



Meeting of Riverina Water County Council

The meeting will be held in the Riverina Water Board Room,
91 Hammond Ave, Wagga at 3:00pm on Tuesday, 26
October 2021

Meeting Agenda

Live Streaming of Council Meetings

Riverina Water advises that Council meetings are live streamed on Council's website www.riverinawater.nsw.gov.au. Visitors in the public gallery are advised that their voice and/or image may form part of the webcast. By remaining in the public gallery it is assumed your consent is given in the event your image or voice is broadcast.

Acknowledgement of Country

Livestreaming of Meeting

Apologies

Declaration of pecuniary and non-pecuniary interests

Confirmation of Minutes

Minutes of Board Meeting 24 August 2021

Correspondence

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R1 September 2021 Quarterly Budget Review

Organisational Area Corporate Services

Author Emily Tonacia, Director Corporate Services

Summary The Quarterly Budget Review Statement is presented to Council in accordance with Clause 203(2) of the Local Government (General) Regulations 2005, for the purpose of periodically reviewing and revising estimates of income and expenditure.

RECOMMENDATION that the Quarterly Budget Review for the period ended 30 September 2021 be received and adopted.

Report

The Quarterly Review of Council's budget for the period ending 30 September 2021 is submitted for examination by the Council.

Operating Budget

The anticipated Operating Result for 2021/2022 is a surplus of \$5,759,000. The Operating Result was originally budgeted for a surplus of \$5,909,000. The proposed September quarterly review operational adjustments relate to:

- Additional costs in relation to testing required for application to EPA. \$65,000
- Increase to a number of insurance premiums \$85,000

Capital Budget

Also included is a quarterly review for Capital Works projects. The original capital expenditure budget for 2021/2022 was \$20,912,000. The proposed September quarterly review adjustments result in an increase of \$324,000. The proposed capital expenditure for 2021/2022 totals \$21,236,000.

Please see the capital works progress report for detail on the proposed capital adjustments.

› **R1.1 September Quarterly Budget Review Statement** [↓](#) 

Financial Implications

The recommendation decreases Council's anticipated net cash flow for 2021/2022 by \$474,000.

Risk Considerations

Financial	
Avoid	Council will endeavour to ensure that its financial sustainability is protected at all times and avoid proposals that may impact negatively.

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Riverina Water County Council

Quarterly Budget Review Statement
for the period 01/07/21 to 30/09/21

Report by Responsible Accounting Officer

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

It is my opinion that the Quarterly Budget Review Statement for Riverina Water County Council for the quarter ended 30/09/21 indicates that Council's projected financial position at 30/6/22 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.



Signed: _____

Date: 20/10/2021

Ms Emily Tonacia
Responsible Accounting Officer

Riverina Water County Council

Quarterly Budget Review Statement

for the period 01/07/21 to 30/09/21

Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2021

(\$000's)	Original Budget 2021/22	Revised Budget 2021/22	Variations for this Sep Qtr	Notes	Projected Year End Result	21/22 Actual YTD figures	20/21 Actual YTD figures
Income							
Rates and Annual Charges	5,172	5,172	-		5,172	1,525	1,443
User Charges and Fees	24,030	24,030	-		24,030	3,660	3,293
Interest and Investment Revenues	250	250	-		250	139	214
Other Revenues	466	466	-		466	441	415
Grants & Contributions - Operating	225	225	-		225	-	-
Grants & Contributions - Capital	3,558	3,558	-		3,558	741	802
Total Income from Continuing Operations	33,701	33,701	-		33,701	6,506	6,167
Expenses							
Employee Costs	10,641	10,641	-		10,641	2,424	2,555
Borrowing Costs	434	434	-		434	66	56
Materials & Contracts	8,537	8,537	65	1	8,602	2,187	870
Depreciation	7,550	7,550	-		7,550	2,116	1,354
Other Expenses	630	630	85	2	715	13	1,061
Total Expenses from Continuing Operations	27,792	27,792	150		27,942	6,806	5,896
Net Operating Result from Continuing Operations	5,909	5,909	(150)		5,759	(300)	271
Net Operating Result from All Operations	5,909	5,909	(150)		5,759	(300)	271
Net Operating Result before Capital Items	2,351	2,351	(150)		2,201	(1,041)	(531)

Riverina Water County Council

Quarterly Budget Review Statement

for the period 01/07/21 to 30/09/21

Capital Budget Review Statement

Budget review for the quarter ended 30 September 2021

(\$000's)	Original Budget 2021/22	Approved Changes			Revised Budget 2021/22	Variations for this Sep Qtr	Notes	Projected Year End Result	21/22	20/21
		Carry Forwards	2020/21 Revotes	Other than QBRS					Actual YTD figures	Actual YTD figures
Capital Expenditure										
Land & Buildings	3,766	206	1,014	(1,787)	3,199	-		3,199	284	435
Plant & Equipment	4,794	835	26	(3,100)	2,555	-		2,555	1,108	889
Intangibles	3,206	176	-	-	3,382	45	1	3,427	2,074	272
Water Infrastructure	12,445	525	1,986	(3,180)	11,776	279	2	12,055	2,344	2,753
Loan Repayments (Principal)	-	-	-	-	-	-		-	462	431
Total Capital Expenditure	24,211	1,742	3,026	(8,067)	20,912	324		21,236	6,272	4,780
Capital Funding										
Rates & Other Untied Funding	24,211	1,742	3,026	(8,067)	20,912	324	3	21,236	6,272	4,780
New Loans	-	-	-	-	-	-		-	-	-
Total Capital Funding	24,211	1,742	3,026	(8,067)	20,912	324		21,236	6,272	4,780
Net Capital Funding - Surplus/(Deficit)	-	-	-	-	-	-		-	-	-

Riverina Water County Council

Quarterly Budget Review Statement

for the period 01/07/21 to 30/09/21

Cash & Investments Budget Review Statement

Budget review for the quarter ended 30 September 2021

(\$000's)	Original Budget 2021/22	Approved Changes			Revised Budget 2021/22	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRS	Mar QBRS					
Externally Restricted ⁽¹⁾									
Loan Funds - LIRS	-	-	-	-	-	-	-	-	
Total Externally Restricted	-	-	-	-	-	-	-	-	
(1) Funds that must be spent for a specific purpose									
Internally Restricted ⁽²⁾									
Employee Leave Entitlements *	2,426	-	-	-	2,426	-	2,426	2,426	
Plant Replacement	1,857	-	-	-	1,857	-	1,857	1,857	
Water Treatment Plant	228	-	-	-	228	-	228	228	
Revenue from Water Licences	333	-	-	-	333	-	333	333	
Sales Fluctuation	3,000	-	-	-	3,000	-	3,000	3,000	
Total Internally Restricted	7,844	-	-	-	7,844	-	7,844	7,844	
(2) Funds that Council has earmarked for a specific purpose									
Unrestricted (ie. available after the above Restrictions)	5,658	-	-	-	5,658	9,582	15,240	21,495	
Total Cash & Investments	13,502	-	-	-	13,502	9,582	23,084	29,339	

* ELE Reserve is currently funded at 50%

Cash & Investments Budget Review Statement

Comment on Cash & Investments Position

Due to Cash & Investment balances at the start of the financial year being higher than anticipated after the 2019/20 end of year financial result cash on hand is higher than originally budgeted.

Investments

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

Cash

The Cash at Bank figure included in the Cash & Investment Statement totals \$392,957

This Cash at Bank amount has been reconciled to Council's physical Bank Statements. The date of completion of this bank reconciliation is 30/09/21

Reconciliation Status

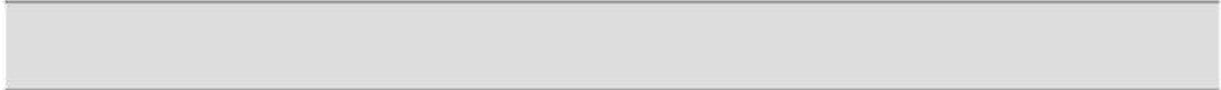
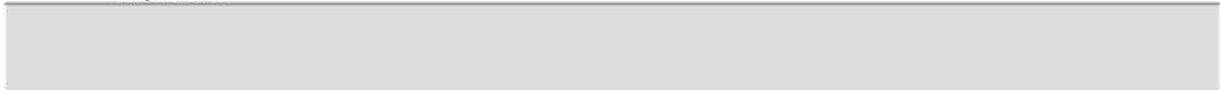
The YTD Cash & Investment figure reconciles to the actual balances held as follows:		\$ 000's
Cash at Bank (as per bank statements)		380
Investments on Hand		28,953
less: Unpresented Cheques	(Timing Difference)	(3)
add: Undeposited Funds	(Timing Difference)	9
Reconciled Cash at Bank & Investments		<u>29,339</u>
Balance as per Review Statement:		<u>29,339</u>
Difference:		-

Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes Details

- 1 Cash on hand at 30/06/2021 higher than originally anticipated due to CAPEX program not being fully expended.



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

Budget review for the quarter ended 30 September 2021

(\$000's)	Current Projection		Original Budget 21/22	Actuals Prior Periods	
	Amounts	Indicator		20/21	19/20
	21/22	21/22			

NSW Local Government Industry Key Performance Indicators (OLG):

1. Current Ratio (Liquidity)

Current Assets	37291	4.0 %	3.5 %	4.0 %	3.4 %
Current Liabilities	9282				

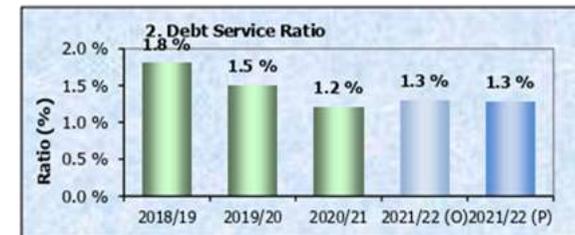
This measures Council's ability to pay existing liabilities in the next 12 months. (target >1.5)



2. Debt Service Ratio

Debt Service Cost	434	1.3 %	1.3 %	1.2 %	1.5 %
Income from Continuing Operations	33701				

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



3. Rates & Annual Charges Coverage Ratio

Rates & Annual Charges	5172	15.35	15.35	19.20	15.39
Income from Continuing Operations	33701				

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



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

Budget review for the quarter ended 30 September 2021

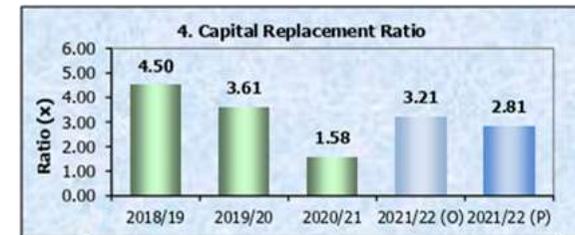
(\$000's)	Current Projection		Original Budget 21/22	Actuals Prior Periods	
	Amounts	Indicator		20/21	19/20
	21/22	21/22			

NSW Local Government Industry Key Performance Indicators (OLG):

4. Capital Replacement Ratio

Infrastructure, Property, Plant & Equipment	21236	2.81	3.21	1.58	3.61
Depreciation	7550				

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



5. Underlying Result

Net Result	5759	17.1%	16.8%	17.9%	24.4%
Total Revenue	33701				

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



Consultancy & Legal Expenses Budget Review Statement

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	1,053	Y
Legal Fees	788	Y

Definition of a consultant:

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

Comments

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

Details

Riverina Water County Council

OPERATIONAL PLAN - SEPTEMBER 2021 REVIEW

OPERATING SUMMARY	YTD ACTUAL \$'000	CURRENT BUDGET \$'000	REMAINING \$'000	% AVAILABLE	2021/22 BUDGET \$'000	30/09/2021 REVIEW ADJUSTMENT	REVISED BUDGET \$'000	REVIEW ADJUSTMENT COMMENT
OPERATING INCOME								
Access Charges								
Urban	1,189	4,189	3,000	72%	4,189	0	4,189	
Non-Urban	336	983	647	66%	983		983	
	1,525	5,172	3,647	71%	5,172	0	5,172	
User Charges								
Consumption Charges								
Urban	2,639	19,167	16,528	86%	19,167	0	19,167	
Non-Urban	691	4,024	3,333	83%	4,024	0	4,024	
	3,330	23,191	19,861	86%	23,191	0	23,191	
Extra Charges								
Urban	27	80	53	66%	80	0	80	
Non-Urban	5	15	10	0%	15		15	
	33	95	62	65%	95	0	95	
Other Income	738	1,200	462	38%	1,200	0	1,200	
Interest	139	250	458	183%	250	0	250	
Operating Grants & Contributions	0	225	431	191%	225	0	225	
Capital Grants & Contributions	741	3,558	2,817	79%	3,558	0	3,558	
Private Works Income	0	10	10	0%	10	0	10	
TOTAL OPERATING INCOME	6,507	33,701	27,747	82%	33,701	0	33,701	
OPERATING EXPENSES								
Management	2,855	11,527	8,672	75%	11,527	85	11,612	
Operations & Maintenance								
Buildings & Grounds								
Urban	204	702	498	71%	702	0	702	
Non-Urban	29	57	28	49%	57	0	57	
	233	759	526	69%	759	0	759	
Management - Operations								
Urban	243	950	707	74%	950	0	950	
Non-Urban	54	350	296	85%	350	0	350	
	297	1,300	1,003	77%	1,300	0	1,300	
Sources								
Urban	264	1,077	813	76%	1,077	0	1,077	

OPERATING SUMMARY	YTD ACTUAL \$'000	CURRENT BUDGET \$'000	REMAINING \$'000	% AVAILABLE	2021/22 BUDGET \$'000	30/09/2021 REVIEW ADJUSTMENT	REVISED BUDGET \$'000	REVIEW ADJUSTMENT COMMENT
Non-Urban	55	330	275	83%	330	0	330	
	319	1,407	1,088	77%	1,407	0	1,407	
<i>Pumping Stations</i>								
Urban	48	933	885	95%	933	0	933	
Non-Urban	63	273	209	77%	273	0	273	
	111	1,205	1,095	91%	1,205	0	1,205	
<i>Reservoirs</i>								
Urban	12	196	184	94%	196	0	196	
Non-Urban	47	144	96	67%	144	0	144	
	59	340	280	83%	340	0	340	
<i>Treatment Plant</i>								
Urban	312	1,643	1,331	81%	1,643	65	1,708	
Non-Urban	113	563	451	80%	563	0	563	
	424	2,206	1,782	81%	2,206	65	2,271	
<i>Mains & Services</i>								
Supervision	75	0	-75	0%	0	0	0	
Urban	272	1,201	929	77%	1,201	0	1,201	
Non-Urban	143	601	458	76%	601	0	601	
	490	1,802	1,312	73%	1,802	0	1,802	
<i>Other Operations</i>	-97	-304	-207	68%	-304	0	-304	
Depreciation	2,116	7,550	5,434	72%	7,550	0	7,550	
TOTAL OPERATING EXPENSES	6,808	27,792	20,985	76%	27,792	150	27,942	
OPERATING RESULT	-301	5,909			5,909	-150	5,759	

**Riverina Water County Council
Balance Sheet**

	Projected 2021/22 \$
ASSETS	
Current Assets	
Cash & Cash Equivalents	23,084
Receivables	3,984
Inventories	3,016
Total Current Assets	30,084
Non-Current Assets	
Infrastructure, Property, Plant & Equipment	341,308
Intangible Assets	9,776
Total Non-Current Assets	351,084
TOTAL ASSETS	381,168
LIABILITIES	
Current Liabilities	
Payables	2,253
Borrowings	1,587
Provisions	4,852
Total Current Liabilities	8,692
Non-Current Liabilities	
Borrowings	4,793
Total Non-Current Liabilities	4,793
TOTAL LIABILITIES	13,485
Net Assets	367,683
EQUITY	
Retained Earnings	158,604
Revaluation Reserves	209,079
Other Reserves	-
Council Equity Interest	367,683
Minority Equity Interest	-
Total Equity	367,683

30 SEPTEMBER 2021 CAPEX QUARTERLY BUDGET REVIEW

Project #	Description	Current Budget \$	YTD Actual 2021/22 \$	Budget Remi-y'g \$	30/09/2021 QBR \$	Revised Budget \$	Revised Remi-y'g \$	Comment
MANAGEMENT								
LAND & BUILDINGS FOR ADMIN DEPOS AND WORKSHOPS								
	Administration Office	117,965	34,202	82,809	0	117,965	82,809	
	Deposit Building	1,462,742	47,322	1,382,068	0	1,462,742	1,382,068	
	Access, Parking and Landscaping	1,519,037	8,285	1,340,632	0	1,519,037	1,340,632	
	Asset Demolition	100,000	0	100,000	0	100,000	100,000	
	SUB TOTAL LAND & BUILDINGS FOR ADMIN, DEPOS & WORKSHOPS	3,199,744	89,809	2,915,609	0	3,199,744	2,915,609	
PLANT & EQUIPMENT								
	IT Equipment	239,978	13,139	213,709	0	239,978	213,709	
	Office Furniture & Equipment	15,000	8,509	-2,032	0	15,000	-2,032	
	Workshop Plant & Vehicle Purchases	1,629,292	306,279	884,397	0	1,629,292	884,397	
	Waterproofing & Control Systems Upgrade	464,415	134,524	276,560	0	464,415	276,560	
	Radio Communication Upgrade/Replacements/Improvements	0	0	-1,440	0	0	-1,440	
	Energy Efficiency & Cost Minimisation	209,178	11,518	45,880	0	209,178	45,880	
	SUB TOTAL PLANT & EQUIPMENT	2,554,863	553,969	1,447,182	0	2,554,863	1,447,182	
INTANGIBLES								
	Software	3,381,430	111,287	1,306,702	0	3,381,430	1,306,702	
	Water Licences	0	0	0	45,000	45,000	45,000	Purchase 133ml groundwater entitlements at Lower Billabong
	SUB TOTAL INTANGIBLES	3,381,430	111,287	1,306,702	45,000	3,426,430	1,351,702	
	TOTAL MANAGEMENT	9,136,037	755,253	5,669,489	45,000	9,181,037	5,714,489	
SOURCES								
	Replacements/Repairs/Accession	350,000	0	350,000	-15,000	350,000	350,000	Transferred to Estia Pump Motor #2
	TOTAL SOURCES	350,000	0	350,000	-15,000	350,000	350,000	
TREATMENT PLANTS								
	Aeration Tower Replacements	115,000	18,954	90,144	0	115,000	90,144	
	Aeration Tower Controls	1,599	38,809	-17,481	120,000	121,599	82,518	Change of scope to projects to meet current specifications for aeration and controls
	Specific Treatment Plant Improvements	63,832	7,690	55,000	0	63,832	55,000	
	Treatment Plant Replacements	4,296,197	141,443	3,781,075	-110,000	4,156,197	3,671,075	Transfer funds to Western Region pipe network design and funds required to engage contractor to replace Tarrulla Clear Water Storage Tank
	TOTAL TREATMENT PLANTS	4,486,728	206,906	3,888,735	10,000	4,456,728	3,898,735	
PUMPING STATIONS								
	Pumping Station Renewal/Refurbish/Upgrade	205,000	237	143,501	15,000	220,000	158,501	Transferred from Sooles for Estia Pump Motor #2
	TOTAL PUMPING STATIONS	205,000	237	143,501	15,000	220,000	158,501	
RESERVOIRS								
	General Improvements	20,000	0	20,000	0	20,000	20,000	
	Major Refurbishment Reservoirs	438,617	29,115	228,147	0	438,617	228,147	
	Reservoirs - Upgrade Ladders and Access	95,600	5,600	90,000	0	95,600	90,000	
	Reservoirs - Retention Margins	25,000	1,039	23,961	0	25,000	23,961	
	Asset Demolition	146,162	5,481	138,683	78,750	224,912	217,613	Demolition of Mount A and B reservoirs bought forward

Project #	Description	Current Budget	YTD Actual 2021/22	Budget Re-est-ig	30/06/2021 QBR	Revised Budget	Revised Re-est-ig	Comment
		\$	\$	\$	\$	\$	\$	
	TOTAL RESERVOIRS	725,379	41,234	500,971	78,750	804,129	579,721	
	MAINS, SERVICES & METERS							
	MAINS							
	Reflow (112) Meters	1,179,746	254,231	918,592	0	1,179,746	918,592	
	Reflow for Devices (including other extensions)	668,600	282,175	387,785	0	668,600	387,785	
	Renew Reservoir Mains	900,000	184,497	701,776	0	900,000	701,776	
	Renew Purl Mains	2,114,982	453,363	1,620,706	190,000	2,304,982	1,820,706	Transfer to treatment plant Refurbishment to design Western Trestle pipe network
	SUB TOTAL MAINS	4,863,328	1,184,266	3,628,959	190,000	5,053,328	3,828,859	
	SERVICES							
	Service Connections (including Meters)	550,403	135,442	414,558	0	550,403	414,558	
	Renew Services	330,000	80,941	245,059	0	330,000	245,059	
	SUB TOTAL SERVICES	880,403	216,383	659,617	0	880,403	659,617	
	METERS							
	Water Meters Replacement	200,871	25,028	166,905	0	200,871	166,905	
	Reflow Meters	50,000	2,179	47,821	0	50,000	47,821	
	Water Meters Station New	25,000	20,476	4,524	0	25,000	4,524	
	SUB TOTAL METERS	275,871	47,682	221,251	0	275,871	221,251	
	TOTAL MAINS, SERVICES & METERS	6,019,602	1,448,331	4,519,806	190,000	6,209,602	4,709,806	
	TOTALS	20,912,746	2,453,130	15,102,502	323,750	21,236,496	15,426,252	

R2 List of Investments

Organisational Area Corporate Services

Author Kate Pellow, Finance Officer

Summary This report details the status of Council's investments for the months of August and September 2021.

RECOMMENDATION that Council receive and note the report detailing external investments for the months of August and September 2021.

Report

In accordance with the provisions of Clause 19(3) of the Local Government (Financial Management) Regulation 1993, reported are the details of the Council's external investments as of August and September 2021 respectively as follows:

- › **R2.1** **Investment Report - August 2021** [↓](#) 
- › **R2.2** **Investment Report - September 2021** [↓](#) 

Financial Implications

Not applicable.

Risk Considerations

Financial	
Avoid	Council will endeavour to ensure that its financial sustainability is protected at all times and avoid proposals that may impact negatively.

Monthly Investment Report as at 31/08/2021

Investment	Inception Date	Term (Days)	Maturity Date	S&P Rating	Interest Rate (%)	Percentage of Portfolio	Principal Value	Market Value
Term Deposits								
AMP	19/07/2021	365	19/07/22	A-2	0.75	8.635%	\$2,500,000.00	\$2,500,000.00
BOQ	6/05/2021	732	08/05/23	A-2	0.49	8.635%	\$2,500,000.00	\$2,500,000.00
ING	21/07/2021	365	21/07/22	A-2	0.45	5.181%	\$1,500,000.00	\$1,500,000.00
BOQ	7/07/2021	365	07/07/22	A-2	0.39	6.908%	\$2,000,000.00	\$2,000,000.00
MyState Bank	28/10/2020	365	28/10/21	A-2	0.65	3.454%	\$1,000,000.00	\$1,000,000.00
Auswide Bank	15/08/2019	1096	15/08/22	BBB+	1.86	6.908%	\$2,000,000.00	\$2,000,000.00
AMP	30/03/2020	548	29/09/21	A-2	1.85	6.908%	\$2,000,000.00	\$2,000,000.00
AMP	14/09/2020	365	14/09/21	A-2	0.60	3.454%	\$1,000,000.00	\$1,000,000.00
National Australia Bank	27/01/2021	370	01/02/22	A-1+	0.42	6.908%	\$2,000,000.00	\$2,000,000.00
BOQ	18/06/2021	368	21/06/22	A-2	0.40	5.181%	\$1,500,000.00	\$1,500,000.00
BOQ	17/08/2020	730	17/08/22	BBB+	0.95	5.181%	\$1,500,000.00	\$1,500,000.00
BOQ	14/10/2020	729	13/10/22	BBB+	0.80	6.908%	\$2,000,000.00	\$2,000,000.00
National Australia Bank	8/06/2021	730	08/06/23	AA-	0.60	6.908%	\$2,000,000.00	\$2,000,000.00
National Australia Bank	8/06/2021	1099	11/06/24	AA-	0.75	8.635%	\$2,500,000.00	\$2,500,000.00
						89.80%	\$26,000,000.00	\$26,000,000.00
Cash Deposit Account								
T Corp				A-1+	0.00	0.00%	\$0.30	\$0.30
National Australia Bank				A-1+	0.17	10.198%	\$2,952,591.41	\$2,952,591.41
						10.20%	\$2,952,591.71	\$2,952,591.71
TOTAL INVESTMENTS						100.00%	\$28,952,591.71	\$28,952,591.71
Cash at Bank								\$293,538.55
TOTAL FUNDS								\$29,246,130.26

CERTIFICATE

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



E Tonacia

MANAGER CORPORATE SERVICES

Application of Investment Funds

Restricted Funds	Description	Value
Externally Restricted	LIRS Loan Funds	\$0.00
		\$0.00
Internally Restricted	Employee Leave Entitlements (50% of ELE)	\$2,425,499.63
	Plant Replacement	\$1,856,767.42
	Loan Funds	\$0.00
	Sales Fluctuation	\$3,000,000.00
	Water Treatment Plant	\$228,250.00
	Water Licences	\$332,520.00
		\$7,843,037.05
Unrestricted Funds		\$21,403,093.21
TOTAL FUNDS		\$29,246,130.26

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

Report

The investment portfolio decreased by \$1,590,509.54 for the month. The decrease was due to income in August being lower than expenditure.

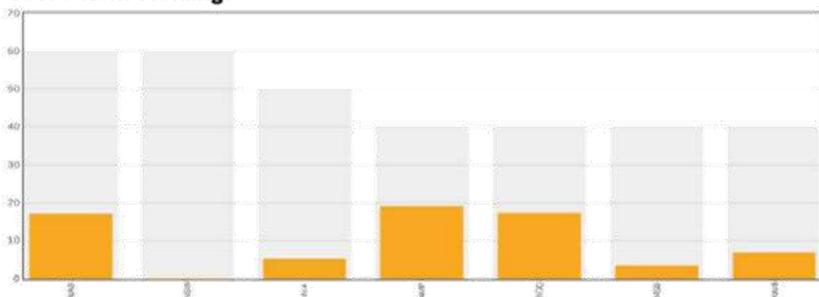
Portfolio Performance

For the month of August, the portfolio (excluding cash) provided a return of +0.07% (actual), outperforming the benchmark Ausbond Bank Bill Index return by +0.00% (actual). The outperformance continues to be anchored by a combination of those longer-dated deposits locked-in for a term of 12 months or longer.

