



Meeting of Riverina Water County Council

The meeting will be held in the Council Room, 91 Hammond Ave, Wagga Wagga at 10:30 on Wednesday, 28 October 2020

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

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Minutes of Extraordinary Board Meeting 26 September 2020

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R1 Election of Chairperson and Deputy Chairperson

Organisational Area General Manager

Author Andrew Crakanthorp, General Manager

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

RECOMMENDATION that Council conduct the election of the Chairperson and Deputy Chairperson by the voting method determined by Council for the one year period from October 2020 to October 2021

Report

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

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

The Councillor elected as Chairperson at this meeting will hold that office for a period of one year, until the next Chairperson election in October 2021.

Election of the Chairperson – October 2020 to October 2021

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

Part 1 – Preliminary

2. Returning Officer

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

4. Nomination

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

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

(3) The nomination is to be delivered or sent to the returning officer.

(4) The returning officer is to announce the names of the nominees at the county council meeting at which the election is to be held.

5. Election

(1) If only one member of the county council is nominated, that member is elected.

(2) If more than one member is nominated, the county council is to resolve whether the election is to proceed by preferential ballot, by ordinary ballot or by open voting.

(3) the election is to be held at the county council meeting at which the county council resolves on the method of voting.

(4) In this clause:

ballot has its normal meaning of secret ballot.

open voting means voting by a show of hands or similar means

Part 2 – Ordinary ballot or open voting

6. Application of Part

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

7. Marking of ballot-papers

(1) If the election proceeds by ordinary ballot, the returning officer is to decide the manner in which votes are to be marked on the ballot-papers.

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

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

8. Count – 2 Candidates

(1) At such a ballot, if there are only 2 candidates, the candidate with the higher number of votes is to be declared elected.

(2) If there are only 2 candidates and they are tied, the one to be declared elected is to be chosen by lot.

9. Count – 3 or more Candidates

(1) At such a ballot, if there are 3 or more candidates, the one with the lowest number of votes is to be excluded.

(2) If 3 or more candidates then remain, a further vote is to be taken of those candidates and the one with the lowest number of votes from that further vote is to be excluded.

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

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

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

Part 3 – Preferential ballot

10. Application of Part

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

11. Ballot-papers and voting

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

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

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

12. Count

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

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

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

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

13. Tied candidates

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

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

Part 4 – General

14. Choosing by Lot

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

15. Result

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

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

Election of the Deputy Chairperson – October 2018 to October 2019

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

Nomination papers for the Chairperson and Deputy Chairperson are attached and have previously been distributed to Councillors. Nomination papers are to be delivered or sent to the Returning Officer (General Manager) prior to the commencement of the Council Meeting to be held Wednesday 17 October 2018 at 9.30am.

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

› R1.1 **Nomination Form Chairperson and Deputy Chairperson**

Financial Implications

There are no financial implications associated with the actual election of Chairperson and Deputy Chairperson. The fees payable to the Chairperson and Deputy Chairperson are contained within the 2020/21 Operational Plan

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.



**RIVERINA WATER COUNTY COUNCIL
NOMINATION FOR CHAIRPERSON**

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

Name of Proposer: Councillor _____

Signature of Proposer: _____

Date: ____/____/2020

Name of Proposer: Councillor _____

Signature of Proposer: _____

Date: ____/____/2020

CONSENT

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

Signature of Nominee: _____

Date: ____/____/2020



RIVERINA WATER COUNTY COUNCIL

NOMINATION FOR DEPUTY CHAIRPERSON

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

Name of Proposer: Councillor _____

Signature of Proposer: _____

Date: ____/____/2020

Name of Proposer: Councillor _____

Signature of Proposer: _____

Date: ____/____/2020

CONSENT

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

Signature of Nominee: _____

Date: ____/____/2020

R2 Delegation of Authority to Chairperson

Organisational Area General Manager

Author Andrew Crakanthorp, General Manager

Summary This report formalises the delegations for the Chairperson elected earlier in this meeting

RECOMMENDATION that in accordance with Section 377 Local Government Act 1992, Council ratify and grant the delegations as set out in the Delegations of Authority Register to the Chairperson.

Report

Following the annual election of the Chairperson it is appropriate for the Council delegations to be reviewed. The delegations for the Chairperson are submitted for Council's consideration. There has been no change to the delegations since the 2019 election of Chairperson and Deputy Chairperson.

› R2.1 Delegations for Chairperson

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.

THE CHAIRPERSON

1. General

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

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

2. Specific Delegations-Chairman

(a) Conferring Powers or Duties

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

(b) Preside at Meetings of Council

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

(c) Negotiations on behalf of Council

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

(d) Code of Conduct

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

(e) Represent Council-Government and Other Forums

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

(f) Sign and Execute Documents

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

(g) Media Releases

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

(h) Approval of Urgent Works

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

End of Delegation

R3 Financial Statements 2019/2020

Organisational Area Corporate Services

Author Kate Pellow, Finance Officer

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

RECOMMENDATION that the 2019/20 Audited Financial Statements be received and noted.

Report

The Audit Office of New South Wales have completed their audit of the 2019/20 Financial Statements.

The Audit Report for the 2019/20 Financial Statements has now been received and is presented, together with the 2019/20 Financial Statements, in accordance with section 419(1) of the Local Government Act 1993.

Dannielle MacKenzie, Crowe, will be in attendance at the meeting to present the Audit Report.

› R3.1 Financial Statements 2019/20

Financial Implications

N/A

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 2020

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



General Purpose Financial Statements

for the year ended 30 June 2020

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Overview

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

91 Hammond Avenue
Wagga Wagga NSW 2650

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

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

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

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

Riverina Water County Council

General Purpose Financial Statements

for the year ended 30 June 2020

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 26 August 2020.



Clr G Verdon
Chairperson



Clr P Funnell
Councillor



Mr A Crakanthorp
General Manager



Ms E Tonacia
Responsible Accounting Officer

Riverina Water County Council

Financial Statements 2020

Statement of Comprehensive Income

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Net operating result for the year (as per Income Statement)		12,200	13,469
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10	2,703	4,454
Gain (loss) on revaluation of intangible assets		3,200	3,302
Total items which will not be reclassified subsequently to the operating result		5,903	7,756
Total other comprehensive income for the year		5,903	7,756
Total comprehensive income for the year		18,103	21,225
Total comprehensive income attributable to Council		18,103	21,225

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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

Riverina Water County Council

Financial Statements 2020

Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	13,218	13,184
Investments	7(b)	18,000	15,000
Receivables	8	4,366	4,789
Inventories	9	2,476	2,572
Total current assets		<u>38,060</u>	<u>35,545</u>
Non-current assets			
Infrastructure, property, plant and equipment	10	371,482	360,134
Intangible Assets	11	10,884	7,602
Right of use assets		-	-
Total non-current assets		<u>382,366</u>	<u>367,736</u>
Total assets		<u>420,426</u>	<u>403,281</u>
LIABILITIES			
Current liabilities			
Payables	13	1,886	1,685
Income received in advance	13	-	445
Borrowings	13	1,866	1,761
Provisions	14	5,307	4,268
Total current liabilities		<u>9,059</u>	<u>8,159</u>
Non-current liabilities			
Borrowings	13	5,400	7,258
Total non-current liabilities		<u>5,400</u>	<u>7,258</u>
Total liabilities		<u>14,459</u>	<u>15,417</u>
Net assets		<u>405,967</u>	<u>387,864</u>
EQUITY			
Accumulated surplus	15	147,578	135,378
Revaluation reserves	15	258,389	252,486
Council equity interest		<u>405,967</u>	<u>387,864</u>
Total equity		<u>405,967</u>	<u>387,864</u>

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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

Riverina Water County Council

Financial Statements 2020

Statement of Changes in Equity
for the year ended 30 June 2020

\$ '000	Notes	as at 30/06/20			as at 30/06/19		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		135,378	252,486	387,864	121,909	244,730	366,639
Net operating result for the year		12,200	–	12,200	13,469	–	13,469
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	10	–	2,703	2,703	–	4,454	4,454
– Gain (loss) on revaluation of intangible assets		–	3,200	3,200	–	3,302	3,302
Other comprehensive income		–	5,903	5,903	–	7,756	7,756
Total comprehensive income		12,200	5,903	18,103	13,469	7,756	21,225
Equity – balance at end of the reporting period		147,578	258,389	405,967	135,378	252,486	387,864

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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

Riverina Water County Council

Financial Statements 2020

Statement of Cash Flows

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
Cash flows from operating activities				
<i>Receipts:</i>				
5,052	Rates and annual charges		6,061	5,450
23,339	User charges and fees		25,071	25,708
319	Investment and interest revenue received		566	535
3,968	Grants and contributions		2,714	3,345
–	Bonds, deposits and retention amounts received		–	61
188	Other		4,696	1,883
<i>Payments:</i>				
(8,846)	Employee benefits and on-costs		(8,486)	(8,386)
(4,260)	Materials and contracts		(2,486)	(2,731)
(488)	Borrowing costs		(466)	(570)
–	Bonds, deposits and retention amounts refunded		(77)	–
(5,026)	Other		(7,239)	(5,929)
14,246	Net cash provided (or used in) operating activities	16b	20,354	19,366
Cash flows from investing activities				
<i>Receipts:</i>				
–	Sale of infrastructure, property, plant and equipment		216	279
<i>Payments:</i>				
–	Purchase of investment securities		(3,000)	(8,000)
(17,600)	Purchase of infrastructure, property, plant and equipment		(15,701)	(15,928)
–	Purchase of intangible assets		(82)	–
(17,600)	Net cash provided (or used in) investing activities		(18,567)	(23,649)
Cash flows from financing activities				
<i>Payments:</i>				
(1,761)	Repayment of borrowings and advances		(1,753)	(1,668)
(1,761)	Net cash flow provided (used in) financing activities		(1,753)	(1,668)
(5,115)	Net increase/(decrease) in cash and cash equivalents		34	(5,951)
13,352	Plus: cash and cash equivalents – beginning of year	16a	13,184	19,135
8,237	Cash and cash equivalents – end of the year	16a	13,218	13,184
7,000	plus: Investments on hand – end of year	7(b)	18,000	15,000
15,237	Total cash, cash equivalents and investments		31,218	28,184

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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

Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 30 September 2020.

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 22 Related Party Disclosures in relation to the disclosure of specific related party transactions.

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

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

- Income statement
- Statement of cash flows
- Note 20 – Material budget variations

and are clearly marked.

(a) Historical cost convention

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

(b) 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 10
- (ii) estimated fair values of intangibles – refer Note 11
- (iii) employee benefit provisions – refer Note 14

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 8.

continued on next page ...

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

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.

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 2020 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 1059 Service Concession Arrangements: Grantors**AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059****AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059**

This standard provides guidance for public sector entities (grantors) who have entered into service concession arrangements with private sector operators.

AASB 1059 requires grantors to recognise a service concession asset and, in most cases, a corresponding liability on the balance sheet.

A control approach is used to assess the service concession arrangements in place.

On initial recognition the asset is measured at current replacement cost based on AASB 13 Fair Value Measurement and existing assets of the grantors are reclassified at the date of transition.

After initial recognition, the grantor accounts for the assets under either AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets.

The nature of the consideration given to the operator will affect whether the grantor applies either the 'financial liability' or the 'grant of right' model for the recognition of the liability.

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for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

AASB 2019-2 makes amendments to the recognition and measurement of the asset and liability where the modified retrospective approach to transition is being used and provides a practical expedient due to the different effective dates of AASB 16 and AASB 1059.

Council does not expect any material impact to future financial statements as we do not generally enter into service concession arrangements.

This standard has an effective date for the 30 June 2021 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 2019:

- AASB 16 Leases
- AASB 15 Revenue from contracts with customers and associated amending standards.
- AASB 1058 Income of Not-for-profit entities

Further information on the newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures can be found at Note 15.

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

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

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

\$ '000	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Carrying amount of assets	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Functions or activities										
Water supplies	36,613	36,322	24,413	22,853	12,200	13,469	270	338	420,426	403,281
Other	-	-	-	-	-	-	-	206	-	(1,449)
Total functions and activities	36,613	36,322	24,413	22,853	12,200	13,469	270	544	420,426	401,832

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

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

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

Water supplies

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

Other

Comprising the Pensioner Rebate that is received by Council.

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations

\$ '000	AASB	2020	2019
(a) Rates and annual charges			
Annual charges			
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>			
Water supply services – commercial	1058	493	491
Water supply services – residential	1058	4,894	4,854
Annual charges levied		<u>5,387</u>	<u>5,345</u>
Pensioner subsidies received:			
– Water	1058	205	206
Total annual charges		<u>5,592</u>	<u>5,551</u>
TOTAL RATES AND ANNUAL CHARGES		<u>5,592</u>	<u>5,551</u>

Accounting policy for rates and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts which is 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 in substance a rates payment.

2019 accounting policy

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

\$ '000	AASB	2020	2019
(b) User charges and fees			
Specific user charges			
<small>(per s.502 - specific 'actual use' charges)</small>			
Water supply services – commercial	15	7,455	7,576
Water supply services – residential	15	17,128	17,218
Total specific user charges		<u>24,583</u>	<u>24,794</u>
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Private works – section 67	15	12	14
Section 603 certificates	15	146	154
Total fees and charges – statutory/regulatory		<u>158</u>	<u>168</u>
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Leaseback fees – Council vehicles	15	40	34
Water connection fees	15	477	739
Standpipe fees	15	329	259
Total fees and charges – other		<u>846</u>	<u>1,032</u>
TOTAL USER CHARGES AND FEES		<u>25,587</u>	<u>25,994</u>

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Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

Accounting policy for user charges and fees

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.

2019 accounting policy

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

\$ '000	AASB	2020	2019
(c) Other revenues			
Sales – general	15	36	190
Lease rental	15	30	35
Sales – scrap material	15	24	3
Sundry Income	1058	1,817	281
Temporary water allocation	15	145	153
<u>TOTAL OTHER REVENUE</u>		<u>2,052</u>	<u>662</u>

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.

