

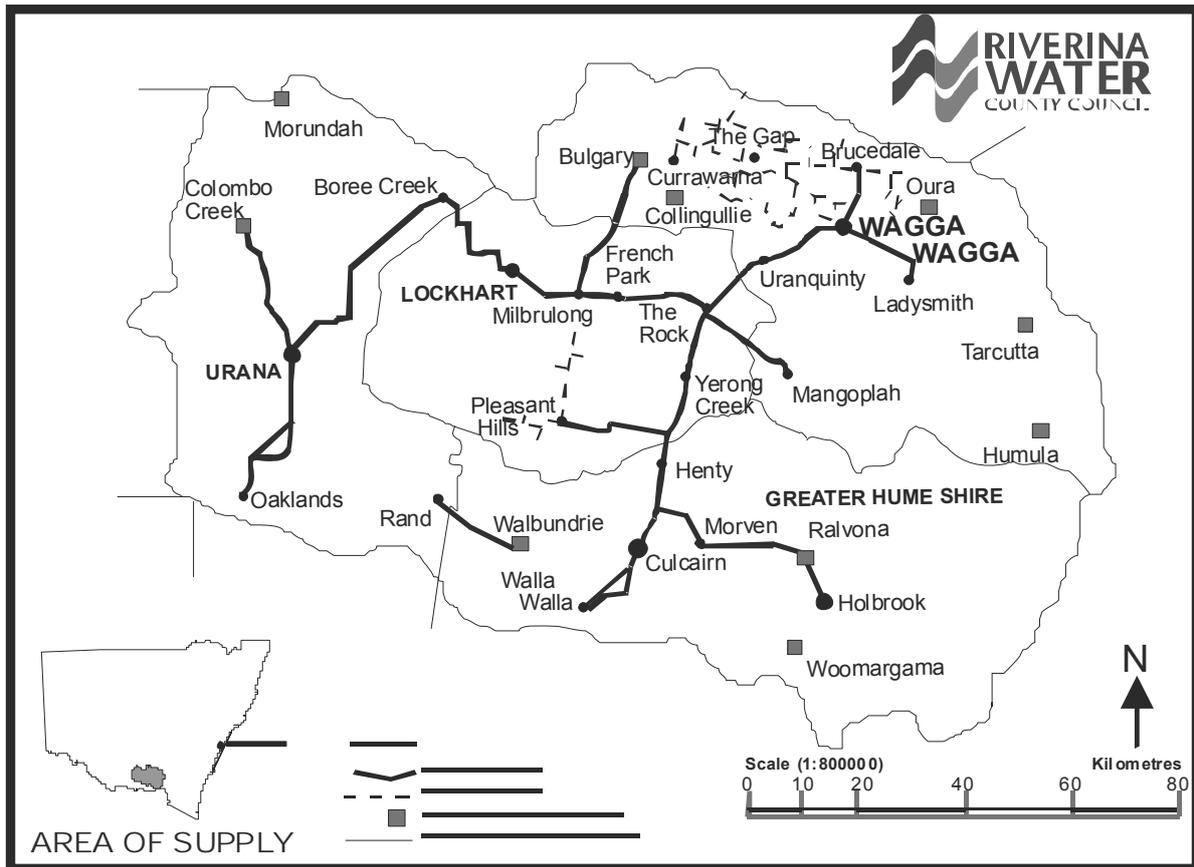
# Riverina Water County Council

# Annual Report

2007/2008



# Riverina Water County Council AREA OF SUPPLY



## Front Cover

Official Opening of the Bidgeemia/Urangeline  
Water Supply Scheme at Urangeline  
by Clr. Lindsay Vidler, Chairman, Hon. Sussan Ley MP  
and Ursula Jones on 29<sup>th</sup> August 2007

Construction Bidgeemia/Urangeline Pipeline

Pat Davis, Overseer, being presented with a certificate and gift voucher  
from Clr. Peter Yates, Chairman, for attaining 40 years service  
with Riverina Water County Council.

# CONTENTS

	<b>Page</b>
MISSION STATEMENT	3
DIRECTORY	4
REPRESENTATION	5
<b>COUNCILLORS – TERM OF OFFICE</b>	<b>6</b>
INTRODUCTION	
Organisation Structure	7
Chairperson's Message	8
NATIONAL COMPETITION POLICY	15
<b>COUNCILLORS' FEES, FACILITIES AND EXPENSES</b>	
Section 428(2)(f)	16
PERSONNEL & DELEGATION	
Section 428(2)(g)      Employment of Senior Staff	17
Section 428(2)(m)      Human Resource Activities Undertaken by Council	17-23
Section 428(2)(n)      Activities Taken by Council to Implement its Equal Employment Opportunity Management Plan	24
Section 428(2)(o)      External Bodies which have Exercised Council-Delegated Functions	24
Section 428(2)(r)      Total Remuneration for Senior Staff (General Regulation Clause 31[1] [b])	24
ENVIRONMENTAL & SOCIAL MATTERS	
Section 428(2)(c)      State of the Environment	30
Section 428(2)(i)      Programmes undertaken to Preserve, Protect, Restore and Enhance the Environment	30-31
Section 428(2)(i1)      Bush Fire Hazard Reduction	31
Section 428(2)(j)      Programmes Promoting Services, and Access thereto, for people with diverse cultural and linguistic backgrounds	31
Section 428(2)(p)      Companies in which Council held a controlling interest	32
Section 428(2)(g)      Partnerships, Co-operatives and other joint ventures to which Council has been a party	32
Section 428(2)(r)      Activities for Children (General Regulation Clause 31[1] [c])	32

## OPERATION, CONSTRUCTION & MAINTENANCE

Section 428(2)(b)	Management Plan - Performance Targets 2007/2008	33-35
Section 428(2)(h)	Contracts Awarded During the Year	36
Section 428(2)(k)	Private Works Under Section 67(3) of the Act	36
	Water Supplied	37-39
	New Customers	40-41
	Construction	42-44

## FINANCIAL INFORMATION

	Charges for Water	45
Section 428(2)(d)	Condition of Public Works under Council's Control	46
Section 428(2)(e)	Summary of Disclosable Legal Proceedings	47
Section 428(2)(l)	Amounts Contributed / Granted Under Section 356	47
Section 428(2)(r)	Overseas Visits Funded by Council (General Reg. Clause 31[[I] [a])	47
Section 428(2)(r)	Rates & Charges Written Off - (Rates & Charges Reg. Clause 12)	47
	Freedom of Information	47
	Information Protection Act, 1998	48
	Certificate of Confirmation – GST	48

## FINANCIAL REPORTS

Section 428(2)(a)	Financial Reporting	49-103
-------------------	---------------------	--------

## GENERAL INFORMATION

	Customer Information - Payment Facilities	104
	Emergency Numbers	105



## MISSION STATEMENT

### Mission:

To provide our Community with safe reliable water  
at the lowest sustainable cost.

### Goals include:

- (a) The provision of appropriate levels of service, building on our reputation, and providing a comprehensive water supply to customers.
- (b) Operation, maintenance and construction of assets to meet levels of service, incorporating continuous improvement / quality processes.
- (c) Recognition, training and care of our human resources to maximise effective skills and job satisfaction.
- (d) Financial policy and pricing that is both effective (in what it produces) and efficient (in what it costs).
- (e) Protecting the community and the environment as a good corporate citizen.

## RIVERINA WATER COUNTY COUNCIL



# DIRECTORY

<b>HEADQUARTERS</b>	91 Hammond Ave, Wagga Wagga
<b>POSTAL ADDRESS</b>	PO Box 456, Wagga Wagga 2650
<b>E-MAIL ADDRESS</b>	<a href="mailto:admin@rwcc.com.au">admin@rwcc.com.au</a>
<b>WEB ADDRESS</b>	<a href="http://www.rwcc.com.au">www.rwcc.com.au</a>
<b>TELEPHONE</b>	(02) 6922 0608
<b>OFFICE HOURS</b>	8.30 am to 4.00 pm, Monday to Friday
<b>BANKERS</b>	National Australia Bank Ltd
<b>SOLICITORS</b>	Commins Hendriks
<b>AUDITORS</b>	John L. Bush & Campbell, Wagga Wagga

# RIVERINA WATER COUNTY COUNCIL

For the construction, operation and maintenance of works of water supply within the Shires of Lockhart, Urana and Part Greater Hume and the City of Wagga Wagga.

## ANNUAL REPORT

**For the Year June 2007 to June 2008**

### COUNCILLORS



Clr. P. Yates  
Lockhart Shire Council  
Deputy Chairperson  
June 2007 to 31st Oct 2007  
Chairperson  
31st Oct 2007 to 30th June 2008

Clr. L. Vidler  
Wagga Wagga  
Chairperson  
June 2007 to 31st Oct 2007

Clr. R. Kendall  
Wagga Wagga  
Deputy Chairperson  
31st Oct 2007 to 30th Jun 2008



Clr. D. Simpson  
Wagga Wagga

Clr. K. Vidler  
Wagga Wagga

Clr. K. Wales  
Wagga Wagga



Clr. J. McInerney  
Greater Hume Shire

Clr. J. Ross  
Greater Hume Shire

Clr. I. Kreutzberger  
Urana Shire Council

### MANAGERS



G.W. Pieper  
General Manager

P.H. Clifton  
Director of Engineering

# COUNCILLORS – TERM OF OFFICE

Blackett, Dennis	Wagga Wagga	1 <sup>st</sup> July 1997 to 1999
Brassil AM, Patrick	Wagga Wagga	1 <sup>st</sup> July 1997 to 27 <sup>th</sup> Mar 2004
Coghill, Ian	Urana	1 <sup>st</sup> July 1997 to Oct 2003
Dale, Peter	Wagga Wagga	1 <sup>st</sup> July 1997 to March 2004
Edwards, Ross	Lockhart	1 <sup>st</sup> July 1997 to 1999
Fifield, Alan AM	Culcairn	28 <sup>th</sup> Sep 1999 to 26 <sup>th</sup> May 2004
Georgiou, Michael	Wagga Wagga	25 <sup>th</sup> Oct 1999 to April 2004
Harding, John	Wagga Wagga	25 <sup>th</sup> Oct 1999 to April 2004
Kendall, Rod	Wagga Wagga	April 2004 to Current
Kidson, Mary	Wagga Wagga	1 <sup>st</sup> July 1997 to 1999
Kotzur, Elwyn	Culcairn	1 <sup>st</sup> July 1997 to 1999
Kreutzberger, Ian	Urana	April 2004 to Current
McInerney, John	Holbrook	22 <sup>nd</sup> Sept 1999 to 26 <sup>th</sup> May 2004
McInerney, John	Greater Hume	27 April 2005 to Current
Peardon, Robert	Holbrook	1 <sup>st</sup> July 1997 to 1999
Ross, John	Greater Hume Shire	27 <sup>th</sup> April 2005 to Current
Sexton, David	Administrator, Greater Hume Shire	26 <sup>th</sup> May 2004 to 23 Feb 2005
Simpson, Diana	Wagga Wagga	April 2004 to Current
Vidler, Karen	Wagga Wagga	April 2004 to Current
Vidler, Lindsay	Wagga Wagga	1 <sup>st</sup> July 1997 to Current
Wales, Kevin	Wagga Wagga	April 2004 to Current
Yates, Peter	Lockhart	20 <sup>th</sup> Sept 1999 to Current

## Chairperson

Brassil, AM, Pat	1 <sup>st</sup> July 1997 to 27 March 2004
Vidler, Lindsay	10 <sup>th</sup> May 2004 to 31 <sup>st</sup> Oct 2007
Yates, Peter	31 <sup>st</sup> Oct 2007 to Current

## Deputy Chairperson

Coghill, Ian	1 <sup>st</sup> July 1997 to Oct 2003
Yates, Peter	Oct 2003 to 31 <sup>st</sup> Oct 2007
Kendall, Rod	31 <sup>st</sup> Oct 2007 to Current

## General Manager

Pieper, Gerald	1 <sup>st</sup> July 1997 to Current
----------------	--------------------------------------

## Senior Staff

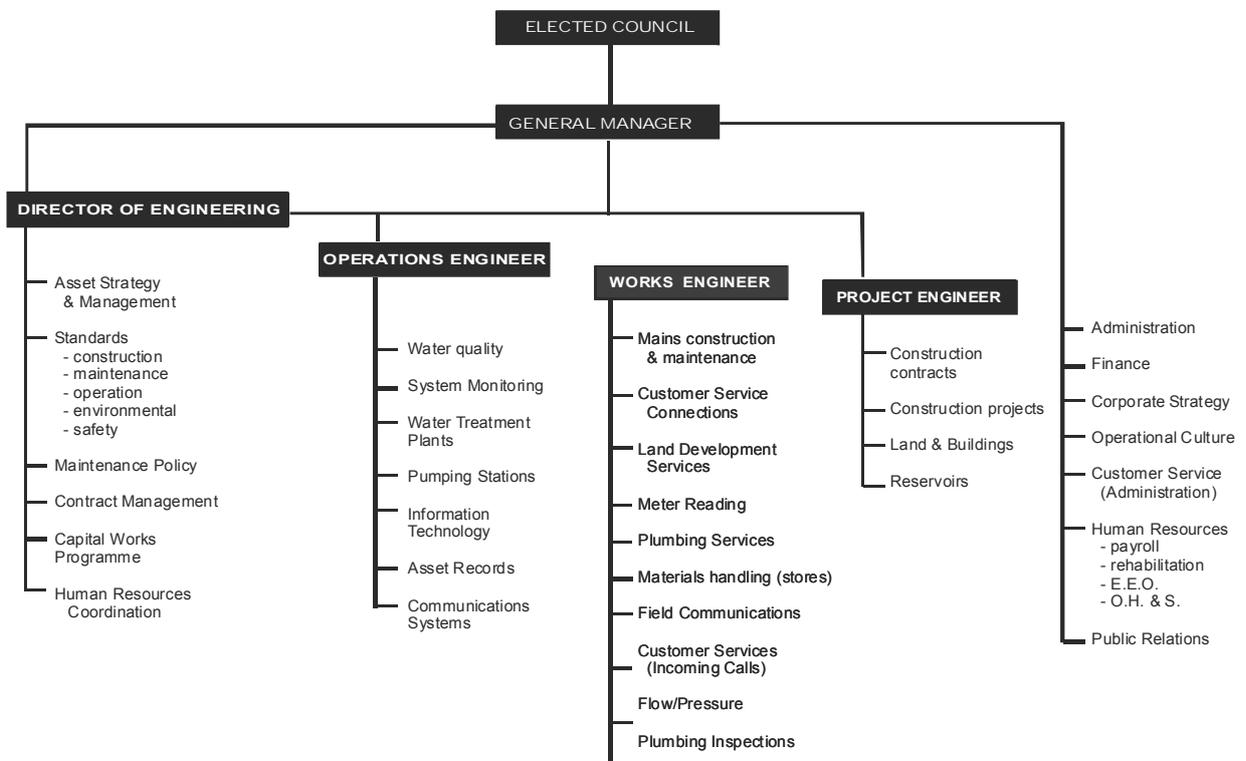
Nash, Murray (Manager Engineering)	1 <sup>st</sup> July 1997 to 14 May 2004
Clifton, Peter (Director of Engineering)	10 <sup>th</sup> May 2004 to Current

## MEETING ATTENDANCE 2007/08

COUNCILLOR	NUMBER OF MEETINGS	ATTENDANCE
R. Kendall	6	6
I. Kreutzberger	6	6
J. McInerney	6	6
J. Ross	6	5
D. Simpson	6	0
K. Vidler	6	1
L. Vidler	6	5
K. Wales	6	5
P. Yates	6	6

# INTRODUCTION

## ORGANISATION STRUCTURE



## CHAIRPERSON'S MESSAGE

Another year has past with Riverina Water County Council achieving an excellent result. Its task is to supply water to its constituent Councils' of Lockhart, Urana, Part Greater Hume Shires and Wagga Wagga City.

We began the financial year beginning the 1<sup>st</sup> July 2007, with a reduction in our water allocation at 50% due to the ongoing drought. A request was made by the then Minister Koperberg to introduce Water Restrictions. From July Level 4 restrictions were introduced which meant no outside water for domestic and commercial landscape gardens.

Due to the severe reductions in our water allocation, Council sought a meeting with Minister Koperberg to express our concern. The General Manager Gerald Pieper and I (Deputy Chairman Peter Yates) met with the Minister in August to express our disapproval toward the lack of consultation prior to our reduction in water allocation and the method used to inform us of relevant information.

During the year, consumption of water totalled 14,593 megalitres slightly below the budgeted target of 15,000 megalitres. Rainfall during late spring and summer together with the public adhering to restrictions has helped keep water usage within budget.

Riverina Water has also implemented a domestic meter replacement program and so far has replaced 7,520 meters. This has attributed to a reduction in unaccounted water from 12.5% 2005/06, 9.0% 2006/07 to 8.4% 2007/08.

With consumption being within Council's water usage budget, Council was still able to record a 4.5 million operation result with a decrease in cash of \$487,000 after spending \$8.3 million on assets. This reflects credibility on the soundness of the system and shows the advantages of good maintenance and the replacement program.

Council also attended the Annual Water Conference in Inverell, where Minister Nathan Rees announced an Inquiry into Secure and Sustainable Urban Water Supply and Sewerage Services for Non-metropolitan NSW. As part of the enquiry, Council provided comments on the Draft Terms of Reference as well as promptly submitting its submission to the Government. Our submission supported the County Council model and this was presented to the review panel consisting of the Hon. Ian Armstrong OBE and Dr. Colin Gellately in April when they visited Wagga Wagga.

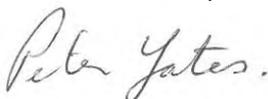
Annually Council holds a meeting within one of its Constituent Council areas. In August 2007 we deliberated over business at the Urangeline Peace Hall in the shire council area of Lockhart. This coincided with the Official Opening of the Urangeline/Bidgeemia Water Supply Scheme which Federal Member for Farrar the Hon. Sussan Ley officiated. Thank you to Ursula Jones for hosting the day and her tremendous work towards the implementation of the Scheme.

The Council could not perform to the level it has achieved without the staff. I would like to make mention of Peter Elliott 25 years service, Brian Harmer 35 years service and Pat Davis 40 years service and Spencer Osborn who retired after 18 years service. Congratulations to these loyal employees and we wish them well in the future.

I would like to thank all the staff, both indoor and outdoor for their dedicated service to Council. And to the consumers the task of supplying them with good quality water in the most efficient and reliable manner.

A special thank you to Lindsay Vidler for his contribution to Riverina Water and his being Chairman for the last 3 years. I wish to thank my fellow Councillors for their contributions and Rod Kendall for his assistance as Deputy Chairman, being elected last October.

Finally I would like to thank Executive Staff and in particular the General Manager Mr. Gerald Pieper for their leadership and forward planning.



Clr. Peter Yates  
CHAIRPERSON

Election of New Chairperson  
and  
Deputy Chairperson at  
Council's Meeting  
held 31st October 2007.  
L-R Deputy Chairperson Clr.  
Rod Kendall (Wagga Wagga)  
and Chairperson Clr. Peter  
Yates (Lockhart Shire)



Deputy Chairperson Clr.  
Peter Yates,  
Daryl Maguire, Member for  
Wagga Wagga,  
and General Manager  
Gerald Pieper  
in Sydney discussing their  
strategy prior to meeting  
With Phil Koperberg,  
Minister for Climate  
Change, Environment and  
Water on Tuesday 24th  
July 2007



Inquiry into Secure and Sustainable Urban Water Supply and Sewerage Services  
for Non-Metropolitan NSW

HEARING - Wagga Wagga - 29th April 2008

Riverina Water's General Manager Gerald Pieper, with Chairman Clr. Peter Yates  
and Director of Engineering Peter Clifton giving a review of their submission to  
The Hon. Ian Armstrong OBE and Dr Colin Gellatly

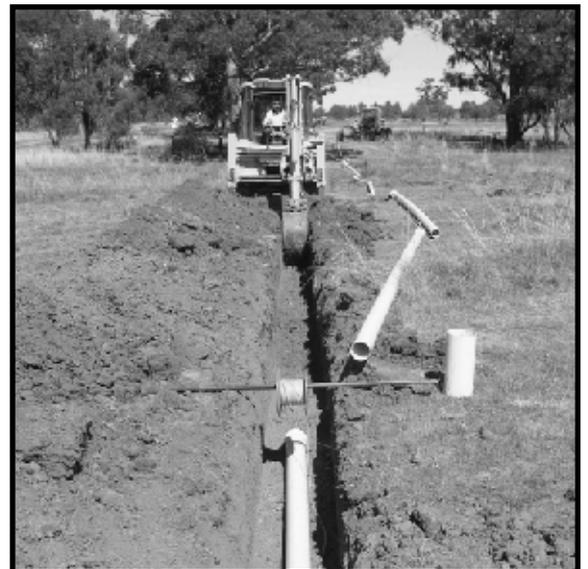


**OFFICIAL OPENING  
of the  
BIDGEEMIA / URANGELINE  
WATER SUPPLY SCHEME**  
29th August 2007  
At Urangeline Peace Hall,  
Urangeline NSW

The Bidgeemia/Urangeline water supply scheme commenced in July 2006 with 23 connections, with a capacity of a total of 50 connections. 53kms of watermain, accounting for 69% of watermain extensions for 2006/07. At a total cost of \$1.3M (\$195,289 funded by Commonwealth Govt (15%), \$812,646 funded by property owners (63%), and \$300,000 funded by Riverina Water (22%).)



Clr. Lindsay Vidler, Hon Sussan Ley MP and Ursula Jones officially open the Scheme



The Rural Gang consisting of Darryl Grosvenor, Darren Burkinshaw, Stephen McIntyre & Ken McGilvray



## YEARS OF SERVICE & RETIREMENT



### 40 YEARS SERVICE

**Pat Davis,  
Overseer,**

being presented with a certificate and gift voucher from Clr. Peter Yates, Chairman for attaining 40 years service with Riverina Water County Council

### 35 YEARS SERVICE

**Brian Harmer,  
Trades Assistant Electrical,**  
receiving a certificate and gift in recognition of 35 years service, from Riverina Water County Council's General Manager, Mr. Gerald Pieper.



