,296        | 21,166           | Emergent works - West Wagga Bore 1 |
| Switchboards Improvements/Replacements                                  | 5,000            | 0                  | 5,000            |               | 5,000            |                                    |
|   |                  | 0                  |                  |               |                  |                                    |
| <b>TOTAL SOURCES</b>  | <b>250,870</b>   | <b>90,383</b>      | <b>160,487</b>   | <b>15,296</b> | <b>266,166</b>   |                                    |
|   |                  |                    |                  |               |                  |                                    |
| <b>TREATMENT PLANTS</b>   |                  |                    |                  |               |                  |                                    |
| Aeration Tower Replacements   | 25,000           | 0                  | 25,000           | 0             | 25,000           |                                    |
| Aeration Tower Covers   | 216,243          | 123,732            | 92,511           | 0             | 216,243          |                                    |

| Description  | Current Budget   | YTD Actual 2019/20 | Budget Remaining | 30/09/19 QBR  | Revised Budget   | Comment  |
|--|------------------|--------------------|------------------|---------------|------------------|--|
|  | \$               | \$                 | \$               | \$            | \$               |  |
| Specific Treatment Plant improvements                    | 137,455          | 70,910             | 66,545           | 0             | 137,455          |  |
| Treatment Plant refurbishments                           | 2,189,059        | 187,700            | 2,001,359        | 50,000        | 2,239,059        | North Wagga WTP - flow control                   |
| Laboratory Facilities Upgrade                            | 0                | 13,904             | -13,904          | 0             | 0                | Carryover from 2019                              |
|  |                  |                    |                  |               |                  |  |
| <b>TOTAL TREATMENT PLANTS</b>                            | <b>2,567,757</b> | <b>396,247</b>     | <b>2,171,510</b> | <b>50,000</b> | <b>2,617,757</b> |  |
|  |                  |                    |                  |               |                  |  |
| <b>PUMPING STATIONS</b>                                  |                  |                    |                  |               |                  |  |
| Pump Stations Renewal/Refurbish/Upgrade                  | 190,000          | 0                  | 190,000          | 0             | 190,000          |  |
| Pump & Motor Maintenance / Replacements                  | 50,892           | 31,990             | 18,903           | 25,000        | 75,892           | Bulgary Bore 3 Pump Replacement - emergent works |
|  |                  |                    |                  |               |                  |  |
| <b>TOTAL PUMPING STATIONS</b>                            | <b>240,892</b>   | <b>31,990</b>      | <b>208,903</b>   | <b>25,000</b> | <b>265,892</b>   |  |
|  |                  |                    |                  |               |                  |  |
| <b>RESERVOIRS</b>  |                  |                    |                  |               |                  |  |
| General Improvements                                     | 106,025          | 48,744             | 57,281           | 0             | 106,025          |  |
| New/Replacement Reservoirs                               | 7,704,055        | 5,848,687          | 1,855,368        | 0             | 7,704,055        |  |
| Reservoirs - Refurbish                                   | 45,000           | 0                  | 45,000           | 0             | 45,000           |  |
| Reservoir Hatches Magflows                               | 56,000           | 68,962             | -12,962          | 0             | 56,000           | Carryover from 2019                              |
|  |                  |                    |                  |               |                  |  |
| <b>TOTAL RESERVOIRS</b>                                  | <b>7,911,080</b> | <b>5,966,393</b>   | <b>1,944,687</b> | <b>0</b>      | <b>7,911,080</b> |  |
|  |                  |                    |                  |               |                  |  |
| <b>MAINS, SERVICES &amp; METERS</b>                      |                  |                    |                  |               |                  |  |
| <b>MAINS</b>   |                  |                    |                  |               |                  |  |
| System Improvements                                      | 1,750,000        | 389,866            | 1,360,134        | 0             | 1,750,000        |  |
| Reticulation for Developers (including other extensions) | 860,000          | 113,240            | 746,760          | 0             | 860,000          |  |
| Renew Reticulation Mains                                 | 855,000          | 157,197            | 697,803          | 0             | 855,000          |  |
| Renew Trunk Mains  | 1,089,143        | 294,050            | 795,093          | 0             | 1,089,143        |  |
|  |                  |                    |                  |               |                  |  |
| <b>SUB-TOTAL MAINS</b>                                   | <b>4,554,143</b> | <b>954,353</b>     | <b>3,599,790</b> | <b>0</b>      | <b>4,554,143</b> |  |
|  |                  |                    |                  |               |                  |  |
| <b>SERVICES</b>  |                  |                    |                  |               |                  |  |
| Service Connections, new including Meters                | 550,000          | 136,342            | 413,658          | 0             | 550,000          |  |
| Renew Services   | 170,000          | 34,648             | 135,352          | 0             | 170,000          |  |
|  |                  |                    |                  |               |                  |  |

| Description                               | Current Budget    | YTD Actual 2019/20 | Budget Remaining  | 30/09/19 QBR  | Revised Budget    | Comment |
|---|-------------------|--------------------|-------------------|---------------|-------------------|---------|
|   | \$                | \$                 | \$                | \$            | \$                |         |
| <b>SUB-TOTAL SERVICES</b>                 | <b>720,000</b>    | <b>170,990</b>     | <b>549,010</b>    | <b>0</b>      | <b>720,000</b>    |         |
|   |                   |                    |                   |               |                   |         |
| <b>METERS</b>                             |                   |                    |                   |               |                   |         |
| Water meters replacement                  | 180,000           | 36,002             | 143,998           | 0             | 180,000           |         |
| Remote metering                           | 75,000            | 81,576             | -6,576            | 0             | 75,000            |         |
| Water Filling Stations Upgrade            | 51,369            | 45,667             | 5,702             | 0             | 51,369            |         |
| Water Filling Stations New                | 25,000            | 0                  | 25,000            | 0             | 25,000            |         |
|   |                   |                    |                   |               |                   |         |
| <b>SUB-TOTAL METERS</b>                   | <b>331,369</b>    | <b>163,245</b>     | <b>168,124</b>    | <b>0</b>      | <b>331,369</b>    |         |
|   |                   |                    |                   |               |                   |         |
| <b>TOTAL MAINS, SERVICES &amp; METERS</b> | <b>5,605,512</b>  | <b>1,288,588</b>   | <b>4,316,924</b>  | <b>0</b>      | <b>5,605,512</b>  |         |
|   |                   |                    |                   |               |                   |         |
| <b>TOTALS</b>                             | <b>21,921,187</b> | <b>9,037,119</b>   | <b>12,884,068</b> | <b>90,296</b> | <b>22,011,483</b> |         |

## 5. Disclosure of Pecuniary Interest Returns 2018-2019

**RECOMMENDATION:** that the register of pecuniary interest returns, containing current returns of board members and designated persons for the period 1 July 2018 – 30 June 2019 be tabled in accordance with Clause 4.21 of the Riverina Water Code of Conduct.

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Board members and other designated persons are required to complete an annual Disclosure of Pecuniary Interest Return under Clause 4.21 of the Riverina Water County Council Code of Conduct (the Code).

Lodgement of Declarations of Pecuniary Interest Returns were required by 30 September 2019. Returns were received from all nine Board members, as well as returns from the two external members of the Audit & Risk Committee, the General Manager, Director of Engineering and Manager Corporate Services.

As the pecuniary interest returns 2018-19 were all lodged by 30 September 2019, they are now being tabled at this meeting in accordance with Clause 4.25 of the Code, which states:

*Returns required to be lodged with the general manager under Clause 4.21(a) and (b) must be tabled at the first meeting of the board after the last day the return is required to be lodged.*

The information contained within these returns is to be made publicly available in accordance with the requirements of the Government Information (Public Access) Act 2009, the Government Information (Public Access) Regulation 2009 and any guidelines issued by the Information Commissioner.

In line with advice received by other councils in the interpretation of the guidelines, it has been determined that a register of returns, without the actual returns themselves, will be published on the Riverina Water website. These returns will be available for inspection at the Administration Office during ordinary business hours.

Attached to this report is the information that will appear on Riverina Water's website. subject to further discussion at the October meeting of the Board.

A review of the list of Designated Persons who are required to make disclosure of pecuniary interest returns is now underway. This will ensure that those officers who are identified as designated persons prepare and submit pecuniary interest returns as required in the future.

- **Pecuniary Interest Register (hard copy)**

## Pecuniary Interest Returns for board members and designated officers

Board members, the General Manager, and Riverina Water designated officers must file annual returns by 30 September each year in regard to their pecuniary interests under section 449 of the Local Government Act 1993. Returns are normally tabled at the October board meeting.

These returns are open access information available to the public to inspect. However, the NSW Information Commissioner has determined that, because these returns contain a great deal of personal information, they cannot be published on Council's website.

However, if you wish to view or obtain a copy of these returns for a particular year, please contact Riverina Water's Access to Information Officer on 69220608 or submit an informal request for information to us.

### 2019 Pecuniary Interest Returns

| Name               | Designation                                    | By 30 Sept 2019 |
|--------------------|--|-----------------|
| Clr Yvonne Braid   | Board member                                   | YES             |
| Clr Pat Bourke     | Board member                                   | YES             |
| Clr Greg Conkey    | Board member                                   | YES             |
| Clr Paul Funnell   | Board member (2018-19 Deputy Chair)            | YES             |
| Clr Vanessa Keenan | Board member                                   | YES             |
| Clr Tim Koschel    | Board member                                   | YES             |
| Clr Doug Meyer     | Board member                                   | YES             |
| Clr Tony Quinn     | Board member                                   | YES             |
| Clr Greg Verdon    | Board member (2018-19 Chair)                   | YES             |
| Andrew Crakanthorp | Designated person – General Manager            | YES             |
| Bede Spannagle     | Designated person – Director of Engineering    | YES             |
| Emily Tonacia      | Designated person – Manager Corporate Services | YES             |
| Bryce McNair       | Designated person – Audit & Risk Committee     | YES             |
| David Maxwell      | Designated person – Audit & Risk Committee     | YES             |



## 6.External Investments Reports

**RECOMMENDATION:** that the report detailing Council's external investments for the months of August and September 2019 be received.

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In accordance with provisions of the Clause 19(3) of the Local Government (Financial Management) Regulation 1993, details of the Council's external investments as at 31 August 2019 and 30 September 2019 are reported.

- **Investment Report – August 2019**
- **Investment Report – September 2019**

### Monthly Investment Report as at 31/08/2019

| Investment                  | Inception Date | Term<br>(Days) | Maturity<br>Date | S&P<br>Rating | Interest<br>Rate (%) | Percentage of Portfolio | Principal Value        | Market Value           |
|-----------------------------|----------------|----------------|------------------|---------------|----------------------|-------------------------|------------------------|------------------------|
| <b>Term Deposits</b>        |                |                |                  |               |                      |                         |                        |                        |
| AMP                         | 18/07/2019     | 365            | 17/07/20         | A-2           | 2.05                 | 9.065%                  | \$2,500,000.00         | \$2,500,000.00         |
| Rural Bank                  | 30/04/2019     | 372            | 06/05/20         | A-2           | 2.48                 | 9.065%                  | \$2,500,000.00         | \$2,500,000.00         |
| Defence Bank                | 10/01/2019     | 273            | 10/10/19         | A-2           | 2.75                 | 9.065%                  | \$2,500,000.00         | \$2,500,000.00         |
| Auswide Bank                | 8/07/2019      | 735            | 12/07/21         | A-2           | 2.05                 | 5.439%                  | \$1,500,000.00         | \$1,500,000.00         |
| AMP                         | 12/02/2019     | 273            | 12/11/19         | A-2           | 2.80                 | 3.626%                  | \$1,000,001.00         | \$1,000,001.00         |
| Bank Australia              | 5/07/2019      | 367            | 06/07/20         | A-2           | 2.20                 | 7.252%                  | \$2,000,000.00         | \$2,000,000.00         |
| National Australia Bank     | 30/04/2019     | 181            | 28/10/19         | A-1+          | 2.35                 | 3.626%                  | \$1,000,000.00         | \$1,000,000.00         |
| Auswide Bank                | 15/08/2019     | 1096           | 15/08/22         | A-2           | 1.86                 | 7.252%                  | \$2,000,000.00         | \$2,000,000.00         |
| AMP                         | 30/03/2019     | 367            | 31/03/20         | A-2           | 2.70                 | 7.252%                  | \$2,000,000.00         | \$2,000,000.00         |
| National Australia Bank     | 8/07/2019      | 569            | 27/01/21         | A-1+          | 1.85                 | 7.252%                  | \$2,000,000.00         | \$2,000,000.00         |
| Auswide Bank                | 17/06/2019     | 731            | 17/06/21         | A-2           | 2.22                 | 5.439%                  | \$1,500,000.00         | \$1,500,000.00         |
| Auswide Bank                | 27/08/2019     | 184            | 27/02/20         | A-2           | 1.85                 | 9.065%                  | \$2,500,000.00         | \$2,500,000.00         |
| Auswide Bank                | 15/08/2019     | 368            | 17/08/20         | A-2           | 1.80                 | 5.439%                  | \$1,500,000.00         | \$1,500,000.00         |
|                             |                |                |                  |               |                      | <b>88.84%</b>           | <b>\$24,500,001.00</b> | <b>\$24,500,001.00</b> |
| <b>Cash Deposit Account</b> |                |                |                  |               |                      |                         |                        |                        |
| T Corp                      |                |                |                  | A-1+          | 0.53                 | 11.16%                  | \$3,078,020.73         | \$3,078,020.73         |
|                             |                |                |                  |               |                      | <b>11.16%</b>           | <b>\$3,078,020.73</b>  | <b>\$3,078,020.73</b>  |
| <b>TOTAL INVESTMENTS</b>    |                |                |                  |               |                      | <b>100.00%</b>          | <b>\$27,578,021.73</b> | <b>\$27,578,021.73</b> |
| Cash at Bank                |                |                |                  |               |                      |                         |                        | \$382,084.74           |
| <b>TOTAL FUNDS</b>          |                |                |                  |               |                      |                         |                        | <b>\$27,960,106.47</b> |

#### CERTIFICATE

I hereby certify that the investments listed above have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2005 and Council's Investments Policy number POL 1.23.



**E Tonacia**

**MANAGER CORPORATE SERVICES**

## Application of Investment Funds

| Restricted Funds      | Description                              | Value                  |
|-----------------------|--|------------------------|
| Externally Restricted | LIRS Loan Funds                          | \$0.00                 |
|                       |  | \$0.00                 |
|                       |  |                        |
| Internally Restricted | Employee Leave Entitlements (50% of ELE) | \$2,134,234.16         |
|                       | Asset Replacement                        | \$1,504,826.53         |
|                       | Loan Funds                               | \$0.00                 |
|                       | Sales Fluctuation                        | \$5,000,000.00         |
|                       |  | \$8,639,060.69         |
| Unrestricted Funds    |  | \$19,321,045.78        |
| <b>TOTAL FUNDS</b>    |  | <b>\$27,960,106.47</b> |

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

## Report

The investment portfolio increased by \$287,065.35 for the month. The increase was due to income in August being higher than expenditure.

## Portfolio Performance

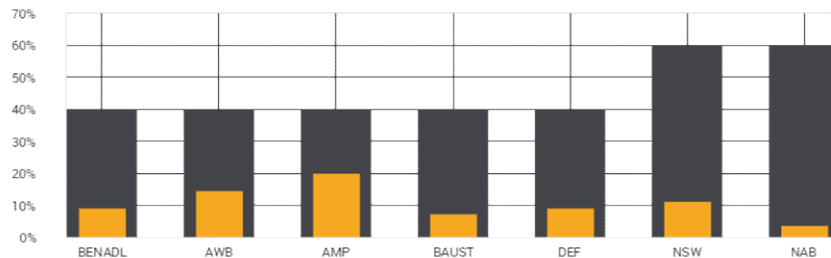
For the month of August, the portfolio (excluding cash) provided a return of +0.19% (actual), outperforming the benchmark Ausbond Bank Bill Index return by +0.11% (actual). The outperformance continues to be anchored by a combination of those longer-dated deposits locked-in for a term of 6 months or longer.

## Counterparty Compliance

The below graphs compare investments with each financial institution to the limits included in Council's Investment Policy

### Short-term Holdings

■ Limits ■ Compliant ■ Non-compliant



### Long-term Holdings

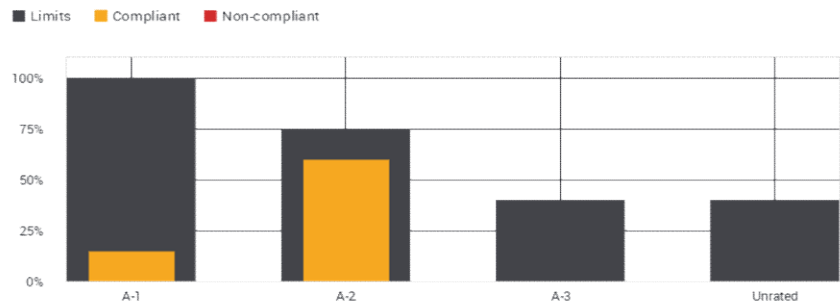
■ Limits ■ Compliant ■ Non-compliant



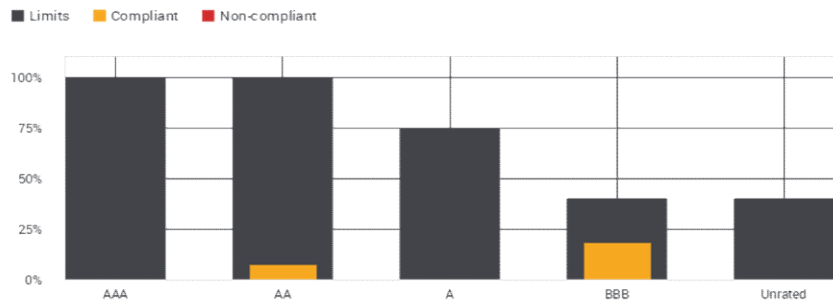
Credit Quality Compliance

The below graphs compare investments with each investment rating category to the limits included in Council's Investment Policy

Short-term Holdings

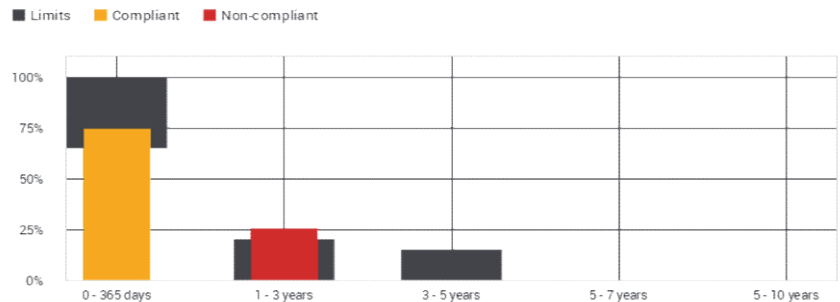


Long-term Holdings



Term to Maturity

The percentage of investments maturing over the next ten years is detailed in the graph below



### Monthly Investment Report as at 30/09/2019

| Investment                  | Inception Date | Term<br>(Days) | Maturity<br>Date | S&P<br>Rating | Interest<br>Rate (%) | Percentage of Portfolio | Principal Value        | Market Value           |
|-----------------------------|----------------|----------------|------------------|---------------|----------------------|-------------------------|------------------------|------------------------|
| <b>Term Deposits</b>        |                |                |                  |               |                      |                         |                        |                        |
| AMP                         | 18/07/2019     | 365            | 17/07/20         | A-2           | 2.05                 | 9.318%                  | \$2,500,000.00         | \$2,500,000.00         |
| Rural Bank                  | 30/04/2019     | 372            | 06/05/20         | A-2           | 2.48                 | 9.318%                  | \$2,500,000.00         | \$2,500,000.00         |
| Defence Bank                | 10/01/2019     | 273            | 10/10/19         | A-2           | 2.75                 | 9.318%                  | \$2,500,000.00         | \$2,500,000.00         |
| Auswide Bank                | 8/07/2019      | 735            | 12/07/21         | A-2           | 2.05                 | 5.591%                  | \$1,500,000.00         | \$1,500,000.00         |
| AMP                         | 12/02/2019     | 273            | 12/11/19         | A-2           | 2.80                 | 3.727%                  | \$1,000,001.00         | \$1,000,001.00         |
| Bank Australia              | 5/07/2019      | 367            | 06/07/20         | A-2           | 2.20                 | 7.454%                  | \$2,000,000.00         | \$2,000,000.00         |
| National Australia Bank     | 30/04/2019     | 181            | 28/10/19         | A-1+          | 2.35                 | 3.727%                  | \$1,000,000.00         | \$1,000,000.00         |
| Auswide Bank                | 15/08/2019     | 1096           | 15/08/22         | A-2           | 1.86                 | 7.454%                  | \$2,000,000.00         | \$2,000,000.00         |
| AMP                         | 30/03/2019     | 367            | 31/03/20         | A-2           | 2.70                 | 7.454%                  | \$2,000,000.00         | \$2,000,000.00         |
| National Australia Bank     | 8/07/2019      | 569            | 27/01/21         | A-1+          | 1.85                 | 7.454%                  | \$2,000,000.00         | \$2,000,000.00         |
| Auswide Bank                | 17/06/2019     | 731            | 17/06/21         | A-2           | 2.22                 | 5.591%                  | \$1,500,000.00         | \$1,500,000.00         |
| Auswide Bank                | 27/08/2019     | 184            | 27/02/20         | A-2           | 1.85                 | 9.318%                  | \$2,500,000.00         | \$2,500,000.00         |
| Auswide Bank                | 15/08/2019     | 368            | 17/08/20         | A-2           | 1.80                 | 5.591%                  | \$1,500,000.00         | \$1,500,000.00         |
|                             |                |                |                  |               |                      | <b>91.31%</b>           | <b>\$24,500,001.00</b> | <b>\$24,500,001.00</b> |
| <b>Cash Deposit Account</b> |                |                |                  |               |                      |                         |                        |                        |
| T Corp                      |                |                |                  | A-1+          | 1.26                 | 8.69%                   | \$2,330,307.03         | \$2,330,307.03         |
|                             |                |                |                  |               |                      | <b>8.69%</b>            | <b>\$2,330,307.03</b>  | <b>\$2,330,307.03</b>  |
| <b>TOTAL INVESTMENTS</b>    |                |                |                  |               |                      | <b>100.00%</b>          | <b>\$26,830,308.03</b> | <b>\$26,830,308.03</b> |
| Cash at Bank                |                |                |                  |               |                      |                         |                        | \$674,081.80           |
| <b>TOTAL FUNDS</b>          |                |                |                  |               |                      |                         |                        | <b>\$27,504,389.83</b> |

#### CERTIFICATE

I hereby certify that the investments listed above have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2005 and Council's Investments Policy number POL 1.23.