2019 accounting policy:

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

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

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
(d) Grants					
Specific purpose					
LIRS subsidy	1058	256	318	-	-
Diesel and alternative fuels	1058	14	20	-	-
Total specific purpose		270	338	-	-
Total grants		270	338	-	-
Grant revenue is attributable to:					
- Commonwealth funding		220	226	-	-
- State funding		50	112	-	-
		270	338	-	-

\$ '000	Notes	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
(e) Contributions						
Developer contributions:						
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
S 64 – water supply contributions		1058	-	-	2,443	3,013
Total developer contributions – cash			-	-	2,443	3,013
Total developer contributions	23		-	-	2,443	3,013
Total contributions			-	-	2,443	3,013
TOTAL GRANTS AND CONTRIBUTIONS			270	338	2,443	3,013

Accounting policy for grants and contributions

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

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 4. Interest and investment income

\$ '000	2020	2019
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	102	67
– Cash and investments	562	624
Finance income on the net investment in the lease	–	–
Total Interest and investment income	664	691
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	102	67
General Council cash and investments	562	624
Total interest and investment revenue	664	691

Accounting policy for interest and investment revenue

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

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations

\$ '000	2020	2019
(a) Employee benefits and on-costs		
Salaries and wages	8,095	7,200
Travel expenses	280	153
Employee leave entitlements (ELE)	2,443	1,806
Superannuation	1,400	1,318
Workers' compensation insurance	268	248
Fringe benefit tax (FBT)	36	36
Payroll tax	531	484
Training costs (other than salaries and wages)	237	256
Uniforms	70	55
Safety Bonus	19	22
Sick leave bonus	143	151
Total employee costs	13,522	11,729
Less: capitalised costs	(3,895)	(2,757)
TOTAL EMPLOYEE COSTS EXPENSED	9,627	8,972
Number of 'full-time equivalent' employees (FTE) at year end	102	96

Accounting policy for employee benefits and on-costs

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

Retirement benefit obligations

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

Superannuation plans

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

Council participates in a Defined Benefit Plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 18 for more information.

\$ '000	2020	2019
(b) Borrowing costs		
(i) Interest bearing liability costs		
Interest on loans	466	570
Total interest bearing liability costs	466	570
Total interest bearing liability costs expensed	466	570
(ii) Other borrowing costs		
Fair value adjustments on recognition of advances and deferred debtors	466	570
TOTAL BORROWING COSTS EXPENSED	466	570

Accounting policy for borrowing costs

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	2020	2019
(c) Materials and contracts		
Raw materials and consumables	290	246
Contractor and consultancy costs	2,032	2,206
Auditors remuneration ¹	70	78
Strategic Documents	9	50
Legal expenses:		
– Legal expenses: other	178	–
Expenses from leases of low value assets (2020 only)	2	–
Total materials and contracts	<u>2,581</u>	<u>2,580</u>
TOTAL MATERIALS AND CONTRACTS	<u>2,581</u>	<u>2,580</u>
1. Auditor remuneration		
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	31	30
Remuneration for audit and other assurance services	<u>31</u>	<u>30</u>
Total Auditor-General remuneration	<u>31</u>	<u>30</u>
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Other audit and assurance services: Council's Internal Auditor	39	48
Remuneration for audit and other assurance services	<u>39</u>	<u>48</u>
Total remuneration of non NSW Auditor-General audit firms	<u>39</u>	<u>48</u>
Total Auditor remuneration	<u>70</u>	<u>78</u>

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Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	Notes	2020	2019
(d) Depreciation, amortisation and impairment of non-financial assets			
Depreciation and amortisation			
Plant and equipment		514	515
Office equipment		175	155
Infrastructure:	10		
– Buildings – non-specialised		51	50
– Buildings – specialised		143	143
– Water supply network		5,962	5,353
Right of use assets	12	–	–
Total gross depreciation and amortisation costs		6,845	6,216
Total depreciation and amortisation costs		6,845	6,216
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT FOR NON-FINANCIAL ASSETS		6,845	6,216

Accounting policy for depreciation, amortisation and impairment expenses of non-financial assets**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 10 for IPPE assets and Note 11 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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	2020	2019
(e) Other expenses		
Advertising	491	146
Bank charges	96	89
Computer software charges	270	203
Contributions/levies to other levels of government		
Members expenses – chairperson’s fee	17	16
Members expenses – members fees	100	86
Members expenses (incl. chairperson) – other (excluding fees above)	17	24
Donations, contributions and assistance to other organisations (Section 356)	110	94
Demand management	125	63
Electricity and heating	2,832	2,938
Insurance	207	157
Office expenses (including computer expenses)	227	204
Postage	117	114
Printing and stationery	32	25
Rates and user charges	90	122
Subscriptions and publications	72	65
Telephone and communications	91	169
<u>TOTAL OTHER EXPENSES</u>	<u>4,894</u>	<u>4,515</u>

Accounting policy for other expenses

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

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 6. Gain or loss from disposal of assets

\$ '000	Notes	2020	2019
Plant and equipment	10		
Proceeds from disposal – plant and equipment		216	279
Less: carrying amount of plant and equipment assets sold/written off		(211)	(206)
Net gain/(loss) on disposal		<u>5</u>	<u>73</u>
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		<u>5</u>	<u>73</u>

Accounting policy for disposal of assets

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

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(a). Cash and cash equivalents

\$ '000	2020	2019
Cash and cash equivalents		
Cash on hand and at bank	119	397
Cash-equivalent assets		
– Short-term deposits	13,099	12,787
Total cash and cash equivalents	<u>13,218</u>	<u>13,184</u>

Accounting policy for cash and cash equivalents

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

Note 7(b). Investments

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Investments				
a. 'Amortised Cost'	18,000	–	15,000	–
Total Investments	<u>18,000</u>	<u>–</u>	<u>15,000</u>	<u>–</u>
<u>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</u>	<u>31,218</u>	<u>–</u>	<u>28,184</u>	<u>–</u>
Financial assets at amortised cost				
Long term deposits	18,000	–	15,000	–
Total	<u>18,000</u>	<u>–</u>	<u>15,000</u>	<u>–</u>

Accounting policy for investments

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.

Riverina Water County Council

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for the year ended 30 June 2020

Note 7(c). Restricted cash, cash equivalents and investments

\$ '000	2020		2019	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	31,218	–	28,184	–
attributable to:				
External restrictions	–	–	–	–
Internal restrictions	7,181	–	8,639	–
Unrestricted	24,037	–	19,545	–
	31,218	–	28,184	–

\$ '000	2020	2019
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Details of restrictions

Internal restrictions

Employees leave entitlement	2,653	2,134
Plant replacement	1,300	1,505
Sales fluctuation	3,000	5,000
Water Treatment Plant	228	–
Total internal restrictions	7,181	8,639
TOTAL RESTRICTIONS	7,181	8,639

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Purpose				
Rates and annual charges	932	-	840	-
User charges and fees	2,657	-	2,586	-
Accrued revenues				
Accrued interest on investments	327	-	229	-
Other Accrued Income	-	-	37	-
Government grants and subsidies	205	-	206	-
Sundry debtors	245	-	891	-
Total	<u>4,366</u>	<u>-</u>	<u>4,789</u>	<u>-</u>
TOTAL NET RECEIVABLES	<u>4,366</u>	<u>-</u>	<u>4,789</u>	<u>-</u>

Accounting policy for receivables**Recognition and measurement**

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

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

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.

Cashflows and interest income may be impacted in 2020/21 due to the State Government legislating that rate instalments can be deferred until September 30 and no interest can be charged for the first 6 months. The impact this may have is not able to be measured at this stage however it is not expected to be significant.

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 9. Inventories and other assets

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Inventories				
(i) Inventories at cost				
Stores and materials	2,476	–	2,572	–
Total inventories at cost	<u>2,476</u>	<u>–</u>	<u>2,572</u>	<u>–</u>
TOTAL INVENTORIES	<u>2,476</u>	<u>–</u>	<u>2,572</u>	<u>–</u>

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

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

Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements
for the year ended 30 June 2020

Note 10. Infrastructure, property, plant and equipment

	as at 30/06/19			Asset movements during the reporting period						as at 30/06/20		
	Gross carrying amount	Accumulated depreciation	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	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).

	as at 30/06/18			Asset movements during the reporting period						as at 30/06/19		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ⁽¹⁾	Additions new assets	Carrying value of disposals	Depreciation expense	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
\$ '000												
Capital work in progress	40,345	–	40,345	6,518	1,628	–	–	–	–	48,491	–	48,491
Plant and equipment	6,140	(3,326)	2,814	1,414	–	(205)	(515)	–	–	6,840	(3,332)	3,508
Office equipment	1,080	(721)	359	–	60	–	(155)	–	–	1,129	(865)	264
Land:												
– Operational land	4,416	–	4,416	–	803	–	–	(701)	–	4,518	–	4,518
- Land Improvements	–	–	–	–	1,267	–	–	701	–	1,968	–	1,968
Infrastructure:												
– Buildings – non-specialised	3,784	(535)	3,249	23	–	–	(50)	–	–	3,807	(585)	3,222
– Buildings – specialised	12,324	(1,072)	11,252	107	–	–	(143)	–	–	12,431	(1,215)	11,216
– Water supply network	427,149	(143,410)	283,739	3,232	875	–	(5,353)	–	4,454	435,710	(148,763)	286,947
Total Infrastructure, property, plant and equipment	495,238	(149,064)	346,174	11,294	4,633	(205)	(6,216)	–	4,454	514,894	(154,760)	360,134

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

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Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 10. Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

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

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

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

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

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

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

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.

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 11. Intangible assets

Intangible assets are as follows:

\$ '000	2020	2019
(a) Software		
Movements for the year		
– Purchases	52	–
Closing values at 30 June		
Gross book value	52	–
Total software – net book value	<u>52</u>	<u>–</u>
(b) High Security Water Licences		
Opening values at 1 July		
Gross book value	7,602	4,300
Net book value – opening balance	<u>7,602</u>	<u>4,300</u>
Movements for the year		
– Purchases	30	–
– Fair valuation (increment to Equity – Asset Revaluation Reserve)	3,200	3,302
Closing values at 30 June		
Gross book value	10,832	7,602
Total High Security Water Licences – net book value	<u>10,832</u>	<u>7,602</u>
TOTAL INTANGIBLE ASSETS – NET BOOK VALUE	<u>10,884</u>	<u>7,602</u>

Accounting policy for intangible assets**IT development and software**

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

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

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.

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Leases

The Council has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

(i) 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.

\$ '000	2020
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Income Statement

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

Interest on lease liabilities	-
Variable lease payments based on usage not included in the measurement of lease liabilities	-
Income from sub-leasing right of use assets	-
Depreciation of right of use assets	-
Impairment of right of use assets	-
Expenses relating to short-term leases	-
Expenses relating to low-value leases	2
Expenses relating to Peppercorn leases	-
Other	-
	2

Accounting policy

Accounting policies under AASB 16 – applicable from 1 July 2019

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Leases (continued)

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.

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Payables and borrowings

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Payables				
Goods and services – operating expenditure	237	–	238	–
Accrued expenses:				
– Salaries and wages	313	–	211	–
– Other expenditure accruals	716	–	1,100	–
Security bonds, deposits and retentions	59	–	136	–
Prepaid rates	561	–	–	–
Total payables	<u>1,886</u>	<u>–</u>	<u>1,685</u>	<u>–</u>
Income received in advance (2019 only)				
Payments received in advance	–	–	445	–
Total income received in advance	<u>–</u>	<u>–</u>	<u>445</u>	<u>–</u>
Borrowings				
Loans – secured ¹	1,866	5,400	1,761	7,258
Total borrowings	<u>1,866</u>	<u>5,400</u>	<u>1,761</u>	<u>7,258</u>
TOTAL PAYABLES AND BORROWINGS	<u>3,752</u>	<u>5,400</u>	<u>3,891</u>	<u>7,258</u>

⁽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 19.

(a) Payables and borrowings relating to restricted assets

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

\$ '000	2020	2019
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(b) Current payables and borrowings not anticipated to be settled within the next twelve months

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	59	136
Total payables and borrowings	<u>59</u>	<u>136</u>

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Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Payables and borrowings (continued)

(c) Changes in liabilities arising from financing activities

\$ '000	as at 30/06/19		Non-cash changes				as at 30/06/20
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	9,019	(1,753)	–	–	–	–	7,266
TOTAL	9,019	(1,753)	–	–	–	–	7,266

\$ '000	2020	2019
---------	------	------

(d) Financing arrangements

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

Bank overdraft facilities ¹	250	250
Credit cards/purchase cards	100	100
Market Rate Facility	500	500
Total financing arrangements	850	850

Drawn facilities as at balance date:

– Credit cards/purchase cards	17	15
Total drawn financing arrangements	17	15

Undrawn facilities as at balance date:

– Bank overdraft facilities	250	250
– Credit cards/purchase cards	83	85
– Market Rate Facility	500	500
Total undrawn financing arrangements	833	835

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

Accounting policy for payables and borrowings

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

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

Payables

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

Borrowings

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

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

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

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Provisions

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Provisions				
Employee benefits				
Annual leave	1,338	-	942	-
Sick leave	8	-	6	-
Long service leave	3,961	-	3,320	-
Sub-total – aggregate employee benefits	5,307	-	4,268	-
TOTAL PROVISIONS	5,307	-	4,268	-

\$ '000	2020	2019
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Current provisions not anticipated to be settled within the next twelve months

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

Provisions – employees benefits	4,423	3,342
	<u>4,423</u>	<u>3,342</u>

Employee benefits**Short-term obligations**

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

Other long-term employee benefit obligations

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

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

Defined Benefit Superannuation Disclosure

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

(a) 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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Provisions (continued)

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 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 for 1 July 2019 for 3 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities 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 \$230,984.04.