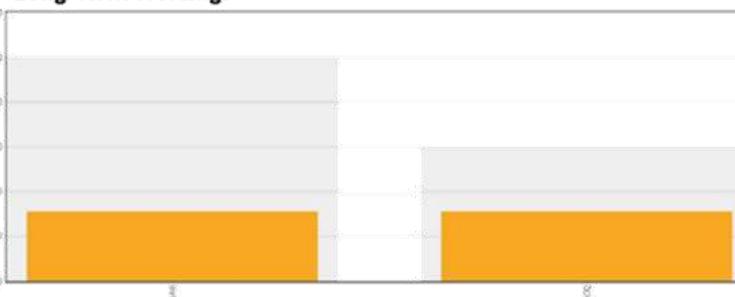
Counterparty Compliance

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

Short-term Holdings



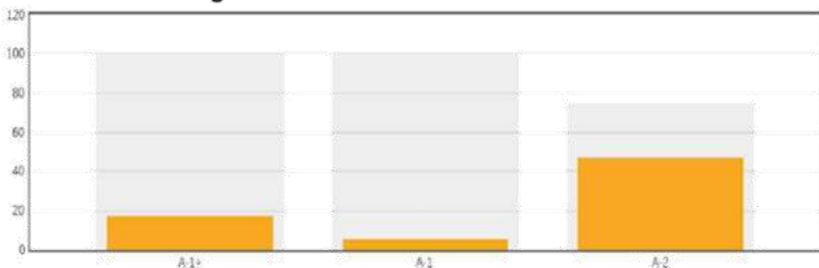
Long-term Holdings



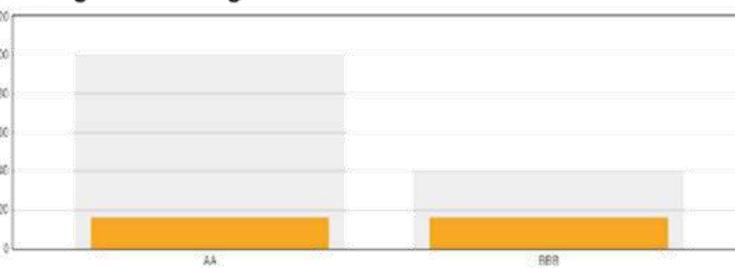
Credit Quality Compliance

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

Short-term Holdings

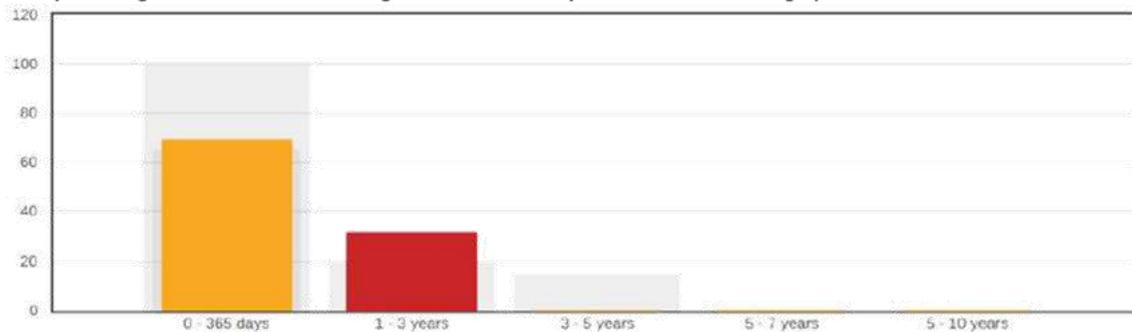


Long-term Holdings



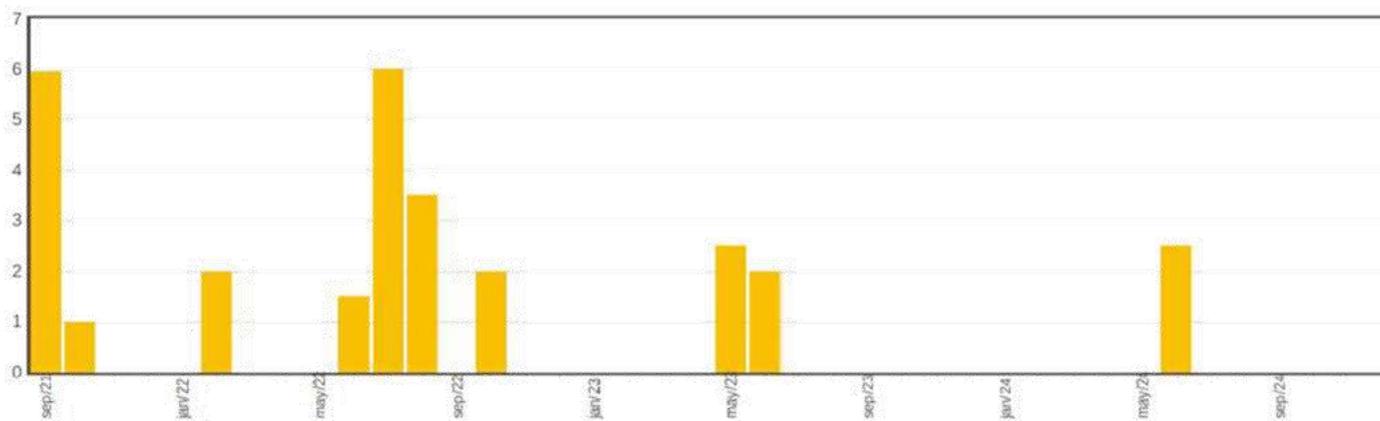
Term to Maturity

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



Maturity Cashflow

When investments will mature over time



Monthly Investment Report as at 30/09/2021

Investment	Inception Date	Term (Days)	Maturity Date	S&P Rating	Interest Rate (%)	Percentage of Portfolio	Principal Value	Market Value
Term Deposits								
National Australia Bank	27/01/2021	370	01/02/22	A-1+	0.42	6.908%	\$2,000,000.00	\$2,000,000.00
ING	21/07/2021	365	21/07/22	A-2	0.45	5.181%	\$1,500,000.00	\$1,500,000.00
MyState Bank	28/10/2020	365	28/10/21	A-2	0.65	3.454%	\$1,000,000.00	\$1,000,000.00
Auswide Bank	15/08/2019	1096	15/08/22	A-2	1.86	6.908%	\$2,000,000.00	\$2,000,000.00
BOQ	17/08/2020	730	17/08/22	A-2	0.95	5.181%	\$1,500,000.00	\$1,500,000.00
AMP	29/09/2021	365	29/09/22	A-2	0.80	6.908%	\$2,000,000.00	\$2,000,000.00
AMP	19/07/2021	365	19/07/22	A-2	0.75	8.635%	\$2,500,000.00	\$2,500,000.00
BOQ	23/09/2021	364	22/09/22	A-2	0.42	3.454%	\$1,000,000.00	\$1,000,000.00
National Australia Bank	23/09/2021	733	26/09/23	A-1+	0.63	5.181%	\$1,500,000.00	\$1,500,000.00
AMP	14/09/2021	730	14/09/23	A-2	0.75	3.454%	\$1,000,000.00	\$1,000,000.00
BOQ	6/05/2021	732	08/05/23	A-2	0.49	8.635%	\$2,500,000.00	\$2,500,000.00
BOQ	7/07/2021	365	07/07/22	A-2	0.39	6.908%	\$2,000,000.00	\$2,000,000.00
BOQ	18/06/2021	368	21/06/22	A-2	0.40	5.181%	\$1,500,000.00	\$1,500,000.00
BOQ	14/10/2020	729	13/10/22	A-2	0.80	6.908%	\$2,000,000.00	\$2,000,000.00
National Australia Bank	8/06/2021	730	08/06/23	A-1+	0.60	6.908%	\$2,000,000.00	\$2,000,000.00
National Australia Bank	8/06/2021	1099	11/06/24	A-1+	0.75	8.635%	\$2,500,000.00	\$2,500,000.00
						98.44%	\$28,500,000.00	\$28,500,000.00
Cash Deposit Account								
T Corp				A-1+	0.00	0.00%	\$0.30	\$0.30
National Australia Bank				A-1+	0.17	1.564%	\$452,883.50	\$452,883.50
						1.56%	\$452,883.80	\$452,883.80
TOTAL INVESTMENTS						100.00%	\$28,952,883.80	\$28,952,883.80
Cash at Bank								\$392,957.46
TOTAL FUNDS								\$29,345,841.26

CERTIFICATE

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



E Tonacia

MANAGER CORPORATE SERVICES

Application of Investment Funds

Restricted Funds	Description	Value
Externally Restricted	LIRS Loan Funds	\$0.00
		\$0.00
Internally Restricted	Employee Leave Entitlements (50% of ELE)	\$2,425,499.63
	Plant Replacement	\$1,856,767.42
	Loan Funds	\$0.00
	Sales Fluctuation	\$3,000,000.00
	Water Treatment Plant	\$228,250.00
	Water Licences	\$332,520.00
		\$7,843,037.05
Unrestricted Funds		\$21,502,804.21
TOTAL FUNDS		\$29,345,841.26

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

Report

The investment portfolio increased by \$99,711 for the month. The increase was due to income in September being higher than expenditure.

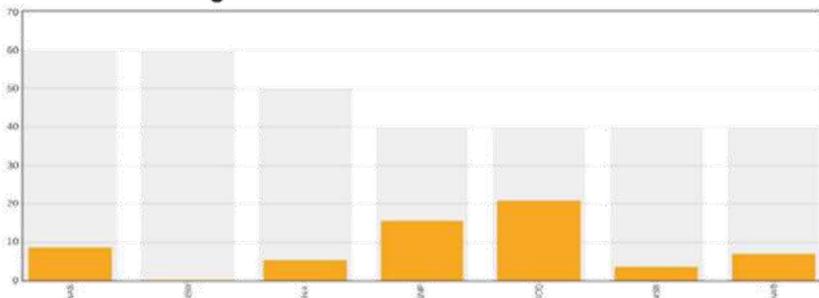
Portfolio Performance

For the month of September, the portfolio (excluding cash) provided a return of +0.07% (actual), outperforming the benchmark Ausbond Bank Bill Index return by +0.00% (actual). The outperformance continues to be anchored by a combination of those longer-dated deposits locked-in for a term of 12 months or longer.

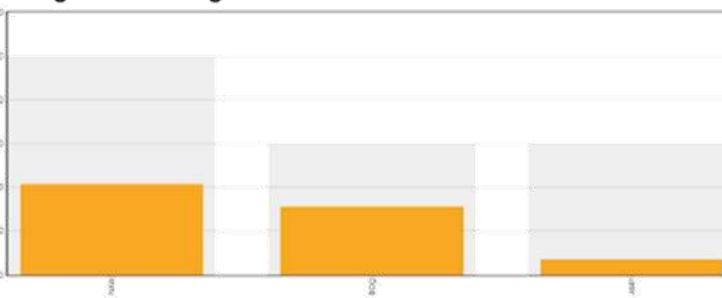
Counterparty Compliance

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

Short-term Holdings



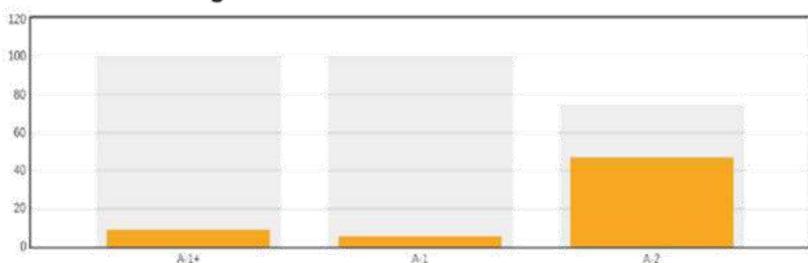
Long-term Holdings



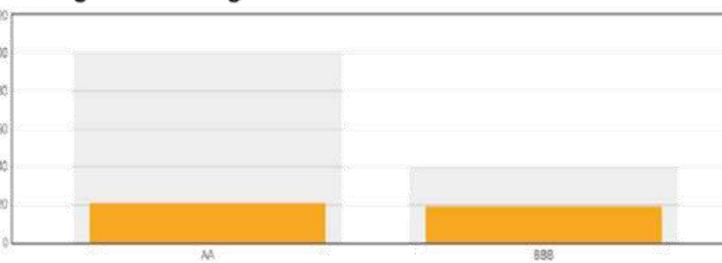
Credit Quality Compliance

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

Short-term Holdings

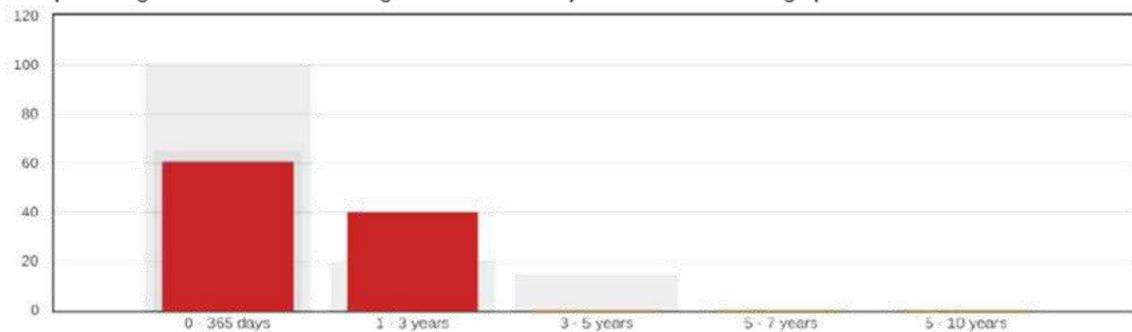


Long-term Holdings



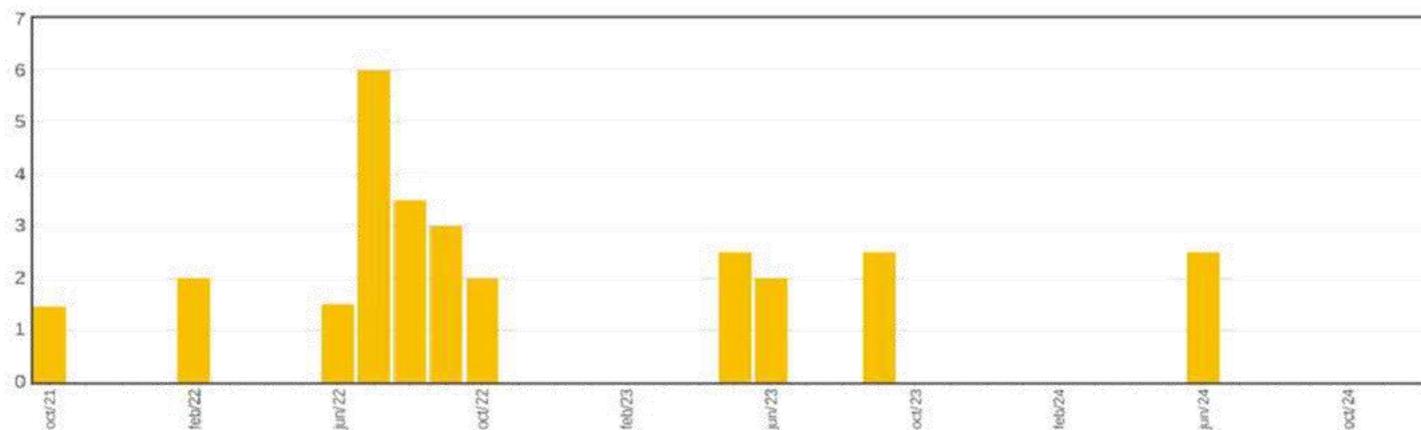
Term to Maturity

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



Maturity Cashflow

When investments will mature over time



R3 Financial Statements 2020/2021

Organisational Area Corporate Services

Author Emily Tonacia, Director Corporate Services

Summary Under section 419 of the Local Government Act 1993, Council is required to present its Audited Financial Statements, together with the Audit Report, at a meeting of the Council.

RECOMMENDATION that the 2020/21 Audited Financial Statements be received and noted.

Report

The Audit Office of New South Wales have completed the audit of the 2020/21 Financial Statements.

The Audit Report for the 2020/21 Financial Statements has now been received and is presented, together with the 2020/21 Financial Statements, in accordance with section 419(1) of the Local Government Act 1993.

Dannielle Mackenzie, representing Crowe Pty Ltd (Council's Auditors), will attend the meeting to present the Audit Report.

› **R3.1 Financial Statements 2020/2021** [↓](#) 

Financial Implications

Not Applicable.

Risk Considerations

Financial	
Avoid	Council will endeavour to ensure that its financial sustainability is protected at all times and avoid proposals that may impact negatively.

Riverina Water County Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021

"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 2021

Contents	Page
Statement by Councillors and Management	3
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Statement of Comprehensive Income	5
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Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9

Overview

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

91 Hammond Avenue
Wagga Wagga NSW 2650

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

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

A description of the nature of Council's operations and its principal activities are provided in Note 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 2021

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 24 August 2021.



Clr G Verdon
Chairperson



Clr T Koschel
Deputy Chairperson



Mr A Crakanthorp
Chief Executive Officer



Ms E Tonacia
Responsible Accounting Officer

Riverina Water County Council

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Net operating result for the year – from Income Statement		5,267	12,200
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	(47,725)	2,703
Gain (loss) on revaluation of intangible assets	C1-7	(1,587)	3,200
Total items which will not be reclassified subsequently to the operating result		(49,312)	5,903
Total other comprehensive income for the year		(49,312)	5,903
Total comprehensive income for the year attributable to Council		(44,045)	18,103

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 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	14,392	13,218
Investments	C1-2	17,000	18,000
Receivables	C1-4	3,589	4,366
Inventories	C1-5	2,310	2,476
Total current assets		37,291	38,060
Non-current assets			
Infrastructure, property, plant and equipment	C1-6	327,948	371,482
Intangible Assets	C1-7	9,776	10,884
Total non-current assets		337,724	382,366
Total assets		375,015	420,426
LIABILITIES			
Current liabilities			
Payables	C3-1	2,843	1,886
Borrowings	C3-2	1,587	1,866
Employee benefit provisions	C3-3	4,852	5,307
Total current liabilities		9,282	9,059
Non-current liabilities			
Borrowings	C3-2	3,811	5,400
Total non-current liabilities		3,811	5,400
Total liabilities		13,093	14,459
Net assets		361,922	405,967
EQUITY			
Accumulated surplus		152,845	147,578
IPPE revaluation reserve	C4-1	209,077	258,389
Council equity interest		361,922	405,967
Total equity		361,922	405,967

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 2021

\$ '000	Notes	as at 30/06/21			as at 30/06/20		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		147,578	258,389	405,967	135,378	252,486	387,864
Net operating result for the year		5,267	–	5,267	12,200	–	12,200
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	(47,725)	(47,725)	–	2,703	2,703
Gain (loss) on revaluation of intangible assets		–	(1,587)	(1,587)	–	3,200	3,200
Other comprehensive income		–	(49,312)	(49,312)	–	5,903	5,903
Total comprehensive income		5,267	(49,312)	(44,045)	12,200	5,903	18,103
Closing balance at 30 June		152,845	209,077	361,922	147,578	258,389	405,967

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 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Cash flows from operating activities				
<i>Receipts:</i>				
5,107	Rates and annual charges		6,103	6,061
24,061	User charges and fees		20,346	25,071
329	Investment and interest revenue received		476	566
3,460	Grants and contributions		2,955	2,714
-	Bonds, deposits and retention amounts received		4	-
210	Other		1,845	4,696
<i>Payments:</i>				
(9,367)	Employee benefits and on-costs		(9,448)	(8,486)
(3,806)	Materials and services		(7,749)	(2,486)
(387)	Borrowing costs		(367)	(466)
-	Bonds, deposits and retention amounts refunded		-	(77)
(5,193)	Other		1	(7,239)
<u>14,414</u>	Net cash flows from operating activities	F1-1	<u>14,166</u>	<u>20,354</u>
Cash flows from investing activities				
<i>Receipts:</i>				
-	Redemption of term deposits		1,000	-
-	Sale of infrastructure, property, plant and equipment		317	216
<i>Payments:</i>				
-	Purchase of investment securities		-	(3,000)
(20,317)	Purchase of infrastructure, property, plant and equipment		(11,962)	(15,701)
-	Purchase of intangible assets		(479)	(82)
<u>(20,317)</u>	Net cash flows from investing activities		<u>(11,124)</u>	<u>(18,567)</u>
Cash flows from financing activities				
<i>Payments:</i>				
(1,860)	Repayment of borrowings		(1,868)	(1,753)
<u>(1,860)</u>	Net cash flows from financing activities		<u>(1,868)</u>	<u>(1,753)</u>
<u>(7,763)</u>	Net change in cash and cash equivalents		<u>1,174</u>	<u>34</u>
10,482	Cash and cash equivalents at beginning of year		13,218	13,184
<u>2,719</u>	Cash and cash equivalents at end of year	C1-1	<u>14,392</u>	<u>13,218</u>
15,000	plus: Investments on hand at end of year	C1-2	17,000	18,000
<u>17,719</u>	Total cash, cash equivalents and investments		<u>31,392</u>	<u>31,218</u>

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 13 September 2021.

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

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

Basis of preparation

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

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

Full dollars have been used in Note F1 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:

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

Significant judgements in applying the Council's accounting policies

- (i) Impairment of receivables

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

Covid 19 has caused some disruption to council's business practices with a number of staff working remotely from home or at other council facilities away from the main administration building. Whilst this has caused some inconvenience, it has not resulted in significant additional cost. Some costs have been incurred for additional equipment and staff salaries for employees required to isolate.

continued on next page ...

Page 11

A1-1 Basis of preparation (continued)

There has not been any notable reductions in water rates, user charges or collections. Other receivables have not been impacted.

Overall the financial impact has not been significant and is not anticipated to increase in future years.

Council is of the view that physical non-current assets will not experience substantial declines in value due to covid. Fair value for the majority of Council's non-current assets is determined by replacement cost where there is no anticipated material change in value due to covid. For assets where fair value is determined by market value, Council has no evidence of material changes to these values.

Goods and Services Tax (GST)

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

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

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

New accounting standards and interpretations issued not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2021 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

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

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current; and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

For example the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

Council does not expect any material impact from the above amendments and to its classification of liabilities as current or non-current.

This standard has an effective date for the 30 June 2024 reporting period.

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018 -2020 and Other Amendments

This Standard amends a number of standards as follows:

- AASB 1 to simplify the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences,
- AASB 3 to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations,
- AASB 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability,

A1-1 Basis of preparation (continued)

- AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset,
- AASB 137 to specify the costs that an entity includes when assessing whether a contract will be loss-making and
- AASB 141 to remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

Council does not expect any material impact from the above amendments.

This standard has an effective date for the 30 June 2023 reporting period.

New accounting standards adopted during the year

During the year Council adopted the following accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from 1 July 2020:

- AASB 1059 Service Concession Arrangements: Grantor and associated amendments
- AASB 2018- 6 Amendments to Australian Accounting Standards – Definition of a business
- AASB 2018 – 7 Amendments to Australian Accounting Standards – Definition of material
- AASB 2019 – 3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- AASB 2019 -5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia
- AASB 2019 – 7 Amendments to Australian Accounting Standards – Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP / GFS Reconciliations
- AASB 2020 – 4 Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions

These newly adopted standards did not have a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures.

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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Functions or activities										
Water supplies	29,449	36,613	24,182	24,413	5,267	12,200	2,750	2,443	375,015	420,426
Other	-	-	-	-	-	-	207	270	-	-
Total functions and activities	29,449	36,613	24,182	24,413	5,267	12,200	2,957	2,713	375,015	420,426

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 supplies

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

Other

Comprising the Pensioner Rebate that is received by Council.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	Timing	2021	2020
Annual charges			
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>			
Water supply services – commercial	2	496	493
Water supply services – residential	2	4,952	4,894
Annual charges levied		5,448	5,387
Pensioner subsidies received:			
– Water	2	207	205
Total annual charges		5,655	5,592
Total rates and annual charges		5,655	5,592

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	2021	2020
Specific user charges			
<small>(per s.502 - specific 'actual use' charges)</small>			
Water supply services – commercial	2	5,589	7,455
Water supply services – residential	2	13,234	17,128
Total specific user charges		18,823	24,583
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Private works – section 67	2	2	12
Section 603 certificates	2	217	146
Total fees and charges – statutory/regulatory		219	158
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Leaseback fees – Council vehicles	2	44	40
Water connection fees	2	423	477
Standpipe fees	2	226	329
Total fees and charges – other		693	846
Total user charges and fees		19,735	25,587
Timing of revenue recognition for user charges and fees			
User charges and fees recognised at a point in time (2)		19,735	25,587
Total user charges and fees		19,735	25,587

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 revenue

\$ '000	Timing	2021	2020
Sales – general	2	60	36
Lease rental	2	25	30
Sales – scrap material	2	8	24
Sundry Income	2	93	1,817
Temporary water allocation	2	333	145
Total other revenue		519	2,052
Timing of revenue recognition for other revenue			
Other revenue recognised at a point in time (2)		519	2,052
Total other revenue		519	2,052

Accounting policy for other revenue

Where the revenue relates to a contract with customer, the revenue is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

Where the revenue relates to a contract which is not enforceable or does not contain sufficiently specific performance obligations then revenue is recognised when an unconditional right to a receivable arises or the cash is received, which is earlier.

B2-4 Grants and contributions

\$ '000	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
General purpose grants and non-developer contributions (untied)					
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Pensioners' rates subsidies:					
LIRS subsidy	2	190	256	-	-
Diesel and alternative fuels	2	17	14	-	-
Previously contributions:					
Total special purpose grants and non-developer contributions – cash					
		207	270	-	-
Total special purpose grants and non-developer contributions (tied)					
		207	270	-	-
Total grants and non-developer contributions					
		207	270	-	-
Comprising:					
- Commonwealth funding		190	220	-	-
- State funding		17	50	-	-
		207	270	-	-

Developer contributions

\$ '000	Notes	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Developer contributions:						
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
S 64 – water supply contributions		2	-	-	2,750	2,443
Total developer contributions – cash						
			-	-	2,750	2,443
Total developer contributions						
			-	-	2,750	2,443
Total contributions						
			-	-	2,750	2,443
Total grants and contributions						
			207	270	2,750	2,443
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised at a point in time (2)						
			207	270	2,750	2,443
Total grants and contributions						
			207	270	2,750	2,443

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	2021	2020
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	63	102
– Cash and investments	404	562
Total interest and investment income	467	664
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	63	102
General Council cash and investments	404	562
Total interest and investment income	467	664

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	2021	2020
Salaries and wages	8,205	8,095
Travel expenses	191	280
Employee leave entitlements (ELE)	1,423	2,443
Superannuation	1,465	1,400
Workers' compensation insurance	155	268
Fringe benefit tax (FBT)	66	36
Payroll tax	541	531
Training costs (other than salaries and wages)	212	237
Uniforms	58	70
Safety Bonus	9	19
Sick leave bonus	149	143
Total employee costs	12,474	13,522
Less: capitalised costs	(3,408)	(3,895)
Total employee costs expensed	9,066	9,627
Number of 'full-time equivalent' employees (FTE) at year end	108	102

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 C3-3 for more information.

B3-2 Materials and services

\$ '000	Notes	2021	2020
Raw materials and consumables		321	290
Contractor and consultancy costs		2,054	2,032
Audit Fee	E 2-1	49	70
Strategic Documents		44	9
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	E 1-2	120	134
Advertising		56	491
Bank charges		24	96
Computer software charges		352	270
Electricity and heating		2,255	2,832
Insurance		251	207
Office expenses (including computer expenses)		311	227
Postage		124	117
Printing and stationery		36	32
Subscriptions and publications		111	72
Telephone and communications		182	91
Demand management		44	125
Rates and user charges		144	90
Community Engagement		546	-
Risk Management		14	-
Legal expenses:			
- Legal expenses: other		44	178
Expenses from leases of low value assets		2	2
Total materials and services		7,084	7,365
Total materials and services		7,084	7,365

B3-3 Borrowing costs

(i) Interest bearing liability costs

Interest on loans	367	466
Total interest bearing liability costs	367	466
Total interest bearing liability costs expensed	367	466

(ii) Other borrowing costs

Fair value adjustments on recognition of advances and deferred debtors		
Total borrowing costs expensed	367	466

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	2021	2020
Depreciation and amortisation			
Plant and equipment		555	514
Office equipment		130	175
Software		17	–
Infrastructure:			
– Buildings – non-specialised	C1-6	54	51
– Buildings – specialised		143	143
– Water supply network		6,671	5,962
Right of use assets	C2-1	–	–
Total gross depreciation and amortisation costs		7,570	6,845
Total depreciation and amortisation costs		7,570	6,845
Total depreciation, amortisation and impairment for non-financial assets		7,570	6,845

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

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

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

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

B3-5 Other expenses

\$ '000	2021	2020
Other		
Donations, contributions and assistance to other organisations (Section 356)	<u>95</u>	<u>110</u>
Total other expenses	<u>95</u>	<u>110</u>

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	2021	2020
Gain (or loss) on disposal of plant and equipment	C1-6		
Proceeds from disposal – plant and equipment		317	216
Less: carrying amount of plant and equipment assets sold/written off		(201)	(211)
Gain (or loss) on disposal		116	5
Net gain (or loss) on disposal of assets		116	5

Accounting policy

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 24/06/2020 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	2021 Budget	2021 Actual	2021 ----- Variance -----	
REVENUES				
Rates and annual charges	5,117	5,655	538	11% F
Connections through the year slightly higher than anticipated resulting in increased fixed income for access charges.				
User charges and fees	23,833	19,735	(4,098)	(17)% U
Water sales lower than budgeted due to wetter weather over the year.				
Other revenues	345	519	174	50% F
Higher than budgeted due to a temporary water licence allocation.				
Operating grants and contributions	225	207	(18)	(8)% U
Capital grants and contributions	3,190	2,750	(440)	(14)% U
Variance due to lower than anticipated developer contributions.				
Interest and investment revenue	300	467	167	56% F
Income higher than budgeted due to cash on hand being higher than anticipated.				
Net gains from disposal of assets	-	116	116	∞ F
EXPENSES				
Employee benefits and on-costs	9,371	9,066	305	3% F
Materials and services	4,029	7,084	(3,055)	(76)% U
Changes to the OLG Code of Accounting have resulted in more expenses being shown under Materials and Services that were previously shown under Other Expenses.				
Borrowing costs	387	367	20	5% F
Depreciation, amortisation and impairment of non-financial assets	6,350	7,570	(1,220)	(19)% U
Water Treatment Plant was capitalised at the end of last year which resulted in a higher depreciation expense than budgeted. An adjustment for this amount was made in the March 2021 Quarterly Budget Review.				
Other expenses	5,193	95	5,098	98% F
Changes to the OLG Code of Accounting have resulted in more expenses being shown under Materials and Services that were previously shown under Other Expenses.				
STATEMENT OF CASH FLOWS				
Cash flows from operating activities	14,414	14,166	(248)	(2)% U

continued on next page ...

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B5-1 Material budget variations (continued)

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
Cash flows from investing activities Decreased capital expenditure due to delays caused by Covid.	(20,317)	(11,124)	9,193	(45)% F
Cash flows from financing activities	(1,860)	(1,868)	(8)	0% U

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2021	2020
Cash and cash equivalents		
Cash on hand and at bank	340	119
Cash-equivalent assets		
– Short-term deposits	14,052	13,099
Total cash and cash equivalents	14,392	13,218

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	14,392	13,218
Balance as per the Statement of Cash Flows	14,392	13,218

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	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Debt securities at amortised cost				
Long term deposits	17,000	–	18,000	–
Total	17,000	–	18,000	–
Total financial investments	17,000	–	18,000	–
Total cash assets, cash equivalents and investments	31,392	–	31,218	–

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).

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

C1-3 Restricted cash, cash equivalents and investments

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	31,392	–	31,218	–
attributable to:				
Internal restrictions	7,844	–	7,181	–
Unrestricted	23,548	–	24,037	–
	31,392	–	31,218	–

\$ '000	2021	2020
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Details of restrictions

Internal restrictions

Council has internally restricted cash, cash equivalents and investments as follows:

Employees leave entitlement	2,426	2,653
Plant replacement	1,857	1,300
Sales fluctuation	3,000	3,000
Water Treatment Plant	228	228
Revenue from Water Licences	333	–
Total internal restrictions	7,844	7,181
Total restrictions	7,844	7,181

Internal restrictions over cash, cash equivalents and investments are those assets restricted only by a resolution of the elected Council.

C1-4 Receivables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Purpose				
Rates and annual charges	765	-	932	-
User charges and fees	2,046	-	2,657	-
Accrued revenues				
Accrued interest on investments	318	-	327	-
Government grants and subsidies	207	-	205	-
Sundry debtors	253	-	245	-
Total	3,589	-	4,366	-
Total net receivables	3,589	-	4,366	-

Accounting policy

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

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

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

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 2021 is \$nil (2020: \$nil).