### 25 YEARS SERVICE

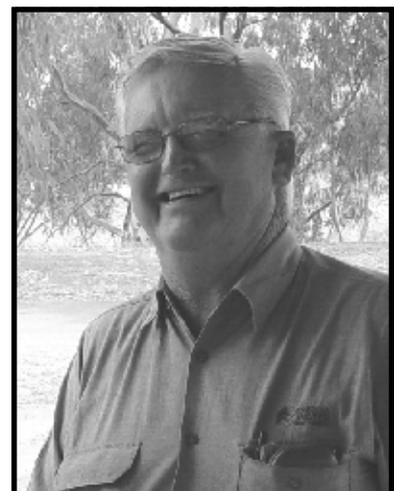
**Peter Elliott,  
Groundsperson,**

being presented with certificate and gift on attaining 25 years service with Council by Clr. Rod Kendall, Deputy Chairperson at Staff Christmas Gathering



### RETIREMENT

**Spencer Osborn,  
Storeperson,**  
1989 - 2007  
retired from Council  
after 18 years service





APPRENTICE  
EXPO  
14th August 2007

Adam Gadd, Rory Winter,  
Stephen McIntyre & Jeremy Alexander  
represented Riverina Water  
at the Compact Career & Trades Expo  
at Murrumbidgee Turf Club,  
Wagga Wagga



**Workers Compensation's  
Dust Diseases Boards  
"Mobile Respiratory Unit" and  
Industrial Hearing Test Bus**  
were on site in September 2007.  
Most staff made use of the  
opportunity  
to get tested for asbestos  
exposure  
and loss of hearing.



## BUILD A BRIDGE (& GET OVER IT)

"I had a great time helping out at the "Build a Bridge and Get over it" camp during August 2007. In fact I think I might have had more fun than the kids who were there.

I went along just to help out with the activities, get to know the kids a bit and hopefully have the opportunity to share a bit of my life with them so they could see what being an Engineer is like.

The aim of the camp is to give kids who might be interested in a career in the sciences/engineering and even the construction industry as carpenters etc a hands on experience of what its like to be an Engineer and work with others to actually build something. Its great stuff and I'd encourage any kid who's genuinely interested to get along to one of the camps.

This is the second camp that's been run and just like the 2006 camp, the kids all chose to build a suspension bridge across the creek. The span was about 17m, so it was no mean feat to pull it off. They did a pretty good job considering they only had 7hrs to build it and they couldn't cut, drill or bolt any of the materials with the exception of cable, rope and string. At the end we test loaded it with 300kg of kids and it performed well. Talk about fun!



The children involved  
in the "Build a Bridge and Get over it"  
Project



Peter Anderson  
Project Engineer  
Riverina Water County Council  
On "The Bridge"

I like practical careers things like this because the kids really get to understand the challenges involved while having fun and experiencing the satisfaction that comes from building it yourself. Nothing like it to spark a kids interest.

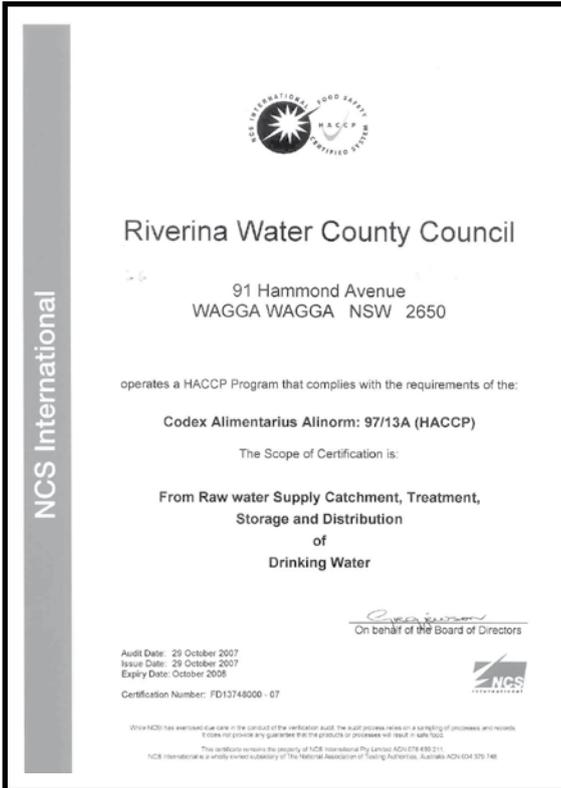
They say that NSW is going to be short 5000 Engineers by 2010 because they cant get kids interested in it and because of the expense but I think that after this camp it might be a few less than 5000.

Good on Riverina Water and Pipes Wagga Conference for getting behind this program. I really think we've helped a few kids work out one of the hardest parts of being a teenager – their career."

*Peter Anderson*

*Project Engineer*

*Riverina Water County Council*



## HACCP ACCREDITATION 2nd Year Running

Riverina Water County Council's Water Quality Department is proud to announce that we have been awarded a current HACCP Accreditation Certificate.



## RIVERINA WATER'S SOCIAL CLUB DONATION TO THE CANCER CARE CENTRE

Riverina Water County Council's Social Club President Peter Looney presenting Damien Williams, Practice Manager and Jo Asgill, Clinical Nurse Specialist from the Riverina Cancer Care Centre, Wagga Wagga with a cheque, donated by Riverina Water's Social Club  
14th February 2008



## Sturt Mall's GREEN EXPO 6th-8th March 2008 WAGGA WAGGA

Riverina Water's Water Quality Officer Leanne Hastings and Water Treatment Plant Operator Adam Gadd giving advice on water saving measures.

# NATIONAL COMPETITION POLICY

The Commonwealth State and Territory Governments endorsed National Competition Policy through a series of inter-governmental agreements in 1995. The State Governments were given the responsibility to ensure that the National Competition Principles were applied to the Local Government authorities under their jurisdiction.

In June 1996 the New South Wales Government released a Policy Statement on the Application of National Competition Policy to Local Government. Under the guidelines established by the State Government the following actions have to be undertaken by Councils within New South Wales:

**i) Identify Council's business activities and categorise them in accordance with the guidelines:**

The New South Wales Government proposes two categories of business activities – Category 1 Businesses (which have annual sales turnover/annual gross operating income of \$2M and above) and Category 2 Business (which have annual sales turnover/annual gross operating income less than \$2M). The treatment that Councils have to apply to each of these business categories varies, with the Category 1 Businesses being subject to more detailed requirements. Council's activity is a Category 1 business.

**ii) Creation of a complaints mechanism to deal with a competitive neutrality complaints.**

Council has developed a complaints management system.

**iii) Application of tax equivalents, debt guarantee fees and dividend payments.**

As one of the intentions of the National Competition Policy is to provide a "level playing field" between Council's business activities and those provided by the private sector. The guidelines require calculations to be made to determine tax equivalents, debt guarantee fees (where the activity may obtain a lower borrowing rate than it may have faced if it were a private organisation) and dividends. These calculations do not have to appear in Council's external accounting processes but need to be calculated and recognised in Council's internal accounting arrangements. Calculations have been completed and included in the statistical notes of the financial statements for the 2007/2008 financial year.

**iv) Separation of the costs associated with operating a business activity.**

A business undertaking must have its accounting and other operations structured in such a way as to provide a distinct reporting framework. This means that all the costs, both direct and indirect, associated with that business activity must be allocated to it.

**v) The Council has not received any complaints in respect of Competition Neutrality during 2007/2008.**

# COUNCILLORS' FEES, FACILITIES AND EXPENSES

## Section 428 (2) (f)

Chairperson's Allowance	\$ 7,208
Councillors' Fees	\$39,240
Councillors' Expenses	\$ 3,879
Conference / Seminar Fees	\$ 9,406
Spouse/Partner Conference expenses	\$ 256

Council's Policy in respect of these matters is detailed below.

### POLICY 5.3 - COUNCILLORS' EXPENSES & FACILITIES

#### POLICY TITLE

#### Payment of Councillors' and Chairperson's Fees, Expenses and Facilities

#### OBJECTIVES:

To define, in conformity with the requirements of the Local Government Act, 1993, the Council's policy on the provision of facilities for and the payment of expenses to Councillors and the Chairperson.

#### POLICY STATEMENT:

That in accordance with Division 5 of Chapter 9 of the Local Government Act (as amended) 1993, the Council pay fees and adopt the following policies concerning the payment of expenses incurred or to be incurred by Councillors and the provision of facilities to the Chairperson and some other Councillors in relation to discharging the functions of the County Council:

1. During the month of June in each year, the Council will review the fees and expenses paid to or facilities provided for the Chairperson and Councillors and determine the amounts to be paid for the ensuing year.
2. The amount of the annual fee for the Chairperson and Councillors will take into account the minimum and maximum amount determined by the Remuneration Tribunal and will be paid monthly in arrears.
3. The amount of expenses for conveyance by car will be determined by the rates provided in the Council's Award and will be paid monthly in arrears.
4. Provided that where a Councillor ceases to be the Chairperson, the fee to be paid will be calculated on a daily basis for the proportion of the month that the Councillor remained the Chairperson.
5. Similarly, where a Councillor is elected Chairperson, the fee to be paid will be calculated on a daily basis for the proportion of the month in which the Councillor became Chairperson.
6. Expenses incurred in attendance, authorised by the Chairperson or Council, at conference, seminars, training sessions, inspections and other authorised activities in relation to discharging of functions of the County Council, shall be conference etc., registration fee plus accommodation costs plus reasonable meal and out-of-pocket costs as verified by documentation normally required in accordance with internal audit procedures. Expenses incurred of spouses, partners or accompanying persons associated with attendance of conferences be the cost of registration and the official conference dinners.
7. Facilities will be provided to allow the Chairperson to discharge the functions of the County Council by way of the necessary administrative services. The Chairperson is to be provided with a facsimile machine for the purpose of facilitating communication.

## PERSONNEL & DELEGATION

### EMPLOYMENT OF SENIOR STAFF

#### Section 428 (2) (g)

During the year 2007/2008 Council employed two senior staff, the General Manager and Director of Engineering, at a total remuneration cost of \$325,068 including salaries, superannuation, private use of a Council car and fringe benefits tax.

### HUMAN RESOURCE ACTIVITIES - UNDERTAKEN BY COUNCIL

#### Section 428 (2) (m)

Riverina Water employs a workforce of 83 people to carry out the range of responsibilities in administering the organisation and supplying water to the communities. From time to time this workforce is supplemented by a small number of temporary staff. Two apprentices have been employed during the year through G.T.E.S.

Riverina Water's commitment to developing a skilled workforce is demonstrated in its apprenticeship and trainee program. Apprentices are employed in the Electrical (2), Welding (2) and Fitting (2) trades. Trainees are employed in Maintenance Operations and Water Treatment (3). These nine (9) apprentice/trainee positions represent 10% of Council's staff.

The General Manager and Director of Engineering are senior staff positions as defined in the Act.

Staff turnover remains relatively low at approximately 5% of permanent staff.

	Admin	Engineering	Waterworks	Depot Base	Rural	Totals
Perm.June 2007	7	8	20	40	5	81
Temp.June 2007		1	1			1
<b>TOTAL June 2007</b>	<b>7</b>	<b>8</b>	<b>22</b>	<b>40</b>	<b>5</b>	<b>82</b>
Retired			1	1		1
Resigned	1			3		4
Terminated						
Appointed	1		1	3		5
Internal Transfer		1	-1			
Transfer to Perm.						
Temp. Appointed		1		2		3
Temp.Terminated		1		1		2
Perm.June 2008	7	9	22	39	5	82
Temp.June 2008				1		1
<b>TOTAL June 2008</b>	<b>7</b>	<b>9</b>	<b>22</b>	<b>40</b>	<b>5</b>	<b>83</b>

Recruitment practices follow the EEO guidelines.

## Training

Staff training is a significant part of our human resources activity, and in addition to on-the-job training a number of specific courses were undertaken to a training plan, throughout the year. Essential training costs are met in full, and assistance is also given to staff undertaking desirable (extra) training.

### Training Undertaken 2007/2008

TRAINING COURSE	NUMBER OF PARTICIPANTS
Asbestos for Supervisor's Training	16
Asbestos Training	25
Australian Drinking Water Guidelines	1
Backflow Workshop	1
Bearing Technology & Maintenance	3
Bonded Asbestos Removal	24
Building Designers Conference	1
Chainsaw Operation - Level 1	9
Citect Training	2
CIV Project Management	5
Confined Space Refresher	26
Construction Induction – White Card	1
Enviro 2008	1
ESafety Conference	5
Executive Women's Leadership Symposium	1
First Aid – Full Course	4
First Aid - Refresher	11
Fluoride Operator Training	8
Forklift	2
Internal Auditors Course	2
Manual Handling	10
MR Truck Licence	1
Operators Update Seminar	2
Overhead Power Line – Information Workshop	2
Pipes Wagga	14
Plant Operator – Chemical Dosing	1
Plant Operator – Part 1	2
Railway Protect Officer Training – PO1	4
Sharps Training	12
Shoring – Trenching / Ground support	12
SIA Conference – Melbourne	1
Track Safety Awareness	4
Traffic Control – Design and Audit	4
Water Filtration Training	2
Water Operations Training (Traineeship) 1 day	3
WIOA – Operators Conference	8
WorkCover Licence – LE, LB, LS	2
Worksite Traffic Control	10
Worksite Traffic Control - L3 RTA	9
<b>TOTAL</b>	<b>251</b>

## **Enterprise Award**

In 2006/2007 a revised Enterprise Award was negotiated with the various unions. The Riverina Water County Council Enterprise Award 2007 continues the concepts of an effective and cohesive workplace, and covers a three-year period, which commenced July 2007.

Remuneration to all staff is based on a logical and fair system, commensurate with modern day standards and practices. The system includes an annual review of skills attained and used.

## **Staff Committees**

A number of staff committees have operated successfully throughout the year, each making an important contribution to the operation of the organisation.

- Occupational Health & Safety Committee
- Staff Consultative Committee
- Promotional Committee

## **Occupational Health and Safety Management**

The focus this year at Riverina Water has been the ageing of the labour force, and filling the skills gaps as people move into retirement. A recruitment program that includes apprenticeships and traineeships has encouraged younger staff to start careers with Council. The median age of our staff has reduced from 45 years to 43 years over the last 12 months.

To ensure safety is promoted as the number one priority, the recruitment process includes a major focus on the new recruits attitude towards safety, and the induction process has almost an entire day devoted to safety in the workplace. Safety training has also been improved with Supervisor's now being issued with their own safety manual which has a list of all safe work procedures (SWP's) relevant to their work teams. Supervisor's have been given the responsibility of ensuring each of their team members are aware of and receive relevant training in SWP's.

### OHS & R Goals & Objectives 2007/08

Riverina Water's OH&S goal for 2007 / 2008 is to provide a safe workplace and systems of work, assisting the organisation ideally to eliminate but more realistically to reduce the instances and severity of Lost Time Injuries by at least 50%. At Riverina Water our aim over the period July 1, 2007 – June 30, 2008 is to implement the following strategies as the main tools to achieve the overall objective / goal for this 12-month period.

Means of achieving		Target / Measure / KPI's Result	(<5LTI's & 53 LTD's) 4 LTI's & 60 LTD's
<b>Develop and implement a revised OHS&amp;R Management System</b>	Review and implement the current draft OHS&RMS Manual	Stage 1 manual to be endorsed and implemented. <i>Endorsed by committee, approved by GM. Executive committee reading through documentation.</i>	
	Develop and implement an OHS&R Procedures Manual	Complete draft and distribute for review. <i>Manual commenced.</i>	
	Develop and distribute supervisor / employee manuals	Gain approval for concept and form working group. <i>Supervisors manuals (with SWP's only at this stage) distributed to all supervisors. Training on SWP's has commenced.</i>	
<b>Improve Safety Culture and Employee Involvement</b>	Training <ul style="list-style-type: none"> <li>▶ review and improve induction processes for new and transferring employees</li> <li>▶ Improve skills lists to more clearly identify OHS skill levels</li> </ul>	Draft Induction Process prepared. <i>Induction process AP003 fully operational with periodical reviews.</i> Define training required to obtain Basic/Advanced OHS skill level. <i>Training now defined &amp; accepted and adopted by the skills review committee &amp; used during recruitment process.</i>	
	Promote understanding of OHS Policy	All employees to know of and understand policy objectives. <i>Include with OHS manual implementation.</i>	
	Undertake annual personal development reviews	Process developed and scheduled. <i>Procedure developed AP008, but no training or reviews scheduled as yet</i>	
	6 monthly Team Safety Performance Reviews	Completed 6 monthly and graphed. <i>Stalled at present.</i>	
	Address non-compliance issues in accordance with the Enterprise Award	Non-compliance issues formally recorded and documented. <i>Progressive Disciplinary Procedure AP009 developed and being utilised.</i>	
<b>Improve Communication and Consultation</b>	Develop organisational standards for team meetings and communication requirements	Formalised and documented requirements for meetings at all levels (confirm during team reviews). <i>"Take a Break &amp; Talk Safety" sheets launched &amp; currently being utilised.</i>	
	Provide clear guidance on positional roles / OHS responsibilities and accountability	Document and promote OHS duties of all staff. <i>Responsibilities lists drafted but no further action as yet.</i> Provide appropriate training to supervisory staff. <i>No progress.</i>	
	Provide feedback on OHS issues	Improved OH&S committee roles. <i>Improvements made.</i>	
	Implement document control system	Workgroup formed and some progress toward system implementation. <i>PDCG controlling procedures only.</i>	

Means of achieving		Target / Measure / KPI's (<5LTI's & 53 LTD's) Result 4 LTI's & 60 LTD's
<b>Reduce Motor Vehicle Incidents</b>	Improved reporting & investigation	No unreported damage to vehicles. <i>Improved.</i>
	Driver awareness / accountability campaigns	Safety newsflash articles. <i>Promotion undertaken each month.</i>
	Address non-compliance or unsafe work practices in accordance with the Enterprise Award	Non-compliance issues formally recorded and documented. <i>Formal Progressive discipline process &amp; AP012 Grievance procedure adopted &amp; being utilised.</i>
<b>Develop and Complete an annual CIAP (Continuous Improvement Action Plan)</b>	Develop from reports received following annual OHS audits - Audit by external source - Internal audit - StateCover Self Evaluation Tool	CIAP developed. <i>Developed but action slow.</i> 100% completion of items by due dates. <i>Minimal progress achieved.</i> >90% evaluation result. <i>93% achieved.</i>
<b>Identification of hazards &amp; elimination/reduction of risks</b>	Workplace inspections to be undertaken 3 monthly	Inspection schedule to be up to date. <i>Up to date.</i>
	Improve Accident/Incident reporting and investigation	All accidents/incidents to be reported and investigated within set time frames. <i>Improving but not yet 100%.</i>
	Hazard register to be reviewed regularly	Interim controls to be implemented within 4 weeks, Permanent controls to be in place within 24 calendar months, 100% completion of items by due dates. <i>Interim controls implemented but permanent controls not always completed by due date.</i>
	Manual handling issues to be addressed	Reduction of manual handling related injuries by 20%. <i>Percentage decrease achieved.</i>
<b>Develop and Review Safe Work Procedures &amp; train staff in safe work requirements</b>	Develop internal training and accreditation programs to ensure all staff are trained and accredited in relevant safe work methods.	Develop program within 12 months. <i>Procedure manuals released with training in relevant procedures listed for each work team.</i>
	Review all SWP's with a view to their effectiveness and legal compliance	Review all current procedures within 12 months. <i>Ongoing.</i> Develop program to write procedures for all tasks within 18 months. <i>Some progress. Requires more work.</i>

The OH&S Committee held a safety breakfast to coincide with Safe Australia Week on the 23<sup>rd</sup> October, 2007 with all Riverina Water staff invited to attend. The morning event was used to promote the importance of communication in the workplace and to reinforce that the OH&S Committee members are an important link in continued communications between management and staff. A campaign called "Take a Break & Talk Safety" was launch with Kit Kats & Fresh Fruit distributed to all staff as a reminder to take a break....and meet more regularly to discuss safety issues.

## ACHIEVEMENTS THIS YEAR

- Take a break & talk safety team meeting record sheet
- Report on Health & Wellbeing issues presented to Management during August
- Workplace Stress policy 4.19 & training package developed
- Procedure for Management of Workplace Stress AP015
- Manual Handling policy 4.20
- Harassment & Bullying policy 4.21
- Casual Employment Procedure AP010
- Grievance Procedure AP012
- Councillors Induction Package AP013
- Workers Compensation Procedure AP014
- Review of existing EEO policy
- Health surveillance for asbestos conducted
- Hep A & B vaccinations onsite
- Industrial Hearing Assessments on site
- Flu vaccination program
- Case study working group committee

## Engineering controls of risk

Safety related projects for the past year include:-

- Erect security fence at Mangoplah
- Install ladder with cage at Bomen Reservoir.
- Upgrade Waterworks jetty for submersible pump including handrail.
- Upgrade sign loading platform at Depot.
- Create fenced Asbestos storage area.
- Install access ladder to valve at Milbrulong reservoir.
- Install access ladder to valve at Boree Creek reservoir.
- Painting steps at administration office in non-slip yellow and securing front door mat.
- Repairs to Waterworks floor to remove trip hazard.
- West Wagga Aeration basin 1 and 2 fitted with FRP ladders and confined space recovery gantry.

## ***Watchout Safety Incentive Award Recipients***

This is the Sixth year for the safety incentive award program developed in conjunction with Wagga Mutual Credit Union to recognise individuals or teams that have shown excellence, either by their actions, suggestions, or innovations in developing safety in the workplace.

July/Aug 2007

Awarded to Phil McAlister (Filtration Plant Operator/Shift)

Design and alterations to Fluoride Hoppers & vacuum system at the Waterworks. Previously, excessive dust created a hazardous environment while the hoppers were being loaded. Redesigning the hoppers has allowed the vacuum system to operate more efficiently to reduce airborne dust while loading is taking place.

- December 2007      Awarded to Darryl Grosvenor's Construction Gang – consisting of Darryl Grosvenor, Ken McGilvray, Darrin Burkinshaw and Wayne Kenyon.
- Suggestion for safety rails for the landing. Safety rails have now been installed and prevent anyone from falling off the landing whilst loading/unloading vehicles.
- February 2008      Awarded to Welding Section – consisting of Phil Murray, Colin Fisher, Zane Cronk and Ben Keatley.
- Hazard identified with the carrying and securing of a crowbar and copper pipe to the welding trailer. A cradle was designed and fitted to the trailer, this removed all chances of the pipe and bar becoming loose and presenting a hazard to the public.