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Provisions (continued)

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

The estimated employer reserves financial position for the Pooled Employers at 30 June 2020 is:

Employer reserves only*	\$M	Asset Coverage
Assets	1,695.2	
Past Service Liabilities	1,773.2	95.6%
Vested Benefits	1,757.5	96.5%

* excluding member accounts and reserves in both assets and liabilities

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

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

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

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

Council's participation in the Scheme compared with other entities is about 0.28% based on the Council's current level of annual additional contributions against total contributions. The last valuation of the Fund was performed by Mr Richard Boyfield, FIAA, as at 30 June 2019.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors**(a) Nature and purpose of reserves****Infrastructure, property, plant and equipment revaluation reserve**

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

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

During the year ended 30 June 2020, the Council has adopted AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-profit Entities* and AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 *Construction Contracts*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 1004 *Contributions* and associated Accounting Interpretations.

All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

(ii) AASB 15 and AASB 1058

There was no transition impact and ongoing assessment has been made and no impact on current year financial position or result was required.

Transfer of control to a customer – over time or at a point in time

AASB 15 has specific criteria regarding whether control is transferred over time or at a point in time. Council has reviewed its contracts and concluded that the criteria for recognition over time is not met in some circumstances. In such cases, revenue and related production costs will be recognised at the delivery of each separate performance obligation instead of over the contract using a single margin.

Prepaid rates

Under AASB 1004, rates were recorded as revenue at the earliest of receipt of the funds from the ratepayer and the beginning of the rating period. Under AASB 1058, prepaid rates are recognised as a financial liability until the beginning of the rating period.

Grants – operating

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed, or recognised at the point in time that the control of the services passes to the customer. The operational grants received by Council are all general revenue assistance arrangements that allow the funds to be used for the broad objectives of the public sector recipient. Such funding is unlikely to meet the 'sufficiently specific' criteria in AASB 15. Accordingly, Council has recognised these as income under AASB 1058 when the entity obtains control of the cash.

Grants – capital

Under AASB 1004, most grant monies were recorded as revenue on receipt. Under AASB 1058, where Council has received assets (including cash) to acquire or construct a non-financial asset, the asset is to be controlled by Council and the contract is enforceable, then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

Changes in presentation

In accordance with the above changes in accounting policies, Council has not amended the presentation of any items to align them with the requirements of AASB 15 and AASB 1058 as it has assessed that there will be no impact with the implementation of the new accounting standards.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)**(iii) AASB 16 Leases****Council as a lessee**

Under AASB 117, Council assessed whether leases were operating or finance leases, based on its assessment of whether the significant risks and rewards of ownership had been transferred to Council or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low-value assets).

Council has used the exception to lease accounting for short-term leases and leases of low-value assets, and the lease expense relating to these leases is recognised in the Income Statement on a straight-line basis.

Financial statement impact of adoption of AASB 16

Council have applied the practical expedient of low value assets to all leases which resulted in no recognition of a ROU asset or lease liability on transition. Refer to Note 12 for disclosure of low value leases.

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

Council adopted no changes in accounting policies due to the new accounting standard retrospectively.

(d) Changes in accounting estimates**Nature and effect of changes in accounting estimates on current year**

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

Nature and effect of changes in accounting estimates on future years

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

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Statement of cash flow information

\$ '000	Notes	2020	2019
(a) Reconciliation of cash and cash equivalents			
Total cash and cash equivalents per Statement of Financial Position	7(a)	13,218	13,184
Balance as per the Statement of Cash Flows		<u>13,218</u>	<u>13,184</u>
 (b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		12,200	13,469
Adjust for non-cash items:			
Depreciation and amortisation		6,845	6,216
Net losses/(gains) on disposal of assets		(5)	(73)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		423	(1,213)
Decrease/(increase) in inventories		96	(238)
Increase/(decrease) in payables		(1)	87
Increase/(decrease) in other accrued expenses payable		(282)	519
Increase/(decrease) in other liabilities		39	44
Increase/(decrease) in provision for employee benefits		1,039	555
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		<u>20,354</u>	<u>19,366</u>

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Commitments

\$ '000	2020	2019
Capital commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Water Treatment Plant	74	38
Low Level Reservoir	57	239
Purchase of Vacant Land	119	123
Glenoak Reservoir	–	1,177
Ground Water Purchase	270	–
Total commitments	520	1,577
These expenditures are payable as follows:		
Within the next year	520	1,577
Total payable	520	1,577
Sources for funding of capital commitments:		
Unrestricted general funds	520	1,577
Total sources of funding	520	1,577

Details of capital commitments

Works to rectify defects of the Wagga Wagga Water Treatment Plant, project to be finalised during 2020/21 financial year.

Contract for the construction of the Low Level Reservoir, project to be finalised during 2020/21 financial year.

Purchase of vacant land for the solar pilot plant, settlement to take place in 2020/21 financial year.

Purchase of ground water, settlement to take place in 2020/21 financial year.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. 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 \$46,355 (2018/19 \$46,050).

Notes to the Financial Statements for the year ended 30 June 2020

Note 19. Financial risk management

Risk management

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

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

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

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

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

The risks associated with the instruments held are:

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

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

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

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

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

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2020				
Possible impact of a 1% movement in interest rates	312	312	(312)	(312)
2019				
Possible impact of a 1% movement in interest rates	282	282	(282)	(282)

Riverina Water County Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Financial risk management (continued)

(b) Credit risk

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

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

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

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

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

Credit risk profile

Receivables – annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2020						
Gross Carrying Amount	703	229	–	–	–	932
2019						
Gross Carrying Amount	607	233	–	–	–	840

Receivables - non-rates and annual charges

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

The loss allowance provision as at 30 June 2020 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
2020						
Gross carrying amount	2,878	556	–	–	–	3,434
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2019						
Gross carrying amount	3,403	546	–	–	–	3,949
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Financial risk management (continued)

(c) Liquidity risk

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
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
2019							
Trade/other payables	0.00%	136	1,549	–	–	1,685	1,685
Loans and advances	5.70%	–	2,249	6,811	1,880	10,940	9,019
Total financial liabilities		136	3,798	6,811	1,880	12,625	10,704

Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Material budget variations

Council's original financial budget for 19/20 was adopted by the Council on 26/06/2019 and is not required to be audited.

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

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

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

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

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
REVENUES				
Rates and annual charges	5,256	5,592	336	6% F
User charges and fees	23,196	25,587	2,391	10% F
Water sales higher than budgeted due to dry hot weather over the summer period.				
Other revenues	286	2,052	1,766	617% F
Higher than budgeted due to a temporary water licence allocation and receipt of liquidated damages from Water Treatment Plant.				
Operating grants and contributions	225	270	45	20% F
Variance due to LIRS subsidy being budgeted as a capital grant rather than operational.				
Capital grants and contributions	3,741	2,443	(1,298)	(35)% U
Variance due to lower than anticipated developer contributions.				
Interest and investment revenue	300	664	364	121% F
Cash levels are higher than anticipated due to income received for liquidated damages for the Water Treatment Plant project, as well as higher than anticipated water sales. This resulted in increased investment revenue.				
Net gains from disposal of assets	-	5	5	∞ F
EXPENSES				
Employee benefits and on-costs	9,002	9,627	(625)	(7)% U
Borrowing costs	488	466	22	5% F
Materials and contracts	4,155	2,581	1,574	38% F
Increased focus on capital works projects have diverted expenditure away from operational.				
Depreciation and amortisation	6,100	6,845	(745)	(12)% U
Water Treatment Plant was capitalised during the year which resulted in a higher depreciation expense than budgeted.				
Other expenses	5,026	4,894	132	3% F
STATEMENT OF CASH FLOWS				
Cash flows from operating activities	14,246	20,354	6,108	43% F

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Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Material budget variations (continued)

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
Cash flows from investing activities	(17,600)	(18,567)	(967)	5% U
Cash flows from financing activities	(1,761)	(1,753)	8	0% F

Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement

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

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

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

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

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

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

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

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

2020	Fair value measurement hierarchy				Total
	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Intangible assets					
High Security Water Licence		10,832	–	–	10,832
Total intangible assets		10,832	–	–	10,832
Infrastructure, property, plant and equipment					
Water Treatment Plants		–	–	72,243	72,243
Ground Water Bores		–	–	6,665	6,665
Water Pumping Stations		–	–	7,520	7,520
Water Reservoirs		–	–	47,451	47,451
Other Water Assets		–	–	1,352	1,352
Pipes		–	–	202,175	202,175
Buildings		–	–	14,531	14,531
Land		–	–	7,168	7,168
Plant & Equipment		–	3,465	–	3,465
Office Equipment		–	341	–	341
Total infrastructure, property, plant and equipment		–	3,806	359,105	362,911

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Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

2019	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkt	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Intangible assets					
	30/06/19	–	7,602	–	7,602
		–	7,602	–	7,602
Infrastructure, property, plant and equipment					
	30/06/16	–	–	28,127	28,127
	30/06/16	–	–	6,830	6,830
	30/06/16	–	–	7,904	7,904
	30/06/16	–	–	45,652	45,652
	30/06/16	–	–	1,171	1,171
	30/06/16	–	–	197,293	197,293
	30/06/16	–	–	14,437	14,437
	30/06/16	–	–	6,486	6,486
	30/06/16	–	3,507	–	3,507
	30/06/16	–	264	–	264
		–	3,771	307,900	311,671

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

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

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

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

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

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

Intangible assets

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

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

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

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

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

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Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

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

Plant and Equipment: valued based on actual historical costs.

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

a. The following tables present the changes in level 3 fair value asset classes.

\$ '000	Water Treatment Plants	Ground Water Bores	Water Pumping Stations	Water Reservoirs	Other Water Assets
2019					
Opening balance	28,145	6,972	8,193	44,898	937
Purchases (GBV)	36	96	65	738	228
Depreciation and impairment	(497)	(344)	(489)	(691)	(28)
FV gains – other comprehensive income	442	106	123	707	15
Closing balance	28,126	6,830	7,892	45,652	1,152
2020					
Opening balance	28,126	6,830	7,892	45,652	1,152
Transfers from/(to) another asset class	44,163	21	11	621	–
Purchases (GBV)	689	100	41	1,458	231
Depreciation and impairment	(998)	(349)	(494)	(712)	(42)
FV gains – other comprehensive income	263	63	70	432	11
Closing balance	72,243	6,665	7,520	47,451	1,352

\$ '000	Pipes	Buildings	Land	Total
2019				
Opening balance	194,594	14,501	4,416	302,656
Purchases (GBV)	2,943	129	2,070	6,305
Depreciation and impairment	(3,305)	(194)	–	(5,548)
FV gains – other comprehensive income	3,061	–	–	4,454
Closing balance	197,293	14,436	6,486	307,867
2020				
Opening balance	197,293	14,436	6,486	307,867
Transfers from/(to) another asset class	2,115	–	–	46,931
Purchases (GBV)	4,270	224	682	7,695
Depreciation and impairment	(3,365)	(129)	–	(6,089)
FV gains – other comprehensive income	1,862	–	–	2,701
Closing balance	202,175	14,531	7,168	359,105

(5) Highest and best use

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

Riverina Water County Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Related party disclosures

(a) Key management personnel

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

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

\$ '000	2020	2019
Compensation:		
Short-term benefits	521	497
Post-employment benefits	39	37
Other long-term benefits	19	19
Total	579	553

(b) Other transactions with KMP and their related parties

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

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

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

Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Statement of developer contributions

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

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

Summary of contributions and levies

	as at 30/06/19			as at 30/06/20				
	Opening Balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
\$ '000		Cash	Non-cash					
S64 contributions	–	2,443	–	–	(2,443)	–	–	–
Total contributions	–	2,443	–	–	(2,443)	–	–	–

Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 24(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2020	Indicator 2020	Prior periods		Benchmark
			2019	2018	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	9,752				
Total continuing operating revenue excluding capital grants and contributions ¹	34,165	28.54%	31.24%	28.27%	>0.00%
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	33,895				
Total continuing operating revenue ¹	36,608	92.59%	90.76%	88.10%	>60.00%
3. Unrestricted current ratio					
Current assets less all external restrictions	38,060				
Current liabilities less specific purpose liabilities	4,577	8.32x	9.47x	9.43x	>1.50x
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	17,063				
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	2,219	7.69x	7.67x	6.77x	>2.00x
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	932				
Rates, annual and extra charges collectible	6,534	14.26%	13.21%	12.10%	<10.00%
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	31,218	18.27	17.54	16.68	>3.00
Monthly payments from cash flow of operating and financing activities	1,709	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

Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

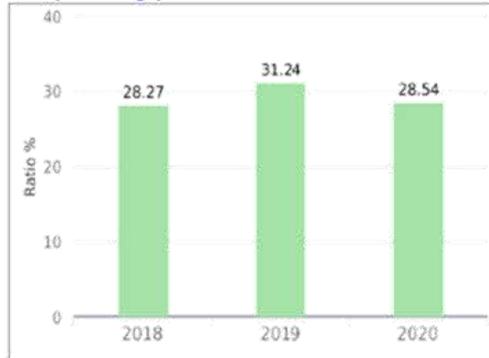
End of Audited Financial Statements

End of Audited Financial Statements

Notes to the Financial Statements
for the year ended 30 June 2020

Note 24(b). Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2019/20 result

2019/20 ratio 28.54%

Strong result due to water sales over summer.

Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

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 2019/20 result

2019/20 ratio 92.59%

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 #28

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 2019/20 result

2019/20 ratio 8.32x

A decrease in this ratio for the current year is due to decreased short term cash holdings.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

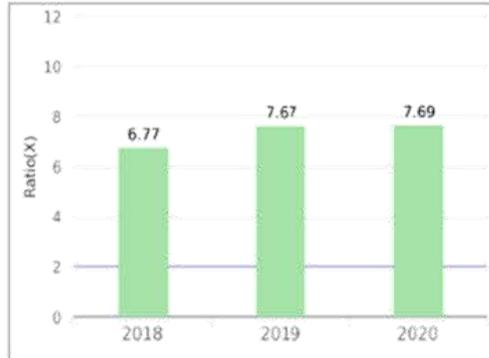
Ratio achieves benchmark
Ratio is outside benchmark

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Notes to the Financial Statements
for the year ended 30 June 2020

Note 24(b). Statement of performance measures – consolidated results (graphs)

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2019/20 result

2019/20 ratio 7.69x

An operating result similar to last year has kept this ratio consistent.