Covid 19 Impact

Council's rate and user charges collections have not been significantly impacted by the Covid 19 pandemic and are comparable to prior years, therefore no adjustment has been made to the impairment provision.

C1-5 Inventories

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
(i) Inventories at cost				
Stores and materials	2,310	-	2,476	-
Total inventories at cost	2,310	-	2,476	-
Total inventories	2,310	-	2,476	-

Accounting policy

Inventory held for distribution

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

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period								At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ⁽¹⁾	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	8,572	–	8,572	2,192	841	–	–	(627)	(140)	–	–	10,838	–	10,838
Plant and equipment	6,959	(3,495)	3,464	781	–	(194)	(555)	–	–	–	–	7,225	(3,728)	3,497
Office equipment	1,302	(961)	341	–	83	(2)	(130)	–	–	–	–	1,355	(1,070)	285
Land:														
– Operational land	4,658	–	4,658	–	1,587	–	–	–	–	–	134	6,379	–	6,379
- Land Improvements	2,510	–	2,510	–	36	–	–	–	–	(558)	–	2,015	(27)	1,988
Infrastructure:														
– Buildings – non-specialised	4,094	(636)	3,458	–	–	–	(54)	–	–	(2,992)	–	623	(212)	411
– Buildings – specialised	12,431	(1,358)	11,073	–	400	–	(143)	–	140	–	1,625	20,207	(7,113)	13,094
– Water supply network	492,131	(154,725)	337,406	4,653	1,376	–	(6,671)	627	–	(45,934)	–	506,280	(214,824)	291,456
Total infrastructure, property, plant and equipment	532,657	(161,175)	371,482	7,626	4,323	(196)	(7,553)	–	–	(49,484)	1,759	554,922	(226,974)	327,948

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

By aggregated asset class	At 1 July 2019			Asset movements during the reporting period								At 30 June 2020		
	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		
\$ '000														
Capital work in progress	48,491	–	48,491	6,153	858	–	–	(46,931)	–	–	–	8,572	–	8,572
Plant and equipment	6,840	(3,332)	3,508	678	–	(208)	(514)	–	–	–	–	6,959	(3,495)	3,464
Office equipment	1,129	(865)	264	–	254	–	(175)	–	–	–	–	1,302	(961)	341
Land:														
– Operational land	4,518	–	4,518	–	140	–	–	–	–	–	–	4,658	–	4,658
- Land Improvements	1,968	–	1,968	–	542	–	–	–	–	–	–	2,510	–	2,510
Infrastructure:														
– Buildings – non-specialised	3,807	(585)	3,222	287	–	–	(51)	–	–	–	–	4,094	(636)	3,458
– Buildings – specialised	12,431	(1,215)	11,216	–	–	–	(143)	–	–	–	–	12,431	(1,358)	11,073
– Water supply network	435,710	(148,763)	286,947	5,100	1,687	–	(5,962)	46,931	2,703	–	–	492,131	(154,725)	337,406
Total infrastructure, property, plant and equipment	514,894	(154,760)	360,134	12,218	3,481	(208)	(6,845)	–	2,703	–	–	532,657	(161,175)	371,482

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

continued on next page ...

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

Accounting policy

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

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

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

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

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

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

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

C1-7 Intangible assets

Intangible assets are as follows:

\$ '000	2021	2020
Software		
Opening values at 1 July		
Gross book value	52	–
Net book value – opening balance	52	–
Movements for the year		
Purchases	223	52
Amortisation	(17)	–
Closing values at 30 June		
Gross book value	258	52
Total software – net book value	258	52
Other		
(b) High Security Water Licences		
Opening values at 1 July		
Gross book value	10,832	7,602
Net book value – opening balance	10,832	7,602
Movements for the year		
Purchases	273	30
Fair Value (increment to Equity - Asset Revaluation Reserve)	(1,587)	3,200
Closing values at 30 June		
Gross book value	9,518	10,832
Total High Security Water Licences – net book value	9,518	10,832
Total intangible assets – net book value	9,776	10,884

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.

(a) Income Statement

\$ '000	2021	2020
The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:		
Expenses relating to low-value leases	2	2
	<u>2</u>	<u>2</u>

(b) Leases at significantly below market value – concessionary / peppercorn leases

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	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Payables				
Goods and services – operating expenditure	740	–	237	–
Accrued expenses:				
– Salaries and wages	386	–	313	–
– Other expenditure accruals	812	–	716	–
Security bonds, deposits and retentions	63	–	59	–
Prepaid rates	842	–	561	–
Total payables	2,843	–	1,886	–
Total payables	2,843	–	1,886	–

Payables relating to restricted assets

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

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

\$ '000	2021	2020
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	63	59
Total payables and borrowings	63	59

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	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Loans – secured ¹	1,587	3,811	1,866	5,400
Total borrowings	1,587	3,811	1,866	5,400

⁽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.

Borrowings relating to restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Externally restricted assets				
Water	1,587	3,811	1,866	5,400
Borrowings relating to externally restricted assets	1,587	3,811	1,866	5,400

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C3-2 Borrowings (continued)

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Total borrowings relating to restricted assets	1,587	3,811	1,866	5,400
Total borrowings	1,587	3,811	1,866	5,400

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

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

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C3-2 Borrowings (continued)

(a) Changes in liabilities arising from financing activities

\$ '000	2020		Non-cash movements			2021
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy Other non-cash movement	Closing balance
Loans – secured	7,266	(1,868)	–	–	–	5,398
Total liabilities from financing activities	7,266	(1,868)	–	–	–	5,398

(b) Financing arrangements

\$ '000	2021	2020
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	15	17
Total drawn financing arrangements	15	17
Undrawn facilities		
– Bank overdraft facilities	250	250
– Credit cards/purchase cards	85	83
– Market Rate Facility	500	500
Total undrawn financing arrangements	835	833

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

Accounting policy

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

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

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

C3-3 Employee benefit provisions

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Annual leave	1,205	–	1,338	–
Sick leave	8	–	8	–
Long service leave	3,639	–	3,961	–
Total employee benefit provisions	4,852	–	5,307	–

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

\$ '000	2021	2020
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	3,972	4,423
	3,972	4,423

Accounting policy

Short-term obligations

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

Other long-term employee benefit obligations

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

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

Defined Benefit Superannuation Disclosure

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

(a) a description of the funding arrangements, including method used to determine rate of contributions and any minimum funding requirements.

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 employee contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% of salary
Division D	1.64 times employee contributions

* For 180 Point Members, Employers are required to contribute 7% of salaries for the year ending 30 June 2021 (increasing to 7.5% in line with the increase in the 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 \$40.0 million per annum for 1 July 2019 for 3 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities

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C3-3 Employee benefit provisions (continued)

as at 30 June 2019. These past service contributions are used to maintain the adequacy of the funding position for accrued liabilities.

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

(b) a description of the extent to which Council can be liable to plan the plan for other entities' obligations under the terms and conditions of the multi-employer plan.

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

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

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

(i) wind-up of the plan

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

(ii) entity's withdrawal from the plan

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

(d) Given the entity accounts for that plan as if it were a defined contribution plan in accordance with paragraph 34, the following information:

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

Council confirms that the plan is a defined benefit plan.

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

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

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

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

The expected contributions by Council to the Fund for the next annual reporting period are \$219,238.

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

The estimated employer reserves financial position for the Pooled Employers at 30 June 2021 is:

<i>Employer reserves only*</i>	<i>\$M</i>	<i>Asset Coverage</i>
Assets	2,620.5	
Past Service Liabilities	2,445.6	107.2%
Vested Benefits	2,468.7	106.2%

* excluding member accounts and reserves in both assets and liabilities

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

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

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C3-3 Employee benefit provisions (continued)

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. 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 2021.

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

Council's participation in the Scheme compared with other entities is about 0.28% based on the Council's current level of annual additional contributions against total contributions. The last valuation of the Fund was performed by Mr Richard Boyfield, FIAA, as at 30 June 2020.

C4 Reserves

C4-1 Nature and purpose of reserves

Infrastructure, property, plant and equipment 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 activities expose it to a variety of financial risks including (1) price risk, (2) credit risk, (3) liquidity risk and (4) interest rate risk.

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

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

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

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

The risks associated with the instruments held are:

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

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

(a) Market risk – interest rate and price risk

\$ '000	2021	2020
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The following represents a summary of the sensitivity of Council's Income Statement and accumulated surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

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

Impact of a 1% movement in interest rates

– Equity / Income Statement	314	312
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D1-1 Risks relating to financial instruments held (continued)

(b) Credit risk

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

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

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

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

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

Credit risk profile

Receivables – annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2021						
Gross carrying amount	518	247	-	-	-	765
2020						
Gross carrying amount	703	229	-	-	-	932

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	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2021						
Gross carrying amount	2,303	521	-	-	-	2,824
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2020						
Gross carrying amount	2,878	556	-	-	-	3,434
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	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2021							
Trade/other payables	0.00%	63	1,796	–	–	1,859	2,001
Loans and advances	5.70%	–	2,246	2,884	1,314	6,444	5,398
Total financial liabilities		63	4,042	2,884	1,314	8,303	7,399
2020							
Trade/other payables	0.00%	59	1,266	–	–	1,325	1,325
Loans and advances	5.70%	–	2,247	4,843	1,600	8,690	7,266
Total financial liabilities		59	3,513	4,843	1,600	10,015	8,591

D2 Fair value measurement

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

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

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

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

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

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

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

D2 Fair value measurement (continued)

Transfers between level 1 and level 2 fair value hierarchies

During the year, there were one transfer between level 1 and level 2 fair value hierarchies for recurring fair value measurements of the High Security Water Licences.

This change was made as the valuation of High Security Water Licences is based on similar sales but not identical sales.

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. 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	Water Treatment Plants		Ground Water Bores		Water Pumping Stations		Water Reservoirs	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	72,243	28,126	6,665	6,830	7,520	7,892	47,451	45,652
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	(8,051)	263	(3,196)	63	(372)	70	(13,948)	432
Other movements								
Transfers from/(to) another asset class	–	44,163	–	21	–	11	–	621
Purchases (GBV)	152	689	268	100	16	41	79	1,458
Depreciation and impairment	(1,607)	(998)	(350)	(349)	(498)	(494)	(735)	(712)
Closing balance	62,737	72,243	3,387	6,665	6,666	7,520	32,847	47,451

\$ '000	Other Water Assets		Pipes		Buildings		Land	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	1,352	1,152	202,175	197,293	14,531	14,436	–	6,486

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D2 Fair value measurement (continued)

\$ '000	Other Water Assets		Pipes		Buildings		Land	
	2021	2020	2021	2020	2021	2020	2021	2020
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	66	11	(20,433)	1,862	(1,367)	–	–	–
Other movements								
Transfers from/(to) another asset class	–	–	626	2,115	139	–	–	–
Purchases (GBV)	140	231	5,374	4,270	400	224	–	682
Depreciation and impairment	(55)	(42)	(3,426)	(3,365)	(197)	(129)	–	–
Closing balance	1,503	1,352	184,316	202,175	13,506	14,531	–	7,168

\$ '000	Total	
	2021	2020
Opening balance	351,937	307,867
Recognised in other comprehensive income – revaluation surplus	(47,301)	2,701
Transfers from/(to) another asset class	765	46,931
Purchases (GBV)	6,429	7,695
Depreciation and impairment	(6,868)	(6,089)
Closing balance	304,962	359,105

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

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

At balance date there is a contingent liability for staff who are entitled to a sick leave to be paid out if they were to retire due to medical grounds. This is an unlikely event. Amount totals \$47,208 (2019/20 \$46,355).

E People and relationships

E1 Related party disclosures

E1 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. Council had transactions with 11 KMP during the reporting period.

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

\$ '000	2021	2020
Compensation:		
Short-term benefits	528	521
Post-employment benefits	39	39
Other long-term benefits	20	19
Total	587	579

Other transactions with KMP and their related parties

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

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

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

E1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2021	2020
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	18	17
Members expenses – members fees	89	100
Members expenses (incl. chairperson) – other (excluding fees above)	13	17
Total	120	134

E2 Other relationships

E2-1 Audit fees

\$ '000	2021	2020
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	31	31
Remuneration for audit and other assurance services	31	31
Total Auditor-General remuneration	31	31
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Other audit and assurance services: Council's Internal Auditor	18	39
Remuneration for audit and other assurance services	18	39
Total remuneration of non NSW Auditor-General audit firms	18	39
Total audit fees	49	70

F Other matters

F1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2021	2020
Net operating result from Income Statement	5,267	12,200
Adjust for non-cash items:		
Depreciation and amortisation	7,570	6,845
Net losses/(gains) on disposal of assets	(116)	(5)
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	777	423
Decrease/(increase) in inventories	166	96
Increase/(decrease) in payables	503	(1)
Increase/(decrease) in other accrued expenses payable	169	(282)
Increase/(decrease) in other liabilities	285	39
Increase/(decrease) in provision for employee benefits	(455)	1,039
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	14,166	20,354

F2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2021	2020
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Water Treatment Plant	238	74
Low Level Reservoir	-	57
Purchase of Vacant Land	-	119
Ground Water Purchase	-	270
Purchase Land Koorungal Road	121	-
Solar Pilot Plant	109	-
ERP Development & Implementation	176	-
Humula Reservoir Replacement	74	-
Walbundrie Reservoir Replacement	79	-
Total commitments	797	520
These expenditures are payable as follows:		
Within the next year	797	520
Total payable	797	520
Sources for funding of capital commitments:		
Unrestricted general funds	797	520
Total sources of funding	797	520

Details of capital commitments

Works to rectify defects of the Wagga Wagga Water Treatment Plant, project to be finalised during 2021/22 financial year.

Purchase of land on Koorungal Road, settlement to take place in 2021/22 financial year.

Solar Pilot Plant preliminary works to continue in 2021/22 financial year.

ERP Development and Implementation to continue in 2021/22 financial year.

Contract for the construction of the Humula Reservoir, project to be finalised in 2021/22 financial year.

Contract for the construction of the Walbundrie Reservoir, project to be finalised in 2021/22 financial year.

F3-1 Events occurring after the reporting date

Council was subject to a cyber incident in July 2021. The impact to operations was minimal and it has been determined it will not have a material impact on finances. The total out of pocket costs of the incident and remediation is estimated to be \$20,000. It should be noted that this incident resulted in an insurance claim which may have an impact on future premiums.

F4 Changes from prior year statements

F4-1 Changes in accounting estimates

Nature and effect of changes in accounting estimates on current year

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

Nature and effect of changes in accounting estimates on future years

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

F5 Statement of developer contributions as at 30 June 2021

F5-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
S64 contributions	–	2,750	–	–	(2,750)	–	–	–
Total contributions	–	2,750	–	–	(2,750)	–	–	–

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.

F6 Statement of performance measures

F6-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2021	Indicator 2021	Prior periods		Benchmark
			2020	2019	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	2,401	9.03%	28.54%	31.24%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	26,583				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	26,376	89.92%	92.59%	90.76%	>60.00%
Total continuing operating revenue ¹	29,333				
3. Unrestricted current ratio					
Current assets less all external restrictions	68,683	10.33x	8.32x	9.47x	>1.50x
Current liabilities less specific purpose liabilities	6,652				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	10,338	4.63x	7.69x	7.67x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	2,235				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	765	11.50%	14.26%	13.21%	<10.00%
Rates and annual charges collectable	6,650				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	31,392	19.39	18.27	17.54	>3.00
Monthly payments from cash flow of operating and financing activities	1,619	mths	mths	mths	mths

(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

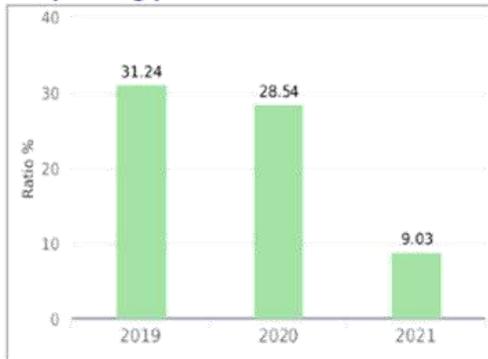
(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

END OF AUDITED FINANCIAL STATEMENTS

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 2020/21 result

2020/21 ratio 9.03%

Decrease in result on prior years due to water sales being less as more rainfall received.

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 2020/21 result

2020/21 ratio 89.92%

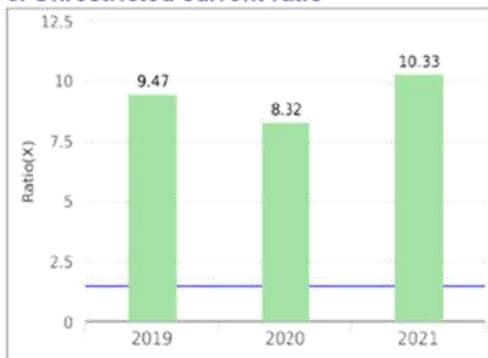
Council primarily relies on water sales income to fund operations, which results in a consistently high ratio.

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 2020/21 result

2020/21 ratio 10.33x

An increase in this ratio for the current year is due to increased short term cash holdings.

Benchmark: — > 1.50x

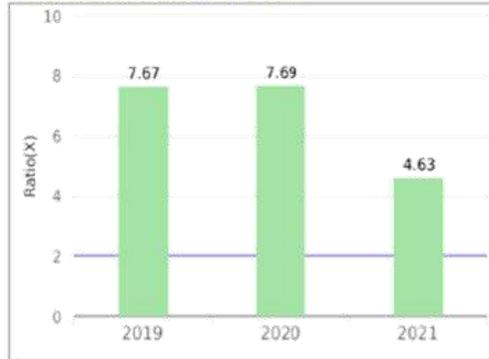
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark
Ratio is outside benchmark

continued on next page ...

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 2020/21 result

2020/21 ratio 4.63x

Lower operating result this year has resulted in a lower ratio.

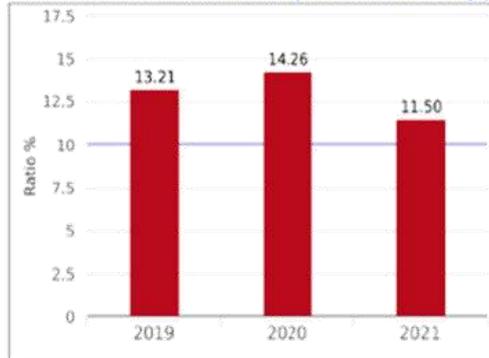
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

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 2020/21 result

2020/21 ratio 11.50%

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.

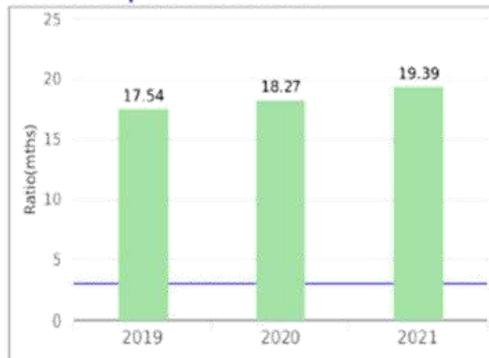
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2020/21 result

2020/21 ratio 19.39 mths

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

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

G1-2 Financial review

Key financial figures of Council over the past 5 years

\$ '000	2021	2020	2019	2018	2017
Inflows:					
Rates and annual charges revenue	5,655	5,592	5,551	5,471	5,100
User charges revenue	19,735	25,587	25,994	22,877	21,727
Interest and investment revenue (losses)	467	664	691	595	922
Grants income – operating and capital	207	270	338	402	723
Total income from continuing operations	29,449	36,613	36,322	32,970	33,658
Sale proceeds from IPPE	317	216	279	214	333
Outflows:					
Employee benefits and on-cost expenses	9,066	9,627	8,972	7,942	8,032
Borrowing costs	367	466	570	653	162
Materials and contracts expenses	7,084	7,365	2,580	2,202	1,492
Total expenses from continuing operations	24,182	24,413	22,853	21,260	19,607
Total cash purchases of IPPE	11,962	15,701	15,928	11,025	35,016
Total loan repayments (incl. finance leases)	1,868	1,753	1,668	1,575	1,411
Operating surplus/(deficit) (excl. capital income)	2,517	9,757	10,456	8,391	10,202
Financial position figures					
Current assets	37,291	38,060	35,545	32,045	27,739
Current liabilities	9,282	9,059	8,159	6,868	6,128
Net current assets	28,009	29,001	27,386	25,177	21,611
Available working capital (Unrestricted net current assets)	30,050	28,793	27,669	23,338	19,068
Cash and investments – unrestricted	23,548	24,037	19,545	17,421	12,045
Cash and investments – internal restrictions	7,844	7,181	8,639	8,714	7,845
Cash and investments – total	31,392	31,218	28,184	26,135	19,890
Total borrowings outstanding (loans, advances and finance leases)	5,398	7,266	9,019	10,687	13,761
Total value of IPPE (excl. land and earthworks)	548,543	527,999	510,376	490,822	454,537
Total accumulated depreciation	226,974	161,175	154,760	149,064	137,663
Indicative remaining useful life (as a % of GBV)	59%	69%	70%	70%	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

Ms E Tonacia

PUBLIC OFFICER

Ms E Tonacia

AUDITORS

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

Elected members

CHAIRPERSON

Clr G Verdon (Lockhart Shire)

COUNCILLORS

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

Other information

ABN: 52 084 883 210



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Riverina Water County Council

To the Councillors of the Riverina Water County Council

Opinion

I have audited the accompanying financial statements of Riverina Water County Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, 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 2021, 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).

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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
- on the Special Schedules.
- 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.



Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

13 September 2021
SYDNEY



Cr Greg Verdon
 Chairperson
 Riverina Water County Council
 PO Box 456
 WAGGA WAGGA NSW 2650

Contact: Michael Kharzoo
 Phone no: 02 9275 7188
 Our ref: D2118494/1822

13 September 2021

Dear Cr Verdon

**Report on the Conduct of the Audit
 for the year ended 30 June 2021
 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 2021 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 2021 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

	2021 \$'000	2020 \$'000	Variance %
Rates and annual charges revenue	5,655	5,592	↑ 1.13
User charges and fees	19,735	25,587	↓ 22.87
Grants and contributions revenue	2,957	2,713	↑ 8.99
Operating result from continuing operations	5,267	12,200	↓ 56.83
Net operating result before capital grants and contributions	2,517	9,757	↓ 74.20

Rates and annual charges revenue increased by \$63 thousand (1.13 per cent) to \$5.65 million. Council's customers increased by 1.5 per cent which is consistent with the movement in rates and annual charges revenue.

User charges and fees decreased by \$5.85 million (22.87 per cent) to \$19.73 million. 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.

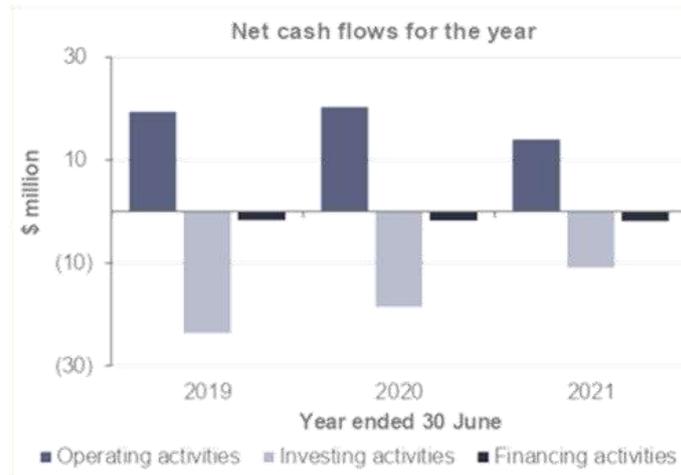
Grants and contributions revenue increased by \$244 thousand (8.99 per cent) in 2020-21 to \$2.96 million due to additional water supply contributions received for headworks.

The Council's operating result from continuing operations (\$5.27 million including depreciation and amortisation expense of \$7.57 million) was \$6.93 million lower than the 2019-20 result. The decrease of 56.83 per cent is mainly due to the decrease in user charges and fees.

The net operating result before capital grants and contributions (\$2.52 million) was \$7.24 million lower than the 2019-20 result. The decrease of 74.20 per cent is mainly due to the decrease in user charges and fees.

STATEMENT OF CASH FLOWS

- Council recorded a net increase in cash and cash equivalents of \$1.17 million at 30 June 2021 (net increase of \$0.03 million at 30 June 2020).
- Net cash provided by operating activities amounted to \$14.17 million. Council recorded cash receipts from user fees and charges of \$20.35 million and grants and contributions of \$2.95 million. Council recorded cash payments for employee benefits and on-costs of \$9.45 million and materials and services of \$7.75 million.
- Net cash used in investing activities amounted to \$11.12 million. This is largely due to the net cash outflow of \$11.96 million for the purchase of infrastructure, property, plant and equipment during the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2021	2020	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	31.39	31.22	<ul style="list-style-type: none"> • Internally restricted cash and cash investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. • Restricted cash has increased due to an increase in restrictions for plant replacement. This increased due to the large base of plant now held. Additionally water licence revenue was restricted for future purchase of water licences to safe guard communities water supply for future generations.
Restricted cash and investments:			
• External restrictions	-	-	
• Internal restrictions	7.84	7.18	
• Unrestricted	23.55	24.04	

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, Industry and Environment.

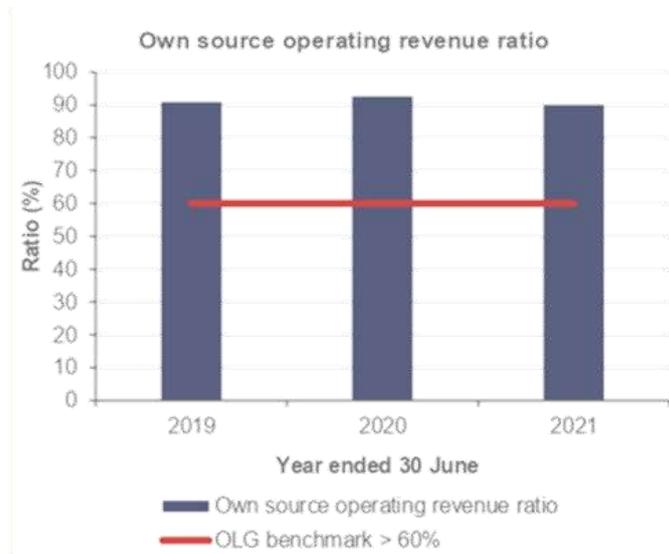
Operating performance ratio

- The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.
- The Council exceeded the OLG benchmark for the current reporting period with a ratio of 9.03%.
- The decrease from prior years can be explained by a decrease in water sales due to higher rainfall in the county during the period.



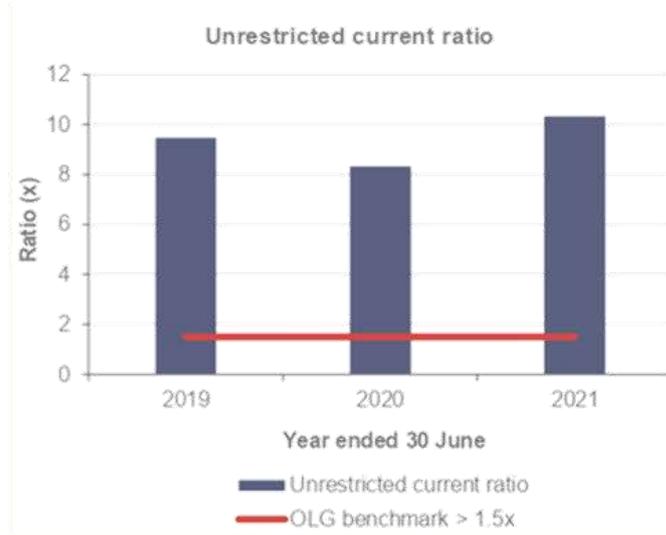
Own source operating revenue ratio

- The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.
- The Council's own source operating revenue ratio of 89.92% is above the industry benchmark of 60%. Council has met this benchmark as its main source of income is from water sales, rather than reliance on operating grants and contributions.
- The Council's own source operating revenue ratio has remained steady.



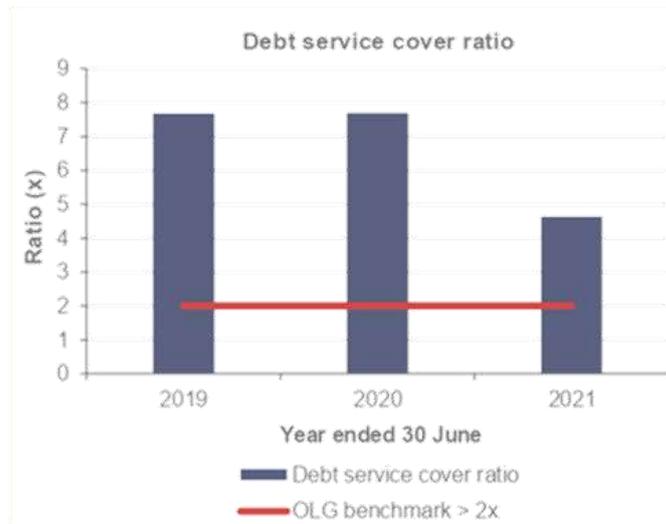
Unrestricted current ratio

- The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times benchmark for the current reporting period.
- The Council's unrestricted current ratio of 10.33 times is greater than the industry benchmark minimum of greater than 1.5 times. This indicates that the Council has sufficient liquidity to meet its current liabilities as and when they fall due.