### **RIVERINA WATER'S WORKERS COMPENSATION PERFORMANCE**

The cost of workplace injuries goes beyond the actual cost of treating the injury and rehabilitating the worker. Every injury feeds into a complicated formula that impacts on future insurance premiums.

Keeping a record of all accidents, injuries and near misses is the first step to greater control by identifying the weakest links in OH&S management systems. During the past year our OH&S Coordinator has been directed to be more visible and available to staff by getting out and about more on the worksites. This allows greater awareness of day to day operations, monitoring of safety, and identification of hazards to eliminate problems.

Riverina Water has promoted Safety is Everyone Responsibility – Report it and do something about it – Don't wait for an accident to occur.

Sustainable return to work programs throughout the year for injured workers have reduced our insurance premiums. Returning to meaningful work is good for the injured worker as well as relieving the insurance system of ongoing income supplements.

The benchmark for measurement of Workers Compensation performance is "Average Rate" (Premium/wages%). At Riverina Water \$2.99 out of every \$100 wages paid goes towards Workers Compensation Premium.

## EQUAL EMPLOYMENT OPPORTUNITY - ACTIVITIES TAKEN BY COUNCIL TO IMPLEMENT ITS MANAGEMENT PLAN

### Section 428 (2) (n)

#### The aim of Council's policy on EEO is as follows:

*To eliminate and ensure the absence of discrimination in employment on the grounds of race, sex, marital status and physical impairment and to promote EEO for women, members of racial minorities and physically handicapped persons.*

Council's EEO policy statement was endorsed by its Consultative Committee on 6<sup>th</sup> November 1997.

#### E.E.O. Strategies are:

- Maintain the wording of all of Riverina Water's advertisements for vacant positions to ensure that they offer all potential applicants equal employment opportunities.
- Review application forms to ensure fair selection and decision procedures.
- Provide career counselling.
- Improve career opportunities for staff currently employed in areas of limited career structure.
- Reinforce the staff appeal system and grievance procedures.
- Prevent harassment of staff.
- Continue the training programme for all staff.
- Continue with job rotation programmes and enhance these where possible.
- Inform all staff about E.E.O. programme, work being done under it and subsequent progress and results.
- Make E.E.O. responsibilities a routine part of management and supervision functions.
- Continue to improve staff access to information about Riverina Water and conditions of employment.

## EXTERNAL BODIES WHICH HAVE EXERCISED COUNCIL-DELEGATED FUNCTIONS

### Section 428 (2) (o)

The Council has not delegated any functions to external bodies. The water supply for the township of Culcairn is undertaken by the Greater Hume Shire Council in accordance with the proclamation of 2<sup>nd</sup> May 1997.

## TOTAL REMUNERATION FOR SENIOR STAFF

### Section 428 (2) (r) General Regulation (Clause 31 [1] [b])

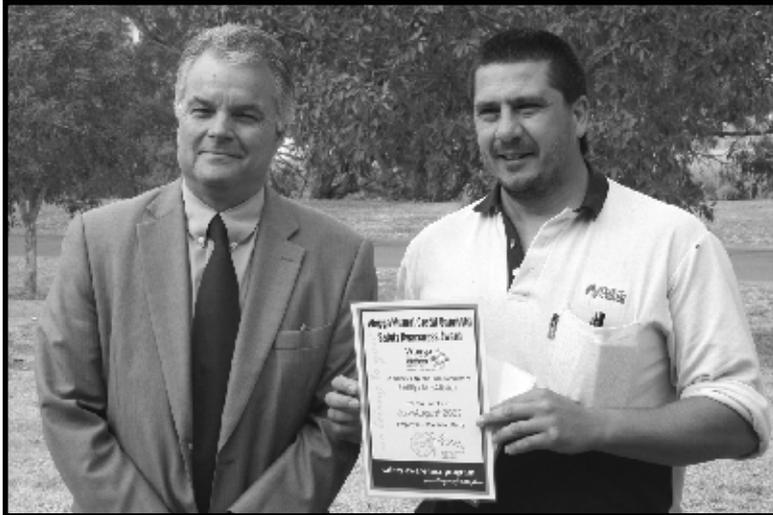
The information required by this sub-section is the total of the salary component, employer's contribution to superannuation, private use of motor vehicle and fringe benefit taxes, for the positions of General Manager and Director of Engineering was \$325,068.



**WATCHOUT**

**SUPPORTING WORKPLACE SAFETY  
“Watchout” Safety Incentive Scheme**

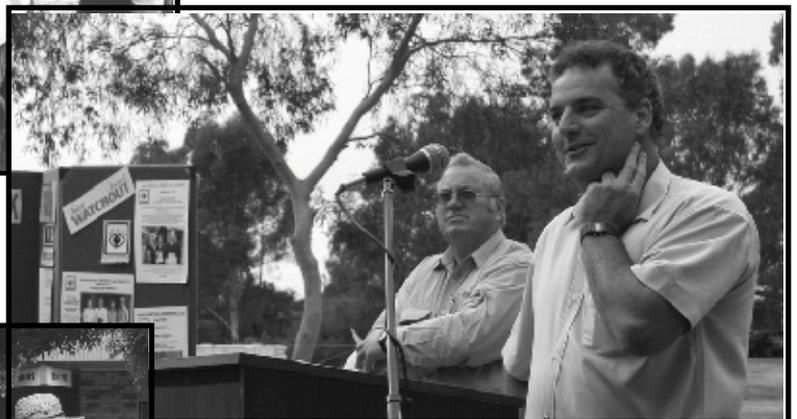
**“TAKE A BREAK” SAFETY BREAKFAST  
AND PRESENTATION TO SAFETY AWARD WINNER  
23rd October 2007**



**AWARDED TO  
PHIL McALISTER  
(Filtration Plant Operator)**

For the “Design and alterations to fluoride hoppers and vacuum system at the Waterworks. Previously, excessive dust created a hazardous environment while the hoppers were being loaded. Redesigning the hoppers has allowed the vacuum system to operate more efficiently to reduce airborne dust while loading is taking place”.

Pictured is Wagga Mutual Credit Union’s CEO Glenn Elliott presenting Phil McAlister with his Award at Riverina Water’s Safety Breakfast held 23rd October 2007  
**August 2007**



**Mark Barber  
Co-ordinator, WorkCover  
Welcoming staff to Safety Breakfast with  
Riverina Water’s Eddie Dunn, Chairman  
OH & S Committee in background**



**WATCHOUT**

## SUPPORTING WORKPLACE SAFETY “Watchout” Safety Incentive Scheme

### SAFETY AWARD WINNERS

#### AWARDED TO DIDGE’S GANG

Consisting of  
Darryl Grosvenor,  
Ken McGilvray,  
Darrin Burkinshaw &  
Wayne Kenyon

Their suggestion was:  
“Whilst loading truck off  
the back landing (near  
signs) that safety rails  
should be in place on the  
landing, to prevent anyone  
from falling off it. In its  
present state it is very  
dangerous and possibly  
illegal”, which was  
investigated and  
implemented.  
**December 2007**



L-R Gerald Pieper (General Manager), Darryl Grosvenor, Ken McGilvray, Glenn Elliott (Wagga Mutual Credit Union’s CEO), Darrin Burkinshaw, Wayne Kenyon, and Michael Smalley (Wagga Mutual’s Community Development Coordinator)



L-R - Michael Smalley (Wagga Mutual’s Comm. Develop.t Coordinator), Phillip Murray, Zane Cronk, Gerald Pieper (General Manager) and Daryl Ryan (OHS Coordinator) (Absent Colin Fisher and Ben Keatley)

#### AWARDED TO WELDING SECTION

**Phil Murray, Colin Fisher, Zane Cronk & Ben Keatley**

Hazard identified with the carrying and securing of a crow bar and copper pipe to the welding trailer, a cradle was designed, fabricated and fitted to the trailer, this removed all chances of the pipe and bar becoming loose and presenting a hazard to the public and meter reader.

**February 2008**



**WATCHOUT**

## **SUPPORTING WORKPLACE SAFETY “Watchout” Safety Incentive Scheme**

### **SAFETY AWARD WINNERS**

**AWARDED TO  
THE FITTING TEAM**

**Brent O’Brien, Carl Graetz, Craig Willis, Kane Cathro,  
Shane Cross and Richard Mason**

Since the introduction of the  
**“Take a Break - Talk Safety”**  
team meetings this team has been the most consistent team in  
holding and recording these meetings.

This team has held a team meeting every month  
for the last 8 months.

No Lost Time Injuries for 8 years.

**June 2008**



L-R Brent O'Brien, Kane Cathro, Jason Ip,  
Judi Dunning (RW RTW Coordinator) and  
Michael Smalley (WMCU Community Development Coordinator)  
Absent from Photo - Carl Graetz, Craig Willis,  
Shane Cross and Richard Mason



Installation of West Wagga Bore 5  
by Riverina Water Staff  
Brent O'Brien, Zane Cronk & Shane Cross



### DECOMMISSIONING OF BORES

In May 2008, 3 bores were decommissioned West Wagga No. 3, East Wagga Nos 1 & 2. The work was done by Andy Giacomel of AGE Developments.

The bores are filled with cement slurry which doesn't contain aggregate. The cement is pumped into the hole (bottom up) until water is displaced and the cement comes to the surface. Once full, the delivery hose is left in the hole and cut off when the cement sets. Within a couple of days the cement shrinks back a bit. The hole is then topped up and cemented over as in the case of the East Wagga bores, or, at West Wagga the soil around the bore hole is excavated down 1 metre, the bore casing cut off and the area backfilled.

If necessary the area should be revegetated. When all is complete the Department of Water & Energy (DWE) is notified of the permanent decommission/s.

Decommissioning of  
West Wagga Bore No. 3  
by Contractor AGE  
Developments -  
Andy Giacomel



North Wagga Aeration  
August 2007



Riverina Water's  
Overseer Pat Davis  
(centre) shows  
Trainees (L-R Rory  
Winter, Stephen  
McIntyre and Richard  
Mason) a close  
inspection  
of the 10 MG Reservoir,  
during its annual  
repair  
August 2007

# ENVIRONMENTAL & SOCIAL MATTERS

## STATE OF THE ENVIRONMENT

### Section 428 (2) (c)

Unlike a general purpose council, Riverina Water County Council is not required to address the general state of the environment, however it is responsible for environmental protection in relation to all its works and activities. The movement and treatment of water, and the disturbance of soil during construction work must have due regard for environmental issues. Water is a finite resource, and although most of Riverina Water's sources of raw water are adequate and reliable through the driest years, there is a wider responsibility to eliminate any inefficient or wasteful practices in the use of water.

### Environmental Protection – objectives and targets

Water is arguably the most important resource and its use must include long term consideration of protection and sustainability.

While Riverina Water draws only a small percentage of the surface and groundwater resource in the Murrumbidgee and Murray Valleys, it is bound by state water management policies, administered by the Department of Water Resources. It is also essential that any water we return to the environment is of an appropriate quality.

Any disturbance of the soil during pipe laying, or other water supply work is protected by recognised soil and water conservation practices during the project, and returned to a state equal or better than pre-existing on completion of the work.

Riverina Water also works to minimise the amount of electricity used, and thus contribute to programmes which reduce greenhouse gas emissions.

Land and buildings owned by Riverina Water are cared for in an environmentally sustainable way.

Riverina Water works to reduce wastage and make customers aware that water is a finite resource, that the provision of water supply is costly, and that inefficient and wasteful practices should be eliminated.

## PROGRAMMES UNDERTAKEN TO PRESERVE, PROTECT, RESTORE AND ENHANCE THE ENVIRONMENT

### Section 428 (2) (i)

A programme is well advanced to progressively upgrade the sludge and backwash disposal system at each filtration plant, to minimise suspended matter in effluent leaving the plant. Work currently scheduled in the capital works programmes includes Tarcutta Water Treatment Plant to more effectively remove dissolved iron and manganese from the waters pumped from local bores.

Protection of soil – Field construction supervisors have undertaken a course on practical soil and water management.

Practices such as site containment, storm flow and sediment control, and re-vegetation are undertaken wherever needed on work sites.

A sludge tanker is on hand and used in conjunction with underboring, to eliminate any flow of muddy waters from the work site.

Riverina Water will reduce electricity consumption, by installing higher efficiency equipment and minimising power losses. This will assist the reduction in greenhouse gas emissions in NSW.

An environmental project to restore native vegetation and generally improve the Murrumbidgee River bank and Marshalls Creek, at Council's Hammond Avenue property continued. Exotic Species were removed and native trees and shrubs have been planted along a section of the river bank adjacent to the filtration plant.

Water extracted from the river bores is measured by large bulk meters and over a year this volume is compared with the volume of water measured through all the customers individual meters. The difference for 2007/08 was 8.4% unaccounted for, but including such things as evaporation, flushing mains, firefighting, repairing burst mains, faulty customer meters, and illegal use of water. A major customer meter replacement program commenced in 2006 and is now largely completed. The program will continue at a reduced rate to ensure any aging meters are replaced.

Riverina Water gives strong support to the wise use of water, by involvement in Waterwise Programmes, and through publicity, advertising and editorial contributions when water is featured in the regional press. Riverina Water participated in the REROC sustainability project and, as part of this, designed and manufactured two water saving shower displays. These displays were lent to other Council's through the REROC area.

A range of helpful and supportive fact sheets is available and on display at 91 Hammond Avenue and other locations, including Council's website.

Plumbing Inspectors are happy to give advice on household plumbing and leak detection and can be contacted on 69220630.

## **BUSH FIRE HAZARD REDUCTION**

### **Section 428 (2) (i1)**

Bush fire hazard reduction activities are undertaken by constituent Councils, and are not an activity or responsibility of Riverina Water County Council

## **PROGRAMS PROMOTING SERVICES, AND ACCESS THERETO, FOR PEOPLE WITH DIVERSE CULTURAL AND LINGUISTIC BACKGROUNDS**

### **Section 428 (2) (j)**

Council, as a single purpose water supply authority is not involved or responsible for this activity.

## COMPANIES IN WHICH COUNCIL HELD A CONTROLLING INTEREST

### Section 428 (2) (p)

The Council does not have an interest or a controlling interest in any company or companies.

## PARTNERSHIPS, CO-OPERATIVES AND OTHER JOINT VENTURES TO WHICH COUNCIL HAS BEEN A PARTY

### Section 428 (2) (g)

The Council is currently not party to any partnerships, cooperatives and/or joint ventures.

## ACTIVITIES FOR CHILDREN

### Section 428 (2) (r) General Regulation (Clause 31[1] [c])

Activities for children are generally undertaken by, and the responsibility of constituent Councils.

Riverina Water has participated in “Little Big Day Out” in Wagga Wagga where various aspects of water supply and treatment are presented to school children.

Council also liaises with local schools and arranges tours through our water treatment facilities as required.

# OPERATION, CONSTRUCTION & MAINTENANCE

## MANAGEMENT PLAN – PERFORMANCE TARGETS 2007/2008

### Section 428 (2) (b)

Tabled below is a report on the progress achieved in the year for the various objectives set out in the 2007/2008 Management Plan.

#### Services

Strategies / Actions	Progress to 30 <sup>th</sup> June 2008
<ul style="list-style-type: none"> <li>Regularly monitor urban and village growth, and augment supply as required in line with ten year plan, and current needs</li> </ul>	Customer needs met
<ul style="list-style-type: none"> <li>Maintain network analysis of Wagga urban water system</li> </ul>	Data current. Model being used for design and major revision of model is well advanced
<ul style="list-style-type: none"> <li>Maintain the water supply infrastructure in good working order.</li> </ul>	Some but infrequent breakdowns.
<ul style="list-style-type: none"> <li>Monitor the operation of the water supply system to ensure continuity of supply.</li> </ul>	Continuity of supply.
<ul style="list-style-type: none"> <li>Reinforce throughout the organisation that we are customer orientated.</li> <li>Maintain a request and complaint handling system that ensures both attention to the request and advice of action taken or to be taken.</li> </ul>	Response time.
<ul style="list-style-type: none"> <li>Use customer news-sheets to disseminate information to customers.</li> <li>Utilise the local media when appropriate to increase awareness within the community.</li> <li>Meet with sectional or interest groups or invite them to meet with us to communicate and receive feedback on relevant issues.</li> </ul>	Level of complaints.
<ul style="list-style-type: none"> <li>Increase inspection and documentation of consumer pipework where there is potential for contamination from backflow.</li> </ul>	Required protection devices in use. Process for monitoring backflow devices being updated

#### Asset Replacement

Strategies / Actions	Progress to 30 <sup>th</sup> June 2008
<ul style="list-style-type: none"> <li>Develop and maintain a rolling replacement plan for all assets with review every 3 years.</li> <li>Identify potential system capacity deficiencies and incorporate in capital works programme.</li> <li>Maintain water network analysis programme to identify timetable of system improvements and extensions.</li> <li>Utilise Asset Register and associated technology and pipeline breakage history to determine the timing of mains replacement to minimise over all costs.</li> </ul>	Program documented and executed.

**Human Resources & OH & S**

Objective/Goal

Riverina Water's OH&S goal is to always provide a safe workplace and systems of work. The object of this goal is to eliminate Lost Time Injuries and to reduce the time lost through management of injuries that were incurred prior to this period by at least 25%. At Riverina Water our aim over the period 1<sup>st</sup> July 2007 to 30<sup>th</sup> June 2008 is to continue with the implementation of the following strategies as the main tools to achieve the overall goal for this 12 month period.

<b>Objectives</b>	<b>Means of achieving</b>	<b>Target / Measure – KPI's</b>
Continue development and implementation of HS & R Management System	<ul style="list-style-type: none"> <li>Implement the current OHS&amp;RMS Manual</li> <li>Develop an OHS&amp;R Procedures Manual</li> <li>Develop and distribute supervisor/employee manuals</li> </ul>	<p>Manual to be implemented.</p> <p>Commence draft and circulate to managers in sections Gain approval for concept and form working group.</p>
Improve Safety Culture and Employee Involvement	<ul style="list-style-type: none"> <li>Training – Improve skills lists to more clearly define OHS skill levels</li> <li>Promote understanding of OHS Policy</li> <li>Undertake annual personal development reviews</li> <li>6 monthly Team Safety Performance Reviews</li> <li>Identify and acknowledge positive safety performances</li> </ul>	<p>Clarify training required to attain basic/advanced OHS skill level.</p> <p>All employees to know of and understand policy objectives. Process developed and scheduled.</p> <p>Completed 6 monthly and graphed.</p> <p>Watch Out Safety Award</p>
Improve Communication and Consultation	<ul style="list-style-type: none"> <li>Implement regular team meeting schedule and recording</li> <li>Provide clear guidance/training on OHS roles for all positions</li> <li>Continue to provide clear feedback on OHS issues</li> <li>Continue to develop document control system</li> </ul>	<p>Monitor team meetings through managers and records</p> <p>Document and communicate OHS responsibilities and duties of all employees OHS Committee – minutes and consultation with employees All current documents in circulation and out of date copies removed</p>
Develop and Complete an annual CIAP (Continuous Improvement Action Plan)	<ul style="list-style-type: none"> <li>Develop from reports received following annual OHS audits               <ul style="list-style-type: none"> <li>- Audit by external source</li> <li>- Internal audit</li> <li>- StateCover Self Evaluation Tool</li> </ul> </li> </ul>	<p>CIAP developed</p> <p>100% completion of items by due dates.</p> <p>&gt;90% evaluation result</p>
Identification of hazards and elimination / reduction of risks	<ul style="list-style-type: none"> <li>Workplace inspections to be undertaken every 4 month</li> <li>Improve Accident / Incident reporting and investigation</li> <li>Hazard register to be reviewed regularly</li> <li>Manual handling issues to be addressed</li> </ul>	<p>Inspection schedule to be up to date</p> <p>All accidents/incidents to be reported and investigated within set time frames</p> <p>Interim controls to be implemented within 4 weeks of hazard identification. Permanent controls to be in place with 24 calendar months of listing on register 100% completion of items by due dates.</p> <p>Reduction of manual handling related injuries by 20%</p>
Develop and Review Safe Work Procedures and train staff in safe work requirements	<ul style="list-style-type: none"> <li>Develop internal training and accreditation programs to ensure all staff are trained and accredited in relevant procedures and safe work methods.</li> <li>Review all SWP's with a view to their effectiveness and legal compliance.</li> </ul>	<p>Develop program and training schedule.</p> <p>Review all current procedures within 12 months</p> <p>Develop program to write procedures for all tasks within 18 months</p>

<p>Reduce Motor Vehicle Incidents</p>	<ul style="list-style-type: none"> <li>Improved reporting and investigation</li> <li>Driver awareness / accountability campaigns</li> <li>Address non-compliance or unsafe work practices in accordance with the Enterprise Award &amp; procedures</li> </ul>	<p>No unreported damage to vehicles Safety Newsflash articles</p> <p>Non-compliance issues formally recorded and documented</p>
---------------------------------------	---	---

## Environment

Strategies / Actions	Progress to 30 <sup>th</sup> June 2008
<ul style="list-style-type: none"> <li>Water returned to the environment from the filtration plant will be monitored for quality.</li> </ul>	<p>EPA standards achieved.</p>
<ul style="list-style-type: none"> <li>All field work-sites will be protected and restored to eliminate degradation.</li> </ul>	<p>No soil loss or siltation. Vegetation restored.</p>
<ul style="list-style-type: none"> <li>Soiled water from Urban field site works will be returned for proper disposal.</li> </ul>	<p>No soiled water entering town drainage systems.</p>
<ul style="list-style-type: none"> <li>Electrical efficiency will be considered in infrastructure design.</li> </ul>	<p>Reduced electricity use per kilolitre of water produced. High Efficiency motors used where available .</p>
<ul style="list-style-type: none"> <li>Marshalls Creek environmental project to restore native vegetation and protect creek bed.</li> </ul>	<p>Native vegetation restored. Stable creek bed.</p>
<ul style="list-style-type: none"> <li>Unaccounted for water measured wherever possible, and identified losses reduced. Early detection and repair of leaks.</li> </ul>	<p>Percentage of water unaccounted for in the year decreasing as Water Meter replacement program continues, 8.4% for year.</p>
<ul style="list-style-type: none"> <li>Participation in joint activities.</li> </ul>	<p>Joint water resource planning project with UTS and WWCC.</p>
<ul style="list-style-type: none"> <li>Co-operation with other Councils in effluent re-use.</li> </ul>	<p>Increased re-use where appropriate.</p>
<ul style="list-style-type: none"> <li>Water pricing that gives incentive to avoid waste, coupled with customer education and information.</li> </ul>	<p>Two part tariff achieved. Reduced consumption per tenement.</p>
<ul style="list-style-type: none"> <li>Encourage and advise on possible water saving devices.</li> </ul>	<p>Reduced consumption per tenement. Water Restrictions implemented due to limited water availability.</p>

## Financial Revenue

Strategies / Actions	Progress to 30 <sup>th</sup> June 2008
<ul style="list-style-type: none"> <li>To continue a two part tariff, with a differential applying between Wagga Wagga &amp; Rural, subject to some concession for large year round users.</li> </ul>	<p>Two part pricing applied, concessional pricing for large industry.</p>
<ul style="list-style-type: none"> <li>New capital works are to continue to require capital contributions from developers. Specific works will be at full cost to the developer while headworks will be partly developer and partly water sales funded, as per the Development Servicing Plan</li> </ul>	<p>Funding balance achieved.</p>

## CONTRACTS AWARDED DURING THE YEAR

### Section 428 (2) (h)

Water Treatment Australia	DAF Water Treatment Plant	\$225,000 (less rentals paid)
---------------------------	---------------------------	----------------------------------

## PRIVATE WORKS UNDER SECTION 67(3) OF THE ACT

### Section 428 (2) (k)

Council does not undertake work to any significant extent on private property on a regular basis. Section 67(3) requires Council to report on any resolution to undertake work at a rate that is less than the rates fixed by the Council.