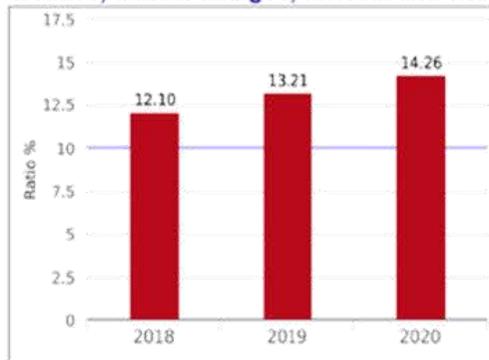
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio achieves benchmark

Ratio is outside benchmark

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



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

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

Commentary on 2019/20 result

2019/20 ratio 14.26%

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

Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

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 2019/20 result

2019/20 ratio 18.27 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 #28

Ratio achieves benchmark

Ratio is outside benchmark

Riverina Water County Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 25. Financial review

\$ '000	2020	2019	2018	2017	2016
Key financial figures of Council over the past 5 years					
Inflows:					
Rates and annual charges revenue	5,592	5,551	5,471	5,100	5,100
User charges revenue	25,587	25,994	22,877	21,727	21,727
Interest and investment revenue (losses)	664	691	595	922	922
Grants income – operating and capital	270	338	402	723	723
Total income from continuing operations	36,613	36,322	32,970	33,658	33,658
Sale proceeds from I,PP&E	216	279	214	333	333
Outflows:					
Employee benefits and on-cost expenses	9,627	8,972	7,942	8,032	8,032
Borrowing costs	466	570	653	162	162
Materials and contracts expenses	2,581	2,580	2,202	1,492	1,492
Total expenses from continuing operations	24,413	22,853	21,260	19,607	19,607
Total cash purchases of I,PP&E	15,701	15,928	11,025	35,016	35,016
Total loan repayments (incl. finance leases)	1,753	1,668	1,575	1,411	1,411
Operating surplus/(deficit) (excl. capital income)	9,757	10,456	8,391	10,202	10,202
Financial position figures					
Current assets	38,060	35,545	32,045	27,739	27,739
Current liabilities	9,059	8,159	6,868	6,128	6,128
Net current assets	29,001	27,386	25,177	21,611	21,611
Available working capital (Unrestricted net current assets)	28,734	27,669	23,338	19,068	19,068
Cash and investments – unrestricted	24,037	19,545	17,421	12,045	12,045
Cash and investments – internal restrictions	7,181	8,639	8,714	7,845	7,845
Cash and investments – total	31,218	28,184	26,135	19,890	19,890
Total borrowings outstanding (Loans, advances and finance leases)	7,266	9,019	10,687	13,761	13,761
Total value of I,PP&E (excl. land and earthworks)	527,999	510,376	490,822	454,537	454,537
Total accumulated depreciation	161,175	154,760	149,064	137,663	137,663
Indicative remaining useful life (as a % of GBV)	69%	70%	70%	70%	70%

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

Riverina Water County Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 26. 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

GENERAL MANAGER

Mr A Crakanthorp

RESPONSIBLE ACCOUNTING OFFICER

Ms E Tonacia

PUBLIC OFFICER

Mr S Thomson

AUDITORS

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

Elected members

CHAIRPERSON

Clr G Verdon (Lockhart Shire)

COUNCILLORS

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

Other information

ABN: 52 084 883 210



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

To the Councillors of 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 2020, the Statement of Financial Position as at 30 June 2020, 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 2020, 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 2020 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:

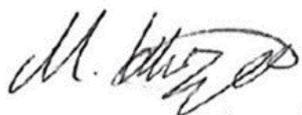
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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 20 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- 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
Delegate of the Auditor-General for New South Wales

30 September
SYDNEY



Andrew Crakanthorp
General Manager
Riverina Water County Council
PO Box 456
WAGGA WAGGA NSW 2650

Contact: Michael Kharzoo
Phone no: 02 9275 7188
Our ref: D2019623/1822

30 September 2020

Dear Mr Crakanthorp

**Report on the Conduct of the Audit
for the year ended 30 June 2020
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 2020 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 2020 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

	2020	2019	Variance
	\$m	\$m	%
Rates and annual charges revenue	5.6	5.6	 -
User Charges and fees	25.6	26.0	 1.5
Grants and contributions revenue	2.7	3.4	 20.6
Operating result from continuing operations	12.2	13.5	 9.6
Net operating result before capital grants and contributions	9.8	10.5	 6.7

Rates and annual charges revenue was \$5.6 million (\$5.6 million for the year ended 30 June 2019). Council did not apply a price increase to access or usage charges in the 2019-20 year which is consistent with the movement in rates and annual charges revenue.

User charges and fees revenue was \$25.6 million (\$26 million for the year ended 30 June 2019). The decrease of \$0.4 million (1.5%) can be attributed to early rainfall in final months of the 2019-20 financial year seeing a reduction in water consumption.

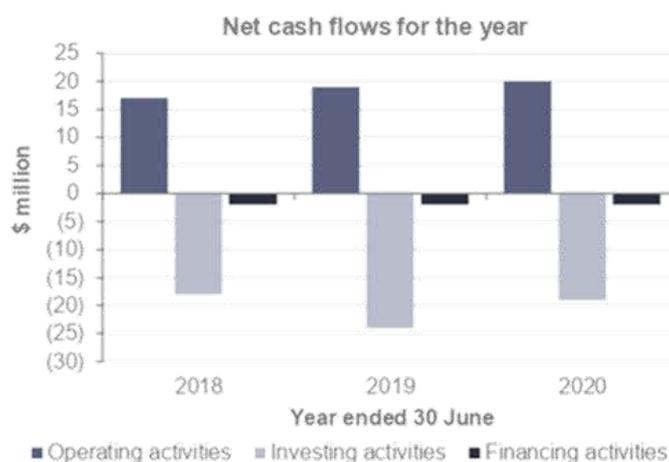
Grants and contributions revenue (\$2.7 million) decreased by \$0.7 million (20.6 per cent) in 2019–20 due to lower than anticipated Section 64 water supply contributions.

The Council's operating result from continuing operations (\$12.2 million) was \$1.3 million lower than the 2018–19 result. The decrease of 9.6% is consistent with an increase in total expenses from continuing operations. The increase in expenses being mainly attributed to depreciation on the new water treatment plant and increase in employee benefits and on-costs.

The net operating result before capital grants and contributions (\$9.8 million) was \$0.7 million lower than the 2018–19 result. The decrease was due to the decrease of \$0.4 million in user charges and fees and the increase in depreciation on the new water treatment plant and increase in employee benefits and on-costs.

STATEMENT OF CASH FLOWS

- Council's cash and cash equivalents was \$13.2 million (\$13.2 million for the year ended 30 June 2019).
- Net cash provided by operating activities has increased by \$1.0 million. This is mainly due to the increase in cash receipts from other income sources of \$2.8 million resulting from liquidated damages from the Water Treatment Plant legal matter. This is offset by increase of \$1.3 million in other cash payments.
- Net cash used in investing activities has decreased by \$5.1 million. This is due to decrease in purchase of investment securities of \$5 million.
- Net cash used in financing activities has remained steady from the previous year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2020	2019	Commentary
	\$m	\$m	
External restrictions	-	-	<ul style="list-style-type: none"> • Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The decrease of \$1.4 million in the internal restrictions is primarily due to a \$2.0 million decrease in restrictions relating to sales fluctuation and this was offset by the \$0.5 million increase in restrictions relating to employees leave entitlement. • Unrestricted cash and investments were \$24 million, which is available to provide liquidity for day-to-day operations of the Council. The increase in the unrestricted cash balance was due to liquidated damages received in respect of the new water treatment plant.
Internal restrictions	7.2	8.6	
Unrestricted	24.0	19.5	
Cash and investments	31.2	28.1	

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 operating performance ratio of 28.5% is above the industry benchmark of greater than 0%.
- The operating performance ratio decreased to 28.5% (2019: 31.2%) due to early rainfall in final months of the 2019-20 financial year seeing a reduction in water consumption.



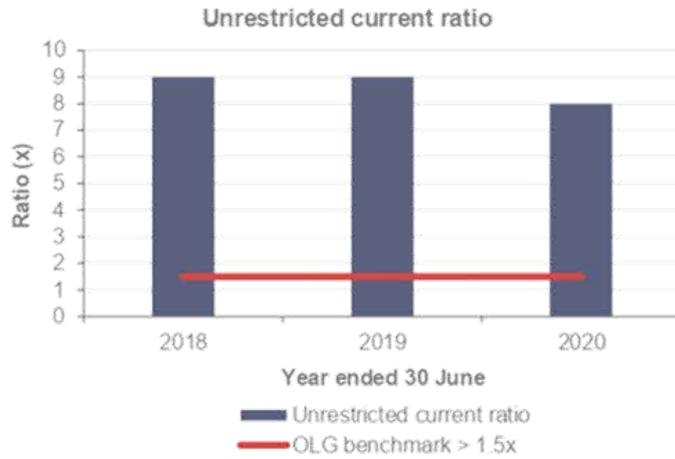
Own source operating revenue ratio

- 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 92.6% is above the industry benchmark of 60%.
- The council’s own source operating revenue ratio has remained relatively steady (2019: 90.8%).



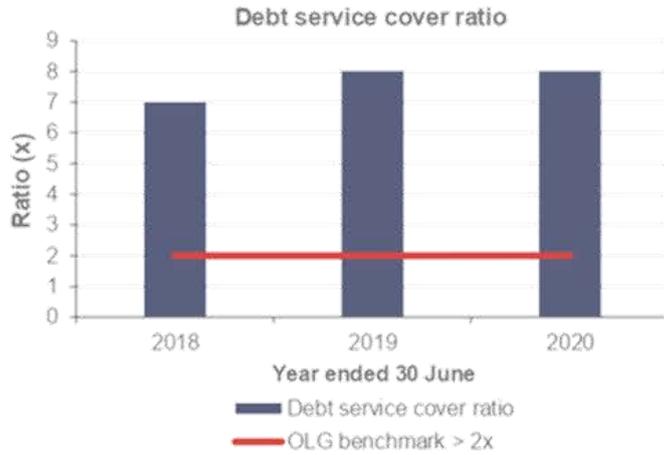
Unrestricted current ratio

- 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.
- The council's unrestricted current ratio of 8.3 times is greater than the industry benchmark minimum of greater than 1.5 times.
- The council's unrestricted current ratio has decreased slightly to 8.3 times (2019: 9.5 times) due to an increase in specific purpose liabilities of \$0.8 million.



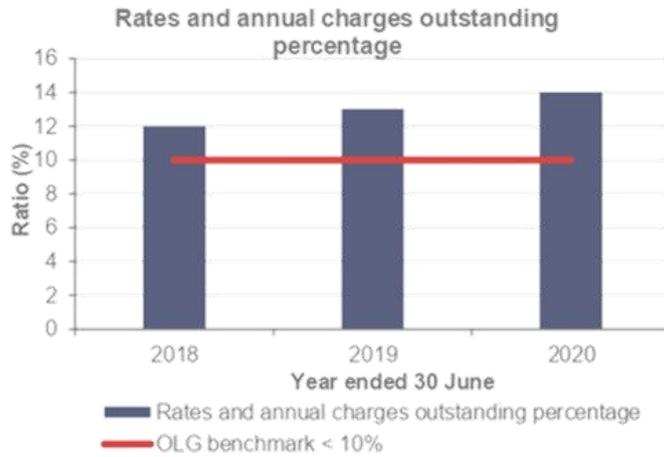
Debt service cover ratio

- 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's debt service cover ratio of 7.7 is greater than the industry benchmark minimum of greater than 2 times.
- The council's debt service cover ratio has remained steady (2019: 7.7 times).



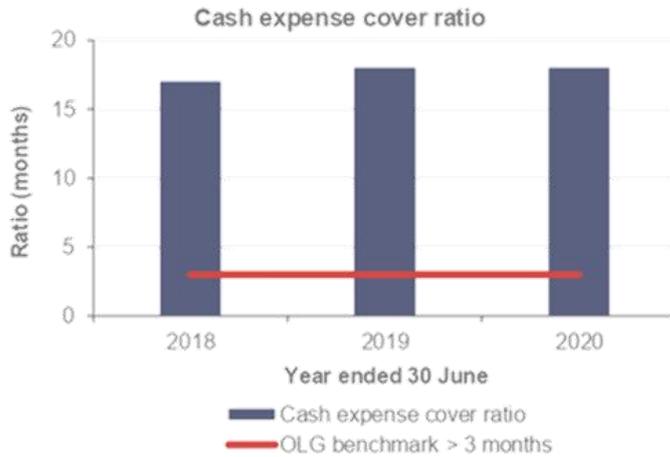
Rates and annual charges outstanding percentage

- 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 14.3 per cent is outside the industry benchmark of less than 10 per cent for rural councils.
- The rates and annual charges outstanding percentage has increased from previous years (13.7% in 2019 and 12.1% in 2018).



Cash expense cover ratio

- This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.
- The council's 'cash expense cover ratio' was 18.3 months, which is above the industry benchmark of greater than 3 months.
- The cash expense ratio has remained relatively steady (2019: 17.5 months)



Infrastructure, property, plant and equipment renewals

The council has renewed \$12.2 million of assets in the 2019-20 financial year, compared to \$11.3 million of assets in the 2018-19 financial year. The increase is primarily due to the increase of \$1.8 million renewals of water supply network and this was offset by the decrease of \$0.7 million renewals of plant and equipment.