**E Tonacia**

**MANAGER CORPORATE SERVICES**

## Application of Investment Funds

| Restricted Funds      | Description                              | Value                  |
|-----------------------|--|------------------------|
| Externally Restricted | LIRS Loan Funds                          | \$0.00                 |
|                       |  | \$0.00                 |
|                       |  |                        |
| Internally Restricted | Employee Leave Entitlements (50% of ELE) | \$2,134,234.16         |
|                       | Asset Replacement                        | \$1,504,826.53         |
|                       | Loan Funds                               | \$0.00                 |
|                       | Sales Fluctuation                        | \$5,000,000.00         |
|                       |  | \$8,639,060.69         |
| Unrestricted Funds    |  | \$18,865,329.14        |
| <b>TOTAL FUNDS</b>    |  | <b>\$27,504,389.83</b> |

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

## Report

The investment portfolio decreased by \$455,716.64 for the month. The decrease was due to income in September being lower than expenditure.

## Portfolio Performance

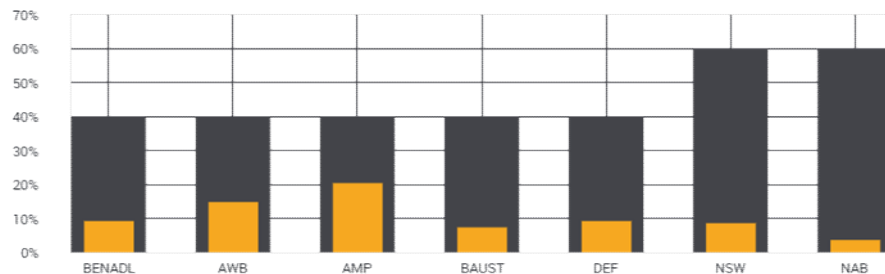
For the month of September, the portfolio (excluding cash) provided a return of +0.19% (actual), outperforming the benchmark Ausbond Bank Bill Index return by +0.11% (actual). The outperformance continues to be anchored by a combination of those longer-dated deposits locked-in for a term of 12 months or longer.

## Counterparty Compliance

The below graphs compare investments with each financial institution to the limits included in Council's Investment Policy

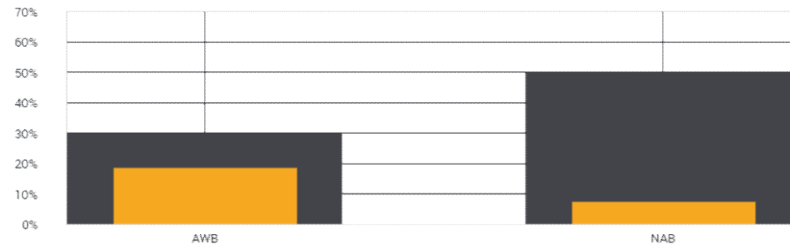
### Short-term Holdings

■ Limits ■ Compliant ■ Non-compliant



### Long-term Holdings

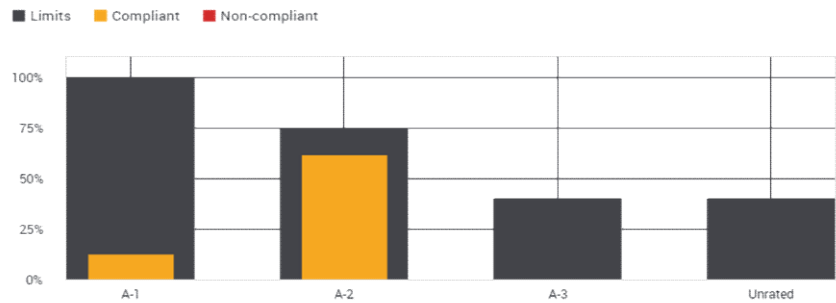
■ Limits ■ Compliant ■ Non-compliant



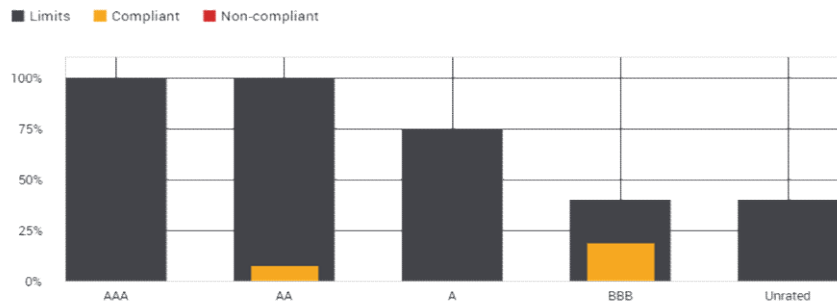
Credit Quality Compliance

The below graphs compare investments with each investment rating category to the limits included in Council's Investment Policy

Short-term Holdings

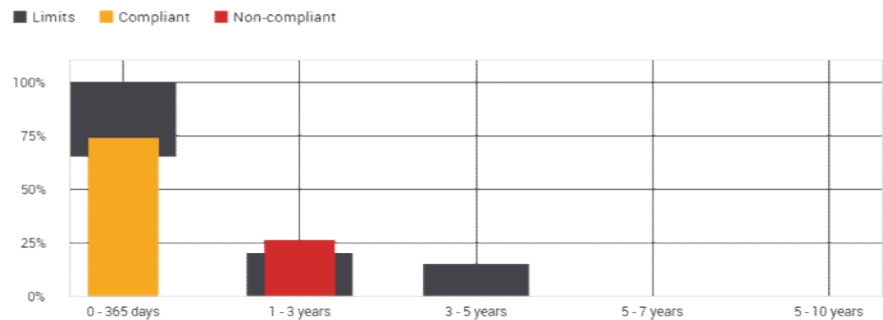


Long-term Holdings



Term to Maturity

The percentage of investments maturing over the next ten years is detailed in the graph below



## 7.Minutes of Audit and Risk Committee Meeting Held 18 September 2019

**RECOMMENDATION:** that the Minutes of the Audit & Risk Committee be received and noted.

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The Audit and Risk Committee met on 18 September 2019. The purpose of the meeting was to consider Council's Annual Financial Statement for the year ending 30 June 2019

- **ARIC Meeting Minutes 18 September 2019**



**MINUTES of Audit and Risk Committee Meeting held at Riverina Water,  
91 Hammond Avenue Wagga Wagga on Wednesday 18 September  
2019 COMMENCING AT 9.30 AM**

**PRESENT:** Mr David Maxwell (Chairperson); Clr Yvonne Braid OAM; Mr Bryce McNair; Clr Tony Quinn; Mr Andrew Crakanthorp (General Manager); Ms Emily Tonacia (Manager Corporate Services); Mr Simon Thomson (Manager Governance & Human Resources); Kate Pellow (Accounting Officer); Dannielle MacKenzie(Crowe); Michael Kharzoo (Audit Officer NSW via Phone connection)

**APOLOGIES:**

**MINUTE TAKER:** Ms Alison Herbst

**AGENDA ITEM**

**1. ATTENDANCE AND APOLOGIES**

Nil

**2. DECLARATION OF INTERESTS**

Nil

**3. CONFIRMATION OF MINUTES PREVIOUS MEETING 24 July 2019**

The Chairperson advised that the July minutes would be reviewed at 13 November 2019 meeting, along with any business arising from these minutes

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#### 4. FINANCIAL STATEMENTS 2018/2019

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During discussion of this matter, the Committee made the following recommendations:

**Recommendation:**

On the motion of Bryce McNair and Clr Yvonne Braid OAM that the basis of calculation of the Sales Fluctuation Reserve and Employee Leave Reserve be listed in the Audit Follow Up Matrix for future report.

**CARRIED**  
**2019 – Sep -15**

**Recommendation:**

On the motion of Bryce McNair and Clr Yvonne Braid OAM that the Audit and Risk Committee recommend that Council review its accounting policy for the recognition of the value of its water licence entitlements.

**CARRIED**  
**2019 – Sep - 16**

**Recommendation:**

On the motion of Bryce McNair and Clr Yvonne Braid OAM that the Audit and Risk Committee report to Council that it has:

- a) Reviewed the 2018/2019 General Purpose and Special Purpose Financial Statements and Special Schedules
- b) Reviewed the external Auditor's report on the Conduct of the Audit and Engagement Closing Report
- c) Reports to Council that the Committee is unaware of any matter that would prevent Council from executing the certificate required by Section 413(2)(c) of the Local Government Act (as amended)
- d) The Committee commends the Principal Accounting officer and Riverina Water staff on the preparation of the financial statements

**CARRIED**  
**2019 - SEP - 17**

## 5. CONFIDENTIAL SESSION

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At this stage of the meeting all Riverina Water staff left room at 10.35am as requested by the Chairperson prior to a confidential session with the external Auditors.

Riverina Water staff returned to room at 10.43 am

### ***Recommendation:***

On the motion of Bryce McNair and Clr Yvonne Braid OAM that the Audit and Risk Committee receive the report of the Committee in camera with external auditors.

**CARRIED**  
**2019 – Sep - 18**

Being no further business the meeting was closed at 10.45am.

Next meeting - Wednesday 13 November 2019 at 9.30am at Riverina Water, 91 Hammond Avenue Wagga Wagga

## 8. Community Grants Program 2019/2020

**RECOMMENDATION:** that Council

- a) approve the successful applications for the 2019/20 Community Grants Program as detailed in the report totalling \$389,867
- b) approve the rolling over of the 2019/20 unexpended funds for Federation Council totalling \$53,360, and Greater Hume Council totalling \$56,773 to their Local Government Area allocation for the 2020/21 Community Grants program

---

### Background

In August this year Council launched its inaugural Community Grants Program which has been established for an initial two-year funding period. The Community Grants Program comprises three grant categories: Community Projects and Facilities; Arts and Culture; and Water Conservation

The program offers the opportunity for individuals, community groups and organisations to apply for funding for a range of programs and activities across the water supply area. The total amount of funding available in the 2019/20 financial year is \$500,000. The grants application period opened on Monday 19 August 2019 and closed on Monday 23 September 2019.

Fifty six eligible applications were received in the 2019/20 Annual Grants Program. The total funding amount requested was \$531,681 across all four Local Government Areas (LGA).

The applications were assessed by review panels from each constituent council. The panels were comprised of a Board member from the constituent council, the general manager of the constituent council (or their nominated senior staff member) and the Chairperson of Riverina Water, who sat on all four panels. Each panel assessed the three categories of Arts and Culture, Community Projects and Facilities, and Water Conservation for their LGA.

Out of the 56 eligible applications, 42 applications have been recommended for full or partial funding. Details of these applications follow. Details on unsuccessful applications will be tabled at the meeting

## Overview

| Local Government Area | \$ allocation  | \$ Funded      | \$ Remaining   |
|-----------------------|----------------|----------------|----------------|
| Federation            | 100,000        | 46,640         | 53,360         |
| Greater Hume          | 100,000        | 43,227         | 56,773         |
| Lockhart              | 100,000        | 100,000        | 0              |
| Wagga Wagga           | 200,000        | 200,000        | 0              |
| <b>TOTAL</b>          | <b>500,000</b> | <b>389,867</b> | <b>110,133</b> |

It is proposed that the unexpended funds in the Federation and Greater Hume Councils totaling \$46,640 and \$43,227 respectively, be rolled over to their LGA allocation for the 2020/21 Community Grants Program.

## Federation Council

Panel members: Councilor Pat Bourke (Mayor Federation Council), Adrian Butler (General Manager Federation Council) and Councillor Greg Verdon (Chairperson Riverina Water)

## Community Projects and Facilities

Funding available: \$55,000

Funding approved: \$43,140

Unallocated funding: \$11,860

Three eligible applications were received, requesting a total of \$43,140. All applications were successful, subject to conditions. The total amount of unallocated funds was \$11,860.

| Applicant                             | Project Description  | Funding Approved |
|---------------------------------------|--|------------------|
| Morundah Bush Entertainment Committee | Supply and fit an industry standard projector at Morundah Hall to allow conferencing, movies and enhanced cultural experiences | \$12,930         |
| Urana Progress Association            | Replacement of lighting system with LEDs at Urana Bowling Club and construct a   | \$13,210         |

|                             |  |                 |
|-----------------------------|--|-----------------|
|                             | colourbond panel fence around the perimeter of the playing facility  |                 |
| Rand Sportsground Committee | Convert visitor showers into male toilets. Construct dividing wall in showers and fit out for nursing parents' room. Create disabled toilet facilities | \$17,000        |
| <b>TOTAL</b>                |  | <b>\$43,140</b> |

### Water Conservation

Funding available: \$25,000

Funding approved: \$3,500

Unallocated funding: \$21,500

There was one eligible application received, requesting \$3,500. This application was successful, subject to conditions. The amount of unallocated funds was \$21,500.

| <b>Applicant</b>            | <b>Project Description</b>   | <b>Funding Approved</b> |
|-----------------------------|--|-------------------------|
| Rand Sportsground Committee | Install water tank with pressure system and filtration for general purpose use | \$3,500                 |
| <b>TOTAL</b>                |  | <b>\$3,500</b>          |

### Arts and Culture

Funding available: \$20,000

Funding approved: \$0

Unallocated funding: \$20,000

There were no eligible applications for this category. The amount of \$20,000 remains unallocated.

## Greater Hume Council

Panel members: Councillor Doug Meyer, David Smith (Director Corporate Services, Greater Hume Council) and Councillor Greg Verdon (Chairperson Riverina Water)

### Community Projects and Facilities

Funding available: \$55,000

Funding approved: \$43,227

Unallocated funding: \$11,773

There were four eligible applications received, requesting a total of \$43,227. All applications were successful, subject to conditions. The total amount of unallocated funds is \$11,773

| Applicant                                     | Project Description   | Funding Approved |
|---|---|------------------|
| Walla Walla Sportsground Management Committee | Inside lining of walls and ceiling in function area of Clubhouse  | \$12,000         |
| Headlie Taylor Header Museum (Henty)          | Provide an interactive external touchscreen to increase visitor experience at the museum  | \$19,931         |
| Rotary Club of Holbrook Inc.                  | A project in Henty, Walla Walla and Holbrook to erect large red bows in streetscape to encourage shopping locally during holiday and festive season | \$2,606          |
| Holbrook Adult Riding Club Inc.               | Erection of a clubhouse to provide an office/kitchen using a modified shipping container and earthwork preparation for power and water connection   | \$8,690          |
| TOTAL   |   | \$43,227         |

### Water Conservation

Funding available: \$25,000

Funding approved: \$0

Unallocated funding: \$25,000

There were no eligible applications received for this category. The amount of \$25,000 remains unallocated.

### Arts and Culture

Funding available: \$20,000

Funding approved: \$0

Unallocated funding: \$20,000

There were no eligible applications for this category. The amount of \$20,000 remains unallocated

### Lockhart Shire Council

Panel members: Roger Schirmer (Mayor, Lockhart Shire Council), Peter Veneris (General Manager, Lockhart Shire Council) and Councillor Greg Verdon (Chairperson Riverina Water)

### Community Projects and Facilities

Funding available: \$55,000

Funding approved: \$61,450

Unallocated funding: \$0

There were four eligible applications received, requesting a total of \$64,250. All applications were successful (some at reduced funding), subject to conditions.