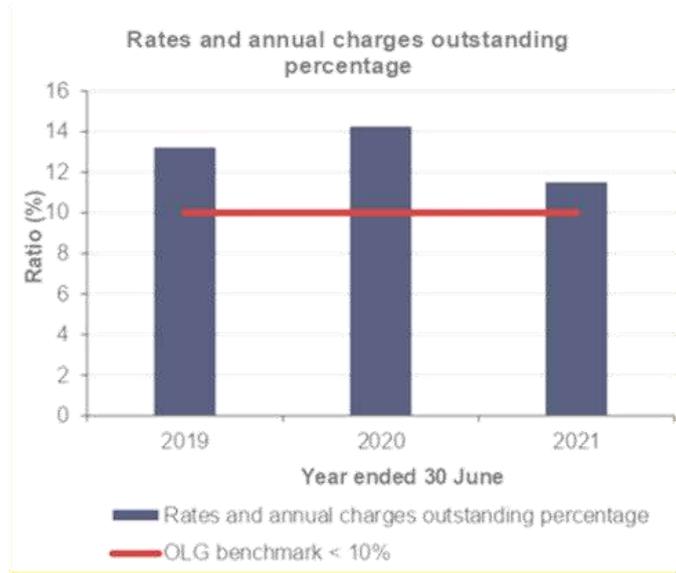
Debt service cover ratio

- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.
- The Council exceeded the OLG benchmark for the current reporting period with a debt service coverage ratio of 4.63 times.
- The decrease in the debt service cover ratio from prior years can be explained by a decrease in Councils operating result before capital grants and contributions from \$9.76 million in the prior year to \$2.52 million in the current year.



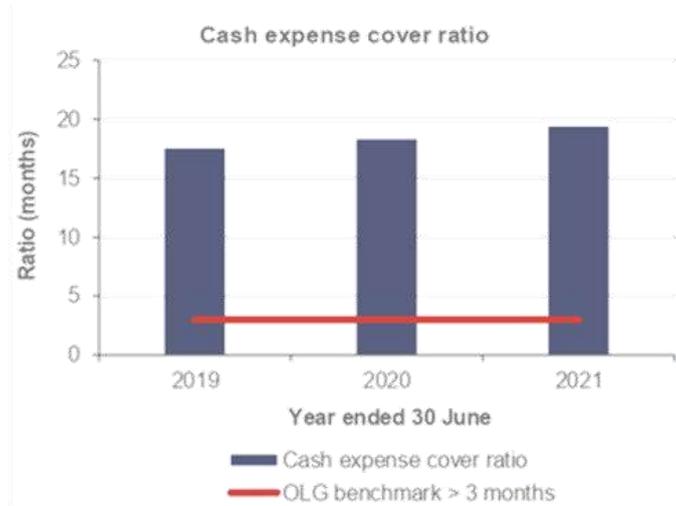
Rates and annual charges outstanding percentage

- 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 11.5 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

- This 'cash expense cover ratio' indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.
- The Council's cash expense cover ratio was 19.39 months, which is above the industry benchmark of greater than 3 months. This indicates that Council has the capacity to cover 19.39 months of cash expenditure without additional cash inflows at 30 June 2021.



Infrastructure, property, plant and equipment renewals

The Council has renewed \$7.63 million of assets in the 2020-21 financial year, compared to \$12.22 million of assets in the 2019-20 financial year. Council have a large capital works program which is contributing to the high amount of 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.



Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

cc: Mr Andrew Crakanthorp, General Manager
Mr David Maxwell, Chair of Audit and Risk Committee
Jim Betts, Secretary of the Department of Planning, Industry and Environment

Riverina Water County Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2021

"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 2021

Contents	Page
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Income Statement of sewerage business activity	n/a
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Note – Significant Accounting Policies	6

Background

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

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

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

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Riverina Water County Council

Special Purpose Financial Statements

for the year ended 30 June 2021

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

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

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

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

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

Signed in accordance with a resolution of Council made on 24 August 2021.



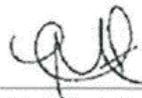
Clr G Verdon
Chairperson



Clr T Koschel
Deputy Chairperson



Mr A Crakanthorp
Chief Executive Officer



Ms E Tonacia
Responsible Accounting Officer

Riverina Water County Council

Income Statement of water supply business activity

for the year ended 30 June 2021

\$ '000	2021	2020
Income from continuing operations		
Access charges	5,655	5,592
User charges	19,735	25,587
Interest	467	664
Grants and contributions provided for non-capital purposes	207	270
Other income	519	2,057
Total income from continuing operations	26,583	34,170
Expenses from continuing operations		
Employee benefits and on-costs	9,066	9,627
Borrowing costs	367	466
Materials and services	6,763	7,073
Depreciation, amortisation and impairment	7,570	6,845
Water purchase charges	321	292
Calculated taxation equivalents	95	66
Other expenses	95	110
Total expenses from continuing operations	24,277	24,479
Surplus (deficit) from continuing operations before capital amounts	2,306	9,691
Grants and contributions provided for capital purposes	2,750	2,443
Surplus (deficit) from continuing operations after capital amounts	5,056	12,134
Surplus (deficit) from all operations before tax	5,056	12,134
Less: corporate taxation equivalent [based on result before capital]	(600)	(2,665)
Surplus (deficit) after tax	4,456	9,469
Plus accumulated surplus	147,578	135,378
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	95	66
– Corporate taxation equivalent	600	2,665
Closing accumulated surplus	152,729	147,578
Return on capital %	0.8%	2.7%
Subsidy from Council	–	–
Calculation of dividend payable:		
Surplus (deficit) after tax	4,456	9,469
Less: capital grants and contributions (excluding developer contributions)	(2,750)	(2,443)
Surplus for dividend calculation purposes	1,706	7,026
Potential dividend calculated from surplus	853	3,513

Riverina Water County Council

Statement of Financial Position of water supply business activity

as at 30 June 2021

\$ '000	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	14,392	13,218
Investments	17,000	18,000
Receivables	3,589	4,366
Inventories	2,310	2,476
Total current assets	37,291	38,060
Non-current assets		
Infrastructure, property, plant and equipment	327,948	371,482
Intangible assets	9,776	10,884
Total non-current assets	337,724	382,366
Total assets	375,015	420,426
LIABILITIES		
Current liabilities		
Payables	2,001	1,325
Income received in advance	842	561
Borrowings	1,587	1,866
Employee benefit provisions	4,852	5,307
Total current liabilities	9,282	9,059
Non-current liabilities		
Borrowings	3,811	5,400
Total non-current liabilities	3,811	5,400
Total liabilities	13,093	14,459
Net assets	361,922	405,967
EQUITY		
Accumulated surplus	152,845	147,578
Revaluation reserves	209,077	258,389
Total equity	361,922	405,967

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 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

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

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 NSW Government Policy statement titled 'Application of National Competition Policy to Local Government'. *The Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, 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 – 26% (19/20 27.5%)

continued on next page ...

Page 6

Note – Significant Accounting Policies (continued)

Land tax – the first \$755,000 of combined land values attracts 0%. For the combined land values in excess of \$755,000 up to \$4,616,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,616,000 a premium marginal rate of 2.0% applies.

Payroll tax – 4.85% on the value of taxable salaries and wages in excess of \$850,000.

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

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

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

Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 26% (19/20 27.5%).

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

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

The rate applied of 26% 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 1.49% at 30/6/21.

(iii) Dividends

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

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

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

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2021 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

Note – Significant Accounting Policies (continued)

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



INDEPENDENT AUDITOR'S REPORT
Report on the special purpose financial statements
Riverina Water County Council

To the Councillors of the Riverina Water County Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Riverina Water County Council's (the Council) declared business activity, Water Supply, which comprise the Statement by Councillors and Management, the Income Statement of the declared business activity for the year ended 30 June 2021, the Statement of Financial Position of the Declared Business Activity as at 30 June 2021 and the Significant accounting policies note.

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 2021, and its 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 2020–21 (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).

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to 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.

Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
 GPO Box 12, Sydney NSW 2001 | t 02 9275 7101 | mail@audit.nsw.gov.au | audit.nsw.gov.au

Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in 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.

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

Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

13 September 2021
SYDNEY

Riverina Water County Council

SPECIAL SCHEDULES
for the year ended 30 June 2021

"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 2021

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Report on infrastructure assets as at 30 June 2021	3

Riverina Water County Council

Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost		2020/21 Required maintenance ^a	2020/21 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring the agreed level of service set by Council					\$ '000	\$ '000	1	2	3
Buildings	Buildings	–	–	480	483	13,505	26,437	39.5%	25.5%	19.7%	15.3%	0.0%
	Sub-total	–	–	480	483	13,505	26,437	39.5%	25.5%	19.7%	15.3%	0.0%
Water supply network	Treatment Plants	1,704	1,704	725	966	62,737	100,554	48.8%	7.3%	21.8%	16.0%	6.0%
	Bores	296	296	185	146	3,386	6,363	10.3%	30.9%	58.7%	0.0%	0.1%
	Reservoirs	502	502	225	250	32,847	55,258	26.6%	25.9%	35.1%	6.3%	6.1%
	Pumping Stations	24	24	200	169	8,170	18,215	15.2%	8.1%	49.4%	17.1%	10.2%
	Pipeline	17,467	17,467	1,200	891	184,316	325,891	20.3%	46.0%	26.3%	7.4%	0.0%
	Sub-total	19,993	19,993	2,535	2,422	291,456	506,281	26.4%	34.5%	27.6%	9.3%	2.2%
	Total – all assets	19,993	19,993	3,015	2,905	304,961	532,718	27.0%	34.1%	27.2%	9.6%	2.1%

(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 2021

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2021	Indicator 2021	Prior periods		Benchmark
			2020	2019	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	4,653	67.75%	89.78%	60.62%	≥100.00%
Depreciation, amortisation and impairment	6,868				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	19,993	6.33%	7.47%	7.94%	<2.00%
Net carrying amount of infrastructure assets	315,799				
Asset maintenance ratio					
Actual asset maintenance	2,905	96.35%	96.04%	106.96%	>100.00%
Required asset maintenance	3,015				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	19,993	3.75%	5.27%	5.30%	
Gross replacement cost	532,718				

(*) 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.

R4 Disclosure of Pecuniary Interest Returns

Organisational Area Corporate Services

Author Wendy Reichelt, Governance & Records Officer

Summary Board members and other designated persons are required to complete an annual Disclosure of Pecuniary Interest Return under Clause 4.21 of the Riverina Water Code of Conduct. These returns are tabled at this meeting.

RECOMMENDATION that Council:

- a) Note the pecuniary interest returns of Board members and designated persons for the period 1 July 2020 to 30 June 2021 tabled in accordance with Clause 4.21 of the Riverina Water Code of Conduct; and
- b) Note that these pecuniary interest returns will be published to the Riverina Water website with personal addresses redacted.

Report

The lodgement of Declarations of Pecuniary Interest Returns for 2020-21 was required by 30 September 2021.

Returns have been received from eight Board members. Guidance was sought from the Office of Local Government regarding a return from Councillor Paul Funnell who resigned from the Board at the end of June. In accordance with that advice, a Declaration of Pecuniary Interest Return was not sought from him.

The pecuniary interest returns 2020-2021 are now tabled at this meeting in accordance with Clause 4.25 of the Code of Conduct, which states:

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

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

In accordance with individual privacy concerns, these returns are published with home addresses redacted. Details of the returns to appear on the Riverina Water website are:

Clr Greg Verdon	Board member, Chairperson
Clr Pat Bourke	Board member

Clr Vanessa Keenan	Board member
Clr Yvonne Braid	Board member
Clr Tim Koschel	Board member, Deputy Chairperson, ARIC member
Clr Doug Meyer	Board member
Clr Greg Conkey	Board member
Clr Tony Quinn	Board member
David Maxwell	ARIC member, Chairperson
Bryce McNair	ARIC member
Andrew Crakanthorp	Chief Executive Officer
Bede Spannagle	Director Engineering
Emily Tonacia	Director Corporate Services

Returns have also been received from the following staff:

Jason Ip, Manager Operations

Austin Morris, Manager Works

Greg Vidler, Manager Projects

A decision has been made not to publish these returns to the website due these staff not being on a senior contract. All returns are available to be viewed free of charge at council's administration office in line with the Information and Privacy Commission Guidelines.

Financial Implications

Not applicable

Risk Considerations

Corporate Governance And Compliance	
Avoid	Council will avoid risks relating to corporate governance and compliance including ethical, responsible and transparent decision making and procedural/policy, legal and legislative compliance.

R5 New Risk Management and Internal Audit Framework final consultation

Organisational Area Corporate Services

Author Wendy Reichelt, Governance & Records Officer

Summary A further draft of the Risk Management and Internal Audit Framework has been released by the Office of Local Government for review and final submissions prior to its adoption. Any submissions in response to this draft are to be made to the Office of Local Government by 26 November 2021

RECOMMENDATION that Council:

- a) Note the latest draft of the Risk Management and Internal Audit Framework for local councils in NSW; and
- b) Authorise the Chair of the ARIC (supported by input from the CEO) to make a submission on behalf of Riverina Water should that be deemed appropriate prior to 26 November 2021.

Report

The new Risk Management and Internal Audit Framework for local councils in NSW has been in draft form since September 2019. Its final release has been delayed due to more pressing issues, including bushfires and Covid-19.

Changes have been made following the last round of consultation, after over 150 submissions were received from the local government sector and risk management and internal audit practitioners in response to the discussion paper. On initial reading, the revised guidelines are considered much more achievable.

A summary of changes to the proposed new Risk Management and Internal Audit Framework in response to submissions is attached to this report.

Under the proposed guidelines councils are not required to establish a risk management framework and internal audit function that complies with the Guidelines until 30 June 2024. Councils however, should start taking steps to transition their existing risk management and internal audit arrangements to comply with the new requirements.

An overview of the new guidelines is attached to this report. It should be noted that whilst the overview indicates that County Councils are included in Tier 1 in the new framework, Riverina Water has been included in Tier 2, Regional Councils. This has implications for both member fees and the requirements for at least one pre-qualified member of the Committee as well as the Chair.

An initial management review of these latest guidelines has been conducted, and a meeting with the ARIC chair has been scheduled to discuss the amended guidelines. A report will be presented to the 10 November meeting of ARIC, and depending on the outcome of those deliberations, a submission will be made to the OLG by 26 November if this is required.

Authorisation is therefore requested from the Board, for a submission to be made by the Chair of the ARIC on behalf of Riverina Water, should this be deemed necessary. Such a submission would be reviewed by the CEO and discussed with the Chairperson of Riverina Water County Council as a matter of course.

- › **R5.1** **Summary Guide - changes made to original model proposed in discussion paper.pdf** [↓](#) 
- › **R5.2** **Overview of new guidelines** [↓](#) 

Financial Implications

Not applicable

Risk Considerations

Corporate Governance And Compliance	
Avoid	Council will avoid risks relating to corporate governance and compliance including ethical, responsible and transparent decision making and procedural/policy, legal and legislative compliance.

Summary of changes to the proposed new risk management and internal audit framework in response to submissions

Audit, Risk and Improvement Committees (ARIC)

- More 'principles-based' approach to reduce prescription and assist councils and ARICs to focus on desired outcomes
- New tiered ARIC model for metropolitan, regional and rural/remote councils and joint organisations and county councils with reduced prequalification requirements to better reflect the different needs of councils and their ability to attract ARIC members
 - enables a mix of prequalified, non-prequalified, independent and councillor members
 - new eligibility criteria for non-prequalified and councillor members
- More flexibility in ARICs' role:
 - ARIC provides limited assurance rather than full assurance – role and reporting terminology changed to reflect this
 - ARIC reviews all matters listed in s428A of the *Local Government Act 1993* over the council term, rather than annually, and focuses on systems/controls in place
 - more flexibility for councils to shape ARICs' role depending on council needs
- More information about ARICs' new assurance role in relation to integrated planning and reporting, service delivery and performance measurement
- Clearer links between the ARIC and the governing body to ensure the governing body receives maximum value from ARIC's expertise:
 - workplans developed by ARIC and noted by the governing body
 - new annual and four-yearly assurance meetings between the ARIC and governing body to discuss ARIC opinions, workplans, charter, terms of reference etc
 - councils can appoint a non-voting councillor member to their ARIC (optional)
- Reduced ARIC costs:
 - ARIC member fees at council's discretion
 - reduced external review requirements
- Revised term limits to make it easier to appoint ARIC members:
 - ARIC member terms coincide with council terms
 - longer maximum terms
 - possible exemption from term limits where a tier 1 council can't find new ARIC members
- New information about ARICs' role and key relationships with other stakeholders
- ARIC members can have more local government experience:
 - some independence requirements reduced
 - new ability to allow local community perspective/knowledge as a criteria for appointment to an ARIC
- Stronger ARIC member appointment and induction processes
- Enhanced leadership role for the chair over the ARIC and ARIC meetings
- More flexibility for councils regarding confidentiality of ARIC agendas and minutes
- ARIC given unrestricted access to general manager and senior staff only – access to other staff requires general manager's approval

- New 'further resources' section that provides examples/templates/information regarding implementation of ARICs

Risk management

- More 'principles-based' approach to remove prescription and assist councils to focus on desired outcomes
- Clarification on how risk management requirements apply to joint organisations and county councils, and the role of internal audit and ARICs in risk management
- New ability for shared arrangements for county councils and joint organisations to reduce costs
- More flexibility in implementation and workforce resourcing:
 - risk management refocused as a 'function' rather than a dedicated position so it can be shared with other council roles and fit into council's existing organisational structure
 - general manager can delegate risk management to any staff member
 - removed need for responsibilities to be included in senior staff contracts
- More accountability by the council to the governing body and ARIC for risk management:
 - ARIC reviews risk management framework each council term – highest risks reviewed as required
 - effectiveness of risk management framework formally discussed with the governing body and ARIC annually and each council term
- New 'further resources' section that provides examples/templates/information regarding risk management implementation

Internal audit

- More 'principles-based' approach to remove prescription and assist councils to focus on desired outcomes
- Clarification of dual reporting line to the ARIC and general manager
- More flexibility to implement the internal audit function within council's existing organisational structure and attract internal audit staff:
 - new tiered model for in-house and outsourced internal audit functions to reflect practical requirements of councils and the varied roles required of the head of internal audit function in different councils
 - specific role title for the head of the internal audit function removed
 - internal audit function can report to a staff member other than the general manager
 - detailed eligibility criteria for internal audit staff replaced with requirement that they be able to fulfil their role
 - ability to combine head of internal audit function role with any other role in council provided safeguards are met
- Shared arrangements simplified:
 - oversight by councillor committee and administrative committee removed
 - prescription of practical arrangements removed
- New ability for ARIC Chair to refuse a person's future access to internal audit information where they make unauthorised disclosures of internal audit information

- Performance review process streamlined to reduce costs:
 - removed annual review report by head of internal audit function to ARIC
 - ARIC conducts annual and four-yearly strategic assessment of internal audit function
- New 'further resources' section provides templates, examples, checklists, tools etc that can be used when performing audits and assessing the performance of the internal audit function

Attestation

- Annual attestation to key non-negotiable requirements of the Guidelines
- General manager to consult with ARIC on annual attestation before it is published (co-signing removed)
- Increased accountability and transparency:
 - Department of Planning, Industry and Environment's response to attestation exemption to be published in annual report
 - ARIC member details to be published in attestation certificate
 - Attestation certificate template clarifies what councils are attesting to

Implementation timeline

- All councils must appoint an ARIC from 4 June 2022
- All councils have until 2024 to establish their risk management framework and internal audit function – attestation commences 2024
- Councils have until 2027 to ensure ARIC membership complies with the Guidelines, allowing councils to transition into the new membership requirements as and when membership of existing ARICs expire – attestation commences 2027

New risk management and internal audit framework for local councils in NSW

Note: ARIC = audit, risk and improvement committee

IA = internal audit

RM = risk management

LG Act = Local Government Act 1993



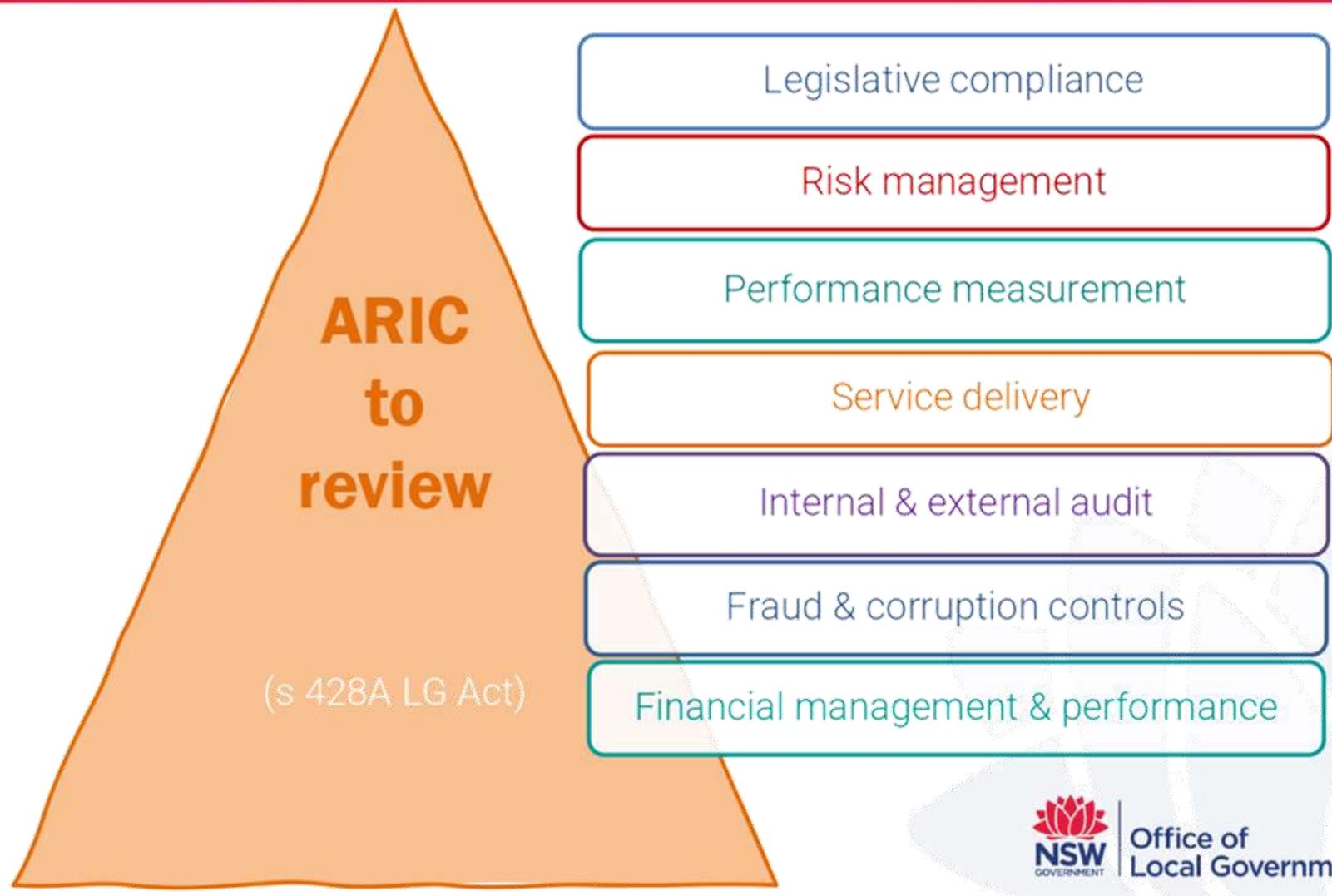
Office of
Local Government



Statutory framework



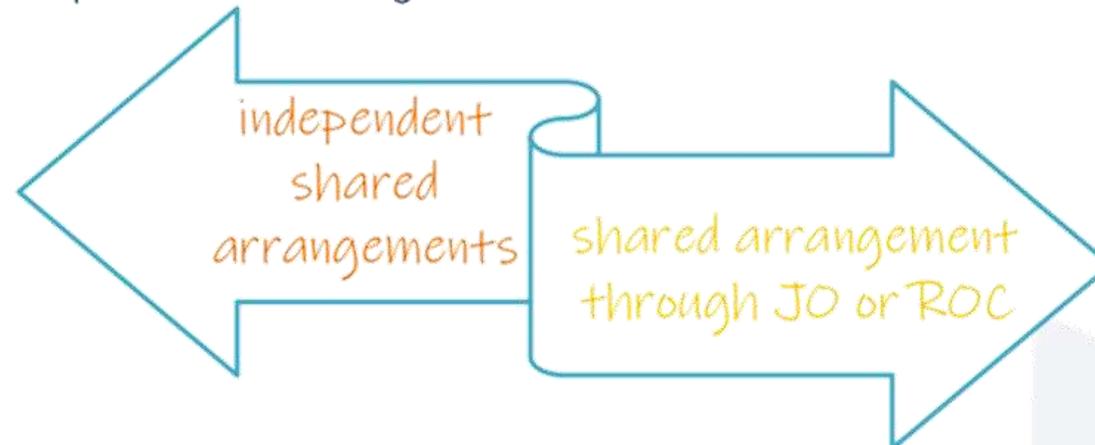
Layer 1 - LG Act



Layer 1 – LG Act

Shared arrangements – s 248B LG Act

- ❖ Propose two options in new regulations:



- ❖ Councils can share all or part of their ARIC, Chief Audit Executive, IA function, secretariat etc
- ❖ Proviso: no council can be disadvantaged from being in a shared arrangement

Layers 2 & 3 – new regulations and guidelines

ARICs:

- ❖ New mandatory tiered approach with different prequalification requirements
- ❖ 3 tiers based on population, risk profile, revenue, proximity to urban centre:
 1. Rural councils, JOs, county councils
 2. Regional councils
 3. Metro councils + N/castle, W/gong, C/Coast, Lake Macq
- ❖ All tiers must have a prequalified chair
- ❖ Other ARIC members:
 1. **Rurals/JOs/county councils** – chair + 2 independent/un-prequalified members, can seek exemption from prequalified chair
 2. **Regionals:** chair + 1 prequalified member and 1 independent/un-prequalified member
 3. **Metros:** chair + 2 prequalified members

Layers 2 & 3 – new regulations and guidelines

ARICs:

- ❖ New eligibility criteria for independent/un-prequalified members to ensure minimum skills and knowledge
 - includes ability for councils to allow local community knowledge as criteria for appointment to tier 2 or 3 ARICs
- ❖ New independence requirements that allow for members with LG knowledge whilst still maintaining ARIC independence
- ❖ New ARIC fees set by councils to help minimise costs
- ❖ New term limits to make it easier to appoint ARIC members
 - longer maximum terms
 - coincide with council terms
 - exemptions from term limits where tier 1 councils can't find new members

Layers 2 & 3 – new regulations and guidelines

ARICs:

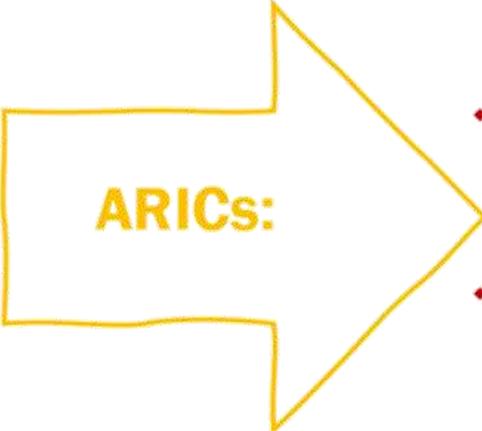
- ❖ **New** flexibility in ARIC's role:
 - reviews all matters in s428A over the council term
 - more flexibility to shape ARIC's role to council's needs
- ❖ **New** stronger links between ARIC and governing body
 - annual and four-yearly meetings between ARIC and governing body to discuss key risks, trends, concerns
 - optional councillor non-voting ARIC member
 - quarterly reports to councillors to summarise ARIC findings and recommendations
 - ARIC Chair/Mayor can meet anytime
- ❖ **New** enhanced leadership role for ARIC chairs



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Local Government



Layers 2 & 3 – new regulations and guidelines



ARICs:

- ❖ New flexibility for councils regarding confidentiality of ARIC agendas and minutes
 - governing body decides each council term
- ❖ New unrestricted access by ARIC to GM and senior staff only
 - access to other staff requires GM approval
- ❖ New stronger appointment and induction processes for ARIC members
- ❖ New implementation timeline:
 - all councils have an ARIC by June 2022
 - compliance with membership requirements by 2027

Layers 2 & 3 – new regulations and guidelines

Risk management:

- ❖ New flexibility in implementation and workforce resourcing
 - RM Coordinator is now a 'function' not a 'position' that needs to be recruited to
 - GM can delegate RM to any staff member
 - removed need for RM responsibilities to be included in senior staff contracts
- ❖ New ability for county councils and JOs to share RM
- ❖ New accountability to the ARIC and governing body
 - ARIC reviews RM framework each council term
 - RM framework discussed with ARIC and governing body annually and each council term
- ❖ New implementation timeline – compliance by 2024



Office of
Local Government

Layers 2 & 3 – new regulations and guidelines



- ❖ **New** optional tiered approach for IA function to reduce costs and provide greater flexibility
- ❖ Large councils (recommended):
 - in-house IA function overseen by Head of IA (council employee) who supports ARIC and leads audits
 - Head of IA meets requirements of professional internal auditor
 - (if necessary) optional IA in-house staff or external providers undertake audits
- ❖ Small-medium councils (recommended):
 - external provider/auditor undertakes audits
 - new 'IA coordinator' function performs administrative functions (e.g. mailbox between provider and ARIC, secretariat)



Layers 2 & 3 – new regulations and guidelines



Internal Audit

- ❖ Rural/remote councils:
 - encouraged to enter shared arrangement with other councils or their JO
- ❖ JOs:
 - encouraged to establish shared arrangement for member councils and JO to use, or
 - utilise a member council's ARIC and IA function
- ❖ County councils:
 - encouraged to utilise a member council's ARIC and IA function
- ❖ New simplified shared arrangements
 - oversight by councillor and administrative committee removed