During the review period no such work was undertaken by the Council.

Work was undertaken (at full cost) for Gumly Gumly Private Irrigation District.

### Development Servicing Plan (DSP)

In accordance with Department of Water and Energy Best-Practice Management of Water Supply Council adopted Development Service Plan at its Meeting on 21<sup>st</sup> October 2004. The draft DSP was placed on public exhibition after Council's meeting on 25<sup>th</sup> August 2004.

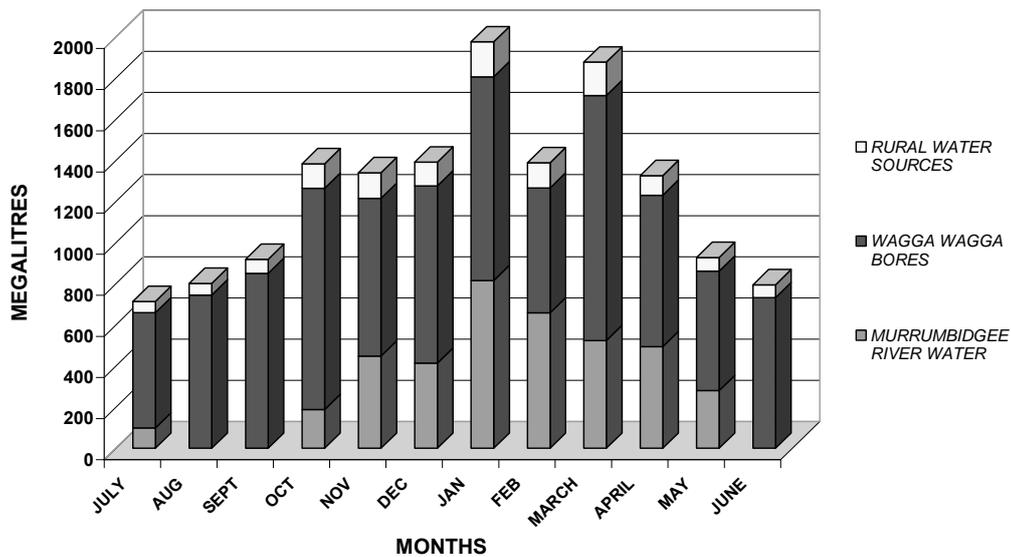
The Calculated Developer charge in the DSP is \$4,388 and Council resolved to incrementally increase the current charge of \$1800 to \$3,300. The charge for 2007/08 was \$3,300 and as reported in Council's 2007/08 financial statements that a total cross-subsidy in developer charges for 2007/08 was \$1,088 per equivalent tenement.

## WATER SUPPLIED

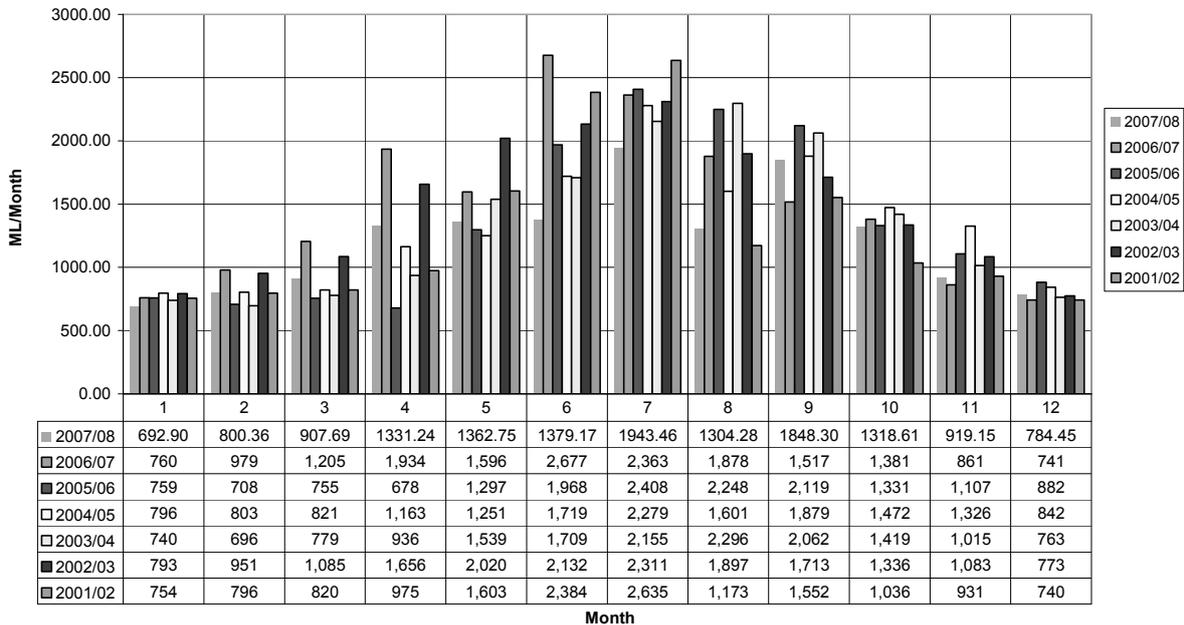
Riverina Water draws its supply from several sources, then treats and pumps water to Wagga Wagga and other towns, villages and rural areas in the region.

Monthly consumption peaked at 1943 megalitres in January compared to the previous record of 2,635 megalitres in January 2002. The full year's total of 14,593 megalitres was a 18% decrease on last year's consumption of 17,891 megalitres.

**2007/2008 WATER PRODUCED**



**Monthly Comparison of Total Water Used**

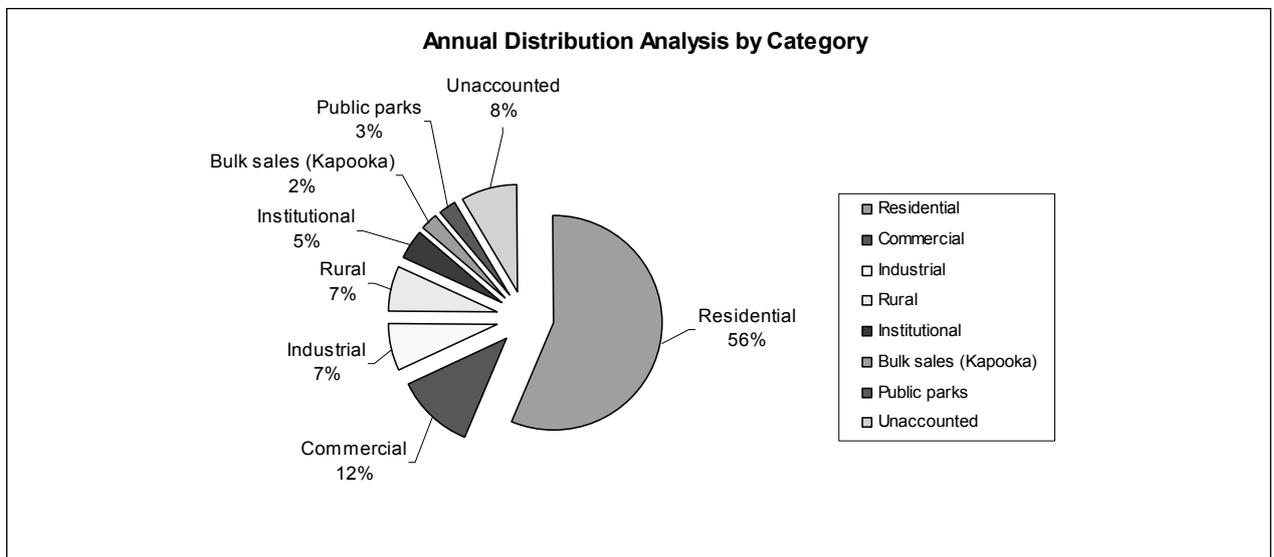
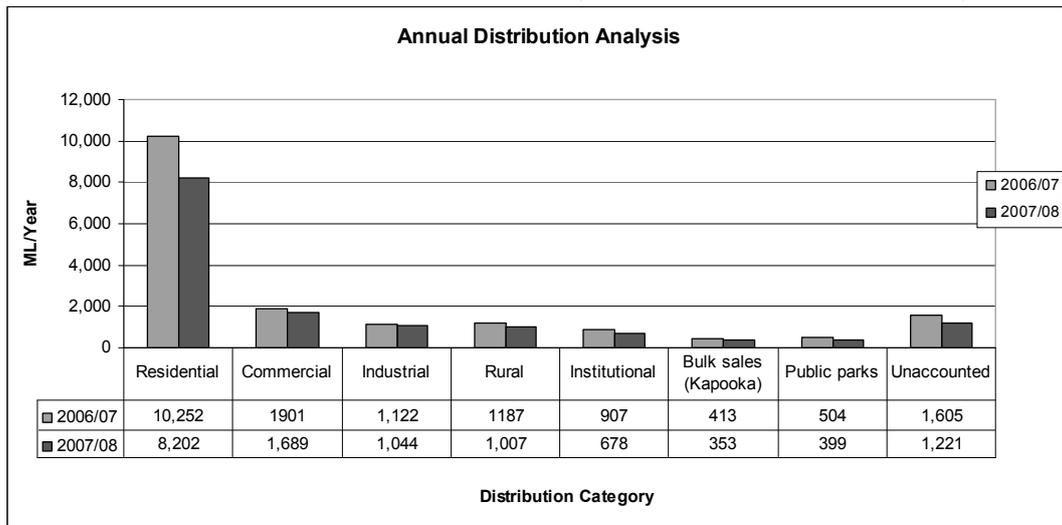


### Distribution Annual Distribution Analysis

	2006/2007		2007/2008	
	Consumption	Percentage	Consumption	Percentage
Residential	10,252	57.3%	8,202	56.2%
Commercial	1,901	10.6%	1,689	11.6%
Industrial	1,122	6.3%	1,044	7.2%
Rural	1,187	6.6%	1,007	6.9%
Institutional	907	5.1%	678	4.6%
Bulk sales (Kapooka)	413	2.3%	353	2.4%
Public parks	504	2.8%	399	2.7%
Unaccounted Including flushing, firefighting, unmetered use	1,605	9.0%	1,221	8.4%
	<b>17,891</b>	<b>100%</b>	<b>14,593</b>	<b>100.0%</b>

Riverina Water began its domestic meter replacement programmed in January 2006 in effort to reduce its unaccounted water. So far 7,520 meters have been replaced as first stage of the meter replacement programme. The total annual unaccounted water for 2007/08 is 8.4%, which is a reduction from the previous years of 12.6% in 2005/06 and 9.0% in 2006/07.

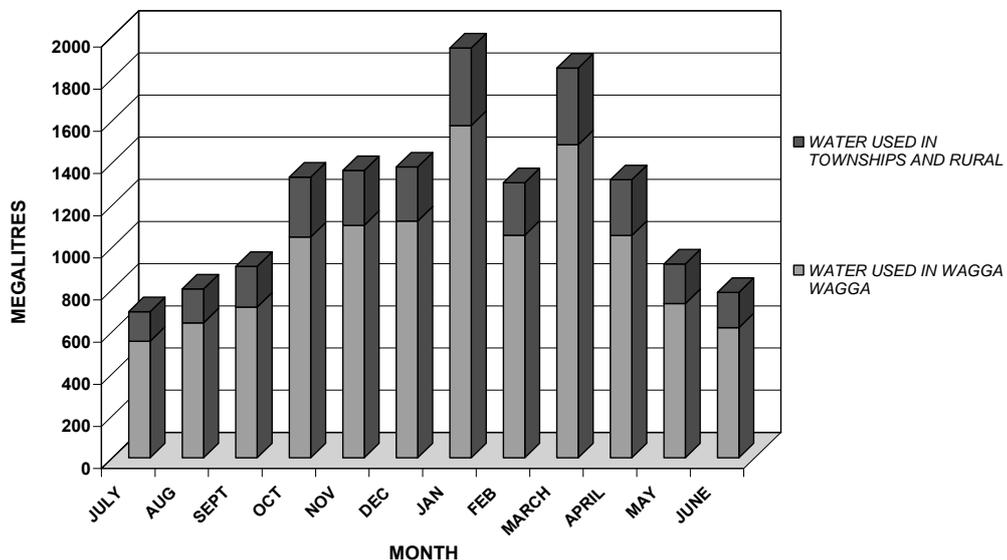
The total volume of water distributed decreased by 18% compared to previous year.



### Water Use

	MEGALITRES USED			
	2004/2005	2005/2006	2006/2007	2007/08
East Bomen	382	287	344	327
Estella	735	748	778	791
North Wagga	1171	1007	857	841
Wagga Wagga – Low Level	2808	2531	2,078	2278
Wagga Wagga – High Level	7349	7857	9,337	6738
Wagga Wagga – Bellevue Level	494	495	833	725
<b>SUB-TOTAL</b>	<b>12,939</b>	<b>12,924</b>	<b>14,227</b>	<b>11,700</b>
Ladysmith	57	77	87	64
Brucedale	307	295	276	242
Currawarna	136	150	163	143
Rural south from Wagga Wagga	1274	1555	1,516	1381
Rural from Walla Walla Bore	140	165	224	133
Milbr., Lockhart and Boree Creek	332	383	456	298
Urana and Oaklands	241	249	290	255
Holbrook	295	343	356	267
<b>SUB-TOTAL</b>	<b>2772</b>	<b>3218</b>	<b>3,368</b>	<b>2659</b>
Woomargama	14	18	19	13
Humula	17	10	7	12
Tarcutta	51	59	70	57
Oura	39	47	59	42
Walbundrie	16	34	44	35
Rand	16	0	0	0
Morundah	8	10	11	8
Collingullie	82	71	85	67
<b>SUB-TOTAL</b>	<b>243</b>	<b>248</b>	<b>296</b>	<b>234</b>
<b>TOTAL</b>	<b>15,954</b>	<b>16,390</b>	<b>17,891</b>	<b>14,593</b>
<b>AVERAGE RESIDENTIAL CONSUMPTION</b>	<b>KILOLITRES</b>			
Urban	341	370	420	327
Non Urban	449	462	525	423

2007/2008 WATER USED



## NEW CUSTOMERS

New consumers were connected at the various centres listed below:

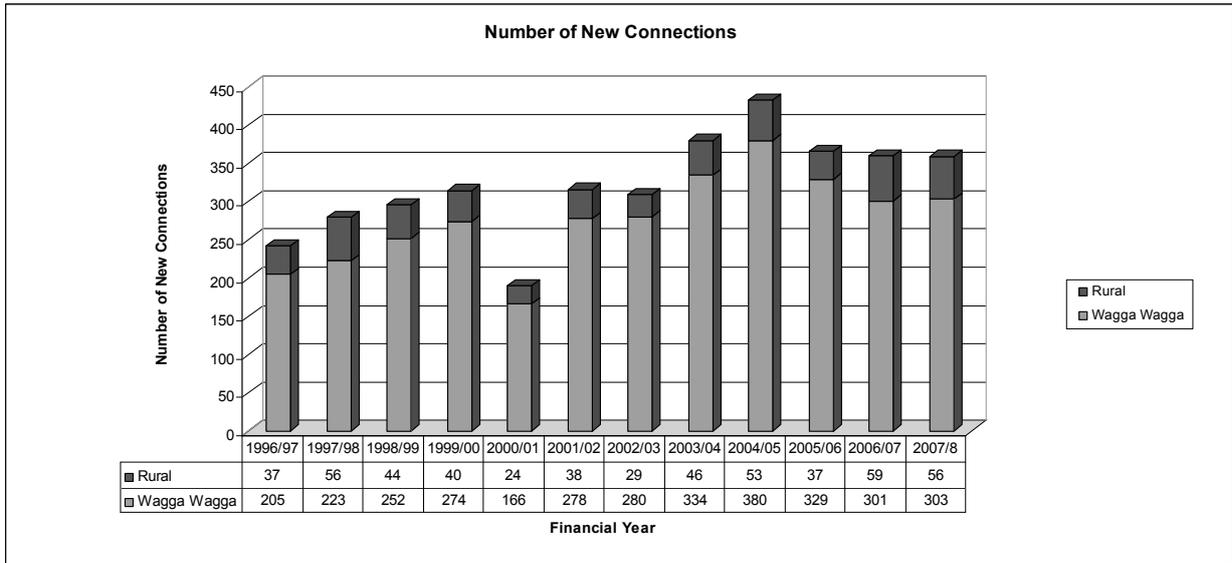
LOCATION	NUMBER CONNECTED					
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Bidgeemia					6	
Boree Creek	2			1		
Brucedale-The Gap	1	3	8	3	8	3
Bulgary			2		1	
Collingullie					1	
Coorabin					1	
Culcairn				1	1	3
Currawarna	2	2		1	5	5
Forest Hill						
French Park						1
Henty	1	5	2	3	5	3
Holbrook	1	7	13	7	4	8
Humula						
Ladysmith				1	1	3
Lockhart	1	6	5	1	1	4
Mangoplah	4		6		5	
Milbrulong					1	
Morundah						
Morven				1	3	
Oaklands						2
Oura		3	2	2	1	
Pleasant Hills	6				3	
Rand					1	
San Isidore						
Tarcutta		1	1		1	
The Rock	5	7	7	5	3	14
Urana	2	5	1	1	1	3
Uranquinty		5	1	1	2	3
Wagga Wagga	280	334	380	329	301	303
Walbundrie	1			1		1
Walla Walla	3	1	5	6	4	1
Woomargama		1				2
Yerong Creek				1		
<b>TOTALS</b>	<b>309</b>	<b>380</b>	<b>433</b>	<b>365</b>	<b>360</b>	<b>359</b>

Total customers at 30<sup>th</sup> June 2008: 28,941 (30,202 with vacant land)

**Table - Customer Analysis**

Residential	2006/2007	2007/2008	Percentage Change
Wagga Wagga	21,347	21,694	1.6%
Rural	4,696	4,873	3.8%
<b>Sub-Total</b>	<b>26,043</b>	<b>26567</b>	<b>2.0%</b>
Business			
Wagga Wagga	1,608	1,623	0.9%
Rural	749	750	0.1%
<b>Sub-Total</b>	<b>2,357</b>	<b>2373</b>	<b>0.7%</b>
Others ie. Bulk Supply	2	1	-50.0%
<b>TOTAL</b>	<b>28,402</b>	<b>28,941</b>	<b>1.9%</b>

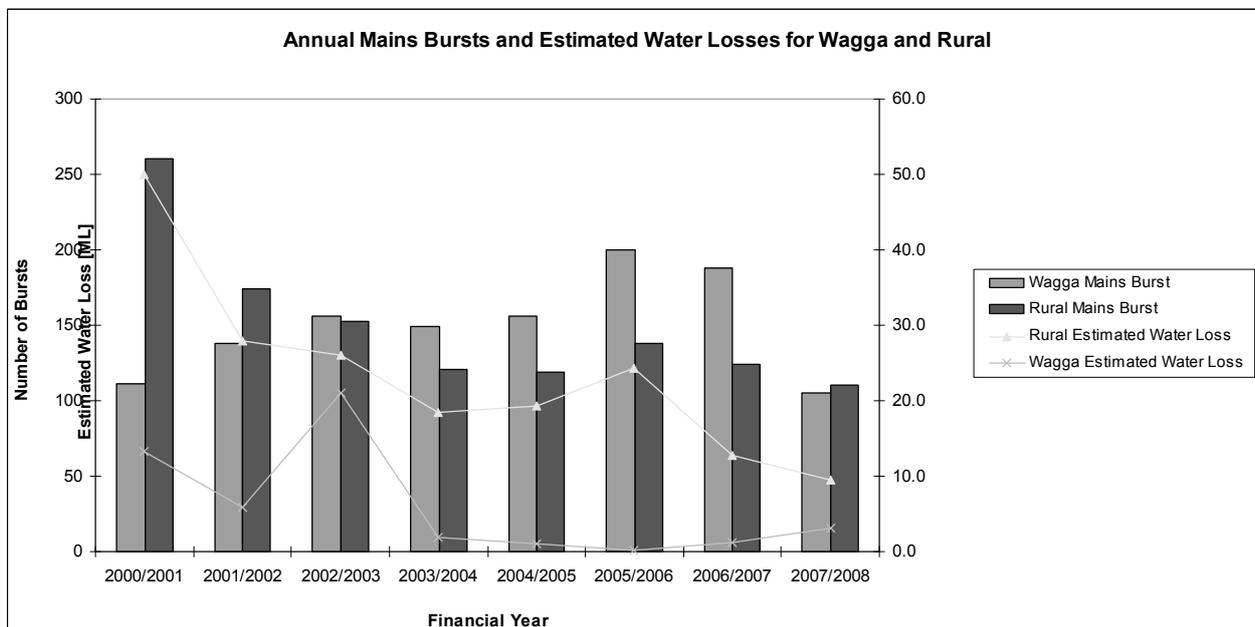
### Number of connections 2002/03 to 2007/08



### Pipeline Losses

Estimated pipeline losses due to bursts over the past 3 years are shown in the following table. While every burst or leak is of concern, the total is not excessive for a network of 1270 km of pipelines.