The shortfall of available funds in this category was supplemented by unallocated funds from other categories, which was permissible under the Grant Program guidelines. The total amount of unallocated funds is \$0.

| Applicant                                       | Project Description   | Funding Approved |
|---|---|------------------|
| The Rock Recreation Ground Management Committee | Multipurpose storage and timekeeper shed  | \$19,000         |
| Milbrulong Hall Committee                       | Milbrulong water tower mural and outdoor space  | \$6,750          |
| The Rock Central School                         | Develop sensory garden at back of school and indigenous garden at front. To be used particularly for students who have sensory and or learning difficulties | \$17,000         |



|                                    |  |                 |
|------------------------------------|--|-----------------|
| Lockhart Football and Netball Club | Upgrade and renew BBQ facilities and provide an all-weather shelter for year round use | \$18,700        |
| <b>TOTAL</b>                       |  | <b>\$61,450</b> |

### Water Conservation

Funding available: \$25,000

Funding approved: \$21,250

Unallocated funding: \$0. (see **Note** below)

There were three eligible applications received, requesting \$24,250. Two applications were successful for full funding and one application for reduced funding, subject to conditions. The amount of unallocated funds was \$3,750. **Note:** The amount of \$3,750 was reallocated to Community Projects and Facilities, resulting in full expenditure in the Water Conservation category.

| <b>Applicant</b>              | <b>Project Description</b>   | <b>Funding Approved</b> |
|-------------------------------|--|-------------------------|
| The Rock Memorial Men's Bowls | Water tank to water bowling greens and surrounds   | \$7,000                 |
| Lockhart Golf Club Inc.       | Install two 10,000 litre water tanks at clubhouse and secondary water cart tank with pumps   | \$5,300                 |
| Lockhart Progress Association | Replacement of plumbing with water saving devices and replacement of electric hot water system with instantaneous gas hot water at Lockhart Bowling Club | \$8,950                 |
| <b>TOTAL</b>                  |  | <b>\$21,250</b>         |

## Arts and Culture

Funding available: \$20,000

Funding approved: \$17,300

Unallocated funding: \$0 (see **Note** below)

There were three eligible applications received, requesting \$17,800. One application was successful for full funding and two applications for slightly reduced funding. The amount of unallocated funds was \$2,700. **Note:** The amount of \$2,700 was reallocated to Community Projects and Facilities, resulting in full expenditure in the Arts and Culture category.

| Applicant                              | Project Description  | Funding Approved |
|--|--|------------------|
| Lockhart & District Historical Society | A series of mosaic and indigenous painting workshops centered around the theme of the Murrumbidgee | \$6,750          |
| Spirit of the Land Festival            | Collaboration with Lockhart Central School to conduct four separate adult art workshops            | \$6,950          |
| The Rock Town Hall & Museum            | Mosaic beginners' workshops  | \$3,600          |
| <b>TOTAL</b>                           |  | <b>\$17,300</b>  |

## Wagga Wagga City Council

Panel members: Councillor Vanessa Keenan, Madeleine Scully (Manager Community Services Wagga Wagga City Council), and Councillor Greg Verdon (Chairperson Riverina Water)

### Community Projects and Facilities

Funding available: \$110,000

Funding approved: \$119,470.80 (see **Note** below)

Unallocated funding: \$0

There were 19 eligible applications received, requesting \$219,373. Nine applications were successful for full funding and two applications approved for reduced funding, subject to conditions. Eight applications were unsuccessful for funding. The funds in this category were fully expended. **Note:** An amount of \$9,471 unexpended funds from the Arts & Culture category was reallocated to fund the shortfall.

| Applicant  | Project Description  | Funding Approved |
|--|--|------------------|
| Anglican Parish of South Wagga   | Replacement of church roof and hall St Alban's Koorinal  | \$15,000         |
| Oura Progress Association  | Resurfacing of Oura community tennis courts  | \$14,080         |
| Wagga Rugby League Inc.  | Installation of wireless scoreboard at Harris Park   | \$13,250         |
| Anglicare Riverina   | Solar panels for the Ashmont Community Resource Centre   | \$13,232         |
| Service for the Treatment & Rehabilitation of Torture and Trauma Survivors (STARTTS) | Wagga Refugee youth participation program of workshops focusing on health & wellbeing, arts & culture and sport & recreation | \$11,092         |
| Wagga Combined Hockey Association  | Water refill station installation – 2 <sup>nd</sup> hockey field   | \$7,000          |
| Wagga Men's Shed   | Installation of fire hydrant system to new building  | \$10,900         |
| Tarcutta Campdraft Club  | Upgrading of water storage facilities and access   | \$11,007         |

|   |  |                     |
|---|--|---------------------|
| Riverina Environmental Education Centre | Water refill station installation                                      | \$7,000             |
| 1 <sup>st</sup> Wagga Wagga Scouts      | Installation of solar panels on Scout hall Dalman Parkway              | \$7,760             |
| South Wagga Rotary                      | Storage facility in cattle shed at Wagga Showground for club equipment | \$9,150             |
| <b>TOTAL</b>                            |  | <b>\$119,470.80</b> |

### Water Conservation

Funding available: \$50,000

Funding approved: \$50,923 (see **Note** below)

Unallocated funding: \$0

There were 11 eligible applications received, requesting \$86,535. Six applications were successful for full funding and one application approved for reduced funding, subject to conditions. Four applications were unsuccessful for funding. The funds in this category were fully expended. **Note:** An amount of \$923 unexpended funds from the Arts & Culture category were reallocated to make up the shortfall.

| <b>Applicant</b>  | <b>Project Description</b>  | <b>Funding Approved</b> |
|---|---|-------------------------|
| The Bidgee School   | Placement of two slim line tanks in greenspace for watering of fruit trees and vegetables       | \$2,613                 |
| Erin Earth Limited  | Irrigation project stage 1 including solar pumps, installation of water line from dam           | \$10,000                |
| Koorinal Abbeyfield   | Water wise garden for 95m nature strip  | \$8,136.64              |
| Kurrajong Waratah   | Hildasid Farm community gardens   | \$10,000                |
| Wagga Sensory Garden Ashmont Ave sponsored by FirstHealth Ltd | Water tanks off neighbouring Men's Shed building  | \$8,500                 |
| Lake Albert Cricket Club Inc.                                 | Installation of a Bluetooth programmable water control valve, piping and 6 in ground sprinklers | \$6,501.68              |
| St Luke's Preschool   | Waterwise garden including irrigation systems and water tank                                    | \$5,172                 |

|  |              |                 |
|--|--------------|-----------------|
|  | <b>TOTAL</b> | <b>\$50,923</b> |
|--|--------------|-----------------|

### Arts and Culture

Funding available: \$40,000

Funding approved: \$29,606

Unallocated funding: \$0 (see **Note** below)

There were eight eligible applications received, requesting \$29,606. Six applications were successful for full funding and two applications were unsuccessful for funding. The funds in this category were fully expended. **Note:** An amount of \$923 unexpended funds was reallocated to Water Conservation to fund a shortfall in that category. An amount of \$9,471 unexpended funds was reallocated to Community Projects and Facilities to fund a shortfall in that category.

| <b>Applicant</b>  | <b>Project Description</b>  | <b>Funding Approved</b> |
|---|---|-------------------------|
| Peter Cox (sponsored by Eastern Riverina Arts)  | Script development for a play titled "A few quiet ales"   | \$7,242                 |
| Booranga Writers' Centre  | Writing workshops with water theme to encourage and mentor local writers  | \$3,060                 |
| Uranquinty Preschool  | Exploring creating and art making with artist in residence  | \$5,300                 |
| Multicultural Council of Wagga Inc.   | Storytelling workshop for young people through drama and literacy techniques – partnership approach with Monkey Baa Theatre company and Lost in Books | \$7,000                 |
| Friends of the Wagga Art Gallery  | Kintsugi art classes and lectures   | \$2,414                 |
| 4 <sup>th</sup> Dimension Art & Wellbeing Practice (sponsored by Eastern Riverina Arts) | Programmed sessions for disadvantaged youths teaching them to express themselves creatively rather than destructively                                 | \$4,590                 |
| <b>TOTAL</b>  |   | <b>\$29,606</b>         |

- **Details of unsuccessful applications – to be tabled at meeting**

## 9. Annual Customer Survey

**RECOMMENDATION:** that

- a) Council consider possible amendments to the Riverina Water County Council Proclamation and authorise the General Manager and Chairperson to write to the Minister requesting the desired amendments in the form of a survey every two years; and
  - b) Authorise the General Manager to revise the scope for the 2020 Annual Customer Survey to focus on water restriction behaviours and attitudes.
- 

As part of efforts to improve customer service and as per the provisions in Council's Proclamation Notice, Council undertakes an annual customer survey of residents of the County Council area. The survey seeks residents' attitudes and opinions as part of the continued improvement of Council's service delivery.

This report proposes a change in methodology for the 2020 Customer Survey and also seeks Council approval to write to the NSW Government seeking an amendment to the Proclamation to reduce the frequency of the annual survey to every two years. Currently is required to undertake the customer survey on an annual basis at a cost in the order of \$35,000.

With large parts of New South Wales in drought and prospects for future rain slim, water restrictions are a reality for most communities. This report proposes that the regular annual customer survey for 2020 take the form of a survey of customers in regards to their attitudes towards, and perceptions of water restrictions, choice modelling (price points) as well as their awareness of Riverina Water's sources of water supply.

Given the consistently high performance in our regular survey, management believe this survey will generate more relevant valuable insights for Council, which will then be used to refine communications around water restrictions should they be imposed.

The Riverina Water County Council proclamation in Part 2, Schedule D mandates that Riverina Water County Council is to conduct annual customer surveys. This provision was introduced in 1997 and could be seen as a transitional type provision, the annual survey cost is in excess of \$35,000.

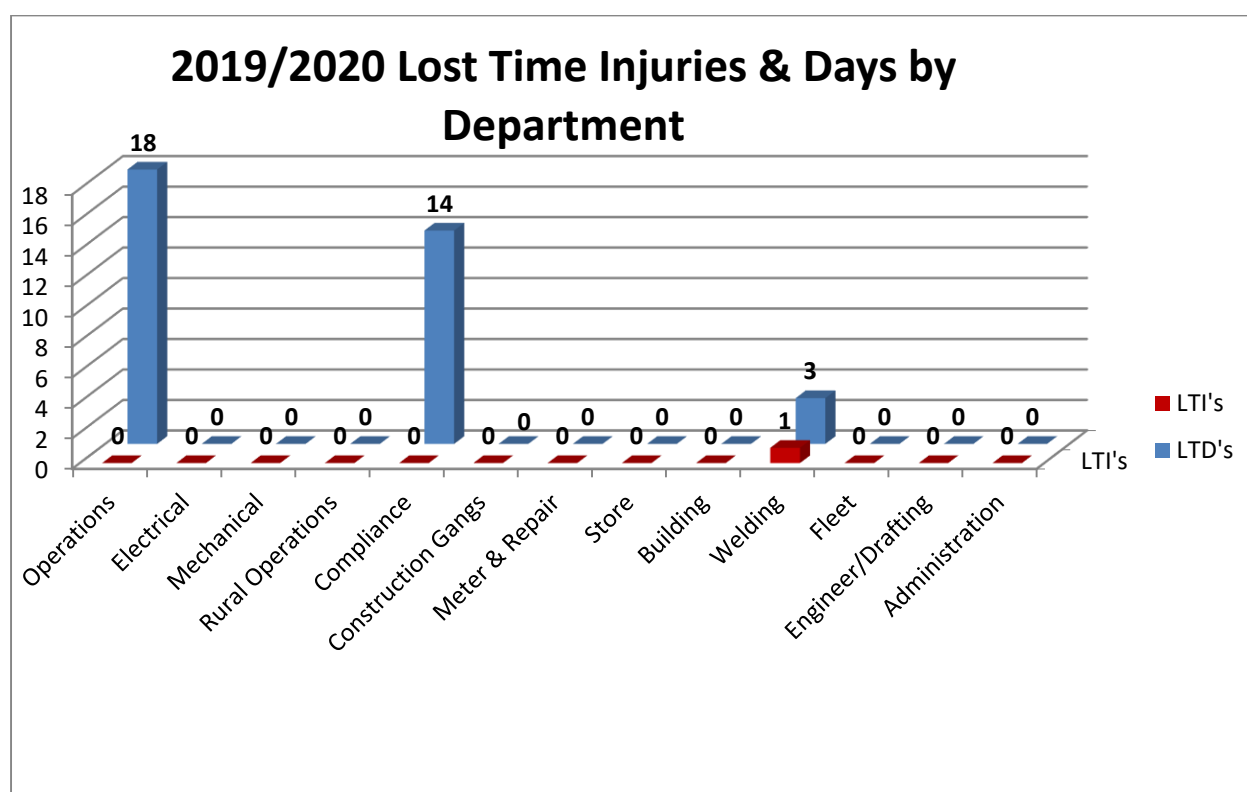
It would be prudent for the Board to write to the Minister of Local Government outlining their perspective on this transitional type provision.

## 10. Lost Time Injury Statistics 2019/20

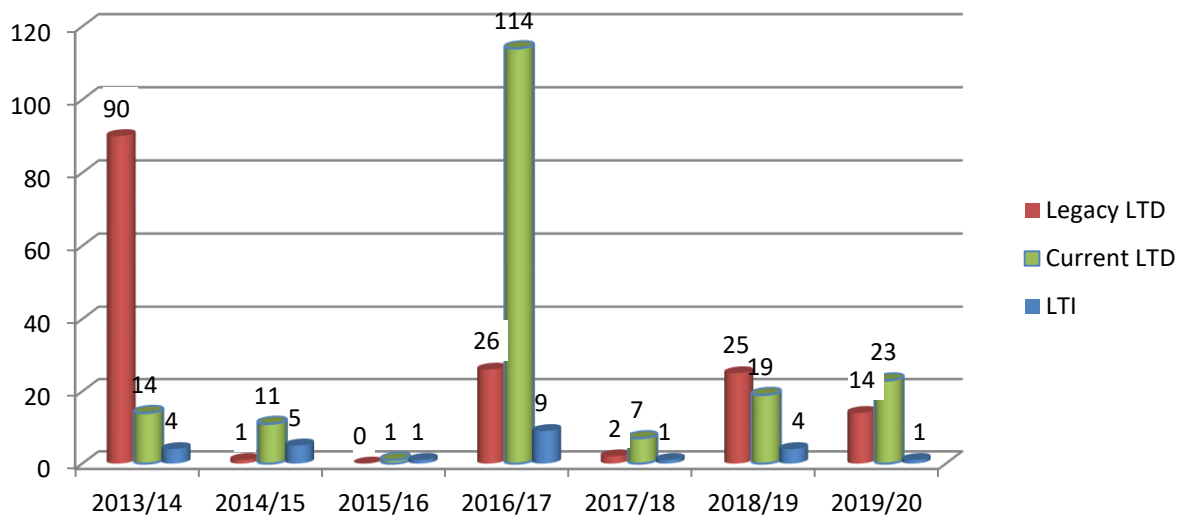
**RECOMMENDATION:** that the quarterly statistics report on Lost Time Injuries for the 2019 / 2020 financial year to date be received and noted.

| QUARTER               | LOST TIME<br>INJURIES | LOST TIME DAYS    | LOST TIME DAYS   |
|-----------------------|-----------------------|-------------------|------------------|
|                       |                       | CURRENT INCIDENTS | LEGACY INCIDENTS |
| July - September 2019 | 1                     | 18                | 14               |

Notes: 14 legacy LTD's carried over  
18 Operations LTD's incurred from LTI's previous quarter  
1 LTI for quarter - welding - 3 LTDs in July/Sept quarter (5 days in Oct/Dec quarter)



## Statistical History





# 11. Proclamation of Riverina Water County Council and Associated matter with Greater Hume Council

Recommendation: that

- a) Council write to the Hon Melinda Pavey MP, NSW Minister for Water and advise that Council has recently been made of aware of a legislative requirement on Council to prepare a report to the Minister on certain matters at intervals not more than three years.
- b) Council advise the Minister that it proposes to engage a third party consultant to undertake the review when both Councils have adopted their respective IWCMs (both of which are currently at varying stages of review) but no later than September 2020.

---

This report provides information in relation to a matter contained within the Proclamation that created Riverina Water County Council in July 1997. In summary, there are provisions within the Proclamation that impact on both Greater Hume Council and Riverina Water County Council and require both Councils to undertake (and to not undertake) certain actions.

The Proclamation creating Riverina Water County Council was published in the NSW Government Gazette No. 47 on 2 May 1997. There are three clauses contained in the Proclamation that are relevant to this report as appear below:

## **Additional provisions as to functions**

9. *Riverina Water County Council shall not undertake the functions of the provision, care, control or management of headworks, distribution and reticulation in the town of Culcairn.*
10. *Culcairn Shire Council shall undertake the functions of the provision, care, control or management of headworks, distribution and reticulation in the town of Culcairn.*
11. *Riverina Water County Council must review the relative efficiencies and economies of the functions referred to in paragraphs 9 and 10 above being undertaken by Culcairn Shire Council as compared with the undertaking of those functions by the County Council and make a report to the Minister for Land and Water Conservation not later than 3 years after the date of constitution of the County Council and thereafter at not more than 3 yearly intervals for so long as the arrangement set out in paragraphs 9 and 10 above continues.*

Council has made contact with Greater Hume Council (Culcairn Shire Council was merged with the majority of the former Holbrook Shire and parts of the former Hume Shire Councils in 2004) in the course of preparing this report to Council. Copies of the letters from both Councils are attached to this report.

- **Attachments 1 and 2**

13 August 2019

Mr Stephen Pinnuck  
General Manager  
Greater Hume Council  
PO Box 99  
Holbrook NSW 2644

Dear Stephen,

**Water Supply efficiencies and economies comparison report - Riverina Water County Council and the former Culcairn Shire Council**

I refer to our recent emails in relation to the above matter and also telephone conversations regarding same.

I enclose a copy of the Proclamation creating Riverina Water County Council and refer you to clauses 9, 10 and 11 of Schedule C.

I write to inform you that I intend to put a report to the October Board meeting recommending the engagement of a consultant to undertake the work required to satisfy the requirements of clauses 9, 10 and 11 of Schedule C the Proclamation.

The cost of the end of the cost of engaging the consultant will be fully born by Riverina Water.

Your council may wish to consider this information to enable your delegates to Riverina Water to represent the views of Greater Hume Council at the time the matter is considered by Riverina Water at its October board meeting.

Please contact me should you wish to discuss further.

Yours sincerely,



Andrew Crakanthorp

General Manager

**Riverina Water**

91 Hammond Ave (PO Box 456) Wagga Wagga NSW 2650  
Phone: 02 6922 0608

[rwcc.nsw.gov.au](http://rwcc.nsw.gov.au)



ABN 52 084 883 210



Greater  
Hume  
Council

All correspondence  
PO Box 99 Holbrook NSW 2644  
  
P 02 6036 0100 or 1300 653 538  
E mail@greaterhume.nsw.gov.au  
greaterhume.nsw.gov.au

ABN 44 970 341 154

Andrew Crakanthorp  
General Manager  
Riverina Water County Council  
P.O. Box 456  
Wagga Wagga NSW 2650

Dear Andrew

**Water supply efficiencies and economies comparison report – Riverina Water County Council (RWCC) and the former Culcairn Shire Council**

Thank you for your correspondence dated 13 August regarding the need to undertake above report.

In our previous conversation on the matter I expressed a desire that the report be done 'in-house' rather than by engaging external Consultants.

I have discussed the matter with Council's Director Engineering who has made the following comments.

*Riverina Water County Council has commenced a review of its Integrated Water Cycle Management Strategy (IWCM) and it is anticipated that Greater Hume Council will commence a similar review before the end of the 2019 calendar year.*

*The review of both Councils' IWCM's will provide the data to inform a report on the water supply efficiencies and economies of both schemes that would facilitate an in house review at that time.*

Whilst I understand that Consultants would be engaged and paid for by RWCC and not underestimating the current work demands on your staff, I believe that it would be appropriate to defer the compilation of the above report until such time as both Councils have reviewed their respective IWCM's.

Should you have any further queries in relation to this matter please do not hesitate to contact the undersigned.

Yours faithfully

Steven Pinnuck  
**General Manager**  
GREATER HUME COUNCIL

15 August 2019

Our Ref: SP

## 12. Draft Donation Policy 1.25

**RECOMMENDATION:** that Council:

Endorse draft Policy 1.25 Donations Policy and place it on public exhibition from 31 October to 29 November 2019 and invite public submissions on the draft policy during that period.

Receive a further report following the public exhibition and submission period:

Addressing any submissions made in respect of the proposed Policy 1.25 Donations Policy

Proposing adoption of the Policy unless there are any recommended amendments deemed to be substantial and requiring a further public exhibition period.

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Overview:

In May 2016 Council adopted its first Sponsorship Policy which operated successfully since that time. Elements of that policy have made it difficult administer as intended by the Policy and as such, a new Donations Policy has been drafted (as attached to this report) to improve the effectiveness and transparency of the Donations Program.

As a consequence of the review Council contacted groups who had previously applied for support through the Sponsorship Policy. Council advised them the program was being retired and replaced with a new Donation Policy and program in January 2020. The new draft Donation Policy will make it easier for applicants to meet the policy requirements.

A review of the current Sponsorship Policy earlier this year identified the following limitations of the Policy:

| Policy section  | Issue   |
|---|---|
| 2.2 of the policy outlines ongoing sponsorships can only be committed to for more than one year in <u>special circumstances</u> | Historically a large portion of sponsorships rollover year-on-year without consideration of special circumstances |
| 2.4 of the policy outlines questions which should be addressed by all prospective applicants                                    | A large portion of sponsorships request do not respond to this section of the policy                              |

In addition, there is currently no formal application process.

**Proposed changes:**

The proposed Donation Policy removes the need for applicants to provide return benefits to Riverina Water such as branding or advertising. The proposed policy will also include:

1. Clearer definitions
2. Clearer eligibility and donation categories
3. Sponsorship amounts and key dates
4. Streamlined criteria
5. Merit based approach where applicants are assessed against the updated criteria

The policy also proposes a formal application and in some cases, an acquittal process where requests must be submitted via email using forms provided by Riverina Water. Applicants can reapply for funding each year. However, they will need to submit a new application and may be required to submit an acquittal for funding provided in the preceding year.

