



Riverina Water Annual Report 2022-2023

All images: Riverina Water County Council

Enquiries

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Acknowledgment of Country

Riverina Water acknowledges the traditional custodians of the land, the Wiradjuri people and pays respect to Elders past, present and emerging and extend our respect to all First Nations People in our supply area.

Living Water (2023), Owen Lyons

About our Annual Report

This Annual Report outlines Riverina Water's progress on implementing its Delivery Program (DP) 2022-2023 – 2025-2026 and Operational Plan (OP) 2022-2023 and achievement against our budget. It also presents Riverina Water's audited financial statements for the year ending 30 June 2023.

The report aims to answer the following questions:

- › Did Riverina Water do what it said it would do?
- › If yes, how much did it do and how well did it do?
- › If not, why not? Will it happen at a later date, or not at all?

The report is Riverina Water's primary tool for reporting to our community and stakeholders on service delivery and financial performance.

A message from our Chairperson and Chief Executive Officer

We are pleased to present Riverina Water's Annual Report for 2022-2023.

Yet again we are experiencing very good seasonal conditions which is contributing to a fourth year of improved confidence for the annual cropping period. Increased rainfall has underpinned economic activity for the region and importantly, has assisted restore business confidence that continues to drive investment for the region.

In marking Riverina Water's 25th year, this report highlights our ongoing success in supporting the health and prosperity of our region.

We again enjoyed a sound financial year, although revenue decreased due to the increased annual rainfall which underpinned Riverina Water's sound financial position. Overall water production for 2022-2023 was 12,586 megalitres, an increase of 220 megalitres on the 2021-2022 overall production (which was also a year of high rainfall and thus lower water sales).

In 2022-2023, we continued to implement our Community Engagement Strategy to support the residents who are at the centre of everything that we do. A further initiative included continuing our drinking water refill station program for our constituent councils. The very popular Community Grants Program was not offered during 2022-2023 (due to the reduced income generated by Riverina Water as a result of the prevailing seasonal conditions). The program is being offered in 2023-2024 with a reduced budget of \$100,000.

Finances

We remain committed to providing water at the lowest sustainable cost. In 2019-2020 and again in 2020-2021, the Board decided not to increase any of Riverina Water's fees and charges in recognition of the then dry seasonal conditions. In 2022-2023 Riverina Water increased its fees and charges by a modest 1.8% or \$10 a year for the average annual water account. The access charge was left at \$160 for 2022-2023.

The adopted budget for 2022-2023 included a forecast operating result of \$5.953M. The actual result for 2022-2023 was \$1.366M, which was quite pleasing considering the impact of rainfall on revenue.

In addition, Riverina Water continues with an extensive capital works program of \$24.1M in 2023-2024, and then averaging around \$20M per annum for the following 3 years.

One of the most pleasing aspects of annual budget are the sponsorships that we provide to various organisations across our four constituent councils. During 2022-2023, more than \$77,470 in financial support was provided to 26 events, organisations and initiatives.

Strategy

In June 2021 Riverina Water adopted its new Integrated Water Cycle Management Plan (IWCMP). This Plan replaced the former IWCMP which was adopted in 2011. The IWCMP informs the future activities of Riverina Water which supports our growing communities.

In June 2022 we adopted the Business Activity Strategic Plan (BASP). The BASP is Riverina Water's strategy for implementing the priorities from its 30-year IWCMP. It ensures that we align ourselves with the provision of appropriate, affordable, cost-effective and sustainable urban water services that meet community needs and protect public health and the environment.

The BASP is a key strategic tool in Riverina Water's overall strategic planning framework. The BASP should be read alongside Riverina Water's Resourcing Strategy and Community Engagement Strategy.

The BASP has been developed having regard to the Community Strategic Plans of our four constituent councils and complies with the NSW Government's Best-Practice Management of Water Supply and Sewerage Guidelines (2007).

The plan informed the drafting of the 2022-2023 – 2025-2026 Delivery Program and the 2022-2023 Operational Plan.

Water Quality

The availability of good quality drinking water remains one of the most important factors in the ongoing good health of any population. Riverina Water continues to be a leading supplier of the highest standard drinking water. We acknowledge the ongoing dedication, commitment and hard work of all our employees. We thank them all for all they have achieved in this year of change.

COVID-19

Entering its third year, the pandemic continued to present many challenges for the Board, staff and our customers. We were proud that we continued to operate under very difficult circumstances to continue to ensure the supply of high-quality drinking water to our customers. The pandemic did impact on our challenging capital works program however we delivered some key projects and achieved significant milestones during the year and details of these projects appear in the following pages.

Our team

We are fortunate to have an experienced and diverse Board that provides strong support to our executive team. The Board has continued to provide a sound and supportive base to Riverina Water and both of us. We wish to acknowledge them all for their commitment to Riverina Water. We also acknowledge the efforts of the senior management team for their timely and sound advice to the Board.

Our sincere appreciation to our hardworking and dedicated staff who maintain our extensive water supply network. Your efforts are recognised and appreciated as identified by the outstanding results revealed in our annual customer satisfaction survey.

Finally, we wish to acknowledge and thank our constituent councils and our customers for the support you provide to us.



A handwritten signature in black ink, appearing to read 'A Crakanthorp'.

Andrew Crakanthorp
Chief Executive Officer



A handwritten signature in black ink, appearing to read 'Tim Koschel'.

Councillor Tim Koschel
Chairperson

Our planning and reporting

Riverina Water complies with the NSW local government Integrated Planning & Reporting framework (IP&R).

As a council responsible for water supply, Riverina Water must also comply with the requirements of the NSW Department of Planning and Environment's regulatory objectives, its regulatory and assurance functions and associated processes as outlined in the Regulatory and Assurance Framework for local water utilities. The framework applies to local water utilities in regional NSW and commenced on 1 July 2022.

As well as regular progress reports to the Board and our community and this Annual Report, Riverina Water is required to provide ongoing reports to NSW Health and to the NSW Environment and Protection Authority each year.

Our Integrated Water Cycle Management Strategy (2021) sets out our 30-year strategy for delivering water in accordance with the Regulatory and Assurance Framework requirements. Our Business Activity Strategic Plan (BASP) 2022-2032 outlines our strategic priorities for the next 10 years and the strategies we will adopt to achieve these priorities in accordance with the IP&R framework.

In keeping with our IP&R obligations, Riverina Water has developed a Delivery Program 2022-2023 - 2025-2026. This four-year program:

- › outlines the principal activities we will deliver over the period of the program; and
- › our resourcing strategy to deliver the program, made up of an asset management plan, four-year budget plan and a workforce strategic plan.

Each year we develop an Operational Plan that details the specific actions and projects we will undertake that year to meet our objectives in the Delivery Program, and a supporting annual budget.

The 2022-2023 Annual Report presents outcomes of the activities performed in Year 1 of the 2022-2023 - 2025-2026 Delivery Program through the 2022-2023 Operational Plan.



Our vision

Provide passionate and professional leadership in the water industry.

Our mission

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

Our values

Respect, honesty and integrity.



Our strategic priorities

Our people

We have a high-performance culture, achieved through accountability, diversity, respect and investment in our people.



Our business

We strive to be an industry leader by continuously improving our operations and the management of our assets.



Our community

We enable our community and customers to thrive by providing exceptional service and demonstrating social responsibility.



Our focus areas

- › **Customer-centricity**
We put customers at the heart of everything we do
- › **Innovation**
We are a successful organisation that pursues innovation and continuous improvement at all times
- › **Sustainability**
We are environmentally responsible, financially secure and aspire to have a positive impact on our natural world

Our people

Objective

We have a high performance culture, achieved through accountability, diversity, respect and investment in our people



Personnel & delegation

Senior Staff



Andrew Crakanthorp
Chief Executive Officer
January 2018 to present



Emily Tonacia
Director Corporate Services
July 2021 to present



Troy van Berkel
Director Engineering
May 2023 to present



Bede Spannagle
Director Engineering
February 2014 to January 2023

Organisation structure



People & culture activities undertaken

Riverina Water employs a diverse workforce of skilled professionals across the engineering and corporate services divisions. Our workforce also includes a Traineeship/Apprenticeship/Cadetship program consisting of 7 Apprentices/Trainees positions and 2 Cadet Engineers positions. Further details on the breakdown of employees are detailed in the workforce statistics section of this report.

Riverina Water's commitment to developing a skilled workforce within the local community is demonstrated through the ongoing engagement of apprentices and trainees and the hosting of school-based work experience placements throughout the year.

Riverina Water's Workforce Plan has been reviewed and updated and seeks to align with relevant Riverina Water strategic objectives and plans.

Learning and development opportunities

Staff learning and development is a significant commitment for Riverina Water and staff. In addition to regular and ongoing compliance training, Riverina Water is also committed to other professional development courses to upskill staff.

Number of employees undertaking training and development for last financial year:	75
Percentage of training completed for last financial year:	67.56%

Organisation culture

The initiatives below outline ongoing work Riverina Water has embarked on to continue to develop our people and promote a culture of inclusiveness and high performance.

- › Opportunities for career progression and planning and a better way to evaluate performance and provide feedback with a clear path to address any concerns.
Riverina Water introduced a Staff Annual Review Plan (SARP) to address this area. The Staff Annual Review Plan (SARP) was done in alignment with the Riverina Water County Council Award and best

practice human resources tools to provide more opportunities for planning and discussion among staff, supervisors, and managers.

- › Creation of a Health and Wellbeing Strategy. Riverina Water created 'Well' – Riverina Water's first staff wellbeing program which was developed to provide employees with the support and skills to be happy and healthy at work. 'Well' is focused on three key areas:
 - › Mind: Mental wellbeing.
 - › Body: Physical health.
 - › Career: Professional wellbeing.
- › Training & Development of our people. Riverina Water continues to invest in the ongoing development of our people by ensuring that all employees can access training and acquire skills required to perform their roles effectively.
- › Flexible Work Arrangement. As part of the Riverina Water County Council Enterprise Award 2022, flexible work arrangement was made accessible to all staff who have worked for at least one (1) year with Riverina Water.
- › Paid Parental Leave. Riverina Water implemented a gender equitable Parental Leave Pay as part of the Riverina Water County Council Enterprise Award 2022 by offering Parental Leave Pay (in addition to the Federal Government Parental scheme) to the primary carer, allowing male employees to access Paid Parental Leave. Riverina Water also included the payment of superannuation contributions for employees who are eligible to receive the Federal Government Paid Parental Leave Pay (PPL).
- › Enhancing management and leadership skills across the organisation for better business outcomes and a more engaged and productive workforce. We are rolling out further initiatives to enhance leadership development to continue to inspire and lead our people.
- › Revamping our Values and Behaviour statements to connect our people and realign our purpose and values to work together towards a common organisational goal.

Workforce Plan

Below is a summary of the action plan and strategies of the Workforce Plan.

Key Issues	Actions	Outcome/Present State
Maintaining employee skill currency and competency	<ul style="list-style-type: none"> › Review and revise salary progression and recognition system that supports organisational objectives by February 2021. › Continue employee skills reviews to identify gaps and training needs. › Review and renew staff position descriptions. › Align system, practices and framework that support capability and capacity development. 	<p>A process (creation of flow charts and evaluation requirements) has been developed to evaluate new and existing positions whilst ensuring transparency, consistency with the evaluation and parity.</p> <p>Skills review process and position description review have been picked up as part of a 'Skills Review' project with a steering committee. Action items have been identified and the implementation plan is ongoing.</p> <p>A staff Annual Review Process (SARP) has been developed to promote capability and capacity development.</p>
Ageing workforce	<ul style="list-style-type: none"> › Identify opportunities and risks associated with an ageing workforce by June 2021. › Develop strategies to address ageing workforce issues including retention and workplace adjustments needs and the concept of "grow your own" staff capability (by December 2021). › Capture current knowledge and experience. 	<p>There is ongoing work on building our own talents. We have embarked on promoting internal mobility such as secondments and developed a policy and procedure to provide a guideline for employees.</p> <p>A knowledge management framework has been picked up as part of Riverina Water's delivery program and operational plan.</p>
Overtraining The Riverina Water skills-based award leads the potential for over training and direct training away from essential generic skills to less desirable specific skills	<ul style="list-style-type: none"> › Look for alternate remedy within the award structure. 	<p>This has been picked up as a part of the Skills Review Project.</p>
Communication with staff	<ul style="list-style-type: none"> › Regular employee surveys to be conducted triennially. › Management and supervisors to work with employees to enhance communication, understanding and outcomes for Riverina Water. › Annual skills review process. 	<p>An employee engagement survey was held in 2021, and another survey will be held towards the end of 2023.</p>

Leadership	<ul style="list-style-type: none"> › Continue to develop leadership capacity and capability. › Identify and encourage emerging leadership opportunities. 	Leadership development program is in motion and has also been seen as a priority and included in the new Workforce Strategic Plan adopted in June 2023.
Succession planning	<ul style="list-style-type: none"> › Maintain and enhance succession planning initiatives. › Include short term planning and identification e.g. long service leave, maternity leave and extended periods of leave. 	As part of the preparation to kick off the newly adopted Workforce Plan, Riverina Water has identified critical positions in the organisation via a hands-on workshop and exercise. The next steps are to put succession plans in place for these positions.
Gender Equity	<ul style="list-style-type: none"> › Develop an action plan that encourages gender diversity to consider career paths in the Water Sector. 	Not achieved - This will be picked up as part of the Attraction and Retention Strategy as detailed in the new Workforce Strategic Plan.
Health & Safety	<ul style="list-style-type: none"> › Continue to improve musculoskeletal, ergonomic and workplace modification, enhance, support and training. › To provide support for a mentally healthy and resilient workforce. 	<p>Riverina Water continues to promote and improve musculoskeletal and ergonomic practices. Some initiatives include providing standing desks, training on musculoskeletal health and other Wellbeing activities under the umbrella of the wellbeing program, 'Well'.</p> <p>Riverina Water also reviewed the EAP and has moved to a more contemporary EAP provider, Uprise.</p>

Riverina Water's new Workforce Strategic Plan was developed over several months with the active participation of people across different departments of Riverina Water.

The plan reflects work done through collaboration, rigorous research, and data analysis. We have built on the knowledge, experience, and observation of our organisation's internal and external landscape to ensure that we can achieve a fit-for-purpose plan to help us accomplish our goals.

The focus areas are:

- › Attraction and Retention
- › Resource Planning
- › Succession Planning
- › Technological Upskilling

We will set out detailed objectives and initiatives in line with our strategic objectives during the development of the Operational Plan each year.

Inclusion, Diversity & Equity

Regulation clause 217 (1) (a9)

As part of our workforce strategic plan, Riverina Water has started to capture data on employee demographics to better understand the diversity of our employees and equity of our internal practices. Whilst we do not currently have a Diversity, Equity and Inclusion Plan, our EEO Management plan ensures that our practices are equitable, and all employees have the same opportunities to access training and internal mobility when the opportunity arises.

Other initiatives we have embarked on includes a gender equitable Parental Leave Pay for all staff, annual refresher training on EEO and ensuring equal employment opportunity underpins Riverina Water's recruitment activities.

Disability Inclusion Action Plan (DIAP)

Under advice from Local Government NSW, Riverina Water is not defined as a public authority under the Local Government Act 1993. Therefore, a plan is not required to comply with section 12 of the Disability Inclusion Act 2014 (DIA Act).

Regardless of this, Riverina Water continues to ensure compliance and accessibility to ensure that people have appropriate access and opportunity to Riverina Water services, support and inclusion.

Equal employment opportunity – activities taken by Riverina Water to implement its management plan

Regulation 217 (1) (a9)

Riverina Water is an equal opportunity employer, meaning every employee and every potential employee is treated equally and fairly. Riverina Water is committed to managing its activities and business affairs so that the philosophy and principles of equal opportunity are part of its core values.

An employee or potential employee will not be disadvantaged because of age, carer status, disability, sexual orientation, marital status, parental status, physical features, political belief or activity, pregnancy,

breastfeeding, race, religious belief or activity, gender or any other factors that are not related to individual job performance and the ability to develop in the workplace. Nor will an employee or potential employee be disadvantaged through personal association with someone who has (or is assumed to have) one of these characteristics.

To inform the workforce and the community in general that Riverina Water is committed to a discrimination free workplace, the following standard wording is in all advertisements for staff positions: "Riverina Water is an EEO Employer".

EEO strategies

The EEO Program for Council follows the below strategies:

- › Maintaining the wording of advertisements for vacant positions to ensure they offer all potential applicants equal employment opportunities.
- › Ensuring equal employment opportunity underpin Riverina Water's recruitment, promotion, training, development, personnel policies and management practices and support material (including handbooks, manuals, forms, induction booklets etc.)
- › Applications for positions, including transfers and promotions and for career development (e.g., training, study assistance programs) are assessed without bias on the basis of availability and individual merit. Riverina Water's recruitment policy offers clear guidance stipulating recruitment based on merit. The policy is aligned with current legislation, applied across all recruitment activities to ensure equitable standards and protocols.
- › Riverina Water keeps records of job applications, interviews, selection & training programs.
- › Improve career opportunities for staff currently employed in areas of limited career structure.
- › Reinforce the staff grievance procedure.
- › Prevent harassment of staff.
- › Continue with internal mobility program (secondments and higher graded duties opportunities) where practicable.
- › Ensure all new policies and procedures adhere to EEO principles.
- › Make EEO responsibilities a routine part of management and supervisory functions.
- › Riverina Water's induction policy supports an EEO workplace, stipulating 100% requirements for new and existing staff yearly training in:
 - › Code of Conduct
 - › EEO
 - › Bullying and Harassment online training

Celebrating achievements

The following staff members were recognised and celebrated on their anniversary during the 2022-2023 financial year.

5 years

Truman Carroll
Ryan Pollack
Andrew Crakanthorp
Christopher Murray
Gavin Smith

10 years

Christopher Turner

15 years

Jeremy Thain
Richard Menz
Amanda O'Brien

Jason Ip, Manager Projects was also recognised for his 10 years of continued service to NSW Water Directorate Executive Committee.

20 years

Natalie Eisenhauer

30 years

Kane Cathro
Robert McIntyre

35 years

Bryce McDonell
Robert Woodward
Peter Looney

Enterprise Award

The Enterprise Award continues to be Riverina Water's industrial instrument. All staff are remunerated based on a logical and fair system commensurate with modern standards and practices.

The Award offers generous provisions and continues to support contemporary workplace practices and increase equity in the workplace. Some of these generous provisions are highlighted below:

- › Riverina Water's Award provides a generous parental leave pay to the primary carer, and all full-time and part-time employees of Riverina Water can access this leave provided they have worked on a regular, systematic basis for at least 12 months prior to the commencement of parental leave.
- › Superannuation contribution will also be paid on top of an employee's Paid Parental Leave (PPL) instalments from the Federal Government.
- › In recognition of the commitment to provide flexibility for work and family responsibilities, Riverina Water removes the eligibility criteria to allow all employees (other than a casual employee) to access flexible work.

Awards

The following awards were won by Riverina Water during 2022-2023.

Description	Award	Project
Highly Commended	IPWEA Innovation in Water Supply & Wastewater (Category 3) 2022	

Workforce statistics

	Corporate Services	CEO	Senior Contract	Operations	Projects	Works	Assets
Perm June 2022	13	2	3	20	12	43	1
Temp June 2022	5	0	0	1	0	2	0
Total	18	2	3	21	12	45	1
Resigned	2	0	0	4	5	3	0
Terminated	0	0	1	0	0	0	0
Appointed	2	0	1	3	2	3	1
Temp Appointed	4	0	0	1	3	4	0
Temp Terminated	1	0	0	0	0	0	0
Perm June 2023	18	2	3	22	12	44	2
Temp June 2023	6	0	0	3	2	4	0
Total June 2023	24	2	3	25	14	48	2

The below table provides a breakdown of the total number of persons who performed paid work for Riverina Water on Wednesday 23 November 2022.

Description	Number
On a permanent full-time basis	92
On a permanent part-time basis	2
On a fixed term contract	5
On a casual basis	1
Persons engaged by Riverina Water as a 'senior staff' member	3
Persons engaged by Riverina Water, under a contract or other arrangement with the person's employer, that is wholly or principally for the labour of the person	0
The number of persons supplied to Riverina Water, under a contract or other arrangement with the person's employer, as an apprentice or trainee	3

Regulation clause 217 (1) (d i-iv)

WELL Program

'Well' is Riverina Water's first staff wellbeing program and was launched in August 2022.

It was developed with two goals in mind:

- › Employees are empowered with the support & skills that enable them to achieve their best possible health.
- › Employees have high morale and job satisfaction leading to optimised performance and productivity.

Well is focused on three key areas:

Mind: mental wellbeing, e.g., how to manage stress, team bonding and ways to bring staff together more regularly.

Body: physical health, e.g., providing free fruit, skin cancer checks, Fitness Passport, and wellbeing vouchers.

Career: professional wellbeing, e.g., Working towards career goals and fostering an open and communicative workplace.

Below are some of the key activities undertaken:

- › Review of Riverina Water's EAP to a contemporary and digital well-being coaching service.

- › Tradies Day focused on the physical health of our operational staff.
- › RUOK day to focus on our mental health.
- › Steps challenge to encourage staff to improve their physical health.
- › Continue to offer free fruit to staff.
- › Charity fundraising to bring staff together and offer help to charity organisations (Australia's Big Morning Tea to support cancer research, Jeans for Genes Day to support the vital work done at the Children's Medical Research Institute).

Work health & safety

Management consultation with all staff to promote open discussion on safety issues and advise on workplace change has continued to increase.

Riverina Water continues to provide and promote healthy life options to all staff. Provisions of weekly fruit supplies has encouraged staff to incorporate healthy options into their personal and work lives.

Riverina Water continued with the Watch Out Safety Award program that recognizes and celebrates employee's contribution to eliminating or minimizing risks. This initiative combined with Riverina Water's risk management systems assists with the identification and elimination/control of workplace safety risks.

Objectives

Riverina Water's WHS goal for 2022-2023 was to eliminate workplace risk through good safety management practices. Where elimination is not achievable/practical, all risks will be reduced to the lowest practicable level using the hierarchy of controls.

Unsafe work practices are to be eliminated through a combination of safety management, updated Safe Work Method Statements and an improved safety culture.

Objectives	Means of achieving	Target / Measure
Improve communication and consultation	<ul style="list-style-type: none"> › Kit kat team WHS meetings › Regular face to face discussion between managers and staff › Provide timely and appropriate feedback on all WHS issues › Work, Health & Safety Committee meetings to address issues raised and provide feedback 	<ul style="list-style-type: none"> › 12 x monthly meetings held by all teams › Regular manager attendance at team meetings › Workgroup meetings held quarterly › Work Health & Safety Committee bi-monthly meeting minutes and communication with workgroups

2022-2023 Highlights:

- › WHS staff training completed as scheduled – included new employee induction as well as specific training such as detection of underground services, asbestos management and handling and use of gas detectors.
- › 3 Watchout Safety Awards made to staff for innovative ideas implemented to improve workplace safety.
- › WHS policy reviewed and increased focus on review and development of SWMS and SOPs.

Elimination/reduction of workplace risks	<ul style="list-style-type: none"> › Develop & implement a Risk Management Action Plan (RMAP) › Develop, monitor and review safe working practices and procedures including SWMS › Provide adequate resources (staff & equipment) › Regular workplace inspections and audits › Conduct audit & analysis of incidents and near misses 	<ul style="list-style-type: none"> › RMAP activities at least 90% completion › Procedures updated as per schedule. SWMS reviewed and updated to reflect current and safe work methods › Procedure/policy reviews at monthly team meetings › Appropriate resources are allocated for the tasks required › Audit and inspection schedule up to date › Annual report of analysis. Register of all incidents to provide information/graphs
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2022-2023 Highlights:

- › Launch of WELL program with focus around mental, physical and career wellbeing based on feedback from staff.
- › Involvement in RUOK? Day including all staff information sessions on wellbeing.

Raise the safety culture	<ul style="list-style-type: none"> › Training of staff › Promotion of WHS responsibilities › Monitor and address WHS performance of staff and human error component of incident reports › Regular editions of Safety Newsflash › Annual safety breakfast – theme relevant to current or priority WHS issue/s 	<ul style="list-style-type: none"> › All staff trained to specified WHS requirements and levels › All staff aware of their WHS role › Human errors identified & addressed in incident reports. Reduced percentage of reports involve human error component › Minimum of one newsflash safety newsletter per month › Annual safety breakfast held and feedback from employees discussed at the Work Health and Safety Committee meeting
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2022-2023 Highlights:

- › StateCover's workers compensation annual premium was reduced from \$340,490 for the 2021-2022 financial year to \$253,018 for the 2022-2023 financial year.
- › StateCover annual WHS Management System self-audit score has increased from 71% in 2021-2022 financial year to 76% in the 2022-2023 financial year.

Key performance indicators

Number of days lost through injury	Target < 65 days Result 103
Cost of workplace injuries (Workers Compensation premium)	Target \$341,895.12 Result \$253,018.72
Percentage of sick leave to ordinary hours worked	Target < 3.85% (sector average) Result 4.6%
Total hours worked compared to time lost through workplace injury & illness:	Target 177.20 Result 421.34
No of employees undertaking WHS related training and development	Target <ul style="list-style-type: none"> › All required training is current › 100% of training plan completed › Same quarter as previous year Result 89%

Riverina Water's workers compensation performance

	Statecover average	Our performance
Average Premium Rate	3.37%	1.97%
Claim frequency rate (per 100 employees)	5.68%	8.47%
Injury reporting timeframe (within 2 days)	86%	70%
WHS Self Audit	71% (2021-2022)	76% (2022-2023)

Our People Results and Highlights

- › Development and endorsement of the Workforce Strategic Plan 2023-2024 – 2025-2026 creating valuable baseline data for workforce planning in the future.
- › Full skills system review completed – Staff Annual Review Plan (SARP) 1 implemented. SARP 2 to be rolled out in November 2023.
- › Comprehensive review of Riverina Water values undertaken – briefing to occur in August to Board and rollout to staff to follow.
- › Improvement in results in the StateCover WHS self-audit – from 55.6% rating for the WHS Management System for 2020-2021 to 70.8% for 2021-2022.
- › Three Watchout Safety Awards endorsed by the WHS Committee in recognition of workplace safety initiatives instigated by staff. This included the installation of handrails on the roof area of Bellevue reservoir 1 to make the roof area safe to work on without harness, along with a gantry for confined space recovery and fall arrest.
- › WELL program launched - focused on three key areas: mental wellbeing; physical wellbeing and professional wellbeing. A new Employee Assistance Program provider was engaged to provide ongoing support to staff as part of the program.