Layers 2 & 3 – new regulations and guidelines



Internal Audit

- ❖ New flexibility in implementation and workforce resourcing:
 - specific title and eligibility criteria for Head of IA function removed
 - IA function can report to senior staff member other than GM
 - can combine Head of IA function with another role provided safeguards are met

- ❖ New implementation timeline – compliance by 2024



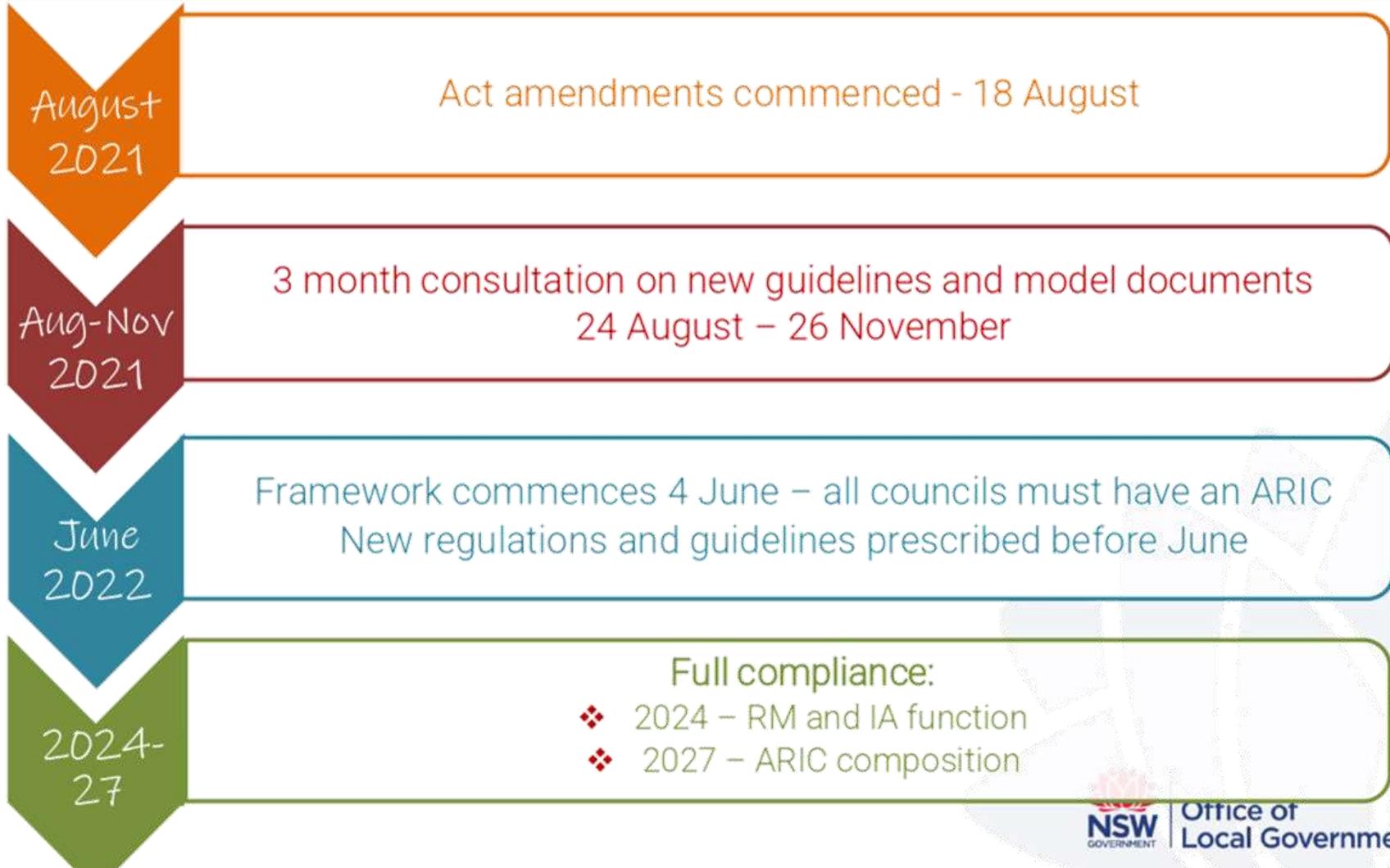
Layers 2 & 3 – new regulations and guidelines



Accountability

- ❖ **New:** Signed by GM only
 - GM to consult ARIC before publication
- ❖ **New:** Attestation does not commence until 2027 to coincide with new implementation timeframes
- ❖ **New:** Attestation template developed by OLG
 - clarifies what councils are attesting to
- ❖ **New:** DPIE response to exemption requests to be published in council's annual report

Next steps



R6 Social Media and Media Quarterly Report July-September 2021

Organisational Area Corporate Services

Author Josh Lang, Community Engagement Officer

Summary Each quarter, social media and media data is reported to the Board.

RECOMMENDATION that Council receives and notes the report.

Report

During this quarter, Riverina Water's total social media audience grew by 71 to 4006.

There were 75,485 impressions (previous period: 40,051 impressions), 4036 engagements (previous: 2459) 1076 (632) link clicks.

Riverina Water experienced positive media coverage regarding its Community Grants Program, which assisted Wagga Wagga Meals on Wheels to purchase a new refrigerated vehicle.

Facebook	
Number of posts	34
Total page likes	2201 (Previous period: 2192)
New page likes	+9 (Previous period: +18)
Videos	294 views
Private messages	4
Total reach for all posts (reach is number of people who saw each post at least once)	49,847 (Previous period: 23,375)
Average reach per post	1466 (previous period: 754)
Total post engagements (post clicks, reactions, shares and comments)	2906 (previous period: 1816)
Average post engagements	61.6 (previous period: 58.5)
Top organic post: Election of Deputy Chairperson	Reach: 3660 Engagements: 669

Lowest organic post – QR code check in reminder	Reach: 141 Engagements: 1
Facebook - advertising	
Number of advertisements	0
Content	N/A
Total post reach (paid and organic combined)	N/A
Average reach per post	N/A

Comparison page audiences

Water utility	Page established	Current audience	Last quarter	Growth this quarter	Growth last quarter
Sydney Water	August 2011	38k	38.7k	-700	+1400
Water Corporation	Nov 2010	19.9k	19.6k	+300	+500
Seqwater	June 2011	17k	17k	Nil	+700
WaterAid Australia	Nov 2009	14.1k	14.6k	-500	+600
Melbourne Water	June 2009	12.3k	12.1k	+200	+200
City of Wagga Wagga	Dec 2015	12.3k	11.9k	+400	+200
SA Water	Oct 2010	12k	12k	Nil	+200
Visit Wagga Wagga	Dec 2011	11.7k	10k	+700	+700
Unity Water	Oct 2012	10.3k	10.2k	Nil	+100
Greater Western Water (Western Water & City West Water merged)	Oct 2012	8.6k	8.6k	Nil	2.2k
TasWater	Oct 2017	8.4k	8.2k	+200	+300
South East Water Melbourne	August 2011	6k	5.9k	+100	+900
Hunter Water	Nov 2017	5.9k	5.7k	+200	+700
Gippsland Water	Feb 2014	4.5k	4.4k	+100	+600

Lower Murray Water	May 2014	4.3k	4.3k	Nil	Nil
Riverina Local Land Services	April 2012	4.3k	4.2k	+100	+400
Federation Council	May 2015	3.4k	3.3k	+100	+ 500
North East Water	August 2013	2.8k	2.4k	+400	Nil
Greater Hume Council	June 2012	2.7k	2.2k	+500	+100
Fusion Wagga	August 2013	2.4k	2.3k	+100	Nil
Riverina Water	Sep 2018	2201	2192	+9	+22
Lockhart Shire Community	April 2014	2.1k	2.1k	Nil	+ -100
Goldenfields Water	Jan 2018	2k	2k	Nil	+200
Visit Lockhart Shire	Sep 2011	1.7k	1.7k	Nil	Nil
Wannon Water	March 2017	1.4k	1.4k	Nil	+100
East Gippsland Water	August 2011	1.2	1.2	Nil	Nil
Central Tablelands Water	June 2016	698	689	N/A	N/A
Rous County Council	21 May 2020	516	476	N/A	N/A

Other social media channels

Instagram	
Number of posts	17 (Previous period: 22)
Total followers	995 (Previous period: 980)
New followers	+15 (Previous period: +28)
Impressions	4322 (Previous period: 3464)
Total post likes (not including video views)	98 (Previous period: 145)
Total engagements	151 at a rate of 2.4 per cent per impression
Top post – Mains construction continuing during lockdown	Likes: 10 Impressions: 210

Twitter	
Number of tweets	19 (Previous period: 2)
Total followers	174 (Previous period: 172)
New followers	+2 (Previous period: +4)
Total Tweet impressions (impressions are the number of times users saw a Tweet)	7.5k (Previous period: 3.6k)
Average engagement rate (total number of clicks, retweets, replies, likes and follows divided by the total number of impressions)	0.8 per cent (Previous period: 1.4 per cent)
Average impressions per Tweet	164.1 (Previous period: 199.5)
Top tweet based on engagement rate – Mains construction continuing during lockdown	Impressions: 134 Engagements: 8 Engagement rate: 6%

LinkedIn	
Number of posts	17 (Previous period: 10)
Total followers	636 (Previous period: 591)
New followers	+47 (Previous period: +31)
Total post impressions (this is number of people who saw each post once)	13,734 (Previous period: 7601)
Average impressions per post	807 (Previous period: 701)
Top post – New Director appointed	Impressions: 398 Engagements: 13 Engagement rate per impression: 3.3%

Other digital platforms

Website	
Users	5.7k (Previous period: 6.5k)
Page views	28,851 (Previous period: 27,973)
Most viewed pages	<ul style="list-style-type: none"> • Homepage – 5252 • Current vacancies/Careers – 2246 • Make a payment – 1794 • Your bill – 1265
Session duration	00:02:26 (Previous period: 00:02:36)
Top devices	Desktop – 65.3 per cent Mobile – 32.6 per cent Tablet – 2.1 per cent

Google search	
Where customers view our organisation on Google:	
<ul style="list-style-type: none"> • Listing on search – 9.26k (previous 7.84k) • Listing on maps – 13.2k (previous 19.8k) 	

Summary of media performance

Content and coverage	
Media releases	2

Media opportunities	1
Media coverage	12

Details of media coverage

This includes known media coverage from enquiries, media opportunities or releases only.

Date	Media outlet	Coverage/topic
2 July	Daily Advertiser	DPOP/affordable water charges
5 July	Narrandera Argus	New Director appointment
15 July	Daily Advertiser Prime, Triple M	Meals on Wheels Wagga grant funded project – new delivery vehicle
19/20 July	Prime, Triple M, ABC, 9 Riverina, Daily Advertiser, WIN	IT incident

Financial Implications

Nil

Risk Considerations

Reputation	
Averse	Council is averse to taking risks that may adversely impact its reputation.

R7 Willans Hill Land Matters

Organisational Area Engineering

Author Anjaneer Beechani, Engineer

Summary This report outlines the process to acquire land and establish an easement for the two new low level reservoirs and pipeline at Council's Willans Hill site using the compulsory acquisition process.

RECOMMENDATION that Council:

1. Proceed with the compulsory acquisition of the land described as:
 1. Lot 1 in unregistered plan of acquisition of Lot 22 in Deposited Plan 835331 (plan attached);
 2. Proposed easement for Pipeline 6 wide marked T in the unregistered plan (plan attached).

for the purpose of the construction of water supply infrastructure and associated access in accordance with the requirements of the Land Acquisition (Just Terms Compensation) Act 1991; and

2. Council make an application to the Minister and the Governor for approval to acquire:
 1. Lot 1 in unregistered plan of acquisition of Lot 22 in Deposited Plan 835331;
 2. Proposed easement for Pipeline 6 wide marked T in the unregistered plan.

by compulsory process under Section 186(1) of the of the Local Government Act.
3. That the land upon acquisition be classified as operational land in accordance with the Local Government Act.
4. Delegate authority to the Chief Executive Officer to purchase the land and establish the pipeline easements under compulsory acquisition process.

Report

Background:

Riverina Water approached the property owner, the NSW Department of Education (DE), in 2015 for the compulsory acquisition of land at Lot 22, DP 835331 for construction of two 11megalitre reservoirs at Willans Hill, Wagga Wagga. The reservoirs replaced the 45 megalitre open reservoir that had reached its end of life. DE provided consent (no objection letter) in 2016 for Council to proceed with reservoir construction work whilst the formal land acquisition process was undertaken.

Riverina Water leased 18,100m² of DE's land adjacent to the proposed reservoir site to establish site offices, store construction materials and stockpile material. Construction commenced with earthworks in 2017 and the reservoirs were completed in 2020. All site offices and construction materials were removed with the exception of stockpiles.

Current Status:

Aboriginal objects were discovered during environmental investigations for the transfer of stockpiles to the 45 megalitre open redundant reservoir. An application for the relocation of Aboriginal objects and transferring the stockpiles are both underway as a separate project.

A notice of compulsory acquisition was sent to DE to acquire the land for the two new 11 megalitre reservoirs and an easement for pipeline as shown in the attached unregistered Deposited Plan 835331. DE replied agreeing to the compulsory acquisition in accordance with Treasury Direction 469.03 which requires a valuation of land by Valuer General and acquisition of the land using the Just Terms compulsory acquisition procedure.

Recommendation is that Council;

- proceed with the compulsory acquisition of land and easement
- make an application to the Minister and the Governor for approval for the acquisition
- classify the land as operational land.
- Delegate authority to the CEO to purchase the land and establish the pipeline easements under compulsory acquisition process.

› **R7.1 RWCC Willans Hill Acquisition**  

Financial Implications

No additional financial implications from the project budget.

Risk Considerations

Projects	
Accept	Council will accept risk relating to projects by choosing options most likely for successful delivery with a reasonable degree of protection.

M.G.A. SCIMS

SSM - CORNER CONNECTIONS

CORNER	FROM	BEARING	DISTANCE
A	SSM 8975	45° 23' 24"	34.9159
B	SSM 9022	183° 09' 52"	310.056
C	SSM 21396	42° 26' 48"	343.458
D	SSM 21395	65° 31' 18"	312.545

THE SSM CONNECTIONS AND LOT 2 EASTERN BOUNDARY WERE OBSERVED WITH DUAL OCCUPANCY CORNER MARK OBSERVATIONS

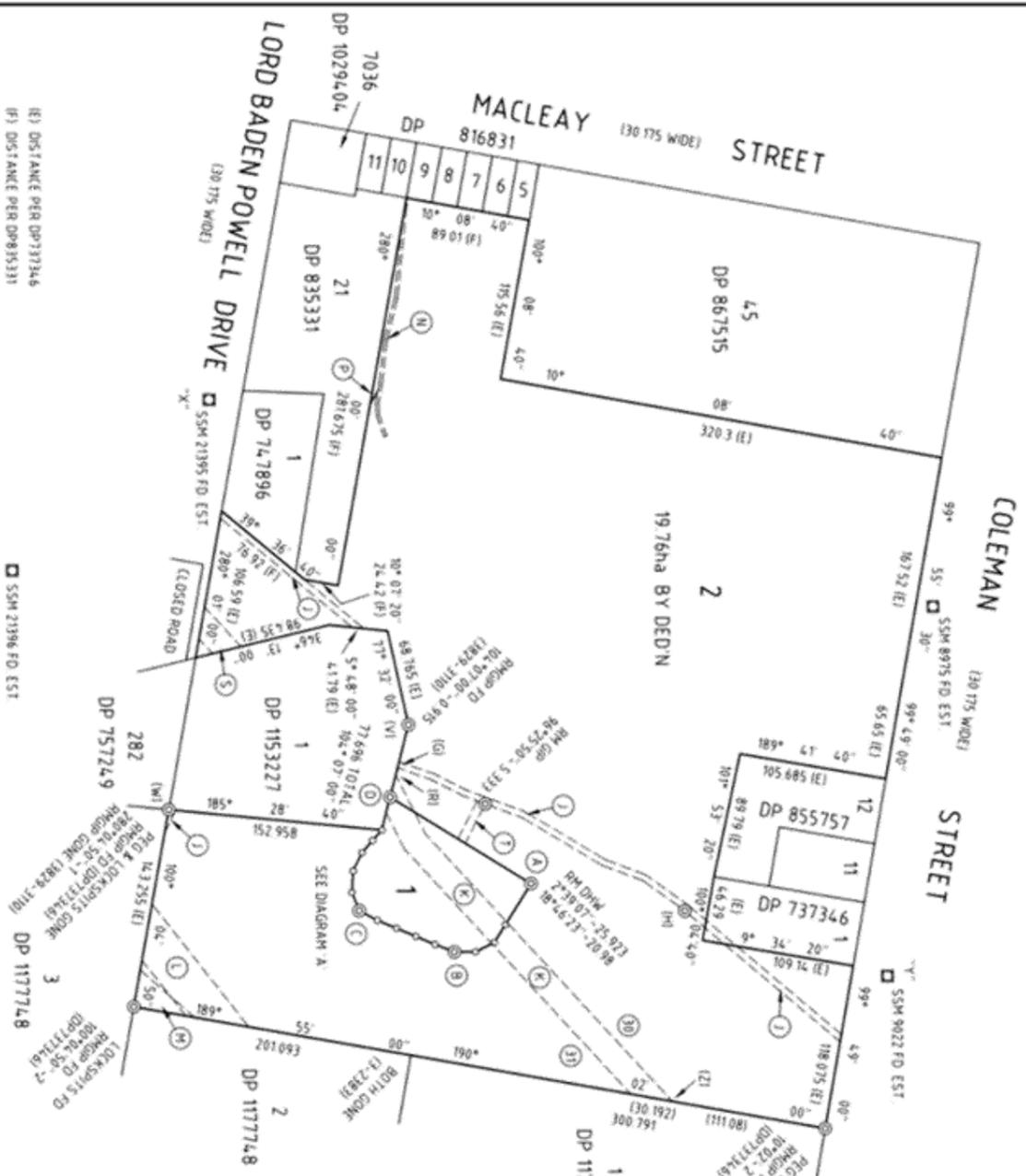
COORDINATE SCHEDULE

MARK	M.G.A. COORDINATES	CLASS	PU	METHOD	STATE
SSM 8975	513627.234	611362.633	B	N/A	FOUND
SSM 9022	513891.424	611310.113	B	N/A	FOUND
SSM 21395	534.79.351	611364.5.274	B	N/A	FOUND
SSM 21396	534601.632	6112504.670	B	0.01	FOUND

DATE OF SCIMS COORDINATES: 28-10-2010
MGA ZONE: 55
COMBINED SCALE FACTOR: 0.999516
MGA DATUM: GDA 2020

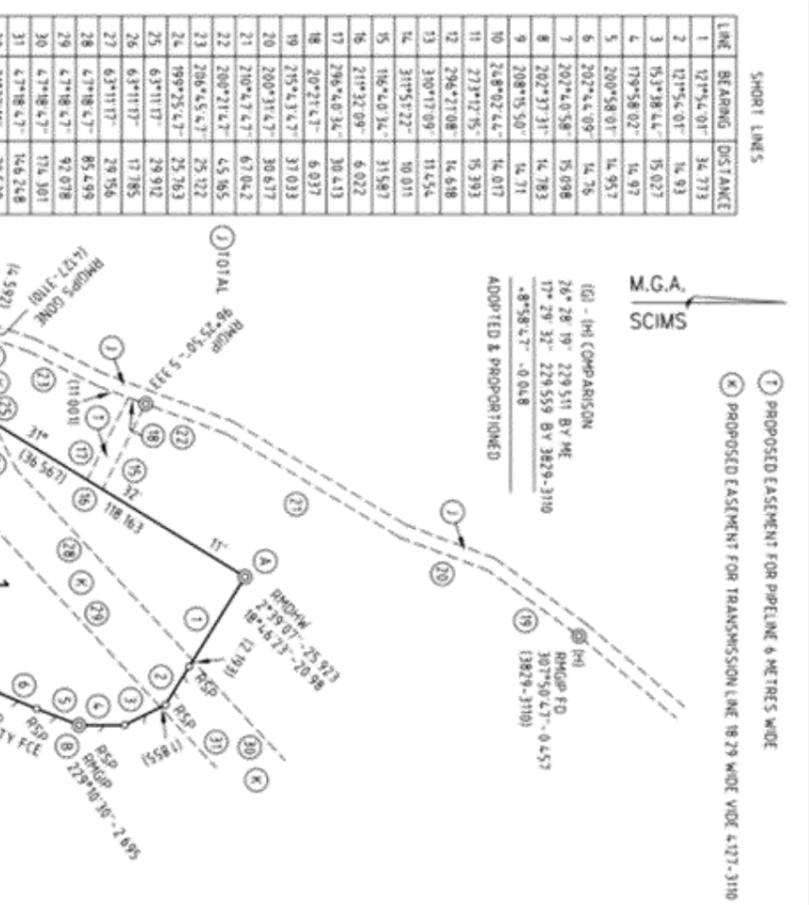
GNSS VALIDATION SCHEDULE

FROM	TO	GRID BEARING	DISTANCE	METHOD
COR A	COR D	213° 28' 32"	118.205	CADASTRAL TRAVERSE
		213° 28' 32"	118.202	COMS NETK



SSM COMPARISONS

SSM 21396 - SSM 9022	24° 51' 48" - 688.614 BY ME
	24° 51' 36" - 689.610 BY SCIMS
	+0° -0.004
SSM 21396 - SSM 21395	318° 59' 35" - 186.382 BY ME
	318° 59' 15" - 186.476 BY SCIMS
	-20" -0.034
SSM 21396 - SSM 8975	2° 13' 52" - 658.733 BY ME
	2° 13' 42" - 658.740 BY SCIMS
	+0° -0.007
SSM 21395 - SSM 9022	40° 21' 42" - 636.566 BY ME
	40° 21' 42" - 636.564 BY SCIMS
	+0.002
SSM 21395 - SSM 8975	15° 57' 05" - 538.311 BY ME
	15° 57' 07" - 538.306 BY SCIMS
	-2" -0.005
SSM 9022 - SSM 8975	277° 07' 05" - 766.103 BY ME
	277° 07' 03" - 769.296 BY SCIMS
	+2" -0.007
(R1) - (Z1) COMPARISON	49° 45' 26" - 305.954 BY ME
	49° 44' 39" - 306.392 BY ME
	-9° 00' 47" -0.436
ADAPTED & PROPORTIONED	
(W1) - (V1) COMPARISON	340° 27' 51" - 181.667 BY ME
	331° 29' 51" - 181.628 BY DP173346
	-8° 58' 00" -0.039
ADAPTED & PROPORTIONED	



SHORT LINES

LINE	BEARING	DISTANCE
1	121° 54' 01"	14.713
2	121° 54' 01"	14.93
3	153° 38' 44"	15.027
4	179° 58' 02"	14.97
5	200° 58' 01"	14.937
6	202° 44' 09"	14.76
7	202° 44' 58"	15.098
8	202° 31' 31"	14.783
9	208° 15' 50"	14.71
10	208° 02' 44"	14.017
11	273° 17' 15"	15.393
12	296° 21' 08"	14.618
13	310° 17' 09"	11.654
14	311° 51' 22"	10.011
15	156° 40' 34"	31.587
16	211° 32' 00"	6.022
17	296° 40' 34"	30.413
18	207° 21' 43"	6.037
19	275° 42' 47"	31.033
20	200° 31' 47"	30.617
21	210° 42' 47"	67.042
22	200° 21' 47"	45.965
23	206° 45' 47"	25.122
24	199° 25' 47"	29.912
25	63° 11' 17"	17.385
26	63° 11' 17"	17.385
27	63° 11' 17"	29.556
28	47° 18' 47"	85.639
29	47° 18' 47"	92.078
30	47° 18' 47"	174.301
31	47° 18' 47"	166.248
32	31° 32' 11"	20.518

- 1 EASEMENT FOR PIPELINE 6.57 WIDE VIDE M728113 (3829-3110)
- 2 PROPOSED EASEMENT FOR TRANSMISSION LINE 18.29 WIDE VIDE 4127-3110
- 3 EASEMENT FOR TRANSMISSION LINE 30.48 WIDE VIDE M728112 (GOV GAZ 19-11-1971) FOL 45041
- 4 EASEMENT FOR TRANSMISSION LINE 30.48 WIDE VIDE J51429 (3757-3110)
- 5 EASEMENT FOR UNDERGROUND POWERLINES 2 WIDE VIDE AH386489
- 6 EASEMENT FOR UNDERGROUND POWERLINES 1 WIDE VIDE AH386489
- 7 PROPOSED EASEMENT FOR TRANSMISSION LINE 18.29 WIDE VIDE 2646-3110
- 8 PROPOSED EASEMENT FOR PIPELINE 6 METRES WIDE

ALL PEGS GONE UNLESS STATED OTHERWISE
BOUNDARIES ARE NOT FENCED UNLESS STATED OTHERWISE

PLAN OF ACQUISITION AND PROPOSED EASEMENT FOR WATER SUPPLY 6 WIDE AFFECTING LOT 22 IN DP 835331.

DIAGRAM 'A'
REDUCTION RATIO 1:5000

ALL PEGS GONE UNLESS STATED OTHERWISE
BOUNDARIES ARE NOT FENCED UNLESS STATED OTHERWISE

Registered DP

Surveyor: MICHAEL MATTHEW SLINGER
Date of Survey: 30 OCT 2020
Surveyor's Ref: 201939

R8 Net Zero Emissions Policy Adoption

Organisational Area Engineering

Author Christopher Moosbrugger, Project Engineer

Summary This report presents the Net Zero Emissions Policy that was endorsed for development at the meeting of Council held on 30 June 2021.

RECOMMENDATION that Council note:

- a) The Net Zero Emissions Policy;
- b) That the policy will be placed on public exhibition; and
- c) That a further report will be provided to the February 2022 Board meeting regarding any feedback provided during the exhibition period and including a recommendation to adopt

Report

The Net Zero Emissions Policy continues the work of the Net Zero Roadmap that was presented at the 30 June 2021 council meeting. In summary the net zero roadmap showed that 95% of Riverina Water's emissions come from grid supplied electricity usage, with the majority of the remainder being made up of plant fuel usage. The road map showed that the technology already exists that would allow Riverina Water to offset the majority (>95%) of its emissions at a cost neutral price. The Net Zero Emissions Policy formalises the information and the commitment to change by the year 2030.

The draft policy that will be placed on exhibition is attached.

› **R8.1 Net Zero Emissions Policy** [↓](#) 

Financial Implications

Any future capital works will be based on a cost neutral business case and prioritised on a benefit cost ratio. Capital costs will be approved as part of each year's operational plan.

Risk Considerations

Environmental Influences	
Avoid	Council will avoid risks that negatively impact the environment. Council will ensure that successful delivery is achievable without negative environmental impacts.



Net Zero Emissions Policy

Purpose

This policy sets out the rationale, target and actions for Riverina Water to reach net zero greenhouse gas (GHG) emissions by 2030. It is intended to embed emission reductions into all relevant areas of Council decision-making.

Policy Statement

Riverina Water is committed to eliminating our contribution to climate change by cutting our GHG emissions.

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.

Scope

This policy applies to the greenhouse gas emissions from Riverina Water operations, which are broken into:

- **Scope 1** refer to direct emissions from sources located within RWCC designated boundary (e.g. diesel fuel used in RWCC vehicles)
- **Scope 2** emissions occur as a result of the use of grid-supplied electricity imported into the boundary area.
- **Scope 3** emissions occur outside the boundary as a result of activities taking place within the boundary (e.g. use of chemicals, some inputs to electricity)

Data and document control

Page 1 of 7

Author:

Version

Last revised date

EDRMS #

Next scheduled review



Definitions

There are many technical terms used in the discussion of emission reductions. Please refer to the glossary at the end of this document for a comprehensive list of terms.

Principles

Our climate is changing. The CSIRO¹ tells us that Australia's climate has warmed on average by 1.44°C² since national records began in 1910. The primary cause of climate change is the release of GHG emissions from human activities, such as the burning of fossil fuels (coal, oil and natural gas), agriculture and land clearing. This is leading to a range of changes including an increase in the frequency of extreme heat events, changes to rainfall patterns, and an increase in extreme fire weather.

Context of NSW Government and other councils with net zero targets.

The New South Wales Government has released Net Zero Plan Stage 1: 2020-2030³ which is the foundation for NSW's action on climate change and goal to reach net zero emissions by 2050. Within this policy framework, the Department of Planning Industry and Environment's (DPIE) Sustainability Advantage program is engaging with councils throughout NSW to develop Net Zero 2030 Road Maps. Riverina Water's work with Sustainability Advantage underpins the Net Zero Road Map that will guide us to achieve the 2030 target.

Why we must we act

We have a responsibility to current and future generations to cut our greenhouse gas (GHG) emissions to do our part to prevent further climate change.

What we must do

Riverina Water must reduce our GHG emissions to reach net zero emissions by 2030. This will bring Council ahead of the requirements set out in the Paris Agreement of 2015.

¹ <https://www.csiro.au/en/research/environmental-impacts/climate-change/State-of-the-Climate/Report-at-a-Glance>

² ± 0.24°C

³ <https://www.environment.nsw.gov.au/topics/climate-change/net-zero-plan>

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How we will do it

We have established a baseline of current annual operational emissions and have developed a roadmap that identifies our largest sources of emissions and how to cut them to net zero by 2030. The road map focuses on three key areas:

1. Electricity
2. Fleet
3. Remaining emissions.

Riverina Water's emissions baseline for FY2019/20 is 11.6ktCO₂e.

Of this, electricity Scope 2 and Scope 3 accounts for over 95% of the total.

Fuel use makes up most of the remainder.

Policy Implementation

The road map sets out a series of actions for Riverina Water to undertake during this decade. Some actions are relatively easy and can happen quickly. Other actions will require technology developments and reductions in implementation costs before they are viable.