The \$41,000 annual budget will continue to be allocated on a 'first in first served' basis from the beginning of each financial year until the program budget is expended.

# Draft Riverina Water Donation Policy

## Part 1: Introduction

### 1.1 Policy Summary

Riverina Water desires to provide financial donations to support new or existing programs, services or events which contribute to the quality of life for communities in the Riverina Water supply area (see map in section 2.2).

This policy sets out the principles for Riverina Water's financial donation towards a program, service or event.

This policy also outlines Riverina Water's position regarding donations to Riverina Water.

### 1.2 Policy Objectives

This policy aims to provide clear definitions and guidelines for donations, to ensure an accessible, open and transparent process for donation requests and requests to make donations to Riverina Water.

### 1.3 Background

Riverina Water will retire its Sponsorship Policy and program as of December 2019. This Donation Policy will replace that policy.

Donations can be reapplied for year-on-year using the application form. Each application will be assessed based on merit against the criteria stated in this policy by relevant Riverina Water staff and the Chairperson.

The annual donations program budget will be announced each year as part of Riverina Water Delivery Program.

All donations will be undertaken in a professional and co-ordinated manner and in accordance with relevant Riverina Water policies.

### 1.4 Scope of Policy

This policy applies to all Riverina Water staff and Board Members.

This policy operates in addition to all other obligations under the Local Government Act 1993, any other legislation, or relevant codes and policies regarding the disclosure of any interests.

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## 1.5 Glossary

**Donation:** A financial contribution given to a group without specified benefits.

**Supply area:** The geographical areas serviced by Riverina Water's water supply network (see map in section 2.2).

## Part 2: Application and process information

### 2.1 Definition of donation

For the purposes of this Policy, donation is defined as an altruistic arrangement in which Riverina Water provides a contribution in money, to support a program, service or event in the Riverina Water supply area without specified benefits to Riverina Water.

A donation is not:

- An endorsement by Riverina Water of any product, service or factional cause
- Part of normal assistance programs of Riverina Water
- Advertising, or any part of an advertising package
- Merchandise
- Access to water or reduced charges

### 2.2 Eligibility

To be eligible for donation, applicants must be:

- Incorporated not-for-profit community organisations
- Preschool, primary and high schools
- Sporting clubs

Incorporated not-for-profit bodies are organisations that are registered and approved as not-for-profit bodies by NSW Fair Trading including:

- Charities
- Organisations with Deductible Gift Recipient (DGR) or Public Benevolent Institution (PBI) status
- Cooperatives
- Trusts that are registered with the Australian Charities and Not-for-profits Commission (ACNC)

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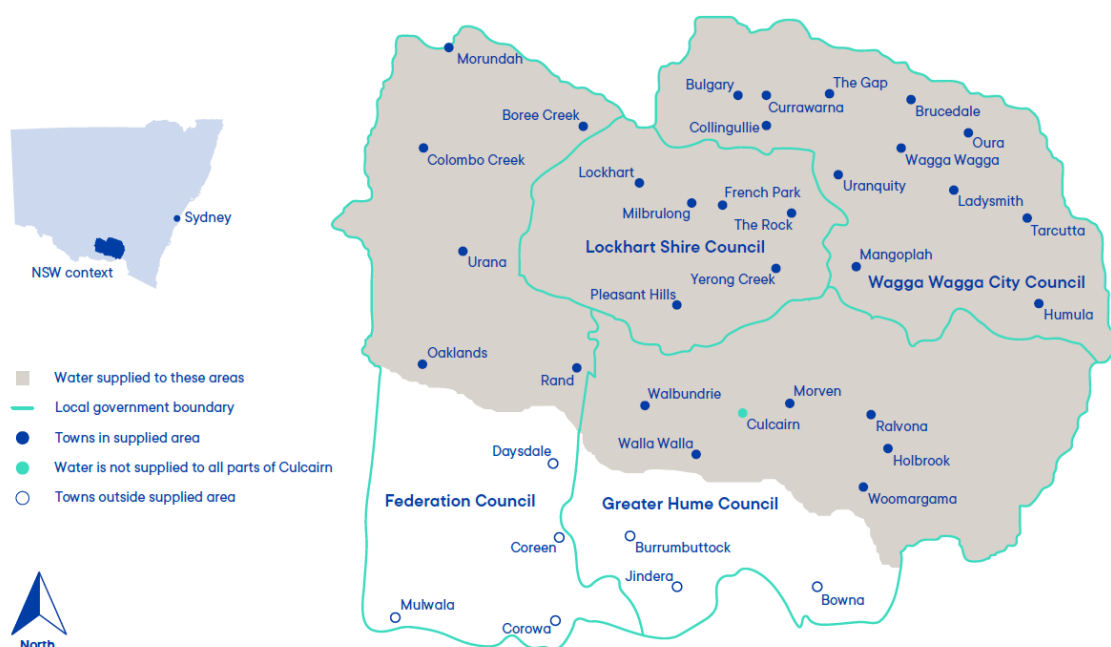
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Eligible applicants must be located in the Riverina Water supply area (see map below) and projects must be delivered in the Riverina Water supply area.

Donations must fund a program, service or event which occurs in the same financial year the donation is requested.

Where applicable, eligible applicants will need to provide an acquittal of past funding in order to reapply for a further donation.

### Riverina Water supply area



Riverina Water will not provide donations to:

- Individuals or groups of individuals
- Unincorporated organisations
- For-profit commercial organisations excluding sporting clubs
- Local Government Councils
- Political parties or unions

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Riverina Water does not donate funds for:

- Conferences
- Seminars
- Individuals
- Record attempts

## **2.3 Key information**

### Donation categories

All donations must fall into one of the following categories:

- Cultural, social or arts
- Sporting, or healthy lifestyle orientated
- Education and learning

### Donation amounts

Donations can be requested for amounts on a sliding scale up to a maximum of \$5000.

The application process is contained in the associated Riverina Water Donation Procedure and application form.

Riverina Water reserves the right to propose a different donation amount to that originally requested.

### Other donation amounts

Applicants can make a request for a donation outside funding guidelines set in the application process. These requests will be assessed on a case-by-case basis at the discretion of the General Manager and the Board Chairperson in line with policy guidelines.

Riverina Water reserves the right to decline requests for alternative donation amounts or to make an offer different to the requested amount.

### Requests for donations

Requests for donations will be accepted from the start of each new financial year. This information will be promoted by Riverina Water each year on channels including its website and social media.

Requests will be considered as they are received throughout each financial year until the annual program budget is exhausted.

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Eligible organisation can submit one application request per financial year.

#### Invoices

Invoices for donation payments must be sent to Riverina Water within 10 working days of approval.

Invoices must be received by the end of financial year.

### **2.4 Application assessment**

Riverina Water may approve donations based on the below financial thresholds:

- Donations between up to \$5000 will be assessed and approved against the criteria stated in this policy by the Riverina Water General Manager and Board Chairperson
- Grant amounts of more than \$5000 will be assessed and approved against the criteria stated in this policy by the Riverina Water Board

The General Manager will report to the Riverina Water Board on an annual basis, providing an overview of all donations made by Riverina Water.

Riverina Water is obliged to consider the provisions relating to granting financial assistance in the Local Government Act (Section 356).

Please see the Riverina Water Donation Procedure for more on application assessment.

## **Part 3: Governance**

### **3.1 Merchandise**

Riverina Water is reducing its ecological footprint by not producing large quantities of promotional merchandise and therefore cannot provide merchandise or promotional items upon request.

### **3.2 Donations to Riverina Water**

Tickets for events, functions, shows etc are not invited and not accepted.

If there is a business reason for a Riverina Water representative to attend a function in an official capacity such as a guest speaker or award presenter, the Riverina Water General Manager will assess these requests on a case-by-case basis.

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Gifts from past, current and potentially future donation applicants are not accepted under any circumstances.

### **3.3 Conflict of interest**

Riverina Water staff and Board members assessing and determining donation requests must identify and declare any potential conflicts of interest in accordance with the Conflicts of Interest Policy.

Groups/associations must declare if any members are Riverina Water employees. This will be assessed as part of the application form.

## **Part 4: Legislation, terminology and references**

Part 2.3 of the Local Government Act establishes the role, functions and objectives of councils which provide the basis for Riverina Water's active role in community, cultural and social development.

## **Part 5: Implementation and delegation**

Donations will be approved and administered in line with this policy and the associated Donation Procedure and application and acquittal forms.

## **Part 6: Non compliance**

Non-compliance with adopted policy may be considered a breach under the Code of Conduct. As such, any suspected or known non-compliance will be reported to the General Manager or, in the case of non-compliance by the General Manager, to the Board Chairperson.

## **References**

(if needed)

**Policy number**

TBC

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|  |   |
|--|---|
| <b>Responsible area</b>                      | General Managers Office   |
| <b>Approved by</b>                           | If Council include resolution number  |
| <b>Approval date</b>                         | TBC   |
| <b>Legislation or related strategy</b>       | Local Government Act 1993   |
| <b>Documents associated with this policy</b> | Sponsorship Policy<br>Donation Procedure  |
| <b>Policy history</b>                        | This Policy replaces for the former Sponsorship Policy<br>1.25 originally adopted 26 April 2016 |

Policy details may change prior to review date due to legislative or other changes, therefore this document is uncontrolled when printed.

## END OF POLICY STATEMENT

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## 13. Preservation, Capture, Storage and Maintenance of Riverina Water Records

**RECOMMENDATION:** that Council

- a) approve allocation of budget 2019/20 to include extra staffing for records digitising and archiving advice - \$26,400
- b) approve allocation of budget 2019/20 to include swipe card access for Depot records room - \$4,000

---

### Background

Records management practices within Riverina Water are not as mature as they could or should be. The Local Government Act 1993 Section 739A states that the council must retain, preserve and destroy its records in accordance with any approved standards. Our present record keeping practices do not meet State Records standards in a number of areas, creating inefficiencies along with compliance and governance risks for Riverina Water.

Documents are currently being saved in a number of different locations (both physically and electronically) so it is often time consuming and frustrating for officers to locate the information they need. This can lead to decision making without having all the available information to hand. Additionally, Riverina Water could be exposed to challenge if we were approached with a GIPA application in that we would not be able to properly ascertain if all records have been captured and retrieved.

The State Records Retention and Disposal schedule has, in most cases, not been applied to hard copy documents (or indeed electronic documents). This means that documents and material may have been retained unnecessarily, or alternatively, may be at risk through not being properly stored, or disposed of when the information should be kept.

Council's Governance and Human Resources area has responsibility for the development, maintenance and delivery of governance, records and risk management systems. This includes the development of frameworks, programs, practices and risk management including records management, Government Information Public Access (GIPA), Privacy and Public Information Disclosures (PID).

A program plan has been created for the purpose of preserving, capturing, storing maintaining and disposing of records and archive material at Riverina Water. Objectives include:

1. Identifying hard copy records and documents, their current status and location
2. Determining the appropriate preservation, capture and storage of existing hard copy records and archive material along with physical retention or safe disposal as appropriate
3. Creating a staged relocation, capture (including digitising plan) for hard copy records and archive material as determined in objective 2

4. Working with the Community Engagement Officer to create an opportunity to identify and display Riverina Water history to internal and external stakeholders
5. Reviewing procedures and practices to ensure that all records are digitally captured and retained in line with Riverina Water records management guidelines and current and future Information and Communications Technology (ICT) options
6. Developing training and education to enable all relevant staff to manage information appropriately and accurately within management guidelines

The initial phase of the project entails identifying the archival value of hard copy documents and identifying the phases for digitisation, archiving or disposal. Some of this material has already been damaged by flood so it is important that we ascertain what to do with it before it deteriorates further. The expertise required in determining archival value is not something we have in-house.

It is expected that once it is determined what records Riverina Water needs to keep, there will be significant time required to digitise information and ensure it is correctly captured within the electronic document management system (EDRMS). To ensure that this is achieved in a timely and coordinated manner, a dedicated resource will be required for a period of time to apply the correct retention and disposal schedule and capture it within the EDRMS.

To date, most locations of hard copy documents, maps and other archive materials have been identified. Digitising of hard copy records will be prioritised based on risk, (e.g. documents relating to staff, contracts, legal issues etc.) and on currency (i.e. documents created since the inception of Riverina Water followed by historical documents created pre Riverina Water).

Review and improvement in the management and use of the electronic document records management system (EDRMS) continues to ensure that it is both effective and efficient for users. It is expected therefore, there will be an improved uptake on using the system for present and future records.

It has been identified that the records' room is currently being used as a storage room as well as dedicated for the keeping of hard copy records. Unlike an electronic records system, there is no audit trail of who has accessed records and when. Records of a legal and sensitive nature are openly accessible in this room. Even with electronic records being kept, original copies of signed legal documents and agreements are retained.

There therefore needs to be more secure access and an ability to audit who enters the room. To this end, it is proposed that additional security measures (such as a swipe card system) be implemented, which would allow an audit of who has accessed the records room.

Completion of Phase 1 and implementation of later phases of the project will be developed and costed as part of the budget process for the 2020/21 financial year and beyond.

Phase 1 Budget:

- Archivist – estimated 50 hrs - \$5,400 (includes on costs)
- Digitising Officer – 3 days per week for 6 months at approximately \$21,000 (includes on costs)

- Security Access to records room – approximately \$4,000

## **Corporate Risk**

This project mitigates the following corporate risks:

Governance and Compliance (GC. 28) - *Riverina Water not compliant with legislative requirements for document retention and disposal* (residual risk rating High)

Governance and Compliance (GC.35) - *Loss of corporate information (absence of/poor record keeping) resulting in efficiencies, breach of legislation, loss of information, inappropriate disposal* (residual risk rating High)

Public Reputation (PR.2) - *Inaccurate information provided to the community, resulting in environmental harm and reputational damage* (residual risk rating Medium)

The Internal Audit Report on Water Quality & System Monitoring included at item 4:

- a) *Council continue to investigate data management options to centralise and streamline water quality information and reporting*
- b) *Document version control processes to be reviewed and updated for all corporate documents to provide a standardised and consistent approach across Council*

This could include capturing a large amount of data currently being stored in hardcopy, depending on agreement of the retention and disposal schedule to be applied.

## **Strategic Objective/s**

ICT Strategy - Priority 5: *Improve information and records management – steps are required to improve the handling and storage of corporate records and data*

## 14. Council Resolution Sheet

- Count Resolution Sheet – Meeting held 30 October 2019



| Council Resolution Sheet – Meeting held 30 October 2019 |   |                     |  |  |
|---|---|---------------------|--|--|
| Report Ref  | Subject   | Responsible Officer | Council Decision   | Action Taken   |
| <b>Meeting held 28 February 2018</b>                    |   |                     |  |  |
| 18/12   | New Meeting Room                                  | GM                  | Council make provision in the 2018/19 Capital Works budget for the completion of the Board Room in the Stores Building and that the General Manager proceed with preparing an appropriate design and fit out, supported by an estimate of the works.   | Work on the fit-out of the new room is progressing well. The internal walls have been erected and plaster applied to the walls and ceilings. All electrical conduits are in place as is the air-conditioning. Local companies are undertaking most of the work including items such as furniture, carpet, shelving, the kitchen and all audio and visual inclusions. It is expected that the December meeting of the Board will be held in the new room. |
| <b>Meeting held 18 October 2018</b>                     |   |                     |  |  |
| 18/167  | Purchase of Land for Storage and Potential Access | DE                  | <p>RESOLVED, on the motion of Cllrs. Braid and Funnell that:</p> <p>(a) Council purchases land zoned RU1 bordering Koorngal Road, comprised of:<br/> Part Lot 5, DP 588177<br/> Part Lot 17, DP 863322<br/> Part Lot 15, DP 842485<br/> for operational and access requirements in accordance with Section 187 of the Local Government Act 1993.</p> <p>(b) Council purchase land zoned RU1 and IN2 land bordering Koorngal Road, comprised of:<br/> Part Lot 5, DP 588177<br/> Part Lot 17, DP 863322<br/> for operational and access requirements in accordance with Section 187 of the Local Government Act 1993.</p> | The plan of survey of the land to be purchased has been completed. The current owner is responsible for lodging a subdivision application and this process has commenced. Exchange of the contracts took place in June and settlement is expected in this calendar year. The current owners have been asked to redirect a stormwater pipe that directs stormwater on to the land to be acquired prior to settlement taking place.                        |

|                                    |   |    |  |   |
|------------------------------------|---|----|--|---|
| 18/168                             | PFAS matter   | DE | RESOLVED on the motion of Ctrs. Funnell and Quinn that the report be received and that Council be kept apprised of further developments in the management of the matter.   | A report on this matter is included in this business paper  |
| <b>Meeting held 26 June 2019</b>   |   |    |  |   |
| 19/103                             | Contract W.195 – Water Treatment Plant (WTP) Contract Variation | DE | RESOLVED on the motion of Ctrs. Funnell and Meyer OAM that Council note the report and proceed with Option 4 as outlined in the body of this report.   | The replacement lamella filters have been manufactured and have arrived in Australia. Work to install the new lamella filters have commenced onsite. The filters are due to be installed in November 2019 and completed by December 2019. A further update on other aspects of the regarding the Contract is included in the business paper |
| <b>Meeting held 21 August 2019</b> |   |    |  |   |
| 19/133                             | Land Purchase – Pleasant Hills Water Filling Station Relocation | DE | Resolved on the motion of Ctrs Quinn and Meyer OAM that Council enter into an agreement with Lockhart Shire Council (LSC) to purchase Lot 10, DP 9145, Manson Street, Pleasant Hills in Lockhart Shire Council's name, with Riverina Water bearing the cost of purchase and associated conveyancing costs. | The contract has been drawn up and contracts are expected to be exchanged in the coming weeks   |