OTHER MATTERS

Impact of new accounting standards

AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income for Not-for-Profit Entities'

The Council adopted the new accounting standards AASB 15 'Contracts with Customers' and AASB 1058 'Income of Not-for-Profit Entities' (collectively referred to as the Revenue Standards) for the first time in their 2019–20 financial statements.

AASB 15 introduces a new approach to recognising revenue based on the principle that revenue is recognised when control of a good or service transfers to a customer. AASB 15 impacts the timing and amount of revenue recorded in a councils' financial statements, particularly for grant revenue. AASB 15 also increases the amount of disclosures required.

AASB 1058 prescribes how not-for-profit entities account for transactions conducted on non-commercial terms and the receipt of volunteer services. AASB 1058 significantly impacts the timing and amount of income recorded in a councils' financial statements, particularly for grant income and rates which are paid before the commencement of the rating period.

The Council did not recognise an adjustment to opening accumulated surplus at 1 July 2019 on adoption of the new Revenue Standards.

The Council disclosed the impact of adopting the new Revenue Standards in Note 15.

AASB 16 'Leases'

The Council adopted the new accounting standard AASB 16 'Leases' for the first time in their 2019–20 financial statements.

AASB 16 changes the way lessees treat operating leases for financial reporting. With a few exceptions, operating leases will now be recorded in the Statement of Financial Position as a right-of-use asset, with a corresponding lease liability.

AASB 16 results in lessees recording more assets and liabilities in the Statement of Financial Position and changes the timing and pattern of expenses recorded in the Income Statement.

The Council did not have any right-of-use assets or lease liabilities at 1 July 2019 on adoption of AASB 16.

The Council disclosed the impact of adopting AASB 16 in Note 15.

Legislative compliance

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

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



Michael Kharzoo
Delegate of the Auditor-General for New South Wales

cc: Mr Greg Verdon, Chairperson
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 2020

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



Special Purpose Financial Statements for the year ended 30 June 2020

Contents	Page
Statement by Councillors & Management	3
Special Purpose Financial Statements	
Income Statement – Water Supply Business Activity	4
Income Statement – Sewerage Business Activity	n/a
Statement of Financial Position – Water Supply Business Activity	5
Statement of Financial Position – Sewerage Business Activity	n/a
Note 1 – 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 2020

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:

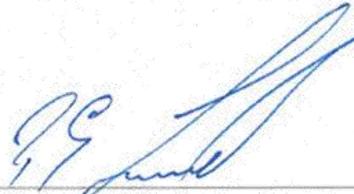
- present fairly the operating result and financial position for each of Council's declared business activities for the year, and accord with Council's accounting and other records.
- Present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

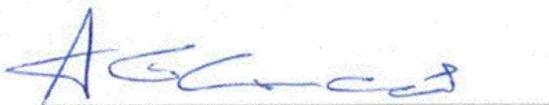
Signed in accordance with a resolution of Council made on 26 August 2020.



Clr G Verdon
Chairperson



Clr P Funnell
Councillor



Mr A Crakanthorp
General Manager



Ms E Tonacia
Responsible Accounting Officer

Riverina Water County Council

Special Purpose Financial Statements 2020

Income Statement – Water Supply Business Activity for the year ended 30 June 2020

\$ '000	2020	2019
Income from continuing operations		
Access charges	5,592	5,551
User charges	25,587	25,994
Interest	664	691
Grants and contributions provided for non-capital purposes	270	338
Other income	2,057	735
Total income from continuing operations	34,170	33,309
Expenses from continuing operations		
Employee benefits and on-costs	9,627	8,972
Borrowing costs	466	570
Materials and contracts	2,581	2,580
Depreciation, amortisation and impairment	6,845	6,216
Water purchase charges	292	246
Calculated taxation equivalents	66	40
Other expenses	4,602	4,269
Total expenses from continuing operations	24,479	22,893
Surplus (deficit) from continuing operations before capital amounts	9,691	10,416
Grants and contributions provided for capital purposes	2,443	3,013
Surplus (deficit) from continuing operations after capital amounts	12,134	13,429
Surplus (deficit) from all operations before tax	12,134	13,429
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(2,665)	(2,864)
SURPLUS (DEFICIT) AFTER TAX	9,469	10,565
Plus accumulated surplus	135,378	121,909
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	66	40
– Corporate taxation equivalent	2,665	2,864
Closing accumulated surplus	147,578	135,378
Return on capital %	2.7%	3.1%
Subsidy from Council	–	–
Calculation of dividend payable:		
Surplus (deficit) after tax	9,469	10,565
Less: capital grants and contributions (excluding developer contributions)	(2,443)	(3,013)
Surplus for dividend calculation purposes	7,026	7,552
Potential dividend calculated from surplus	3,513	3,776

Riverina Water County Council

Special Purpose Financial Statements 2020

Statement of Financial Position – Water Supply Business Activity

as at 30 June 2020

\$ '000	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	13,218	13,184
Investments	18,000	15,000
Receivables	4,366	4,789
Inventories	2,476	2,572
Total current assets	38,060	35,545
Non-current assets		
Infrastructure, property, plant and equipment	371,482	359,595
Intangible assets	10,884	7,602
Total non-current assets	382,366	367,197
TOTAL ASSETS	420,426	402,742
LIABILITIES		
Current liabilities		
Payables	1,325	1,146
Income received in advance	561	445
Borrowings	1,866	1,761
Provisions	5,307	4,268
Total current liabilities	9,059	7,620
Non-current liabilities		
Borrowings	5,400	7,258
Total non-current liabilities	5,400	7,258
TOTAL LIABILITIES	14,459	14,878
NET ASSETS	405,967	387,864
EQUITY		
Accumulated surplus	147,578	135,378
Revaluation reserves	258,389	252,486
TOTAL EQUITY	405,967	387,864

Notes to the Special Purpose Financial Statements for the year ended 30 June 2020

Note 1. 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, return on investments (rate of return), and dividends paid.

Declared business activities

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

Category 1

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

Riverina Water County Council

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

Category 2

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

Nil

Monetary amounts

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

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

Riverina Water County Council

Special Purpose Financial Statements 2020

Notes to the Special Purpose Financial Statements for the year ended 30 June 2020

Note 1. Significant Accounting Policies (continued)

(i) Taxation equivalent charges

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

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

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

Notional rate applied (%)

Corporate income tax rate – 27.5%

Land tax – the first \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,321,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,321,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% 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 27.5%.

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

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

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

(iii) Return on investments (rate of return)

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

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

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

The rate of return is calculated as follows:

continued on next page ...

Page 7

Riverina Water County Council

Special Purpose Financial Statements 2020

Notes to the Special Purpose Financial Statements for the year ended 30 June 2020

Note 1. Significant Accounting Policies (continued)

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 0.88% at 30/6/20.

(iv) Dividends

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

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

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

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2020 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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



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

To the Councillors of the Riverina Water County Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Riverina Water County Council's (the Council) declared business activity, Water Supply, which comprise the Statement by Councillors and Management, the Income Statement of the declared business activity for the year ended 30 June 2020, the Statement of Financial Position of the declared business activity as at 30 June 2020 and Note 1 Significant accounting policies for the business activity declared by Council.

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 2020, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (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 Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

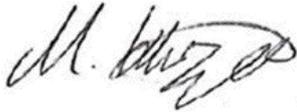
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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.



Michael Kharzoo
Delegate of the Auditor-General for New South Wales

30 September 2020
SYDNEY

Riverina Water County Council

SPECIAL SCHEDULES
for the year ended 30 June 2020

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



Riverina Water County Council

Special Schedules 2020

Special Schedules for the year ended 30 June 2020

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Special Schedules	
Report on Infrastructure Assets - Values	3

Riverina Water County Council

Special Schedules 2020

Report on Infrastructure Assets
as at 30 June 2020

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard \$ '000	Estimated cost to bring to the agreed level of service set by Council \$ '000	2019/20 Required maintenance ^a \$ '000	2019/20 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
(a) Report on Infrastructure Assets - Values												
Buildings	Buildings – non-specialised	–	–	310	251	3,458	4,094	38.4%	56.1%	5.5%	0.0%	0.0%
	Buildings – specialised	–	–	153	119	11,073	12,571	55.1%	11.7%	31.2%	1.9%	0.0%
	Sub-total	–	–	463	370	14,531	16,665	51.0%	22.6%	24.9%	1.4%	0.0%
Water supply network	Treatment Plants	1,109	1,109	725	704	72,243	90,610	67.3%	5.9%	12.3%	14.4%	0.0%
	Bores	100	100	185	142	6,665	12,249	4.8%	29.9%	62.1%	3.3%	0.0%
	Reservoirs	7,041	7,041	225	235	47,451	65,531	12.8%	10.7%	52.8%	22.4%	1.3%
	Pumping Stations	41	41	180	195	8,872	17,047	10.4%	10.1%	66.5%	7.4%	5.6%
	Pipeline	18,636	18,636	1,050	1,070	202,175	308,814	21.4%	44.2%	27.1%	7.4%	0.0%
	Sub-total	26,927	26,927	2,365	2,346	337,406	494,251	27.9%	31.2%	30.0%	10.6%	0.4%
TOTAL - ALL ASSETS		26,927	26,927	2,828	2,716	351,937	510,916	28.6%	30.9%	29.8%	10.3%	0.4%

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

Infrastructure asset condition assessment 'key'

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

continued on next page ...

Page 3

Riverina Water County Council

Special Schedules 2020

Report on Infrastructure Assets (continued)

as at 30 June 2020

\$ '000	Amounts 2020	Indicator 2020	Prior periods		Benchmark
			2019	2018	
Infrastructure asset performance indicators (consolidated) ¹					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	5,527	89.78%	60.62%	76.98%	>=100.00%
Depreciation, amortisation and impairment	6,156				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	26,927	7.65%	7.94%	7.32%	<2.00%
Net carrying amount of infrastructure assets	351,937				
Asset maintenance ratio					
Actual asset maintenance	2,716	96.04%	106.96%	102.44%	>100.00%
Required asset maintenance	2,828				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	26,927	5.27%	5.30%	4.92%	
Gross replacement cost	510,916				

(¹) All asset performance indicators are calculated using classes identified in the previous table.

(¹) Excludes Work In Progress (WIP)

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

R4 September 2020 Quarterly Budget Review

Organisational Area Corporate Services

Author Emily Tonacia, Manager 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 2020 be received and adopted.

Report

The Quarterly Review of Council's Budget for the period ending 30 September 2020 is submitted for examination by the Council.

Operating Budget

The anticipated Operating Result for 2020/2021 is a surplus of \$8,081,000. The Operating Result was originally budgeted for a surplus of \$7,680,000. Proposed September quarterly review operational adjustments relate to:

Income

- Contribution from Lockhart Shire Council in relation to the

Bidgeemia and Vincent's Road mains extension	\$495,000
--	-----------

Operational Expenditure

- | | |
|---|----------|
| • Annual Procore contract licence fee (new project software) | \$14,400 |
| • Unbudgeted additional REROC and Joint Organisation membership expenses | \$ 7,270 |
| • Additional expenditure in relation to the deployment of the new Riverina Water website | \$19,900 |
| • Additional operational IT expenses in relation to the digital strategy and associated ERP upgrade | \$52,000 |

Net Operating Increase/ (Decrease)	\$401,430
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Capital Budget

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Riverina Water County Council

Quarterly Budget Review Statement
for the period 01/07/20 to 30/09/20

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 30/09/20 indicates that Council's projected financial position at 30/6/21 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: 20/10/2020

Ms Emily Tonacia
Responsible Accounting Officer

Riverina Water County Council

Quarterly Budget Review Statement

for the period 01/07/20 to 30/09/20

Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2020

(\$000's)	Original Budget 2020/21	Revised Budget 2020/21	Variations for this Sep Qtr	Notes	Projected Year End Result	20/21	19/20
						Actual YTD figures	Actual YTD figures
Income							
Rates and Annual Charges	5,117	5,117	-		5,117	1,443	1,337
User Charges and Fees	23,833	23,833	-		23,833	3,293	3,630
Interest and Investment Revenues	300	300	-		300	214	187
Other Revenues	345	345	-		345	415	395
Grants & Contributions - Operating	225	225	-		225	-	-
Grants & Contributions - Capital	3,190	3,190	495	1	3,685	802	780
Total Income from Continuing Operations	33,010	33,010	495		33,505	6,167	6,329
Expenses							
Employee Costs	9,371	9,371	-		9,371	2,555	2,550
Borrowing Costs	387	387	-		387	56	81
Materials & Contracts	4,029	4,029	94	2	4,123	870	803
Depreciation	6,350	6,350	-		6,350	1,354	1,580
Other Expenses	5,193	5,193	-		5,193	1,061	1,247
Total Expenses from Continuing Operations	25,330	25,330	94		25,424	5,896	6,261
Net Operating Result from Continuing Operations	7,680	7,680	401		8,081	271	68
Net Operating Result from All Operations	7,680	7,680	401		8,081	271	68
Net Operating Result before Capital Items	4,490	4,490	(94)		4,396	(531)	(712)

Riverina Water County Council

Quarterly Budget Review Statement

for the period 01/07/20 to 30/09/20

Capital Budget Review Statement

Budget review for the quarter ended 30 September 2020

(\$000's)	Original Budget 2020/21	Approved Changes			Revised Budget 2020/21	Variations for this Sep Qtr	Notes	Projected Year End Result	20/21	19/20
		Carry Forwards	19/20 Revotes	Other than QBRS					Actual YTD figures	Actual YTD figures
Capital Expenditure										
Land & Buildings	2,045	124	55	-	2,224	234	2,458	207	651	
Plant & Equipment	4,400	261	51	500	5,212	8	5,220	688	612	
Intangibles	-	270	-	-	270	-	270	272	-	
Water Infrastructure	13,872	503	324	-	14,699	1,368	16,067	2,213	7,774	
Loan Repayments (Principal)	-	-	-	-	-	-	-	460	431	
Total Capital Expenditure	20,317	1,158	430	500	22,405	1,610	24,015	3,840	9,468	
Capital Funding										
Rates & Other Untied Funding	20,317	1,158	430	500	22,405	1,610	24,015	3,840	9,468	
New Loans	-	-	-	-	-	-	-	-	-	
Total Capital Funding	20,317	1,158	430	500	22,405	1,610	24,015	3,840	9,468	
Net Capital Funding - Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
	Refer to Capital Works Progress report for more detail on Capital Projects