YEAR	WAGGA WAGGA		RURAL	
	BURST MAINS	ESTIMATED LOSS ML	BURST MAINS	ESTIMATED LOSS ML
2002/2003	156	21.1	153	26
2003/2004	149	1.9	121	18
2004/2005	156	1.0	119	19
2005/2006	200	1.1	138	24
2006/2007	188	1.1	124	13
2007/2008	105	3.1	110	9.6

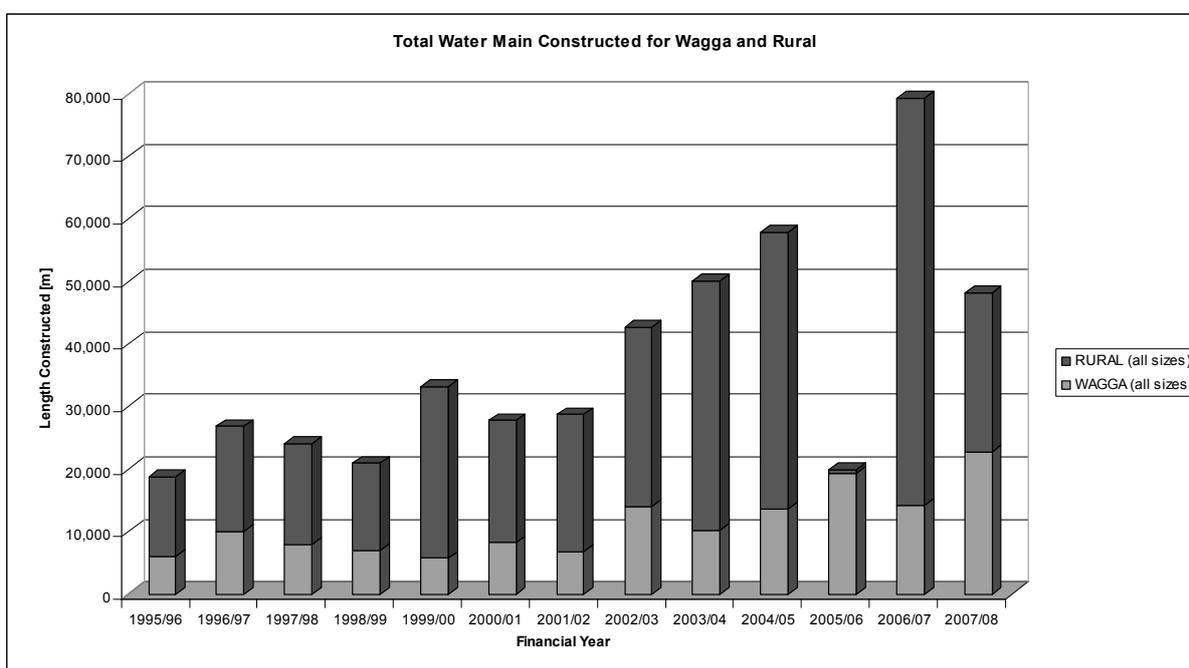


## CONSTRUCTION

### Pipeline Construction

Pipelines were constructed in sizes ranging from 50mm diameter to 450 mm diameter to extend the water supply system and to replace pipelines that had reached the end of their useful life. A range of pipe material is used including PVC and Ductile iron.

	System Extensions Metres	Replacements Metres
Wagga Wagga	19,296	3,451
Rural & Village	20,198	5,236



## CAPITAL WORKS

An extensive capital works programme was carried out in 2007/2008 including the following significant items:

### System Extensions and Improvements

Strong growth in residential development over 2007/08 resulted in the construction of some \$1.2M of water mains extensions.

System improvements were undertaken in Meadow St, Pine Gully Rd, Glenfield Overpass, Lake St, Missouri/Kansas Dr, The Rock Village, Lockhart and Currawarna.

A significant computer modelling and calibration project was commenced and has seen most of the rural system completed. Some further calibration of the model will continue over then 2008/09 summer. This modelling will assist in optimising future system improvements.

## **Mains Replacements**

Significant mains replacements were completed in various Wagga Wagga locations including Brookong Ave, Sturt Highway, Evans, Coleman, Warrawong, Macleay and Railway streets and various intersections (usually as part of roadway reconstructions by WWCC).

## **Trunk Mains**

A \$1.5M upgrade in the water trunk main to Forest Hill was completed during the financial year and will enable increasing demand at Forest Hill. The RAAF Base at Forest Hill now takes all its potable water from Riverina Water and this upgraded pipeline was partly funded by developer service contributions from RAAF.

## **Pumping Stations**

Pumping station works have concentrated on refurbishment of existing bores. The refurbishing consists of relining with stainless steel and installation of "riserless" pumping systems. It is anticipated that the stainless steel refurbishment should give the bores another 100 years life.

Bores that have received attention over the 12 months include Walla Walla, Walbundrie, West Wagga No 5, North Wagga Nos 2 and 3.

Obsolete bores at Tarcutta, Ralvona and East Wagga Wagga that had been replaced were properly decommissioned in accordance with DWE requirements.

## **Reservoirs**

Reservoir works this year consisted of some relatively minor cathodic protection works on steel reservoirs and replacement of some level control valves.

## **Treatment Plants**

Upgrading of Collingullie water treatment plant was completed during the financial year. This upgrade has enabled removal of iron and manganese from the bore water and a subsequent improvement in potable water quality.

Work is proceeding on an iron removal system at the Tarcutta Treatment Plant, but due to the very high iron levels the process has not been as straight forward as Collingullie. After pilot testing a number of options, an iron removal plant has been purchased from Western Australia and will be installed in 2008/09

## **Water consumption and allocations**

During 2006/07 more emphasis was placed to extract surface water from Murrumbidgee River, in order to reduce stress on groundwater sources in Wagga Wagga. The critical water availability issues with the surface water resulted in some adjustment of the proportion taken from groundwater sources. While the percentage of total water sourced from groundwater increased in 2007/08, the actual total volume extracted was less than the previous year. These figures are presented in Table 12.1.1.

The following table compares water sourced to our Town Water Licence Allocations:

	<b>Allocation (MI)</b>	<b>Used (MI)</b>	<b>% of Allocation</b>
Surface Water	8,000	4,021	50.3
Ground Water	14,000	10,819	77.3
<b>Total Water</b>	<b>22,000</b>	<b>14,840</b>	<b>67.5</b>

### **Critical Water Availability**

Water supplies in the Murrumbidgee valley remained critically low over the 2007/08 financial year. Town surface water allocations were reduced to 50% in July but had increased to 100% by the end of December. Underground allocations were not affected

As can be seen in the above table, we are able to keep within 50% surface water allocation if required. Effective water restrictions, together with some more favourable weather has kept consumption down on previous years.

The water supply situation in the Murrumbidgee valley at the end of June 2008 is only marginally better than the previous year. All indications are that we will again commence with a surface water allocation of 50%

### **Water Quality Measures**

In keeping with the recommendations of the Australian Drinking Water Guidelines, Riverina Water has developed a Water Quality Safety Plan which utilises the principles of HACCP. During 2007/08 our Water Quality Safety Plan was audited for a second time (the first being in 2006/07). As a result of this audit, we retained our HACCP certification.

At this stage Riverina Water is still the only regional water utility to have HACCP certification and one of only three to have a water quality safety plan. (advice from DWE)

# FINANCIAL INFORMATION

## CHARGES FOR WATER

"User Pay" system

The pricing allows customers to have control of their bills with two kinds of charges being applied, a fixed charge and a usage charge.

The level of fixed charges (availability charge) and usage charges applied in 2007/2008 are set out below:

### Urban Section:

#### (i) Domestic

Year	Usage Charge (per quarter)		Access Charge (per quarter)	
			Connected	Vacant
2007/2008	Non-Stepped Tariff	75c per kl	\$20.00	\$10.00

#### (ii) Commercial

Year	Usage Charge (per quarter)		Access Charge (per quarter)	
			Connected	Vacant
2007/2008	1- 3000 kls/month Balance above 3000 kls/month	75c per kl 65c per kl	\$30.00	\$10.00

(Access Charge for non-metered connected Commercial premises \$60.00 per quarter).

### Non-Urban Section:

#### (iii) Domestic

Year	Usage Charge (per quarter)		Access Charge (per quarter)	
			Connected	Vacant
2007/2008	Non-stepped tariff	87c per kl	\$25.00	\$10.00

#### (iv) Commercial

Year	Usage Charge (per quarter)		Access Charge (per quarter)	
			Connected	Vacant
2007/2008	1 to 3000 kls/month Balance above 3000 kls/month	87c per kl 77c per kl	\$31.25	\$10.00

(Access Charge for non-metered connected Commercial premises \$62.50 per quarter).

## CONDITION OF PUBLIC WORKS UNDER COUNCIL'S CONTROL

### Section 428 (2) (d)

Council is required to report on the condition of public works under its control including estimates to bring each works up to a satisfactory standard, maintenance needs and maintenance programmes.

The public works owned and operated by Riverina Water County Council are summarised in the following table:

Asset Description	Asset Life	Replacement Cost \$'000	Weighted Remaining Life	Remaining Life Value at June 2008 \$'000
Water Mains – distribution, rural & reticulation	Iron 75 yrs Other 50 yrs	147,542	36 yrs	83,416
Reservoirs – 61 off	Steel 75 yrs Conc. 100 yrs	34,690	60.8 yrs	20,883
Pumping Stations – 70 off	*	17,116	-	8,990
Water Treatment Plants – 14 off Aeration – 7 Filtration – 7	75/100 yrs	34,257	53.1 yrs	18,607
Water Supply Bores – 26	25 yrs Stainless steel-40 yrs	2,492	19.3 yrs	1,085
Land & Buildings – other	-			3,504
<b>TOTAL</b>		<b>236,097</b>		<b>136,485</b>

\* Pumping stations include components of various ages and life spans. An average remaining life of 50% has been assumed.

The work required to bring those sections of the work that need improvement up to a satisfactory standard, the annual maintenance to maintain the standard, and the 2007/2008 programme of maintenance for the works is outlined in the following tables. The major need is for renewal of older water mains, based on the theoretical lifespan of each type of pipe. Some of these mains are however still serving their intended purpose and the relative urgency of renewal is not critical.

Works	Improvement Need \$000	Annual Upgrading or Renewal Need \$000	2007/2008 Upgrading or Renewal Programme \$000	Annual Maintenance Need \$000	2007/2008 Maintenance Programme \$000
Water Mains – Trunk & Rural	7,898	2,200	1,405	606	565
Water Mains – Reticulation					
Reservoirs	120	200	93	85	120
Pumping Stations & Bores	560	460	641	633	560
Treatment Plants	681	400	358	88	56

## SUMMARY OF DISCLOSABLE LEGAL PROCEEDINGS

### Section 428 (2) (e)

During the review period Council did not incur any legal expenses or become involved in any legal proceedings.

## AMOUNTS CONTRIBUTED / GRANTED UNDER SECTION 356

### Section 428 (2) (l)

Section 356 enables Council to contribute funds to persons for the purpose of exercising its functions. In the event of the proposed recipient acting for private gain, public notice of Council's proposal to grant financial assistance must be given.

During the period under review, the Council did not make any contributions under this Section.

## OVERSEAS VISITS FUNDED BY COUNCIL

### Section 428 (2) ( r ) General Regulation (Clause 31[l] [a])

No overseas visits undertaken by Councillors and others representing Council during 2007/2008.

## RATES & CHARGES WRITTEN OFF

### Section 428 (2) ( r ) Rates & Charges General Regulation (Clause 12)

Pensioner Rebates written off totalled	\$327,273
A Pensioner subsidy was received for the value of	\$186,632
Sundry Write-offs totalled	\$ NIL

## FREEDOM OF INFORMATION

In accordance with the provisions of the *Freedom of Information Act, 1989*, Council has completed its annual statistics for the twelve month period ended 30<sup>th</sup> June 2007. No applications were received by Council during the 2006/2007 period. Council has not received any enquiries from the Ombudsman under the *Freedom of Information Act* nor has it received any appeals under that Act to the District Court or the Supreme Court.

Statistical Details

<b>F.O.I. REQUESTS</b>	<b>PERSONAL</b>	<b>OTHER</b>	<b>TOTAL</b>
NEW	NIL	NIL	NIL
<u>BROUGHT FORWARD</u>	NIL	NIL	NIL
TOTAL TO BE PROCESSED	NIL	NIL	NIL
COMPLETED	NIL	NIL	NIL
TRANSFERRED OUT	NIL	NIL	NIL
<u>WITHDRAWN</u>	NIL	NIL	NIL
<u>TOTAL PROCESSED</u>	NIL	NIL	NIL
UNFINISHED (C/F)	NIL	NIL	NIL

## INFORMATION PROTECTION ACT, 1998

In accordance with the provisions of the Information Protection Act 1998 Section 33(e) Council adopted a Privacy Management Plan, vide resolution No. 00/69.

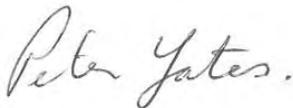
The Privacy Management Plan provides for the protection of personal information and for the protection of the privacy of individuals. No applications were received by Council for review under Part 5 of the Act during the 2007/2008 period.

## CERTIFICATE OF CONFIRMATION – **GOODS AND SERVICES TAX (GST)**

In accordance with a resolution of the members of Riverina Water County Council, we declare on behalf of Riverina Water County Council that in our opinion Council:

- (i) Council has the necessary design documentation and maintenance of its GST Management system, and
- (ii) Complies with the requirements of the GST legislation.

*Signed in accordance with a Resolution of Council  
Dated 23rd April 2008*



.....  
Clr. P. Yates  
CHAIRPERSON



.....  
Clr. R. Kendall  
DEPUTY CHAIRPERSON



.....  
Mr. G.W. Pieper  
GENERAL MANAGER



.....  
Mr. G.G. Geaghan  
ACCOUNTING OFFICER

# FINANCIAL REPORTS

## **Section 428 (2) (a) - Financial Reporting**

---

## FINANCIAL STATEMENTS FOR THE YEAR ENDING 30<sup>th</sup> JUNE 2008

---

### TABLE OF CONTENTS

	<b>Page</b>
<b>Auditors Report [s.417 (2)]</b>	<b>51</b>
<b>Auditors Report [s.417 (3)]</b>	<b>52</b>
<b>Statement by Councillors and Management [s.413 (2) (c)]</b>	<b>54</b>
 General Purpose Financial Reports	
Income Statement	55
Balance Sheet	56
Statement of Changes in Equity	57
Cash Flow Statement	58
 Notes to the Financial Statements	
Note 1            Summary of significant accounting policies	59
Note 2a          Functions	67
Note 3            Income from continuing operation	68
Note 4            Expenses from continuing operation	69
Note 5            Gain or loss from disposal of assets	70
Note 6a          Cash and cash equivalents	71
Note 6b          Investments	71
Note 6c          Restricted cash, cash equivalents and investments	72
Note 7            Receivables	73
Note 8            Inventories and other assets	74
Note 9a          Infrastructure, property, plant and equipment	74
Note 10a        Payables, interest bearing liabilities and provisions	75
Note 11          Reconciliation of cash flow movements	76
Note 12          Commitments for expenditure	77
Note 13          Statement of performance measurement	78
Note 14          Investment properties	79
Note 15          Financial instruments	80
Note 16          Material budget variations	82
Note 17          Statement of developer contributions	83
Note 18          Contingencies	83
Note 19          Interests in joint ventures	83
Note 20          Revaluation reserves and retained earnings	84
Note 21          Reinstatement, rehabilitation and restoration liabilities	85
Note 22          Non-current assets classified as held for sale	85
Note 23          Events occurring after balance sheet date	85
Note 24          Discontinued operation	85
Note 25          Intangible assets	85
 <b>Special Purpose Financial Reports</b>	 <b>86</b>
 <b>Special Schedules</b>	
Special Schedule 1                    Net Cost of Services	96
Special Schedule 2(a)                Statement of Long-Term Debt (All Purpose)	97
Special Schedule 3                    Water Supply Operations	98
Special Schedule 4                    Water Supply - Net Assets Committed	102
Special Schedule 7                    Condition of Public Works	103
Special Schedule 8                    Financial Projections	103

**RIVERINA WATER COUNTY COUNCIL**

**GENERAL PURPOSE FINANCIAL REPORT  
INDEPENDENT AUDITORS' REPORT**

John L  
**BUSH &  
CAMPBELL**

CHARTERED ACCOUNTANTS

A.B.N. 33 225 395 249

**SCOPE**

We have audited the general purpose financial reports of Riverina Water County Council for the year ended 30 June 2008, comprising the Statement by Councillors and Management of the Council, Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and accompanying Notes to the Accounts. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with those Australian Accounting concepts and standards and statutory requirements so as to present a view which is consistent with our understanding of the Council's financial position, the result of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

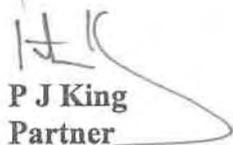
**AUDIT OPINION**

In our opinion

- a) The accounting record of the Council have been kept in accordance with the requirements of Division 2 of Part 3 of the Local Government Act, 1993;
- b) The general purpose financial report
  - i. has been prepared in accordance with the requirements of Division 2 of Part 3 of the Local Government Act, 1993;
  - ii. is consistent with the Council's accounting records; and
  - iii. presents fairly the Council's financial position and the results of its operation;
- c) we have been able to obtain all the information relevant to the conduct of our audit; and
- d) no material deficiencies in the records or financial reports were detected in the course of the audit.

Yours faithfully

**JOHN L BUSH & CAMPBELL**



**P J King**  
Partner

1<sup>st</sup> October 2008

PK/KMC/RIVERWA/HIS

2 October 2008

The Chairman  
Riverina Water County Council  
PO Box 456  
WAGGA WAGGA NSW 2650



A.B.N. 33 225 395 249

Dear Sir

Having completed an examination of the books of account and associated records of the Riverina Water County Council for the 12 months ended 30 June 2008 we have pleasure in submitting our report in accordance of Section 417(3) of the Local Government Act 1993.

The financial statements for the year ended 30 June 2008 have been prepared to comply with Statements of Accounting Concepts and Applicable Australian Accounting Standards including the requirements under Australian equivalents of International Financial Reporting Standards, the requirements of the Local Government Act 1993 and Regulations thereto, the Local Government Code of Accounting Practice and Financial Reporting and Local Government Asset Accounting Manual.

### Operating Result and Financial Position

The operating result for the year was \$1.839 million. In addition Council received contributions for capital purposes of \$2.747 million and recorded a net gain on disposal of assets of \$11 thousand. The total change in net assets resulting from operations was \$4.586 million.

The financial position of Council increased during the year as follows:

	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Net Assets 1 July 1997	20,627	20,627	20,627	20,627	20,627
Asset Revaluation	95,538	91,639	87,965	81,439	81,439
Change in net assets resulting from operations	35,874	31,288	26,695	23,932	21,647
Net Assets 30 June	<u>\$152,039</u>	<u>\$143,554</u>	<u>\$135,287</u>	<u>\$125,998</u>	<u>\$123,713</u>

The years operations both in terms of the result for the year and the contribution that result had to the financial position of the Council was excellent.

### Cash Investments and Working Capital

The operating result for the year has increased Council's equity and working capital. This result is directly attributable to increased income whilst containing operating expenses.

	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Cash (overdraft)	56	55	5	17	73
Investment	10,776	11,264	15,058	15,460	15,297
Working Capital	12,142	11,472	13,485	16,363	16,243

Cash and Investments held at the close of the year amounted to \$10.832 million. The statement of cashflows which includes bank overdrafts shows a decrease in cash of \$487 thousand. This reduction is due to the capital works programs undertaken during the year. Cash and Investments have not been restricted in there use by any externally imposed requirements. However they are restricted by internally imposed requirements. The healthy position of Council's working capital is reflected in the performance indicators detailed in the financial reports.

**Actual Performance Compared to Budget**

	<b>2008 Actual \$000</b>	<b>2008 Budget \$000</b>	<b>2007 Actual \$000</b>	<b>2007 Budget \$000</b>	<b>2006 Actual \$000</b>	<b>2006 Budget \$000</b>	<b>2005 Actual \$000</b>	<b>2005 Budget \$000</b>
<b>Revenue</b>								
Rates and Annual Charges	2,520	2,481	2,475	2,499	2,448	2,433	2,406	2,383
User charges and fees	10,392	11,408	12,000	10,539	10,262	9,562	9,112	8,737
Interest	720	350	802	450	853	525	771	456
Grants and Contributions	2,937	805	2,927	1,146	1,288	844	1,882	1,675
Other	811	272	602	275	427	410	716	397
Gain on disposal of assets	11	27	(55)	27	(17)	27	(23)	27
	<b>17,391</b>	<b>15,343</b>	<b>18,751</b>	<b>14,936</b>	<b>15,261</b>	<b>13,801</b>	<b>14,864</b>	<b>13,675</b>
<b>Expenses</b>	<b>12,805</b>	<b>13,400</b>	<b>14,158</b>	<b>13,273</b>	<b>12,498</b>	<b>12,190</b>	<b>11,870</b>	<b>11,636</b>
<b>Operating Result</b>	<b>\$4,586</b>	<b>\$1,943</b>	<b>\$4,593</b>	<b>1,663</b>	<b>\$2,763</b>	<b>\$1,611</b>	<b>\$2,994</b>	<b>\$2,039</b>

**Equity**

The equity of council has increased each year and demonstrates the steady growth arising from yearly positive operating results.