# Director of Engineering's Reports To Riverina Water Meeting 30 October 2019

## 1.Works Report covering August 19

**RECOMMENDATION:** that this report be received

- 
- Works Report for August 2019

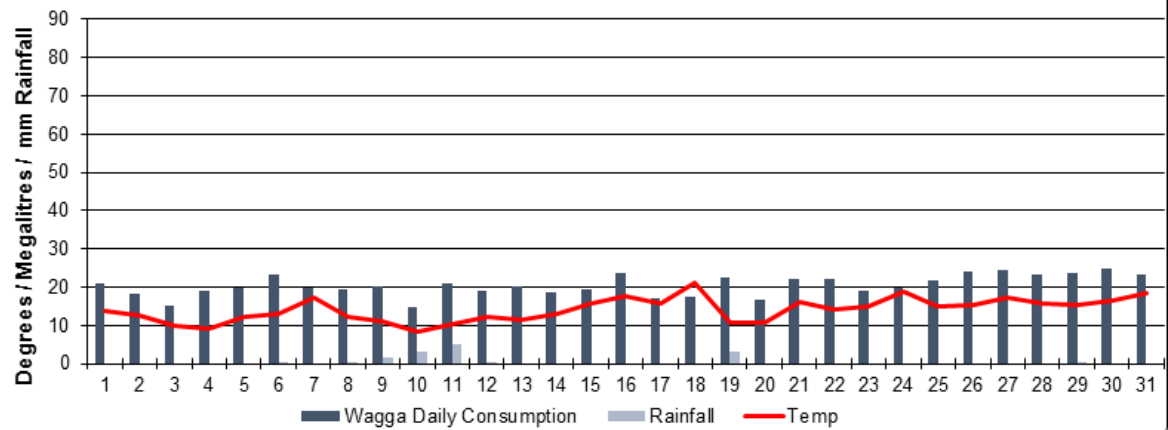
## Works Report Covering August 2019

### 1. Water Sourced and Used

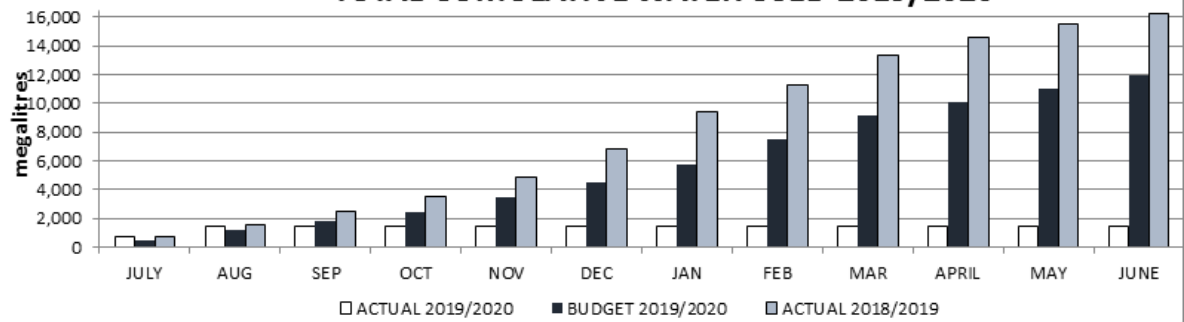
| August                           | 2017   | 2018   | 2019   |
|----------------------------------|--------|--------|--------|
| Rainfall                         | 52.2   | 13.6   | 14.2   |
| Wet Days                         | 19     | 11     | 8      |
| WATER SOURCED August 2019 (MI)   |        |        |        |
| North Wagga bores                | 152.58 | 177.92 | 167.60 |
| West Wagga bores                 | 200.81 | 370.27 | 133.27 |
| East Wagga bores                 | 354.27 | 149.85 | 310.28 |
| Murrumbidgee River               | 0.00   | 0.00   | 79.54  |
| SUB-TOTAL                        | 707.66 | 698.04 | 690.69 |
| Bulgary Bores                    | 21.04  | 26.17  | 16.60  |
| Urana Source                     | 0.00   | 0.00   | 0.00   |
| Ralvona Bores                    | 11.74  | 13.90  | 12.04  |
| Walla Walla Bores                | 0.00   | 0.00   | 0.00   |
| Goldenfields Water Supply System | 2.52   | 1.39   | 2.08   |
| SUB-TOTAL                        | 35.30  | 41.46  | 30.72  |
| Woomargama                       | 0.90   | 1.19   | 0.68   |
| Humula                           | 0.48   | 0.33   | 0.73   |
| Tarcutta                         | 2.49   | 2.40   | 2.59   |
| Oura                             | 1.87   | 2.07   | 1.88   |
| Walbundrie/Rand                  | 1.83   | 1.95   | 1.66   |
| Morundah                         | 0.34   | 0.78   | 0.62   |
| Collingullie                     | 2.87   | 10.15  | 4.88   |
| SUB-TOTAL                        | 10.78  | 18.87  | 13.04  |
| TOTALS                           | 753.74 | 758.37 | 734.45 |

| WATER USED August 2019 (MI)      |               |               |               |
|----------------------------------|---------------|---------------|---------------|
|                                  | 2017          | 2018          | 2019          |
| East Bomen                       | 21.79         | 22.05         | 18.19         |
| Estella                          | 45.04         | 46.41         | 52.30         |
| North Wagga                      | 69.00         | 86.96         | 88.50         |
| Wagga Wagga – Low Level          | 115.59        | 77.91         | 82.38         |
| Wagga Wagga – High Level         | 309.84        | 289.66        | 295.28        |
| Wagga Wagga – Bellevue Level     | 40.83         | 55.07         | 41.52         |
| SUB-TOTAL                        | 602.09        | 578.06        | 578.17        |
| Ladysmith System                 | 3.65          | 2.19          | 2.60          |
| Brucedale Scheme                 | 13.58         | 15.62         | 13.42         |
| Currawarna Scheme                | 7.67          | 10.11         | 6.18          |
| Rural Southern trunk main system | 79.71         | 88.25         | 76.99         |
| Rural Western trunk main system  | 21.22         | 27.57         | 23.54         |
| <b>SUB-TOTAL</b>                 | <b>125.83</b> | <b>143.73</b> | <b>122.73</b> |
| Holbrook                         | 11.74         | 13.90         | 12.07         |
| Woomargama                       | 0.90          | 1.19          | 0.68          |
| Humula                           | 0.48          | 0.33          | 0.73          |
| Tarcutta                         | 2.49          | 2.40          | 2.55          |
| Oura                             | 1.87          | 2.07          | 1.88          |
| Walbundrie/Rand                  | 1.83          | 1.95          | 1.66          |
| Morundah                         | 0.34          | 0.78          | 0.57          |
| Collingullie                     | 2.87          | 10.15         | 5.02          |
| <b>SUB-TOTAL</b>                 | <b>22.52</b>  | <b>32.77</b>  | <b>25.16</b>  |
| <b>TOTALS</b>                    | <b>750.44</b> | <b>754.56</b> | <b>726.06</b> |

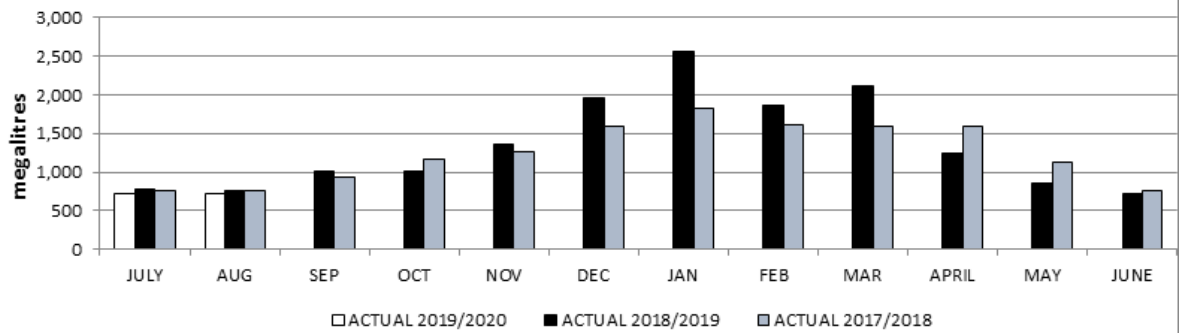
### DAILY WATER USED, WAGGA WAGGA, August 2019



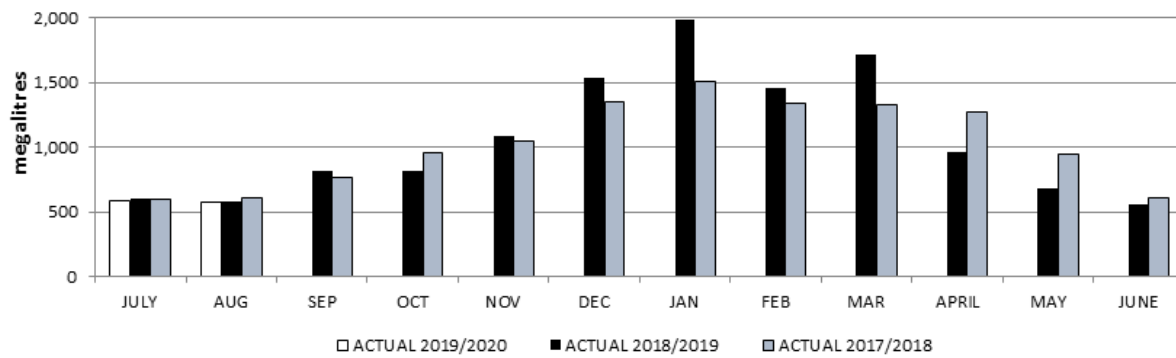
### TOTAL CUMULATIVE WATER USED 2019/2020



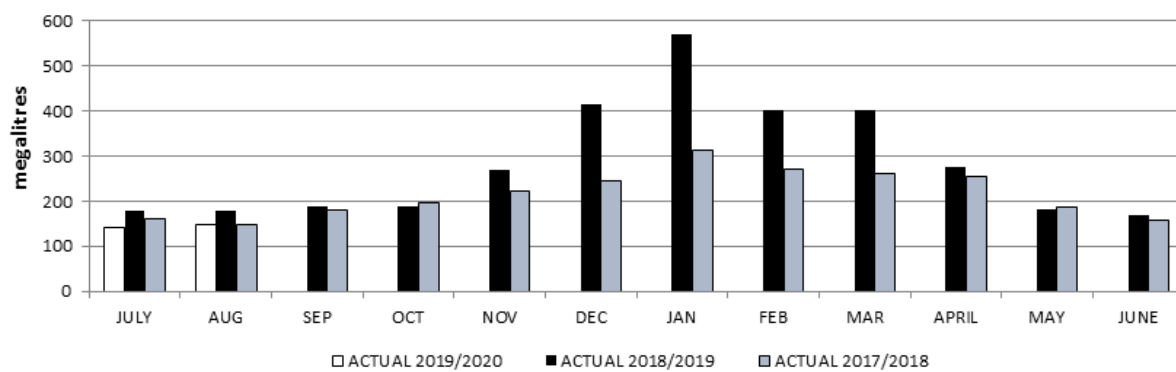
### MONTHLY TOTAL WATER USED COMPARED TO PREVIOUS YEARS



### MONTHLY WAGGA WATER USED COMPARED TO PREVIOUS YEARS



### MONTHLY RURAL WATER USED COMPARED TO PREVIOUS YEARS



## 2. New Service Connections, Repairs, Meters, Locations & Complaints for the Month of August 2019

| 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 Wagga      | 38                        | 1                             | 1                | 8                 | 1                  | 6                   |                              |                  | 2            | 60                       | 1                          | 4         |
| Wagga Wagga      |                           |                               | 1                |                   |                    | 1                   |                              |                  |              | 6                        | 1                          | 2         |
| Forest Hill      | 1                         |                               |                  | 1                 |                    |                     |                              |                  |              | 4                        |                            |           |
| North Wagga      |                           |                               |                  |                   |                    |                     |                              |                  |              | 1                        |                            |           |
| Bomen            |                           | 1                             |                  |                   |                    |                     |                              |                  |              | 1                        |                            |           |
| Estella          |                           |                               |                  | 1                 |                    |                     |                              |                  |              | 1                        |                            |           |
| South Wagga      |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Koorringal       | 1                         |                               |                  |                   | 1                  | 1                   |                              |                  |              | 6                        |                            |           |
| Turvey Park      | 3                         |                               |                  | 2                 |                    | 1                   |                              |                  |              | 3                        |                            |           |
| Lake Albert      |                           |                               |                  | 1                 |                    | 1                   |                              |                  |              | 8                        |                            |           |
| Ashmont          |                           |                               |                  |                   |                    | 1                   |                              |                  | 1            | 9                        |                            | 1         |
| Tolland          |                           |                               |                  |                   |                    |                     |                              |                  |              | 6                        |                            |           |
| Mt Austin        |                           |                               |                  |                   |                    |                     |                              |                  |              | 4                        |                            |           |
| Bourkelands      |                           |                               |                  |                   |                    |                     |                              |                  |              | 1                        |                            |           |
| Glen Oak         |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Tatton           | 1                         |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Glenfield        |                           |                               |                  |                   |                    | 1                   |                              |                  |              | 8                        |                            |           |
| Lloyd            | 8                         |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Springvale       | 1                         |                               |                  | 1                 |                    |                     |                              |                  | 1            | 1                        |                            |           |
| East Wagga       |                           |                               |                  | 1                 |                    |                     |                              |                  |              | 1                        |                            |           |
| Boorooma         | 2                         |                               |                  | 1                 |                    |                     |                              |                  |              |                          |                            |           |
| Moorong          |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Gobbagombalin    | 20                        |                               |                  |                   |                    |                     |                              |                  |              |                          |                            | 1         |
| Gumly Gumly      | 1                         |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Brucedale        |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Shepherds Siding |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Mt Pleasant      |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Currawarna       |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Euberta          |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Humula           |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Ladysmith        |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Oura             |                           |                               |                  |                   | 1                  |                     |                              |                  |              |                          |                            |           |



|                |    |   |   |    |   |   |   |   |   |    |   |   |
|----------------|----|---|---|----|---|---|---|---|---|----|---|---|
| San Isidore    |    |   |   |    |   |   |   |   |   |    |   |   |
| Tarcutta       |    |   |   | 1  |   |   |   |   |   |    |   |   |
| The Gap        |    |   |   |    |   |   |   |   |   |    |   |   |
| Bulgary        |    |   |   |    |   |   |   |   |   |    |   |   |
| Collingullie   |    |   |   | 1  |   |   |   |   |   |    |   |   |
| French Park    |    |   |   |    |   |   |   |   |   |    |   |   |
| Tootal         |    |   |   |    |   |   |   |   |   |    |   |   |
| Lockhart       |    |   |   |    | 1 |   |   |   |   |    |   |   |
| Mangoplah      |    |   |   |    |   |   |   |   |   |    |   |   |
| Milbrulong     |    |   |   |    |   |   |   |   |   |    |   |   |
| Pleasant Hills |    |   |   |    |   |   |   |   |   |    |   |   |
| Bidgeemia      |    |   |   |    |   |   |   |   |   |    |   |   |
| The Rock       |    |   |   |    | 1 |   |   |   |   |    |   |   |
| Uranquinty     |    |   |   |    |   |   |   |   |   | 2  |   |   |
| Yerong Creek   |    |   |   | 1  |   |   |   |   |   |    |   |   |
| Culcairn       |    |   |   |    |   |   |   |   |   |    |   |   |
| Henty          |    |   |   | 1  |   |   |   |   |   |    |   |   |
| Holbrook       |    |   | 1 |    |   |   |   |   |   | 1  | 1 |   |
| Ralvona        |    |   |   |    |   |   |   |   |   |    |   |   |
| Morven         |    |   |   |    | 1 |   |   |   |   |    |   |   |
| Walbundrie     |    |   |   |    | 1 |   |   |   |   | 1  |   |   |
| Walla Walla    | 1  |   |   |    |   |   |   |   |   |    |   |   |
| Woomargama     |    |   |   |    |   |   |   |   |   |    |   |   |
| Boree Creek    |    |   |   |    |   |   |   |   |   | 1  |   |   |
| Morundah       |    |   |   |    |   |   |   |   |   |    |   |   |
| Oaklands       |    |   |   |    |   |   |   |   |   |    |   |   |
| Rand           |    |   |   | 1  |   |   |   |   |   |    |   |   |
| Kapooka        |    |   |   |    |   |   |   |   |   |    |   |   |
| Urana          |    | 1 |   |    |   |   |   |   |   |    | 1 |   |
| <b>TOTAL</b>   | 39 | 2 | 2 | 13 | 6 | 6 | 0 | 0 | 2 | 65 | 3 | 4 |

### 3. Water System Repairs

#### Wagga Wagga

| Date       | Location          | Town        | Main Type | Cause          | Live Repair | Outage Duration Time | Customers Affected - no supply | Water Lost KL |
|------------|-------------------|-------------|-----------|----------------|-------------|----------------------|--------------------------------|---------------|
| 27/08/2019 | 101 Balmoral Cres | Lake Albert | 100 AC    | Pipe Failure   | Yes         | 0.00                 | 0                              | 18            |
| 13/08/2019 | Toney Place       | Glenfield   | 100 BPVC  | Leaking collar | No          | 1.00                 | 11                             | 4             |

#### Rural

| Date       | Location                  | Town         | Main Type | Cause            | Live Repair | Outage Duration Time | Customers Affected - no supply | Water Lost KL |
|------------|---------------------------|--------------|-----------|------------------|-------------|----------------------|--------------------------------|---------------|
| 1/08/2019  | 1420 Culcairn Holbrook Rd | Morven       | 150 AC    | Pipe Failure     | No          | 0.00                 | 9                              | 49            |
| 9/08/2019  | 35 Mitchells Lane         | Morven       | 150 BPVC  | Leaking collar   | No          | 0.00                 | 25                             | 28            |
| 20/08/2019 | Coolamon Rd               | Bruce Dale   | 32 PVC    | Pipe Failure     | No          | 0.00                 | 0                              | 0             |
| 27/08/2019 | Baker St                  | Uranquinty   | 100 BPVC  | Leaking Collar   | No          | 0.00                 | 2                              | 8             |
| 30/08/2019 | Parkins Road              | Oura         | 40 PVC    | Pipe Failure     | No          | 0.00                 | 1                              | 1             |
| 31/08/2019 | Gradys Road               | Uranquinty   | 100 BPVC  | T/Band           | No          | 0.00                 | 4                              | 17            |
| 6/08/2019  | Urana Road                | Bidgeemia    | 63 PE     | Pipe Failure     | Yes         | 0.00                 | 0                              | 12            |
| 6/08/2019  | Princess St               | Urana        | 100 AC    | Pipe Failure     | Yes         | 0.00                 | 0                              | 24            |
| 8/08/2019  | Mangoplah Road            | Yerong Creek | 80 PVC    | T/Band           | Yes         | 0.00                 | 0                              | 6             |
| 8/08/2019  | Schneiders Lane           | Walbundrie   | 40 PE     | Pipe Failure     | Yes         | 0.00                 | 0                              | 9             |
| 12/08/2019 | 224 County Boundary       | Milbrulong   | 225 DICL  | Pipe Failure     | Yes         | 0.00                 | 0                              | 0             |
| 21/08/2019 | Urana Road                | Bidgeemia    | 63 PE     | Pipe Failure     | Yes         | 0.00                 | 1                              | 0             |
| 14/08/2019 | Chapman Street            | Urana        | NA        | Leaking SS clamp | Yes         | 0.00                 | 0                              | 0             |
| 16/08/2019 | 6 Chapman Street          | Urana        | 100 AC    | Pipe Failure     | Yes         | 0.00                 | 0                              | 5             |

## 4. Water Quality Complaints

Water quality complaints received during August 2019 were:

| Date       | Location                      | Problem      | Action Taken                     |
|------------|-------------------------------|--------------|----------------------------------|
| 12/08/2019 | 45 Andrews Ave,<br>Koorringal | Dirty water  | Flushed main                     |
| 13/08/2019 | 17 Browning St,<br>Morven     | Cloudy water | Flushed main & service           |
| 14/08/2019 | 249 Parkins Rd,<br>Oura       | Dirty water  | Flushed service & replaced meter |
| 23/08/2019 | 30 Day St, The Rock           | Taste        | Flushed main & service. WQ good  |
| 26/08/2019 | 52 Galore St,<br>Lockhart     | Dirty water  | Flushed main & service           |

## 5. Mains Constructions

### Mains Extensions and New Works

New water mains laid during August 2019 include:

| LOCATION        | PROJECT          | 100  |      | 150  |      | 300  |      | 450  |      |
|-----------------|------------------|------|------|------|------|------|------|------|------|
|                 |                  | OPVC | DICL | OPVC | DICL | OPVC | DICL | OPVC | DICL |
| Glen Oak        | New reservoir    |      |      |      |      |      |      |      | 30   |
| Estella Heights | New Sub-division |      | 42   |      | 35   | 236  |      |      |      |
|                 |                  |      |      |      |      |      |      |      |      |
|                 | TOTAL            | 0    | 42   |      | 35   | 236  | 0    | 0    | 30   |

### Replacement of Existing Mains

Mains replaced during August 2019 include:

| LOCATION   | PROJECT     | 150  |      | 300  |      | 450  | 450  | 600  |      |
|------------|-------------|------|------|------|------|------|------|------|------|
|            |             | OPVC | DICL | OPVC | DICL | OPVC | DICL | OPVC | DICL |
| Edward St  | Replacement | 108  |      |      |      |      |      |      | 22   |
| Boorooma   | Replacement |      |      |      |      |      | 332  |      |      |
| Milburlong | Replacement |      |      | 520  |      |      |      |      |      |
|            | TOTAL       | 108  | 0    | 520  |      |      | 332  |      | 22   |

## 6. Other Construction

Other construction works during August 2019 include: **Nil to report**

## 7. Major Repairs / Overhauls

Major repairs/overhauls during August 2019 include:

| LOCATION OR PROJECT         | WORK DONE                             |
|-----------------------------|---------------------------------------|
| 10 Million Gallon Reservoir | Drained and cleaned                   |
| Collingullie WTP            | Backwash pump overhaul & recommission |
| Bulgary WTP                 | Drain and clean flouridation system   |
|                             |                                       |