Key actions in the road map include the following:

Electricity

Riverina Water

- Will transition to almost 100% locally supplied renewable electricity
- Investigate solar installation on adjacent land to power some sites
- Explore shifting load and use of battery storage to make use of solar

Fleet

- Procure the most efficient vehicles available
- Use E10 petrol and biodiesel blends for internal combustion engine vehicles
- Use renewable liquid fuels when available in the future
- Electrification of the vehicle fleet over time

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Remainder

- Explore procurement of lower-carbon water treatment chemicals
- Purchase carbon offsets: it is acknowledged that this is a last resort, but a small volume may be needed to achieve net zero

Policy number	1.30
Responsible area	Chief Executive Officer
Approved by	Riverina Water Board
Approval date	
Legislation or related strategy	Net Zero Roadmap
Documents associated with this policy	Policy 1.13 Risk Management Policy 1.19 Purchasing Policy 3.1 Asset Management Asset Management Strategy Asset Management Plan Policy 3.2 Asset Purchase and Disposal Policy 5.0 Environmental Riverina Water Management Plan Riverina Water Strategic Business Plan and Resource Strategy Four-year capital works program Asset Register
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Policy 3.19 Lease for Private Use of Motor Vehicles
Integrated Water Cycle Management (IWCM)
Plan

Policy history	New
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Review schedule	2 Years
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Policy details may change prior to review date due to legislative or other changes, therefore this document is uncontrolled when printed.

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GLOSSARY

Term	Definition
Carbon neutral	Where the net carbon emissions associated with an activity or entity are equal to zero because emissions have been reduced and offset units cancelled to fully account for all emissions. [See also net-zero emissions]
Carbon offsets	Activities that reduce greenhouse gas emissions or remove greenhouse gases from the atmosphere to compensate for emissions produced elsewhere. One tonne of offsets is equivalent to one tonne of CO ₂ equivalent. There are various types and qualities of offsets, depending on the methodologies used to create them. In Australia, credible offsets are accredited under the Climate Active Carbon Neutral Standard (formerly National Carbon Offset Standard (NCOS)). Some offsets have additional social or environmental benefits.
Climate	Average weather (or, more specifically, the mean and variability of variables such as temperature, precipitation and winds) over a time period ranging from months to thousands of years to millions of years.
CO ₂ e	Carbon dioxide equivalent – the standard unit for measuring carbon footprints, essentially converting all greenhouse gases into equivalent units of carbon for ease of communicating the scale of potential warming
Greenhouse gas (GHG)	Greenhouse gases are those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of terrestrial radiation emitted by the Earth's surface, the atmosphere itself, and by clouds. Water vapour (H ₂ O), carbon dioxide (CO ₂), nitrous oxide (N ₂ O), methane (CH ₄) and ozone (O ₃) are the primary greenhouse gases in the Earth's atmosphere.
Liability risk	Risks associated with contributing to, or not acting to address, climate change risks.
Low carbon	A state where carbon emissions are reduced compared to a previous baseline, through energy efficiency and renewable energy projects. Implementing low carbon initiatives is the first step towards achieving a net zero emissions target.
Mitigation	Climate change mitigation includes action we take globally, nationally and individually to limit changes caused in the global climate by human activities. Mitigation activities are designed to reduce greenhouse gas emissions and/or increase the amounts of greenhouse gases removed from the atmosphere by greenhouse sinks (AdaptNSW).
Net zero emissions	A state where any emissions of greenhouse gases generated are counterbalanced by the removal of greenhouse gases from the atmosphere. In practice this means reducing emissions as far as possible, then offsetting the remainder through activities such as tree planting, soil management and carbon capture and storage.

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Term	Definition
Paris Agreement	At the 21st session of the Conference of the Parties ('COp21') to the UNFCCC (see definition below) held in Paris in 2015, the world agreed to a global goal to limit average temperature increases to 'well below 2oC' and pursue efforts to keep warming below 1.5°C above pre-industrial levels. A total of 176 Parties have ratified the Paris Agreement, including Australia, which officially did so on 10 November 2016. All signatory countries are to set emissions reduction targets from 2020 and review their targets every five years to build ambition over time, informed by a global stocktake.
PPA	A Power Purchase Agreement (PPA) is a long-term agreement for an energy buyer to purchase a quantity of electricity generated by an off-site renewable energy project, such as a solar or wind farm.
Science-Based Targets (SBT)	Measurable and actionable environmental targets that allow cities, regions, companies to align their actions with societal sustainability goals and the biophysical limits that define the safety and stability of the earth's systems.
Scopes 1, 2 and 3 emissions	The concept of scopes categorises emissions sources for the purposes of carbon accounting and reporting to improve transparency and avoid the double-counting of emissions. Three scopes are defined in carbon accounting:
Scope 1	Emissions are direct emissions from sources located within a designated boundary (e.g. natural gas combusted in homes and factories within an LGA)
Scope 2	Emissions occur as a result of the use of grid-supplied electricity (or from heat, steam, and/or cooling) imported into the boundary area
Scope 3	Emissions occur outside the boundary as a result of activities taking place within the boundary (e.g. landfill gas emissions from tips outside the LGA caused by waste generated from households and businesses within the LGA).

END OF POLICY STATEMENT

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R9 County Councils in the Development Assessment Process

Organisational Area Operations

Author Jason Ip, Manager Operations

Summary County Councils were recently made aware of new requirements for council's to utilise the NSW Online Planning Portal that effective as of 1st July 2021. County Councils were not involved with any pre-implementation, stakeholder engagement and are still not considered in the new Planning Portal system. This has highlighted on-going issues County Councils face regarding the lack of a legal mandate for the referral of development applications to NSW County Councils for consultation and concurrence, where proposed developments may impact the functions of a County Council. In the meantime, County Councils are using a combination of informal and formal (one-to-one) agreements with constituent councils to receive, assess and approve development applications. Though, in some instances County Councils are not being engaged at all. Legal advice sought by Goldenfields Water (on behalf of county councils) has recommended pathways to improve this situation (each with strengths and weaknesses)

RECOMMENDATION that Council:

- 1) Receives and notes the report.
- 2) Support the collective approach of County Councils to advocate for mandated legal mechanism(s) requiring development applications to be referred to County Councils for consultation and/or concurrence, under a new State Environmental Planning Policy (SEPP).
- 3) In the meantime, continue to pursue and establish a range of formal and informal mechanisms with its constituent councils to include Riverina Water in their development assessment and approval processes that impact its operations, for example Memorandums of Understanding and pre-development approval consultation with developers.

Report

A workshop was recently held with the Department of Planning, Industry and Environment (DPIE) and a number of County Councils to review the new Planning Portal launched on 1st

July 2021). County Councils who participated included Riverina Water, Goldenfields Water, Rous Water and Central Tablelands Water.

It was apparent at the workshop that the Planning Portal was not addressing the need for development applications to be appropriately referred to County Councils, and highlighted the lack of legal obligation for constituent councils to do so.

Currently, development applications are referred to County Councils on a discretionary basis, which is resulting in sub-optimal outcomes and undermining the ability of the County Councils to carry out their functions efficiently and effectively. For example, a non-referral of a change-of-use development with an increase its water supply demands will result in water supply headwork contributions not being recovered. This may pose reputational and social-equity risks.

Note: Riverina Water only has an informal arrangement with planning officers at Wagga Wagga City Council to supply development applications based on their discretion. No arrangements have been arranged with other constituent councils.

On behalf of County Councils at the workshop, Goldenfields Water have sought legal advice (tabled) to review current planning regulations, and to present options to address currently planning process deficiencies.

The legal advice concluded that there was no legal requirement for constituent councils to refer development applications to County Councils, and provided the following options with strengths and weaknesses:

- 1) County Councils to collectively seek a new State Environmental Planning Policy (SEPP) for County Councils
- 2) Each County Council to advocate and amend each of their constituent council's local environmental plans (LEPs) to include provisions for certain DA's to be referred to County Councils for consultation and concurrence (in accordance with consultation and concurrent provisions of the Environmental Planning and Assessment Act and its Regulations
- 3) Each County Council to advocate for developers to be required to consult with County Council's prior to lodgement of a development application.

Therefore, staff are seeking approval from the Board to support a request for reform in conjunction with fellow County Councils to create a new SEPP outlined in Option 1.

In the meantime, staff will continue to work with its constituent councils in development formal and informal mechanisms to be considered for inclusion in their planning processes.

Financial Implications

There are no financial implications associated with this report

Risk Considerations

Corporate Governance And Compliance	
Avoid	Council will avoid risks relating to corporate governance and compliance including ethical, responsible and transparent decision making and procedural/policy, legal and legislative compliance.

R10 Groundwater Purchase - 133 megalitres of water from the Lower Billabong water source

Organisational Area Operations

Author Jason Ip, Manager Operations

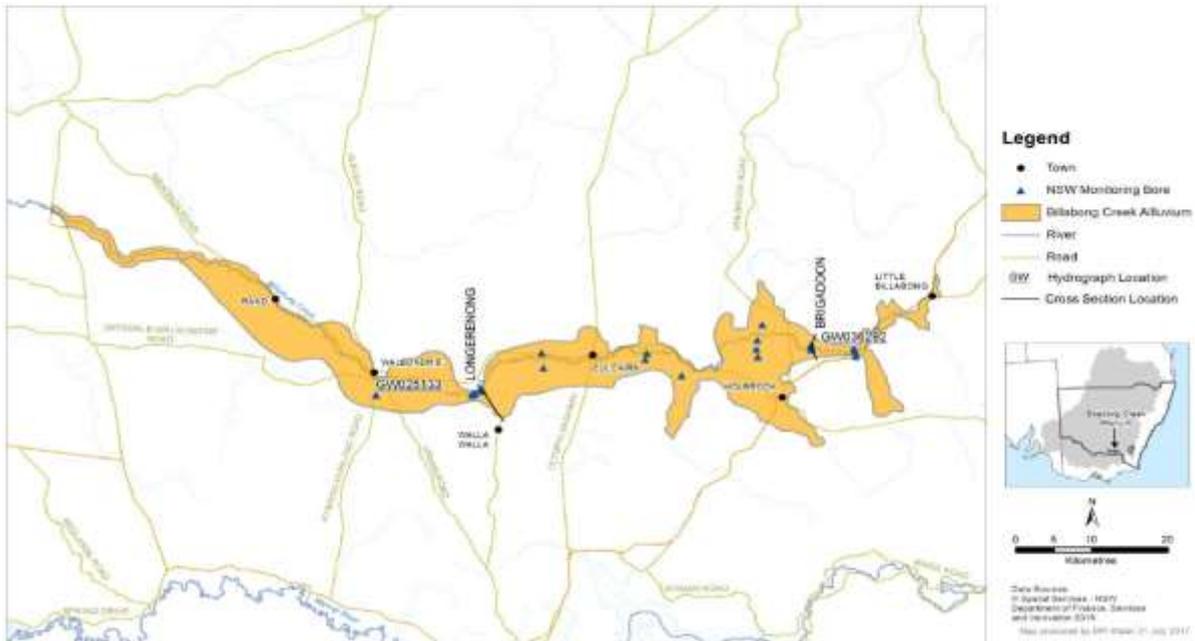
Summary Riverina Water staff have recently arranged to purchase 133 megalitres of water from the Lower Billabong Water Source, as part of its water security strategy and in line with its Integrated Water Cycle Management Plan adopted in June 2021

RECOMMENDATION that Council receive and note the report.

Report

An opportunity has risen to purchase 133 megalitres (ML) of Lower Billabong alluvial water source as part of Riverina Water's long-term water security strategy, at a market rate of \$300/ML (total purchase cost of \$39,900).

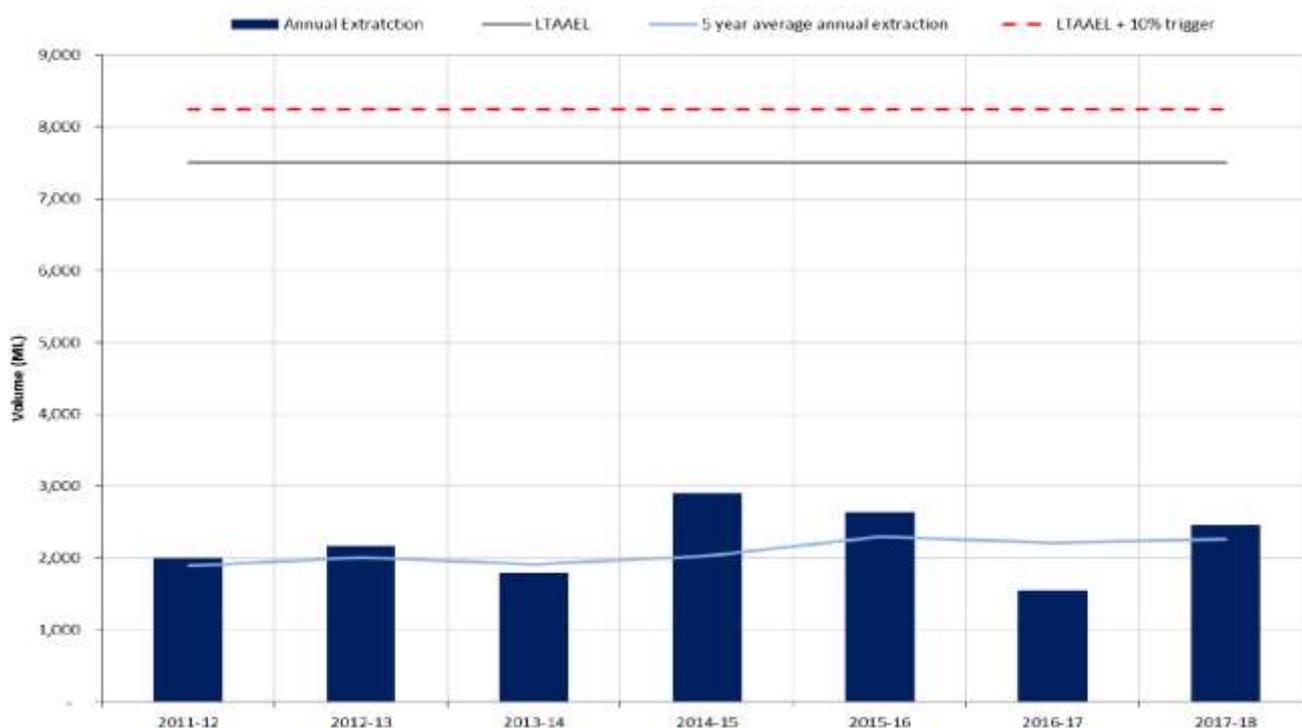
The Lower Billabong alluvial zone extends from upstream of Holbrook to downstream of Rand, and is part of Murray Alluvium Water Resource Plan (WRP).



In terms of water entitlement availability, the Lower Billabong Alluvial may be regarded as one of the least stressed water catchments in NSW. The current total extraction rates range

between 2,000-3,000ML/year, compared to the total sum of extraction entitlements of 6,803ML/year and the Long Term Annual Average Extraction Limit (LTAAEL) of 7,500ML/year.

This figures are illustrated below:



List of type of water licenses and entitlements are listed below:

Access License Category	Number of Licenses	Share Component
Aquifer	24	3,826
Local Water Utility/Town Water Supply	5	1,505
Salinity and Watertable Management	1	1,500

Riverina Water has three (3) existing licenses within Lower Billabong Alluvium:

- Ralvona Bores: 500ML (WAL32703): approximate 52% current utilization
- Walbundrie Bores: 125ML (WAL32706): approximate 43% current utilization
- Walla Walla Bores: 400ML (WAL32715): approximate 34% current utilization

This purchase assures future water security and provides options to meet future demands of communities in Holbrook, Henty, Walla Walla, Walbundrie and Rand.

Financial Implications

The funds for the purchase of this water entitlement will be used from the restricted asset that was setup for this purpose in 20/21. The expenditure will be noted in the December 2021 Quarterly Budget Review.

Risk Considerations

Financial	
Avoid	Council will endeavour to ensure that its financial sustainability is protected at all times and avoid proposals that may impact negatively.

R11 Works Report covering August 2021

Organisational Area Engineering

Author Bede Spannagle, Director of Engineering

Summary This report provides an overview of water usage, connections, maintenance and water quality matters from 1 – 31 August 2021

RECOMMENDATION that the Works Report covering August 2021 be received and noted

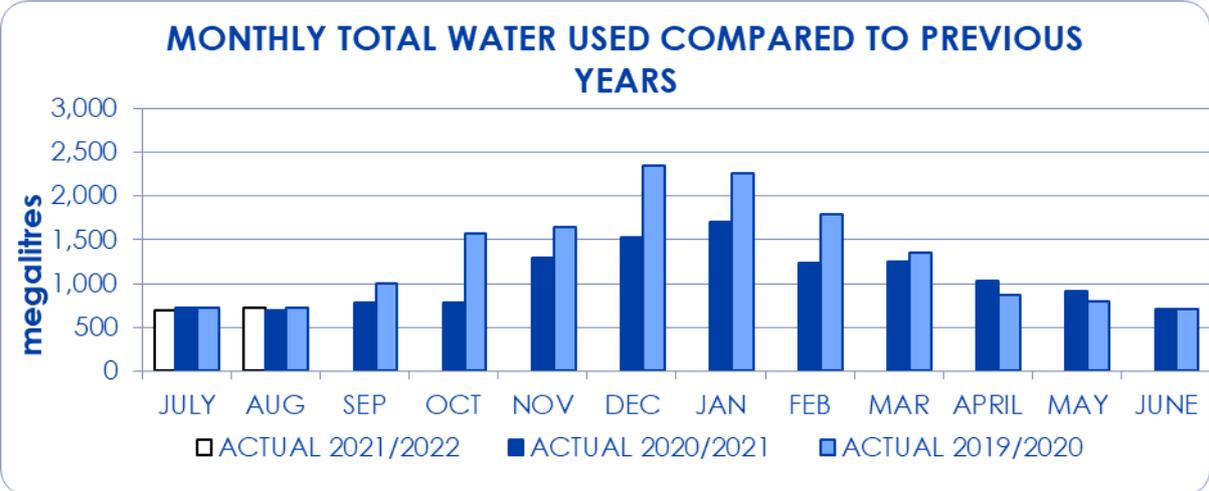
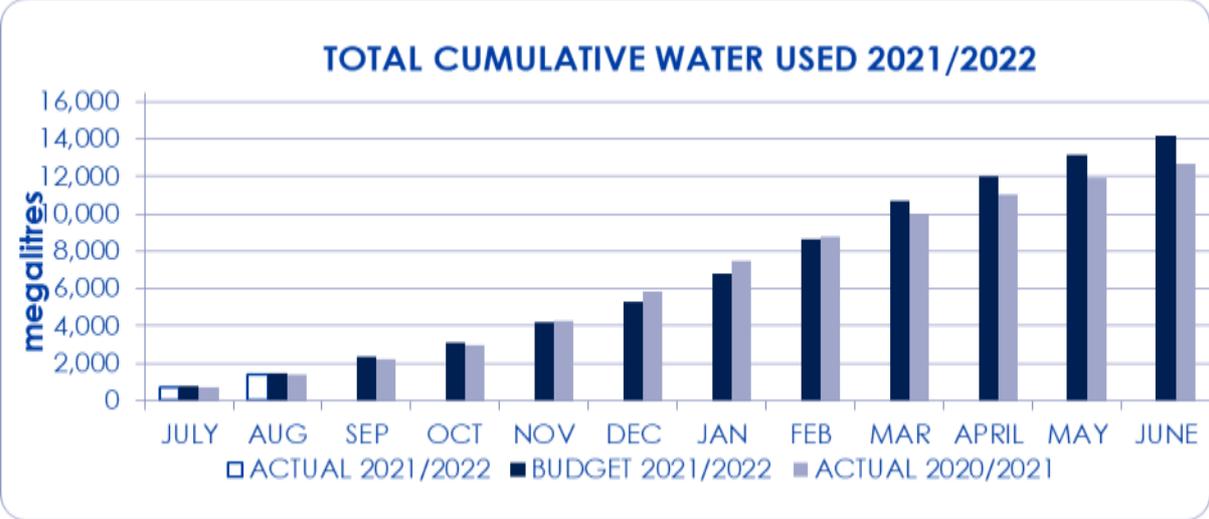
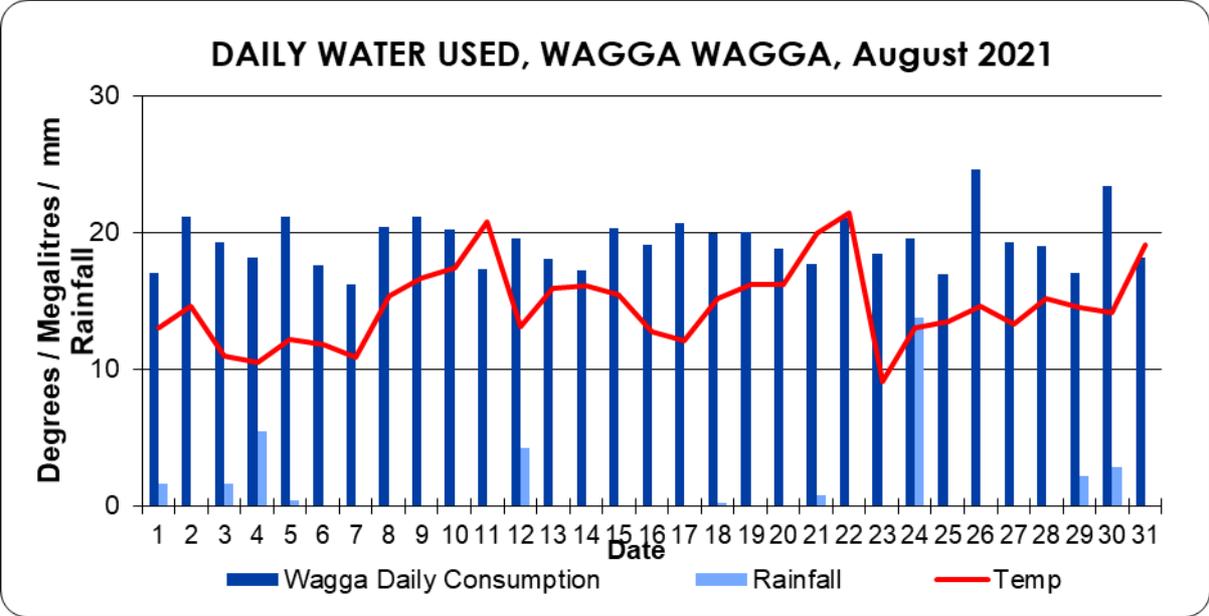
Report

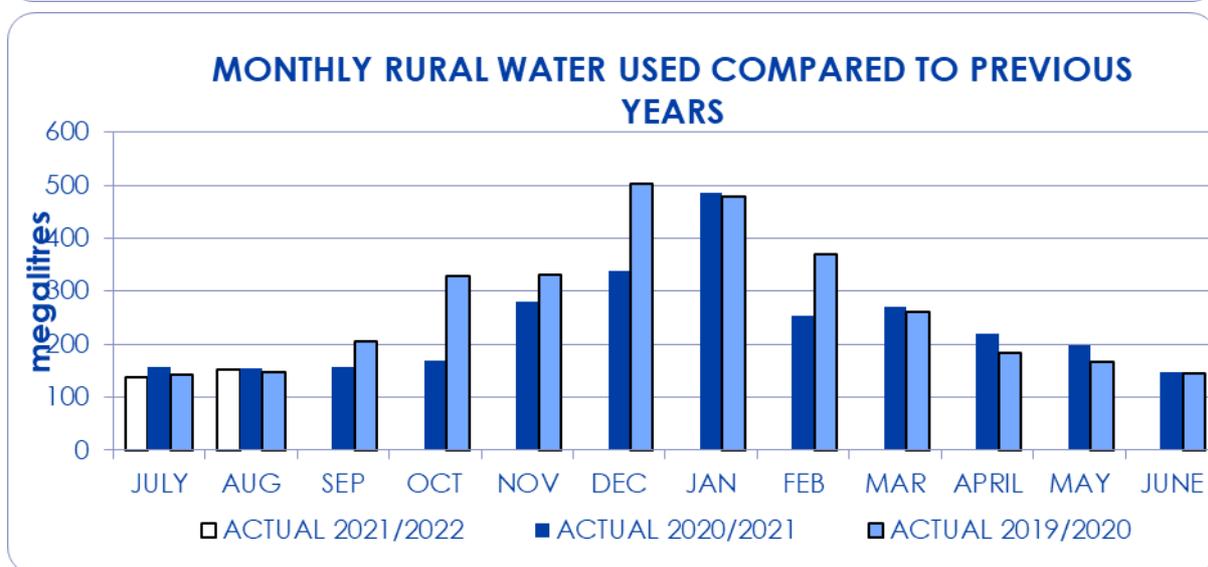
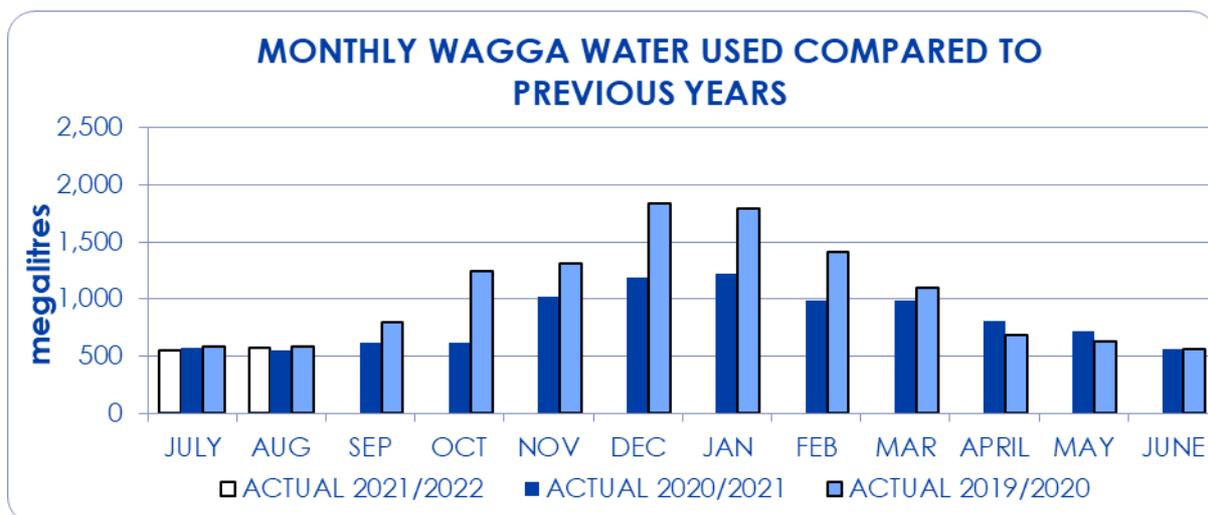
This report provides an overview of water usage, connections, maintenance and water quality matters from 1 – 31 August 2021

Water Sourced and Used

	2019	2020	2021
Rainfall	14.2	74.0	28.0
Wet days	8	12	10
Water sourced August 2021 (MI)			
North Wagga bores	167.60	152.30	153.89
West Wagga bores	133.27	95.36	198.15
East Wagga bores	310.28	413.52	333.89
Murrumbidgee River	79.54	0.00	0.00
Sub Total	690.69	661.18	685.93
Bulgary bores	16.60	20.16	25.45
Urana source	0.00	0.00	0.00
Ralvona bores	12.04	12.72	17.54
Walla Walla bores	0.00	0.00	0.00
Goldenfields Water Supply System	2.08	3.15	0.74
Sub Total	30.72	36.03	43.73
Woomargama	0.68	0.67	0.79
Humula	0.73	0.27	0.79
Tarcutta	2.59	2.29	2.57
Oura	1.88	1.92	2.20
Walbundrie / Rand	1.66	1.73	2.67

	2019	2020	2021
Morundah	0.62	0.63	0.46
Collingullie	4.88	5.44	6.41
Sub Total	13.04	12.95	15.89
Totals	734.45	710.16	745.55
Water used August 2021 (MI)			
East Bomen	18.19	20.57	22.77
Estella	52.30	53.68	64.22
North Wagga	88.50	55.42	52.94
Wagga Wagga – low level	82.38	83.77	81.88
Wagga Wagga – high level	295.28	289.26	310.80
Wagga Wagga – Bellevue level	41.52	41.83	38.04
Sub Total	578.17	544.53	570.65
Ladysmith system	2.60	3.29	2.72
Brucedale scheme	13.42	21.48	11.36
Currawarna scheme	6.18	6.99	9.59
Rural Southern trunk main system	76.99	74.43	66.98
Rural Western trunk main system	23.54	22.17	29.93
Sub Total	122.73	128.36	120.58
Holbrook	12.07	12.70	17.13
Woomargama	0.68	0.67	0.79
Humula	0.73	0.27	0.79
Tarcutta	2.55	2.18	2.69
Oura	1.88	1.92	2.20
Walbundrie / Rand	1.66	1.73	2.67
Morundah	0.57	0.53	0.37
Collingullie	5.02	5.32	6.10
Sub Total	25.16	25.32	32.74
Totals	726.06	698.21	723.97





New Service Connections, Repairs, Meters, Locations and Complaints

Location	New connect - residential	New connect - non-residential	Services renewed	Services repaired	Quality complaints	Supply complaints *	Customer dealings complaints	Other complaints	Frost damage	Meter or Metercock fault	Leaking valves or hydrants	Locations
Wagga Wagga	48	2	3	12	17	3				72	4	3
Wagga Wagga	1	1	2	6	5					23	2	
Forest Hill										4		
North Wagga						1				1		1
Estella	1											
Koorinal	1				6					11	1	
Turvey Park	1			2	3					2		
Lake Albert				1		1				12	1	