	<b>2008 \$000</b>	<b>2007 \$000</b>	<b>2006 \$000</b>	<b>2005 \$000</b>	<b>2004 \$000</b>
Non Current Assets	141,757	134,157	126,267	116,639	114,956
Non Current Liabilities	1,860	2,075	4,465	7,004	7,486
Working Capital	12,142	11,472	13,485	16,363	16,243
<b>Equity</b>	<b>\$152,039</b>	<b>\$143,554</b>	<b>\$135,287</b>	<b>\$125,998</b>	<b>\$123,713</b>

**Other Matters**

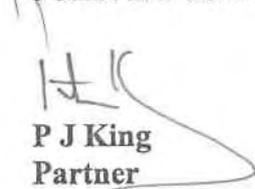
It is evident that at June 2008 the Council continues to preside over a fundamentally sound balance sheet. The excellent result for 2008 on top of the previous years continues Councils very strong position.

Council's books of account and other records appear to have been maintained in a satisfactory and up to date manner and the requirements of the Local Government Act and Regulations well observed.

In conclusion we wish to acknowledge the excellent assistance and co-operation extended to us by the General Manager and his Staff during the conduct of the audit and from whom we have attained all the information and explanations which we required.

Yours faithfully

**JOHN L BUSH & CAMPBELL**



**P J King**  
Partner

## RIVERINA WATER COUNTY COUNCIL

---

### STATEMENT BY COUNCILLORS AND MANAGEMENT

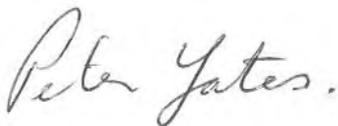
---

Pursuant to Section 413 (2) (c) of the Local Government Act 1993 (as amended), and in accordance with a resolution of the members of Riverina Water County Council, we declare on behalf of Riverina Water County Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of Riverina Water County Council as at 30<sup>th</sup> June 2008 and transactions for the twelve months then ended.
2. The Statements have been prepared in accordance with the provisions of the Local Government Act, 1993 (as amended) and the Regulations made thereunder; the Australian Accounting Standards and professional pronouncements, and the Local Government Code of Accounting Practice and Financial Reporting.
3. All information provided has been prepared in accordance with the requirements of the Financial Statement Guidelines for NSW Councils.

Further, we are not aware at this time of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

*Signed in accordance with a Resolution of Council  
dated 27th August 2008.*



Clr. P. Yates  
CHAIRPERSON  
27th August 2008



Clr. R. Kendall  
DEPUTY CHAIRPERSON  
27th August 2008



Mr. G.W. Pieper  
GENERAL MANAGER  
27th August 2008



Mr. G.G. Geaghan  
FINANCE MANAGER  
27th August 2008

## RIVERINA WATER COUNTY COUNCIL

### INCOME STATEMENT For the year ended 30th June 2008

Original Budget <sup>(1)</sup> 2008 \$'000		Notes	Actual 2008 \$'000	Actual 2007 \$'000
	<b>INCOME FROM CONTINUING OPERATIONS</b>			
2,481	Rates and Annual Charges	3a	2,520	2,475
11,408	User Charges and Fees	3b	10,392	12,000
350	Interest and Investment Income	3c	720	802
272	Other revenues	3d	811	602
205	Grants and Contributions provided for operating purposes	3e&f	190	204
600	Grants and Contributions provided for capital purposes	3e&f	2,747	2,723
27	Net gain from the disposal of assets	5	11	
15,343	<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>		17,391	18,806
	<b>EXPENSES FROM CONTINUING OPERATIONS</b>			
5,502	Employee benefits and on-costs	4a	4,992	4,361
	Borrowing Costs	4b		1,926
1,920	Materials and Contracts	4c	1,683	1,760
3,998	Depreciation	4d	4,003	3,824
1,980	Other expenses	4e	2,127	2,286
	Net loss from the disposal of assets	5		56
13,400	<b>TOTAL EXPENSES FROM CONTINUING ACTIVITIES</b>		12,805	14,213
1,943	<b>NET OPERATING RESULT FOR THE YEAR</b>		4,586	4,593
1,343	<b>NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS AND CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES</b>		1,839	1,870

Note:

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

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

## RIVERINA WATER COUNTY COUNCIL

### BALANCE SHEET as at 30th June 2008

	Notes	Actual 2008 \$'000	Actual 2007 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6a	10,832	11,319
Receivables	7	1,829	1,833
Inventories	8	1,279	1,293
Other	8	46	75
<b>TOTAL CURRENT ASSETS</b>		13,986	14,520
<b>NON-CURRENT ASSETS</b>			
Infrastructure, Property, Plant and Equipment	9	141,205	134,157
Intangibles	25	552	
<b>TOTAL NON-CURRENT ASSETS</b>		141,757	134,157
<b>TOTAL ASSETS</b>		155,743	148,677
<b>CURRENT LIABILITIES</b>			
Payables	10	739	2,066
Provisions	10	1,105	982
<b>TOTAL CURRENT LIABILITIES</b>		1,844	3,048
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	1,860	2,075
<b>TOTAL NON-CURRENT LIABILITIES</b>		1,860	2,075
<b>TOTAL LIABILITIES</b>		3,704	5,123
<b>NET ASSETS</b>		152,039	143,554
<b>EQUITY</b>			
Retained earnings	20	56,501	51,915
Reserves	20	95,538	91,639
<b>TOTAL EQUITY</b>		152,039	143,554

The above Balance Sheet should be read in conjunction with the accompanying notes.

RIVERINA WATER COUNTY COUNCIL

**STATEMENT OF CHANGES IN EQUITY**  
**For the Year ended 30<sup>th</sup> June 2008**

	TOTAL		ACCUMULATED SURPLUS		ASSET REVALUATION RESERVE	
	ACTUAL 2008 \$'000	ACTUAL 2007 \$'000	ACTUAL 2008 \$'000	ACTUAL 2007 \$'000	ACTUAL 2008 \$'000	ACTUAL 2007 \$'000
Balance at beginning of the reporting period	143,554	135,287	51,915	47,322	91,639	87,965
Change in equity recognised in the statement of financial performance	4,586	4,593	4,586	4,593		
Transfers to asset revaluation reserve	3,899	3,674			3,899	3,674
Transfer from asset revaluation reserve						
Balance at end of the reporting period	152,039	143,554	56,501	51,915	95,538	91,639

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

RIVERINA WATER COUNTY COUNCIL

**CASH FLOW STATEMENT**  
For the Year ended 30th June 2008

Budget 2008 \$'000		Notes	Actual 2008 \$'000	Actual 2007 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<u>Receipts:</u>				
2,481	Rates and annual charges		2,519	2,478
11,408	User charges and fees		10,371	12,141
350	Investment revenue and interest		738	806
805	Grants and Contributions		2,875	2,927
272	Other		811	601
<u>Payments:</u>				
(4,797)	Employee benefits and on-costs		(4,900)	(4,477)
(310)	Materials and contracts		(1,683)	(1,644)
	Borrowing Costs			(1,947)
(4,401)	Other		(3,526)	(1,549)
5,808	Net cash provided (or used) in operating activities	11(b)	7,205	9,336
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<u>Receipts:</u>				
	Sale of investments			
364	Sale of infrastructure, property, plant and equipment		625	369
<u>Payments:</u>				
(10,194)	Purchase of infrastructure, property, plant and equipment		(8,317)	(8,465)
(9,830)	Net cash provided by (or used in) investing activities		(7,692)	(8,096)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<u>Payments:</u>				
	Borrowings and advances			(4,984)
	Net cash provided by (or used in) financing activities			(4,984)
(4,022)	Net increase/(decrease) in cash and cash equivalents		(487)	(3,744)
9,778	Cash and cash equivalents at beginning of reporting period	11(a)	11,319	15,063
5,756	Cash and cash equivalents at end of reporting period	11(a)	10,832	11,319

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

RIVERINA WATER COUNTY COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2008**

Note 1

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. The Local Government Reporting Entity**

Council's office is located at 91 Hammond Avenue, Wagga Wagga NSW 2650.

**2. Basis of Accounting**

Council is responsible for the water supply functions within Lockhart, Urana, Wagga Wagga and part Greater Hume local government areas.

**2.1 Compliance**

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act (1993) and Regulations, and Financial Reporting Guidelines for NSW Councils.

Council is required to comply with AAS 27 Financial Reporting by Local Government, and where AAS 27 conflicts with AIFRS, the requirements of AAS 27 have been applied. Where AAS 27 makes reference to another Australian accounting standard, the new Australian IFRS equivalent standards will apply. The specific "not for profit" reporting requirements also apply.

*Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

*Critical accounting estimates*

The preparation of financial statements in conformity with AIFRS 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.

**3. Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

*Annual charges, grants and contributions*

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

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

A provision for doubtful debts has not been established as unpaid annual charges and user charges represent a charge against the property that will be recovered when the property is next sold.

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

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution and it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

#### *User charges and fees*

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

#### *Sale of plant, property, infrastructure and equipment*

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

#### *Interest and rents*

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

## **4. Principles of Consolidation**

### (i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund. The consolidated fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

### (ii) The Council is required under the Local Government Act to maintain a separate and distinct Trust Fund to account for all moneys and property received by the council in trust which must be applied only for the purposes of or in accordance with the trusts relating to those moneys.

## **5 Acquisition of Assets**

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given, plus costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

## **6. Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

## **7. Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

## **8. Receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost. Receivables are due for settlement no more than 30 days from the date of recognition.

Collectibility of receivables is reviewed on an ongoing basis. A provision for doubtful receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables.

## **9. Investments**

Investments are recognised at cost. Interest revenues are recognised as they accrue.

## **10. Investment and other Financial Assets**

### *Classification*

Council classifies its investments 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.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

### (iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

### *Recognition and derecognition*

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expenses in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

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

### *Subsequent measurement*

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

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

### *Fair value*

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), Council establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

### *Impairment*

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

Policy

Council has an approved investment policy complying with Section 625 of the Local Government Act and S212 of the LG (General) Regulations 2005. Investments are placed and managed in accordance with that policy and having particular regard to authorised investments prescribed under the local Government Investment Order. Council maintains an investment policy that complies with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing council funds.

**11. Fair Value Estimation**

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

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

The nominal value less estimated adjustments of trade receivables and payables are assumed to approximately their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

**12. Infrastructure, Property, Plant and Equipment**

All infrastructure and buildings are stated at fair value less depreciation.

Fair value was measured at 30<sup>th</sup> June 2004 and since this time annually indexed in accordance with "NSW Reference Rates Manual for Valuation of Water Supply, Sewerage and Stormwater Assets, 2003", in which the Director of Engineering has provided a report which supports the annual indexation.

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.

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:

Plant & Equipment	Capitalise if value > \$1,000
Office Equipment	Capitalise if value > \$1,000
Furniture & Fittings	Capitalise if value > \$1,000
Land - council land	Capitalise
Buildings - construction / extensions	Capitalise
- renovations	Capitalise if value > \$1,000
Other Structures	Capitalise if value > \$1,000

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

### **13. Payables**

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

### **14. Borrowings**

Council repaid all loan debt during 2006/07.

### **15. 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.

### **16. Employee Benefits**

#### *(i) Wages and salaries, annual leave and sick-leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

#### *(ii) Long service leave*

The liability for long service leave 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 reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

#### *(iii) Retirement benefit obligations*

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

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans.

The Local Government Superannuation Scheme has advised that it is unable to provide individual councils with an accurate split of their share of the Scheme's assets and liabilities and so no asset or liability is recognised.

“The Local Government Superannuation Scheme – Pool B (the Scheme) is a defined benefit plan that has been deemed to be a “multi-employer fund” for the purposes of AASB 119. Sufficient information is not available to account for the Scheme as a defined benefit plan because the assets to the Scheme are pooled together for all Councils. The amount of employer contributions recognised as an expense for the year ending 30<sup>th</sup> June 2008 was \$114,637. The last valuation of the Scheme was performed by Mr. Martin Stevenson BSc, FIA, FIAA on 19<sup>th</sup> June 2007 and covers the period ended 30<sup>th</sup> June 2006. This valuation found that the Scheme’s assets were \$3,291.1million and its past service liabilities \$2,980.3million, giving it a surplus of \$310.8million. The existence of this surplus has resulted in Council’s contributing in 2007/2008 at half the normal level of contributions. The financial position is monitored annually”.

Contributions to defined contributions 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.

**17. Intangibles**

The Council has purchased water licences during the 2008 year. These are recorded at cost and subject to annual impairment testing.

**18. Rounding of amounts**

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

**19. Allocation between Current and Non-current**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liabilities expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council’s operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

**20. New Accounting Standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30<sup>th</sup> June 2008 reporting periods. Council’s assessment of the impact of these new standards and interpretations is set out below:

<b>Title and topic</b>	<b>Issued</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
a) AASB-1 12 <i>Service Concession Arrangements</i> , AASB 2007-1 <i>Amendments to Australian Accounting Standards arising from AASB Interpretation 12, revised UIG 4 Determining whether an Arrangement contains a Lease and revised UIG 129 Service Concession Arrangements; Disclosures</i>	Feb 2007	1 Jan 2008	Nil – Council is not party to any Service Concession Arrangements.
b) AASB 8 <i>Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8</i>	Feb 2007	1 Jan 2009	Nil – The Standard is not applicable to non-for-profit entities.

Title and topic	Issued	Applicable <sup>(1)</sup>	Impact
c) Revised AASB 123 <i>Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 &amp; AASB 138 and Interpretations 1 &amp; 12)</i>	June 2007	1 Jan 2009	Nil – The revised Standard has removed the option to expense all borrowing costs and – when adopted – will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Council as the Council already capitalises borrowing costs relating to qualifying assets.
d) AASB-1 13 <i>Customer Loyalty Programmes</i>	Aug 2007	1 Jul 2008	Nil – Council has no Customer Loyalty Programmes.
d) AASB-1 14 <i>The Limit on a Defined Benefit Asst, Minimum Funding Requirements and their Interaction</i>	Aug 2007	1 Jan 2008	Nil – The Interpretation provides guidance on the maximum amount that may be recognised as an asset in relation to a defined benefit plan and the impact of minimum funding requirements on such an asset. Council does not recognise any assets in respect of its contributions to defined benefit plans as they cannot be reliably measured. As a result, there is not expected to be any impact on the financial statements.
f) Revised AASB 101 <i>Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101</i>	Sept 2007 and Dec 2007	1 Jan 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (Statement of financial position), this one being as at the beginning of the comparative period.
g) AASB 1049 <i>Whole of Government and General Government Sector Financial Reporting</i>	Oct 2007	1 Jul 2008 <sup>(2)</sup>	Nil – The Standard is not applicable to Local Governments.
h) AASB 1050 <i>Administered Items; AASB 1051 Land Under Roads, AASB 1052 Disaggregated Disclosures, revised AASB 1004 Contributions, AASB 2007-9 Amendments to Australian Accounting Standards arising from the review of AAS 27, AAS 29 and AAS 31 and revised interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities</i>	Dec 2007	1 Jul 2008 <sup>(2)</sup>	<ul style="list-style-type: none"> <li>- AASB 1050 is only applicable to Government departments and will have no impact on Council.</li> <li>- AASB 1051 will allow Council to recognise or not recognise land under roads acquired before 30 June 2008. Land under roads acquired after 30 June 2008 must be recognised.</li> <li>- This Standard will have no impact on the Council's financial statements.</li> <li>- AASB 1052 requires disclosure of financial information by function or activity. Council already provides this information in Note 2(a) so there will be no additional impact on the financial statements.</li> <li>- AASB 1004 requires contributions made to Council to be recognised at fair value when they are controlled and to be appropriately disclosed. Council already accounts for contributions in this matter so there will be no additional impact on the financial statements.</li> </ul>

## Notes:

(1) Applicable to reporting periods commencing on or after the given date.

(2) Applicable only to not-for-profit and/or public sector entities.

NOTES TO THE FINANCIAL STATEMENTS

Note 2(a)

**FUNCTIONS**

FUNCTION	<b>INCOME, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE WATER SUPPLY FUNCTIONS. DETAILS OF THIS FUNCTION IS PROVIDED</b>									
	INCOME FROM CONTINUING OPERATIONS		EXPENSES FROM CONTINUING OPERATIONS		OPERATING RESULTS FROM CONTINUING OPERATIONS		GRANTS INCLUDED IN INCOME FROM CONTINUING OPERATIONS		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Orig. Budget 2008 \$'000	Actual 2008 \$'000	Orig. Budget 2008 \$'000	Actual 2008 \$'000	Orig. Budget 2008 \$'000	Actual 2008 \$'000	Orig. Budget 2008 \$'000	Actual 2008 \$'000	Orig. Budget 2008 \$'000	Actual 2008 \$'000
Water Supplies	15,343	17,391	13,400	12,805	1,943	4,586	205	190	137,329	155,743
<b>TOTALS</b>	<b>15,343</b>	<b>17,391</b>	<b>13,400</b>	<b>12,805</b>	<b>1,943</b>	<b>4,586</b>	<b>205</b>	<b>190</b>	<b>137,329</b>	<b>155,743</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 3

<b>INCOME FROM CONTINUING OPERATIONS</b>
--

	<b>Actual 2008 \$'000</b>	<b>Actual 2007 \$'000</b>		
<b>a) RATES &amp; ANNUAL CHARGES</b>				
<i>Annual Charges</i> (pursuant to s.496 & s.501)				
Water Supply Services	2,520	2,475		
Total Rates & Annual Charges	2,520	2,475		
<b>b) USER CHARGES &amp; FEES</b>				
<i>User Charges</i> (pursuant to s.502)	10,401	12,001		
Total User Charges	10,401	12,001		
<i>Fees</i>				
Private works	(9)	(1)		
Total User Charges & Fees	10,392	12,000		
<b>c) INTEREST AND INVESTMENT REVENUE</b>				
Interest on investments	720	802		
Total Interest Revenue	720	802		
<b>d) OTHER REVENUES</b>				
Lease Rental	7	7		
Connection Fees	618	347		
Other	186	248		
Total Other Revenue from Ordinary Activities	811	602		
	<b>OPERATING Actual 2008 \$'000</b>	<b>OPERATING Actual 2007 \$'000</b>	<b>CAPITAL Actual 2008 \$'000</b>	<b>CAPITAL Actual 2007 \$'000</b>
<b>e) GRANTS</b>				
General Purpose (Untied)				
- Pensioners' Rates Subsidies	187	201		
- Diesel and Alternative Fuels	3	3		
- Water Supplies				
Total Grants	190	204		
<b>f) CONTRIBUTIONS &amp; DONATIONS</b>				
Water			2,747	2,723
Total Contributions & Donations			2,747	2,723
<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>	190	204	2,747	2,723

## NOTES TO THE FINANCIAL STATEMENTS

### Note 4

#### EXPENSES FROM CONTINUING OPERATIONS

	<b>Actual 2008 \$'000</b>	<b>Actual 2007 \$'000</b>
<b>(a) EMPLOYEE BENEFITS AND ON COSTS</b>		
Salaries and Wages	3,635	3,113
Travelling	488	409
Employee Leave Entitlements	693	682
Superannuation	409	340
Worker's Compensation Insurance	184	102
FBT	24	19
Payroll Tax	312	275
Training Costs (excluding salaries)	153	147
Less Capitalised Costs	(906)	(726)
Total Employee Costs Expended	<u>4,992</u>	<u>4,361</u>
Number of FTE employees	84.5	85.5
<b>(b) BORROWING COSTS</b>		
Interest on Loans		1,926
Total Borrowing Cost Expended		<u>1,926</u>
<b>(c) MATERIALS AND CONTRACTS</b>		
Contractor and Consulting costs		2
Audit Fees	26	24
Other	1,657	1,734
Total Materials and Contracts	<u>1,683</u>	<u>1,760</u>
<b>(d) DEPRECIATION</b>		
Plant and equipment	768	671
Office equipment/Furniture	32	31
Buildings	103	95
Infrastructure		
- Water supply	3,100	3,027
Total Depreciation Costs Expended	<u>4,003</u>	<u>3,824</u>
<b>(e) OTHER EXPENSES</b>		
Chairperson Fee	7	6
Member's Fees & Allowances	39	32
Members' Expenses	4	2
Insurance	96	65
Electricity & Heating	1,543	1,513
Telephone	84	89
Other	354	579
Total Other Expenses from Ordinary Activities	<u>2,127</u>	<u>2,286</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 5

**GAIN OR LOSS FROM DISPOSAL OF ASSETS**

	<b>Actual 2008 \$'000</b>	<b>Actual 2007 \$'000</b>
<b>GAIN (OR LOSS) ON DISPOSAL OF PLANT &amp; EQUIPMENT</b>		
Proceeds from disposal	625	369
Less: Carrying amount of assets sold	614	425
<b>GAIN (OR LOSS) ON DISPOSAL</b>	<u>11</u>	<u>(56)</u>
<b>TOTAL GAIN (OR LOSS) ON DISPOSAL OF ASSETS</b>	<u>11</u>	<u>(56)</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 6a

CASH AND CASH EQUIVALENTS

	Actual 2008		Actual 2007	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
<b>CASH</b>				
Cash at Bank and on hand	56		55	
Deposits at Call	10,776		11,264	
<b>TOTAL CASH ASSETS</b>	<b>10,832</b>		<b>11,319</b>	
<b>TOTAL CASH ASSETS AND INVESTMENT SECURITIES</b>	<b>10,832</b>		<b>11,319</b>	

NOTES TO THE FINANCIAL STATEMENTS

Note 6b

INVESTMENTS

Restrictions	Notes	MOVEMENTS				PROPOSED UTILISATION OF RESTRICTION		
		Opening Balance 30 June 2007 \$'000	Transfers to Restriction \$'000	Transfers from Restriction \$'000	Closing Balance 30 June 2008 \$'000	Less than 1 Year	Between 1 and 5 Years	Greater than 5 Years
<b>Internal</b>								
<i>Mains Replacement</i>	6a	1,000			1,000		1,000	
<i>Sales Fluctuation</i>	6a	1,200			1,200		1,200	
<i>Employee Leave Entitlement</i>	6a	917		27	890			890
<b>Total</b>		<b>3,117</b>		<b>27</b>	<b>3,090</b>		<b>2,200</b>	<b>890</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 6c

### RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

#### TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS

	<b>Actual 2008</b>		<b>Actual 2007</b>	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
<b>TOTAL INTERNAL RESTRICTIONS</b>				
Included in liabilities				
- Employee Leave Entitlements	890		917	
Other				
- Mains replacement	1,000		1,000	
- Sales Fluctuation	1,200		1,200	
<b>TOTAL INTERNAL RESTRICTIONS</b>	3,090		3,117	

a) Employee Leave Entitlements

The standard provision in local government is to fund 30% of the total Employee Leave Entitlement Liability. A provision of 30% of the Employee Leave Entitlement has been made.

b) Mains Replacement

Due to Council's aging infrastructure, provision is made to create a fund for mains replacements.

c) Sales Fluctuation Reserve

Income from sales of water is largely dependent on seasonal weather conditions. Consumption for 2007/2008 has been based on the trend analysis undertaken, an amount of 15,035 megalitres. Should Council experience an abnormal year, such as 1993, then the consumption could be more around 10,710 megalitres. A sales fluctuation reserves purpose is to afford the Council's consumers some protection against extraordinary increases in the price of water resulting from a decrease in water sales due to unfavourable weather conditions.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 7

#### RECEIVABLES

	Actual 2008		Actual 2007	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
Rates and Annual Charges	273		272	
User Charges & Fees	912		891	
Accrued Interest on Investments	3		21	
Government Grants & Subsidies	82		20	
Other	559		629	
Total	<u>1,829</u>	<u></u>	<u>1,833</u>	<u></u>

#### Rates and Annual Charges

Annual charges are secured.