## 8. Water Filling Station Activity

| LOCATION                      | NUMBER OF FILLS |
|-------------------------------|-----------------|
| Bomen Hereford Street         | 64              |
| Estella Farrer Road           | 71              |
| Forest Hill Elizabeth Avenue  | 13              |
| Glenfield Red Hill Road       | 153             |
| Henty Olympic Way             | 2               |
| Holbrook Millswood Road       | 18              |
| Lake Albert Plumpton Road     | 167             |
| Lockhart Napier Road          | 44              |
| Pleasant Hills Manson Street  | 8               |
| The Rock                      | 10              |
| Yerong Creek Finlayson Street | 4               |

## 9. Staff Training & Safety

The following training and/or safety activities were undertaken during August 2019:

| Training or Programme                 | Number of Staff |
|---------------------------------------|-----------------|
| National Water Certification Training | 5               |
| White Card Induction                  | 2               |
| Shoring Refresher                     | 13              |
| First Aid Refresher                   | 9               |

## **10. Fleet Disposals**

Fleet disposals made during August 2019 are: **Nil to report**

## **11. Fleet Acquisitions**

Fleet acquisitions made during August 2019 are: **Nil to report**

## 12. Major Capital Projects Progress

|  |                                |
|--|--------------------------------|
|  | - On track                     |
|  | - Behind Schedule              |
|  | - Unlikely this Financial Year |

### MAJOR PROJECTS 2019/20 (> Over \$100,000) - August 2019

| Description  | 2019/20 Budget | Actual & Committed to Date | Comments  |
|--|----------------|----------------------------|---|
| <b>MANAGEMENT</b>  |                |                            |   |
| <b>Depot Buildings</b>                                       |                |                            |   |
| Refurbishment of Operations Office - Urban                   | \$160,000      | \$1,510                    | Developing RFQ's for electrical, plumbing and joinery.  |
| Fitout new Council meeting room in new depot building        | \$140,740      | \$205,666                  | Electrical and plumbing rough in completed. Suspended ceiling frame installed.  |
| Depot Building The Rock - Non- Urban                         | \$150,000      | \$5,062                    | RFQ completed for detailed design.  |
| <b>Land &amp; Buildings for Admin, Depot &amp; Workshops</b> |                |                            |   |
| <b>Access, Parking and Landscaping</b>                       |                |                            |   |
| Levee protection stage 2 Hammond Ave - Urban                 | \$265,600      | \$91,516                   | Drainage installed in NW corner of site and fabrication of removable panel completed.   |
| Forge & Copland Street Development                           | \$220,000      | \$19,092                   |   |
| Koorinal Road Purchase                                       | \$362,399      | \$123,273                  | In discussions with Land Owner regarding re-routing stormwater pipe. Owners have suggested creating an easement on property we are acquiring. |
| <b>PLANT &amp; EQUIPMENT</b>                                 |                |                            |   |
| <b>IT Equipment</b>  |                |                            |   |
| Computer Server Replacement - Urban                          | \$393,000      | \$0                        |   |
| Computer Equipment - Urban                                   | \$206,570      | \$173,086                  |   |
| <b>Working Plant &amp; Vehicle Purchases</b>                 |                |                            |   |

|  |             |             |   |
|--|-------------|-------------|---|
| Routine plant & vehicle replacements                           | \$1,372,013 | \$192,599   |   |
| <b>Telemetry &amp; Control Systems Upgrade</b>                 |             |             |   |
| Remote Telemetry Units & Radio Upgrade project                 | \$500,000   | \$0         |   |
| Radio Telemetry SCADA Upgrade                                  | \$456,452   | \$0         |   |
| <b>Energy Efficiency &amp; Cost Minimisation</b>               |             |             |   |
| Energy Efficiency & Power Factor Improvements                  | \$150,973   | \$132,897   |   |
| <b>SOURCES</b>   |             |             |   |
| <b>Bores-renew/refurbish/decommission</b>                      |             |             |   |
| Humula Wall Replacement  | \$150,000   | \$0         |   |
| <b>TREATMENT PLANTS</b>  |             |             |   |
| <b>Aeration Tower Covers</b>                                   |             |             |   |
| East Wagga Aeration Basin cover - Urban                        | \$101,168   | \$46,137    |   |
| <b>Treatment Plant Refurbishments</b>                          |             |             |   |
| WTP stage 1 - Urban  | \$870,592   | \$104,621   | See detailed report   |
| Roads  | \$550,000   | \$0         |   |
| Footpaths and Covered Walkways                                 | \$100,000   | \$0         |   |
| Solar Installations  | \$500,000   | \$0         |   |
| Tarcutta Iron Filter Replacement                               | \$100,000   | \$0         |   |
| Urana WTP replacement - Non-Urban                              | \$400,467   | \$1,334     |   |
| <b>PUMPING STATIONS</b>  |             |             |   |
| Estella Pump Station   | \$120,000   | \$0         |   |
| <b>RESERVOIRS</b>  |             |             |   |
| <b>New/Replacement Reservoirs</b>                              |             |             |   |
| Shires Reservoir Relocation - Non-Urban                        | \$117,000   | \$1,793     |   |
| Main Low Level Reservoir 2x11ML Investigation & Design - Urban | \$4,939,225 | \$4,206,867 | First wall pour set up for Reservoir 1 . Piling and strip footings constructed for Reservoir 2. |
| Glenoak Res 2 x 4.5ML - construction                           | \$2,377,279 | \$1,361,344 | Wall construction completed.  |
| The Rock Reservoir South                                       | \$261,076   | \$9,321     | Finalising the location considering REF and biodiversity reports.                               |
| <b>MAINS</b>   |             |             |   |

|   |             |           |  |
|---|-------------|-----------|--|
| <b>System Improvements</b>                                      |             |           |  |
| System Improvements - Urban                                     | \$150,000   | \$2,000   |  |
| San Isadore Main  | \$250,000   | \$1,993   |  |
| Low Level Reservoirs Pipework                                   | \$300,000   | \$2,631   | Route options developed including budget estimates. No easy options available and we expect to be dealing with 30-40 landowners. |
| WW WTP 600mm DICL Koorungal Road                                | \$1,000,000 | \$3,744   |  |
| <b>Reticulation for Developers (including other extensions)</b> |             |           |  |
| Reticulation for Developers - Urban                             | \$800,000   | \$81,492  |  |
| <b>Renew Reticulation Mains</b>                                 |             |           |  |
| Renew Reticulation Mains - Non-Urban                            | \$200,000   | \$2,640   |  |
| Renew Reticulation Mains - Urban                                | \$400,000   | \$94,993  |  |
| The Gap / Brucedale System - Non-Urban                          | \$150,000   | \$0       | planning completed   |
| East St,Nth Wagga   | \$100,000   | \$0       | planning completed   |
| <b>Renew Trunk Mains</b>  |             |           |  |
| Renew Trunk Mains - Urban                                       | \$200,000   | \$134     |  |
| Renew Trunk Mains - Non-Urban                                   | \$200,000   | \$0       |  |
| The Rock - Milbrulong BT Trunk Mains Replacement                | \$264,143   | \$283,033 |  |
| New Low Level Reservoir Connection Main Refurbishment           | \$400,000   | \$0       |  |
| <b>Service Connections, new including Meters</b>                |             |           |  |
| Service Connections, New - Urban                                | \$500,000   | \$96,477  |  |
| <b>Renew Services</b>   |             |           |  |
| Renew Services - Urban  | \$140,000   | \$8,538   |  |
| <b>Water Meters Replacement</b>                                 |             |           |  |
| Water meters replacement - Urban                                | \$150,000   | \$10,565  |  |



Bede Spannagle  
[DIRECTOR OF ENGINEERING](#)



## 2. Works Report covering September 2019

**RECOMMENDATION:** that this report be received

- 
- Works Report for September 2019

## Works Report Covering September 2019

### 1. Water Sourced and Used

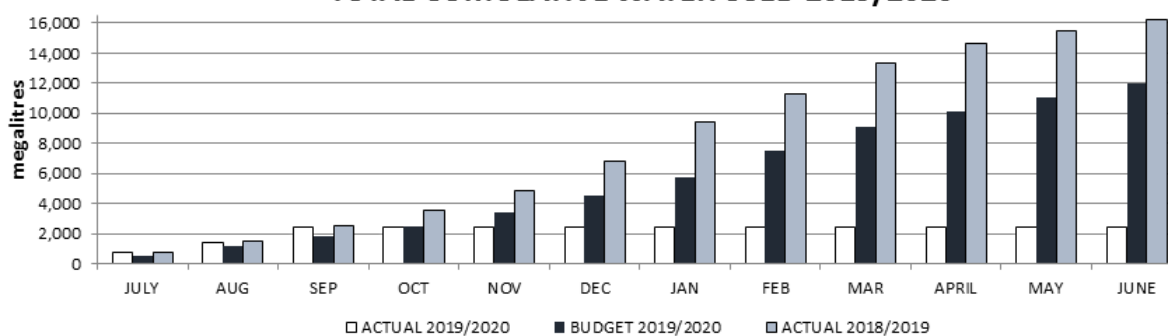
| September                         | 2017          | 2018            | 2019            |
|-----------------------------------|---------------|-----------------|-----------------|
| Rainfall                          | 8.0           | 30.8            | 16.2            |
| Wet Days                          | 4             | 4               | 5               |
| WATER SOURCED September 2019 (ML) |               |                 |                 |
| North Wagga bores                 | 183.41        | 195.44          | 195.88          |
| West Wagga bores                  | 308.14        | 412.88          | 225.19          |
| East Wagga bores                  | 419.61        | 483.40          | 434.54          |
| Murrumbidgee River                | 0.00          | 142.57          | 96.03           |
| SUB-TOTAL                         | 911.16        | 1,234.29        | 951.64          |
| Bulgary Bores                     | 27.59         | 37.95           | 31.14           |
| Urana Source                      | 0.02          | 0.00            | 0.00            |
| Ralvona Bores                     | 12.94         | 14.90           | 14.61           |
| Walla Walla Bores                 | 2.93          | 0.00            | 0.00            |
| Goldenfields Water Supply System  | 2.40          | 1.51            | 1.77            |
| SUB-TOTAL                         | 45.88         | 54.36           | 47.52           |
| Woomargama                        | 0.94          | 1.06            | 0.83            |
| Humula                            | 0.50          | 0.45            | 0.72            |
| Tarcutta                          | 2.37          | 2.50            | 2.88            |
| Oura                              | 2.15          | 2.34            | 2.57            |
| Walbundrie/Rand                   | 2.13          | 2.23            | 1.95            |
| Morundah                          | 0.64          | 0.72            | 0.74            |
| Collingullie                      | 3.77          | 4.20            | 5.15            |
| <b>SUB-TOTAL</b>                  | <b>12.50</b>  | <b>13.50</b>    | <b>14.84</b>    |
| <b>TOTALS</b>                     | <b>969.54</b> | <b>1,302.15</b> | <b>1,014.00</b> |

| WATER USED September 2019 (MI)   |               |                 |               |
|----------------------------------|---------------|-----------------|---------------|
|                                  | 2017          | 2018            | 2019          |
| East Bomen                       | 24.61         | 17.60           | 25.88         |
| Estella                          | 57.28         | 67.87           | 70.76         |
| North Wagga                      | 70.25         | 83.83           | 76.24         |
| Wagga Wagga – Low Level          | 130.92        | 186.19          | 139.82        |
| Wagga Wagga – High Level         | 426.24        | 410.71          | 414.20        |
| Wagga Wagga – Bellevue Level     | 51.39         | 45.31           | 63.57         |
| SUB-TOTAL                        | 760.69        | 811.51          | 790.47        |
| Ladysmith System                 | 4.67          | 3.89            | 3.35          |
| Brucedale Scheme                 | 17.22         | 14.18           | 19.41         |
| Currawarna Scheme                | 10.44         | 11.45           | 12.85         |
| Rural Southern trunk main system | 91.09         | 113.24          | 103.54        |
| Rural Western trunk main system  | 38.01         | 45.19           | 38.17         |
| SUB-TOTAL                        | 161.43        | 187.95          | 177.32        |
| Holbrook                         | 12.94         | 14.90           | 14.69         |
| Woomargama                       | 0.94          | 1.06            | 0.83          |
| Humula                           | 0.50          | 0.45            | 0.72          |
| Tarcutta                         | 2.37          | 2.50            | 2.80          |
| Oura                             | 2.15          | 2.34            | 2.57          |
| Walbundrie/Rand                  | 2.13          | 2.23            | 1.95          |
| Morundah                         | 0.64          | 0.72            | 0.67          |
| Collingullie                     | 3.77          | 4.20            | 4.85          |
| <b>SUB-TOTAL</b>                 | <b>25.44</b>  | <b>13.50</b>    | <b>29.08</b>  |
| <b>TOTALS</b>                    | <b>947.56</b> | <b>1,012.96</b> | <b>996.87</b> |

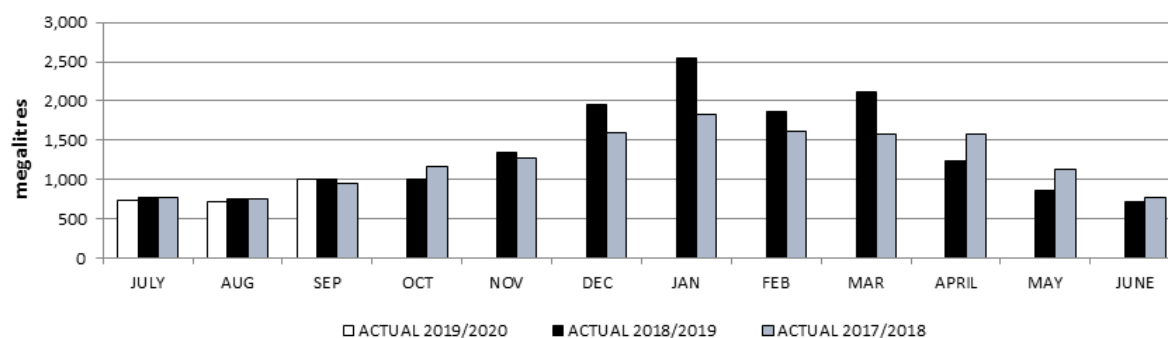
### DAILY WATER USED, WAGGA WAGGA, September 2019



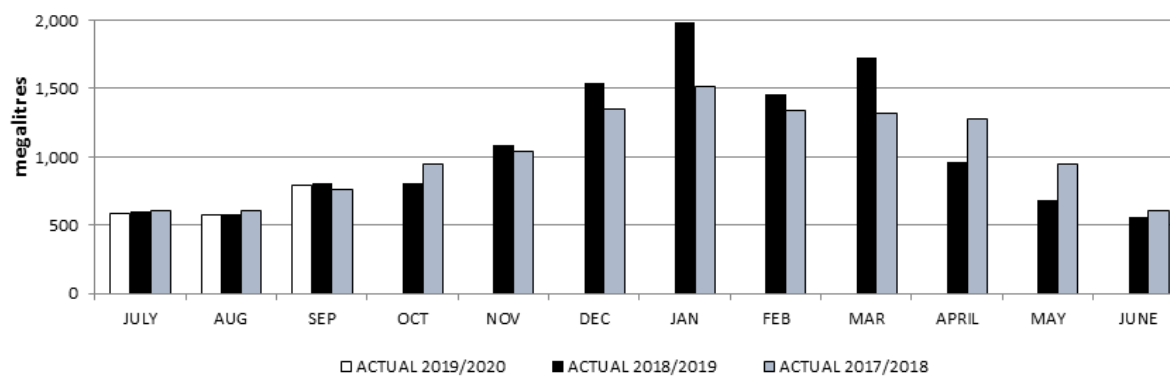
### TOTAL CUMULATIVE WATER USED 2019/2020



### MONTHLY TOTAL WATER USED COMPARED TO PREVIOUS YEARS



### MONTHLY WAGGA WATER USED COMPARED TO PREVIOUS YEARS



## 2. New Service Connections, Repairs, Meters, Locations & Complaints for the Month of September 2019

| 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 Wagga      | 33                        | 1                             | 5                | 7                 | 6                  | 4                   |                              |                  |              | 56                       | 1                          |           |
| Wagga Wagga      | 2                         | 1                             | 2                | 3                 | 4                  | 2                   |                              |                  |              | 12                       |                            |           |
| Forest Hill      | 2                         |                               |                  | 1                 |                    |                     |                              |                  |              | 4                        |                            |           |
| North Wagga      |                           |                               | 1                |                   |                    |                     |                              |                  |              |                          |                            |           |
| Bomen            |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Estella          |                           |                               |                  |                   |                    |                     |                              |                  |              | 1                        |                            |           |
| South Wagga      |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Koorinal         |                           |                               |                  | 1                 |                    | 1                   |                              |                  |              | 7                        |                            |           |
| Turvey Park      |                           |                               | 1                |                   |                    |                     |                              |                  |              | 1                        |                            |           |
| Lake Albert      | 3                         |                               |                  | 1                 |                    |                     |                              |                  |              | 8                        |                            |           |
| Ashmunt          |                           |                               |                  |                   | 1                  |                     |                              |                  |              | 4                        |                            |           |
| Tolland          |                           |                               |                  |                   |                    |                     |                              |                  |              | 6                        |                            |           |
| Mt Austin        |                           |                               | 1                | 1                 |                    |                     |                              |                  |              | 6                        |                            |           |
| Bourkelands      | 1                         |                               |                  |                   |                    |                     |                              |                  |              | 2                        |                            |           |
| Glen Oak         |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Tatton           | 2                         |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Glenfield        |                           |                               |                  |                   |                    |                     |                              |                  |              | 2                        |                            |           |
| Lloyd            | 8                         |                               |                  |                   | 1                  | 1                   |                              |                  |              |                          |                            |           |
| Springvale       |                           |                               |                  |                   |                    |                     |                              |                  |              | 1                        |                            |           |
| East Wagga       |                           |                               |                  |                   |                    |                     |                              |                  |              | 1                        |                            |           |
| Boorooma         | 4                         |                               |                  |                   |                    |                     |                              |                  |              | 1                        | 1                          |           |
| Moorong          |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Gobbagombalin    | 11                        |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Gumly Gumly      |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Brucedale        |                           |                               |                  |                   |                    | 1                   |                              |                  |              |                          |                            |           |
| Shepherds Siding |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Mt Pleasant      |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Currawarna       |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Euberta          |                           |                               |                  |                   |                    | 1                   |                              |                  |              |                          |                            |           |
| Humula           |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Ladysmith        |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| Oura             |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |
| San Isidore      |                           |                               |                  |                   |                    |                     |                              |                  |              |                          |                            |           |

|                |    |   |    |    |   |    |   |   |   |    |   |   |
|----------------|----|---|----|----|---|----|---|---|---|----|---|---|
| Tarcutta       |    |   |    |    |   |    |   |   |   | 1  |   |   |
| The Gap        |    |   |    |    |   |    |   |   |   |    |   |   |
| Bulgary        |    |   |    | 1  |   |    |   |   |   |    |   |   |
| Collingullie   | 1  |   |    |    |   |    |   |   |   |    |   |   |
| French Park    |    |   |    |    |   |    |   |   |   |    |   |   |
| Tootal         |    |   |    |    |   |    |   |   |   |    |   |   |
| Lockhart       |    |   |    |    |   | 1  |   |   |   |    |   |   |
| Mangoplah      | 1  |   | 1  |    |   |    |   |   |   |    |   |   |
| Milbrulong     |    |   |    |    |   |    |   |   |   |    |   |   |
| Pleasant Hills |    |   |    |    |   |    |   |   |   |    |   |   |
| Bidgeemia      |    |   |    |    |   |    |   |   |   |    |   |   |
| The Rock       |    |   | 19 | 3  |   |    |   |   |   |    |   | 1 |
| Uranquinty     |    |   |    | 1  |   |    |   |   |   | 2  |   |   |
| Yerong Creek   |    |   |    | 1  |   |    |   |   |   |    | 2 |   |
| Culcairn       |    |   | 1  | 1  |   |    |   |   |   |    |   |   |
| Henty          |    |   |    |    |   |    |   |   |   | 2  | 1 |   |
| Holbrook       |    |   |    | 1  |   |    |   |   |   | 6  |   |   |
| Ralvona        |    |   |    |    |   |    |   |   |   |    |   |   |
| Morven         |    |   |    |    |   |    |   |   |   |    |   |   |
| Walbundrie     |    |   |    |    | 1 |    |   |   |   |    |   |   |
| Walla Walla    |    |   |    |    |   | 2  |   |   |   |    |   |   |
| Woomargama     |    |   |    |    |   |    |   |   |   | 1  |   |   |
| Boree Creek    | 1  |   |    |    |   |    |   |   |   |    |   |   |
| Morundah       |    |   |    |    |   |    |   |   |   |    |   |   |
| Oaklands       |    |   |    |    | 1 | 2  |   |   |   |    |   |   |
| Rand           |    |   |    |    |   |    |   |   |   |    |   |   |
| Kapooka        |    |   |    |    |   |    |   |   |   |    |   |   |
| Urana          |    |   |    |    |   |    |   |   |   | 1  |   |   |
| <b>TOTAL</b>   | 36 | 1 | 26 | 15 | 8 | 11 | 0 | 0 | 0 | 69 | 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 KL |
|------------|----------------|------------|-----------|--------------|-------------|----------------------|--------------------------------|---------------|
| 24/09/2019 | Lake Albert Rd | Koorringal | 100 AC    | Pipe Failure | No          | 2.00                 | 14                             | 12            |