Location	New connect – residential	New connect – non-residential	Services renewed	Services repaired	Quality complaints	Supply complaints *	Customer dealings complaints	Other complaints	Frost damage	Meter or Metercock fault	Leaking valves or hydrants	Locations
Ashmont	2	1		1						3		2
Tolland	3			1	1					2		
Mt Austin			1							4		
Bourkelands										1		
Tatton										1		
Glenfield				1	1					2		
Lloyd	8					1				1		
Springvale										2		
East Wagga										1		
Boorooma										1		
Moorong	1				1							
Gobbagombalin	28									1		
Gumly Gumly	2											
Brucedale										1		
Currawarna												2
Ladysmith										1		
Lockhart												1
Milbrulong										1		
The Rock		1		2						1		
Uranquinty	1		1							1		
Yerong Creek						1						
Henty				2								
Holbrook					1					4		
Walla Walla				1	1						1	
Urana										1		
TOTAL	49	3	4	17	19	4	0	0	0	82	5	6

Water System Repairs

Wagga Wagga								
Date	Location	Town	Main type	Cause	Live repair	Outage duration time	Customers affected	Water lost (KI)
4/8/2021	18 Acacia Street	Koorungal	100 AC	Tree Roots	No		30	5
17/8/2021	92 Plumpton Rd	Lake Albert	80 AC	Pipe failure (not specified)	Yes		0	5

18/8/2021	51 McNickle Rd	Ashmont	100 WPVC	Pipe failure (not specified)	No		30	8
26/8/2021	51 McNickle Road	Moorong	100 WPVC	Pipe failure (not specified)	Yes		0	4
27/8/2021	30 Raye Street	Tolland	200 AC	Pipe failure – ground movement	No		30	250

Rural								
Date	Location	Town	Main type	Cause	Live repair	Outage duration time	Customers affected	Water lost (KI)
3/8/2021	The Rock Narrandera Rd	Bulgary	63 PE	Pipe failure – ground movement	Yes		0	24
3/8/2021	Urana rd	Bidgeemia	100 BPVC	Leaking collar	Yes		0	39
4/8/2021	The Rock Narrandera Rd	Bulgary	63 PE	Pipe failure – ground movement	Yes		0	6
7/8/2021	Olympic Hwy	The Rock	300 CI	Pipe failure (not specified)	No		4	500
9/8/2021	County Boundary Rd	Milbrulong	80 PVC	Pipe failure – ground movement	Yes		0	12
11/8/2021	Fowlers Rd – Between Walbundrie & Rand	Milbrulong	63 PE	Pipe failure – ground movement	Yes		0	9
14/8/2021	Holbrook Rd	Morven	150 AC	Pipe failure – ground movement	No		15	156
18/8/2021	Bakes Lane	Pleasant Hills	40 PVC	T/Band Broken/Leaking	Yes		0	8
21/8/2021	36 Urana St	The Rock	100 AC	Leaking collar	No		32	12
23/8/2021	2227 Bidgeemia Rd	Bidgeemia	100 BPVC	T/Band Broken/Leaking	No		6	6
26/8/2021	Holbrook Rd	Morven	150 AC	Pipe failure – ground movement	No		14	87

30/8/2021	Stephens Rd	Urana	200 WPVC	Pipe failure – ground movement	Yes		0	28
31/8/2021	2829 Albury Rd	Pleasant Hills	63 PE	Leaking collar	Yes		0	6

Water Quality Complaints

RHS	Date	Location	Town	Problem	Action Taken
58797	2/08/2021	12 Townview Ave	Walla Walla	Dirty water	Flush water main
58798	2/08/2021	48 Vine St	Holbrook	Calcium Deposits	CaCO ₃ 0.55ppm, Total Hardness 0.85ppm. All results within ADWG
58833	4/08/2021	39 Warrawong St	Koorringal	Dirty water	Flushed out water service until water was clean
58834	4/08/2021	6/89 Ziegler Ave	Koorringal	Dirty water	This job was looked at by Dane after hours
58864	5/08/2021	9 Baree place	Koorringal	Brown Water	Flushed out service a water meter
58883	5/08/2021	185 Forsyth Street	Wagga Wagga	Brown Water	Called & no answer. Could not find any problem, told owners to ring if any further problem
58884	5/08/2021	257 Edward Street	Wagga Wagga	Brown Water	Problem is old gal pipe on their side
58907	4/08/2021	6/89 Ziegler Av	Koorringal	Dirty Water	Flushed water main
58909	5/08/2021	9 Baree Place	Wagga Wagga	Dirty Water	Flushed water main
58926	11/08/2021	2 Kennedy Ave	Koorringal	High Taste of chlorine	entered twice into RHS
58946	11/08/2021	2 Kennedy Ave	Koorringal	High taste of Chlorine	Tested Free Cl ₂ 1.78mg/L Total Cl ₂ 1.84 mg/L Turbidity 0.58NTU all within ADWG
58952	12/08/2021	34 Lindsay Street	Turvey Park	Brown Water	John King's crew are working on area
59026	18/08/2021	20 McNickel Road	Wagga Wagga	Discoloured water	Cut out and replaced gal riser and our side and raised meter
59055	22/08/2021	124 Riverview Dr	Moorong	Very milky water	Flushed mains
59056	22/08/2021	376 Lake Albert Rd	Koorringal	Dirty Water	Flushed service
59085	25/08/2021	8 Woomera Place	Glenfield Park	Dirty Water	Dirty water was from hot water system. Is a rental. Owner suspected hot water but wanted to be sure.
59089	25/08/2021	3 College Ave	Turvey Park	Brown Water	Explained the works going on in Athol Street may have stirred it up but has settled
59191	26/08/2021	81 Urana St	Turvey Park	Brown Water	Turbidity 4.88 NTU Free Chlorine 1.52ppm. Told owner to flush internally, explained works going on.
59093	26/08/2021	81 Urana St	Turvey Park	Water brown	Water Quality were looking after this - they are taking samples

59101	27/08/2021	3 Awaba Street	Tolland	Water brown	Turbidity test read 1.15 NTU
59191	25/08/2021	81 Urana Street	Wagga Wagga	Dirty water	Checked turbidity 4.88 NTU customer flush internal pipes and problem was resolved.

New water mains laid

Location	Project	63	100		150		200		300	
		PE	OPVC	DICL	OPVC	DICL	OPVC	DICL	OPVC	DICL
Oura	Mains Extension		60							
Holbrook	Mains Extension				60					
Ladysmith	New Sub-Division		228							
Dunns Rd	Mains Extension	350								

Replacement of Existing Mains

Location	Project	32	63	100		150	200	200	300		450	600
		PE	PE	DICL	OPVC	DICL	OPVC	DICL	OPVC	DICL	OPVC	DICL
Sly's Lane Milbrulong	Mains Upgrade		1400									
Brucedale	Mains Upgrade									760		
LOW Level	Mains Replacement											120
Athol St	Mains Upgrade			304								

Other Construction

Location or Project	Work done
Nil	

Major Repairs / Overhauls

Facility	Work done
Nil	

Water Filling Station Activity

Location	Number of fills
Bomen Hereford Street	36
Estella Farrer Road	44
Forest Hill Elizabeth Avenue	18
Glenfield Red Hill Road	50
Henty Olympic Way	11
Holbrook Millswood Road	8
Lake Albert Plumpton Road	19
Lockhart Napier Road	41
Pleasant Hills Manson Street	22
The Rock	7
Urana Federation Way	7
Walla Walla Short Street	6
Yerong Creek Finlayson	1

Fleet Disposals

Nil

Fleet Acquisitions

Nil

Major Capital Projects Progress (over \$100,000)

	On track
	Behind schedule
	Unlikely this Financial Year

Description	2020/21 Budget	Actual & Committed to Date	Comments
MANAGEMENT			
Administration Office			
Carpark – Admin building	\$60,000	\$534	Carport extension to provide covered walkway from administration to depot 95% complete.
Administration Office	\$57,965	\$18,098	Layout with workstation locations to accommodate additional staff from restructure developed.
Depot Buildings			
Refurbishment of Operations Office – Urban	\$1,250,445	\$39,839	RFQ's closed for windows & plumbing. Contract work to commence in November. Roof design completed to replace timber section and delete internal box gutter from Block A. IFC drawings for re-design 50%.
Depot Building The Rock – Non-Urban	\$110,301	\$4,350	Automatic gate design 80% complete.
Awning on stores building	\$51,996	\$9,636	Design complete. Fabrication drawings 90% complete.

Description	2020/21 Budget	Actual & Committed to Date	Comments
Re-use of super nantent non-potable water on Hammond Ave site	\$50,000	\$0	
Land and Buildings for Admin, Depot and Workshops			
Access, Parking and Landscaping			
Levee protection Stage 2 Hammond Ave – Urban	\$28,928	\$15,898	Only minor sealing work still to be completed. Some additional security fence constructed following unauthorised access to site at Marshall's Creek bridge.
Murrumbidgee River Bank Stabilisation	\$41,927	\$13,201	Aerial imaging analysed bank cross sections produced at 6-15m intervals. Steep sections identified for further analysis. Site visit required by consultant located in area of concern.
Marshalls Creek Bank Stabilisation	\$45,515	\$15,803	Combined with Murrumbidgee River Bank Stabilisation project
Koorinal Road purchase	\$381,467	\$120,895	completed.
Forge & Copland Street Development	\$60,000	\$947	Preliminary design layouts produced for consultation with stakeholders.
Willans Hill Low Level Res Land Purchase	\$161,200	\$0	Compulsory land acquisition in progress.
Koorinal Land Purchase	\$800,000	\$0	Advice received from Lawyers that the subdivision has registered and settlement will occur soon.
Asset Demolition			
Millswood (Abandoned) Reservoir x2	\$50,000	\$0	
Bomen No. 1 Steel (Abandoned) Reservoir	\$50,000	\$0	
PLANT AND EQUIPEMENT			
IT Equipment			

Description	2020/21 Budget	Actual & Committed to Date	Comments
Computer Server Replacement – Urban	\$51,050	\$13,050	On track.
Computer Equipment – Urban	\$188,928	\$10,814	Commenced IT equipment replacement. On track.
Working Plant and Vehicle Purchases			
Routine plant and vehicle replacements	\$1,626,292	\$679,024	Ongoing
Telemetry and Control Systems Upgrade			
Radio Telemetry SCADA Upgrade	\$362,785	\$94,765	Ongoing
Remote telemetry units and radio upgrade project	\$100,000	\$49,623	Ongoing
Radio Communication Upgrade/Replacements/Improvements			
Radio Communication	\$0	\$1,440	Ongoing
Energy Efficiency and Cost Minimisation			
Solar Pilot plant – East Wagga	\$209,178	\$129,152	EE have provided Connection Investigation Response (CIR), Network models and scoping pack. Our consultants are working on required models and design reports. ACHA (Aboriginal Cultural Heritage Assessment) commenced, and site excavation completed. Ngh environment to compile report and provide fee proposal for permit to work application to DPIE.
INTANGIBLES			
Water Licences			
ERP Development and Implementation	\$3,381,430	\$2,047,577	Project on track. Purchase Order for Infor has been raised, in final stages of engaging HR/Payroll provider. Other budget is

Description	2020/21 Budget	Actual & Committed to Date	Comments
			related to internal costs. Detailed project report, including detailed finances, is provided to project steering committee every meeting.
SOURCES			
Bores – Renew / Refurbish / Decommission			
Tarcutta Bore 5 Replacement (WTP site)	\$300,000	\$0	
Sourceworks Metering (governance)	\$40,000	\$0	
Switchboards Improvements/Replacements	\$30,000	\$0	
TREATMENT PLANTS			
Aeration Tower Replacements			
Ralvona Aeration Basin Replacement	\$115,000	\$23,637	Steel frame galvanised. Installation will be delayed while tank being replaced. Geotechnical investigations undertaken and waiting for report. Contractor from Sydney to commence tank construction in November.
Specific Treatment Plant Improvements			
Gas Chlorine Replacements	\$15,000	\$0	
Online & Remote Monitoring	\$23,932	\$8,932	
Tarcutta WTP Levee protection	\$25,000	\$0	
Treatment Plant Refurbishments			
WTP stage 1 – Urban	\$3,109,661	\$284,041	Lamella access 95% complete.

Description	2020/21 Budget	Actual & Committed to Date	Comments
			Hunter H2O design to resolve issue with filtered water flow meter 50% complete. 21/44 defect completed. Commenced documenting claim for cost to complete.
Roads	\$209,686	\$17,217	Raw Water Crane pad completed. Landscaping continuing. Detailed design completed. RFQ's being prepared.
Footpaths and Covered Walkways	\$100,000	\$0	Design 80% complete. Only Chemical building and Filter Block building awning designs remaining.
Landscaping	103,312	\$38,311	North-East corner completed.
Waterworks Building Demolition	\$21,524	\$128	Revised project charter completed. Work commenced on electrical disconnection and planning switchboard relocation.
North Wagga WTP Fluoride Plant Replacement	\$120,000	\$0	J1
Tarcutta Iron Filter Replacement	\$36,750	\$990	Filters installed and operational. Access platform design 50%.
Tarcutta CWS tank replacement	\$0	\$61,749	Committal from 2020/2 to be accommodated by budget revote
Tarcutta Manganese Filter Replacement	\$80,000	\$0	
Urana WTP replacement – Non-Urban	\$200,000	\$995	Modelling of Boree Creek to Morundah pipeline 60%. Arranged installation of magflow meter on Raw Water pipeline at the Urana WTP.
Woomagama WTP	\$224,000	\$0	

PUMPING STATIONS			
Estella Pump Station Power Upgrade	\$65,000	\$61,499	Design and quotations completed in 2020/21. Budget revote of \$65k required to complete works
Wagga CWS – Bomen pump Station	\$50,000	\$0	
Pleasant Hills Pump Station Refurbishment	\$90,000	\$0	
RESERVOIRS			
General Improvements			
Reservoir Access Security Enclosures & Cameras	\$20,000	\$0	Draft design Red Hill Reservoir 1 enclosure completed for consultation with stakeholders.
New / Replacement Reservoirs			
Main Low Level Reservoir 2x11ML Investigation & Design - Urban	\$52,206	\$16,379	Completed. Remaining budget to be used for land acquisition.
Humula Reservoir Replacement 2x 100kL with 1x 150kL	\$95,752	\$90,158	Earthworks for pad completed. Construction delayed due to contractor being Sydney based. Expect to commence construction in November.
Walbundrie Reservoir #2 1x100kL with 150kL replacement	\$92,785	\$80,544	Earthworks for pad completed. Construction delayed due to contractor being Sydney based. Expect to commence construction in November.
Oura Reservoir Replacements 2x100kL with 700kL replacement	\$28,974	\$836	Consent given by property owner to acquire additional land and construct reservoir. Plan of acquisition being prepared.
The Rock Reservoir South	\$8,900	\$9,019	Refer to confidential report.
Low Level Reservoirs – Land Matters	\$160,000	\$1,025	For acquisition of reservoir site from Department of Education.
Decommission 10Mg open reservoir	\$0	\$2,829	Ngh environmental completed Aboriginal Cultural Heritage Assessment (ACHA) and prepared the Aboriginal Heritage Impact Permit (AHIP).

			Draft report from Geotechnical consultant for filling specification using stockpiled material received and under review.
Reservoirs – Upgrade Ladders and Access			
Reservoirs – upgrade ladders and access – Urban	\$30,000	\$0	
Reservoirs – upgrade ladders and access – Non-Urban	\$65,600	\$5,600	
Reservoir Hatches Magflows			
Reservoir Magflow – Non-Urban	\$25,000	\$34	
MAINS			
System Improvements			
System Improvements – Urban	\$150,000	\$4,930	In progress
System Improvements – Non-Urban	\$50,000	\$0	Not yet commenced.
Low Level Reservoirs Pipework	\$101,976	\$120,798	Project carried over from previous years. Funding to be re-voted.
WW WTP 600mm DICL Koorringal Road	\$107,770	\$16,959	Project in progress.
Eldershaws Rd, The Gap	\$150,000	\$2,450	Not yet commenced.
Cooedong Lane, 230m 100mm DICL	\$100,000	\$0	Not yet commenced.
Bolton Park	\$200,000	\$0	Not yet commenced.
Koorringal Road, Christian College	\$320,000	\$3,969	Not yet commenced.
Reticulation for Developers (including other extensions)			
Reticulation for Developers – Urban	\$608,000	\$140,719	In progress

Reticulation for Developers – non urban	\$60,600	\$0	Not yet commenced.
Renew Reticulation Mains			
Renew Reticulation Mains – Non-Urban	\$200,000	\$2,818	In progress
Renew Reticulation Mains – Urban	\$300,000	\$24,171	In progress
Athol St 100mm DICL	\$400,000	\$77,063	In progress
Renew Trunk Mains			
Renew Trunk Mains – Urban	\$200,000	\$290,091	Not yet commenced.
Renew Trunk Mains – Non-Urban	\$14,690	\$5,897	Project carry-over funds to be re-voted.
Olympic Highway – Trunk Mains Replacement	\$1,113,507	\$103,466	In progress
Simkin/Churchill/Sherwood – Trunk Main Replacement	\$11,785	\$11,785	Completed – designs only, committed costs carried over from last year, budget to be re-voted.
Urana – Corowa (Oaklands)	\$250,000	\$1,154	Not yet commenced.
Olympic Highway Henty to Jennings Lane	\$500,000	\$0	Not yet commenced.
Renew Rail Crossings	\$25,000	\$0	Not yet commenced.
SERVICES			
Service Connections, new including Meters			
Service Connections, New – Urban	\$500,403	\$80,043	In progress
Service Connections, New – Non Urban	\$50,000	\$22,137	In progress
Renew Services			
Renew Services – Urban	\$300,000	\$25,139	In progress
Renew Services – Non-Urban	\$30,000	\$39,619	In progress

METERS			
Water Meters Replacement			
Water meters replacement – Urban	\$150,871	\$23,274	In progress
Water meters replacement – Non-Urban	\$50,000	\$1,052	In progress
Remote Metering			
Remote Metering – Non-Urban	\$25,000	\$2,170	Not yet commenced.
Estella – The Gap (Pin Gulley Road) Magflow (Solar)	\$25,000	\$0	Not yet commenced.
Water Filling Stations New			
WFS – Non-Urban	\$25,000	\$9,489	Not yet commenced.

Financial Implications

Nil

Risk Considerations

Service Delivery	
Avoid	Council will avoid taking on any risks which may compromise water quality.

R12 Works Report covering September 2021

Organisational Area Engineering

Author Bede Spannagle, Director of Engineering

Summary This report provides an overview of water usage, connections, maintenance and water quality matters from 1 – 30 September 2021

RECOMMENDATION that the Works Report covering September 2021 be received and noted

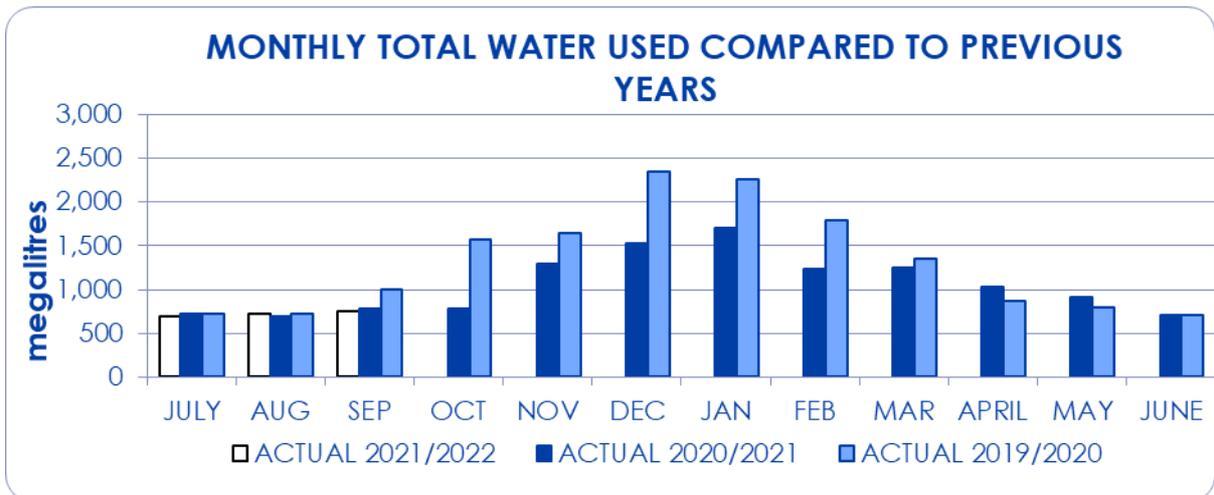
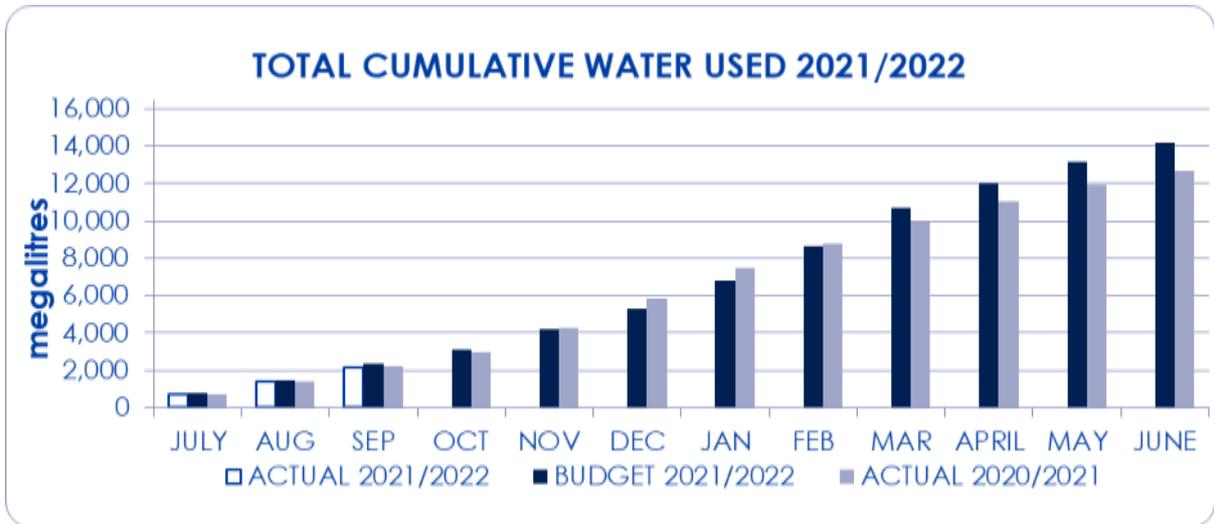
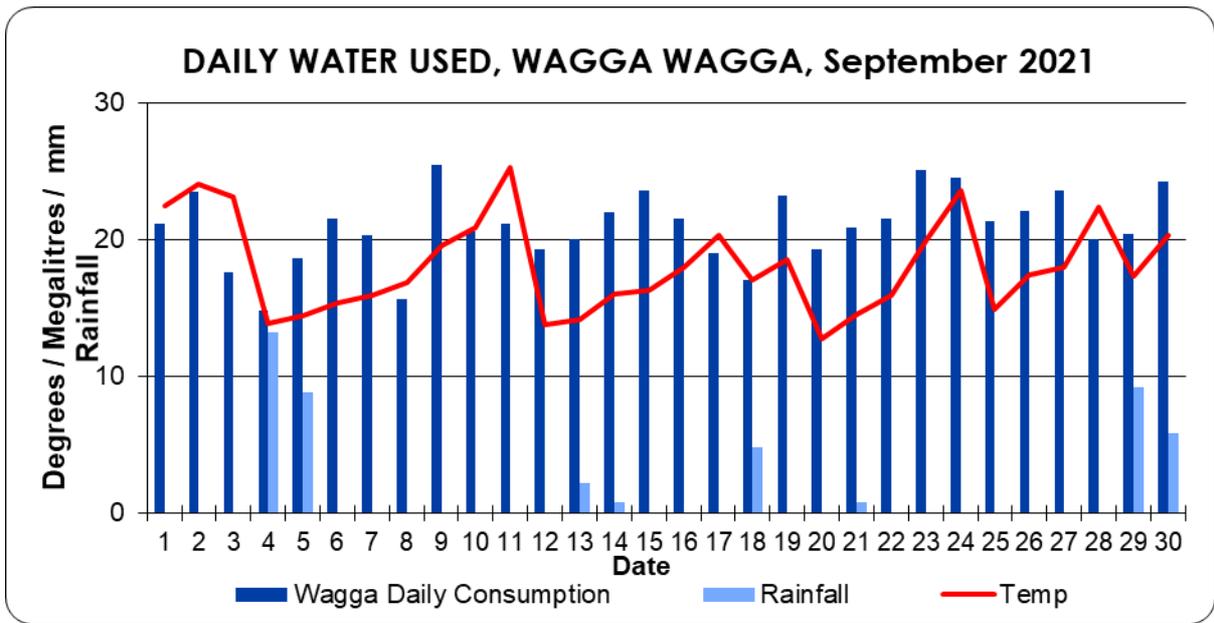
Report

This report provides an overview of water usage, connections, maintenance and water quality matters from 1 – 30 September 2021

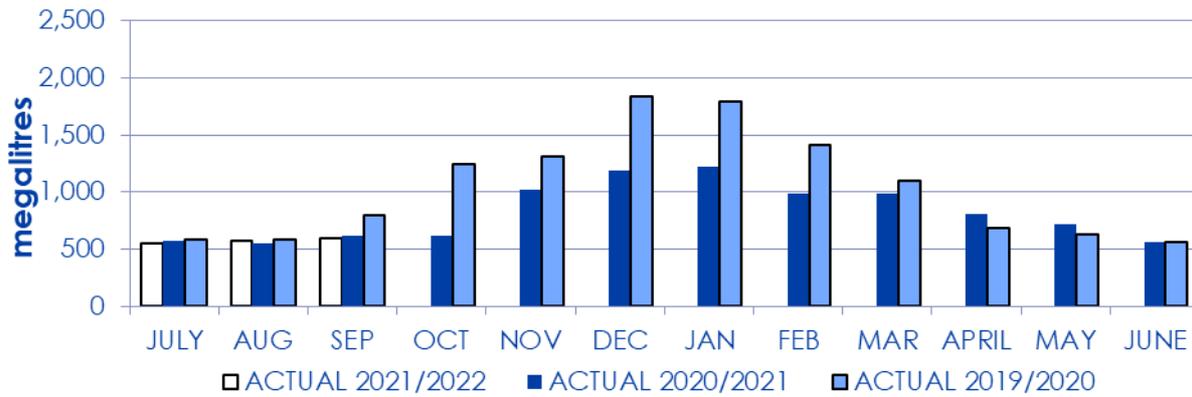
Water Sourced and Used

	2019	2020	2021
Rainfall	16.2	56.4	30.6
Wet days	5	11	8
Water sourced September 2021 (MI)			
North Wagga bores	195.88	146.61	160.45
West Wagga bores	225.19	186.99	257.09
East Wagga bores	434.54	413.45	292.62
Murrumbidgee River	96.03	0.00	0.00
Sub Total	951.64	747.05	710.16
Bulgary bores	31.14	24.39	22.35
Urana source	0.00	0.00	0.00
Ralvona bores	14.61	13.68	18.21
Walla Walla bores	0.00	0.00	0.00
Goldenfields Water Supply System	1.77	5.30	0.78
Sub Total	47.52	43.37	41.34
Woomargama	0.83	0.77	0.65
Humula	0.72	0.52	0.15
Tarcutta	2.88	2.40	2.75
Oura	2.57	1.95	2.36
Walbundrie / Rand	1.95	2.03	2.78

	2019	2020	2021
Morundah	0.74	0.50	0.62
Collingullie	5.15	4.96	6.39
Sub Total	14.84	13.13	15.70
Totals	1,014.00	803.55	767.20
Water used September 2021 (MI)			
East Bomen	25.88	5.83	20.97
Estella	70.76	56.71	59.85
North Wagga	76.24	56.95	57.50
Wagga Wagga – low level	139.82	126.91	85.43
Wagga Wagga – high level	414.20	326.21	326.89
Wagga Wagga – Bellevue level	63.57	46.43	46.95
Sub Total	790.47	619.04	597.59
Ladysmith system	3.35	2.83	2.88
Brucedale scheme	19.41	23.63	11.01
Currawarna scheme	12.85	10.34	9.29
Rural Southern trunk main system	103.54	73.38	74.30
Rural Western trunk main system	38.17	24.07	25.24
Sub Total	177.32	134.25	122.72
Holbrook	14.69	13.62	18.12
Woomargama	0.83	0.77	0.65
Humula	0.72	0.52	0.15
Tarcutta	2.80	2.40	2.65
Oura	2.57	1.95	2.36
Walbundrie / Rand	1.95	2.03	2.78
Morundah	0.67	0.39	0.54
Collingullie	4.85	2.26	6.04
Sub Total	29.08	23.94	33.29
Totals	996.87	777.23	753.60



MONTHLY WAGGA WATER USED COMPARED TO PREVIOUS YEARS



MONTHLY RURAL WATER USED COMPARED TO PREVIOUS YEARS



New Service Connections, Repairs, Meters, Locations and Complaints

Location	New connect - residential	New connect - non-residential	Services renewed	Services repaired	Quality complaints	Supply complaints *	Customer dealings complaints	Other complaints	Frost damage	Meter or Metercock fault	Leaking valves or hydrants	Locations
Wagga Wagga	28	1	8	15	9	5				38	2	7
Wagga Wagga			3		5	2				6	1	3
Forest Hill	1									1		
North Wagga			1									
Estella	1			1								
South Wagga												
Koorungal	1		1							7		1
Turvey Park			2	2		1				2		