Our people

Delivery Program and Operational Plan 2022-2023 Results

Key to reading the results:

● Achieved ● Not fully achieved – to be carried over to 23/24 ● Not achieved and no plans to complete

1.1 Attract, retain and develop our people

1.1.1 Develop and implement workforce strategies to ensure capacity, capability and readiness for future organisational requirements

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Workforce Management Plan 2024-2028 is reviewed and implemented.	4-year implementation timeframe. Review completed - implementation commences 2024 FY.
Workforce strategies are developed.	Workforce Strategy developed and adopted.

	Operational Plan Action	Officer	Status	Completed	Commentary
1.1.1.1	Create and adopt a new workforce plan.	People & Culture Business Partner	●	100%	Workforce Plan created and adopted. Implementation in 2023-2024.
1.1.1.2	Complete a full skills systems review.	People & Culture Business Partner	●	100%	Completed and forward action plan developed. Relevant actions included in the 2023-2024 Operational Plan.
1.1.1.3	Equip staff with annual training plan supported by budget.	People & Culture Officer	●	100%	Staff training completed in line with annual training plan and skills requirements.
1.1.1.4	Develop and implement a professional development program.	People & Culture Business Partner	●	70%	Implementation is ongoing, with Phase 1 of Staff Annual Review Plan (SARP) implemented. Phase 2 will be implemented by the end of the calendar year.

1.1.2: Continue to develop leadership skills across our organisation

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Leadership development program is endorsed by Senior Exec and implemented.	Not scheduled for action and reporting in 2022-2023.

1.1.3: Gear recruitment and onboarding practices towards attracting talent and inducting them into our good organisational culture

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Recruitment processes and supporting HR processes are reviewed.	Not scheduled for action and reporting in 2022-2023.

1.1.4: Proactively engage in initiatives that make Riverina Water an employer of choice

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Applications for advertised Riverina Water positions produce strong candidate fields.	All positions have been recruited to.

	Operational Plan Action	Responsible Officer	Status	Completed	Commentary
1.1.4.1	Create and support flexibility in work arrangements and practices.	People & Culture Business Partner	●	100%	The Working from Home policy was endorsed and implemented and there has been a focus on supporting work from anywhere arrangements.

1.2: Foster diversity, inclusion, respect and gender equality at all levels of our organisation

1.2.1: Establish programs and systems that enhance and support our commitment to diversity, equity and inclusion

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Programs and systems are developed and implemented.	Riverina Water developed its Workforce Strategic Plan in-house. The Plan supports the key objectives of the Integrated Water Cycle Management Plan (2021) and Business Activity Strategic Business Plan (2022).

	Operational Plan Action	Responsible Officer	Status	Completed	Commentary
1.2.1.1	Develop a Disability Inclusion Action Plan.	People & Culture Business Partner	●	0%	Not completed. The action has been reallocated to Customer & Comms and has been re-listed as an action in 2023-2024.
1.2.1.2	Review the Equal Employment Opportunity policy and develop supporting operational plan.	People & Culture Business Partner	●	50%	The reviewed EEO policy was adopted in Dec 2022. The development of the supporting plan is programmed into the 2023-2024 Operational Plan.

1.2.2: Embed our organisational values into people practices and culture to support a quality employee experience

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Organisational values are updated and embedded within the organization.	During 2023 Riverina Water undertook a comprehensive review of its values and associated behaviours. Four new values were created, supported by agreed behaviours.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
1.2.2.1 Engage staff to review and refresh Riverina Water's values and embed them within the organization.	CEO	●	90%	A comprehensive review of Riverina Water's values was undertaken during 2022-2023. An internal Working Group worked closely with an industry partner to develop the new values and behaviours and a Cultural Action Plan.

1.3: Create an engaging, positive, collaborative and innovative workplace culture

1.3.1: Collaborate with our staff and ensure strong employee engagement and communication across the organisation

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Internal staff engagement strategies are reviewed and updated.	Strategies developed.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
1.3.1.1 Develop an internal communications strategy.	Customer & Comms Team Leader	●	100%	The internal communications strategy was adopted and implementation has been ongoing.
1.3.1.2 Continue to drive internal communications between staff on relevant platforms.	Customer & Comms Team Leader	●	100%	Improvement in internal communication and growth of Yammer ongoing. All determined actions completed for 2022-2023.
1.3.1.4 Continue collaboration and consultation through the Staff Consultative Committee.	CEO	●	100%	The Staff Consultative Committee met consistently during 2022-2023. The meetings were respectful and collaborative and resulted in many recommendations to the CEO and Management Team.

1.3.2: Prepare our people to embrace change based on the organisational and community needs

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Change management strategies are developed and implemented.	Not scheduled for action and reporting in 2022-2023.

1.3.3: Create a value-based reward system that rewards outstanding performance and fosters adequate feedback

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Values-based reward system developed and implemented.	No progress in 2022-2023.

	Operational Plan Action	Responsible Officer	Status	Completed	Commentary
1.3.3.1	Implement a reward and recognition program.	People & Culture Business Partner	●	0%	Strategy development of a fit for purpose program will kick off as part of the operational plan for the new FY. Implementation will follow once the strategy is endorsed.

1.3.4: Strengthen mechanisms to capture staff ideas and implement innovative and transformative business solutions

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Staff engagement is embedded in project planning and employee participation is encouraged.	Riverina Water takes pride in the involvement of staff on corporate projects. More is to be done in this area (as identified in the 2023 Workforce Plan). The various Committees at Riverina Water enjoy good staff nominations for vacancies as they arise.2023-2024 will see an increased focus on project planning as an organisational priority.

1.4: Build upon our strong history of safety and wellbeing

1.4.1: Prioritise employee mental health, physical health and overall wellbeing

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Staff survey results show improved wellbeing.	Not scheduled for action and reporting in 2022-2023.
Wellbeing program is implemented.	The WELL program was developed and implementation commenced during 2022-2023.

1.4.2: Maintain a strong safety culture across the organisation

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Safety obligations are well understood and adhered to.	Riverina Water enjoys a good record in employee safety as reflected in the recent reductions in premium for workers compensation insurance. Management have identified that some recent near misses highlight that more resources (staff) in the safety team will have a positive impact on preventing workplace injury.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
1.4.2.1 Promote regular and appropriate WHS education and training to staff.	WHS Officer	●	100%	Training has included Asbestos Handling and Management; Detecting Underground Services; Dial Before You Dig; and training in the use of new Gas Detectors. In- house Hazardous Chemical training has been developed. There has been an increased focus on staff completing daily on-site Risk Assessments and Safe Work Method Statements.
1.4.2.2 Review and update WHS policies, procedures, guidelines and frameworks regularly.	WHS Officer	●	100%	The WHS Policy was reviewed and endorsed. A number of WHS procedures were reviewed by the WHS committee and Management. Safe Work Method Statements and WHS Safe Operating procedures continue to be a focus and requiring ongoing review.
1.4.2.3 Continue to provide systems and frameworks for managing workplace safety and recovery at work for injured workers.	WHS Officer	●	100%	WHS management system improvement is ongoing. Focus has been on managing hazardous chemicals and Asbestos management. Ongoing usage of Vault for reporting and managing incidents.
1.4.2.4 Improve musculoskeletal ergonomic and workplace modification as required.	WHS Officer	●	100%	This will be an ongoing focus in 2023/2024. Have engaged an Occupational Therapist to carry out Functional Capacity Assessments on various workers to ensure the ongoing safety and capacity to perform work duties and recommend any workplace modifications required.

1.4.3: Develop and monitor WHS metrics

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
WHS metrics are developed, monitored regularly and modifications are made where required based on insights.	This represents an opportunity for improvement at Riverina Water. WHS metrics will be more developed during 2023-2024 in partnership with a focus on the effective use of Safe Work Method Statements. The addition of a full-time WHS Coordinator will allow WHS metrics to be more fully developed and monitored to improve employee safety.

1.5: Invest in and evolve our HR systems, processes and frameworks

1.5.1: Implement and evolve fit for purpose systems, processes and frameworks

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
HR management framework and action plan are developed and implemented.	Framework and action plan developed.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
15.1.1 Review current human resource policies and procedures and create a forward plan for the development of new documents to ensure a fit for purpose framework.	People & Culture Business Partner	●	100%	A full review of People & Culture governance was undertaken with recommendations for ongoing improvement.
15.1.2 Review the organisation structure as required by the Local Government Act.	CEO	●	100%	A report confirming the existing organisation structure was presented to the Board in August 2022 and adopted.

1.5.2: Develop and implement Knowledge Management processes to improve efficiency and enable informed decisions

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Knowledge management framework is developed and implemented.	Not scheduled for action in 2022-2023 although some preliminary scoping undertaken.

Our business

Objective

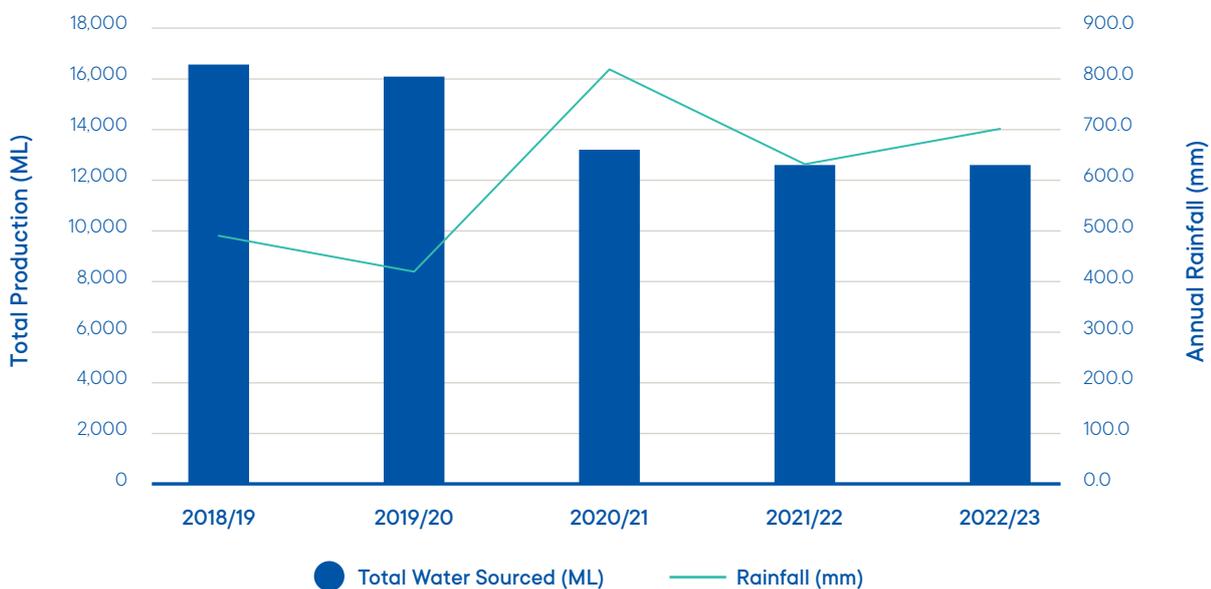
We strive to be an industry leader by continuously improving our operations and the management of our assets



Water supply

The number of wet days experienced during 2022-2023 was 150 days (with 701mm of annual rainfall), compared to 125 days in 2021-2022 and 111 days in 2020-2021. This significantly affected water supply demands compared to dryer years – refer Graph 1 below.

Historical water production (ML) and rainfall (mm)



Graph 1: 2018-2023 Historical water production (ML) and rainfall (mm)

Most of Riverina Water’s source works are located in Wagga Wagga, to which Riverina Water extracted 5,090 megalitres (or 36.4%) of its 14,000 megalitres from its Wagga Alluvial groundwater (town water) entitlements, and 6,652 megalitres (or 95%) of its 7,000 megalitres Murrumbidgee River surface (town water) entitlements – refer to Table 5 – Water Licence Utilisation.

The full year’s total treated water production of 12,183 megalitres is a further slight decrease of 1.5% from the previous year in 2021-2022. The total billed and accounted water to customers in 2021-2022 was 11,721 megalitres. Unaccounted water includes unmetered water used as a consequence of mains bursts, un-authorized consumption, unrecorded mains flushing, reservoir maintenance, mains leakage, meter inaccuracies.

2,664 megalitres (or 21.8% of total treated water) was supplied to non-urban areas (rural stock/domestic, rural townships and villages) outside Wagga Wagga urban areas.

Total monthly treated water production peaked at 1,655 megalitres in January 2023. The maximum (Wagga Wagga) peak 24-hour demand was 58.4 megalitres (recorded on 15th January 2023), which is a significant decrease of 21.6% compared to the previous year (74.5 megalitres recorded on 16th February 2022).

Annual total water used - Wagga and Rural

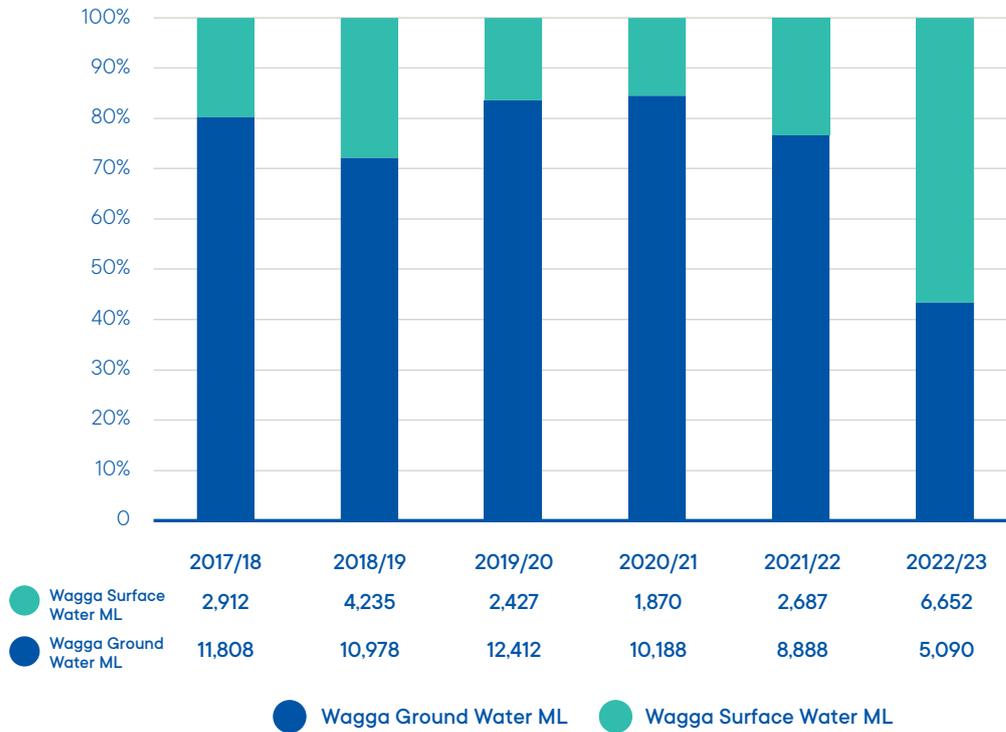


Graph 2: Total water sourced (10 year historical)

The total number of customer service connections increased from 32,712 to 33,779

Water sourced

Wagga water sourced - surface water and groundwater



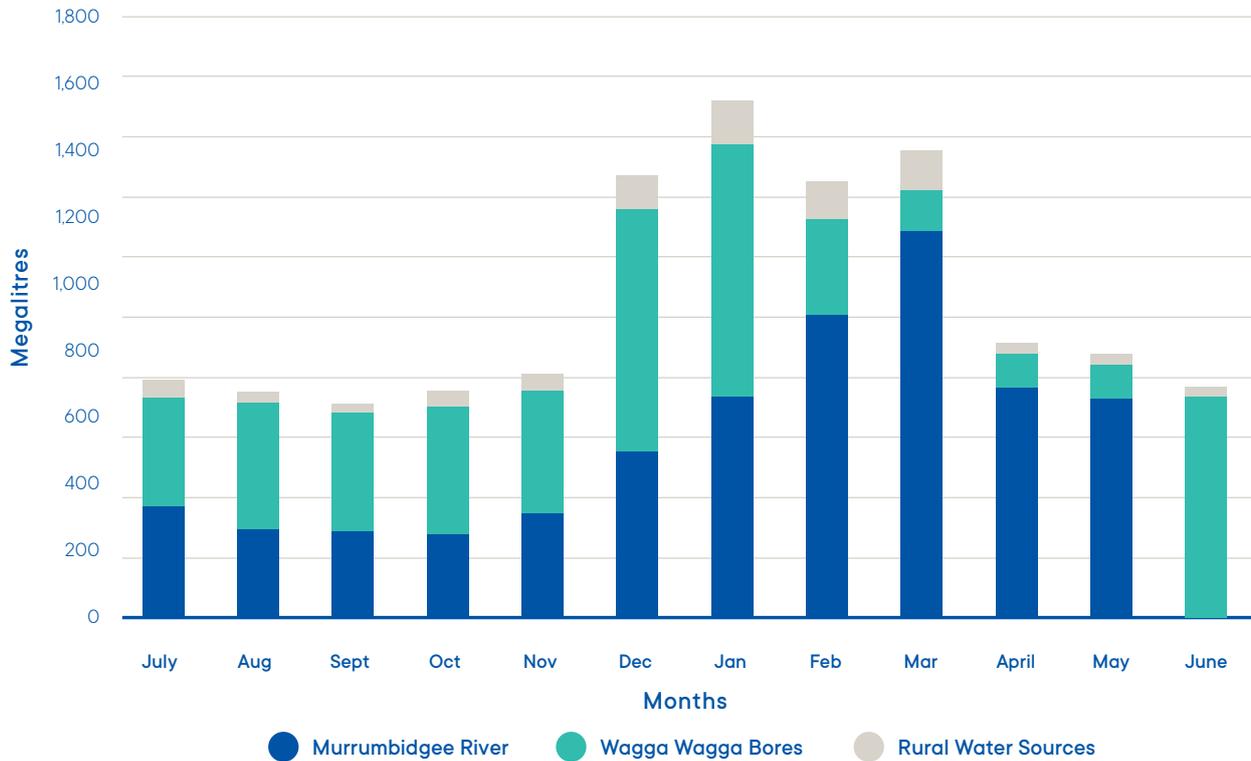
Graph 3: Total water sourced (5 years)

Utilization of Murrumbidgee River (town) water entitlement (7,000 megalitres) increase significantly from approx. 40% to 95% in 2022-2023 compared to previous year (ie. 2,725 megalitres to 6,670 megalitres). Riverina Water has flexibility in utilising either/both surface water and ground water entitlements, and in 2022-2023, Riverina Water intentionally maximised its Murrumbidgee River (town water) entitlements due to operational reasons.

Conversely, utilization of Wagga’s groundwater entitlements (14,000ML) decreased by 20% from 8,888 megalitres (2021-2022) to 5,090 megalitres (2022-2023), due to greater utilisation of surface water entitlements described above.

It is our intention to utilise surface water to serve the future needs of Wagga Wagga as no further groundwater entitlements are available in the Wagga Wagga Alluvial Groundwater Source. This is reflected in our 30-year Integrated Water Cycle Management (IWC) 2021 strategic plan.

2022-2023 Water sourced



Graph 4: Water sourced breakdown by location (12 months)

The riverine floods and associated extreme wet weather during August 2022 and December 2022 significantly affected water supply demands. Unexpected warmer temperatures in March 2023 protracted summer demands (albeit quite mild in comparison to the 2018-2019 summer drought conditions).

Note: Wagga Filtration Plant was taken off-line in June 2023 for maintenance affecting water sourced from Murrumbidgee River.

Water licence utilisation

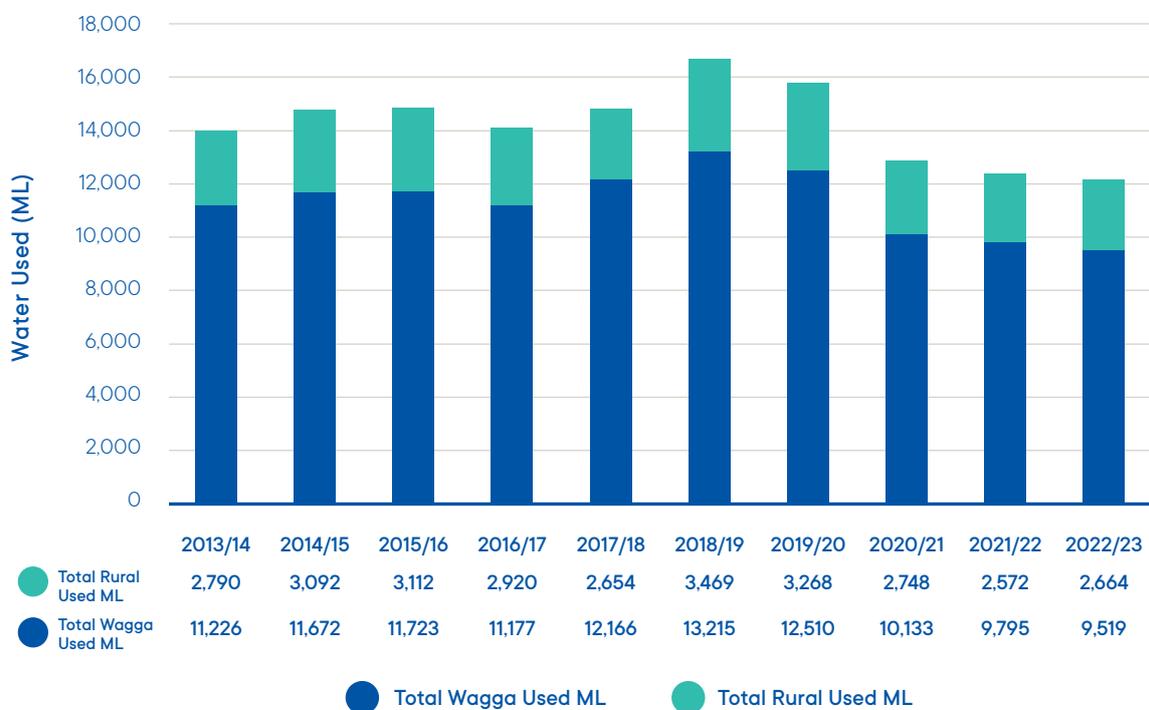
The following table compares water extracted and utilisation of water licence entitlements for 2022-2023.

	Town Water Access Licence (ML)	Sourced (ML)	% of Allocation
Surface water - Wagga	7,000	6,652	95.02%
Surface water - other	819	18	2.23%
Ground water - Wagga	14,000	5,090	36.36%
Ground water - other	2,535	793	31.30%
Total Water	24,354	12,553	51.55%

Table: Water Licence Utilisation

Water treated

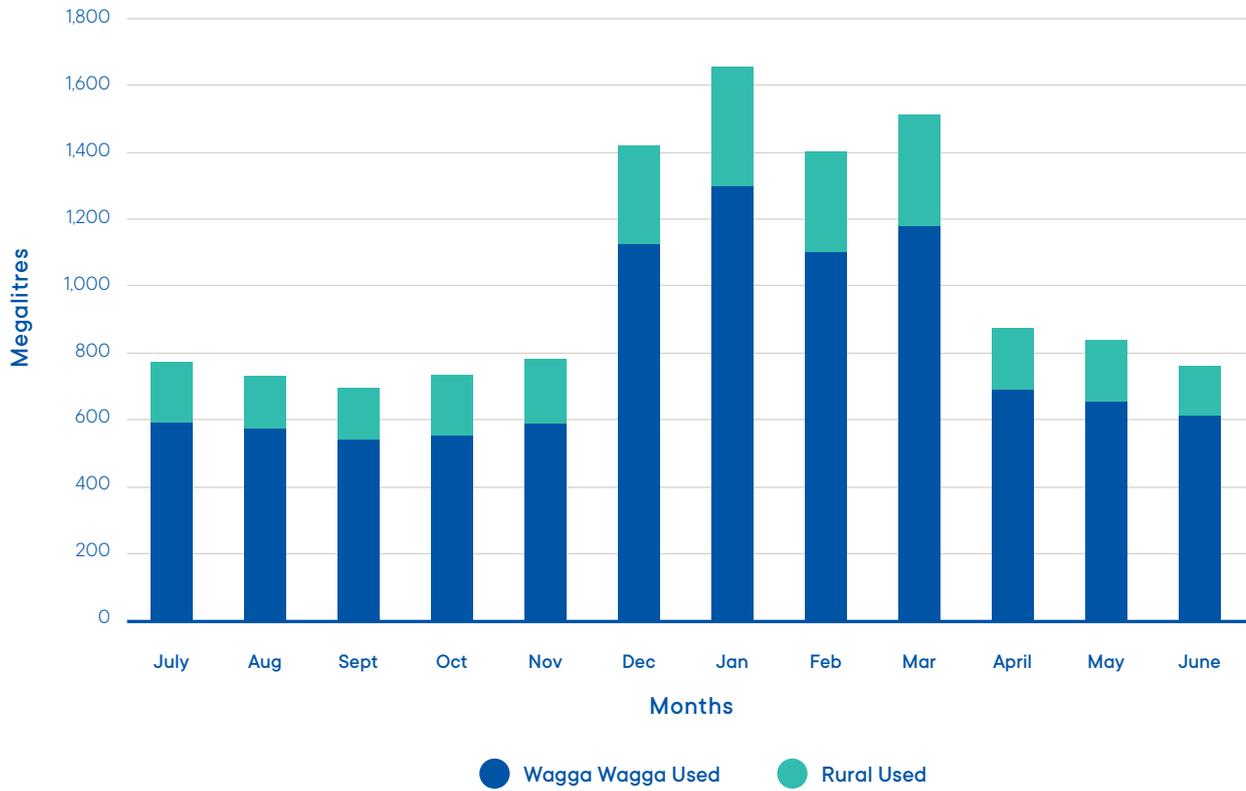
Annual total water used - Wagga and Rural



Graph 5: Historical water treated (last 5 years)

The proportion of treated water to Wagga Wagga (compared to Rural) has remained consistently around 78-80%, even during the 2018-2019 drought years. Rural consumption includes demands along the rural trunk mains and towns/villages outside Wagga Wagga urban area

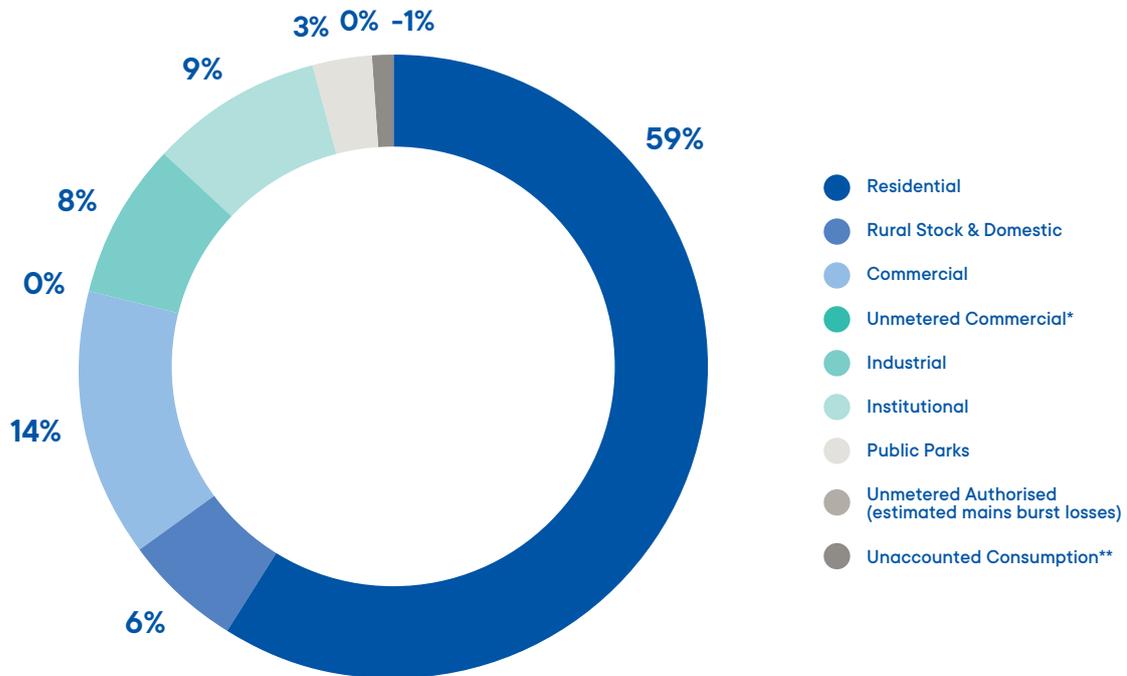
2022-2023 Water treated



Graph 6: Water used by month (12 months)

Water distribution

Annual distribution analysis by category 2022-2023



Graph 7: Annual distribution by category

Unaccounted water was calculated to be minimal, but this figure fluctuates typically between 3% to 7%, depending mostly on misclosure of meter reading cycles and the end of financial years. Unaccounted water also includes system flushing associated with water quality, fire flows, mains bursts and system leakage before customers' water meters that are not measured.