Riverina Water County Council

Quarterly Budget Review Statement
for the period 01/07/20 to 30/09/20

Cash & Investments Budget Review Statement

Budget review for the quarter ended 30 September 2020

(\$000's)	Original Budget 2020/21	Approved Changes		Revised Budget 2020/21	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by 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 *	2,653	-	-	2,653	-		2,653	2,653
Plant Replacement	1,060	-	-	1,060	-		1,060	1,060
Water Treatment Plant	228	-	-	228	-		228	228
Sales Fluctuation	3,000	-	-	3,000	-		3,000	3,000
Total Internally Restricted	6,941	-	-	6,941	-		6,941	6,941
(2) Funds that Council has earmarked for a specific purpose								
Unrestricted (ie. available after the above Restrictions)	10,777	-	-	10,777	-		10,777	23,003
Total Cash & Investments	17,718	-	-	17,718	-		17,718	29,944

* ELE Reserve is currently funded at 50%

Riverina Water County Council

Quarterly Budget Review Statement
for the period 01/07/20 to 30/09/20

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 \$229,443

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.
The date of completion of this bank reconciliation is 31/09/2020

Reconciliation Status

The YTD Cash & Investment figure reconciles to the actual balances held as follows:

	\$ 000's
Cash at Bank (as per bank statements)	229
Investments on Hand	29,709
less: Unpresented Cheques	(13)
add: Undeposited Funds	19

Reconciled Cash at Bank & Investments

 29,944
Balance as per Review Statement:

 29,944

Difference:

-

Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes Details

Riverina Water County Council

Quarterly Budget Review Statement
for the period 01/07/20 to 30/09/20

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

Budget review for the quarter ended 30 September 2020

(\$000's)	Current Projection		Original Budget 20/21	Actuals Prior Periods	
	Amounts	Indicator		19/20	18/19
	20/21	20/21			

NSW Local Government Industry Key Performance Indicators (OLG):

1. Current Ratio (Liquidity)

Current Assets	24254				
Current Liabilities	8018	3.0 %	3.0 %	3.4 %	1.8 %

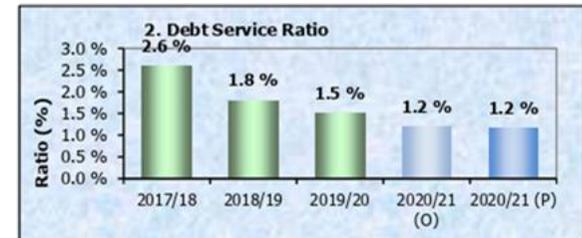
This measures Council's ability to pay existing liabilities in the next 12 months. (target >1.5)



2. Debt Service Ratio

Debt Service Cost	387				
Income from Continuing Operations	33010	1.2 %	1.2 %	1.5 %	1.8 %

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	5117				
Income from Continuing Operations	33010	15.50	15.50	15.39	15.54

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 2020

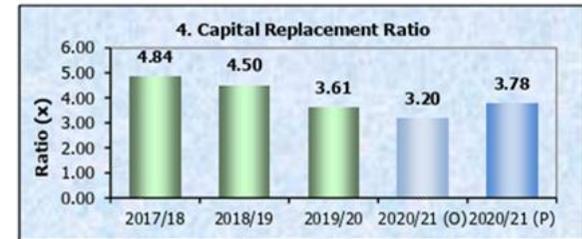
(\$000's)	Current Projection		Original Budget 20/21	Actuals Prior Periods	
	Amounts	Indicator		19/20	18/19
	20/21	20/21			

NSW Local Government Industry Key Performance Indicators (OLG):

4. Capital Replacement Ratio

Infrastructure, Property, Plant & Equipment	24015	3.78	3.20	3.61	4.50
Depreciation	6350				

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	7586	23.0%	24.3 %	24.4 %	30.3 %
Total Revenue	33010				

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	-	Y
Legal Fees	-	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 2020 REVIEW

OPERATING SUMMARY	YTD ACTUAL \$'000	CURRENT BUDGET \$'000	REMAINING \$'000	% AVAILABLE	2020/21 BUDGET \$'000	30/09/2020 REVIEW ADJUSTMENT	REVISED BUDGET \$'000	REVIEW ADJUSTMENT COMMENT
OPERATING INCOME								
Access Charges								
Urban	1,113	4,141	3,029	73%	4,141	0	4,141	
Non-Urban	330	976	645	66%	976		976	
	1,443	5,117	3,674	72%	5,117	0	5,117	
User Charges								
Consumption Charges								
Urban	2,442	18,793	16,351	87%	18,793	0	18,793	
Non-Urban	648	4,010	3,362	84%	4,010	0	4,010	
	3,090	22,803	19,713	86%	22,803	0	22,803	
Extra Charges								
Urban	3	80	77	97%	80	0	80	
Non-Urban	1	15	14	0%	15		15	
	4	95	91	96%	95	0	95	
Other Income	665	1,270	605	48%	1,270	0	1,270	
Interest	-81	300	381	127%	300		300	
Operating Grants & Contributions	-202	225	427	190%	225	0	225	
Capital Grants & Contributions	802	3,190	2,388	75%	3,190	495	3,685	Lockhart Shire Contribution
Private Works Income	1	10	9	0%	10	0	10	
TOTAL OPERATING INCOME	5,723	33,011	27,288	83%	33,011	495	33,506	
OPERATING EXPENSES								
Management	2,617	10,345	7,728	75%	10,345	94	10,439	See QBR Statement for details
Operations & Maintenance								
Buildings & Grounds								
Urban	220	663	443	67%	663	0	663	
Non-Urban	20	52	32	62%	52	0	52	
	240	715	475	66%	715	0	715	
Management - Operations								
Urban	309	950	641	68%	950	0	950	
Non-Urban	66	350	284	81%	350	0	350	
	375	1,300	925	71%	1,300	0	1,300	
Sources								
Urban	88	1,082	994	92%	1,082	0	1,082	

OPERATING SUMMARY	YTD ACTUAL \$'000	CURRENT BUDGET \$'000	REMAINING \$'000	% AVAILABLE	2020/21 BUDGET \$'000	30/09/2020 REVIEW ADJUSTMENT	REVISED BUDGET \$'000	REVIEW ADJUSTMENT COMMENT
Non-Urban	50	335	285	85%	335	0	335	
	138	1,417	1,279	90%	1,417	0	1,417	
<i>Pumping Stations</i>								
Urban	30	933	903	97%	933	0	933	
Non-Urban	30	278	248	89%	278	0	278	
	59	1,210	1,151	95%	1,210	0	1,210	
<i>Reservoirs</i>								
Urban	35	226	191	84%	226	0	226	
Non-Urban	63	129	66	51%	129	0	129	
	98	355	256	72%	355	0	355	
<i>Treatment Plant</i>								
Urban	301	1,643	1,342	82%	1,643	0	1,643	
Non-Urban	173	548	375	68%	548	0	548	
	474	2,191	1,717	78%	2,191	0	2,191	
<i>Mains & Services</i>								
Supervision	55	0	-55	0%	0	0	0	
Urban	341	1,201	860	72%	1,201	0	1,201	
Non-Urban	120	551	431	78%	551	0	551	
	516	1,752	1,236	71%	1,752	0	1,752	
<i>Other Operations</i>	24	-306	-329	108%	-306	0	-306	
Depreciation	1,354	6,350	4,996	79%	6,350	0	6,350	
TOTAL OPERATING EXPENSES	5,895	25,330	19,435	77%	25,330	94	25,424	
OPERATING RESULT	-172	7,681			7,681	401	8,082	

30 SEPTEMBER 2020 QUARTERLY BUDGET REVIEW

Description	Current Budget	YTD Actual	Budget Remaining	30/09/2020 QBR	Revised Budget	Comment
	\$	\$	\$	\$	\$	
MANAGEMENT						
LAND & BUILDINGS FOR ADMIN. DEPOTS AND WORKSHOPS						
Administration Office	160,000	18,614	120,873	0	160,000	
Depot Buildings	1,225,286	25,512	1,128,714	234,500	1,459,786	Detailed pre tender estimate based on design - Operations Office Refurbishment
Access, Parking and Landscaping	808,071	162,649	509,454	0	808,071	
Depot Residence - Urban	30,000	0	30,000	0	30,000	
SUB-TOTAL LAND & BUILDINGS FOR ADMIN, DEPOTS & WORKSHOPS	2,223,357	206,775	1,789,041	234,500	2,457,857	
PLANT & EQUIPMENT						
IT Equipment	2,744,500	55,469	2,675,068	0	2,744,500	
Office Furniture & Equipment	8,623	0	1,371	7,977	16,600	Additional server cabinet
Working Plant & Vehicle Purchases	1,549,847	387,701	1,130,026	0	1,549,847	
Fixed Plant Tools & Equipment	35,000	0	27,167	0	35,000	
Telemetry & Control Systems Upgrade	505,782	187,895	313,355	0	505,782	
Radio Communications Upgrade/Replacements/Improvements	21,440	3,945	16,055	0	21,440	
Energy Efficiency & Cost Minimisation	615,740	53,135	428,926	0	615,740	
SUB-TOTAL PLANT & EQUIPMENT	5,480,932	688,144	4,591,968	7,977	5,488,909	
INTANGIBLES						
Water Licences	270,000	272,268	-2,268	0	270,000	
SUB-TOTAL INTANGIBLES	270,000	272,268	-2,268	0	270,000	
TOTAL MANAGEMENT	7,974,289	1,167,186	6,378,742	242,477	8,216,766	
SOURCES						
Bores-renew/refurbish/decommission	719,943	232,384	482,858	-350,000	369,943	Humula Well replacement and flood protection.
Switchboards Improvements/Replacements	5,000	0	5,000		5,000	
TOTAL SOURCES	724,943	232,384	487,858	-350,000	374,943	
TREATMENT PLANTS						
Aeration Tower Replacements	85,000	29,882	55,118	0	85,000	
Aeration Tower Covers	231,127	217,342	-5,253	200,000	431,127	West Wagga Aeration Roof - additional 4 towers brought forward from 28FY

Description	Current Budget	YTD Actual	Budget Remaining	30/09/2020 QBR	Revised Budget	Comment
	\$	\$	\$	\$	\$	
Specific Treatment Plant improvements	55,000	-1,632	56,632	0	55,000	
Treatment Plant refurbishments	5,173,941	242,039	4,725,718	350,000	5,523,941	
TOTAL TREATMENT PLANTS	5,545,068	487,632	4,832,214	550,000	6,095,068	
PUMPING STATIONS						
Pump Stations Renewal/Refurbish/Upgrade	190,000	0	190,000	0	190,000	
Pump & Motor Maintenance / Replacements	65,050	0	65,050	0	65,050	
TOTAL PUMPING STATIONS	255,050	0	255,050	0	255,050	
RESERVOIRS						
General Improvements	29,299	1,088	28,211	0	29,299	
New/Replacement Reservoirs	737,159	93,692	565,849	377,520	1,114,679	Main Low Level Reservoir - land matters
Reservoirs - Refurbish	75,019	6,916	-50,674	80,000	155,019	Tarcutta Reservoir Roof
Reservoirs - Upgrade Ladders and Access	25,000	0	25,000	0	25,000	
Reservoir Hatches Magflows	64,375	31,856	32,519	0	64,375	
Asset demolition	110,000	0	110,000	0	110,000	
TOTAL RESERVOIRS	1,040,852	133,552	710,904	457,520	1,498,372	
MAINS, SERVICES & METERS						
MAINS						
System Improvements	900,000	390,172	498,551	830,000	1,730,000	See QBR report for all main adjustments
Reticulation for Developers (including other extensions)	860,000	226,542	617,359	0	860,000	
Renew Reticulation Mains	1,472,818	247,346	2,479,836	625,000	2,075,000	
Renew Trunk Mains	2,225,000	267,815	1,927,900	-830,000	1,395,000	
SUB-TOTAL MAINS	5,457,818	1,131,875	5,523,646	625,000	6,060,000	
SERVICES						
Service Connections, new including Meters	550,000	163,226	382,594	0	550,000	
Renew Services	330,000	34,395	295,605	0	330,000	
SUB-TOTAL SERVICES	880,000	197,621	678,198	0	880,000	
METERS						

Description	Current Budget	YTD Actual	Budget Remaining	30/09/2020 QBR	Revised Budget	Comment
	\$	\$	\$	\$	\$	
Water meters replacement	200,000	-22,052	222,052	0	200,000	
Remote metering	325,000	40,594	254,166	0	325,000	
Water Filling Stations Upgrade	0	3,451	-3,451	85,000	85,000	Sealing of 2 WFS
Water Filling Stations New	25,000	7,481	17,159	0	25,000	
SUB-TOTAL METERS	550,000	29,475	489,925	85,000	635,000	
TOTAL MAINS, SERVICES & METERS	6,887,818	1,358,971	6,691,770	710,000	7,575,000	
TOTALS	22,428,020	3,379,725	19,356,539	1,609,997	24,015,199	

R5 Disclosure of Pecuniary Interest Returns 2019-2020

Organisational Area Governance & Human Resources

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 now tabled at this meeting

RECOMMENDATION that Council note the pecuniary interest returns of Board members and designated persons for the period 1 July 2019 – 30 June 2020 tabled in accordance with Clause 4.21 of the Riverina Water Code of Conduct.