#### Rural

| Date       | Location                  | Town           | Main Type | Cause        | Live Repair | Outage Duration Time | Customers Affected - no supply | Water Lost KL |
|------------|---------------------------|----------------|-----------|--------------|-------------|----------------------|--------------------------------|---------------|
| 29/09/2019 | Fowlers Lane              | Walbundrie     | 63 PE     | Pipe Failure | No          | 2.00                 | 0                              | 7             |
| 05/09/2019 | Weemera Road              | Culcairn       | NA        | NA           | Yes         | 0                    | 0                              |               |
| 10/09/2019 | 62 Bowler St              | Holbrook       | 100 AC    | Pipe Failure | No          | 7.25                 | 13                             | 97            |
| 11/09/2019 | 15 Hayes St               | Lockhart       | 150 AC    | Pipe Failure | Yes         | 0.00                 | 0                              | 25            |
| 12/09/2019 | Osborne Pleasant Hills Rd | Pleasant Hills | 40 PE     | NA           | No          |                      |                                |               |
| 17/09/2019 | 120 Urana St              | The Rock       | 150 AC    | Pipe Failure | No          | 2.25                 | 12                             | 23            |
| 17/09/2019 | Albury Road               | Pleasant Hills | 40 PE     | Pipe Failure | Yes         | 0.00                 | 0                              | 27            |

### 4. Water Quality Complaints

Water quality complaints received during September 2019 were:

| Date       | Location              | Problem     | Action Taken                                     |
|------------|-----------------------|-------------|--|
| 4/09/2019  | 13 Manoora Ave Wagga  | Dirty water | Gal pipes. House flushed. Service to be replaced |
| 9/09/2019  | Centrelink            | Dirty water | Flushed  |
| 23/09/2019 | 12 Chang Ave Lloyd    | Dirty water | Flushed service                                  |
| 20/09/2019 | 6 Lae Ave Ashmont     | Dirty water | Flushed main                                     |
| 24/09/2019 | 50 Best St Wagga      | Dirty water | Water within ADWG                                |
| 28/09/2019 | 38 Coreen St Oaklands | Dirty water | Taps flushed                                     |
| 27/09/2019 | 6/5 Langdon Ave Wagga | Dirty water | Flushed  |
| 27/09/2019 | Walbundrie School     | Taste       | Water within ADWG. Taste good at time of visit   |



## 5. Mains Constructions

### Mains Extensions and New Works

New water mains laid during September 2019 include:

| LOCATION           | PROJECT          | 100  |      | 150  |      | 200  |      | 450  |      |
|--------------------|------------------|------|------|------|------|------|------|------|------|
|                    |                  | OPVC | DICL | OPVC | DICL | OPVC | DICL | OPVC | DICL |
| Estella Hieghts    | New Sub-division |      |      | 120  |      |      |      |      |      |
| Lloyd stage 8 & 9  | New Sub-division |      | 18   |      |      |      | 24   |      |      |
| Glen Oak Reservior | New Pipework     |      |      |      |      |      |      |      | 360  |
|                    | TOTAL            | 0    | 18   | 120  | 0    | 0    | 24   | 0    | 360  |

### Replacement of Existing Mains

Mains replaced during September 2019 include:

| LOCATION    | PROJECT      | 450  | 450  |
|-------------|--------------|------|------|
|             |              | OPVC | DICL |
| Bolton Park | Main Upgrade |      | 50   |
| Boorooma    | Main Upgrade |      | 268  |
|             |              |      |      |
|             | TOTAL        |      | 318  |

## 6. Other Construction

Other construction works during September 2019 include: **Nil to report**

## 7. Major Repairs / Overhauls

Major repairs/overhauls during September 2019 include:

| LOCATION OR PROJECT                  | WORK DONE   |
|--------------------------------------|---|
| Estella pump station                 | overhaul high lift no2 & recommission high lift         |
| Estella pump station                 | replace high lift no1 VSD & recommission high lift      |
| West Wagga bore 4 & 5 raw water main | clean main by high pressure Jetting & recommission main |
| West Wagga WTP pump station          | repair faulty gasket in shires pump no2 discharge main  |
| Bulgary WTP                          | overhaul chlorination system                            |
| Ralvona WTP                          | overhaul chlorination system                            |
| Lockhart pump station                | repair faulty PLC                                       |
| Bomen reservoir                      | TEYS flow meter converter relocated into comms hut      |

## 8. Water Filling Station Activity

| LOCATION                      | NUMBER OF FILLS |
|-------------------------------|-----------------|
| Bomen Hereford Street         | 235             |
| Estella Farrer Road           | 97              |
| Forest Hill Elizabeth Avenue  | 23              |
| Glenfield Red Hill Road       | 250             |
| Henty Olympic Way             | 9               |
| Holbrook Millswood Road       | 51              |
| Lake Albert Plumpton Road     | 134             |
| Lockhart Napier Road          | 44              |
| Pleasant Hills Manson Street  | 7               |
| The Rock                      | 20              |
| Yerong Creek Finlayson Street | 25              |

## 9. Staff Training & Safety

The following training and/or safety activities were undertaken during September 2019:

| Training or Programme    | Number of Staff |
|--------------------------|-----------------|
| Traffic Control PWZTMP   | 6               |
| Traffic Control ITMP &TC | 12              |
| First Aid Refresher      | 6               |
| Confined Spaces          | 1               |
|                          |                 |

## 10. Fleet Disposals

Fleet disposals made during September 2019 are:

| Vehicle Details |             |              |              |      |       |
|-----------------|-------------|--------------|--------------|------|-------|
| Vehicle No      | Description | Vehicle Type | Make & Model | Year | kms   |
| 332             | Plumbing    | Ute          | Isuzu D-Max  | 2015 | 81689 |
|                 |             |              |              |      |       |
|                 |             |              |              |      |       |

| Disposal Details |         |               |
|------------------|---------|---------------|
| Vehicle No       | Method  | Price exc GST |
| 332              | Auction | \$22,500.00   |
|                  |         |               |

## 11. Fleet Acquisitions

Fleet acquisitions made during September 2019 are:

| New Vehicle Details |                  |                   |              |               |               |
|---------------------|------------------|-------------------|--------------|---------------|---------------|
| Vehicle No          | Tenders Received | Accepted Tenderer | Vehicle Type | Make & Model  | Price exc GST |
| 413                 | 5                | Rapit Clean       | Sweeper      | Karcher       | \$15,991      |
| 414                 | 8                | Riv Motor Group   | Ute          | Nissan Navara | \$32,807      |
| 415                 | 8                | Riv Motor Group   | Ute          | Nissan Navara | \$32,807      |

## 12. Major Capital Projects Progress

|  |                                |
|--|--------------------------------|
|  | - On track                     |
|  | - Behind Schedule              |
|  | - Unlikely this Financial Year |

### MAJOR PROJECTS 2019/20 (> Over \$100,000) - September 2019

| Description  | 2019/20 Budget | Actual & Committed to Date | Comments   |
|--|----------------|----------------------------|--|
| <b>MANAGEMENT</b>  |                |                            |  |
| <b>Depot Buildings</b>                                       |                |                            |  |
| Refurbishment of Operations Office - Urban                   | \$160,000      | \$2,810                    |  |
| Fitout new Council meeting room in new depot building        | \$140,740      | \$219,409                  | Plastering walls and ceiling completed. Painting has commenced.                          |
| Depot Building The Rock - Non- Urban                         | \$150,000      |                            |  |
| <b>Land &amp; Buildings for Admin, Depot &amp; Workshops</b> |                |                            |  |
| <b>Access, Parking and Landscaping</b>                       |                |                            |  |
| Levee protection stage 2 Hammond Ave - Urban                 | \$265,600      | \$122,580                  | More concrete blocks being built to complete wall. Entrance flood barrier.to be designed |
| Forge & Copland Street Development                           | \$220,000      | \$19,398                   | Design of hardstand and drainage commenced   |
| Koorinal Road Purchase                                       | \$362,399      | \$123,273                  | Stormwater and easement conditions required before sale contracts can be executed        |
| <b>PLANT &amp; EQUIPMENT</b>                                 |                |                            |  |
| <b>IT Equipment</b>  |                |                            |  |
| Computer Server Replacement - Urban                          | \$393,000      |                            |  |
| Computer Equipment - Urban                                   | \$206,570      | \$174,546                  |  |
| <b>Working Plant &amp; Vehicle Purchases</b>                 |                |                            |  |

|  |             |             |   |
|--|-------------|-------------|---|
| Routine plant & vehicle replacements                           | \$1,372,013 | \$193,072   |   |
| <b>Telemetry &amp; Control Systems Upgrade</b>                 |             |             |   |
| Remote Telemetry Units & Radio Upgrade project                 | \$500,000   | \$3,494     |   |
| Radio Telemetry SCADA Upgrade                                  | \$456,452   | \$1,267     |   |
| <b>Energy Efficiency &amp; Cost Minimisation</b>               |             |             |   |
| Energy Efficiency & Power Factor Improvements                  | \$150,973   | \$136,017   |   |
| <b>SOURCES</b>   |             |             |   |
| <b>Bores-renew/refurbish/decommission</b>                      |             |             |   |
| Humula Wall Replacement  | \$150,000   | \$0         |   |
| <b>TREATMENT PLANTS</b>  |             |             |   |
| <b>Aeration Tower Covers</b>                                   |             |             |   |
| East Wagga Aeration Basin cover - Urban                        | \$101,168   | \$47,769    |   |
| <b>Treatment Plant Refurbishments</b>                          |             |             |   |
| WTP stage 1 - Urban  | \$870,592   | \$157,958   | See detailed report   |
| Roads  | \$550,000   | \$0         |   |
| Footpaths and Covered Walkways                                 | \$100,000   | \$0         |   |
| Solar Installations  | \$500,000   |             | See detailed report   |
| Tarcutta Iron Filter Replacement                               | \$100,000   | \$0         | Design commenced  |
| Urana WTP replacement - Non-Urban                              | \$400,467   | \$0         | Need to finalise PIDs to go out for quote for the plant design  |
| <b>PUMPING STATIONS</b>  |             |             |   |
| Estella Pump Station   | \$120,000   | \$0         |   |
| <b>RESERVOIRS</b>  |             |             |   |
| <b>New/Replacement Reservoirs</b>                              |             |             |   |
| Shires Reservoir Relocation - Non-Urban                        | \$117,000   | \$0         |   |
| Main Low Level Reservoir 2x11ML Investigation & Design - Urban | \$4,939,225 | \$4,253,363 | Construction progressing well. 2 wall pours on 1st reservoir completed. Foundations for second reservoir completed. |
| Glenoak Res 2 x 4.5ML - construction                           | \$2,377,279 | \$1,451,025 | Construction progressing well. Concrete reservoir completed and roof construction underway.                         |
| The Rock Reservoir South                                       | \$261,076   | \$10,137    | Ongoing land matters  |

|   |             |           |   |
|---|-------------|-----------|---|
| <b>MAINS</b>  |             |           |   |
| <b>System Improvements</b>                                      |             |           |   |
| System Improvements - Urban                                     | \$150,000   | \$15,199  |   |
| San Isadore Main  | \$250,000   | \$0       |   |
| Low Level Reservoirs Pipework                                   | \$300,000   | \$0       |   |
| WW WTP 600mm DICL Koorinal Road                                 | \$1,000,000 | \$90,700  | Consultant engaged for route selection and associated land matters. |
| <b>Reticulation for Developers (including other extensions)</b> |             |           |   |
| Reticulation for Developers - Urban                             | \$800,000   | \$113,240 |   |
| <b>Renew Reticulation Mains</b>                                 |             |           |   |
| Renew Reticulation Mains - Non-Urban                            | \$200,000   | \$2,640   |   |
| Renew Reticulation Mains - Urban                                | \$400,000   | \$141,544 |   |
| The Gap / Brucedale System - Non-Urban                          | \$150,000   | \$0       |   |
| East St,Nth Wagga   | \$100,000   | \$0       |   |
| <b>Renew Trunk Mains</b>  |             |           |   |
| Renew Trunk Mains - Urban                                       | \$200,000   | \$134     |   |
| Renew Trunk Mains - Non-Urban                                   | \$200,000   | \$1,036   |   |
| The Rock - Milbrulong BT Trunk Mains Replacement                | \$264,143   | \$283,735 |   |
| New Low Level Reservoir Connection Main Refurbishment           | \$400,000   | \$0       |   |
| <b>Service Connections, new including Meters</b>                |             |           |   |
| Service Connections, New - Urban                                | \$500,000   | \$126,255 |   |
| <b>Renew Services</b>   |             |           |   |
| Renew Services - Urban  | \$140,000   | \$16,578  |   |
| <b>Water Meters Replacement</b>                                 |             |           |   |
| Water meters replacement - Urban                                | \$150,000   | \$22,845  |   |



Bede Spannagle  
[DIRECTOR OF ENGINEERING](#)

### 3. Federation Council request to use capacity in the Urana Raw water pipeline.

**Recommendation:** that

- a) Council provide in principle agreement for Federation Council to utilise spare capacity in the Urana raw water trunk main, up to 240M/L per year.
- b) Council provide technical support and advice for the offtake pipeline to the Urana Aquatic Centre and any future service agreement to allow the operation of the above proposal.

---

#### **Background.**

Federation Council at its October meeting resolved to make a formal application to the Riverina Water County Council (RWCC) for the use of the existing RWCC pipeline and pump, to the Urana Water Treatment Plant from Colombo Creek.

The water would be used to maintain the water levels of the Urana Aquatic Centre. The Aquatic centre is a key economic and social wellbeing aspect of the town of Urana.

Federation Council is seeking "in principle support" at this stage, to allow the grant funding application to proceed.

#### **Issues.**

##### *Pumping Capacity:*

The Columbo Creek – Urana pipeline is a 200mm diameter trunk main feeding the Urana Water Treatment Plant (WTP). It has spare capacity, as the treatment plant currently only operates during the summer months and has onsite storage allowing pumping times to be kept to a minimum and during off-peak power periods.

The raw water flow rate at the) is approximately 11-12 L/s. It is expected minor additional friction losses will exist in the 2km of additional pipeline to the Aquatic Centre, however a flow rate of 10L/s will be able to be maintained.

This allows an estimate of the maximum spare capacity available in the raw water system:

Volume=10L/s x 22 hours/day x 300 days/year = 240ML/year

At current electricity prices, the power cost to pump this volume would be \$83/ML. RWCC should allow a nominal 20% operational and administration cost to operate the pump and

valves to allow delivery, read the meter and issue invoices. This equates to an approximate operating cost of \$100/M/L.

#### Pipeline:

RWCC has provided technical advice to Federation Council in relation to the 2km trunk main that needs to be built. It is not proposed that this trunk main belong to RWCC (down stream from the valve and 'T' offtake from RWCC's trunk main), as the ongoing maintenance and replacement of the asset will remain the responsibility of Federation Council. It is not proposed to include the construction of the pipeline in the RWCC capital program.

It is not proposed to charge Federation Council any fee for the maintenance and replacement of RWCC's raw water trunk main or headworks pump station.

#### Service agreement:

Federation Council are not proposing to buy water from RWCC, they would simply be paying RWCC to deliver their own water from a WAL (water access licence), to an offtake point in RWCC's trunk main.

RWCC would not want to see any further raw water customers connected in future, so a service agreement could be used to stipulate the conditions of the agreement, allow regular review of the rate charged, RWCC's water requirements and any other issues RWCC may wish to include in the agreement.

### **Financial Consideration.**

There is potentially an additional \$24,000 per year in power and operating costs which would be then invoiced to Federation Council.

### **Sustainability.**

The proposal includes an additional use of electricity. This could be offset in future with a renewable source of energy at the pump station.

- **Federation Council resolution and letter requesting RWCC in-principle support.**





Reference: AB:RH – 19/70641

15 October 2019

Andrew Crakanthorp  
General Manager  
Riverina Water County Council

Via email: [acrakanthorp@rwcc.nsw.gov.au](mailto:acrakanthorp@rwcc.nsw.gov.au)

Dear Andrew,

**Subject: Urana Aquatic Centre - Reliable Water Project - Seeking In-principle support for use of Riverina Water County Council (RWCC) Pipeline**

I refer to our discussions in relation to the above possible project. Council is extremely grateful for the positive approach to considering this option. The potential to partner with RWCC, to allow the use of the pipeline from Colombo Creek, to deliver water to the Urana Aquatic Centre, would be a game changer for the area in these very tough times. It has been long talked about in the Urana Community for years as a possibility.

The Urana Aquatic Centre when full, provides significant social, environmental and economic advantages to not only Urana, but the surrounding region. The adjacent Caravan Park also suffers greatly when the Lake is dry.

Council has for many years, been investigating other sources to supplement the current sources, being the Billabong Creek, (unreliable and unregulated) and the local Urana Creek. This includes a bore option that Council is also pursuing, however this would only provide one megalitre a day.

In times of the Billabong Creek running to a sufficient level, Council would still use this system, and the Colombo/RWCC option would only be when this was not available, such as extreme droughts.

Council is liaising with the NSW State Agencies, and also with Ruralco, who manage Councils water sales. This is to enable an allocation to be made, transferring some of Councils other surplus water entitlements, to allow Council to have an entitlement of water, around 800 megalitres maximum, to allow a fill. If the drought were to continue, around 300 to 400 megalitres is considered to be required for annual top ups.

Council would require the construction of its own pipeline, to extend from the RWCC system near Urana, to run approximately 2 kilometres to the Aquatic Centre. Any assistance in this design and details, would be gratefully appreciated and Council would be happy to meet any costs associated with this. Council would also naturally meet any pumping costs applicable, and would be willing to partner with RWCC for any solar/land purchases/acquisitions in the future, should solar be considered an option for the pump site at the Colombo Creek.

Council is placing this as its key project to put forward to the Federal Government for the \$1 million Drought Support Funding, and would also mention heavily in any project communications and details, the support and partnering of RWCC should it be forthcoming.

I attach the Council report and resolution from the September 2019 Council meeting, where Council endorsed this project, and will await your reply.

Thank you for your time in this matter, and please refer any enquires initially to myself. The internal project team will be assembled pending any RWCC approval, and a project specific contact would be appointed from within Council.

Yours sincerely



Adrian Butler  
General Manager

Encl.

## 4.Update of The Rock Depot Upgrade project

**Recommendation:** that Council receive and note the report on The Rock Depot upgrade

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### Background:

Redevelopment of The Rock Depot was included in the 2019/20 capital works budget.