Water quality

Riverina Water is committed to ensuring safe drinking water is provided to our customers. Riverina Water has developed a Drinking Water Management System (DWMS) which is a quality assurance plan to meet compliance with the NSW Public Health Act 2010. The DWMS was developed in accordance with the Australian Drinking Water Guidelines (ADWG) to ensure a safe supply of potable water.

Every work team at Riverina Water has a part to play in maintaining safe drinking water and to ensure that water quality is maintained. From the source water being regularly monitored and checked to the critical control points and operational control points that are monitored at the water treatment plants before water enters the

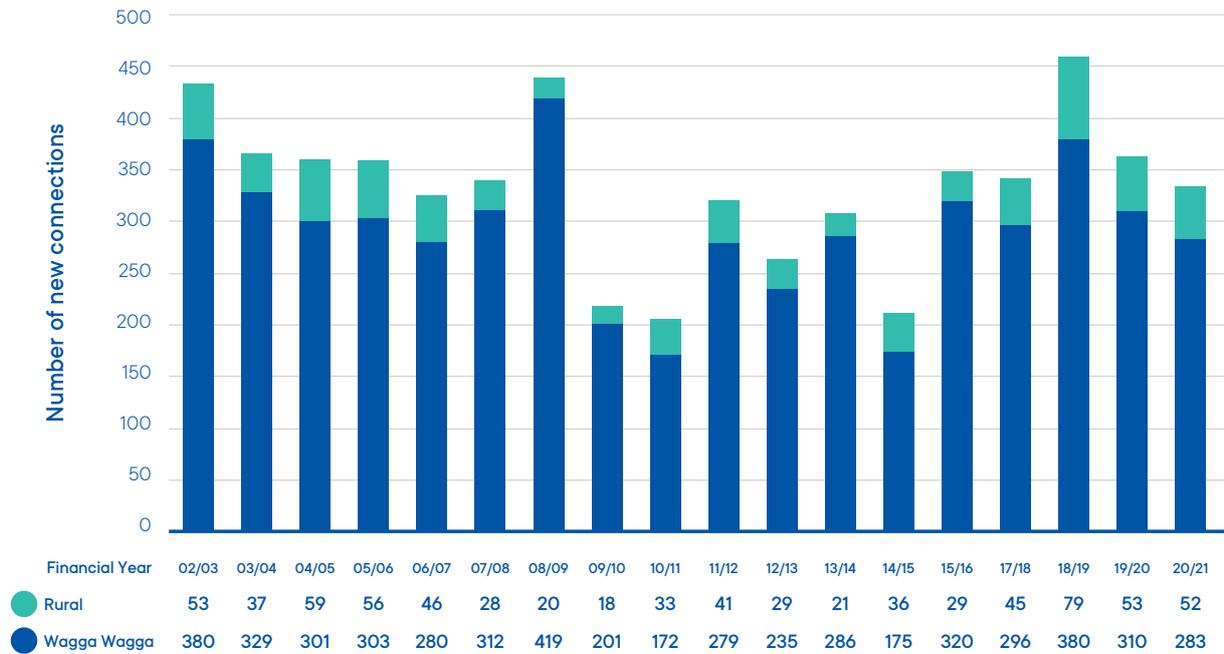
distribution system. There are also over 60 sample checks in Riverina Water's distribution system per month to ensure safe drinking water.

There are many parameters that are checked to maintain safe drinking water and they include:

- › Metals (iron, manganese, aluminium)
- › Bacteria (E.coli, coliforms)
- › Cryptosporidium and Giardia
- › Algae (blue-green)
- › Disinfection by-products (THM's)
- › Pesticides and herbicides (glyphosate)
- › Radiological
- › Colour
- › Turbidity
- › pH
- › Total & Free chlorine residual
- › Fluoride

New connections

New connections - Wagga and Rural



Graph 8: Number of new connections (2002-2003 – 2022-2023)

Total customers as at 30 June 2023: 35,106

Capital works

During the year we replaced:

- › Freer St main replacement – 940m of 100mm DICL.
- › Salmon St main replacement – 260m of 100mm DICL.
- › Athol St main replacement – 500m of 100mm DICL.
- › Koorungal Rd main replacement – 750m of 150mm oPVC.
- › Old Narrandera Rd main replacement – 1,900m of 100mm oPVC.
- › Fowlers Lane main replacement – 770m of 63mm PE.
- › Urana – Oaklands main replacement – 1,800m of 150mm oPVC.
- › Tarcutta St main replacement – 210m of 100mm DICL.
- › Culcairn – Holbrook Rd main replacement – 1,800m of 150mm oPVC.
- › Pipe procurement completed for Olympic Highway to Jennings Lane – main replacement and upgrade.

Projects to Improve water treatment plants and sites include:

Wagga Wagga Water Treatment Plant

- › Commenced investigation and design for Marshalls Creek and Murrumbidgee River bank stabilization including demolition of redundant intake structures.
- › Access platforms installed in the Lamella clarifiers.
- › Awning constructed and installed on east side of control room.
- › Three replacement Raw Water pumps ordered.
- › Entrance road reconstructed and sealed.
- › Cantilevered automatic gate with access control system installed and commissioned.
- › South side of chemical building concreted and drainage installed.
- › Heritage building car park constructed.
- › Additional security cameras installed.
- › Demolition planning and preliminary works commenced for the Rural and Koorungal Pumphouses.
- › Design commenced for Bomen pumpstation.

Administration building

- › Automatic swinging gates installed and commissioned on east side of building.
- › Carpark redesigned and reshaped.

Operations Building

- › Refurbishment commenced with the replacement of roof sheeting and wall cladding.
- › Windows replaced and Block A rendered.
- › Awning for Block B fabricated and installed.
- › Fit out of Block A commenced.

Tarcutta

- › 50kL concrete Clear Water Storage (CWS) tank commissioned.
- › Access ladders, Davit Arm and hatches installed on CWS tank.
- › Steel walkways installed for iron filters to provide safe access for maintenance.

Ralvona

- › Replacement 115kL concrete aeration tank constructed.
- › Two Stainless steel aeration towers fabricated and installed.
- › Steel frames fabricated for aeration plant cover.
- › Site pipework renewed and relocated.
- › Access platform and ladders for aeration towers installed.

North Wagga Aeration

- › Eastern Basin platform designed, fabricated and installed.
- › Design of replacement aeration cover commenced.

Western Strategy

- › Boree Creek to Morundah pipeline surveyed. Detailed design commenced.
- › Review of Environmental Factors completed.

Solar

- › Formalised the decision to pursue a design that utilises grid forming/supporting inverters.
- › Submitted six out of the seven required studies to Essential Energy for approval.

- › Detailed racking design completed for 1:100-year flood level.
- › Public Works Advisory engaged to:
 - › Design fencing and drainage
 - › Design Energy Storage and solar infrastructure
 - › Review Design for the project
 - › Compile GC21 Tender package
 - › Undertake Tendering and Procurement
 - › Design Electrical Augmentation at original Water Treatment Plant (WTP)
- › Control system design package compiled for integration between Solar Plant and Water Treatment Plant.
- › Electrical design of energy storage and solar are 20% and 40% complete respectively.
- › Engaged consultant to redesign power lines crossing solar site so they can be installed underground.
- › Received Aboriginal Heritage Impact Permit.

Reservoirs

- › Oura – Northern reservoir demolished and site prepared for construction of 700kL replacement. Design commenced for access track to reservoir site.
- › East Bomen 2 – Flexible joints in concrete floor removed and replaced.
- › Humula – 150kL concrete tank commissioned. Access ladders, Davit Arm and hatches installed.
- › Bellevue 2 – access upgrade. Steel enclosure constructed around access ladder for Bellevue 1. Bridge fabricated and installed from Bellevue 1 to Bellevue 2. Handrailing, gantry, access hatches and internal ladder fabricated and installed on Bellevue 2.
- › Walbundrie 2 - 150kL concrete tank commissioned. Access ladders, Davit Arm and hatches installed.
- › Demolition planning and preliminary works commenced for Millswood, Bomen 1 and Red Hill 2.

Private works under section 67(3) of the act

Regulation 217 (1) (a4)

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

During the review period no such work was undertaken by Riverina Water.

Development servicing plan (DSP)

In accordance with NSW Department of Planning and Environment - Office of Water the Board adopted the Development Service Plan at its meeting on 22 June 2022. The draft DSP was placed on public exhibition after the Board meeting on 27th April 2022.

As required, the annual review of the Developer Charge was conducted and the proposed Developer Charge for 2023-2024 was adopted at the Board Meeting on 22 June 2023.

The calculated Developer Charge for 2023-2024 is \$4,678. The Developer Charge in 2022-2023 was \$4,348, an increase of 7.6% (based on Sydney CPI Dec 21 – Dec 22).

Disclosure of how development contributions and development levies have been used or expended under each contributions plan

Environment Planning and Assessment Regulation 2021 clause 218A (1)

We are unable to provide this level of detail for 2022-2023. Riverina Water does report on the amount of contributions/levies expended in the financial statements. It is noted that a disclosure of how development contributions and development levies have been used or expended is required to be reported in the annual report and this detail will be provided in 2023-2024.

Projects for which contributions or levies have been used

We are unable to provide this level of detail for 2022-2023. Riverina Water does report on the amount of contributions/levies expended in the financial statements. It is noted that detail on projects for which contributions or levies have been used is required to be reported in the annual report and this detail will be provided in 2023-2024.

Value of all contributions and levies received and expended during the year

Regulation 218A (3) (a-b)

Contributions under Section 64 to the value of \$1,296,000 were received and expended for their intended purpose during the year.

Our Business Summary

- › Customer and billing launched in FLOW on 1 July 2023, following extensive data cleansing and testing.
- › Excellent progress made in recording all assets and data cleansing in preparation for the launch of the assets module in FLOW, scheduled for March 2024.
- › Introduction of the use of a drone to assist in project planning.
- › Development and approval of an ICT Governance framework.
- › Bellevue Reservoir access upgrade completed, including the construction of a 10m bridge between the two reservoirs and design and installation of entry hatch with steps to access gantry and struts to assist with operations.
- › Ongoing redevelopment of Hammond Avenue site, including roadworks.
- › All public policies reviewed as per schedule. Internal policy review schedule developed and commenced.

We also analysed our asset management data and processes for recording and managing assets in preparation for the rollout of the asset management module in FLOW in March 2024.

Review of some areas in the Engineering Directorate commenced during 2022-2023 and is ongoing under the new Director, to determine the best way for us to successfully plan for, manage and deliver projects. The development of a Project Management methodology and processes will be a focus for 2023-2024.

Service Review activities 2022-2023

Riverina Water's Business Activity Strategic Plan (BASP) identifies our strategic objective for Our Business as "We strive to be an industry leader by continuously improving our operations and the management of our assets".

One of the ways we can improve our operations is through reviewing our services, the way we do things, and through improving our planning.

The BASP identifies strategies for Operational Excellence that includes (2.5) improving our strategic planning and accountability and (2.7) improving our operations to future proof our business. These strategies are then actioned through the Delivery Program and Operational Plan.

During 2022-2023 we undertook an extensive review of our customer billing as part of our implementation plan for the new enterprise finance and asset management software, FLOW.

As well as data cleansing there was significant work conducted in mapping processes from meter reading to billing and receipting payments and managing customer accounts. Customer processes were also mapped and analysed from first point of contact through to resolution of issues.

Towards Net Zero

Riverina Water adopted a Net Zero Emissions Policy in Feb 2022, which sets out the rationale, target and actions for Riverina Water to reach net zero emissions by 2030. It is intended to embed emission reductions into all relevant areas of Riverina Water decision making. This involves a three-step process:

1. Setting a 2030 net zero emissions target.
2. Developing a net zero roadmap to set out how we will meet our target.
3. Implementing the roadmap's actions throughout relevant strategies and plans to inform all relevant decision-making and procurement.

We have developed a roadmap that identifies our largest sources of emissions and how to cut them to net zero by 2030. The roadmap focuses on three key areas: electricity; fleet; and other emissions.

During 2022-2023 we established a calculator so that we could create baseline data on Riverina Water's sources of greenhouse gas emissions and be able to report on our emissions performance annually. Whilst there are still a couple of items to be finalized for 2022-2023 the annual position is shown below.

GHG emissions by year



Graph 9: GHG emissions by year

Scope 1 refers to direct emissions from sources located within Riverina Water designated boundary (eg diesel fuel used in Riverina Water vehicles).

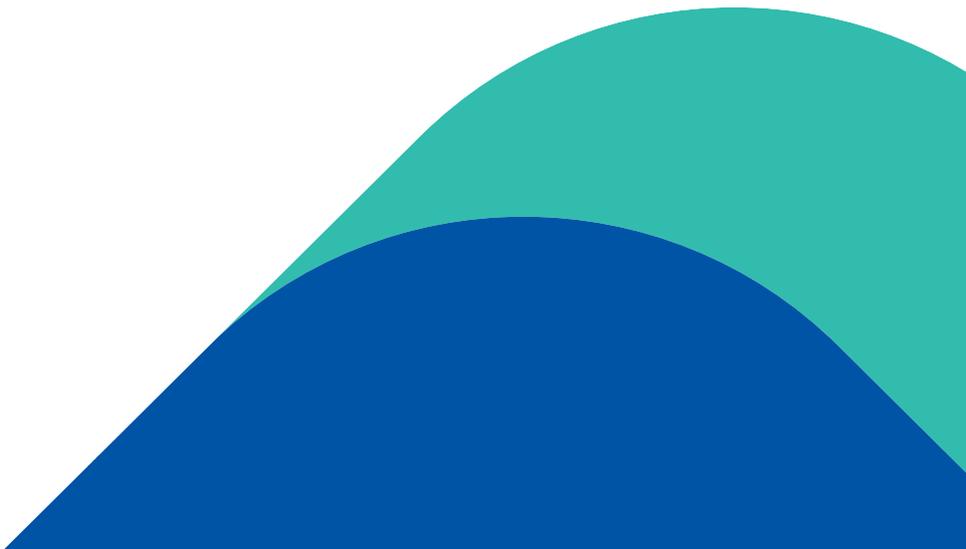
Scope 2 refers to the use of grid-supplied electricity imported into the boundary area.

Scope 3 refers to activities taking place within the boundary that create emissions outside the boundary (eg use of chemicals, some inputs to electricity).

As the 2022-2023 figures from the calculator are yet to be confirmed, more detailed information on the Riverina Water sources and levels of emissions for 2022-2023 will be included in the 2023-2024 annual report, along with figures for that year.

The solar pilot plant development is an initiative under the Delivery Program **2.4.1 Implement our Net Zero policy** and will go a long way to reducing Riverina Water's greenhouse gas emissions. From an electrical usage standpoint it should reduce the corresponding emissions by at least half.

Actions identified in the 2023-2024 Operational Plan to assist us in meeting our net zero targets include finalizing the designs and approval for the solar plant and undertaking siteworks; creating a renewable energy program and continuing to explore opportunities to transition to electric vehicles. With the appointment of a Procurement Coordinator in 2022-2023 there will be an increased focus in the coming year on the integration of net zero actions in procurement decision-making and processes.



Our business

Delivery Program and Operational Plan 2022-2023 Results

Key to reading the results:

● Achieved ● Not fully achieved – to be carried over to 23/24 ● Not achieved and no plans to complete

2.1: Optimise our network and infrastructure

2.1.1: Supply water to all viable urban areas, villages and rural land within the County district

Responsibility	Manager Operations
Delivery Program Measure	2022-2023 Result
Reticulated water supply is available where practical and economically recoverable.	Riverina Water continues to work with our constituent councils to cater for additional housing developments and subsequent demand in our 30-year asset growth strategy. This allows for proactive planning of new and/or augmented assets to supply water in the most economic manner.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.1.1.1 Investigate and respond to requests to connect to water supply.	Manager Works	●	100%	Investigated and responded to all customer connection enquiries as required.
2.1.1.2 Identify viable areas to supply in conjunction with forward capital works.	Manager Works	●	100%	Areas of potential supply and limitations identified in conjunction with developer requests and council planning. Further discussions regarding constituent council growth strategies required. Data to be included and used in asset renewals and capital works planning.
2.1.1.3 Continue discussions with constituent councils on future service delivery options.	Director Engineering	●	100%	Riverina Water has provided constituent councils formal correspondence requesting notification of development plans and strategies to ensure early engagement and the ability to include in our strategic planning. This communication will be continued through reviewing our 30-year asset growth strategy in response to additional population and housing developments and strategies not identified during our Integrated Water Cycle Management (IWCM) stakeholder engagement in 2021. We intend to engage a consultant to update our strategic water supply hydraulic model.

2.1.2: Ensure our water supply system is capable of meeting current and future levels of service

Responsibility	Director Engineering
Delivery Program Measure	2022-2023 Result

Regularly monitor and maintain water supply system.

Riverina Water has a water quality monitoring program based on the requirements within the Australian Drinking Water Guidelines Framework for supplying safe water. This validates service levels are being achieved through hydraulic modelling, metering and customer feedback.

	Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.1.2.1	Identify potential system capacity deficiencies and incorporate in Capital Works Program (CWP).	Manager Operations	●	45%	Developing scope to engage consultant who developed 2019 Hydraulic Model for IWCM. Required to update and verify model with new planning data & strategies from constituent councils that were not included during original stakeholder engagement sessions. Outputs will include reassessment of capacity for growth with 30-year planning horizon.
2.1.2.2	Understand industrial and residential demand growth in various areas with particular regard to the Bomen Special Activation Precinct.	Director Engineering	●	100%	Re-engagement with NSW's regional planning agency overseeing Bomen SAP development and service providers to ensure early engagement in future developments.
2.1.2.3	Implement 30-year Peak Day "game plan" to optimise the production and transfer of supplies between the integrated water supply systems: Wagga Wagga, North Wagga and Western Trunk systems.	Manager Operations	●	100%	Game Plan completed as part of the IWCM Strategy, and system improvement/upgrading activities are incorporated into 30-year CapEx works program.
2.1.2.4	Deliver annual adopted Capital Expenditure program.	Director Engineering	●	60%	Capital Expenditure program has been affected by significant wet weather events, supply chain limitations, and changeover staff in key areas (engineering and electrical departments).

2.1.3: Monitor water quality to ensure supply is in accordance with 2011 Australian Drinking Water Guidelines

Responsibility	Manager Operations
Delivery Program Measure	2022-2023 Result
Ongoing water sampling and testing.	Sampling and testing conducted as required.

	Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.1.3.1	Undertake water quality testing per regulations and Drinking Water Management System.	Manager Operations	●	100%	Met NSW Health compliance requirements. Annual review of NSW Health data to be submitted to NSW Health for 2022-2023.
2.1.3.2	Investigate and implement options to treat blue green algae.	Manager Operations	●	100%	Reviewing Urana WTP's function in 30-year strategy with feasibility assessment. Urana WTP Options Analysis included in project reviewing of 30-year demands and risk. In the meantime, continuing monitoring and managing risks at Urana WTP for blue green algae, together with alternative water supplies to Urana ie. Bulgary Bores (if required).

2.1.4: Monitor and manage the risks posed by PFAS in the Lachlan aquifer in collaboration with DPIE Water

Responsibility	Manager Operations
Delivery Program Measure	2022-2023 Result
Ongoing monitoring of PFAS levels.	Continuing engagement with regulators and Defence - monitoring continues.

	Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.1.4.1	Monitor the risks posed by PFAS in the Lachlan Acquifer in collaboration with DPIE Water.	Manager Operations	●	100%	Maintaining watching brief. Attended Community update session in April 2023. Ongoing RAAF sampling is continuing with no detection at Riverina Water sourceworks.

2.1.5: Build, operate, monitor and maintain assets at least lifecycle cost while meeting agreed levels of service

Responsibility	Director Engineering
Delivery Program Measure	2022-2023 Result
Operational costs are minimised without adversely affecting performance.	Operational costs for supplying safe drinking water are being minimised where possible through centralising water supply operations, enabling reduced operational costs by shutting down treatment plants during low demand periods. Other measures include improving asset management capabilities, insights and overall asset life cycle costs.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.1.5.1 Manage assets within control appropriately.	CEO	●	100%	Very good progress was made during 2022-2023 on not only maintaining the assets within the network, but also in recording all assets in preparation for the launch of the Assets module in Riverina Water's new Asset management system in March 2024.

2.1.6: Undertake a number of demand management strategies to mitigate overall consumption and peak demand pressures on the system

Responsibility	Director Engineering
Delivery Program Measure	2022-2023 Result
Apply water restrictions and management strategies when necessary.	Riverina Water has permanent water conservation measures in place and is currently revising our staged water restrictions through the Drought and Emergency Response Contingency Plan (DERCP). The outcomes will provide updated demand measures and targets through staged restrictions.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.1.6.1 Apply water restrictions and management strategies when necessary.	Director Engineering	●	100%	Riverina Water has permanent water saving measures in place to help manage peak day demands, while undertaking an update of the "Drought Contingency and Emergency Response (DC&ER) Plan, which incorporates both "Demand Management Plan" and "Drought Management Plan".
2.1.6.2 Revise existing Demand Management Plan.	Director Engineering	●	0%	Need to develop "Demand Management Plan" under IWCM Strategy is now superseded by the "Drought Contingency and Emergency Response (DC&ER) Plan.

2.2: Enhance and integrate our asset management system

2.2.1: Implement central asset management system in ERP solution (FLOW)

Responsibility	Director Engineering
Delivery Program Measure	2022-2023 Result
Asset management register operational in FLOW.	The asset register is developed as part of the FLOW project. This includes asset data migration and data validation to ensure the register has correct information in the relevant fields.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.2.11 Implement asset management module in FLOW.	Manager Works	●	70%	IPS asset management module implementation continues to FY24.

2.2.2: Develop condition ratings for all asset classes in the central asset management system

Responsibility	Director Engineering
Delivery Program Measure	2022-2023 Result
Condition ratings uploaded to system.	Data migration scheduled FY24.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.2.21 Migrate existing condition ratings for pipe assets.	Manager Works	●	90%	Existing condition data mapped, final data migration scheduled for FY24.
2.2.22 Migrate existing condition ratings for above ground assets.	Manager Works	●	90%	Existing condition data mapped, awaiting final data migration scheduled for FY24.

2.2.3: Integrate central asset management system with financial information

Responsibility	Director Engineering
Delivery Program Measure	2022-2023 Result
Asset management system integrated with financial system.	The asset management system and system integration is being developed as part of the FLOW project. This includes integration with the financial system.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.2.31 Integrate assets management system with financial information.	Manager Works	●	70%	Financial Integration postponed to FY24.

2.2.4: Implement Esri GIS system

Responsibility	Director Engineering
Delivery Program Measure	2022-2023 Result
GIS system operational.	Fifty percent complete.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.2.4.1 Implement and integrate new GIS system.	Manager Works	●	50%	Initial installation, data load and training complete. Full implementation and integration with other corporate services due within FY24.

2.2.5: Identify, assess and appropriately manage risks associated with asset failures

Responsibility	Director Engineering
Delivery Program Measure	2022-2023 Result
Risk management approach in place.	Risk management forms part of our project initiation under Riverina Water’s project management charter and is also part of the drinking water management framework for managing water quality risks. Risk management will be further developed as part of our project management framework to align with the integrated enterprise risk management framework.

2.2.6: Develop and input asset maintenance schedules for major assets

Responsibility	Director Engineering
Delivery Program Measure	2022-2023 Result
All assets that require maintenance have schedules built.	Asset maintenance schedules will be developed in consultation with teams following the completion of the new centralised asset register being developed as part of the FLOW project.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.2.6.1 Develop and input assets maintenance schedules for major assets.	Manager Works	●	0%	Maintenance scheduling implementation postponed to FY24.