Report

The lodgement of Declarations of Pecuniary Interest Returns was required by 30 September 2020.

Returns have been received from eight of the nine Board members, with the outstanding return expected to be tabled at the meeting of 28 October. Returns have also been received from the two external members of the Audit Risk & Improvement Committee, the General Manager, the Director of Engineering, and Manager Corporate Services, Manager Operations, Manager Governance & HR, and Manager Works. This is the first time that all managers have been required to complete these. It should be noted that the Manager Projects is currently on leave and will be completing his return in November.

The pecuniary interest returns 2019-2020 are now being tabled at this meeting in accordance with Clause 4.25 of the Code, which states:

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

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

In accordance with individual privacy concerns, these returns are published with home addresses redacted. Details of the returns are:

Name	Role
Clr Greg Verdon	Board member. Chair
Clr Pat Bourke	Board member
Clr Vanessa Keenan	Board member
Clr Yvonne Braid	Board member
Clr Tim Koschel	Board member
Clr Doug Meyer	Board member
Clr Paul Funnell	Board member (to be returned)
Clr Greg Conkey	Board member
Cr Tony Quinn	Board member
David Maxwell	Riverina Water ARIC member. Chair
Bryce McNair	Riverina Water ARIC member
Andrew Crakanthorp	General Manager
Bede Spannagle	Director Engineering
Jason Ip	Manager Operations
Austin Morris	Manager Works
Simon Thomson	Manager Governance & HR
Emily Tonacia	Manager Corporate Services
Greg Vidler	Manager Projects (to be returned)

› **R5.1 2019-2020 Combined Pecuniary Interest Declaration Returns - redacted versions.pdf**

Financial Implications

N/A

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.
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R6 List of Investments

Organisational Area Corporate Services

Author Kate Pellow, Finance Officer

Summary The report details Council's external investments for August and September 2020

RECOMMENDATION that the report detailing Council's external investments for the months of August and September 2020 be received.

Report

In accordance with the provisions of Clause 19(3) of the Local Government (Financial Management) Regulation 1993, I report details of the Council's external investments as at 31 August 2020 and 30 September 2020 as follows:

-) **R6.1 Investment Report - August 2020**
-) **R6.2 Investment Report - September 2020**

Financial Implications

This report is financial by virtue of its subject matter and is critical to reporting to the board the status of investments placed by staff in accordance with the relevant investment policy. The report reflects favourably on the performance of Council's investments.

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 31/8/2020

Investment	Inception Date	Term (Days)	Maturity Date	S&P Rating	Interest Rate (%)	Percentage of Portfolio	Principal Value	Market Value
Term Deposits								
AMP	17/07/2020	367	19/07/21	A-2	1.00	8.195%	\$2,500,000.00	\$2,500,000.00
BOQ	6/05/2020	365	06/05/21	A-2	1.40	8.195%	\$2,500,000.00	\$2,500,000.00
Auswide Bank	8/07/2019	735	12/07/21	A-2	2.05	4.917%	\$1,500,000.00	\$1,500,000.00
AMP	12/11/2019	366	12/11/20	A-2	1.65	3.278%	\$1,000,001.00	\$1,000,001.00
National Australia Bank	7/07/2020	365	07/07/21	A-1+	0.95	6.556%	\$2,000,000.00	\$2,000,000.00
National Australia Bank	28/10/2019	366	28/10/20	A-1+	1.45	3.278%	\$1,000,000.00	\$1,000,000.00
Auswide Bank	15/08/2019	1096	15/08/22	A-2	1.86	6.556%	\$2,000,000.00	\$2,000,000.00
AMP	30/03/2020	548	29/09/21	A-2	1.85	6.556%	\$2,000,000.00	\$2,000,000.00
AMP	17/03/2020	181	14/09/20	A-2	1.80	3.278%	\$1,000,000.00	\$1,000,000.00
National Australia Bank	8/07/2019	569	27/01/21	A-1+	1.85	6.556%	\$2,000,000.00	\$2,000,000.00
Auswide Bank	17/06/2019	731	17/06/21	A-2	2.22	4.917%	\$1,500,000.00	\$1,500,000.00
Auswide Bank	27/02/2020	546	26/08/21	A-2	1.75	8.195%	\$2,500,000.00	\$2,500,000.00
BOQ	17/08/2020	730	17/08/22	A-2	0.95	4.917%	\$1,500,000.00	\$1,500,000.00
BOQ	14/10/2019	366	14/10/20	A-2	1.55	6.556%	\$2,000,000.00	\$2,000,000.00
						75.39%	\$25,000,001.00	\$25,000,001.00
Cash Deposit Account								
T Corp				A-1+	0.57	18.05%	\$5,507,052.91	\$5,507,052.91
						18.05%	\$5,507,052.91	\$5,507,052.91
TOTAL INVESTMENTS						93.44%	\$30,507,053.91	\$30,507,053.91
Cash at Bank								\$90,177.71
TOTAL FUNDS								\$30,597,231.62

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)	\$2,653,331.76
	Plant Replacement	\$1,300,429.68
	Loan Funds	\$0.00
	Sales Fluctuation	\$3,000,000.00
	Water Treatment Plant	\$228,250.00
		\$7,182,011.44
Unrestricted Funds		\$23,415,220.18
TOTAL FUNDS		\$30,597,231.62

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

Report

The investment portfolio decreased by \$245,296.06 for the month. The decrease was due to income in August being lower than expenditure.

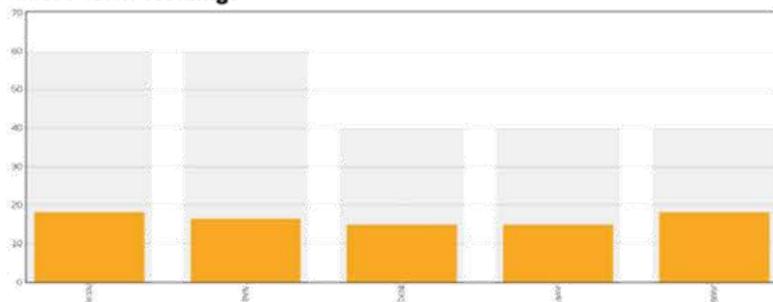
Portfolio Performance

For the month of August, the portfolio (excluding cash) provided a return of +0.13% (actual), outperforming the benchmark Ausbond Bank Bill Index return by +0.12% (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.

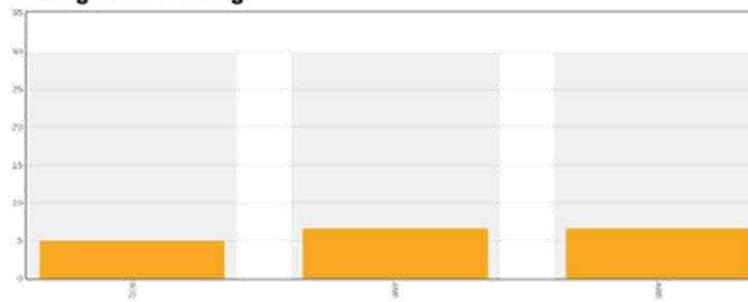
Counterparty Compliance

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

Short-term Holdings



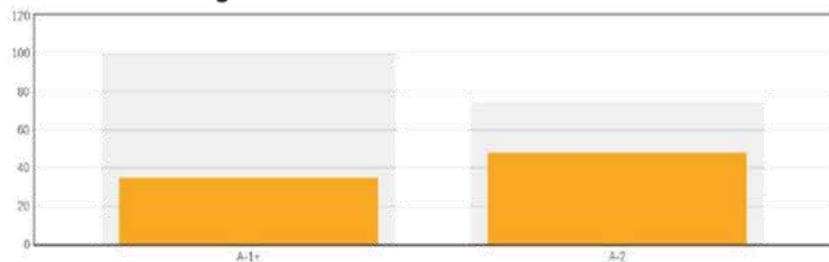
Long-term Holdings



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

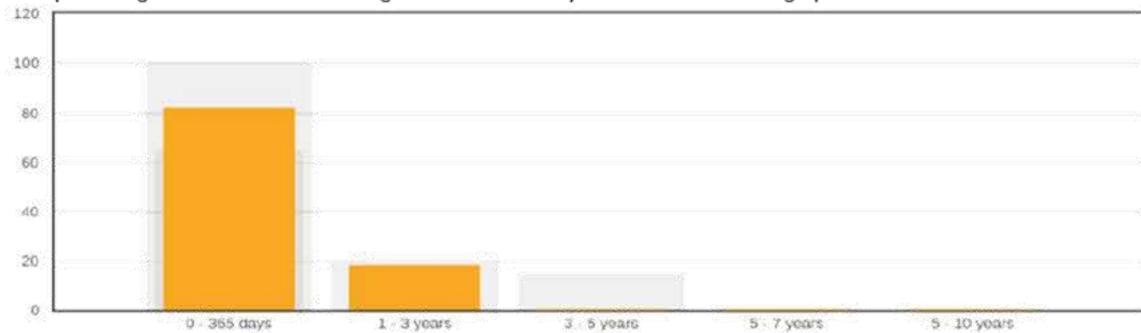


Long-term Holdings



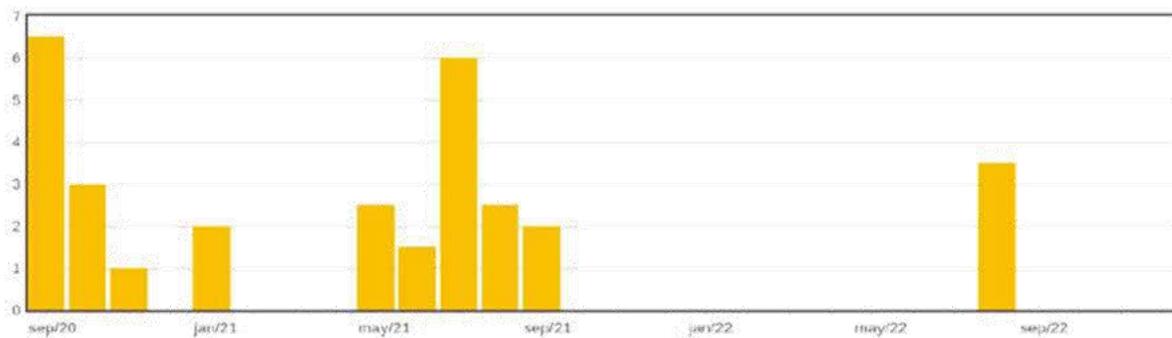
Term to Maturity

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 30/9/2020

Investment	Inception Date	Term (Days)	Maturity Date	S&P Rating	Interest Rate (%)	Percentage of Portfolio	Principal Value	Market Value
Term Deposits								
AMP	17/07/2020	367	19/07/21	A-2	1.00	8.415%	\$2,500,000.00	\$2,500,000.00
BOQ	6/05/2020	365	06/05/21	A-2	1.40	8.415%	\$2,500,000.00	\$2,500,000.00
Auswide Bank	8/07/2019	735	12/07/21	A-2	2.05	5.049%	\$1,500,000.00	\$1,500,000.00
AMP	12/11/2019	366	12/11/20	A-2	1.65	3.366%	\$1,000,001.00	\$1,000,001.00
National Australia Bank	7/07/2020	365	07/07/21	A-1+	0.95	6.732%	\$2,000,000.00	\$2,000,000.00
National Australia Bank	28/10/2019	366	28/10/20	A-1+	1.45	3.366%	\$1,000,000.00	\$1,000,000.00
Auswide Bank	15/08/2019	1096	15/08/22	A-2	1.86	6.732%	\$2,000,000.00	\$2,000,000.00
AMP	30/03/2020	548	29/09/21	A-2	1.85	6.732%	\$2,000,000.00	\$2,000,000.00
AMP	17/03/2020	181	14/09/20	A-2	1.80	3.366%	\$1,000,000.00	\$1,000,000.00
National Australia Bank	8/07/2019	569	27/01/21	A-1+	1.85	6.732%	\$2,000,000.00	\$2,000,000.00
Auswide Bank	17/06/2019	731	17/06/21	A-2	2.22	5.049%	\$1,500,000.00	\$1,500,000.00
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BOQ	17/08/2020	730	17/08/22	A-2	0.95	5.049%	\$1,500,000.00	\$1,500,000.00
BOQ	14/10/2019	366	14/10/20	A-2	1.55	6.732%	\$2,000,000.00	\$2,000,000.00
						77.42%	\$25,000,001.00	\$25,000,001.00
Cash Deposit Account								
T Corp				A-1+	0.57	15.85%	\$4,708,707.47	\$4,708,707.47
						15.85%	\$4,708,707.47	\$4,708,707.47
TOTAL INVESTMENTS						93.27%	\$29,708,708.47	\$29,708,708.47
Cash at Bank								\$229,443.45
TOTAL FUNDS								\$29,938,151.92

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)	\$2,653,331.76
	Plant Replacement	\$1,059,584.89
	Loan Funds	\$0.00
	Sales Fluctuation	\$3,000,000.00
	Water Treatment Plant	\$228,250.00
		\$6,941,166.65
Unrestricted Funds		\$22,996,985.27
TOTAL FUNDS		\$29,938,151.92

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

Report

The investment portfolio decreased by \$659,079.70 for the month. The decrease was due to income in September being lower than expenditure.

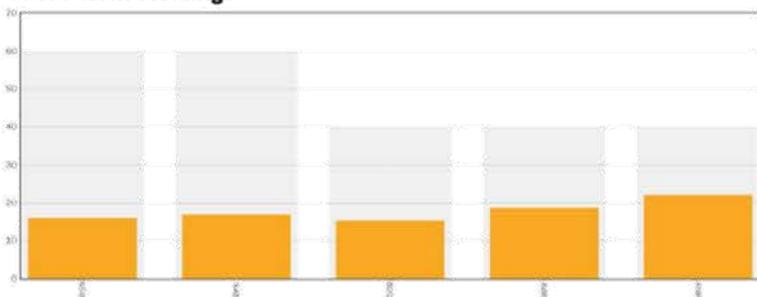
Portfolio Performance

For the month of August, the portfolio (excluding cash) provided a return of +0.13% (actual), outperforming the benchmark Ausbond Bank Bill Index return by +0.12% (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.