Location	New connect – residential	New connect – non-residential	Services renewed	Services repaired	Quality complaints	Supply complaints *	Customer dealings complaints	Other complaints	Frost damage	Meter or Metercock fault	Leaking valves or hydrants	Locations
Lake Albert	1					2				9		
Ashmont				2						3		1
Tolland				3						2		
Mt Austin			1	2						2		1
Glenfield		1		2	2					4		
Lloyd	4			1								
Springvale				1								
East Wagga	1				1							1
Boorooma				1							1	
Moorong					1					1		
Gobbagombalin	18											
Gumly Gumly	1									1		
Ladysmith						1						
Oura										1		
San Isidore												
The Gap						1					1	
Lockhart	1					1						
Milbrulong									1			
The Rock	1			1								
Uranquinty	1											
Holbrook	1		1							1	1	
Morven	1										2	
Walla Walla					1							
Urana	1										1	
TOTAL	34	1	9	16	10	8	0	0	1	41	7	7

Water System Repairs

Wagga Wagga								
Date	Location	Town	Main type	Cause	Live repair	Outage duration time	Customers affected	Water lost (KI)
21/9/2021	15 Kobi Place	Glenfield Park	150 BPVC	Pipe failure (not specified)	No		20	8

Rural								
Date	Location	Town	Main type	Cause	Live repair	Outage duration time	Customers affected	Water lost (KI)
2/9/2021	58 Mundowry Lane	Collingullie	50 PVC	Pipe failure – ground movement	No		12	12
6/9/2021	Urana Rd	Bidgeemia	100 BPVC	Pipe failure – ground movement	No		6	1008
6/9/2021	Olympic Hwy	Henty	200 AC	Leaking SS clamp	Yes		0	10
6/9/2021	Olympic Hwy	Henty	200 AC	Pipe failure – ground movement	No		0	17
8/9/2021	Bidgeemia Rd 1923	Bidgeemia	100 BPVC	T/Band Broken/Leaking	Yes		0	23
9/9/2021	Cummings Rd 1721	Walla Walla	75 AC	Pipe failure – ground movement	Yes		0	12
10/9/2021	Morven	Morven	100 AC	Pipe failure (not specified)	No		30	30000
14/9/2021	Holbrook Rd	Morven	63 PE	Pipe failure – ground movement	No		15	13
16/9/2021	1171 Culcairn Holbrook Rd	Holbrook	50 PE	Pipe failure – ground movement	Yes		0	18
18/9/2021	Humphries Lane	The Rock	63 PE	Leaking collar	Yes		0	14
20/9/2021	Darlow St	Mangoplah	100 WPVC	T/Band Broken/Leaking	No		0	9
21/9/2021	Pietchs Lane	Bidgeemia	63 PE	Pipe failure – ground movement	Yes		0	12
21/9/2021	McLarty Lane	The Gap	63 PE	Pipe failure (not specified)	Yes		0	3

Water Quality Complaints

RHS	Date	Location	Town	Problem	Action Taken
59175	7/09/2021	41 Wollundry Ave	Wagga Wagga	Dirty Water	Took a bit of flushing but got it to below figure entered RHS twice
59192	3/09/2021	21 Kimba Drive	Glenfield Park	Flaky, gritty water	Water tasted and tested Turbidity 1.48NTU Free chlorine 1.05ppm pH 7.91
59193	7/09/2021	25 Paldi Crescent	Glenfield Park	Dirty brown water	Water tested Turbidity 4.32 NTU Free chlorine 1.5ppm Manganese 0.170ppm. Mains flushed in area.
59194	7/09/2021	41 Wollundry Ave	Wagga Wagga	Dirty water	Water tested Turbidity 16NTU. Maintenance advised and flushing commenced until turbidity <5NTU
59315	22/09/2021	39 Mason Street	East Wagga	Still has dirty water after works, has run taps	Flushed main and service
59323	16/09/2021	Farm on Schneider's Rd	Walla Walla	Too much chlorine in water at shearing shed when jug boiled	Cl residual 0.9mg/L Walla Cl ranged 0.9 to 1.1mg/L for Sept. Advised to check internal plumbing
59475	22/09/2021	8 Nada Place	Wagga Wagga	Dirty Water	Flushed Main
59476	21/09/2021	45 Adjin Street	Wagga Wagga	Dirty Water	Problem is old gal on our side and customers. Will put in for renewal on our side and they will too.
59480	20/09/2021	15 Harrier Street	Wagga Wagga	Water tastes salty	Flushed service, water tastes fine. Owner was happy with outcome.
59510	28/09/2021	33 Riverview Dr	Wagga Wagga	High Taste of chlorine	WQ analysis hardness, Cl, SO3, Mn, Fe, Chloride, TDS, pH, turb, All within ADWG. Alkalinity 100mg/L

New water mains laid

Location	Project	63		100		150		200		300	
		PE	OPVC	DICL	OPVC	DICL	OPVC	DICL	OPVC	DICL	
Bidgeemia	Mains extension	3060									
Harris Rd St 2	New Sub-Division		258	36		234					
Road Crossings	New Sub-Division		24			40					

Replacement of Existing Mains

Location	Project	32	63	100		150	200	200	250		450	600
		PE	OPVC	DICL								
Morven	Replacement	210										
Walla Walla	Replacement				270							
Athol St	Replacement			60	114							
Brucedale	Replacement									786		
Eldershaw Lane	Replacement			18	1896							
Low Level Res	Replacement											60

Other Construction

Location or Project	Work done
Nil	

Major Repairs / Overhauls

Facility	Work done
Nil	

Water Filling Station Activity

Location	Number of fills
Bomen Hereford Street	9
Estella Farrer Road	127
Forest Hill Elizabeth Avenue	24
Glenfield Red Hill Road	105
Henty Olympic Way	3
Holbrook Millswood Road	8
Lake Albert Plumpton Road	51
Lockhart Napier Road	46
Pleasant Hills Manson Street	14
The Rock	1

Urana Federation Way	4
Yerong Creek Finlayson	14

Fleet Disposals

Nil

Fleet Acquisitions

Nil

Major Capital Projects Progress (over \$100,000)

	On track
	Behind schedule
	Unlikely this Financial Year

Description	2020/21 Budget	Actual & Committed to Date	Comments
MANAGEMENT			
Administration Office			
Carpark – Admin building	\$60,000	\$16,026	Carport extension to provide covered walkway from administration to depot 95% complete.
Administration Office	\$57,965	\$19,054	Layout with workstation locations to accommodate additional staff from restructure developed.
Depot Buildings			
Refurbishment of Operations Office – Urban	\$1,250,445	\$47,230	RFQ's closed for windows & plumbing. Contract work to commence in November. Roof design completed to replace timber section and delete internal box gutter from Block A. IFC drawings for re-design 50%.
Depot Building The Rock – Non-Urban	\$110,301	\$4,895	Automatic gate design 80% complete.
Awning on stores building	\$51,996	\$10,830	Design complete. Fabrication drawings 90% complete.

Description	2020/21 Budget	Actual & Committed to Date	Comments
Re-use of supernatant non-potable water on Hammond Ave site	\$50,000	\$0	
Land and Buildings for Admin, Depot and Workshops			
Access, Parking and Landscaping			
Levee protection Stage 2 Hammond Ave – Urban	\$28,928	\$15,898	Only minor sealing work still to be completed. Some additional security fence constructed following unauthorised access to site at Marshall's Creek bridge.
Murrumbidgee River Bank Stabilisation	\$41,927	\$13,634	Aerial imaging analysed bank cross sections produced at 6-15m intervals. Steep sections identified for further analysis. Site visit required by consultant located in area of concern.
Marshalls Creek Bank Stabilisation	\$45,515	\$15,803	Combined with Murrumbidgee River Bank Stabilisation project
Koorinal Road purchase	\$381,928	\$120,895	Completed.
Forge & Copland Street Development	\$60,000	\$947	Preliminary design layouts produced for consultation with stakeholders.
45 Koorinal Road purchase	\$0	\$1,500	completed.
Willans Hill Low Level Res Land Purchase	\$161,200		Compulsory land acquisition in progress.
Koorinal Land Purchase (Profinance Lot 2)	\$800,000	\$0	Contracts exchanged. Settlement due in October
Asset Demolition			
Millswood (Abandoned) Reservoir x2	\$50,000	\$0	
Bomen No. 1 Steel (Abandoned) Reservoir	\$50,000	\$0	
PLANT AND EQUIPEMENT			

Description	2020/21 Budget	Actual & Committed to Date	Comments
IT Equipment			
Computer Server Replacement – Urban	\$51,050	\$15,375	Yet to commence – commitment from 2021.
Computer Equipment – Urban	\$188,928	\$10,814	Commenced IT equipment replacement program.
Working Plant and Vehicle Purchases			
Routine plant and vehicle replacements	\$1,626,292	\$345,616	Ongoing
Telemetry and Control Systems Upgrade			
Radio Telemetry SCADA Upgrade	\$362,785	\$103,444	Ongoing
Remote telemetry units and radio upgrade project	\$100,000	\$82,781	Ongoing
Radio Communication Upgrade/Replacements/Improvements			
Radio Communication	\$0	\$1,440	Completed
Energy Efficiency and Cost Minimisation			
Solar Pilot plant – East Wagga	\$209,178	\$143,291	EE have provided Connection Investigation Response (CIR), Network models and scoping pack. Our consultants are working on required models and design reports. ACHA (Aboriginal Cultural Heritage Assessment) commenced and site excavation completed. Ngenvironment to compile report and provide fee proposal for permit to work application to DPIE.
INTANGIBLES			
Water Licences			

Description	2020/21 Budget	Actual & Committed to Date	Comments
ERP Development and Implementation	\$3,381,430	\$2,074,728	On track – contract signed and order to be raised in August.
SOURCES			
Bores – Renew / Refurbish / Decommission			
Tarcutta Bore 5 Replacement (WTP site)	\$300,000	\$0	
Sourceworks Metering (governance)	\$40,000	\$0	Scheduled in November for Woomargama and Humula source
Switchboards Improvements/Replacements	\$30,000	\$0	
TREATMENT PLANTS			
Aeration Tower Replacements			
Ralvona Aeration Basin Replacement	\$115,000	\$24,856	Steel frame galvanised. Installation will be delayed while tank being replaced. Geotechnical investigations undertaken and waiting for report. Contractor from Sydney to commence tank construction in November.
Specific Treatment Plant Improvements			
Tarcutta WTP Levee protection	\$25,000	\$0	
Treatment Plant Refurbishments			
WTP stage 1 – Urban	\$3,109,661	\$344,987	Lamella access 95% complete. Hunter H2O design to resolve issue with filtered water flow meter 50% complete. 21/44 defect completed.

Description	2020/21 Budget	Actual & Committed to Date	Comments
			Commenced documenting claim for cost to complete.
Roads	\$209,686	\$22,049	Raw Water Crane pad completed. Landscaping continuing. Detailed design completed. RFQ's being prepared.
Footpaths and Covered Walkways	\$100,000	\$0	Design 80% complete. Only Chemical building and Filter Block building awning designs remaining.
Landscaping	\$103,312	\$39,836	North-East corner completed.
North Wagga WTP Fluoride Plant Replacement	\$120,000	\$0	
Tarcutta Iron Filter Replacement	\$36,750	\$1,722	Detailed engineering design completed for access walkway and ladders
Tarcutta CWS tank replacement	\$0	\$61,749	Committal from 2020/2 to be accommodated by budget revote
Tarcutta Manganese Filter Replacement	\$80,000	\$0	
Urana WTP replacement – Non-Urban	\$200,000	\$3,292	Modelling of Boree Creek to Morundah pipeline 60%. Arranged installation of magflow meter on Raw Water pipeline at the Urana WTP.
Woomagama WTP	\$224,000	\$9,416	Engaged consultant to review and recommend water treatment processes to meet health based targets
PUMPING STATIONS			
Estella Pump Station Power Upgrade	\$65,000	\$61,499	Ongoing. New variable speed drive required on motor #2.
Wagga CWS – Bomen pump Station	\$50,000	\$0	Work done on developing system curve with flow tests
Pleasant Hills Pump Station Refurbishment	\$90,000	\$0	

Description	2020/21 Budget	Actual & Committed to Date	Comments
RESERVOIRS			
General Improvements			
Reservoir Access Security Enclosures & Cameras	\$20,000	\$0	Draft design Red Hill Reservoir 1 enclosure completed for consultation with stakeholders.
New / Replacement Reservoirs			
Main Low Level Reservoir 2x11ML Investigation & Design - Urban	\$52,206	\$16,524	Completed. Remaining budget to be used for land acquisition.
Humula Reservoir Replacement 2x 100kL with 1x 150kL	\$95,752	\$90,158	Earthworks for pad completed. Construction delayed due to contractor being Sydney based. Expect to commence construction in November.
Walbundrie Reservoir #2 1x100kL with 150kL replacement	\$92,785	\$80,544	Earthworks for pad completed. Construction delayed due to contractor being Sydney based. Expect to commence construction in November.
Oura Reservoir Replacements 2x100kL with 700kL replacement	\$28,974	\$836	Consent given by property owner to acquire additional land and construct reservoir. Plan of acquisition being prepared.
The Rock Reservoir South	\$8,900	\$9,019	Refer to confidential report.
Low Level Reservoirs – Land Matters	\$160,000	\$2,823	For acquisition of reservoir site from Department of Education.
Decommission 10Mg open reservoir	\$0	\$7,722	NGH environmental completed Aboriginal Cultural Heritage Assessment (ACHA) and prepared the Aboriginal Heritage Impact Permit (AHIP). Draft report from Geotechnical consultant for filling specification using stockpiled material received and under review.
Reservoirs – Upgrade Ladders and Access			

Description	2020/21 Budget	Actual & Committed to Date	Comments
Reservoirs – upgrade ladders and access – Urban	\$30,000	\$0	
Reservoirs – upgrade ladders and access – Non-Urban	\$65,600	\$5,600	
Reservoir Hatches Magflows			
Reservoir Magflow – Non-Urban	\$25,000	\$1,039	
MAINS			
System Improvements			
System Improvements – Urban	\$150,000	\$4,930	In progress
System Improvements – Non-Urban	\$50,000	\$0	Not yet commenced.
Low Level Reservoirs Pipework	\$101,946	\$170,792	Project carried over from previous years.
WW WTP 600mm DICL Koorungal Road	\$107,770	\$16,991	Project in progress.
Estella PH and Res	\$0	\$7,009	Project completed. Minor committed costs carried over.
Eldershaw Rd, The Gap	\$150,000	\$65,848	Not yet commenced.
Cooedong Lane, 230m 100mm DICL	\$100,000	\$0	Not yet commenced.
Bolton Park	\$200,000	\$0	Not yet commenced.
Koorungal Road, Christian College	\$320,000	\$9,775	Not yet commenced.
Reticulation for Developers (including other extensions)			
Reticulation for Developers – Urban	\$608,000	\$283,535	In progress
Reticulation for Developers – non urban	\$60,600	\$0	Not yet commenced.

Description	2020/21 Budget	Actual & Committed to Date	Comments
Renew Reticulation Mains			
Renew Reticulation Mains – Non-Urban	\$200,000	\$32,938	In progress
Renew Reticulation Mains – Urban	\$300,000	\$39,379	In progress
Athol St 100mm DICL	\$400,000	\$125,126	Stage 1 completed. Stage 2 to be undertaken.
Renew Trunk Mains			
Renew Trunk Mains – Urban	\$200,000	\$297,519	In progress and overspent
Renew Trunk Mains – Non-Urban	\$14,690	\$5,897	Project carry-over funds to be re-voted.
Olympic Highway – Trunk Mains Replacement	\$1,113,507	\$154,308	In progress
Simkin/Churchill/Sherwood – Trunk Main Replacement	\$11,785	\$11,785	Completed – designs only, committed costs carried over from last year, budget to be re-voted.
Urana – Corowa (Oaklands)	\$250,000	\$1,154	Not yet commenced.
Olympic Highway Henty to Jennings Lane	\$500,000	\$0	Not yet commenced.
Renew Rail Crossings	\$25,000	\$0	Not yet commenced.
SERVICES			
Service Connections, new including Meters			
Service Connections, New – Urban	\$500,403	\$110,440	In progress
Service Connections, New – Non Urban	\$50,000	\$25,405	In progress
Renew Services			
Renew Services – Urban	\$300,000	\$43,855	In progress

Description	2020/21 Budget	Actual & Committed to Date	Comments
Renew Services – Non-Urban	\$30,000	\$41,086	In progress, replacement of services in Walla Walla causing over expenditure
METERS			
Water Meters Replacement			
Water meters replacement – Urban	\$150,871	\$30,914	In progress
Water meters replacement – Non-Urban	\$50,000	\$1,052	In progress
Remote Metering			
Remote Metering – Non-Urban	\$25,000	\$2,179	Not yet commenced.
Estella – The Gap (Pin Gulley Road) Magflow (Solar)	\$25,000	\$0	Not yet commenced.
Water Filling Stations New			
WFS – Non-Urban	\$25,000	\$10,136	Not yet commenced.

Financial Implications

Nil

Risk Considerations

Service Delivery

Avoid	Council will avoid taking on any risks which may compromise water quality.
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R13 Lost Time Injury Statistics 2021/22 - July-September Period

Organisational Area Chief Executive Officer

Author Joe Mansour, WHS officer

Summary This report presents information on Lost Time Injury statistics for the July/September period of the 2021/2022 financial year.

RECOMMENDATION that Council receive and note the statistics report for Lost Time Injuries for the period July 2021 to September 2021.

Report

Date of Injury	Claim Status	Return to Work Date	Lost Time Injury (Days off work)	No of Days Lost (Premium impacting)
21/04/2016	OPEN	1/09/2021	40	* Nil (see notes below)
27/09/2021	OPEN	6/10/2021	5	5
Total			45	5

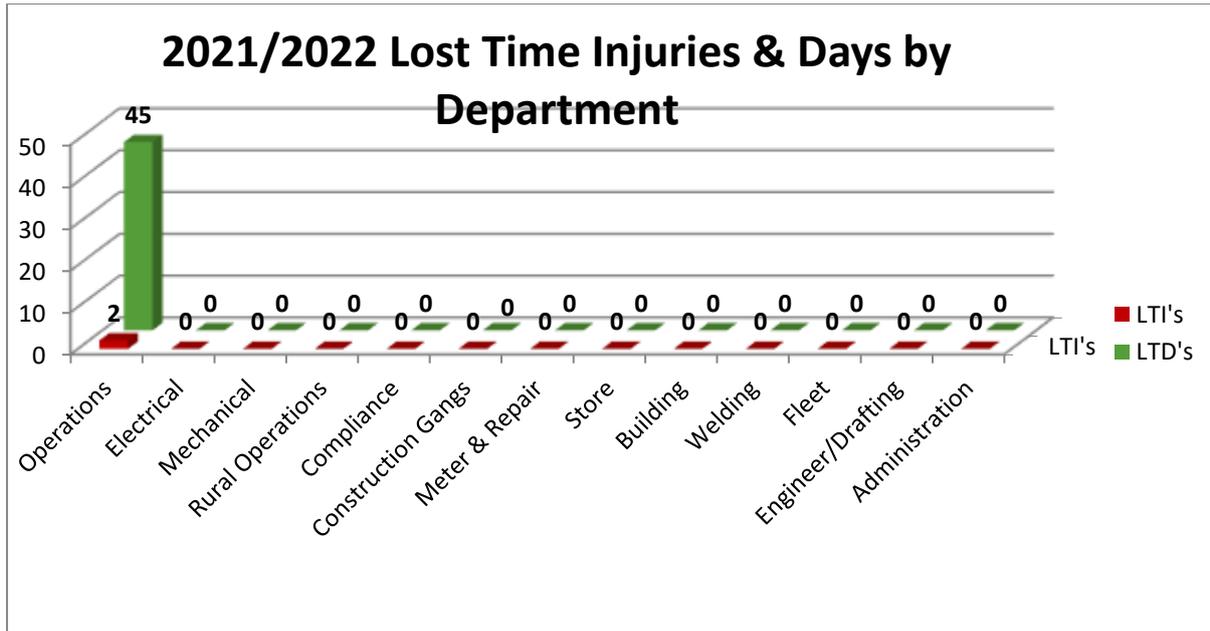
* This claim is not premium impacting due to the original claim opening more than three years prior to the 2021/2022 financial year.

Other WHS Statistics for the financial year:

Lost Time Days (LTD's) - **45 days**

No of Current/Open Workers Compensation Claims – **Five claims (two legacy claims, three open claims)**

Total No of Workers Compensation Claims lodged this financial year – **One claim**



Financial Implications

Council works in partnership with its insurer StateCover Mutual to minimise costs associated with each claim so as to minimise the annual premium paid for the workers compensation insurance.

Risk Considerations

Work Health and Safety	
Avoid	Council will avoid taking any risks that could result in accident, injury or illness to our staff, councillors, contractors, visitors or members of the public.

R14 Council Resolution Sheet

Organisational Area Chief Executive Officer

Author Andrew Crakanthorp, Chief Executive Officer

Summary The report provides an update on the status of previous resolutions of the Council.

RECOMMENDATION that the report detailing the status of the active resolutions of Council be received.

Report

The attachment to this report provides details on the implementation of Council resolutions.

› **R14.1 Council Resolution Sheet** [↓](#) 

Financial Implications

Nil

Risk Considerations

Corporate Governance And Compliance	
Avoid	Council will avoid risks relating to corporate governance and compliance including ethical, responsible and transparent decision making and procedural/policy, legal and legislative compliance.

OUTSTANDING ACTIONS REPORT

Printed: Tuesday, 19 October
2021 1:10:00 PM

Meeting	Date	Officer	Title	Target
Board Meeting 18/10/2018	18/10/2018	Spannagle, Bede	PFAS matter	
Resolution				
Resolution not found - no minutes document				
Notes For Action				
21 Apr 2021 2:02pm Vincent, Melissa				
20/4/2021 Senior staff have meet with DPIE staff regarding further pursuing issue.				
16 Aug 2021 1:55pm Vincent, Melissa				
Further updates will be provided as information comes to hand				

Meeting	Date	Officer	Title	Target
Board Meeting 18/10/2018	18/10/2018	Spannagle, Bede	Purchase of Land for Storage and Potential Access	
Resolution				
Resolution not found - no minutes document				
Notes For Action				
21 Apr 2021 2:02pm Vincent, Melissa				
20/4/2021 Meeting with Profinance, land matters expected to be resolved first quarter 2022.				
16 Aug 2021 1:56pm Vincent, Melissa				
Negotiations are progressing subject to construction of stormwater infrastructure				

Meeting	Date	Officer	Title	Target
Board Meeting 30/06/2021	30/06/2021	Bichani, Anjane	Humula Steel Tank and Land Matters	14/07/2021
Resolution				
21/066 RESOLVED:				
On the Motion of Councillors V Keenan and T Quinn				
That Council:				
<ol style="list-style-type: none"> 1) Dispose of (by selling) the redundant steel reservoir and land in Lot 1 DP520078 at Downfall Road Humula. 2) Delegate authority to the CEO to dispose of (sell) the land. 3) Affix Council's Common Seal to documents as required. 				
CARRIED				
Notes For Action				
16 Aug 2021 1:57pm Vincent, Melissa				
Council's Lawyers are proceeding with the sale of the land on behalf of Council				

Meeting	Date	Officer	Title	Target
Board Meeting 24/08/2021	24/08/2021	Crakanthorp, Andrew	Goldenfields Water County Council Customer Handover	7/09/2021
Resolution				
21/092 RESOLVED:				
On the Motion of Councillors V Keenan and D Hayes				
That Council endorse the attached Community Engagement Plan – Handover of Goldenfields Water Customers.				
CARRIED				
Notes For Action				
19 Oct 2021 3:41pm Vincent, Melissa				
The matter is progressing and GWCC are considering the Community Engagement Plan at their meeting on 25 October 2021				

OUTSTANDING ACTIONS REPORTPrinted: Tuesday, 19 October
2021 1:10:00 PM

Meeting	Date	Officer	Title	Target
Board Meeting 24/08/2021	24/08/2021	Crakanthorp, Andrew	Local Government New South Wales - 2022 Water Management Conference	7/09/2021
Resolution				
<p>21/093 RESOLVED: On the Motion of Councillors D Meyer OAM and V Keenan</p> <p>That</p> <ul style="list-style-type: none"> a) Council be represented at the Local Government New South Wales 2022 Water Management Conference b) Nominations of Board Members to attend be called by the CEO at the first meeting of the incoming Board in with one Board Member to be appointed as Council's voting delegate c) The CEO and Director of Engineering or their nominees attend as observers <p style="text-align: right;">CARRIED</p>				
<p>Notes For Action 19 Oct 2021 3:41pm Vincent, Melissa Accommodation has been booked and the matter of Council representation at the Conference will be decided at the first meeting of the incoming Board on 10 February 2022</p>				

M1 Minutes of Audit, Risk and Improvement Committee held on 15 September 2021

Organisational Area Corporate Services

Author Wendy Reichelt, Governance & Records Officer

Summary The Audit Risk & Improvement Committee met on 15 September to review the financial statements. The minutes of this meeting are attached.

RECOMMENDATION that Council endorses the recommendations contained in the minutes of the Audit, Risk and Improvement Committee meeting held on 15 September 2021.

Report

The Audit, Risk and Improvement Committee met on to review the financial statements. The minutes of the meeting are attached.

› **M1.1** **Audit, Risk and Improvement Committee Minutes 15 September 2021** [↓](#) 

Minutes of the Audit, Risk and Improvement Committee held on Wednesday 15 September 2021

The meeting of the Riverina Water County Council Audit, Risk and Improvement Committee was declared open at 9:35am.

1 Acknowledgment of Country

I would like to acknowledge the Wiradjuri people who are the Traditional Custodians of this Land. I would also like to pay respect to the Elders both past and present of the Wiradjuri Nation and extend that respect to other Community members present.

2 Attendance and Apologies

Present

David Maxwell (Chairperson)
 Bryce McNair (zoom)
 Tim Koschel (zoom)

In Attendance

Andrew Crakanthorp	Chief Executive Officer
Emily Tonacia	Director Corporate Services
Melissa Vincent	Executive Assistant to the CEO (zoom)
Kate Pellow	Accounting Officer
Dannielle McKenzie	Crowe (zoom)
Jason Gilbert	Crowe (zoom)
Michael Kharzoo	NSW Audit Office (zoom)
Damian Ison	NSW Audit Office (zoom)

Apologies

Nil

3 Declaration interests

Nil

4 Minutes of Previous Meetings

To be reviewed at November 2021 meeting, along with any business arising from these minutes.

5 External Audit

Committee members directed a number of questions to Mr Kharzoo, signing officer of the Council's reports before he was required to leave the meeting for another appointment.

Michael Kharzoo left the meeting at 10:03am

5.1 Financial Statements 2020/2021

21/046 RESOLVED:

On the Motion of Councillor T Koschel and B McNair

That the Audit, Risk and Improvement Committee:

1. It has reviewed the Annual Financial Statements and Special Purpose Schedules for the year ended 30 June 2021 and directed such questions as it thought fit to staff and external audit
2. has been satisfied with the responses obtained although further information may be supplied in relation to some questions
3. has received and noted the report by Director Corporate Services, and the Auditor's Report on the general purpose financial statements, special purpose financial statements, Conduct of the Audit Report and Audit Closing Report
4. is of the opinion that:
 - a. Council is complying with accounting standards and external accountability requirements
 - b. Accounting policies and disclosures are appropriate
 - c. Financial statement preparation procedures and timelines are sound
 - d. Accuracy of the statements prior to external audit was adequate, including management compliance/representations, significant accounting and reporting issues, significant or unusual transactions and areas of significant estimates or judgements and there has been appropriate management sign off
5. is not aware of any matter would have prevented Council from executing the certificates required under section 413 of the Local Government Act
6. commends Emily Tonacia, Kate Pellow and staff on the preparation of the financial statements

CARRIED

Andrew Crakanthorp, Emily Tonacia, Melissa Vincent and Kate Pellow left the meeting at 10:58am to permit ARIC members to meet in private with external audit representatives.

Committee went into closed meeting at 10.58am.

Committee came out of closed meeting at 11.02am, and the Chairman reported the following resolution:

21/047 RESOLVED:

On the Motion of B McNair and Councillor T Koschel

That the Committee note the verbal report of the external audit representatives.

CARRIED

This concluded the meeting of the Riverina Water County Council Audit, Risk and Improvement Committee which rose at 11:04am.

CONF-1 Tender for Specification W280 Cleaning of Council Facilities at Riverina Water

Organisational Area Engineering

Author Tamarin Taylor, Project Officer

Summary This report provide a recommendation to award a contract for the cleaning of Council facilities.

This report is **CONFIDENTIAL** in accordance with Section 10A(2) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:

(di) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it

CONF-2 The Rock Reservoir Land Acquisition Update

Organisational Area Engineering

Author Tamarin Taylor, Project Officer

Summary This report provides an update on the acquisition of land for the proposed The Rock Reservoir Site.

This report is **CONFIDENTIAL** in accordance with Section 10A(2) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:

(a) personnel matters concerning particular individuals (other than councillors)

CONF-3 Small Site Electricity and Metering Contracts

Organisational Area Operations

Author Jason Ip, Manager Operations

Summary Riverina Water's fifty-three (53) small electricity sites are currently supplied electricity by AGL under the NSW Local Government Procurement (LGP) contract. The approximate annual cost is \$160k per year. Both Riverina Water and Goldenfields Water are pursuing a new small site electricity contract. Initial tender prices have been received but due to the nature of electricity retail market, flexibility is sought to allow Chief Executive officer to complete final negotiations and enter into a contract with the concurrence of the Chairperson.

This report is **CONFIDENTIAL** in accordance with Section 10A(2) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:

(di) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it

CONF-4 Riverina Water Cyber Incident

Organisational Area Corporate Services

Author Emily Tonacia, Director Corporate Services

Summary Council was subject to a cyber incident in July 2021. This report provides further details of the incident.

This report is **CONFIDENTIAL** in accordance with Section 10A(2) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:

(a) personnel matters concerning particular individuals (other than councillors)