2.3: Develop business value through digitisation with a focus on accessible and accurate information, integrated and secure services that promote agile operations

2.3.1: Ensure secure and accurate data that is actionable and enables intelligent decision making

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Accurate data supports all decision-making activities of Board and Senior Executive.	Data developed for Workforce Strategy. The data strategy identified in the 2022-2023 Operational Plan is not completed.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.3.1.1 Develop a data strategy.	ICT Manager	●	0%	Due to conflicting priorities, including an audit into IT/OT, the data strategy was not completed. This has not been included into the 23/24 Operational Plan but will form part of the program of works for ICT.

2.3.2: Ensure seamless and intelligent systems and processes that enable us to do our job well

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
100% of business processes are captured electronically.	Target 100% - work still continuing on digitisation. Delay largely driven by project FLOW and knowledge management work not being completed.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.3.2.1 Implement Enterprise Resource Planning (ERP) Program.	Director Corporate Services	●	55%	Updated project timeline provided at the April Board meeting. Continued implementation of FLOW is included in the 2023-2024 Operational Plan.
2.3.2.2 Document end to end enterprise solution architecture.	ICT Manager	●	50%	Due to conflicting priorities, this was not completed. This has not been included into the 23/24 Operational Plan but will form part of the program of works for ICT.

2.3.3: Strengthen mechanisms to capture staff ideas and implement innovative or transformative business solutions

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
85% of R&D budget is expended.	Not scheduled for action and reporting in 2022-2023.

2.3.4: Ensure Riverina Water structures provide clear direction, transparency and accountability

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Staff survey.	Staff Survey not due to be completed until 2023-2024.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.3.4.1 Develop and establish an ICT governance framework appropriate for Riverina Water usage including security, vendor management and risk management.	ICT Manager	●	100%	Completed.
2.3.4.2 Develop and rollout an ICT service catalogue.	ICT Manager	●	60%	Due to conflicting priorities, this was not completed, but work has commenced. This has not been included into the 2023-2024 Operational Plan but will form part of the program of works for ICT.

2.4: Adopt emerging technology that increases our efficiency

2.4.1: Implement our Net Zero policy

Responsibility	Director Engineering
Delivery Program Measure	2022-2023 Result
Net council emissions reduced.	Extensive planning is continuing for the construction of the Solar Energy Plant. This project will contribute significantly to our overall net zero strategy.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.4.1.1 Commence implementing the Net Zero Roadmap.	Project Engineer - Strategic Planning	●	98%	Calculator developed and 2022-2023 data uploaded. Progressing development of solar capability and move to electric vehicles in fleet.

2.4.2: Invest in research and development (eg renewables)

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Opportunities for investment are investigated and business case is developed and considered.	Not scheduled for action and reporting in 2022-2023.

2.4.3: Transition to renewable energy sources and reduce greenhouse gas emissions

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Meet targets in Net Zero policy.	Not scheduled for action and reporting in 2022-2023.

2.5: Improve strategic planning and accountability

2.5.1: Develop accountability tools in line with our mission and vision

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Implement KPIs for the council and its departments.	Not scheduled for action and reporting in 2022-2023.

2.5.2: Deliver, monitor and review plans and frameworks in line with regulatory and governance requirements

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
All legislative requirements are met. ARIC audits are completed.	100% of required audits complete.

	Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.5.2.1	Report to ARIC in line with forward meeting schedule, internal audit program and compliance requirements.	G&CP Officer	●	100%	A new Committee member was recruited. The internal audit program was amended mid-year, with a People & Culture internal audit commenced in June. Completed internal audits during 2022-2023 were Project Management Methodology and Land & Buildings. There were no matters of non-compliance reported to the Committee.
2.5.2.2	Implement new risk management and audit guidelines and practices.	G&CP Officer	●	100%	Riverina Water has been moving towards implementation of the new risk management and internal audit guidelines by 30 June 2024. Further development of processes will occur during 2023-2024 to ensure alignment.

2.6: Take actions that deliver responsible financial management and ensure long term sustainability

2.6.1: Implement and review sound financial processes and practices

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Nil management letter or all management items addressed.	No additional issues identified in 2022 year- end, or 2023 interim audit.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.6.11 Undertake review of Council's current policy to ensure that investments are managed to yield maximum return.	Manager Finance & Sourcing	●	100%	Policy reviewed and adopted by the Board in February 2023.
2.6.13 Undertake 12 monthly management report meetings per year.	Manager Finance & Sourcing	●	100%	Relevant budget meetings undertaken for financial year-to-date.

2.6.2: Ensure sufficient funds are available for long term organisational requirements

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Capital and liquidity ratios.	Healthy capital and liquidity ratio in 2022-2023.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.6.21 Annually review Council's financial planning and forecasting.	Manager Finance & Sourcing	●	100%	2023-2024 budget and financial plan was endorsed at the June 2023 Board meeting following public exhibition.

2.6.3: Drive smart business decisions through proactive development and delivery of financial metrics and business insights

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Management reports are provided for each meeting.	No specific action identified for 2022-2023.

2.7: Improve our operations to future proof our business

2.7.1: Investigate sustainable and ethical procurement practices

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Current state and gap analysis are completed.	Work continuing through Finance and Sourcing BAU.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.7.1.1 Review current sustainable and economic procurement practices at Riverina Water and opportunities for improvement.	Manager Finance & Sourcing	●	30%	Procurement processes have been redeveloped in line with best practice and FLOW. The Procurement Coordinator is conducting an overall review of procurement practices. Updated procurement policy was approved by the Board at February meeting. Internal Procurement Procedure update has been completed. Future procurement practices will be updated to ensure sustainable and economic procurement practices. This action is not included in the 2023-2024 Operational Plan, but the continuation will be picked up as part of the program of work for Finance & Sourcing.

2.7.2: Adopt viable circular economy practices in the planning and delivery of assets products and services

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Circular economy policy and action plan is developed and endorsed by the Board.	Little work has progressed on the development of such a plan. The CEO attended a regional forum on a draft circular economy plan for the Special Activation Precinct at Bomen in early 2023. It is expected that this measure will take some years to be achieved.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.7.2.1 Assess our current economy and seek opportunities to seek circularity.	CEO	●	100%	During 2022-2023 staff from Riverina Water participated in two events designed to progress the benefits of a circular economy in the region. Effective networking took place which will allow Riverina Water to take further actions in 2023-2024 in pursuit of strengthening practices associated with a circular economy. Riverina Water employed its first Procurement Officer and it is expected that this role will allow more progress in the coming years on circular economy matters.

2.7.3: Update our water cycle and environmental management plans

Responsibility	Manager Operations
Delivery Program Measure	2022-2023 Result
Plans approved by DPE Water.	Change in Plan requirements – expected to be completed over FY24.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.7.3.1 Develop Drought Management and Contingency Plan.	Manager Operations	●	65%	Drought Management & Contingency Plan includes proposing new water restriction regime with respect to 2019 Water Restriction Policy, including water demand sensitivity analysis to quantify effects of each level of water restriction. This is ongoing work with approx. completion date of Feb 2024.
2.7.3.2 Revise existing Environmental Management Plan.	Manager Operations	●	20%	Met governance requirements with NSW EPA License conditions including Annual Reporting and testing of Pollution Incident Reporting Management Plan (PRIMP). Achieved NSW DPE Assurance Framework compliance for 2022-2023 regarding IWCM strategy. Whole of business environmental strategies and plans to be developed incorporating Net Zero 2030, Circular Economy principles, and Environmental Sustainability.

2.7.4: Protect and restore field work sites to eliminate and prevent degradation

Responsibility	Director Engineering
Delivery Program Measure	2022-2023 Result
No soil loss or siltation and vegetation is restored.	Projects and maintenance repair works include restoration ground works to minimise potential impacts to soil loss and vegetation. As part of Riverina Water’s updated project management framework, additional focus will be on quality assurance throughout the project.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.7.4.1 Undertake appropriate training for staff in protection and restoration of work sites.	Manager Works	●	0%	On the job education occurring but to be scoped and formalised in training budget/schedule in 2023-2024.

2.8: Collaborate and share knowledge with other organisations

2.8.1: Identify other organisations as benchmarks for operational excellence

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Undertake benchmarking via the analysis of current data and insights available	The process of benchmarking activities undertaken by Riverina Water is formative during 2022-2023. More work will be undertaken in this area as current priorities are achieved. This measure remains a “reach” for Riverina Water. Riverina Water undertakes some basic benchmarking with three other “larger” County Councils including Rous, Central Tablelands and Goldenfields Water.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.8.1.1 Share information with the GM working group for Rous County, Central Tablelands County and Goldenfields County councils.	CEO	●	100%	The GM working group met four times during 2022-2023 and provided an effective platform for the sharing of knowledge and processes between the four water utilities. The group collaborated to make a joint submission to the NSW Government in relation to the operation of the NSW Planning Portal. The group also update its “County Council Fact Sheet” and provided it to various key stakeholders including the NSW Minister for Water during her visit to Wagga Wagga in May 2023.

2.8.2: Create opportunities for Riverina Water to collaborate with other industry experts

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Ongoing participation in committees and conferences.	Staff and Board Members at Riverina Water are active in these areas. The Chairperson and CEO/Senior Staff regularly sit on industry panels and present at conferences. It is an area of activity that Riverina Water will continue to actively be part of for the betterment of the water sector in NSW.

Operational Plan Action	Responsible Officer	Status	Completed	Commentary
2.8.2.1 Attend industry forums and conferences and deliver papers on recent successes.	CEO	●	100%	Throughout 2022-2023 the CEO and members of the Management Team attended numerous industry events and made presentations and participated in group sessions associated with conferences.

Our community

Objective

We enable our community and customers to thrive by providing exceptional services and demonstrating social responsibility



Our customers and community

Our supply area and network

Our supply area stretches over more than 15,000 square kilometres of NSW's Riverina region, providing safe and reliable drinking water to the local government areas of Wagga Wagga, Lockhart and parts of Greater Hume and Federation Councils.

We draw water from the Murrumbidgee River, which runs through the heart of Wagga Wagga. We also

source water from 10 bores, which historically makes up 60 per cent of our source water supply.

Our water supply network includes:

- > 16 water treatment plants
- > More than 80 reservoirs
- > More than 1800 kilometres of water mains



Customer profile

More than 77,000 people rely on Riverina Water to provide safe drinking water every day.
 We have more than 33,000 properties connected directly to our water supply network.



We refer to the Community Strategic Plans of our constituent councils to better understand the many voices from within our supply area.



Riverina Water services more than 6000 non-residential retail customers and two bulk supply customers; the RAAF Airbase and the Kapooka Army Base.



Our strategy has been developed with regard for the social, economic, and environmental needs of the communities we serve in the southern Riverina:

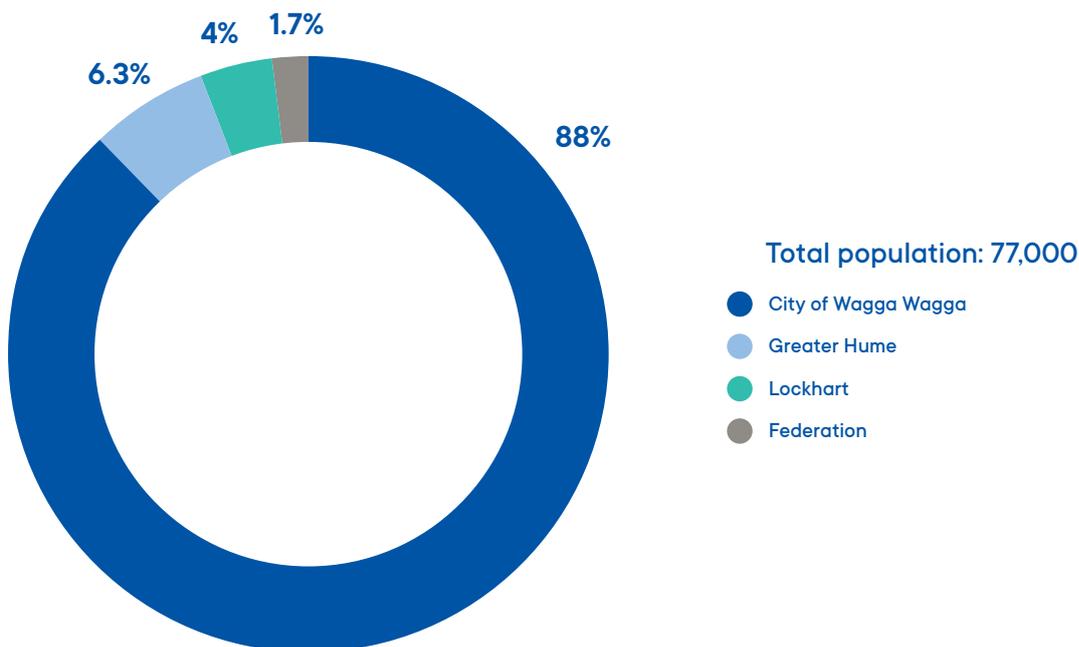
- > Wagga Wagga City Council
- > Federation Council
- > Greater Hume Council
- > Lockhart Shire Council



Our customers are diverse and range from households, to farmers, business, industry and other institutions such as hospitals, aged care facilities and education institutions such as Charles Sturt University.



Serviced population by Local Government Area



Customer survey results

Riverina Water's 2022-2023 Customer Satisfaction Survey has again given us high marks for water quality and customer service.

The survey had more than 800 responses from across Riverina Water's supply area. An increase in customer participation generated a diverse range of age, gender, and household size across the region contributing to the overall satisfaction average.

Overall satisfaction with customer service was rated as very high with an average score of 4.69 out of 5, while all water quality indicators remained rated as high (>3.75 out of 5) or very high (>4.5) level of satisfaction.

Water quality

- › Taste 4.19
- › Smell 4.27
- › Clarity 4.29
- › Pressure 4.10
- › Supply reliability 4.68

Customer Service

- › Overall satisfaction 4.69
- › Meeting needs on first contact 4.64
- › Handling with accuracy 4.71
- › Ease of doing business 4.66
- › Contact was dealt with quickly 4.70
- › Staff skill and knowledge 4.73
- › Friendly and caring service 4.76
- › Convenient opening hours 4.64
- › Website information 4.42

How to read:

All scores are average out of 5. Scores greater than 3.75 are rated high satisfaction, scores greater than 4.5 are rated very high satisfaction.

Not resting on its laurels, in 2022-2023 Riverina Water developed and implement a number of new customer initiatives; such as an undetected water leak rebate scheme, a revised complaints management framework and customer charter.

How we've engaged with our community

Riverina Waters endorsed its first Community Engagement Strategy in 2019 and was primarily focused on initiatives and outcomes, all of which have been achieved.

The development of the new strategy took place in 2022-2023, with the Customer & Community Engagement Strategy 2023-2024 – 2025-2026 adopted at the June 2023 Board meeting.

The strategy builds on the foundation of Riverina Water's existing work in this space and looks beyond the minimum requirements set out in the Integrated Planning and Reporting Framework.

The strategy's aim is to "enable our community and customers to thrive by building strong relationships, increasing water literacy, and supporting them in meaningful ways". This is achieved across four strategic objectives – Engage, Enrich, Educate, and Experience.

While development of the new strategy took place, Riverina Water continued to deliver many of its community initiatives along with connecting with its customers via social media, quarterly newsletters and other programs.

Water Night

Riverina Water again supported Water Night in the region in October 2022.

This initiative is likened to Earth Hour for water, where community members pledge to not touch their taps for an evening to get a better understanding of their water usage.

The event takes place during National Water Week each year and is focused on improving water awareness and literacy, with participants taking quizzes before and after on their knowledge.

Nepalese partnership with South Wagga Wagga Rotary



Since 2018, Riverina Water has partnered with South Wagga Rotary on several aid projects in Sindhuli and Banepa in Nepal.

With COVID-19 putting a hold on the partnership since early 2020, the project was given the green light to recommence in February 2023.

Riverina Water staff members Virginia Ricardo and Brenton Pitman, together with 18 other volunteers, travelled to Nepal where they spent two weeks working on the nurses/teaching accommodation building at the Institute, in what was described as a once-in-a-lifetime experience.

Riverina Water provided \$5,900 in funding to the program.



Donations and Sponsorships

In 2022-2023, Riverina Water provided more than \$70,000 in donations and sponsorships to a range of community initiatives right across the supply area.

Included in the diverse range of beneficiaries was Wagga Takes 2, with Riverina Water injecting a total of \$9,000 to three charities and assisting the event raise more than \$432,000 across its three sold out shows.



Science and Engineering Challenge

For many years, Riverina Water has been one of the main contributors to this program, which sees local students take part in this state-wide challenge.

Along with providing funding, staff from across the Engineering directorate lend their time to lead activities and share advice and expertise with the next generation of engineers.



Build a Bridge

Riverina Water again donated funds and staff time to this high school engineering program delivered by REROC.

Staff from Riverina Water's Projects team worked with students from across the region to research, design and construct bridges and get tangible experience in engineering.



Frenchs Fields fountain install

Tap2Go

Riverina Water continued its Tap2Go initiative in 2022-2023, where bottle refill/drinking fountain stations are supplied and installed at no cost to constituent councils.

This well-supported program has been endorsed to continue in the new strategy adopted in June 2023.

Along with the permanent stations, Riverina Water has a fleet of temporary bottle refill stations which have been used at everything from major events to smaller community initiatives at no cost to the organiser.

Wagga Wagga City Council

- › In front of the Marketplace, Baylis Street
- › In front of 175-179 Baylis Street
- › In front of 76 Morgan Street
- › Northern end of Lake Albert
- › Western side of Lake Albert
- › Eastern side of Lake Albert
- › Livvi's Place inclusive playground, Morgan Street
- › Jubilee Park (two stations)
- › Botanic Gardens

- › Rawlings Park
- › Paramore Park
- › Wagga Multisport Cycling Complex at Pomigalarna
- › French Fields

Lockhart Shire Council

- › Main Street, The Rock
- › Next to the reservoir in Lockhart
- › Pleasant Hills
- › Walter Day Park, Lockhart

- › Wal Alexander Park, Lockhart
- › The Rock swimming pool
- › Lockhart swimming pool
- › Yerong Creek

Greater Hume Shire Council

- › HMAS Otway submarine, Holbrook
- › Albury Street, Holbrook
- › Woomargama

Federation Shire

- › Urana Aquatic Centre

Community grants

Riverina Water's most recent Community Grants Program was awarded in April 2022, with these projects taking place throughout the 2022-2023 financial year.

Riverina Water has now invested almost \$1.5M in the community through this grants program since 2019.

A diverse range of projects were realised in 2022-2023 across the four local government areas, including sensory gardens, a community op shop, murals, sporting club infrastructure, playground upgrades and more.



School children take part in a First Nations art workshop, which took place in 2022-2023 thanks to a grant.

Projects realised in 2022-2023:

Wagga Wagga City Council

Community Projects and Facilities

Applicant	Project description	Project value
Ozfish	Trailer to support clean up and habitat restoration activities	\$7,708
The Bike Canteen	Refurbish bikes and provide them to community members to improve social connection	\$6,705
Galore CWA	Split system air conditioner to make community space useable year-round	\$20,000
Cancer Patients Foundation	Look Good, Feel Better workshops to support cancer patients	\$5,455
South Wagga Rotary Club	Rocky Hill Regeneration Project	\$5,966
Generocity Church	Equipment to establish Op Shop in Koorringal	\$16,008
Northcott	Accessible sensory garden	\$7,200
Tolland Wolves FC	Full size moveable goal to increase training capacity	\$6,000

Water Conservation

Applicant	Project description	Project value
Lillier Lodge	Upgrade of water irrigation system to make it water wise	\$7,086
Wagga Wagga Netball	Water bottle refill and drinking fountain station at Exhibition Centre netball precinct	\$5,000
Pro Patria Centre	Upgrade irrigation system for kitchen garden project	\$9,405
Kurrajong Waratah	Water bottle refill stations at Hildasid Farm	\$10,000

Arts and Culture

Applicant	Project description	Project value
Uranquinty Preschool	First Nations art project with preschool children	\$7,500
Nicole McHenry	Three local artists using wool stories as inspiration	\$2,600
Freeroam Theatre	Production of two Australian plays	\$7,500
Riverina Conservatorium of Music	Christmas community concert	\$6,470
NSW STARTTS	Multicultural Youth Art Group	\$9,600
Elaine Camlin Artist	Print making workshops	\$4,800
Friends of the Wagga Wagga Art Gallery	Mandala workshops	\$3,000
North Wagga Public School	Art project centred on waterways and floodplain	\$2,000
Generocity Church Wagga Wagga	Mural project	\$2,000



Work in progress at the Walla Walla water tower, with the large-scale mural made possible by Riverina Water's grants program.

Greater Hume

Community Projects and Facilities

Applicant	Project description	Project value
Walla Walla Community Development Committee	Next stage of Walla Fitness Park project – installing shade sails	\$11,863
Henty Creative Gallery	Split system to make space useable year-round	\$5,000
Holbrook Sporting Complex	Coolroom for the sporting complex's multipurpose community building	\$12,000
Henty Respite Limited	Assist with landscaping project for Avondale Place	\$20,000
Holbrook Anglican Church	Split system air-conditioning unit to make space useable year-round	\$8,000

Arts and Culture

Applicant	Project description	Project value
Harold Gretton (auspiced by Riverina Conservatorium of Music)	Classical music tour	\$7,502



An exercise park at The Rock is safely covered by shade sails in the second stage of a grant-funded project.

Lockhart Shire Council

Community Projects and Facilities

Applicant	Project description	Project value
The Rock Recreation Ground	Shade sail for playground	\$20,000
Greens Gunyah Museum	Fencing for museum site	\$5,414
Lockhart and District Little Athletics Club	Water tank to allow the grounds to be used year-round	\$20,000

Water Conservation

Applicant	Project description	Project value
Explorers Rifle Club Lockhart	Installation of rainwater tanks and pumps	\$8,265

Arts and Culture

Applicant	Project description	Project value
Harold Gretton (Auspiced by Riverina Conservatorium of Music)	Classical music tour	\$7,319

Federation Council

Community Projects and Facilities

Applicant	Project description	Project value
Urana Progress Association	Containers to expand the Urana Courthouse Museum exhibitions	\$20,000
Morundah Community Committee	Water infrastructure for team yarding events	\$20,000

Arts and Culture

Applicant	Project description	Project value
Harold Gretton (Auspiced by Riverina Conservatorium of Music)	Classical music tour	\$7,557

Digital Transformation

Riverina Water is currently actioning a Digital Strategy that aims to implement digital technologies to enhance the current environment, thus allowing Riverina Water to better meet changing business and market requirements. As part of this, a large scale digital transformation was initiated, called Project Flow. The Flow Project is specifically the implementation of an integrated Enterprise Resource Planning (ERP) system; won at tender by the vendor Infor.

The Flow Project implementation and its outcomes are viewed as critical for Riverina Water. It is key for Riverina Water to have at its core of operations, a system that is fit for purpose for now and into the future; and a system that is able to deliver on all deserved service outcomes. Key specific other objectives of the project are as follows:

- › Provide improved business efficiency through improved feature, function, workflow, automation and, module and systems integration.
- › Provide mobile access anywhere anytime features for both customers and employees.
- › Provide improved data analysis and insight via data migration quality and control, and systems interoperability.
- › Provide multiple customer access channels and portals that meet customer expectations around service delivery, customer self-serve options and improved customer engagement outcomes, and
- › Reduce system warranty risk with guaranteed vendor support.

To date the Flow Project has successfully implemented a Developers & Builders' Portal - for water supply, and notice of work applications - and a Customer & Billing module that allows for: water billing, section 603 property transfers, debt management, general customer enquiries & meter reading work flows. The project is on track to deliver the remaining modules: Assets and Finance in March 2024. This will be followed by a subsequent continuous improvement phase where a customer portal and advanced asset management system will be integrated as well.

Our Community Highlights 2022-2023

- › The new Community Engagement Strategy was endorsed by the Board in June 2023.
- › On-line cultural awareness training for all staff was completed.
- › The annual customer survey was completed. Pleasingly, all customer service and water quality indicators returned weighted averages of either very high (>4.5 out of 5) or high (>3.75) levels of satisfaction.
- › A new Financial Hardship Policy and Leak Detection Policy were endorsed by the Board, and application of these policies was made more accessible with the introduction of online forms.
- › Over \$77,000 was contributed to the community in donations and sponsorships.
- › Two members of staff travelled to Nepal as volunteers sponsored by Riverina Water as part of a relationship with South Wagga Rotary Club.

Our community

Delivery Program and Operational Plan 2022-2023 Results

Key to reading the results:

● Achieved ● Not fully achieved – to be carried over to 23/24 ● Not achieved and no plans to complete

3.1: Actively support and participate in our community

3.1.1: Provide and support education opportunities for youth, tertiary and the wider community

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Participate in at least one youth education opportunity per annum.	Youth opportunity completed.

Operational Plan Action	Responsible Officer	Status	Percentage Completed	Commentary
3.1.1.1 Support opportunities for youth education initiatives.	Customer & Comms Team Leader	●	100%	Riverina Water has supported two youth initiatives this year: the Science and Engineering Challenge and Build a Bridge.

3.1.2: Strengthen opportunities to collaborate with constituent councils, JOs and industry

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Annual meeting between Riverina Water CEO and Chairperson and GM and Mayor of the constituent councils.	During late 2022 and early 2023, the Chairperson, Councillor Tim Koschel and CEO, Andrew Crakanthorp met the Mayor and General Manager of our four constituent councils. The meetings were productive and informative and have strengthened the very good working relationship between Riverina Water and its constituent councils.

Operational Plan Action	Responsible Officer	Status	Percentage Completed	Commentary
3.1.2.1 Have one on one meetings with Mayors and GMs of four constituent councils.	CEO	●	100%	Meetings were held with constituent councils which were very productive and allowed effective discussions on a range of issues. These have been followed up with correspondence regarding improved processes for the lodgement and approval for new subdivisions.

3.1.2.2	Attend the meetings of Riverina JO.	CEO	●	100%	Riverina Water attended all meetings of the Riverina Joint Organisation during 2022-2023. Additionally Riverina Water staff participated in the annual GIS conference and sponsored the "Build a Bridge" Project which is held annually at Borambola. Civil Engineers from Riverina Water provided assistance and guidance to the students during the 3 day event.
3.1.2.3	Attend meetings of relevant business and community groups.	CEO	●	100%	During 2022-2023 Riverina Water attended a number of functions organised by Charles Sturt University, the Committee4Wagga and Riverina JO. Riverina Water was also represented at many community functions associated with the Community Grants Program administered by Riverina Water.