#### User Charges and Fees

User charges and fees are secured.

#### Government Grants

Government grants and subsidies have been guaranteed.

#### Private works

Private works have only been undertaken where a deposit has been received and the works are secured against those deposits.

NOTES TO THE FINANCIAL STATEMENTS

Note 8

INVENTORIES AND OTHER ASSETS

	Actual 2008		Actual 2007	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
<b>Inventories</b>				
- Stores and Materials	1,279	_____	1,293	_____
	1,279	_____	1,293	_____
<b>Other</b>				
Prepayments	46	_____	75	_____
	46	_____	75	_____

NOTES TO THE FINANCIAL STATEMENTS

Note 9a

INFRASTRUCTURE, PROPERTY, PLANT  
AND EQUIPMENT

	At 30/6/2007				MOVEMENTS DURING YEAR				At 30/6/2008			
	At cost	At Valuation	Accum Depn	Book Value	Asset Purchases	Asset Disposals	Depn	Net Revaluation	At Cost	At Valuation	Accum Depn	Book Value
Plant & Equipment	12,632		8,624	4,008	1,982	614	768		14,000		9,392	4,608
Office Equipment/ Furniture	484		347	137	7		32		491		379	112
Land & Buildings		3,664	271	3,393	113		103	101		3,878	374	3,504
Infrastructure - Water Supply Network		135,371	8,752	126,619	5,663		3,100	3,799		144,833	11,852	132,981
<b>TOTALS</b>	13,116	139,035	17,994	134,157	7,765	614	4,003	3,900	14,491	148,711	21,997	141,205

NOTES TO THE FINANCIAL STATEMENTS

Note 10a

PAYABLES, INTEREST BEARING LIABILITIES  
AND PROVISIONS

	Actual 2008		Actual 2007	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
<b><u>Payables</u></b>				
Goods and Services	566		1,921	
Accrued Expenses	173		145	
<b>TOTAL PAYABLES</b>	<b>739</b>		<b>2,066</b>	
<b><u>Provisions</u></b>				
Annual Leave	525		484	
Sick Leave	294		215	375
Long Service Leave	286	1,860	283	1,700
<b>TOTAL PROVISIONS</b>	<b>1,105</b>	<b>1,860</b>	<b>982</b>	<b>2,075</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 11

#### RECONCILIATION OF CASH FLOWS MOVEMENTS

		<b>Actual 2008 \$'000</b>	<b>Actual 2007 \$'000</b>
<b>a) Reconciliation of Cash</b>			
Total Cash and Cash Equivalents	6A	10,832	11,319
Balances as per statement of cash flows		10,832	11,319
<b>b) Reconciliation of Surplus/(Deficit) from Ordinary Activities to Cash from Operating Activities</b>			
Surplus/(deficit) from ordinary activities		4,586	4,593
Add: Depreciation		4,003	3,824
Decrease in Receivables		4	
Increase in employee leave entitlements			116
Decrease in Inventories		14	
Increase in payables			1,151
Decrease in other current assets		28	
Loss on Sale Assets			56
		8,635	9,740
Less:			
Decrease in employee leave entitlements		92	
Increase in Receivables			162
Increase in Inventories			215
Decrease in payables		1,327	
Increase in other current assets			27
Profit on Sale Assets		11	
Net Cash provided by (or used in) operating activities		7,205	9,336

NOTES TO THE FINANCIAL STATEMENTS

Note 12

COMMITMENTS FOR EXPENDITURE

	<b>Actual 2008 \$'000</b>	<b>Actual 2007 \$'000</b>
<b>CAPITAL COMMITMENTS</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:	<u>NIL</u>	<u>NIL</u>
These expenditures are payable as follows:		
Not later than one year	NIL	NIL
Later than one year and not later than 2 years		
Later than 2 years and not later than 5 years		
Later than 5 years	<u>NIL</u>	<u>NIL</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 13

STATEMENT OF PERFORMANCE MEASUREMENT  
FOR THE YEAR 2007/2008

	Amounts	Current Yr Indicators	2007	2006
<b>1. UNRESTRICTED CURRENT RATIO</b>				
<b>Factors</b>				
<u>Current Assets less All External Restrictions</u>	\$13,986			
<u>Current Liabilities less Specific Purpose Liabilities</u>	\$ 1,844	Ratio <u>7.58:1</u>	4.76	<u>4.08</u>
<b>2. DEBT SERVICE RATIO</b>				
<b>Factors</b>				
<i>Debt Service cost</i>				
<u>Revenue from Continuing Operations excluding capital items and specific purpose grants/contributions</u>	\$ 0 \$14,644		0.38	0.09
<b>3. RATE COVERAGE RATIO</b>				
<b>Factors</b>				
<u>Rate &amp; Annual Charges</u>	\$ 2,520			
<u>Revenue for Continuing Operations</u>	\$17,391	0.14:1	0.13	0.16
<b>4. RATES &amp; ANNUAL CHARGES OUTSTANDING PERCENTAGE</b>				
<b>Factors</b>				
<u>Rates &amp; Annual Charges Outstanding</u>	\$ 273	9.78%	9.89%	10.16%
<u>Rates &amp; Annual Charges Collectable</u>	\$2,792			
<b>5. BUILDING AND INFRASTRUCTURE RENEWALS RATIO</b>				
<u>Assets renewals (Building Infrastructure)</u>	\$1,825			
<u>Depreciation, amortisation &amp; impairment (building and infrastructure)</u>	\$3,203	0.57:1		

NOTES TO THE FINANCIAL STATEMENTS

Note 14

INVESTMENT PROPERTIES

	<b>Actual 2008 \$'000</b>	<b>Actual 2007 \$'000</b>
<b>AT FAIR VALUE</b>		
Opening balance at 1 <sup>st</sup> July		
Acquisitions		
Capitalised subsequent expenditure		
Classified as held for sale or disposals		
Net gain (loss) from fair value adjustment		
Transfer (to) from inventories and owner occupied property		
<b>CLOSING BALANCE AT 30<sup>th</sup> JUNE</b>	<u>NIL</u>	<u>NIL</u>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 15

#### FINANCIAL RISK MANAGEMENT

#### Interest Rate Risk Exposures

The Council's exposure to interest rate risk, and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below. Exposures arise predominantly from assets and liabilities bearing variable interest rates, which the Council intends to hold as fixed rate assets and liabilities to maturity.

2008	Notes	Floating	Fixed interest maturing in:			Non-	Total
		interest rate \$'000	≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000	interest bearing \$'000	\$'000
<b>Financial Assets</b>							
Cash and Cash	6	8,697	2,135				10,832
Equivalents							
Receivables	7					1,829	1,829
<b>Total</b>		<b>8,697</b>	<b>2,135</b>			<b>1,829</b>	<b>12,661</b>
Weighted Ave. Interest Rate		7.34%	8.25%				
<b>Financial Liabilities</b>							
Bank overdraft & loans	11,10						
Bills Payable	10					739	739
<b>Total</b>						<b>739</b>	<b>739</b>
Weighted Ave. Interest Rate							
<b>Net Financial assets/(liabilities)</b>		<b>8,697</b>	<b>2,135</b>			<b>1,090</b>	<b>11,922</b>
2007	Notes	Floating	Fixed interest maturing in:			Non-	Total
		interest rate \$'000	≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000	interest bearing \$'000	\$'000
<b>Financial Assets</b>							
Cash and Deposits	6	1,200	10,119				11,319
Receivables	7					1,833	1,833
<b>Total</b>		<b>1,200</b>	<b>10,119</b>			<b>1,833</b>	<b>13,152</b>
Weighted Ave. Interest Rate		6.52%	6.61%				
<b>Financial Liabilities</b>							
Bank overdraft & loans	11,10						
Bills Payable	10					2,066	2,066
<b>Total</b>						<b>2,066</b>	<b>2,066</b>
Weighted Ave. Interest Rate							
<b>Net Financial assets/(liabilities)</b>		<b>1,200</b>	<b>10,119</b>			<b>(233)</b>	<b>11,086</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 15 Continued

## FINANCIAL RISK MANAGEMENT

### Reconciliation of Net Financial Assets

	Notes	2008 \$'000	2007 \$'000
Net financial assets from previous page		11,922	11,086
Non-financial assets and liabilities			
- Inventories	8	1,279	1,293
- Property, plant & equipment	9	141,757	134,157
- Other Assets	8	46	75
- Provisions	10	(2,965)	(3,057)
Net Assets per Statement of Financial Position		152,039	143,554

### Net fair value of Financial Assets

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

The net fair value of other monetary assets and liabilities is based upon market prices, where a market exists, or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Unlisted equity investments, the net fair value is an assessment by the Council based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment (refer also to note 6).

The carrying amounts of net fair values of financial assets and liabilities at balance date are as follows:

	Notes	2008		2007	
		Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
<b><u>Financial Assets</u></b>					
Trade debtors	7	1,185	1,185	1,163	1,163
Other debtors	7	644	644	670	670
Unlisted investments	6	10,832	10,832	11,319	11,319
<b>Total</b>		12,661	12,661	13,152	13,152
<b><u>Financial Liabilities</u></b>					
Other loans	10				
Other liabilities	10	739	739	2,066	2,066
<b>Total</b>		739	739	2,066	2,066

## NOTES TO THE FINANCIAL STATEMENTS

## Note 16

MATERIAL BUDGET VARIATIONS
----------------------------

Council's original budget was incorporated as part of the Management Plan adopted by Council on 21st June 2007. The original projections on which the budget was based have been affected by climate conditions, interest rates and increase in capital expenditure.

This Note sets out the details of material variations between the original budget and actual results for the Operating Statement. Material favourable (F) and unfavourable (U) variances represent amounts of 10% or more of the budgeted amount, or of significant relevance.

**Revenues**1. User Charges & Fees

User Charges & Fees were under budget by \$1,016 (U) (9%) primarily due to weather patterns.

2. Interest Received

The actual amount of interest revenue received was over budget by some \$370 (F) (105%). This was due to increase in funds as a result of better than expected results.

3. Other revenues

Main variance of other revenues related to the connection fees received, due to increase in development minor variations in amounts received from Sundry Income, resulted in \$539 (F)(198%) over budget.

4. Grants & Contributions

Increase in Urban residential subdivision and an increase due to drought conditions of rural main extensions resulted in \$2,147 (F) (358%) over budget.

**Expenses**1. Employee Costs

Due to increase in capital works and holiday for Superannuation contribution continuing for 2007/2008 this resulted in \$510 (F) (9%) under budget.

2. Materials and Contracts

Increase in capital works resulted in \$237 (F) (12%) under budget.

3. Other Expenses

Due to increase in electricity costs and usage and maintenance on water mains resulted in \$147 (U) (7%) over budget.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 17

#### STATEMENT OF DEVELOPER CONTRIBUTIONS

Contributions received during the year where for water mains extensions to supply residential subdivision and rural mains extensions.

Purpose	Opening Balance \$'000	Contributions received during year*		Interest earned during year \$'000	Expended During Year \$'000	Expended in Advance \$'000	Held as restricted asset** \$'000	Works Provided to date \$'000
		Cash \$'000	Non- Cash \$'000					
Water Supply	NIL	2,747						2,747
Total Contributions	NIL	2,747						2,747

## NOTES TO THE FINANCIAL STATEMENTS

### Note 18

#### CONTINGENCIES

There are no assets and liabilities not recognised in the Balance Sheet.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 19

#### INTERESTS IN JOINT VENTURES

Council has no joint venture partnerships

## NOTES TO THE FINANCIAL STATEMENTS

### Note 20

#### REVALUATION RESERVES AND RETAINED EARNINGS

	Notes	Actual 2008 \$'000	Actual 2007 \$'000
<b>(a) Revaluation reserves</b>			
Infrastructure, property, plant and equipment revaluation reserve		95,881	91,639
		<u>95,881</u>	<u>91,639</u>
Movements:			
Property, plant and equipment revaluation reserve			
At beginning of year		91,639	87,965
Revaluations		3,899	3,674
At end of year		<u>95,538</u>	<u>91,639</u>
<b>(b) Retained earnings</b>			
Movements in retained earnings were as follows:			
At beginning of year		51,915	47,322
Net operating result for the year		4,586	4,593
At end of year		<u>56,501</u>	<u>51,915</u>
<b>(c) Nature and purpose of reserves</b>			
<b>(i) Infrastructure, property, plant and equipment revaluation reserve</b>			
The infrastructure, property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.			

## NOTES TO THE FINANCIAL STATEMENTS

### Note 21

#### **REINSTATEMENT, REHABILITATION AND RESTORATION LIABILITIES**

Council does not have any items of property, plant and equipment that requires obligations to “decommissioning, restoration or similar liabilities”

## NOTES TO THE FINANCIAL STATEMENTS

### Note 22

#### **NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE**

Council has no non-current assets classified as held for sale.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 23

#### **EVENTS OCCURRING AFTER BALANCE SHEET DATE**

There are no events that have occurred after 30<sup>th</sup> June 2008 to be included in balance sheet as at 30<sup>th</sup> June 2008

## NOTES TO THE FINANCIAL STATEMENTS

### Note 24

#### **DISCONTINUED OPERATION**

Council business is a continuing operation.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 25

#### **INTANGIBLE ASSETS**

Water Licences \$552.



---

**Special Purpose Financial Reports and Special Schedules  
for the year ending 30<sup>th</sup> June 2008**

---

**TABLE OF CONTENTS**

	<b>Page</b>
<b><i>Auditors Report</i></b>	<b>86</b>
<b>Council's Certificate</b>	<b>88</b>
Special Purpose Financial Reports	
Statement of Financial Performance by Water Supply Business Activity	89
Statement of Financial Position by Water Supply Business Activity	90
Notes to the Special Purpose Financial Statements	
Note 1      Significant Accounting Policies	91
Note 2      Water Supply Best Practice Management Disclosure	94

**RIVERINA WATER COUNTY COUNCIL**  
**SPECIAL PURPOSE FINANCIAL REPORTS**  
**INDEPENDENT AUDITORS' REPORT**

**SCOPE**

We have audited the special purpose financial reports of Riverina Water County Council for the year ended 30 June 2008, comprising the Statement by Council, Income Statement of Water Supply Business Activity, Balance Sheet of Water Supply Business Activity, and accompanying Notes to the Accounts. The financial statements include the accounts of the business activities of the Council and the entities it controlled at the year's end or from time to time during the year. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council.

The special purpose financial reports have been prepared for distribution to the Council and the Department of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Department of Local Government or for any purpose other than for which the report was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with those Australian Accounting Standards adopted and the Local Government Code of Accounting Practice and Financial Reporting so as to present a view which is consistent with our understanding of the business activities of the Council and their financial position and the result of their operations.

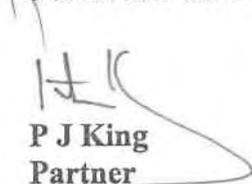
The audit opinion expressed in this report has been formed on the above basis.

**AUDIT OPINION**

In our opinion, the Special Purpose Financial Reports of the Riverina Water County Council are presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

Yours faithfully

**JOHN L BUSH & CAMPBELL**



**P J King**  
Partner

1<sup>st</sup> October 2008

## RIVERINA WATER COUNTY COUNCIL

---

### STATEMENT BY COUNCILLORS AND MANAGEMENT

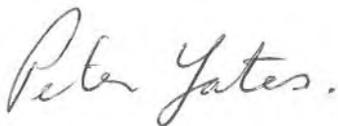
---

In accordance with a resolution of the members of Riverina Water County Council we declare on behalf of Riverina Water County Council that in our opinion:

1. The accompanying special purpose financial reports exhibit a true and fair view of the financial position of Riverina Water County Council declared business activity as at 30<sup>th</sup> June 2008.
2. The special purpose financial reports have been prepared in accordance with:
  - NSW Government Policy Statement “Application of National Competition Policy to Local Government”,
  - Department of Local Government Guidelines “Pricing and Costing for Council Businesses; A guide to Competitive Neutrality” ,
  - The Local Government Code of Accounting Practice and Financial Reporting, and
  - The Department of Water and Energy Practice Management of Water Supply guidelines.
3. All information provided has been prepared in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting.

Further, we are not aware at this time of any circumstances which would render any particulars included in the special purpose financial reports to be misleading or inaccurate.

*Signed in accordance with a Resolution of Council  
dated 27th August 2008.*



Clr. P. Yates  
CHAIRPERSON  
27th August 2008



Clr. R. Kendall  
DEPUTY CHAIRPERSON  
27th August 2008



Mr. G.W. Pieper  
GENERAL MANAGER  
27th August 2008



Mr. G.G. Geaghan  
FINANCE MANAGER  
27th August 2008

## RIVERINA WATER COUNTY COUNCIL

---

**INCOME STATEMENT OF WATER SUPPLY BUSINESS ACTIVITY  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2008**

---

	Actual 2008 \$'000	Actual 2007 \$'000	Actual 2006 \$'000
<b>Income from continuing operations</b>			
Access charges	2,520	2,475	2,448
User charges	10,392	12,000	10,262
Fees			
Interest	720	802	853
Grants and contributions provided for non capital purposes	190	204	199
Profit from the sale of assets	11		
Other income	811	602	427
<b>Total income from continuing operations</b>	14,644	16,083	14,189
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	4,992	4,361	4,230
Borrowing costs		1,926	730
Materials and contracts	1,683	1,760	1,761
Depreciation and impairment	4,003	3,824	3,875
Water purchase charges	65	62	58
Loss on sale of assets		56	17
Calculated taxation equivalents	25	12	12
Debt guarantee fee (if applicable)			
Other expenses	2,062	2,224	1,844
<b>Total expenses from continuing operations</b>	12,830	14,225	12,527
<b>Surplus (deficit) from continuing operations before capital amounts</b>	1,814	1,858	1,662
<b>Grants and contributions provided for capital purposes</b>	2,747	2,723	1,089
<b>Surplus (deficit) from continuing operations after capital amounts</b>	4,561	4,581	2,751
<b>Surplus (deficit) from all operations before tax</b>	4,561	4,581	2,751
Less Corporate Taxation Equivalent (30%) [based on result before capital]	1,368	1,374	825
<b>Surplus (deficit) after tax</b>	3,193	3,207	1,926
<b>Opening retained profits</b>			
<b>Adjustments for amounts unpaid</b>			
Taxation equivalent payments			
Debt guarantee fees			
Corporate taxation equivalent	1,368	1,374	825
<b>Less:</b>			
– TER dividend paid			
– Surplus dividend paid			
<b>Closing retained profits</b>	4,561	4,581	2,751
Return on Capital %	1.3%	2.8%	2.00%
Subsidy from Council			
<b>Calculation of dividend payable:</b>			
Surplus (deficit) after tax	3,193	3,207	1,926
Less: Capital grants and contributions (excluding developer contributions)	2,747	2,723	1,089
Surplus for dividend calculation purposes	446	484	837
Dividend calculated from surplus	210	236	412

RIVERINA WATER COUNTY COUNCIL

**BALANCE SHEET OF WATER SUPPLY BUSINESS ACTIVITY  
AS AT 30<sup>th</sup> JUNE 2008**

**WATER CATEGORY 1**

	Notes	Actual 2008 \$'000	Actual 2007 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		10,832	11,319
Receivables		1,829	1,833
Inventories		1,279	1,293
Other		46	75
<b>TOTAL CURRENT ASSETS</b>		<u>13,986</u>	<u>14,520</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment		141,205	134,157
Intangibles		552	
<b>TOTAL NON-CURRENT ASSETS</b>		<u>141,757</u>	<u>134,157</u>
<b>TOTAL ASSETS</b>		<u>155,743</u>	<u>148,677</u>
<b>CURRENT LIABILITIES</b>			
Bank overdraft			
Payables		739	2,066
Provisions		12,174	10,658
<b>TOTAL CURRENT LIABILITIES</b>		<u>12,913</u>	<u>12,724</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		1,860	2,075
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,860</u>	<u>2,075</u>
<b>TOTAL LIABILITIES</b>		<u>14,773</u>	<u>14,799</u>
<b>NET ASSETS</b>		<u>140,970</u>	<u>133,878</u>
<b>EQUITY</b>			
Retained Profits		45,432	42,239
Asset Revaluation reserve		95,538	91,639
<b>TOTAL EQUITY</b>		<u>140,970</u>	<u>133,878</u>

## RIVERINA WATER COUNTY COUNCIL

---

**NOTES TO THE SPECIAL PURPOSE FINANCIAL REPORTS**

---

## Note 1

**SIGNIFICANT ACCOUNTING POLICIES**

These accounting policies are supplemental to the Policy Notes contained in the General Purpose Financial Report and only apply to the Special Purpose Financial Reports (SPFRs). A statement summarising the supplemental accounting policies adopted in the preparation of the SPFRs for National Competition Policy reporting purposes follows.

These financial statements are a Special Purpose Financial Report (SPFR) prepared for use by the Council and Department of Local Government. For the purposes of these statements, the Council is not a reporting entity.