### Issues:

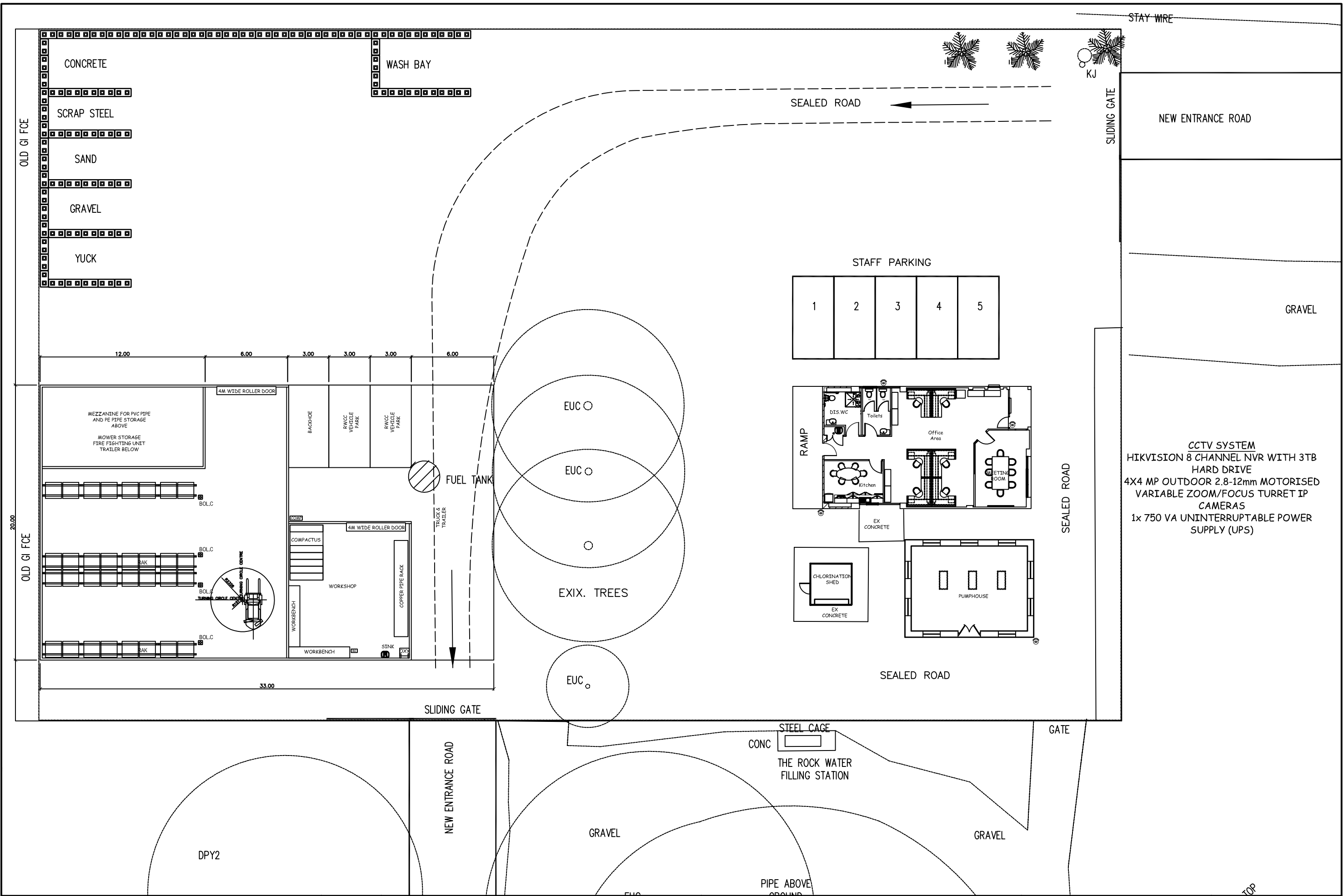
Work has been completed on the concept design and quotes have now been received for the detailed design. Engagement of an engineering consultant for the detailed design will be undertaken by the end of October and the detailed design is estimated to be completed by the end of January 2020.

The scope of works includes but is not limited to a condition report on the existing brick building, site layout, communications and security, drawings and specifications for construction, detailed cost estimates, and development application and authority approvals.

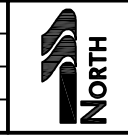
The table below shows a timeline for the detailed design.

| Milestone                            | Date                |
|--------------------------------------|---------------------|
| Design Consultant Engagement         | 31/10/19            |
| Preliminary Design                   | 31/10/19 – 28/11/19 |
| Finalise Design                      | 28/11/19 –9/01/20   |
| Approval of Final Design             | 16/01/20            |
| Lodgement of Development Application | 23/01/20            |
| Development Application Approval     | 23/01/20 – 26/03/20 |

- The Rock depot concept layout plan.



| AMDT. NO. | DESCRIPTION | DATE |
|-----------|-------------|------|
|           |             |      |
|           |             |      |
|           |             |      |



**ENGINEERING**  
91 Hammond Avenue, Post Office Box 456  
Wagga Wagga NSW 2650  
Phone: 02 6922 0662 Fax: 02 6921 2241  
E-mail: engineers@rwcc.com.au

**THE ROCK DEPOT  
PROPOSED SITE LAYOUT  
EXISTING HIKVISION CCTV**

|                             |                |
|-----------------------------|----------------|
| SCALE: 1:250                | DATE: 3/4/2019 |
| DESIGNED: G.G.V             | DRAWN: G.G.V   |
| CHECKED:                    |                |
| PLOT SCALE: PAPER SPACE 1:1 | A3             |

|                     |
|---------------------|
| SHEET 1 OF 1 SHEETS |
| SECTION: DRAWING:   |

## 5. PFAS Update

**RECOMMENDATION:** that Council conduct PFAS sampling at its surface water intake (Murrumbidgee River) and the East Wagga bores (ie. Numbers 2 and 3), in addition to monitoring outlined in the PMAP.

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In November 2018, the Defence Department completed a detailed environmental investigation into the presence of per- and poly-fluoroalkyl substances (PFAS) on and in the vicinity of RAAF Base Wagga. Defence used the findings of the investigation to develop a PFAS Management Area Plan (PMAP) in September 2019. This plan outlines the activities Defence will undertake to manage, monitor and reduce the risks of PFAS exposure on, and around, the Base.

This report is provided to Council as an update on the PFAS matter.

It is the intention of the plan to be reviewed annually (or earlier where required) to take into account any relevant circumstances, including:

- progress in risk management and the effectiveness of specific response actions
- data from the Ongoing Monitoring Plan
- changes of land use
- changes in legislation, strategy, policy and guidelines/standards
- outcomes of new research or development of management/remediation
- any other new information that has the potential to impact the outcomes of the PMAP

Previous investigations identified three key sources of PFAS at the RAAF Base:

1. the former fire training area near the eastern end of the runway
2. the former fire station and the fire extinguisher pad and the current fire station
3. the aircraft parking area south of Building 88.

The PFAS pathways from the Base are infiltration into the Base sewer and stormwater networks. Sewer from the Base discharges into Forest Hill Sewerage Treatment Plant (STP), and stormwater overland flows discharges to the Gumly Gumly Wetland and, and during high rainfall events, water can continue to the Murrumbidgee River via Marshalls Creek. Overland flows can also occur east towards Kyeamba Creek and west to Gregadoo Creek. PFAS is also moving vertically down to the Cowra and Lachlan groundwater formations, and groundwater modelling (particle trace) has indicated that PFAS is unlikely to reach current drinking water supply bores for at least 55 years (year 2073).

Current risks to human health are limited to high consumers of yabbies' and certain fish in local waterways and these scenarios are considered unlikely to occur, though precautionary advice are included in the PMAP.

The following PFAS response actions are summarised in the PMAP:

- Action 1: Restrict infiltration of PFAS to sewer and stormwater on Base:
- Additional soil investigation around Fire Extinguisher Training Pad and Fire Station washdown bay
- Removal of contaminated infrastructure, soils and perched groundwater
- Reduce infiltration of PFAS into sewer and stormwater networks (replacement, relining etc.)
- Action 2: Support relevant State and Local agencies to develop and implement precautionary advice for the surface water and groundwater management zones. As part of the implementation of this precautionary advice, it is recommended that Defence maintain a public information line for questions from community members about the RAAF Base Wagga Management Area.
- Action 3: Further investigation of the Lachlan Formation and granite groundwater to the east of the Base (down gradient of groundwater well MW223) as part of the OMP.
- Action 4: Defence to continue working with Council to resolve issues associated with PFAS at the Forest Hill STP.
- Action 5: Implementation of an OMP to validate the Stage 1 groundwater model, monitor changes in PFAS concentrations in surface water and groundwater and provide data for future management actions if required.

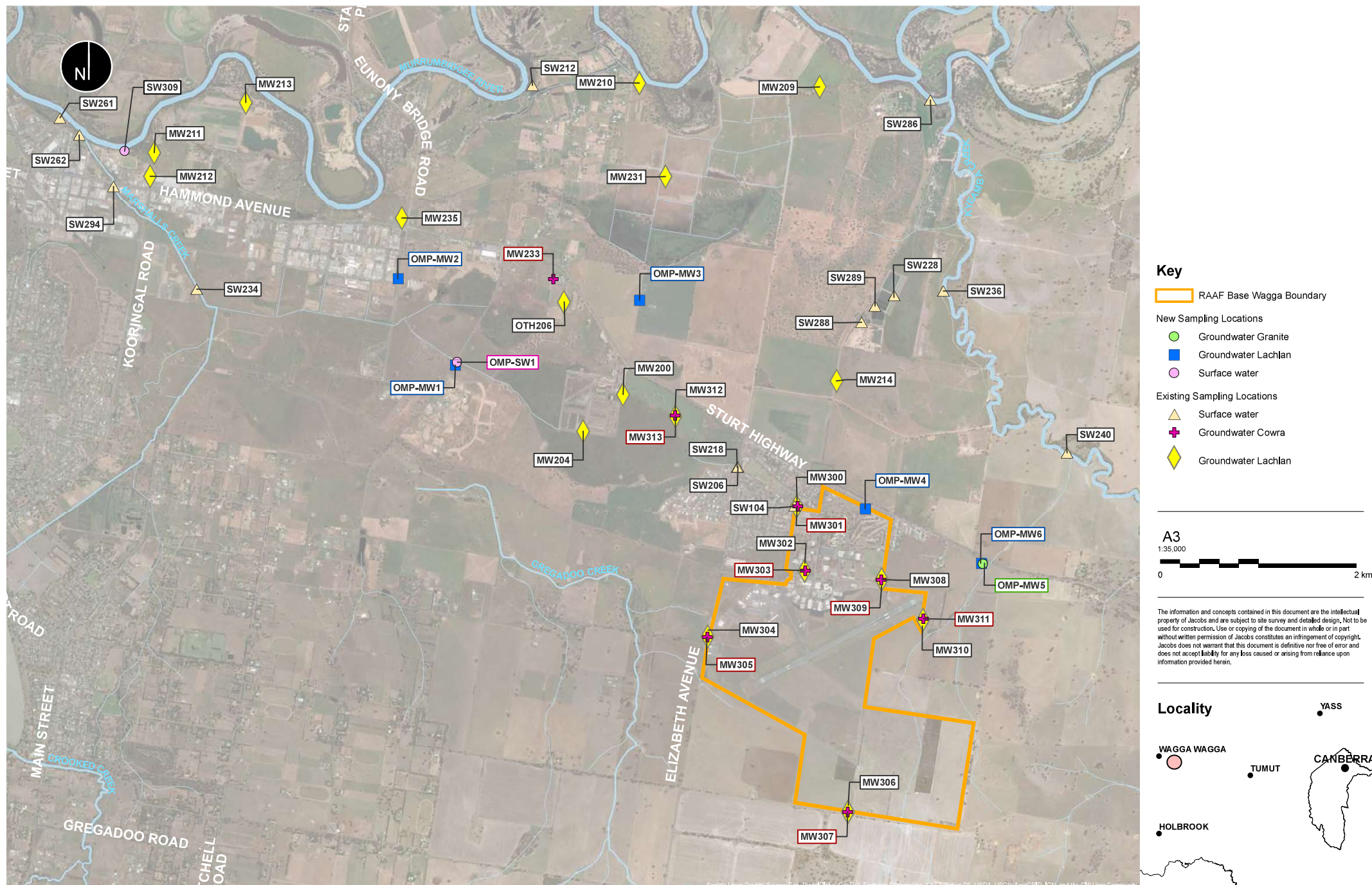
Technologies for the treatment of PFAS are rapidly evolving and source or pathway management options to control contamination from the Gumly Gumly Wetland may become more feasible in the future. The PMAP will be reviewed annually and this will include an assessment of whether soil remediation, groundwater plume containment or groundwater treatment can feasibly be implemented to meet long term goals.

A summary of sampling and monitoring locations is illustrated below. In particular, three new Lachlan aquifer groundwater monitoring bores will be positioned between the Gumly Gumly swamp and 1) Riverina Water's East Wagga bore field, and 2) Gumly Private Irrigation District bore.

PFAS substances are not isolated to the RAAF base in Wagga. PFAS substances have been used in large quantities for a variety of other applications in Australian industry and household products for quite some time. PFAS can enter the wastewater stream however current treatment processes provide only partial removal these chemicals from wastewater. Evidence suggest that PFAS is already migrating into the environment from these point sources, increasing the likelihood of PFAS detection in surface water sources currently free of contamination.

- **PFAS Map**





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**Figure 1: Proposed monitoring locations**  
RAAF Base Wagga

## 6.IWCM Update

**Recommendation:** that Council note the update report on the Integrated Water Cycle Management Strategy project.

### Background:

The IWCM Strategy is a requirement under NSW DPIE's Best Practice Management (BPM) Framework for all NSW Local Water Utilities. The process generates two primary strategic 30-year planning documents:

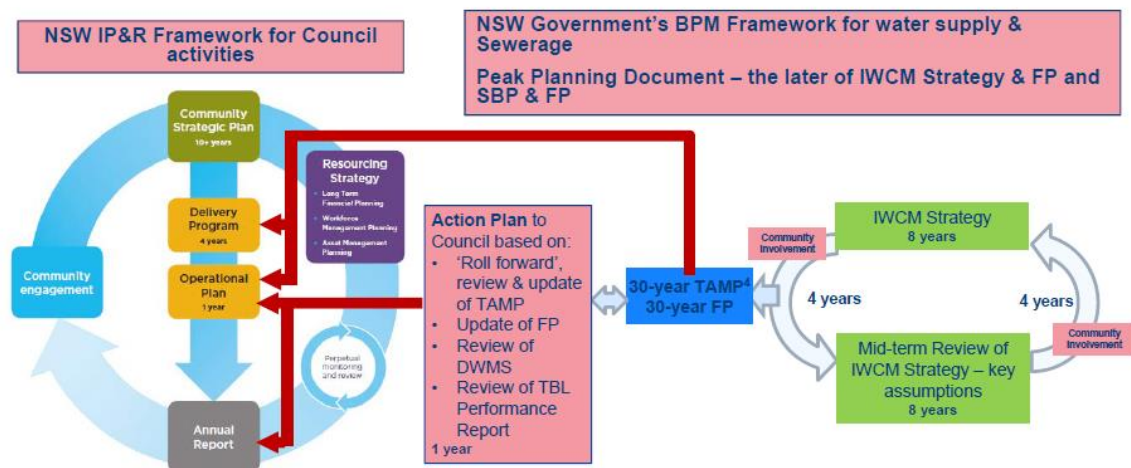
- 30-Year Total Asset Management Plan (TAMP)
- 30-Year Long Term Financial Plan (LTFP)

### Issues:

The IWCM processes involves high degree of community/stakeholder engagement with an iterative process matching desired Levels of Service, costs to customers (measured in terms of Typical Residential Bill TRB), and a Triple Bottom Line (TBL) assessment considering social, economic, environmental factors.

These documents are incorporated into NSW OLG's Integrated Planning and Reporting (IP&R) Framework and incorporates other strategic documents, such as:

- Resourcing Strategy (TAMP, LTFP, Workforce Plan)
- 4-Year Delivery Programme
- 1-Year Operational Plan



The prescribed IWCM development framework involves 1) Issues Paper, 2) Scenario / Options Analysis, and 3) Final IWCM Strategic Plan.



The IWCW Issues Paper was completed by NSW Public Works Advisory in August 2019 and was presented to the first Project Reference Group (PRG) workshop in September. The workshop was well attended, and assisted in refining and identifying other issues, such as:

Need to include sensitivity analysis regarding aspirational growth projections from WWCC

Development of an integrated hydraulic planning model (ie Peak Day's Demand Analysis) of connected systems and sub- systems to investigate various multiple ways to supply and determine asset capacities, etc.

North Wagga systems, including effects from Bomen SAP development

Western Trunk systems

Wagga Wagga systems

Acceptable Levels of Service

Consideration to have separate Levels of Service for Urban (Wagga), Township and rural systems

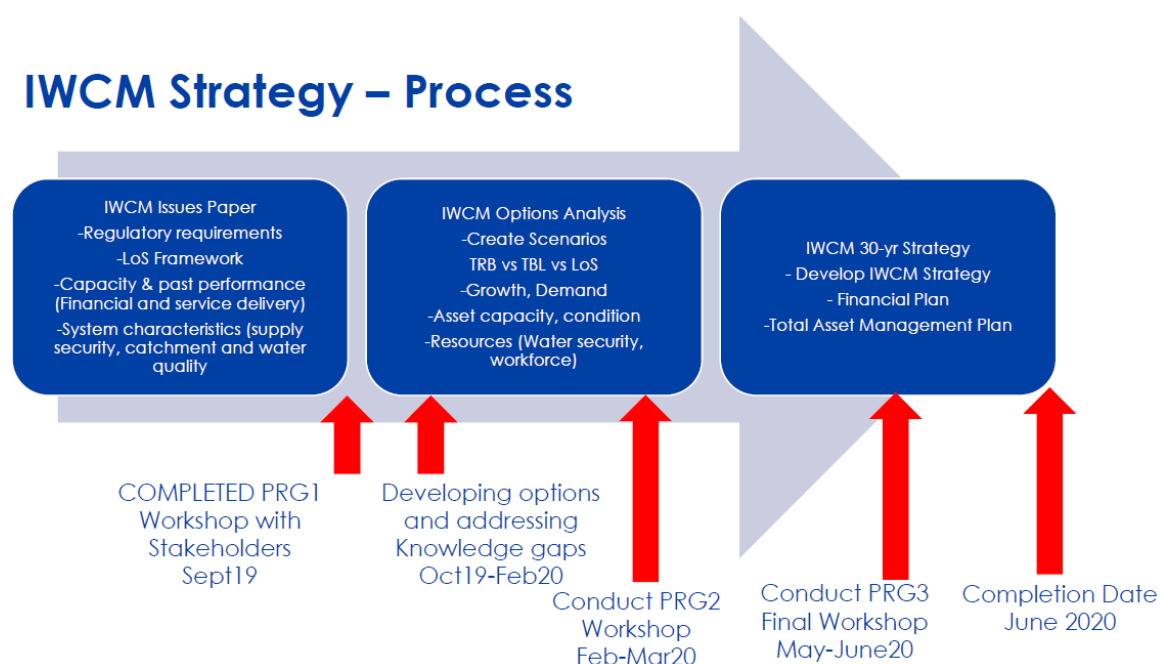
Recycled water opportunities working with constituent councils (WWCC, Greater Hume Federation and Lockhart Shire Councils)

Reliability yield analysis for Wagga bore fields, Yanco Creek (Morundah) and Colombo Creek (Urana) sources

Implementation and effectiveness of Council's Drinking Water Management System, and its improvement plan

The Scenario / Options Analysis results will be presented at the next PRG meeting in February 2020.

## IWCW Strategy – Process



## 7.Contract W195 – Water Treatment Plant (WTP) Progress Report

**RECOMMENDATION:** that Council consider the report “Contract w195 – Water Treatment Plant (WTP) Progress Report”, whilst the meeting is closed to the public, as it concerns litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege as prescribed by Section 10A(2)(g) of the Local Government Act 1993.

## 8.Purchase of Land for Future Operational Requirements

**RECOMMENDATION:** that Council consider the report “Purchase of Land for Future Operational Requirements”, whilst the meeting is closed to the public, as it relates to commercial information the disclosure of which would prejudice the commercial position of the person who supplied it, as prescribed by Section 10A(2)(c) of the Local Government Act 1993.

## **Questions & Statements**

## **Closure of Meeting to the Public (Confidential Reports)**