3.1.3: Provide access to tap water in community spaces in the Riverina Water supply area

Responsibility		Director Engineering			
Delivery Program Measure		2022-2023 Result			
Installation of Tap2Go refill stations in consultation with constituent councils.		Installation of Tap2Go refill stations ongoing.			
Operational Plan Action	Responsible Officer	Status	Percentage Completed	Commentary	
3.1.3.1 Continue program of installing Tap2Go refill station in each constituent council as requested.	Manager Works	●	100%	Tap2Go refill station requests processed upon application and installed as required.	

3.1.4: Investigate and implement ways we can invest in our community to achieve desired outcomes

Responsibility		Director Corporate Services			
Delivery Program Measure		2022-2023 Result			
Review the Community Grants Program and investigate opportunities to support our communities in the most impactful ways.		Revised community grants program developed.			

Operational Plan Action	Responsible Officer	Status	Percentage Completed	Commentary	
3.1.4.1	Review the report on the outcomes of the Community Grants Program to date.	Customer & Comms Team Leader	●	100%	Review presented to the Board in December with a revised program for 2023-2024 included in the Community Engagement Strategy which was endorsed in June 2023.
3.1.4.2	Review existing practices and develop new opportunities to participate in and support our community.	Customer & Comms Team Leader	●	100%	Community Engagement Strategy endorsed by the Board in June 2023 to commence implementation in 2023-2024.
3.1.4.3	Participate in community events within the Riverina Water supply area.	CEO	●	100%	During 2022-2023 Riverina Water attended a number of functions in its supply area, including events associated with the Community Grants Program administered by Riverina Water. The CEO attended the Wagga Wagga School of Arts "Ten by 10 Playfest". Riverina Water supported the "Wagga Wagga Gears and Beers Festival", and the "Wagga Wagga It Takes Two Competition".

3.2: Create stronger connections with our diverse community to help deliver positive impact

3.2.1: Drive strong community engagement through an endorsed strategy

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Updated Community Engagement Strategy endorsed by the Board.	Community Engagement Strategy endorsed.

Operational Plan Action	Responsible Officer	Status	Percentage Completed	Commentary	
3.2.1.1	Review and endorse the Community Engagement Strategy.	Customer & Comms Team Leader	●	100%	The revised Community Engagement Strategy was endorsed by the Board at the April 2023 board meeting.
3.2.1.2	Implement outcomes identified in the Community Engagement Strategy.	Customer & Comms Team Leader	●	100%	Existing community engagement actions completed and implemented as BAU.

3.2.2: Improve our understanding and strengthen our connection with our diverse community

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Diverse community groups are engaged to understand their needs and Community Engagement Strategy is updated to reflect findings.	Not scheduled for action in 2022-2023.

3.3: Continue to develop positive relationships with our First Nations community

3.3.1: Develop and implement adequate strategies, frameworks and education systems to support Council's commitment to strengthening our relationship with our First Nations community

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Values and viewpoints of Aboriginal peoples and communities are reflected in our operations and decisions.	Riverina Water is in the formative stages of creating its inaugural Reconciliation Plan. Substantial progress is expected in second half of 2023. Riverina Water recently commissioned an artwork which has been hung in the foyer of the Pat Brassil, AM Meeting Room.

	Operational Plan Action	Responsible Officer	Status	Percentage Completed	Commentary
3.3.1.1	Develop a Reconciliation Action Plan.	CEO	●	50%	The Board of Riverina Water resolved to commence work on the development of its inaugural Reconciliation Action Plan (RAP). Management completed the initial steps to commence the preparation of the Plan, however competing work priorities have impacted progress on the RAP. The project will carry forward to 2023-2024.
3.3.1.2	Provide cultural awareness training to all staff.	People & Culture Officer	●	100%	Cultural awareness training was completed in the first quarter of 2022-2023.
3.3.1.3	Identify opportunities to engage and support our First Nations Community.	CEO	●	35%	The lack of progress on the inaugural Reconciliation Action Plan for Riverina Water is disappointing. A good framework to progress development of the RAP has been established with substantial progress expected during 2023-2024.

3.4: Provide exceptional customer service by tailoring and improving our systems, processes and service offers

3.4.1: Develop and capture data regularly in regards to our customers to help us understand them, their needs and expectations

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Annual customer survey is completed.	Average across the 14 customer service and water quality indicators is 4.53/5, "very high satisfaction" - target > 4.

Operational Plan Action	Responsible Officer	Status	Percentage Completed	Commentary
3.4.1.1 Undertake annual customer survey, review results and ensure any actions are captured in customer experience strategy.	Customer & Comms Team Leader	●	100%	Customer survey completed and results reported to June 2023 Board Meeting.
3.4.1.2 Develop customer metrics, capture data and regularly monitor analytics to continuously improve our customer experience.	Customer & Comms Team Leader	●	100%	Mechanisms to capture, review, and monitor data was implemented as part of FLOW go-live. Actions including metrics and customer journey mapping has been included in the 2023-2024 Operational Plan.

3.4.2: Ensure we have the best systems, processes and frameworks that reflect our commitment to our customer centricity

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Review and implement a revised Customer Service Charter.	Revised Customer Service Charter completed.

Operational Plan Action	Responsible Officer	Status	Percentage Completed	Commentary
3.4.2.1 Develop Customer Service charter.	Customer & Comms Team Leader	●	100%	The Customer Service Charter was endorsed by the Board at the April 2023 board meeting.
3.4.2.2 Implement a customer service portal.	Customer & Comms Team Leader	●	0%	The rollout of the customer portal was delayed due to project extensions. As a result this action has been deferred to the 2023-2024 Operation Plan and will be rolled out in line with the revised project plan.

3.4.3: Strive to support customers with sustainable pricing models that meet levels of service and both operational and infrastructure requirements

Responsibility	Director Corporate Services
Delivery Program Measure	2022-2023 Result
Customer support framework is reviewed and implemented.	Financial Hardship Policy reviewed and adopted.

Operational Plan Action	Responsible Officer	Status	Percentage Completed	Commentary
3.4.3.1 Seek opportunities to assist financially vulnerable or at-risk customer groups.	Customer & Comms Team Leader	●	100%	Financial Hardship Policy and Leak Detection policies endorsed and application of policies made more accessible with online forms. Ongoing implementation of additional pensioner rebate.
3.4.3.2 Undertake annual pricing review.	Manager Finance & Sourcing	●	100%	Pricing review was conducted as part of 2023-2024 Operational Plan development which was endorsed at the board meeting in June 2023.

3.5: Understand and prepare to serve our customers of the future

3.5.1: Collaborate with constituent councils to attract businesses and encourage supply area growth

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Marketing material to support industry growth is created.	During 2023, Riverina Water undertook a review of the industry flyer that describes the role of the four major water County Councils in NSW. In addition, Riverina Water has partnered with Wagga Wagga City Council to produce a fact sheet promoting the availability of water to the Bomen Special Activation Precinct.

Operational Plan Action	Responsible Officer	Status	Percentage Completed	Commentary
3.5.1.1 Meet with staff of constituent councils as requested and actively participate in planning activities.	CEO	●	100%	There was increased collaboration between staff from Riverina Water and its four constituent councils during 2022-2023. Discussions mainly centered around the increase in development applications for subdivisions for residential housing across the four councils. Riverina Water staff attended a number of strategic planning sessions conducted by Wagga Wagga City Council relating to the Northern and Southern Growth Areas.

3.5.2: Monitor emerging trends in customer service technology and business processes

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Attend industry conferences and/or participate in industry groups.	Staff from Riverina Water regularly attend industry conferences such as OzWater2023 and the LGNSW Water Management Conference. Council staff have also recently been attending industry meetings in relation to the Bomen SAP and the emerging circular economy.

Operational Plan Action	Responsible Officer	Status	Percentage Completed	Commentary
3.5.2.1 Support attendance of staff at industry conference and/or to participate in industry groups.	CEO	●	100%	Staff from Riverina Water attended numerous industry events throughout 2022-2023 including: the Murray Darling Association Annual Conference; the Local Government NSW Water Conference; the annual forum conducted by the NSW Water Directorate; OzWater 2023. Staff also worked closely and collaboratively with Water NSW and NSW Health.

3.6: Share our knowledge and expertise to make a positive change in our global community

3.6.1: Ongoing support and participation in altruistic and/or knowledge -sharing programs and initiatives

Responsibility	CEO
Delivery Program Measure	2022-2023 Result
Participate in programs and initiatives that have impact broader than our local community.	Riverina Water supports South Wagga Rotary Club both financially and in-kind in its efforts in Nepal. Riverina Water is also a Gold Member of WaterAid Ltd, a non-for-profit charity that raises funds to assist communities obtain fresh drinking water and water for sanitation purposes.

Operational Plan Action	Responsible Officer	Status	Percentage Completed	Commentary
3.6.1.1 Review and confirm our relationships with third parties in relationship to our provision of overseas aid.	CEO	●	100%	Riverina Water has been a corporate sponsor of Water Aid for four years now. In addition, Riverina Water continued its relationship with South Wagga Rotary Club and their activities in Nepal. Two staff travelled to Nepal as volunteers in March 2023 to assist in completing the construction of residential accommodation for nursing students in Sindhuli.

3.6.2: Continue to provide professional input to the Federal Government

Responsibility	CEO
Delivery Program Measure	2022-2023 Result

Ongoing engagement.

The Board of Riverina Water is very keen to enhance its relationship with customers and organisations in its supply area. It has tasked the CEO with building relationships and partnerships in an effort to improve the profile of Riverina Water.

Operational Plan Action	Responsible Officer	Status	Percentage Completed	Commentary
3.6.2.1 Seek opportunities to have "a seat at the table" on both federal and state government matters.	CEO	●	100%	During May 2023 Riverina Water hosted a visit by the NSW Minister for Water and the Member for Wagga. A site inspection was undertaken, and a meeting held to discuss industry matters including the impending Inquiry into Regional Water Utilities by the NSW Government. Riverina Water's Director Engineering sits on the Murrumbidgee River Customer Advisory Group.

Governance



Board Members



Clr Tim Koshel
(Chairperson)
Wagga Wagga City Council
Elected to Board in 2016 -
elected as Chairperson
in 2022



Clr Doug Meyer OAM
(Deputy Chairperson)
Greater Hume Council
Elected to Board in 2012
- elected as Deputy
Chairperson in 2022



Clr Pat Bourke
Federation Council
Elected to Board in 2017



Clr Georgie Davies
Wagga Wagga City Council
Elected to Board in 2022



Clr Gail Driscoll
Lockhart Shire Council
Elected to Board in 2022



Clr Dan Hayes
Wagga Wagga City Council
Elected to Board in 2021



Clr Michael Henderson
Wagga Wagga City Council
Elected to Board in 2022



Clr Jennifer McKinnon
Wagga Wagga City Council
Elected to Board in 2022



Clr Tony Quinn
Greater Hume Council
Elected to Board in 2016

Meeting attendance 2022-2023

Councillor	No of Ordinary Meetings	No of extraordinary meetings	Total attendance
	6	1	7
T Koschel	6	1	7
D Meyer	6	1	7
P Bourke	6	1	7
G Davies	4	1	5
G Driscoll	5	0	5
D Hayes	6	0	6
M Henderson	6	1	7
J McKinnon	6	0	6
T Quinn	6	1	7

Audit Risk and Improvement Committee (ARIC)

The Audit, Risk & Improvement Committee has an important role in the governance framework of Riverina Water by providing the Board independent oversight, objective assurance and monitoring of audit processes, internal controls, external reporting, risk management activities, compliance with policies and procedures, and performance improvement activities.

The Committee met on 14 July 2022, 24 November 2022, 16 February 2023 and 11 May 2023 (all ordinary meetings) and on 21 September 2022 as a special meeting to consider the draft Annual Financial Statements.

Internal audit is oversighted by the ARIC. Internal audit services have been provided by National Audits Group and their contract was extended by a further year to June 2024 to enable finalisation of the new internal audit charter and working arrangements in line with the new Guidelines.

During 2022-2023 the ARIC considered internal audit reports on the following matters:

- › Land and Buildings
- › Project Management
- › Fringe Benefits Tax

The Committee also considered self-audit reports, including the StateWide Continuous Improvement Program (Business Continuity Planning) the StateCover WHS Audit 2022 and the State Records' Record Keeping Monitoring exercise. The Committee also reviewed a report provided by the ICT Manager on current actions being taken to manage cybersecurity.

Riverina Water has continued to progress the implementation of the Risk Management and Internal Audit Guidelines for local Councils in NSW this year. The Committee is now made up of three independent members to ensure continuity of rolling membership. The Chair retired from the Committee at the end of June 2023 as they had reached the end of their 8-year tenure. The most experienced of the committee members has been appointed the Chair until June 2024.

Governance

All public policies were reviewed in line with the review schedule which concluded in April 2023. Focus has now turned to the review of internal policies for 2023-2024.

There were 38 public policies reviewed – 6 were rescinded – and 4 new policies were created. The Internal Audit policy is being re-written as a charter in line with the new Internal Audit Guidelines.

A new Compliance Policy was adopted in October 2022. This policy focusses on internal compliance maintenance, performance and oversight. The scope covers legislation and associated regulations with which Riverina Water must comply, as well as council codes, policies, procedures, guidelines, standards and practices.

Supporting this policy is a Governance Framework which outlines how Riverina Water will ensure that it conducts the organisation, activities and operations in accordance with the general principles of clarity, probity, transparency, accountability and respect.

The annual compliance report to end of June 2023 was provided to the ARIC with no significant compliance matters to report. All necessary reporting to external agencies was completed within timeframes.

Government information (public access) act, 2009

In accordance with the provisions of the Government Information (Public Access) Act, 2009, Riverina Water has completed its annual statistics for the twelve-month period ended 30 June 2023. No applications were received by Riverina Water during the 2022-2023 period. Riverina Water has not received any enquiries from the Ombudsman under the Government Information (Public Access) Act, 2009 nor has it received any appeals under that Act to the District Court or the Supreme Court. Riverina Water has reviewed what information is made publicly available and this is to remain unchanged.

Statistical details:

Information requests	Number of requests
Access Applications	Nil
Refused Applications	Nil
Applications to access excluded information	Nil

Information protection act, 1998

In accordance with the provisions of the Information Protection Act 1998 Section 33(e) Riverina Water 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 Riverina Water for review under Part 5 of the Act during the 2022-2023 period.

Public Interest Disclosure Activity

Public Interest Disclosures Act 1994 section 31
Public Interest Disclosures Regulation 2011 clause 4

The Internal Reporting (Protected Disclosures Act) Policy was reviewed and adopted by the Board in December 2022. The policy outlines the role of the CEO, Disclosures Coordinator (Director Corporate Services), Disclosure Officers, the Chairperson of the Board and all line managers. This policy was highlighted to all staff through staff meetings and has been made available on the intranet.

Further training is expected to be developed and rolled out in 2023-2024.

No matters covered by the Public Interest Disclosure Act and Regulations were brought to the attention of the Disclosures Coordinator during 2022-2023.

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. Riverina Water's activity is a Category 1 business.

II. Creation of a complaints mechanism to deal with a competitive neutrality complaints.

Riverina Water has developed a complaints management system.

III. Application of tax equivalents, debt guarantee fees and dividend payments.

One of the intentions of the National Competition Policy is to provide a "level playing field" between Riverina Water'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 Riverina Water's external accounting processes but need to be calculated and recognised in our internal accounting arrangements. Calculations have been completed and included in the statistical notes of the financial statements for the 2022-2023 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. Riverina Water has not received any complaints in respect of competition neutrality during 2022-2023.

Anti-slavery

Act section 428 (4) (c)

Riverina Water has not had any issues raised by the Anti-Slavery Commissioner during 2022-2023 concerning its operations.

Modern Slavery

Act sections 428 (4) (d)

This Modern Slavery Statement is provided by Riverina Water in accordance with Section 428 (4) of the NSW Local Government Act 1993.

This statement outlines Riverina Water's commitment to combatting modern slavery and the measures we have implemented during this reporting period to reduce the risk of our procurement activities resulting in or contributing to human rights violations.

Riverina Water covers an area of approximately 15,400 square kilometres containing a population in excess of 77,000. Riverina Water is implementing a centre-led procurement model and recognises the importance of taking steps to ensure that goods and services procured by and for Riverina Water are not the product of modern slavery.

Our supply chain includes purchasing of: chemicals; equipment; vehicle fleet, office resources; electricity to power our operations; and materials and services related to the management of inputs and waste related to the construction, operation and maintenance of water infrastructure.

Riverina Water has adopted a Procurement Policy and Statement of Business Ethics outlining our commitment to preventing and addressing modern slavery in all its procurement activities.

Environmental Upgrade Agreement

Act section 54 P (1)

Riverina Water has no particulars of any environmental upgrade agreements entered into during the year.

External bodies which have exercised Council – delegated functions

Regulation 217 (1) (a6)

Riverina Water 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 2nd May 1997.

Companies in which Council held a controlling interest

Regulation 217 (1) (a7)

Riverina Water does not have an interest or a controlling interest in any company or companies.

Companies in which Council participated during the year

Regulation clause 217 (1) (a8)

Riverina Water is an associate member of the Riverina Joint Organisation (RivJO). The Chairperson and CEO attended six meetings of RivJO during 2022-2023. RivJO commenced hiatus status on 1 July 2023 with a revised meeting schedule including a minimum of three meetings per financial year which allow RivJO to meet its statutory obligations.

Compliance with and effect of planning agreements in force during the year

Riverina Water hasn't entered into any planning agreements under the Environmental Planning and Assessment Act 1979 during the year.

Financial information



Water charges for 2022-2023

Recommended development servicing charges Urban (residential) development servicing charge

Urban - including township and village - single residential lots	Tax	Cost per lot (based on lot size)		
		<450m2	450 - 2000m2	>2000m2
Lots where developers have prepaid the fees appropriate at time of development		Nil - (note only applies for a single residence on the lot)		
Lots (not prepaid) existing prior to 01/01/1994 and 2nd or subsequent services (only where availability fees are being paid)	N	1st Service - Nil - (note only applies for a single residence on the lot) 2nd and subsequent service based on \$4,678 per E.T.		
Lots (not prepaid) created since 01/01/1994	N	\$4,678	\$4,678	\$5,614
Urban - including township and village - multiple residential units		Price for multiple units		
Lots where developers have prepaid the fees		Nil - provided correct charges have been prepaid		
Lots (not prepaid) existing prior to 01/01/1994	N	Fee applicable for newly created lots less \$4,678		
Lots (not prepaid) created since 01/01/1994				
Multi-residential lots (medium density 1-2 storey)		Developer charge per dwelling		
Dual occupancy - 1 Bedroom				
Dual occupancy - 2 Bedrooms	N	\$4,678 if lot size > 450m2 per dwelling		
Dual occupancy - 3 or more Bedrooms				
Duplex - 1 Bedroom				
Duplex - 2 Bedrooms		Units priced, as below, if lot size <450m2 per dwelling		
Duplex - 3 or more Bedrooms				
Units - 1 Bedroom	N	\$1,871		
Units - 2 Bedrooms	N	\$2,806		
Units - 3 or more Bedrooms	N	\$3,742		
Multi-residential lots (high density >2 storey)		Developer charge per dwelling		
Multi storey apartments - 1 Bedroom	N	\$1,543		
Multi storey apartments - 2 Bedrooms	N	\$2,339		
Multi storey apartments - 3 or more Bedrooms	N	\$3,134		
NOTE: The minimum Developer Servicing Charge per Lot is \$4,678				
Urban - additional costs (to be read in conjunction with the DSP)				
Lots which require significant supply mains in advance of sequential development	N	An amount calculated to recoup the cost of the supply main		

Rural development servicing charge

Note: These charges are in addition to the applicable service connection fee.

The Development Servicing Charge for rural connections is based on E.T.'s determined from service size.

The following charges relate to properties greater than 2000m². For smaller rural properties divide the listed charge by 1.2

Rural location	Tax	Price per service connection				
		20mm	25mm	*32mm	*40mm	*50mm
Rural pipelines **	N	\$5,614	\$5,614	\$9,197	\$14,372	\$22,456

Additional costs

* The availability of a service connection greater than 25mm diameter is dependent on the capacity to supply within the reticulation network and must have Engineering Approval.

** If a tapping direct to Goldenfields Water County Council large diameter main is required, the customer must arrange this with GWCC. They will be a GWCC customer.

Note: Due to limitations of existing reticulation a capital contribution towards upgrading may also be required for some rural connections, calculated on an individual basis.

Commercial or industrial development servicing charges

Note: These charges are in addition to the applicable service connection fee.

Development Servicing Charges for Industrial or Commercial developments are based on a charge of \$4,678 per E.T. (Equivalent Tenement).

For **Industrial Development**, E.T.'s will be calculated by one of the following 2 methods — whichever gives the higher E.T.

Method 1: Use the Water Directorate Guidelines, and multiply the recommended E.T. value by a factor of 0.7.

Method 2: Where the Water Directorate Guidelines are silent about the particular type of development, calculate the E.T. by dividing the assessed peak day demand by 3.8 kilolitres (e.g. a peak days demand of 19 kilolitres = 5 E.T.)

Note: At the time of subdivision, if no development type

is specified, the Developer Servicing Charge will be based on 1 E.T. per Lot. The charges will then be re-assessed when the owner makes application for connection to the water supply.

For **Commercial Development**, E.T.'s will be calculated according to the Water Directorate Guidelines, in particular Table 2, and by multiplying the recommended E.T. Value by a factor of 0.7.

Note: At the time of requesting a service connection, the applicable E.T.'s will be recalculated and credit will be given for any previously paid E.T.'s.

Notwithstanding all of the above, there will be a minimum Development Servicing Charge or \$4,348 per Lot, and the following minimum development servicing charges will apply to each service connection, based on service connection size.

Service size	Tax	<80mm	80mm	100mm (minimum 4 E.T.)	150mm	200mm
Minimum charge	N	\$4,678	\$11,978	\$18,712	\$42,104	\$74,853

Recommended service connection fees

Urban service connection

Urban - including township and village - single residential/commercial/industrial developments	Tax	Price per service connection for single unit				
		20mm	25mm	*32mm	*40mm	*50mm
Lots where developers have prepaid the fees appropriate at time of Development	N	NIL	\$586	\$1,168	\$1,946	\$2,596

All other lots including 2nd or subsequent services	N	\$1,479	\$2,065	\$2,647	\$3,425	\$4,075
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* The availability of a service connection greater than 25mm is dependent on capacity to supply with the reticulation network and must have Engineering Approval.

Urban - including township and village - multiple residential units	Tax	Price for multiple units					
		1 unit	2 units	3 units	4 units	5 units	Extra units
Lots where developers have prepaid the fees		No additional Service Connection Charge provided correct fees as per the following line have been paid					

All other lots including 2nd or subsequent services	N	\$1,479	\$1,774	\$2,069	\$2,364	\$2,659	\$295
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These prices apply to multi-unit residential developments provided for by water connection(s) at any one time, and include the cost of bulk and individual meters. In the case of individual metering of strata units, the owner is responsible for internal plumbing required.

Urban - additional costs

a) Where Baylis Street pavers need to be disturbed	N	As per WWCC charges
b) Where the service requires a rail crossing and approval from the Railway Authorities	N	The fees and charges that rail authority imposes
c) Where the service connection generates other similar extraordinary costs	N	A fee assessed on a similar basis
Road underboring	N	\$138 per metre

Rural service connection

Rural location	Tax	Price per service connection				
		20mm	25mm	*32mm	*40mm	*50mm
Rural pipelines **	N	\$1,687	\$2,316	\$2,844	\$3,642	\$4,323
Walbundrie to Rand Pipeline Urangeline/Bidgeemia Rural Scheme and other rural schemes		Refer to Engineering staff regarding availability and costing for these schemes				
Some rural spur lines incur additional costs. Refer to Engineering or Customer Services Officer.						
Additional costs						
Where the service requires a rail crossing and approval from the Railway Authorities	N	The fees and charges that rail authority imposes				
Where the service connection generates other similar extraordinary costs	N	A fee assessed on a similar basis				
Road underboring	N	\$138 per metre				

* The availability of a service connection greater than 25mm diameter is dependent on the capacity to supply within the reticulation network and must have Engineering Approval.

** If a tapping direct to Goldenfields Water County Council large diameter main is required, the customer must arrange this with GWCC. They will be a GWCC customer.

Availability charges for 2023-2024

Availability charge per property, residential, strata unit or customer

Domestic	Tax	Per quarter
Built upon or connected property	N	\$45
Each additional dwelling erected on each parcel of property	N	\$45
Vacant land not connected (within 225 metres or adjacent to a main) - urban only	N	\$22.50
Commercial/Industrial		
Built upon or connected property	N	\$50
Non-metered connected premises	N	\$95
Each additional strata unit	N	\$50
Other		
Government Departments, including police stations, court houses, schools, staff housing, public offices, etc	N	\$50
Churches and similar "non-rateable" property	N	Usage charge only
Additional fee for separate fire service connected	N	\$50

* Customers serviced through Goldenfields Water County Council will be charges at the relevant rate.

Usage charges for 2023-2024

Water Tariffs \$ per kilolitre	Tax	2022-2023	2023-2024
General tariff			
All users (except as detailed below)	N		
First 125 kls per quarter		1.51	1.56
Balance per kilolitre per quarter		2.27	2.34
Strata title units and flats			
First 125 kls per quarter per unit	N	1.51	1.56
Balance per kilolitre per quarter		2.27	2.34
(For Strata complexes and Flats where units are not individually metered the total metered consumption will be evenly apportioned between units).			
Industrial tariffs for processing and manufacturing industries as well as livestock marketing centres with consistent year round usage connected since 01/07/2009.			
First 41 kls per month	N	1.51	1.56
Balance above 42 kls per month		2.27	2.34
Balance above 3,000 kls per month		2.27	2.34
Applicable to large scale processing and manufacturing industries as well as livestock marketing centres with consistent year round usage and specifically approved by Council.			
First 3,000 kls per month	N	1.51	1.56
Balance above 3,000 kls per month		1.51	1.56
Commercial tariff			
All users (except as detailed below)	N		
First 125 kls per quarter/41 kls per month		1.51	1.56
Balance per kilolitre per quarter		2.27	2.34
Community facilities			
Hospitals, Schools / TAFE / University	N	1.51	1.56
Parks and Gardens, Council Swimming Pools			
Non-Potable Water			
First 125 kls per quarter	N	0.75	0.77
Balance per kilolitre per quarter		1.13	1.16
Metered supply to standpipe agents or constituent Councils	N	2.12	2.18

Supply from fixed standpipe and water filling stations (Minimum charge \$10.00 when via an Agent)	N	3.35	3.40
Bulk supply Application of this tariff will be at the discretion of the Council	N	1.51	1.56
Primary producers tariff Applicable to all rural services along Council's trunk mains	N	1.51	1.56
Rebates			
Eligible pensioner		\$30 per quarter	
Kidney dialysis machine users		20 kls per quarter	

Total remuneration for CEO and Senior Staff

Regulation clause 217 (1) (b) (i-v)
Regulation clause 217 (1) (c) (i-v)

During the 2022-2023 financial year, Riverina Water's senior staff comprised:

Chief Executive Officer

Andrew Crakanthorp
January 2018 to present

Director Engineering

Troy van Berkel
May 2023 to present
Bede Spannagle
Feb 2014 to Jan 2023

Director Corporate Services

Emily Tonacia
July 2021 to present

Assets	Customer & Communication
Projects	Finance & Sourcing
Operations	Governance & Records
Works	People & Culture
	Technology & Information

All figures reported are in line with relevant legislation that requires the following components to be reported:

- (i) The total of the values of the salary components of their packages.
- (ii) Total amount of any bonus payments, performance payments or other payments made to the CEO and senior staff that do not form part of the salary component of the CEO or senior staff.
- (iii) Total amount payable by Riverina Water by way of employer's contribution or salary sacrifice to any superannuation scheme to which the CEO and senior staff may be a contributor.
- (iv) Total value of any non-cash benefits for which the CEO and senior staff may elect under the package.
- (v) Total amount payable by Riverina Water by way of fringe benefits tax for any non-cash benefits.