This special purpose financial report, unless otherwise stated, has been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the Local Government Act and Regulations, the Local Government Code of Accounting Practice and Financial Reporting and the Local Government Asset Accounting Manual.

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values 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' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 Government Policy statement on the "*Application of National Competition Policy to Local Government*". The "*Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*" issued by the Department of Local Government in July 1997 has also been adopted.

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

**Declared Business Activities**

In accordance with *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*, council has declared that Council is a Category 1 business.

**Monetary Amounts**

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars, with the exception of Note 2 (Water Supply Best Practice Management Disclosures A513). As required by the Department of Water and Energy, the amounts shown in Notes 2 are shown in whole dollars.

**(i) Taxation Equivalent Payments**

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 the SPFRs as expenses. 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 Tax Rate	30 %
Land Tax	1.6 %

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax), must be paid from Water Supply and Sewerage Business activities. The payment of taxation equivalent charges, referred in the Best Practice Management of Water Supply and Sewerage Guides to as a "Dividend for Taxation equivalent", may be applied for any purpose allowed under the Local Government Act, 1993. Achievement of substantial compliance against the guidelines for Best Practice Management of Water Supply and Sewerage is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

**Income Tax**

An income tax equivalent has been applied on the profits of the business. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account 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 (Operating Result before Capital Amounts) as would be applied by a private sector competitor - that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income Tax is only applied where a positive Operating Result before Capital Amounts has been achieved. Since the taxation equivalent is notional, that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the overall operations of the council.

Accordingly, there is no need for disclosure of internal charges in the General Purpose Financial Reports (GPFRs). The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations which may have occurred during the year.

**Local Government Rates & Charges**

A calculation of the equivalent rates and charges for all Category 1 businesses have been applied to all assets owned or exclusively used by the business activity.

## Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that council business activities face "true" commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, council has determined what the differential borrowing rate would have been between the commercial rate and the council's borrowing rate for its business activities. The debt guarantee fee represents the difference between the commercial and discount rate multiplied by the loan amount. Council re-structured its Loan portfolio during 1998/99 in which the borrowing costs is at commercial costs. No debt guarantee fee is payable.

### (ii) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community service obligations. The overall subsidies from council is contained within the Operating Statement and is consistent with those subsidies disclosed in council's management plans.

### (iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field". The rates of return achieved from councils major business activities are paid to the council as owner of the business. The rate of return is calculated as follows:

$$\frac{\text{Operating Result before capital Amounts} + \text{Interest Expense}}{\text{Total Written Down Current Replacement Cost of P, P \& E}}$$

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return can be calculated for each of council's business activities from the Statement of Business Activities and Statement of Financial Position and is disclosed at the bottom of the Statement of Business Activities. The return on capital achieved for Council's business is 1.3% and is consistent with that required for "Long Term Sustainability".

### (iv) Dividends

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

Local Government Water Supply and Sewerage Businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus. The dividend, calculated and approved in accordance with the Best Practice Management Guidelines, must not exceed 50% of this surplus in any one year, or the number of water supply assessments at 30<sup>th</sup> June 2007 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a Dividend Payment form, Statement of Compliance, unqualified independent Financial Audit Report and Compliance Audit Report are submitted to the Department of Water and Energy.

RIVERINA WATER COUNTY COUNCIL

**NOTES TO THE SPECIAL PURPOSE FINANCIAL REPORTS**

Note 2

**WATER SUPPLY BUSINESS BEST PRACTICE  
MANAGEMENT DISCLOSURE REQUIREMENTS**

**Calculation and Payment of Tax-Equivalents**

\$

(i)	Calculated Tax- Equivalents	25,176
(ii)	No. of assessments multiplied by \$3/assessment	86,823
(iii)	Amounts payable for Tax-Equivalents (lesser of (i) and (ii))	25,176
(iv)	Amounts paid for Tax-Equivalents	25,176
<b>Dividend from Surplus</b>		
(i)	50% of Surplus before Dividends <i>(Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines)</i>	210,000
(ii)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	843,054
(iii)	Cumulative Surplus before Dividends for the 3 years to 30 <sup>th</sup> June 2008, less the cumulative Dividends Paid for the 2 years to 30 <sup>th</sup> June 2007	8,277,000
(iv)	Maximum Dividend from Surplus (least of (i),(ii) and (iii))	210,000
(v)	Dividend paid from Surplus	NIL

**Required Outcomes for 6 Criteria**

	YES	NO
(1) Completion for Strategic Business Plan (including Financial Plan)	X	
(2) Pricing with full cost-recovery, without significant cross subsidies (Item 2(a) in Table 1 on page 18 of the Best Practice Guidelines)	X	
Complying charges (a) Residential (Item 2(b) in Table 1)		X
(b) Non-residential (Item 2(b) in Table 1)		X
DSP with Commercial Developer Charges (Item 2(e) in Table 1)	X	
(3) Sound Demand Management implemented	X	
(4) Sound Drought Management implemented	X	
(5) Complete performance Reporting Form by 15 <sup>th</sup> September each year	X	
(6) Integrated Water Cycle Management Strategy (by June 2008)		X

**National Water Initiative (NWI) Financial Performance Indicators**

		%	\$'000
NWI F4	Residential Revenue from Usage Charges (Water)	76.69	
NWI F1	Total Revenue (Water)		16,671
NWI F20	Capital Works Grants (Water)		Nil
NWI F13	Economic Real Rate of Return (Water)	3.35	
NWI F6	Operating Cost (OMA) (Water)		7,917
NWI F9	Total Cost (Water)		11,920



---

**Special Schedules  
for the year ending 30<sup>th</sup> June 2008**

---

**TABLE OF CONTENTS**

	<b>Page</b>
<b><i>Special Schedules (Not Audited)</i></b>	
<b>Special Schedule 1</b> Net Cost of Services	96
<b>Special Schedule 2a</b> Statement of Long term Debt (All Purpose)	97
<b>Special Schedule 3</b> Water Supply Operations	87
<b>Special Schedule 3</b> Notes	101
<b>Special Schedule 4</b> Water Supply – Net Assets Committed	102
<b>Special Schedule 7</b> Conditions of Public Works	103
<b>Special Schedule 8</b> Financial Projections	103

RIVERINA WATER COUNTY COUNCIL

**SPECIAL SCHEDULE NO. 1**

---

**NET COST OF SERVICES**  
**For the year ended 30<sup>th</sup> June 2008**

---

**(\$'000)**

FUNCTION OR ACTIVITY	EXPENSES FROM CONTINUING OPERATIONS		INCOME FROM CONTINUING OPERATIONS		NET COST OF SERVICES	
	Expenses	Group totals	Revenues	Group totals	Net Cost	Group totals
<b>WATER SUPPLIES TOTALS – FUNCTIONS</b>						
<b>CAPITAL GRANTS CONTRIBUTIONS <sup>1</sup></b>						
<b>GENERAL PURPOSE REVENUES <sup>2</sup></b>	12,805	12,805	17,391	17,391	4,586	4,586
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS</b>	12,805	12,805	17,391	17,391	4,586	4,586

---

<sup>1</sup>Each function and activity should record the operating and expenses excluding any capital contributions.

All capital contributions are to be recorded in total for the Council

<sup>2</sup>General purpose Revenue consists of:

- Rates & Annual Charges (incl. Ex-gratia payments)
- Interest on Investments
- Interest on overdue rates and charges
- General Purpose Grants (Financial Assistance Grants & Pensioners' Rates Subsidies)

RIVERINA WATER COUNTY COUNCIL

**SPECIAL SCHEDULE NO. 2(a)**

---

**STATEMENT OF LONG-TERM DEBT (ALL PURPOSE)**  
**For the year ended 30<sup>th</sup> June 2008**

---

(\$'000)

Classification of Debt	Principal Outstanding at beginning of Year (1)			New Loans Raised during the year (2)	Debt Redemption during the Year (3)		Interest applicable for year	Principal Outstanding at end of Year		
	Current	Non-Current	Total		From Revenue	Sinking Funds		Current (4)	Non-Current (5)	Total
LOANS (By source)										
Treasury Corporation										
Other State Government										
Financial institutions										
Other										
<b>TOTAL LOANS</b>										
<b>TOTAL LONG TERM DEBT</b>			NIL							NIL

Exclude: Internal Loans

Refinancing of loans except for any additional borrowings

Please check that for each debt line category:

Principal outstanding (previous year) + New Loans Raised – Debt Redemption = Principal Outstanding (Current Year)

- (1) Show same values as reported on previous year's Special Schedule 5(1). If values are different, please provide reason for variation.
- (2) Values should agree with Proceeds from Loans and Other Borrowings shown on the Cash Flow Statement (Financing Activities).
- (3) Values should agree with Reduction of Loans and Other Liabilities shown n the Cash Flow Statement (Financing Activities).
- (4) Total should agree with Current Liabilities – Borrowings (Statement of Financial Position).
- (5) Total should agree with Non-Current Liabilities – Borrowings (Statement of Financial Position).

RIVERINA WATER COUNTY COUNCIL

**SPECIAL SCHEDULE NO. 3**

---

**INCOME STATEMENT**  
**(GROSS INCLUDING INTERNAL TRANSACTIONS)**  
**for the year ended 30<sup>th</sup> June 2008**

---

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>A. EXPENSES &amp; REVENUES</u></b>		
<b>Expenses</b>		
<b>Management</b>	1,604	1,485
- Administration	648	572
- Engineering & Supervision		
<b>Operation and Maintenance Expenses</b>		
<b>Mains</b>		
- Operation Expenses	100	92
- Maintenance Expenses	606	690
<b>Reservoirs</b>		
- Operation Expenses	100	92
- Maintenance Expenses	85	49
<b>Pumping Stations</b>		
- Operation Expenses (excl. energy costs)	400	369
- Energy Costs	1,543	1,513
- Maintenance Expenses	633	617
<b>Treatment</b>		
- Operation Expenses (excl. chemical costs)	312	287
- Chemical Costs	631	616
- Maintenance Expenses	88	81
<b>Other</b>		
- Operation Expenses	604	533
- Maintenance Expenses	498	502
- Purchase of Water	65	62
<b>Depreciation</b>		
- System Assets	3,203	3,123
- Plant and Equipment	800	701
<b>Miscellaneous</b>		
- Interest		1,926
- Other Expenses	885	903
<b>Total Expenses</b>	<b>12,805</b>	<b>14,213</b>
<b>Revenues</b>		
<b>Rates &amp; Service Availability Charges</b>		
- Residential	2,197	2,167
- Commercial	263	248
- Other	60	60
<b>User Charges</b>		
- Sales of Water: Residential	7,229	8,516
- Sales of Water: Commercial	2,649	3,035
- Sales of Water: Other	523	450
<b>Interest Income</b>	720	802
<b>Other Revenue (includes Profit on Sale)</b>	813	601

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Grants		
- Grants for Acquisition of Assets		
- Other Grants	190	204
Contributions		
- Developer Charges	2,747	2,723
<b>Total Revenues</b>	<b>17,391</b>	<b>18,806</b>
Operating Result	4,586	4,593
<u>Operating Result</u>		
(less Grants for Acquisition of Assets)	4,586	4,593
<b>B. CAPITAL TRANSACTIONS</b>		
<b>Non-Operating Expenditure</b>		
Acquisition of Fixed Assets		
- Subsidised Scheme		
- Other New System Assets	3,951	2,883
- Renewals	1,825	4,130
- Plant & Equipment	2,541	1,452
Repayment of Debt		
Loans		4,984
<b>TOTALS</b>	<b>8,317</b>	<b>13,449</b>
Non-Operating Funds Employed		
Proceeds from Disposal of Assets	625	369
<b>TOTALS</b>	<b>625</b>	<b>369</b>
<b>C. RATES &amp; CHARGES</b>		
<b>(a) Urban</b>		
1. Number of Assessments		
- Residential (occupied)	21,694	21,347
- Residential (unoccupied)	659	650
- Non-Residential (occupied)	1,623	1,608
- Non-Residential (unoccupied)		
2. User Charge		
If charge varies with usage, charges for various ranges:		
Up to 125 Kl/a		
Over 125 Kl/a		
Non-stepped Tariff	0.75 c/kl	0.72 c/kl
<b>(b) Non-Urban</b>		
1. Number of Assessments		
- Residential (occupied)	4,873	4,696
- Residential (unoccupied)	602	548
- Non-Residential (occupied)	751	751
Non-Residential (unoccupied)		
2. User Charge		
If charge varies with usage, specify charges for various ranges		
Up to 125 Kl/a		
Over 125 Kl/a		
Non-Stepped Tariff	0.87 c/kl	0.84 c/kl
3. Annual Water Allowance for Minimum Rate or Charge		
4. Does Council have a Land Value component in its charging for:		
- Residential	NO	NO
- Non-Residential	NO	NO
5. Typical Developer Charge	4	4
6. Number of ET's for which Developer Charges were received	602	450
7. Total Amount of Pensioner Rebates	327	338

RIVERINA WATER COUNTY COUNCIL

**SPECIAL SCHEDULE NO. 3 Continued**

---

**WATER SUPPLY – CROSS SUBSIDIES**  
**for the year ended 30<sup>th</sup> June 2008**

---

**D. BEST PRACTICE ANNUAL CHARGES & DEVELOPER CHARGES**

Yes No Amount  
\$

**27. Annual Charges**

a. Does Council have best-practice water supply annual charges and usage charges\*?

	X	
--	---	--

If Yes, go to 28a.

If No, please report if Council has removed land value from access charges (ie rates)?

Council has not used land values since 1994

\* Such charges for both residential customers and non-residential customers comply with section 3.2 of *Water Supply, Sewerage and Trade Waste Pricing Guidelines*, Department of Land and Water Conservation, December, 2002. Such charges do not involve significant cross-subsidies.

b. Cross-subsidy **from** residential customers using less than allowance (page 25 of Guidelines)

c. Cross- subsidy **to** non-residential customers (page 24 of Guidelines)

d. Cross- subsidy **to** large connections in unmetered supplies (page 26 of Guidelines)

**28. Developer Charges**

a. Has Council completed a water supply Development Servicing\*\* Plan?

X	
---	--

b. Total cross-subsidy in water supply developer charges for 2007/08 (page 47 of Guidelines)

\$1,088/ET

\*\* In accordance with page 9 of *Developer Charges Guidelines for Water Supply, Sewerage and Stormwater*, Department of Land & Water Conservation, December, 2002.

**29. Disclosure of Cross Subsidies**

\$1,088/ET

**TOTAL OF CROSS SUBSIDIES** (27b + 27c + 27d + 28b)

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

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

## RIVERINA WATER COUNTY COUNCIL

---

### NOTES TO THE SPECIAL SCHEDULES NO. 3

---

**Administration\*** (item 1a of Special Schedules 3 and 5) comprises the following:

- Administration Staff
  - Salaries and Allowance
  - Traveling Expenses
  - Accrual of Leave Entitlements
  - Employment Overheads
- Meter Reading
- Bad and Doubtful Debts
- Other Administrative/Corporate Support Services

**Engineering and Supervision \*** (item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering Staff
  - Salaries and Allowance
  - Traveling Expenses
  - Accrual of Leave Entitlements
  - Employment Overheads
- Other Technical and Supervision Staff
  - Salaries and Allowance
  - Traveling Expenses
  - Accrual of Leave Entitlements
  - Employment Overheads

**Operation Expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses

**Maintenance Expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalization principles and the distinction between capital and maintenance expenditure).

**Other Expenses** (item 4b of Special Schedules 3 and 5) include all expenses not recorded elsewhere.

**Residential Charges\*\*** (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all revenues from residential charges. Item 6 of Schedule 3 should be separated into 6a Access Charges (including rates if applicable) and 6b User Charges.

**Non-residential Charges\*\*** (items 6a, 7b of Special Schedules 3 and 5) include all revenues from non-residential charges separated into 7a Access Charges (including rates if applicable) and 7b User Charges.

**Other Revenues** (items 10 and 11 of Special Schedules 3 and 5 respectively) include all revenues not recorded elsewhere.

**Other Contributions** (items 12c and 13c of Special Schedules 3 and 5 respectively) include capital contributions for water supply or sewerage services received by Council under Section 565 of the Local Government Act.

\* Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. In item 16 for water supply and item 17 for sewerage, and not in items 1a and 1b).

\*\* To enable accurate reporting of **average residential bills**, it is essential for councils to accurately separate their residential (item 6) and non-residential (item 7) charges.

RIVERINA WATER COUNTY COUNCIL

SPECIAL SCHEDULE NO. 4

---

**WATER SUPPLY – NET ASSETS COMMITTED  
(GROSS INCLUDING INTERNAL TRANSACTIONS)  
as at 30<sup>th</sup> June 2008**

---

(\$'000)

	<u>Current</u>	<u>Non-Current</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
<i>Cash and Investments</i>			
- Other	10,832		10,832
<i>Receivables</i>			
- Specific Purpose Grants	82		82
- Rates and Availability Charges	1,185		1,185
- Other	562		562
<i>Inventories</i>	1,279		1,279
<i>Property, Plant and Equipment</i>			
- System Assets		136,485	136,485
- Plant & Equipment		4,720	4,720
<i>Other Assets</i>	46	552	598
<b>Total Assets</b>	<u>13,986</u>	<u>141,757</u>	<u>155,743</u>
<b><u>LIABILITIES</u></b>			
<i>Bank Overdraft</i>			
<i>Creditors</i>	739		739
<i>Borrowings</i>			
- Loans			
<i>Provisions</i>	1,105	1,860	2,965
<b>Total Liabilities</b>	<u>1,844</u>	<u>1,860</u>	<u>3,704</u>
<b>NET ASSETS COMMITTED</b>	<u>12,142</u>	<u>139,897</u>	<u>152,039</u>
<b><u>EQUITY</u></b>			
Accumulated Surplus	12,142	44,359	56,501
Asset Revaluation Reserve		95,538	95,538
<b>Total Equity</b>	<u>12,142</u>	<u>139,897</u>	<u>152,039</u>
<b>Notes to System Assets:</b>			
Current Replacement Cost of System Assets			236,097
Accumulated Current Cost Depreciation of system Assets			99,612
Written Down Current Cost of System Assets			136,485

RIVERINA WATER COUNTY COUNCIL

**SPECIAL SCHEDULE NO. 7**

**CONDITION OF PUBLIC WORKS  
AS AT 30<sup>th</sup> JUNE 2008**

(\$'000)

Asset Class	Asset Category	Depreciation Rate (5)	Depreciation Expense	Cost	Valuation	Accumulated Depreciation	WDV	Asset Condition	Estimated cost to bring to satisfactory	Annual Maintenance Expense	Program Maintenance Works
									(i)	(ii)	(iii)
		Per Note 1	Per Note 4	Per Note 9			Per Section 428(2d)				
<b>Public Buildings</b>	Council Offices/Depots	2.5	100		3,607	103	3,504	S			
	Houses	2.5	3					S			
<b>Water</b>	Treatment Plants	1.3	358		18,965	358	18,607	S	681	88	56
	Bores	4	76		1,161	76	1,085	S	Included in Pumping Stations		
	Reservoirs	1	290		21,173	290	20,883	S	120	85	120
	Pipelines	2	2,160		85,576	2,160	83,416	S	7,898	606	565
	Pump Stations	1.3	216		9,206	216	8,990	S	560	633	560
<b>Total – Classes</b>	<b>Total – All Assets</b>		3,203		139,688	3,203	136,485		9,259	1,412	1,301

S = Satisfactory

**SPECIAL SCHEDULE NO. 8**

**FINANCIAL PROJECTIONS**

	2008 <sup>(1)</sup> \$m	2009 \$m	2010 \$m
<b>Recurrent budget</b>			
Income from continuing operations	16	16	17
Expenses from continuing operations	14	14	15
Operating result from continuing operations	2	2	2
<b>Capital budget</b>			
New capital works <sup>(2)</sup>	3	2	2
Funded by:			
– Loans			
– Asset sales			
– Reserves			
– Grants/Contributions	1	1	1
– Recurrent revenue	2	1	1
– Other			

Notes:

(1) From Income Statement

(2) New Capital Works are major non-current projects – new services, mains extensions

# CUSTOMER INFORMATION

## PAYMENT FACILITIES

**TELEPHONE** Australia Post Telephone Billpay

**BILLPAY** Please call **13 18 16** to pay your bill using your credit card, or register to pay using your savings or cheque account from your bank, building society or credit union. Please have your water account ready as you will be required to key in payment details. **Your Billpay code and reference number is located beside the Australia Post symbol on the front of your account.** This service is available 7 days a week, 24 hours per day. *(For the cost of a local call).*

**CREDIT CARDS** Ring the **13 18 16** number as listed above.

**TO PAY BY THE INTERNET** [www.postbillpay.com.au](http://www.postbillpay.com.au)  
(Access to this option is also available via Council's Internet site listed above).

**BPAY** Phone your participating Bank, Credit Union or Building Society to make this payment from your cheque, savings or credit card account. **Your Biller Code and Reference Number is located beside the BPAY symbol located on the front of your account.**

**MAIL** Send cheques to PO Box 456, Wagga Wagga with the "tear off payment slip". Keep the top portion of the account (with details of cheque etc.) for your record. No receipts will be issued unless the whole of the account is returned with the cheque.

**IN PERSON** Bring your account with you to pay at Australia Post Shops or Post Offices anywhere throughout Australia. Riverina Water County Council office at 91 Hammond Avenue, Wagga Wagga. ***(Bring your account with you to pay at any of the above locations).***

# EMERGENCY NUMBERS

ADMINISTRATIVE OFFICE, WATER DEPOT, WATERWORKS  
LOCATED ON SITE AT  
91 HAMMOND AVENUE, WAGGA WAGGA, NSW

**GENERAL ENQUIRIES:** (02) 6922 0608

**SERVICE CENTRE:** (02) 6922 0608

**FAX:** (02) 6921 2241

**EMAIL:** [admin@rwcc.com.au](mailto:admin@rwcc.com.au)

**WEBSITE:** [www.rwcc.com.au](http://www.rwcc.com.au)

## EMERGENCY

Wagga Wagga  
The Rock  
Lockhart  
Uranquinty  
Urana/Oaklands  
Culcairn/Holbrook/Walla Walla

**(02) 6922 0608 All hours.**