Chief Executive Officer	\$273,430 (including superannuation)
Senior Officers x 3	\$390,607 (including superannuation)
Total	\$664,037
Fringe benefits tax for non-cash benefits:	\$28,388

Fringe benefits tax (FBT) includes costs associated with parking, entertainment expenses, senior executive services relocation expense and FBT associated with motor vehicle usage.

Councillor expenses

Regulation clause 217 (1) (a1) (i, ii, iii, iii.a, iv, v, vi, vii, viii)

The following expenses were incurred during 2022-2023 for Board members undertaking business on behalf of Riverina Water:

	\$
Chairperson Allowance	17,273
Board Member fees	104,581
Dedicated office equipment allocated to Board Members	3,384
Phone calls made by Board Members	-
Conferences/seminar fees	9,289
Professional development (including induction)	-
Training of Board Members and provision of skill development	721
Interstate visits by Board Members	7,280
Overseas visits by Board Members	-
Spouse/Partner expenses	247

Riverina Water has an adopted Councillors Expenses and Facilities Policy which outlines where Riverina Water will reimburse or pay for Board members expenses to support their duties while representing Riverina Water.

Board Member professional development

Regulation clause 186

Water Management Conference, Parkes,
26-28 June 2023

- › Michael Henderson
- › Gail Driscoll
- › Tony Quinn

LG Rural & Regional Summit, Sydney, 20 February 2023

- › Tim Koschel

Australian Institute for Company Directors (partial contribution), 2023

- › Georgie Davies

Overseas visits funded by Council

Regulation 217 (1) (a)

In 2022-2023, Riverina Water once again partnered with South Wagga Rotary Club on the Sindhuli and Banepa projects in Nepal. The work undertaken on these visits also worked well with our membership and participation in WaterAid.

In 2022-2023, staff members Virginia Ricardo and Brenton Pitman participated in the program by spending 2 weeks in Sindhuli to complete a fit out of the nurse's accommodation at the Sindhuli Technical College.

Rates and charges written off

Regulation clause 132

In 2022-2023, a total of \$1,278,363.53 was written off.

Financial assistance and contributions

Regulation clause 217 (1) (a5) & Act section 356

During 2022-2023, Riverina Water waived \$33,970 to 45 customers across the supply area in the form of undetected water leak rebates.

Legal proceedings

Regulation clause 217 (1) (a3)

During 2022-2023 Riverina Water expended \$36,017 in legal fees for the following proceedings:

- › \$5,000 in relation to a cyber incident that occurred in 2021.
- › \$22,095 in relation to the contract with Infor Pty Ltd regarding Council Enterprise Resource Planning System upgrade.
- › \$5,773 in relation to Human Resource matters.
- › \$3,149 in relation to advice regarding a back billing matter.

Amounts contributed/ granted under section 356

Regulation 217 (1) (a5)

Section 356 enables Riverina Water to contribute funds to persons for the purpose of exercising its functions. During 2022–2023, Riverina Water made donations of \$77,470.82 to 26 initiatives or organisations under this Section.

Recipient	Description	Funding
City of Wagga Wagga Eisteddfod Society	Wagga Eisteddfod 2023	\$3,000
Henty Bowling Club	Sponsorship Invitation Triples	\$300
Immune Deficiency Foundation	Sponsorship World Festival of Magic	\$600
Koorringal Rotary	Science Engineering Challenge	\$3,500
Kurrajong Waratah	Kurrajong Race Day	\$3,000
Lockhart Picnic Race Club Inc	Sponsorship	\$2,500
Pro Patria Centre	Stage 2 development	\$1,500
REROC	Build a bridge annual sponsorship	\$2,750
Ronald McDonald House	20 nights accommodation for families	\$3,200
Rotary Club of South Wagga Inc	Sponsorship Annual Golf Day	\$1,300
Rotary Club of South Wagga Inc	Sponsorship of building activities in Nepal	\$7,079
St Vinnies	Winter sleepout appeal	\$2,500
The Rock & District Meals on Wheels	Charity Golf Day	\$250
The Rock Men's Shed	Tradies health barbecue	\$437
The Rock Triathlon	Sponsorship	\$500
Urana Campdraft	Sponsorship	\$500
Uranquinty Progress Assoc	Next stage of tower artwork project	\$2,200
Wagga School of Arts Community	Sponsorship	\$2,200
Winnovators	Funds towards Water Aid as part of staff development project	\$200
Women in Business	Event sponsorship	\$2,000
Wagga Takes Two	Golden Buzzer sponsorship	\$9,000
Wollundry Rotary	Photography competition	\$2,000
Wagga Wagga Country Club	Sponsorship of 2023 Women's Pro-Am	\$1,815
Wagga Filipino Community	125th Philippine Independence Day Celebration	\$500
WaterAid*	Membership	\$24,200
Total		\$77,431

Contracts awarded greater than \$150,000

Regulation clause 217 (1) (a2) (i-ii)

Name of supplier	Nature of goods or services supplied	Amount payable \$ (incl GST)
City Water Technology Pty Ltd	To complete all outstanding testing, demonstration, commission, O&M manuals, work as executed drawings, training, inspections and labelling.	\$1,661,461
Ingeteam Pty Ltd	Supply of raw water pumps for the Wagga Wagga Water Treatment Plant to replace the units supplied by UGL.	\$626,204
DCS Manufacturing Pty Ltd	Supply of vacuum excavator unit and truck.	\$572,000

Condition of public works under Riverina Water's control

Riverina Water 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 are summarised in the following table:

Asset description	Asset life	Replacement cost \$'000	Remaining life value at 30 June 2023 \$'000
Water Mains	Iron 75 years / Other 50 years	355,924	206,353
Reservoirs	Steel 60 years / Conc. 100 years	59,554	35,936
Pumping Stations	20-50 years	19,305	8,229
Water Treatment	50 years	109,518	66,973
Water Supply Bores	30 years / Stainless steel 40 years	6,835	3,614
Land & Buildings	50 years	33,130	25,314
Total		584,266	346,419

Table: Condition of public works under Riverina Water's control

NB. Independent valuers were engaged to revalue all water supply assets in 2021-2022.

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 2022-2023 programme of maintenance for the works is outlined in the following tables. The capital works programme details the replacement of individual sections of the network. 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.

Special schedule 7

Report on infrastructure assets as at 30 June 2023

\$,000s

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard \$'000	Estimated cost to bring to the agreed level of service set by Council \$'000	2022/23 Required maintenance \$'000	2022/23 Actual maintenance \$'000	Net carrying amount \$'000	Gross replacement cost (GRC) \$'000	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Buildings	-	-	465	382	14,710	22,471	44.4%	23.4%	15.4%	16.8%	0.0%
	Sub-total	-	-	465	382	14,710	22,471	44.4%	23.4%	15.4%	16.8%	0.0%
Water supply network	Other	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Treatment Plants	3,326	3,326	828	1,308	66,973	109,518	48.6%	8.6%	20.0%	22.9%	0.0%
	Bores	16	16	175	168	3,614	6,835	7.0%	30.9%	57.5%	4.7%	0.0%
	Reservoirs	442	442	240	277	35,936	59,554	25.2%	9.2%	50.2%	14.2%	1.2%
	Pumping Stations	43	43	210	174	8,229	19,305	15.0%	9.7%	66.3%	6.1%	3.0%
	Pipeline	22,039	22,039	920	1,329	206,363	355,924	20.5%	44.4%	26.2%	8.9%	0.0%
	Sub-total	25,866	25,866	2,373	3,256	321,105	551,136	26.2%	32.1%	29.4%	12.1%	0.2%
	Total - all assets	25,866	25,866	2,838	3,638	335,815	573,607	26.9%	31.7%	28.8%	12.3%	0.3%

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

Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very Poor	Urgent renewal/upgrading required

CERTIFICATE OF CONFIRMATION – GOODS AND SERVICES TAX

Riverina Water County Council Goods and Services Tax Certificate

Payment of Voluntary GST 1 July 2022 to 30 June 2023

To assist compliance with Section 114 of the Commonwealth Constitution, we certify that:

- › Voluntary GST has been paid by Riverina Water County Council for the period 1 July 2022 to 30 June 2023.
- › Adequate management arrangements and internal controls were in place to enable the Council to adequately account for its GST liabilities and recoup all GST input tax credits eligible to be claimed.
- › No GST non-compliance events by the Council were identified by or raised with the Australian Taxation Office.



Andrew Crakanthorp

Chief Executive Officer



Natasha Harris

Responsible Accounting Officer

Financial statements



Riverina Water County Council

General Purpose Financial Statements

for the year ended 30 June 2023

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



Riverina Water County Council

General Purpose Financial Statements

for the year ended 30 June 2023

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Overview

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

91 Hammond Avenue
Wagga Wagga NSW 2650

Council's guiding principles are detailed in Chapter 3 of the *Local Government Act 1993* and includes:

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

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

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

Riverina Water County Council

General Purpose Financial Statements

for the year ended 30 June 2023

Statement by Councillors and Management

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

The attached general purpose financial statements have been prepared in accordance with:

- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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

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

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

Signed in accordance with a resolution of Council made on 24 August 2023.



Clr T Koschel
Chairperson



Clr D Meyer OAM
Deputy Chairperson



Mr A Crakanthorp
Chief Executive Officer



Mrs Natasha Harris
Responsible Accounting Officer

Riverina Water County Council

Income Statement

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
	Income from continuing operations			
5,214	Rates and annual charges	B2-1	5,760	5,710
24,541	User charges and fees	B2-2	19,295	19,606
339	Other revenues	B2-3	208	576
225	Grants and contributions provided for operating purposes	B2-4	48	122
3,150	Grants and contributions provided for capital purposes	B2-4	2,004	4,327
200	Interest and investment income	B2-5	804	326
–	Net gain from the disposal of assets	B4-1	52	388
33,669	Total income from continuing operations		28,171	31,055
	Expenses from continuing operations			
10,530	Employee benefits and on-costs	B3-1	10,134	9,116
8,348	Materials and services	B3-2	7,583	6,228
1,031	Borrowing costs	B3-3	143	239
7,580	Depreciation, amortisation and impairment of non-financial assets	B3-4	8,709	8,390
227	Other expenses	B3-5	236	443
27,716	Total expenses from continuing operations		26,805	24,416
5,953	Operating result from continuing operations		1,366	6,639
5,953	Net operating result for the year attributable to Council		1,366	6,639
2,803	Net operating result for the year before grants and contributions provided for capital purposes		(638)	2,312

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

Riverina Water County Council

Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
Net operating result for the year – from Income Statement		1,366	6,639
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	24,532	16,714
Gain (loss) on revaluation of intangible assets	C1-7	430	(628)
Total items which will not be reclassified subsequently to the operating result		24,962	16,086
Total other comprehensive income for the year		24,962	16,086
Total comprehensive income for the year attributable to Council		26,328	22,725

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

Riverina Water County Council

Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	3,304	2,510
Investments	C1-2	18,500	11,500
Receivables	C1-4	4,308	4,106
Inventories	C1-5	2,451	2,435
Total current assets		28,563	20,551
Non-current assets			
Investments	C1-2	7,500	17,500
Infrastructure, property, plant and equipment (IPPE)	C1-6	364,026	338,607
Intangible assets	C1-7	12,337	10,890
Total non-current assets		383,863	366,997
Total assets		412,426	387,548
LIABILITIES			
Current liabilities			
Payables	C3-1	3,311	2,694
Borrowings	C3-2	155	1,535
Employee benefit provisions	C3-3	3,942	4,555
Total current liabilities		7,408	8,784
Non-current liabilities			
Borrowings	C3-2	1,860	1,934
Total non-current liabilities		1,860	1,934
Total liabilities		9,268	10,718
Net assets		403,158	376,830
EQUITY			
Accumulated surplus		160,850	159,484
IPPE revaluation reserve	C4-1	242,308	217,346
Council equity interest		403,158	376,830
Total equity		403,158	376,830

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

Riverina Water County Council

Statement of Changes in Equity

for the year ended 30 June 2023

	2023			2022		
	Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
\$ '000						
Opening balance at 1 July	159,484	217,346	376,830	152,845	201,260	354,105
Net operating result for the year	1,366	–	1,366	6,639	–	6,639
Other comprehensive income						
Gain (loss) on revaluation of infrastructure, property, plant and equipment	–	24,532	24,532	–	16,714	16,714
Gain (loss) on revaluation of intangible assets	–	430	430	–	(628)	(628)
Other comprehensive income	–	24,962	24,962	–	16,086	16,086
Total comprehensive income	1,366	24,962	26,328	6,639	16,086	22,725
Closing balance at 30 June	160,850	242,308	403,158	159,484	217,346	376,830

Notes

C1-6
C1-7

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

Riverina Water County Council

Statement of Cash Flows

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
Cash flows from operating activities				
<i>Receipts:</i>				
5,214	Rates and annual charges		5,696	5,751
24,541	User charges and fees		19,674	19,371
200	Interest received		570	372
3,375	Grants and contributions		2,053	4,452
–	Bonds, deposits and retentions received		49	30
339	Other		1,478	270
<i>Payments:</i>				
(10,530)	Payments to employees		(10,840)	(9,633)
(8,348)	Payments for materials and services		(8,687)	(6,360)
1,031	Borrowing costs		(143)	(239)
(227)	Other		(41)	(461)
15,595	Net cash flows from operating activities	F1-1	9,809	13,553
Cash flows from investing activities				
<i>Receipts:</i>				
–	Redemption of term deposits		3,000	–
–	Proceeds from sale of IPPE		115	673
<i>Payments:</i>				
(11,500)	Acquisition of term deposits		–	(500)
(20,731)	Payments for IPPE		(9,642)	(10,420)
(350)	Purchase of intangible assets		(1,034)	(1,759)
(32,581)	Net cash flows from investing activities		(7,561)	(12,006)
Cash flows from financing activities				
<i>Receipts:</i>				
18,000	Proceeds from borrowings		–	–
<i>Payments:</i>				
(1,535)	Repayment of borrowings		(1,454)	(1,929)
16,465	Net cash flows from financing activities		(1,454)	(1,929)
(521)	Net change in cash and cash equivalents		794	(382)
2,570	Cash and cash equivalents at beginning of year		2,510	2,892
2,049	Cash and cash equivalents at end of year	C1-1	3,304	2,510
25,500	plus: Investments on hand at end of year	C1-2	26,000	29,000
27,549	Total cash, cash equivalents and investments		29,304	31,510

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

Riverina Water County Council

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Riverina Water County Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 29 September 2023. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below. Unless otherwise stated, all accounting policies are consistent with those applied in the prior year.

Where appropriate, comparative figures have been amended to accord with the current year presentation, and disclosure has been made of any material changes to comparatives. Those comparative figures amended are summarised below:

- Contractor and consultancy costs of \$1,575,872 have been moved to Raw materials and consumables as they have been incorrectly categorised in the prior year.
- Travel expenses of \$172,914, Training costs of \$192,738 and Uniform expenses of \$47,460 have been transferred to Materials and Services expenses in accordance with the Code Of Accounting categorisation change.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulations 2021 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for profit entity for the purpose of preparing these financial statements.

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

Full dollars have been used in Note E1 Disclosures in relation to the disclosure of specific related party transactions.

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

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

- Income statement
- Statement of cash flows
- Note B5-1 – Material budget variations

and are clearly marked.

Historical cost convention

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

Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

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

- estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6
- estimated fair values of intangibles – refer Note C1-7
- employee benefit provisions – refer Note C3-3

Significant judgements in applying the Council's accounting policies

- Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables - refer Note C1-4.

A1-1 Basis of preparation (continued)

Goods and Services Tax (GST)

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

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

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

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2023 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates in the annual reporting period beginning 1 July 2022.

As at the date of authorisation of these financial statements Council does not consider that any of these new standards and interpretations are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 1 July 2022.

None of these standards had an impact on the reported position or performance.

B Financial Performance

B1 Functions or activities

B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Functions or activities										
Water supply	28,171	31,055	26,805	24,416	1,366	6,639	2,052	4,449	412,426	387,548
Total functions and activities	28,171	31,055	26,805	24,416	1,366	6,639	2,052	4,449	412,426	387,548

B1-2 Components of functions or activities

Details relating to the Council's functions or activities as reported in B1-1 are as follows:

Water supply

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

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	Timing	2023	2022
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)			
Water supply services – commercial	2	507	502
Water supply services – residential	2	5,050	5,004
Annual charges levied		5,557	5,506
Pensioner annual charges subsidies received:			
– Water	2	203	204
Total annual charges		5,760	5,710
Total rates and annual charges		5,760	5,710
Timing of revenue recognition for rates and annual charges			
Rates and annual charges recognised at a point in time (2)		5,760	5,710
Total rates and annual charges		5,760	5,710

Accounting policy

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

B2-2 User charges and fees

\$ '000	Timing	2023	2022
Specific user charges (per s502 - specific 'actual use' charges)			
Water supply services – commercial	2	5,819	5,355
Water supply services – residential	2	12,560	12,932
Total specific user charges		18,379	18,287
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Section 603 certificates	2	173	190
Plumbing permits/fees	2	52	59
Total fees and charges – statutory/regulatory		225	249
(ii) Fees and charges – other (incl. general user charges (per s608))			
Leaseback fees – Council vehicles	2	37	35
Water connection fees	2	492	884
Standpipe fees	2	162	151
Total fees and charges – other		691	1,070
Total other user charges and fees		916	1,319
Total user charges and fees		19,295	19,606
Timing of revenue recognition for user charges and fees			
User charges and fees recognised at a point in time (2)		19,295	19,606
Total user charges and fees		19,295	19,606

Accounting policy

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

B2-3 Other revenues

\$ '000	Timing	2023	2022
Diesel rebate	2	18	9
Insurance claims recoveries		71	–
Sales – general	2	34	35
Lease rental	2	43	31
Sales – scrap material	2	1	8
Sundry Income	2	3	–
Other		1	–
Temporary water allocation	2	–	338
Employment & Training Subsidies	2	–	142
Insurance incentive	2	37	13
Total other revenue		208	576

Timing of revenue recognition for other revenue

Other revenue recognised at a point in time (2)	208	576
Total other revenue	208	576

Accounting policy for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

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

B2-4 Grants and contributions

\$ '000	Timing	Operating 2023	Operating 2022	Capital 2023	Capital 2022
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
LIRS subsidy	2	48	122	–	–
Water supplies (excl. section 64 contributions)	2	–	–	708	1,699
Total special purpose grants and non-developer contributions – cash		48	122	708	1,699
Total special purpose grants and non-developer contributions (tied)		48	122	708	1,699
Total grants and non-developer contributions		48	122	708	1,699
Comprising:					
– State funding		48	122	–	–
– Other funding		–	–	708	1,699
		48	122	708	1,699

Developer contributions

\$ '000	Notes	Timing	Operating 2023	Operating 2022	Capital 2023	Capital 2022
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
S 64 – water supply contributions		2	–	–	1,296	2,628
Total developer contributions – cash			–	–	1,296	2,628
Total developer contributions			–	–	1,296	2,628
Total contributions			–	–	1,296	2,628
Total grants and contributions			48	122	2,004	4,327
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised at a point in time (2)			48	122	2,004	4,327
Total grants and contributions			48	122	2,004	4,327

Accounting policy

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

B2-5 Interest and investment income

\$ '000	2023	2022
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges	90	86
– Cash and investments	714	240
Total interest and investment income	804	326
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges	90	86
General Council cash and investments	714	240
Total interest and investment income	804	326

Accounting policy

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

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2023	2022
Salaries and wages	8,522	8,357
Employee termination costs (where material – other than vested leave paid)	169	–
Employee leave entitlements (ELE)	1,806	1,789
Superannuation	1,585	1,577
Workers' compensation insurance	174	401
Fringe benefit tax (FBT)	49	54
Payroll tax	562	440
Safety Bonus	–	9
Sick leave bonus	101	140
Total employee costs	12,968	12,767
Less: capitalised costs	(2,834)	(3,651)
Total employee costs expensed	10,134	9,116

Accounting policy

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

Retirement benefit obligations

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

Superannuation plans

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

Council participates in a Defined Benefit Plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note D3-1 for more information.

B3-2 Materials and services

\$ '000	Notes	2023	2022
Raw materials and consumables		3,214	1,981
Contractor costs		68	207
Audit Fee	E2-1	84	58
Strategic Documents		8	61
Councillor and Mayoral fees and associated expenses	E1-2	143	124
Advertising		37	7
Bank charges		28	28
Computer software charges		368	388
Electricity and heating		2,267	1,898
Insurance		356	326
Office expenses (including computer expenses)		159	273
Postage		128	122
Printing and stationery		26	21
Subscriptions and publications		35	103
Telephone and communications		150	99
Valuation fees		1	–
Travel expenses		16	28
Demand management		–	5
Rates and user charges		147	114
Community Engagement		26	31
Risk Management		3	4
Training costs (other than salaries and wages)		208	193
Memberships		3	54
Uniforms		70	47
Legal expenses:			
– Legal expenses: other		36	54
Expenses from leases of low value assets		2	2
Total materials and services		7,583	6,228
Total materials and services		7,583	6,228

Accounting policy

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

B3-3 Borrowing costs

\$ '000	2023	2022
(i) Interest bearing liability costs		
Interest on loans	143	239
Total borrowing costs expensed	143	239

Accounting policy

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 as incurred.

B3-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2023	2022
Depreciation and amortisation			
Plant and equipment		574	589
Office equipment		107	103
Land improvements (depreciable)		15	13
Infrastructure:	C1-6		
– Buildings – non-specialised		7	6
– Buildings – specialised		219	205
– Water supply network		7,770	7,457
Intangible assets	C1-7	17	17
Total gross depreciation and amortisation costs		8,709	8,390
Total depreciation, amortisation and impairment for non-financial assets		8,709	8,390

Accounting policy

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-6 for IPPE assets and Note C1-7 for intangible assets.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

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

B3-5 Other expenses

\$ '000	2023	2022
Other		
Donations, contributions and assistance to other organisations (Section 356)	236	443
Total other expenses	236	443

Accounting policy

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

B4 Gains or losses**B4-1 Gain or loss from the disposal, replacement and de-recognition of assets**

\$ '000	Notes	2023	2022
Gain (or loss) on disposal of plant and equipment			
Proceeds from disposal – plant and equipment		115	673
Less: carrying amount of plant and equipment assets sold/written off	C1-6	(63)	(285)
Gain (or loss) on disposal		52	388
Net gain (or loss) from disposal of assets		52	388

Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 22 June 2022 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

Material variations of more than 10% between original budget and actual results or where the variance is considered material by nature are explained below.

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

\$ '000	2023 Budget	2023 Actual	2023 ----- Variance -----	
Revenues				
Rates and annual charges	5,214	5,760	546	10% F
Water availability charges were higher due to new properties coming on line.				
User charges and fees	24,541	19,295	(5,246)	(21)% U
Water usage charges were down due to a very wet first 6 months of the financial year.				
Other revenues	339	208	(131)	(39)% U
Other revenues were down on budget due to not receiving any income from temporary water sales.				
Operating grants and contributions	225	48	(177)	(79)% U
Operating grants were down due to the repayment of the LIRS loan.				
Capital grants and contributions	3,150	2,004	(1,146)	(36)% U
Income from capital grants and contributions was down due to lower than budgeted income from developer contributions.				
Interest and investment revenue	200	804	604	302% F
Interest revenue was up significantly due to increases in interest rates.				
Net gains from disposal of assets	-	52	52	∞ F
Profit on disposal from plant and vehicles was higher due to better sale prices being achieved.				
Expenses				
Borrowing costs	1,031	143	888	86% F
Borrowing costs was lower due to proposed loans not being drawn.				
Depreciation, amortisation and impairment of non-financial assets	7,580	8,709	(1,129)	(15)% U
Depreciation expense was higher due to indexation as at 30 June 2022 which resulted from a significant increase in inflation for this period.				

B5-1 Material budget variations (continued)

\$ '000	2023 Budget	2023 Actual	2023 ----- Variance -----	
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Statement of cash flows

Cash flows from operating activities	15,595	9,809	(5,786)	(37)%	U
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Cash flow from operating activities was less than budget due to lower than anticipated water consumption charges and developer contributions.

Cash flows from investing activities	(32,581)	(7,561)	25,020	(77)%	F
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Capital expenditure was lower than budget due to delays in commencing some projects.

Council budgets for movements in term deposits however the actual acquisition and redemption throughout the year varies according to councils cash flow requirements.

Cash flows from financing activities	16,465	(1,454)	(17,919)	(109)%	U
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Proposed loans were not take up as the funds were not required at this stage.

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2023	2022
Cash assets		
Cash on hand and at bank	1,098	1,008
Cash equivalent assets		
– Short-term deposits	2,206	1,502
Total cash and cash equivalents	3,304	2,510

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	3,304	2,510
Balance as per the Statement of Cash Flows	3,304	2,510

Accounting policy

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

C1-2 Financial investments

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Debt securities at amortised cost				
Long term deposits	18,500	7,500	11,500	17,500
Total	18,500	7,500	11,500	17,500
Total financial investments	18,500	7,500	11,500	17,500
Total cash assets, cash equivalents and investments	21,804	7,500	14,010	17,500

Accounting policy

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

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

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Amortised cost

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

C1-3 Restricted and allocated cash, cash equivalents and investments

\$ '000	2023	2022
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	29,304	31,510
Cash, cash equivalents and investments not subject to external restrictions	29,304	31,510

\$ '000	2023	2022
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	29,304	31,510
Less: Internally restricted cash, cash equivalents and investments	(8,424)	(8,285)
Unrestricted and unallocated cash, cash equivalents and investments	20,880	23,225

Internal allocations

At 30 June, Council has internally allocated funds to the following:

Employees leave entitlement	1,972	2,278
Plant replacement	2,555	2,110
Sales fluctuation	3,000	3,000
Water Treatment Plant	228	228
Revenue from Water Licences	669	669
Total internal allocations	8,424	8,285

Accounting Policy

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

\$ '000	2023	2022
(c) Unrestricted and unallocated		
Unrestricted and unallocated cash, cash equivalents and investments	20,880	23,225

C1-4 Receivables

\$ '000	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Rates and annual charges	951	–	790	–
User charges and fees	1,906	–	2,281	–
Accrued revenues				
Accrued interest on investments	506	–	272	–
Government grants and subsidies	203	–	204	–
Net GST receivable	167	–	199	–
Prepaid expenditure	575	–	360	–
Total	4,308	–	4,106	–
Total net receivables	4,308	–	4,106	–

Accounting policy

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

Impairment/Measurement of ECL

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

Impairment

When estimating ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, including forward-looking information.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1.

When considering the ECL for rates and annual charges debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

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

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Council's provision for impairment of receivables at 30 June 2023 is \$nil (2022: \$nil).

C1-5 Inventories

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
(i) Inventories at cost				
Stores and materials	2,451	–	2,435	–
Total inventories at cost	2,451	–	2,435	–
Total inventories	2,451	–	2,435	–

Accounting policy

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	Asset movements during the reporting period							At 30 June 2023				
	At 1 July 2022			During the reporting period				Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount		
\$ '000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ⁽¹⁾	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	7,600	–	7,600	4,070	2,404	–	–	(25)	–	14,049	–	14,049
Plant and equipment	7,215	(3,655)	3,560	–	382	(63)	(574)	–	–	7,343	(4,038)	3,305
Office equipment	1,422	(1,173)	249	–	111	–	(107)	–	–	1,525	(1,272)	253
Land:												
– Operational land	7,450	–	7,450	–	92	–	–	–	750	8,292	–	8,292
Land improvements – depreciable	2,163	(40)	2,123	–	21	–	(15)	25	158	2,367	(55)	2,312
Infrastructure:												
– Buildings – non-specialised	644	(218)	426	–	–	–	(7)	–	27	671	(225)	446
– Buildings – specialised	20,925	(7,318)	13,607	5	–	–	(219)	–	871	21,801	(7,537)	14,264
– Water supply network	525,854	(222,262)	303,592	1,260	1,297	–	(7,770)	–	22,726	551,137	(230,032)	321,105
Total infrastructure, property, plant and equipment	573,273	(234,666)	338,607	5,335	4,307	(63)	(8,692)	–	24,532	607,185	(243,159)	364,026

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

By aggregated asset class	Asset movements during the reporting period							At 30 June 2022				
	At 1 July 2021			During the reporting period				Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount		
\$ '000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ⁽¹⁾	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	10,838	–	10,838	3,265	1,545	–	–	(8,048)	–	7,600	–	7,600
Plant and equipment	7,225	(3,728)	3,497	936	–	(284)	(589)	–	–	7,215	(3,655)	3,560
Office equipment	1,355	(1,070)	285	–	69	(1)	(103)	–	–	1,422	(1,173)	249
Land:												
– Operational land	6,379	–	6,379	–	1,015	–	–	–	56	7,450	–	7,450
Land improvements – depreciable	2,015	(27)	1,988	–	–	–	(13)	–	148	2,163	(40)	2,123
Infrastructure:												
– Buildings – non-specialised	623	(212)	411	–	–	–	(6)	–	21	644	(218)	426
– Buildings – specialised	20,207	(7,113)	13,094	–	35	–	(205)	–	683	20,925	(7,318)	13,607
– Water supply network	498,463	(214,824)	283,639	3,029	529	–	(7,457)	8,048	15,806	525,854	(222,262)	303,592
Total infrastructure, property, plant and equipment	547,105	(226,974)	320,131	7,230	3,193	(285)	(8,373)	–	16,714	573,273	(234,666)	338,607

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

C1-6 Infrastructure, property, plant and equipment (continued)

Accounting policy

Initial recognition of infrastructure, property, plant and equipment (IPPE)

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

When infrastructure, property, plant and equipment is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

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.

Useful lives of IPPE

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every 5 years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Planning, Industry and Environment – Water.

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

C1-7 Intangible assets

Intangible assets are as follows:

\$ '000	2023	2022
Software		
Opening values at 1 July		
Gross book value	1,957	258
Net book value – opening balance	1,957	258
Movements for the year		
Purchases	1,034	1,716
Amortisation charges	(17)	(17)
Closing values at 30 June		
Gross book value	2,974	1,957
Total software – net book value	2,974	1,957
Other		
(b) High Security Water Licences		
Opening values at 1 July		
Gross book value	8,933	9,518
Net book value – opening balance	8,933	9,518
Movements for the year		
Purchases	–	43
Fair Value (increment to Equity - Asset Revaluation Reserve)	430	(628)
Closing values at 30 June		
Gross book value	9,363	8,933
Total High Security Water Licences – net book value	9,363	8,933
Total intangible assets – net book value	12,337	10,890

Accounting policy

IT development and software

Software development costs include only those costs directly attributable to the development phase (including external direct costs of materials and services, direct payroll, and payroll-related costs of employees' time spent on the project) and are only recognised following completion of technical feasibility, and where the Council has an intention and ability to use the asset. Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

High Security Water Licences

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

C2 Leasing activities

C2-1 Council as a lessee

Council has no material leases over any assets including land and buildings, vehicles, machinery and IT equipment. Council has applied the exceptions to lease accounting for leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Office and IT equipment

Council holds one lease for office and IT equipment for a low value asset. The expense has been accounted for on a straight-line basis in the financial statements.

Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

\$ '000	2023	2022
Expenses relating to low-value leases	<u>2</u>	<u>2</u>
	2	2

Accounting policy

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

Council has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

At the lease commencement, Council recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Goods and services – operating expenditure	672	–	320	–
Accrued expenses:				
– Salaries and wages	503	–	579	–
– Other expenditure accruals	989	–	794	–
Security bonds, deposits and retentions	142	–	93	–
Prepaid rates	1,005	–	908	–
Total payables	3,311	–	2,694	–

Current payables not anticipated to be settled within the next twelve months

\$ '000	2023	2022
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	142	93
Total payables	142	93

Accounting policy

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

Payables

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

C3-2 Borrowings

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Loans – secured ¹	155	1,860	1,535	1,934
Total borrowings	155	1,860	1,535	1,934

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

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note D1.1

C3-2 Borrowings (continued)

(a) Changes in liabilities arising from financing activities

\$ '000	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	3,469	(1,454)	-	-	-	-	2,015
Total liabilities from financing activities	3,469	(1,454)	-	-	-	-	2,015

(b) Financing arrangements

\$ '000	2023	2022
Total facilities		
Bank overdraft facilities ¹	250	250
Credit cards/purchase cards	100	100
Market Rate Facility	500	500
Total financing arrangements	850	850
Drawn facilities		
– Credit cards/purchase cards	25	38
Total drawn financing arrangements	25	38
Undrawn facilities		
– Bank overdraft facilities	250	250
– Credit cards/purchase cards	75	62
– Market Rate Facility	500	500
Total undrawn financing arrangements	825	812

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

Accounting policy

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or borrowing costs.

C3-3 Employee benefit provisions

\$ '000	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Annual leave	1,100	–	1,224	–
Sick leave	7	–	7	–
Long service leave	2,835	–	3,324	–
Total employee benefit provisions	3,942	–	4,555	–

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

\$ '000	2023	2022
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	2,493	3,193
	2,493	3,193

Accounting policy

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

The Water Licence revaluation reserve is used to record increments and decrements in the revaluation of high security water licences.

D Risks and accounting uncertainties

D1-1 Risks relating to financial instruments held

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

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance team manages the cash and Investments portfolio. Council has an investment policy which complies with the s 625 of the *Local Government Act 1993* and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up performance of the portfolio as required by local government regulations.

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

Financial risk management is carried out by the finance team under policies approved by the Councillors.

The risks associated with the financial instruments held are:

- interest rate risk – the risk that movements in interest rates could affect returns
- liquidity risk – the risk that Council will not be able to pay its debts as and when they fall due.
- credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to the Council

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

(a) Market risk – interest rate and price risk

\$ '000	2023	2022
<p>The impact on result for the year and equity of a reasonably possible movement in the interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date. This risk only relates to future reinvestment.</p>		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	293	315

D1-1 Risks relating to financial instruments held (continued)

(b) Credit risk

Council's major receivables comprise annual charges and user charges and fees.

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

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk other than Council has significant credit risk exposures in its local area given the nature of Council activities.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

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

Credit risk profile

Receivables – annual charges

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

\$ '000	Not yet overdue rates and annual charges			Total
	Not yet overdue	< 5 years	≥ 5 years	
2023				
Gross carrying amount	693	258	–	951
2022				
Gross carrying amount	515	275	–	790

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2023						
Gross carrying amount	2,933	424	–	–	–	3,357
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2022						
Gross carrying amount	2,789	527	–	–	–	3,316
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

D1-1 Risks relating to financial instruments held (continued)

(c) Liquidity risk

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
2023							
Payables	0.00%	142	3,169	–	–	3,311	3,311
Borrowings	5.57%	–	263	956	1,763	2,982	2,015
Total financial liabilities		142	3,432	956	1,763	6,293	5,326
2022							
Payables	0.00%	93	2,601	–	–	2,694	2,694
Borrowings	4.21%	–	1,685	853	2,074	4,612	3,469
Total financial liabilities		93	4,286	853	2,074	7,306	6,163

D2-1 Fair value measurement

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

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

Fair value hierarchy

All assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows:

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

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

Level 3: Unobservable inputs for the asset or liability

The table below shows the assigned level for each asset and liability held at fair value by Council:

D2-1 Fair value measurement (continued)

	Notes	Fair value measurement hierarchy			
		Level 2 Significant observable inputs 2023	Level 2 Significant observable inputs 2022	Level 3 Significant unobservable inputs 2023	Level 3 Significant unobservable inputs 2022
\$ '000					Total
					2023
					2022
Recurring fair value measurements					
Intangible assets					
High Security Water Licence	C1-7	9,363	8,933	-	9,363
Total intangible assets		9,363	8,933	-	9,363
Infrastructure, property, plant and equipment					
Water Treatment Plants	C1-6	-	-	66,973	64,575
Ground Water Bores		-	-	3,614	3,475
Water Pumping Stations		-	-	6,679	6,663
Water Reservoirs		-	-	35,936	34,044
Other Water Assets		-	-	1,550	1,472
Pipes		-	-	206,353	193,363
Buildings		-	-	14,710	14,033
Land		10,604	9,573	-	10,604
Plant & Equipment		3,305	3,560	-	3,305
Office Equipment		253	249	-	253
Total infrastructure, property, plant and equipment		14,162	13,382	335,815	317,625
Total infrastructure, property, plant and equipment					349,977
Non-recurring fair value measurements					
					249
					331,007

D2-1 Fair value measurement (continued)

Valuation techniques

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

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

Intangible assets

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

Infrastructure, property, plant and equipment (IPPE)

Council engages external, independent and qualified valuers to determine fair value of infrastructure and property assets on a regular basis. This was undertaken during 2020/21. Asset Val, a business of Marsh Pty Ltd, were engaged to develop indices to reflect the movement in costs of land, land improvement and building asset classes to ensure that there is no material difference in carrying values of these assets. The indices have been applied for the reporting period ending 30 June 2023. Water Infrastructure has been indexed in accordance with the rate advised by DPI Water NSW. Techniques used to derive fair values:

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

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

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

Plant and Equipment: valued based on actual historical costs.

Fair value measurements using significant unobservable inputs (level 3)

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

\$ '000	Total IPP&E	
	2023	2022
Opening balance	317,625	297,144
Total gains or losses for the period		
Recognised in other comprehensive income – revaluation surplus	23,624	16,508
Other movements		
Transfers from/(to) another asset class	–	8,048
Purchases (GBV)	2,562	3,593
Depreciation and impairment	(7,996)	(7,668)
Closing balance	335,815	317,625

Highest and best use

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

D3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

Description of the funding arrangements.

Pooled Employers are required to pay future service employer contributions and past service employer contributions to the Fund.

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

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times member contributions

* For 180 Point Members, Employers are required to contribute 8.0% of salaries or the year ended 30 June 2023 (increasing to 8.5% in line with the increase in Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2022. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan

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

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

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

D3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2023 was \$ 132,237. The last valuation of the Scheme was performed by Fund Actuary, Richard Boyfield, FIAA, as at 30 June 2022.

The amount of additional contributions included in the total employer contribution advised above is \$57,230. Council's expected contribution to the plan for the next annual reporting period is \$131,750.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2023 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,290.9	
Past Service Liabilities	2,236.1	102.4%
Vested Benefits	2,253.6	101.7%

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

Based on on Past Service Liabilities Methodology the share of any surplus or deficit can be attributed to Riverina Water is .29%.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

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

Investment return	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	6.0% per annum 22/23 2.5% thereafter

* Plus promotional increases

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2023.

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

D3-1 Contingencies (continued)

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

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

At balance date there is a contingent liability for staff who are entitled to a sick leave to be paid out if they were to retire due to medical grounds. This is an unlikely event. Amount totals \$42,235 (2021/22 \$49,069).

E People and relationships

E1 Related party disclosures

E1-1 Key management personnel (KMP)

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

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

	2023	2022
\$ '000		
Compensation:		
Short-term benefits	689	734
Post-employment benefits	58	63
Other long-term benefits	28	31
Total	775	828

(-1b) Other transactions with KMP and their related parties

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

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

Nature of the transaction	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
2023					
Payment for goods/ services received	10	-	30 day creditor payment terms	-	-
2022					
Payment for goods/ services received	5	-	30 day creditor payment terms	-	-

E1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2023	2022
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Members expenses – chairperson’s fee	17	18
Members expenses – members fees	94	79
Superannuation	11	–
Members expenses (incl. chairperson) – other (excluding fees above)	21	27
Total	143	124

E2 Other relationships

E2-1 Audit fees

\$ '000	2023	2022
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	35	32
Remuneration for audit and other assurance services	35	32
Total Auditor-General remuneration	35	32
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Other audit and assurance services: Council's Internal Auditor	49	26
Remuneration for audit and other assurance services	49	26
Total remuneration of non NSW Auditor-General audit firms	49	26
Total audit fees	84	58

F Other matters

F1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2023	2022
Net operating result from Income Statement	1,366	6,639
Add / (less) non-cash items:		
Depreciation and amortisation	8,709	8,390
(Gain) / loss on disposal of assets	(52)	(388)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(202)	(517)
(Increase) / decrease of inventories	(16)	(125)
Increase / (decrease) in payables	352	(420)
Increase / (decrease) in other accrued expenses payable	119	175
Increase / (decrease) in other liabilities	146	96
Increase / (decrease) in employee benefit provision	(613)	(297)
Net cash flows from operating activities	9,809	13,553

F2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2023	2022
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Water infrastructure - other	353	–
Plant and equipment	1,070	–
Water Treatment Plant	1,001	–
Solar Pilot Plant	425	104
ERP Development & Implementation	–	1,551
Refurbishment of Operations Office	260	516
Total commitments	3,109	2,171
These expenditures are payable as follows:		
Within the next year	3,109	2,171
Total payable	3,109	2,171
Sources for funding of capital commitments:		
Unrestricted general funds	3,109	2,171
Total sources of funding	3,109	2,171

Details of capital commitments

2022

Contract for refurbishment of Operations office, project to be finalised in 2022/23 financial year.
Solar Pilot Plant preliminary works to continue in 2022/23 financial year.
ERP Development and Implementation to continue in 2022/23 financial year.

2023

Office refurbishment to be completed 2023/24 financial year.
Solar Pilot Plant works to continue in 2023/24 financial year.
Water treatment plant refurbishment and other asset renewals.

F3 Statement of developer contributions as at 30 June 2023

F3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2022	Contributions received during the year		Non-cash Other	Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land						
S64 contributions	-	1,296	-	-	-	(1,296)	-	-	-
Total contributions	-	1,296	-	-	-	(1,296)	-	-	-

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas. It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

F4 Statement of performance measures

F4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2023	Indicator 2023	Indicators 2022 2021		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(690)	(2.64)%	7.30%	9.03%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	26,115				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	26,067	92.70%	85.49%	89.98%	> 60.00%
Total continuing operating revenue ¹	28,119				
3. Unrestricted current ratio					
Current assets less all external restrictions	28,563	5.98x	3.74x	7.02x	> 1.50x
Current liabilities less specific purpose liabilities	4,773				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	8,162	5.11x	4.87x	4.63x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,597				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	951	14.32%	12.04%	11.50%	< 10.00%
Rates and annual charges collectable	6,640				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	29,304	16.61	20.31	19.39	> 3.00
Monthly payments from cash flow of operating and financing activities	1,764	months	months	months	months

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

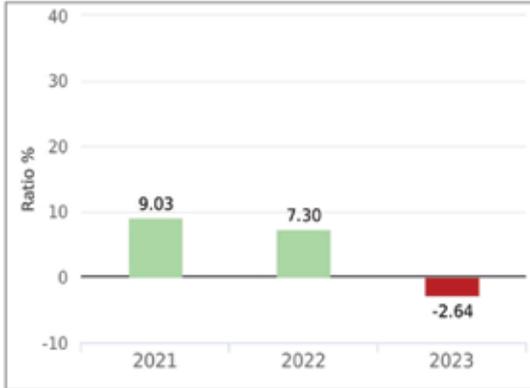
END OF AUDITED FINANCIAL STATEMENTS

End of the audited financial statements

G Additional Council disclosures (unaudited)

G1-1 Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2022/23 result

2022/23 ratio (2.64)%

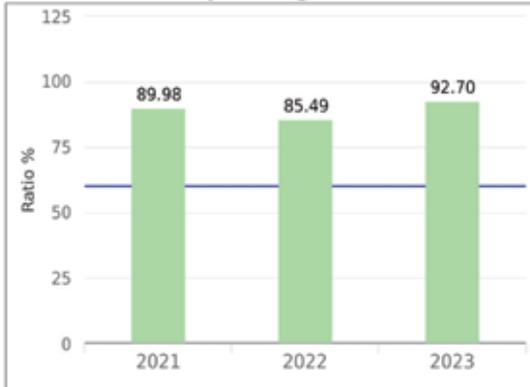
Decrease in result on prior years due to water sales being less as a result of increased rainfall and lower water consumption demand.

Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark
Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2022/23 result

2022/23 ratio 92.70%

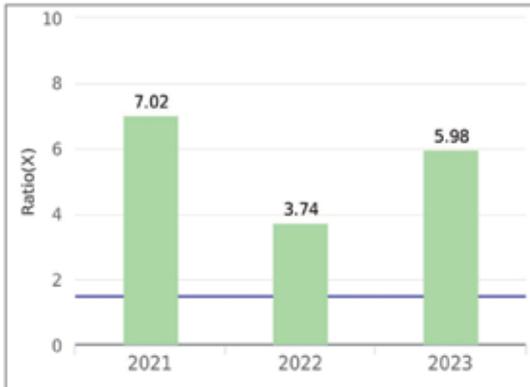
Council primarily relies on water sales income to fund operations, which results in a consistently high ratio.

Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark
Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2022/23 result

2022/23 ratio 5.98x

The increase in this ratio for the current year is due to an increase in short term cash and investments held. The ratio remains very strong and well above the benchmark.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark
Ratio is outside benchmark

G1-1 Statement of performance measures – consolidated results (graphs) (continued)

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2022/23 result

2022/23 ratio 5.11x

This ratio is again well above the benchmark and there is more than adequate cash to service debt.

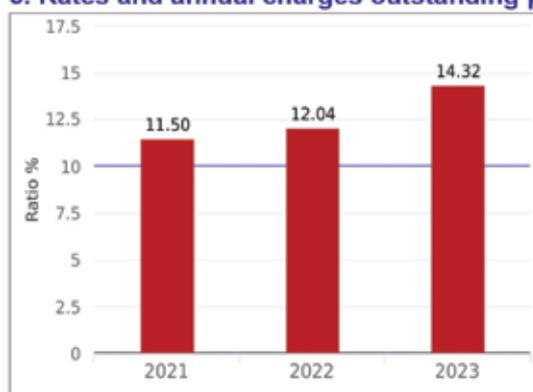
Benchmark: — > 2.00x

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2022/23 result

2022/23 ratio 14.32%

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

Benchmark: — < 10.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2022/23 result

2022/23 ratio 16.61 months

This ratio has remained fairly consistent with a decrease due to decreased cash and investments at year end, it remains well above benchmark.

Benchmark: — > 3.00months

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

G1-2 Financial review

Key financial figures of Council over the past 5 years

\$ '000	2023	2022	2021	2020	2019
Inflows:					
Rates and annual charges revenue	5,760	5,710	5,655	5,592	5,551
User charges revenue	19,295	19,606	19,796	25,587	25,994
Interest and investment revenue	804	326	467	664	691
Grants income – operating and capital	756	1,821	1,211	270	338
Total income from continuing operations	28,171	31,055	29,449	36,613	36,322
Sale proceeds from IPPE	115	673	317	216	279
New loan borrowings and advances	–	–	–	–	–
Outflows:					
Employee benefits and on-cost expenses	10,134	9,116	9,066	9,627	8,972
Borrowing costs	143	239	367	466	570
Materials and contracts expenses	7,583	6,228	7,084	7,365	2,580
Total expenses from continuing operations	26,805	24,416	24,182	24,413	22,853
Total cash purchases of IPPE	9,642	10,420	11,962	15,701	15,928
Total loan repayments (incl. finance leases)	1,454	1,929	1,868	1,753	1,668
Operating surplus/(deficit) (excl. capital income)	(638)	2,312	2,517	9,757	10,456
Financial position figures					
Current assets	28,563	20,551	24,791	38,060	35,545
Current liabilities	7,408	8,784	9,282	9,059	8,159
Net current assets	21,155	11,767	15,509	29,001	27,386
Available working capital (Unrestricted net current assets)	21,022	14,103	17,550	28,793	27,669
Cash and investments – unrestricted	20,880	23,225	23,548	24,037	19,545
Cash and investments – internal restrictions	8,424	8,285	7,844	7,181	8,639
Cash and investments – total	29,304	31,510	31,392	31,218	28,184
Total borrowings outstanding (loans, advances and finance leases)	2,015	3,469	5,398	7,266	9,019
Total value of IPPE (excl. land and earthworks)	598,893	573,273	553,484	527,999	510,376
Total accumulated depreciation	243,159	234,666	226,974	161,175	154,760
Indicative remaining useful life (as a % of GBV)	59%	59%	59%	69%	70%

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

G1-3 Council information and contact details

Principal place of business:

91 Hammond Avenue
Wagga Wagga NSW 2650

Contact details

Mailing Address:

PO Box 456
Wagga Wagga NSW 2650

Telephone: 02 6922 0608

Facsimile: 02 6921 2241

Opening hours:

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

Internet: www.rwcc.nsw.gov.au

Email: admin@rwcc.nsw.gov.au

Officers

CHIEF EXECUTIVE OFFICER

Mr A Crakanthorp

RESPONSIBLE ACCOUNTING OFFICER

Mrs N Harris

PUBLIC OFFICER

Ms E Tonacia

AUDITORS

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

Elected members

CHAIRPERSON

Clr T Koschel (City of Wagga Wagga)

COUNCILLORS

Clr T Quinn (Greater Hume Shire)

Clr D Meyer, OAM (Greater Hume Shire)

Clr G Driscoll (Lockhart Shire)

Clr G Davies (City of Wagga Wagga)

Clr D Hayes (City of Wagga Wagga)

Clr M Henderson (City of Wagga Wagga)

Clr J McKinnon (City of Wagga Wagga)

Clr P Bourke (Federation Council)

Other information

ABN: 52 084 883 210



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Riverina Water County Council

To the Councillors of Riverina Water County Council

Opinion

I have audited the accompanying financial statements of Riverina Water County Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2023 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 'Material budget variations
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Somaiya Ahmed

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

12 October 2023
SYDNEY



Clr Tim Koschel
Chairperson
Riverina Water County Council
PO Box 456
WAGGA WAGGA NSW 2650

Contact: Somaiya Ahmed
Phone no: 02 9275 7424
Our ref: R008-16585809-45063

12 October 2023

Dear Clr Koschel

**Report on the Conduct of the Audit
for the year ended 30 June 2023
Riverina Water County Council**

I have audited the general purpose financial statements (GPFS) of the Riverina Water County Council (the Council) for the year ended 30 June 2023 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2023 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2023	2022	Variance
	\$'000	\$'000	%
Rates and annual charges revenue	5,760	5,710	0.9
User charges and fees	19,295	19,606	1.6
Grants and contributions revenue	2,052	4,449	53.9
Operating result from continuing operations	1,366	6,639	79.4
Net operating result before capital grants and contributions	(638)	2,312	127.6

Rates and annual charges revenue (\$5.8 million) increased by \$50 thousand (0.9 per cent) in 2022–23. This is consistent with a stable customer base and increase in rates and annual charges levied for 2022–23.

User charges and fees (\$19.3 million) decreased by \$311 thousand (1.6 per cent) in 2022–23. The decrease can be attributed to the wet weather which resulted in lower water sales (specific actual use charges) and bulk water sales to Councils compared to the previous year.

Grants and contributions revenue (\$2.1 million) decreased by \$2.4 million (53.9 per cent) in 2022–23 due to lower developer contributions.

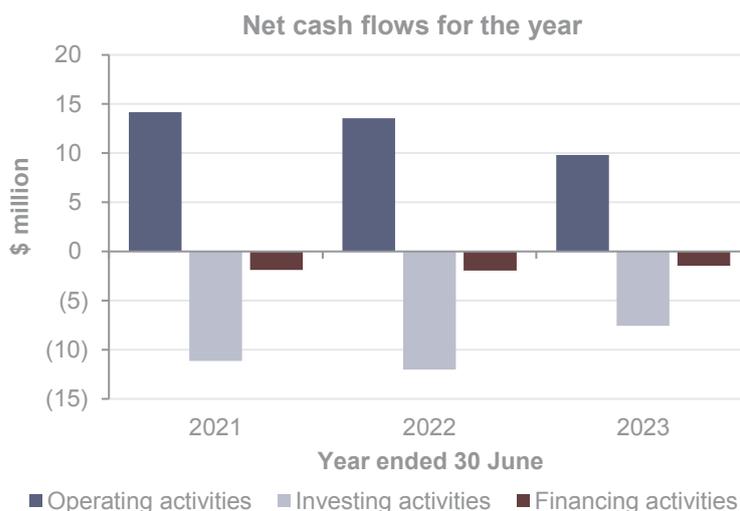
The Council's operating result from continuing operations (\$1.4 million) was \$5.3 million lower than the 2021–22 result. The decrease is mainly due to the decrease in grants and contributions revenue.

The net operating result before capital grants and contributions (\$638 thousand) was \$3.0 million lower than the 2021–22 result. The decrease is mainly due to an increase in employee benefits, materials and service expenses and depreciation expenses.

STATEMENT OF CASH FLOWS

The Council's cash and cash equivalents was \$3.3 million at 30 June 2023 (\$2.5 million at 30 June 2022). There was a net increase in cash and cash equivalents of \$0.8 million during the 2022-23 financial year:

- Net cash inflows from operating activities decreased by \$3.7 million. This is mainly due to the increase in payments to employees by \$1.2 million and payments for materials and services by \$2.3 million
- Net cash outflows from investing activities decreased by \$4.4 million. This is mainly due to a reduction in the redemption of term deposits by \$2.5 million
- Net cash outflows from financing activities decreased by \$0.5 million due to a reduction of loan repayments made during the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2023	2022	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	29.3	31.5	Internal allocations are determined by council policies or decisions, which are subject to change. They are restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are largely consistent with the prior year.
• External restrictions	--	--	
• Internal allocations	8.4	8.3	

Debt

At 30 June 2023, Council had:

- \$2.0 million in secured loans (\$3.5 million in 2021-22)
- \$750,000 in bank overdraft and market rate facilities which were not drawn down
- \$100,000 in credit card facility with \$25,000 used.

PERFORMANCE

Performance measures

The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning and Environment.

Operating performance ratio

The Council did not meet the benchmark for the current reporting period.

The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.

The deterioration from prior years is mainly attributed to a decrease in water sales due to higher rainfall in the county during the year and a decrease in grants and contributions revenue.

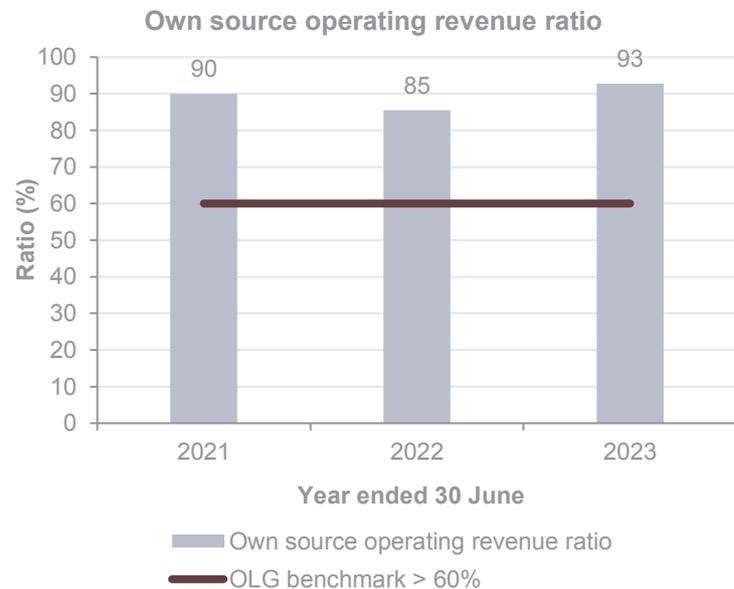


Own source operating revenue ratio

The Council exceeded the benchmark for the current reporting period.

The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.

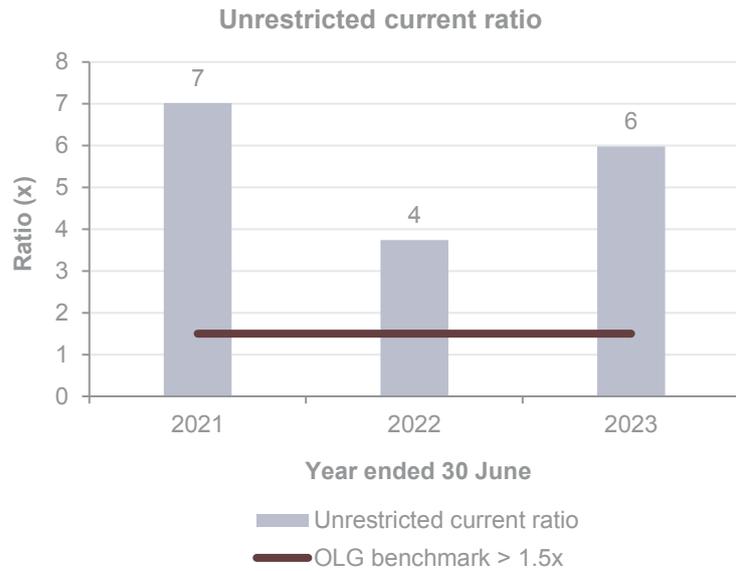
Council has met this benchmark as its main source of income is from water sales, rather than reliance on operating grants and contributions.



Unrestricted current ratio

The Council exceeded the benchmark for the current reporting period.

The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.

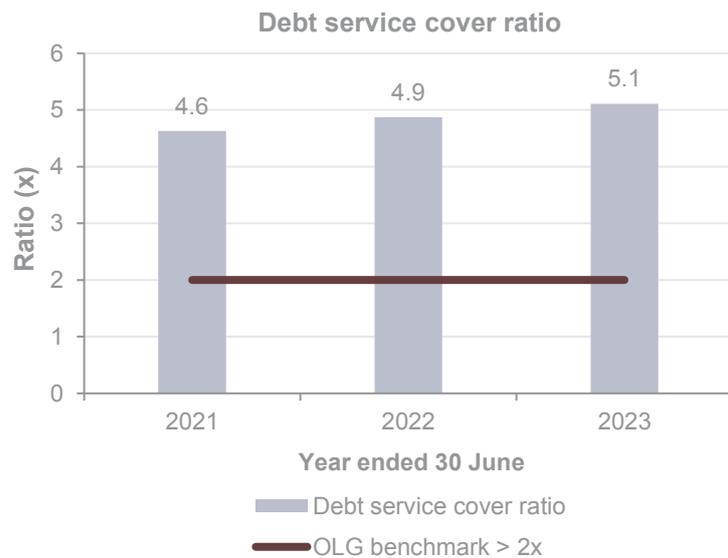


Debt service cover ratio

The Council exceeded the benchmark for the current reporting period.

The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.

The Council's debt service cover ratio has been gradually increasing over the last three years in line with repayment of existing debt arrangements.



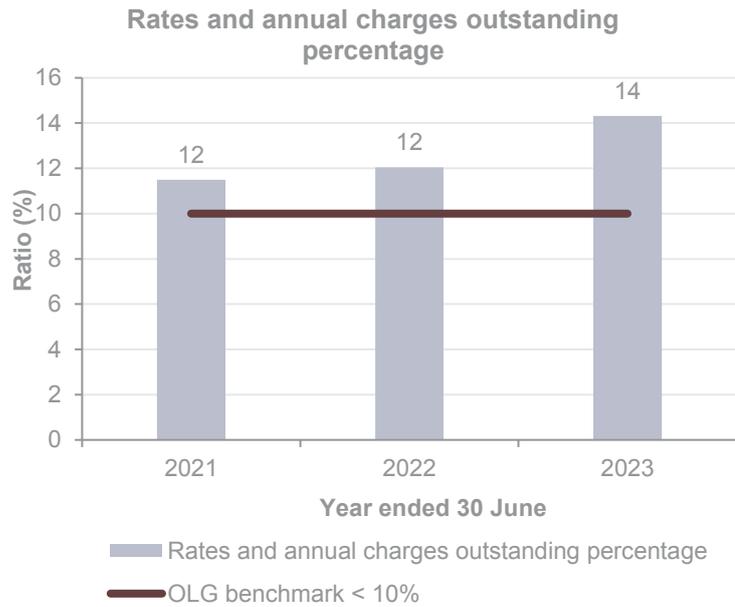
Rates and annual charges outstanding percentage

The Council did not meet the benchmark for the current reporting period.

The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.

The Council's rates and annual charges outstanding percentage of 14 per cent is outside the industry benchmark of less than 10 per cent for rural councils.

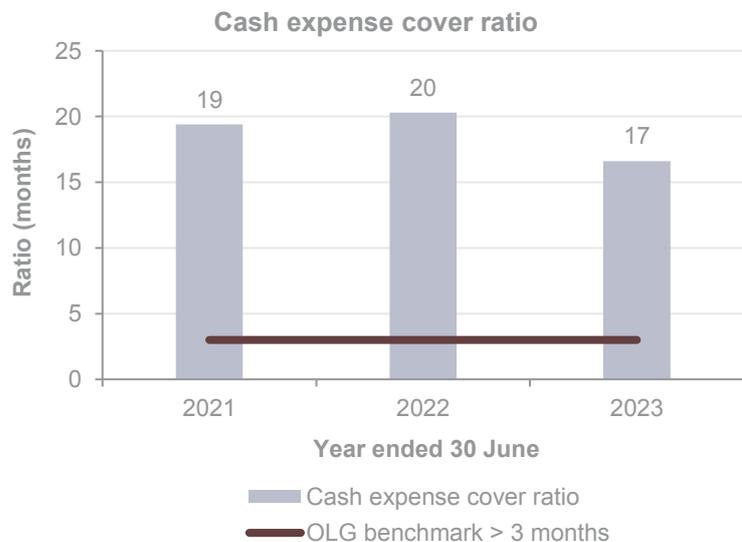
Council continues to exceed this benchmark due to the rolling quarterly billing arrangements. The billing cycle of water county councils need to be considered when assessing this performance against other general councils.



Cash expense cover ratio

The Council exceeded the benchmark for the current reporting period.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.



Infrastructure, property, plant and equipment renewals

Council renewed \$5.3 million of infrastructure, property, plant and equipment during the 2022-23 financial year (\$7.2 million in 2021-22). The decrease from prior year is mainly due to a reduction in renewal of water supply network assets by \$1.8 million. A further \$4.3 million was spent on new assets during the 2022-23 financial year compared to \$3.1 million in 2021-22. Council has a large capital works program which is contributing to the level of asset renewals.

OTHER MATTERS

Legislative compliance

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

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



Somaiya Ahmed
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Riverina Water County Council

Special Purpose Financial Statements

for the year ended 30 June 2023

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



Riverina Water County Council

Special Purpose Financial Statements

for the year ended 30 June 2023

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Riverina Water County Council

Special Purpose Financial Statements

for the year ended 30 June 2023

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached special purpose financial statements have been prepared in accordance with:

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- Division of Local Government Guidelines, *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*
- The Local Government Code of Accounting Practice and Financial Reporting
- Sections 3 and 4 of the NSW Department of Planning and Environment, *Water's Regulatory and assurance framework for local water utilities.*

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

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

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

Signed in accordance with a resolution of Council made on 24 August 2023.



Clr T Koschel
Chairperson



Clr D Meyer OAM
Deputy Chairperson



Mr A Crakanthorp
Chief Executive Officer



Mrs N Harris
Responsible Accounting Officer

Riverina Water County Council

Income Statement of water supply business activity for the year ended 30 June 2023

\$ '000	2023	2022
Income from continuing operations		
Access charges	5,760	5,710
User charges	19,295	19,606
Interest and investment income	804	326
Grants and contributions provided for operating purposes	48	122
Net gain from the disposal of assets	52	388
Other income	208	576
Total income from continuing operations	26,167	26,728
Expenses from continuing operations		
Employee benefits and on-costs	10,134	9,529
Borrowing costs	143	239
Materials and services	7,348	5,557
Depreciation, amortisation and impairment	8,709	8,390
Water purchase charges	235	258
Calculated taxation equivalents	123	116
Other expenses	236	443
Total expenses from continuing operations	26,928	24,532
Surplus (deficit) from continuing operations before capital amounts	(761)	2,196
Grants and contributions provided for capital purposes	2,004	4,327
Surplus (deficit) from continuing operations after capital amounts	1,243	6,523
Surplus (deficit) from all operations before tax	1,243	6,523
Less: corporate taxation equivalent (25%) (2022:25%) [based on result before capital]	–	(549)
Surplus (deficit) after tax	1,243	5,974
Plus accumulated surplus	159,484	152,845
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	123	116
– Corporate taxation equivalent	–	549
Closing accumulated surplus	160,850	159,484
Return on capital %	(0.2)%	0.7%
Subsidy from Council	15,252	(56)
Calculation of dividend payable:		
Surplus (deficit) after tax	1,243	5,974
Less: capital grants and contributions (excluding developer contributions)	(2,004)	(4,327)
Surplus for dividend calculation purposes	–	1,647
Potential dividend calculated from surplus	–	824

Riverina Water County Council

Statement of Financial Position of water supply business activity

as at 30 June 2023

\$ '000	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	3,304	2,510
Investments	18,500	11,500
Receivables	4,308	4,106
Inventories	2,451	2,435
Total current assets	28,563	20,551
Non-current assets		
Investments	7,500	17,500
Infrastructure, property, plant and equipment	364,026	338,607
Intangible assets	12,337	10,890
Total non-current assets	383,863	366,997
Total assets	412,426	387,548
LIABILITIES		
Current liabilities		
Payables	2,306	1,786
Income received in advance	1,005	908
Borrowings	155	1,535
Employee benefit provisions	3,942	4,555
Total current liabilities	7,408	8,784
Non-current liabilities		
Borrowings	1,860	1,934
Total non-current liabilities	1,860	1,934
Total liabilities	9,268	10,718
Net assets	403,158	376,830
EQUITY		
Accumulated surplus	160,850	159,484
Revaluation reserves	242,308	217,346
Total equity	403,158	376,830

Note – Significant Accounting Policies

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

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

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

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the *Local Government Act 1993* (NSW), the *Local Government (General) Regulation 2021*, and the Local Government Code of Accounting Practice and Financial Reporting.

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

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 NSW Government Policy statement titled 'Application of National Competition Policy to Local Government'. *The Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

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

Declared business activities

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

Category 1

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

Riverina Water County Council

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

Category 2

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

Nil

Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs. However, where Council does not pay some taxes, which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in special purpose financial statements. For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate – **25%** (21/22 25%)

Land tax – the first \$969,000 of combined land values attracts **0%**. For the combined land values in excess of \$969,000 up to \$5,925,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$5,925,000 a premium marginal rate of **2.0%** applies.

Note – Significant Accounting Policies (continued)

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$1,200,000.

In accordance with section 4 of Department of Planning and Environment (DPE) – Water's regulatory and assurance framework, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the regulatory and assurance framework as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to sections 3 and 4 of DPE – Water's regulatory and assurance framework is not a prerequisite for the payment of the tax equivalent charges; however the payment must not exceed \$3 per assessment.

Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25% (21/22 25%).

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

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

The rate applied of 25% is the equivalent company tax rate prevalent at reporting date.

(ii) Return on investments (rate of return)

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

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council's business activities on the Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.02% at 30/6/23.

(iii) Dividends

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

A local government water supply and sewerage business is permitted to pay annual dividends from their water supply or sewerage business surpluses. Each dividend must be calculated and approved in accordance with section 4 of DPE – Water's regulatory and assurance framework and must not exceed 50% of the relevant surplus in any one year, or the number of water supply or sewerage assessments at 30 June 2023 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with section 4 of DPE – Water's regulatory and assurance framework, statement of compliance and statement of dividend payment, dividend payment form and unqualified independent financial audit report are submitted to DPE – Water.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Riverina Water County Council

To the Councillors of Riverina Water County Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Riverina Water County Council's (the Council) Declared Business Activity, which comprise the Statement by Councillors and Management, the Income Statement of the Declared Business Activity for the year ended 30 June 2023, the Statement of Financial Position of the Declared Business Activity as at 30 June 2023 and Significant accounting policies note.

The Declared Business Activity of the Council is water supply.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activity as at 30 June 2023, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant accounting policies note and the Local Government Code of Accounting Practice and Financial Reporting 2022–23 (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2023 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

The scope of my audit does not include, nor provide assurance:

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



Somaiya Ahmed

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

12 October 2023
SYDNEY

Riverina Water County Council

Special Schedules

for the year ended 30 June 2023

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



Riverina Water County Council

Special Schedules

for the year ended 30 June 2023

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Riverina Water County Council

Report on infrastructure assets as at 30 June 2023

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard		Estimated cost to bring to the agreed level of service set by Council		2022/23 Actual maintenance \$ '000	2022/23 Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	2022/23 Required maintenance ^a \$ '000	2022/23 Required maintenance ^a \$ '000				1	2	3	4	5
Buildings	Buildings	-	-	-	465	382	14,710	22,471	44.4%	23.4%	15.4%	16.8%	0.0%
	Sub-total	-	-	465	382	382	14,710	22,471	44.4%	23.4%	15.4%	16.8%	0.0%
Water supply network	Other	-	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Treatment Plants	3,326	3,326	828	828	1,308	66,973	109,518	48.6%	8.6%	20.0%	22.9%	0.0%
	Bores	16	16	175	175	168	3,614	6,835	7.0%	30.9%	57.5%	4.7%	0.0%
	Reservoirs	442	442	240	240	277	35,936	59,554	25.2%	9.2%	50.2%	14.2%	1.2%
	Pumping Stations	43	43	210	210	174	8,229	19,305	15.0%	9.7%	66.3%	6.1%	3.0%
	Pipeline	22,039	22,039	920	920	1,329	206,353	355,924	20.5%	44.4%	26.2%	8.9%	0.0%
	Sub-total	25,866	25,866	2,373	2,373	3,256	321,105	551,136	26.2%	32.1%	29.4%	12.1%	0.2%
	Total – all assets	25,866	25,866	2,838	2,838	3,638	335,815	573,607	26.9%	31.7%	28.8%	12.3%	0.3%

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

Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Riverina Water County Council

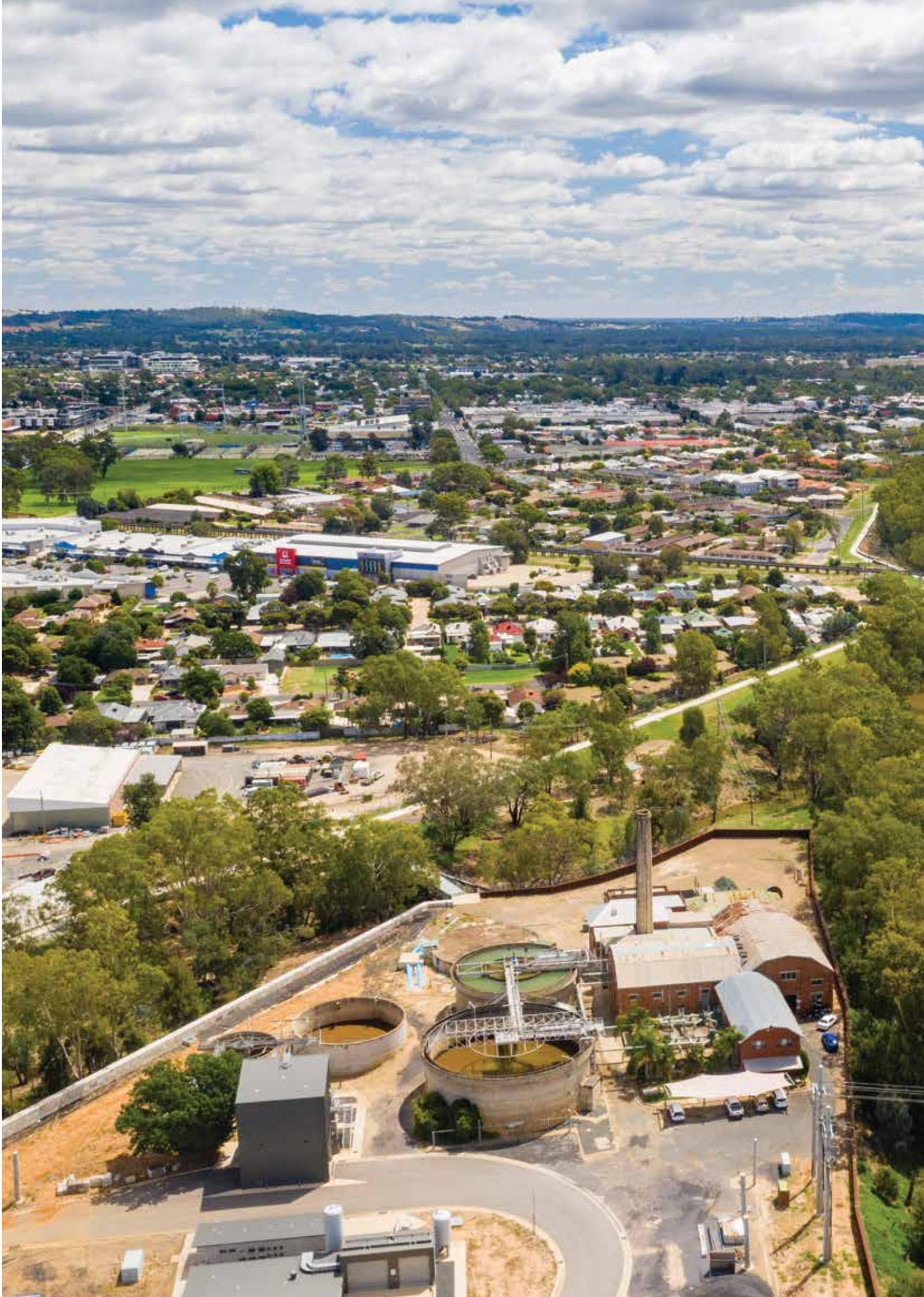
Report on infrastructure assets as at 30 June 2023

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2023	Indicator 2023	Indicators		Benchmark
			2022	2021	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	5,335	66.72%	94.29%	67.75%	> 100.00%
Depreciation, amortisation and impairment	7,996				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	25,866	7.39%	6.48%	6.49%	< 2.00%
Net carrying amount of infrastructure assets	349,864				
Asset maintenance ratio					
Actual asset maintenance	3,638	128.19%	105.64%	96.35%	> 100.00%
Required asset maintenance	2,838				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	25,866	4.51%	3.85%	3.75%	
Gross replacement cost	573,607				

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

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



Glossary

- › **Annual Report**
Report on the council's implementation of the Delivery Program and Operational Plan, as well as information prescribed by the Regulation.
- › **Asset/s**
Things owned by Riverina Water that have current or future economic value. Riverina Water's main water supply assets include: water source works including water supply bores; treatment plants; reservoirs; pumping stations; water mains; land and buildings; plant and equipment.
- › **Asset Management planning**
Includes an asset management policy, an asset management strategy and asset management plan for each class of assets. The strategy and plans are minimum of 10 years.
- › **BASP**
Business Activity Strategic Plan. 10- year plan identifying the main priorities for Riverina Water, strategic objectives and strategies for achieving those objectives.
- › **BAU**
Business as Usual. Ongoing activities – core business.
- › **Board**
Governing body of Riverina Water. Made up of councillors from Greater Hume Council, Federation Council, Lockhart Shire and Wagga Wagga City Council.
- › **Capex**
Capital expenditure budget.
- › **Constituent council**
Member council of Riverina Water – Greater Hume Council, Federation, Lockhart and Wagga Wagga City Council.
- › **DIAP**
Disability Action Plan. A document that sets out Riverina Water's strategy for identifying and addressing practice which might result in discrimination against people with disability.
- › **DP**
Delivery Program. 4-year plan. Identifies principal activities and strategies to deliver the BASP. Reviewed every year as part of the development of the Operational Plan. Includes 4-year budget forecasts.
- › **DPE**
NSW Department of Planning and Environment.
- › **EEO**
Equal Employment Opportunity.
- › **FLOW**
Working name for our new enterprise finance and asset software.
- › **IP&R**
Integrated planning and reporting.
- › **ICT**
Information and Communication Technology.
- › **IT/OT**
Integration of information technology and operational technology.
- › **IWCM**
Integrated Water Cycle Management. 30-year strategic plan.
- › **Journey map/s**
A research-based way of visualising how customers experience our services and revealing areas for improvement.
- › **LTFP**
Long term financial plan. Minimum of 10 years. Reviewed annually as part of the development of the Operational Plan.
- › **MANEX**
Management executive group.
- › **Measure**
The way achievement of an action is assessed. Also referred to as a success indicator.
- › **Net Zero roadmap**
Includes an action plan, milestones and pathway for communication to enable Riverina Water to meet its Net Zero emissions targets.
- › **OP**
Operational Plan. 1 year plan detailing the activities and actions to achieve the Delivery Program. Includes annual budget.
- › **Opex**
Operational expenditure budget.
- › **PFAS**
Per-and Polyfluoroalkyl substances.
- › **Riverina Water**
Riverina Water County Council.

- › **RAP**
Reconciliation Action Plan. A formal plan setting out how Riverina Water is committed to contributing to reconciliation with Aboriginal and Torres Strait Islander peoples.
- › **Regulation**
Local Government Regulations 2021.
- › **Strategy**
Strategy refers to an adopted plan showing longer term goals and how they are to be achieved (eg workforce, asset management, financial management). In the Operational Plan actions marked as strategy relate to an adopted plan, roadmap or policy.
- › **Tap2Go**
Riverina Water refill stations that enable people to easily access potable water for water bottles etc (ie public bubbler).
- › **Telemetry**
Automatic measurement and wireless transmission of data from remote sources.
- › **WELL program**
Staff wellbeing program.
- › **Workforce Management Plan**
4-year plan to address the human resourcing requirements of the Delivery Program.
- › **WTP**
Water treatment plan.

Contact us



Visit our website
www.rwcc.nsw.gov.au



Email us
admin@rwcc.nsw.gov.au



Talk with us
02 6922 0608



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Crowe Horwath

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National Audits Group

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Culcairn/Holbrook/Walla Walla

(02) 6922 0608 (all hours)

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

(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.