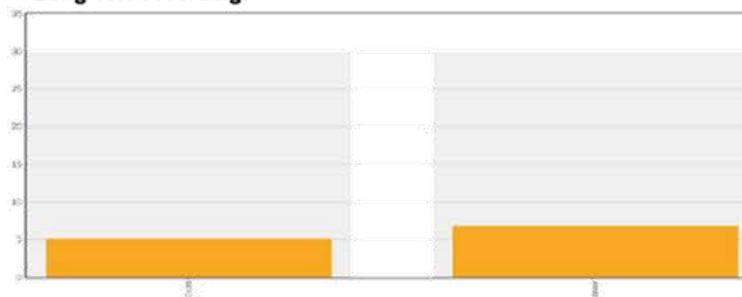
Counterparty Compliance

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

Short-term Holdings



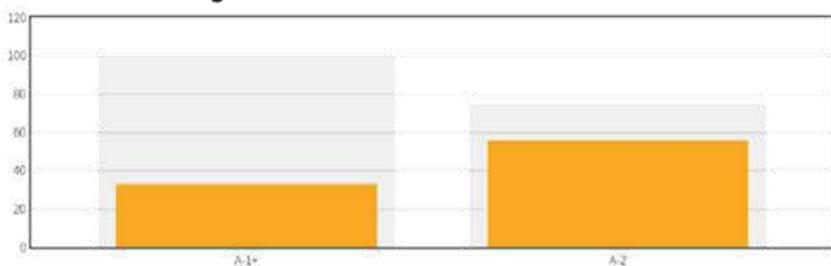
Long-term Holdings



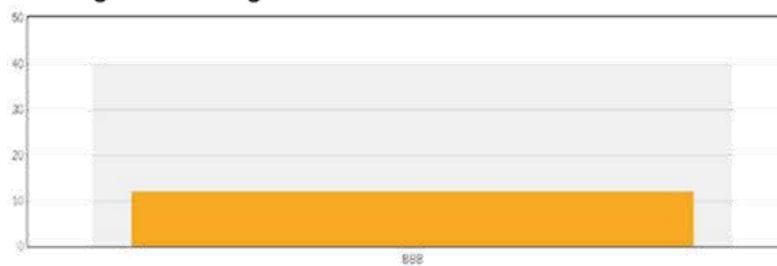
Credit Quality Compliance

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

Short-term Holdings

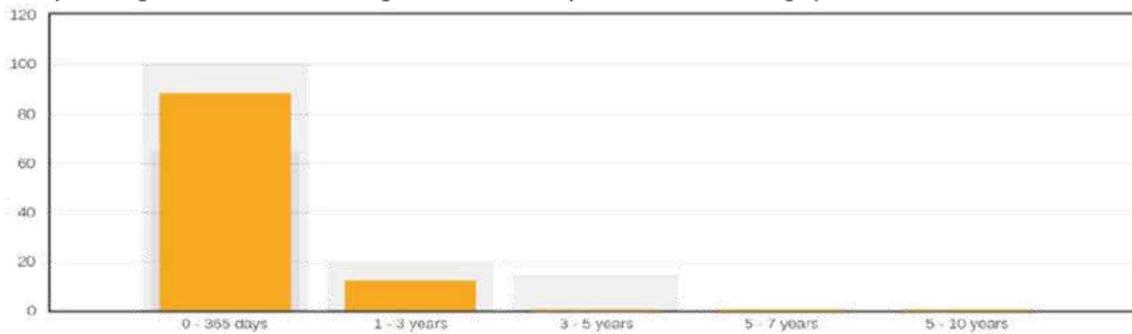


Long-term Holdings



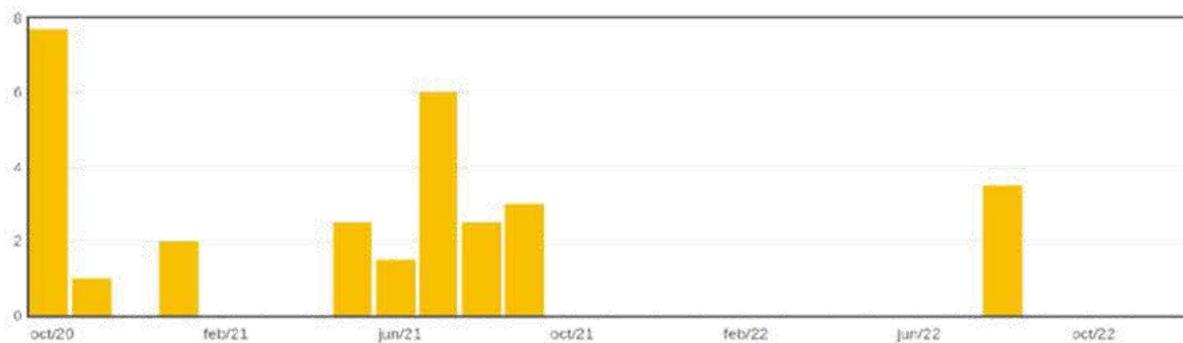
Term to Maturity

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



Maturity Cashflow

When investments will mature over time



R7 Media & social media report - 1 July to 30 September 2020

Organisational Area General Manager

Author Josh Lang, Community Engagement Officer

Summary The report summarises Council's media coverage and performance on its social media platforms

RECOMMENDATION that the report detailing Council's media coverage and social media performance from 1 July to 30 September 2020 be received

Report

During this quarter, Riverina Water's total social media audience grew by 248 to 3601, with continued increases in LinkedIn and Instagram followers.

After lower growth and reach in the previous quarter, total impressions were up 112 per cent to 176,288 and post engagements increased by 95.1 per cent to 9173.

Website traffic was lower than the previous quarter, due to the changeover from the old website to the new responsive site in mid-July.

While traffic was lower, there was a significant increase in the time a user spent on the website. This metric almost doubled to about two-and-a-half minutes, suggesting users were able to access relevant information and/or utilised the website's customer-focused functions e.g. online forms.

There was also a significant change in devices used to access the website, with the mobile-friendly and responsive site seeing a decrease in desktop use. This was pleasing to note as this is one of the benefits of the website.

Facebook	
Number of posts	61 (4.7 posts per week, previous period: 4.8)
Total page likes	2117 (Previous period: 2062)
New page likes	+59 (Previous period: 22)
Videos	31,340 views (12 videos)
Private messages	3

Total reach for all posts (reach is number of people who saw each post at least once)	149,714 (Previous period: 55,162)
Average reach per post	2454 (previous period: 876)
Total post engagements (post clicks, reactions, shares and comments)	8256 (previous period: 15,372)
Average post engagements	135.3 (previous period: 229.4)
Top organic post – One month until opening of grant applications, 21 August	Reach: 1582 Post clicks (any click excluding comments, likes and shares): 63 Engagements (reactions, comments and shares): 17
Lowest organic post – Casual Meter Reader recruitment, 24 September	Reach: 81 Post clicks (any click excluding comments, likes and shares): 6 Engagements (reactions, comments and shares): 0
Facebook - advertising	
Number of advertisements	7
Content	<ul style="list-style-type: none"> • Traineeships and Apprenticeships (reach: 24k) • Opening of grants program (reach: 23k) • One week until grants program (reach: 9k) • ERP Project Manager recruitment (reach: 6.7k) • Executive Assistant recruitment (reach: 3k) • Current positions vacant (reach: 2.8k) • Maintenance Operators recruitment (reach: 2.4k)
Total post reach (paid and organic combined)	70.9k
Average reach per post	1.5k
Total advertising cost	\$580

Comparison page audiences

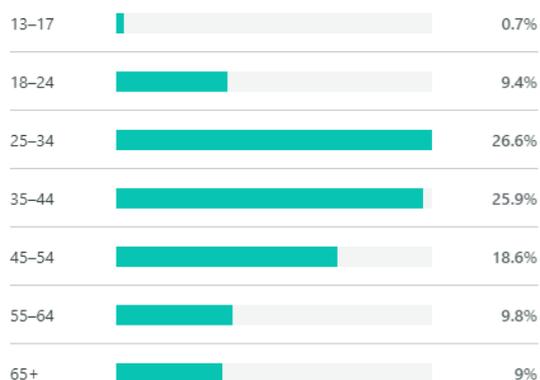
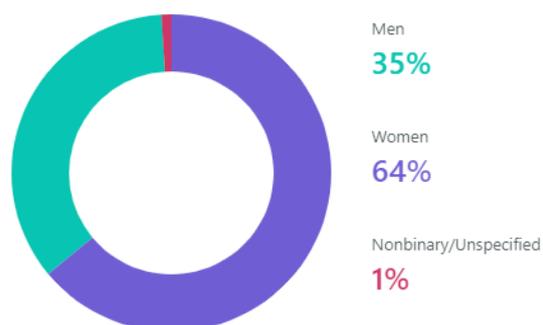
Water utility	Page established	Current audience	Last quarter figures	Growth this quarter	Growth last quarter
Sydney Water	August 2011	37.2k	36.2k	+1000	+800
Water Corporation	Nov 2010	18.4k	18k	+400	+700
Seqwater	June 2011	15.1k	14.9k	+200	+400
WaterAid Australia	Nov 2009	13.8k	13.8k	Nil	+100
Melbourne Water	June 2009	11.4k	10.9k	+500	+300
City of Wagga Wagga	Dec 2015	11k	10.7k	+300	+200
SA Water	Oct 2010	10.9k	9.8k	+1100	+200
Unity Water	Oct 2012	9.9k	9.9k	Nil	+700
Visit Wagga Wagga	Dec 2011	9.6k	8.6k	+1000	+400
TasWater	Oct 2017	7.4k	6.3k	+1100	Nil
Western Water	Oct 2012	6.4k	7.2k	-800	+1000
South East Water Melbourne	August 2011	4.8k	3.2k	+1600	+100
Hunter Water	Nov 2017	4.7k	4.6k	+100	+300
Lower Murray Water	May 2014	4.1k	4.1k	Nil	Nil
Gippsland Water	Feb 2014	3.7k	3.7k	Nil	+100
Riverina Local Land Services	April 2012	3.7k	3.6k	+100	+100
Federation Council	May 2015	2.4k	2.2k	+200	+ 200
Fusion Wagga	August 2013	2.3k	2.3k	Nil	Nil
North East Water	August 2013	2.3k	2.3k	Nil	+200
City West Water	Feb 2015	2.2k	2k	+200	+100
Riverina Water	Sep 2018	2117	2062	+55	+22
Greater Hume Council	June 2012	1.9k	1.7k	+200	Nil

Lockhart Shire Community	April 2014	1.8k	1.8k	Nil	+100
Goldenfields Water	Jan 2018	1.7k	1.6k	+100	Nil
Visit Lockhart Shire	Sep 2011	1.7k	1.6k	+100	+100
Wannon Water	March 2017	1.2k	1.1k	+100	Nil
East Gippsland Water	August 2011	932	921	Stable	Stable
Central Tablelands Water	June 2016	558	518	Stable	Stable
Rous County Council	21 May 2020	274	N/A	N/A	N/A

Facebook growth overview and audience snapshot



Audience Metrics	Totals	% Change
Fans	2,117	↗ 2.67%
Net Page Likes	59	↗ 145.83%
Organic Page Likes	75	↗ 82.93%
Paid Page Likes	0	→ 0.00%
Page Unlikes	16	↘ 5.88%

Audience by Age ¹Audience by Gender ¹

Women between the ages of **25-34** appear to be the leading force among your fans.

Audience Top Countries

Australia	2,100
Malaysia	3
Nepal	2
Philippines	2
Canada	1

Audience Top Cities

Wagga Wagga, NSW, Australia	1,276
Albury, NSW, Australia	146
Sydney, NSW, Australia	75
Leeton, NSW, Australia	49
Narrandera, NSW, Australia	42

Other social media channels

Instagram	
Number of posts	46 (Previous period: 45)
Total followers	832 (Previous period: 747)
New followers	+85 (Previous period: +83)
Impressions	9767 (Previous period: 8406)
Total post likes (not including video views)	349 (Previous period: 461)
Total engagements	356 at a rate of 3.6 per cent per impression
Top post – Cox Avenue, Forest Hill Works, 8 July	Likes: 14 Impressions: 211

Twitter	
Number of tweets	56 (Previous period: 62)
Total followers	149 (Previous period: 142)
New followers	+7 (Previous period: +5)
Total Tweet impressions (impressions are the number of times users saw a Tweet)	7.8k (Previous period: 11.5k)
Average engagement rate (total number of clicks, retweets, replies, likes and follows divided by the total number of impressions)	1.4 per cent (Previous period: 1.5 per cent)
Average impressions per Tweet	139.5 (Previous period: 185.7)
Top tweet based on engagement rate – Launch of Community Grants Program, 21 September	Impressions: 52 Engagements: 4 Engagement rate: 7.7 per cent

LinkedIn	
Number of posts	25 (Previous period: 20)
Total followers	503 (Previous period: 409)
New followers	+97 (Previous period: +71)
Total post impressions (this is number of people who saw each post once)	8986 (Previous period: 7034)
Average impressions per post	359.4 (Previous period: 351.7)
Top post – solar farm and batter storage media coverage (22 July)	Impressions: 652 Reactions: 29 Engagement rate per impression: 9.5 per cent

Other digital platforms

Website	
Users	7.7k (Previous period: 12.2k)
Page views	27,304 (Previous period: 49,162)

Most viewed pages	<ul style="list-style-type: none"> • Homepage – 4153 • Positions vacant - 1039 • Online payment – 919 • Careers information – 963 • Your water - 812
Session duration	00.02.25 ((Previous period: 00.01.14)
Top devices	<p>Desktop – 58.2 per cent (down from 67.89 per cent)</p> <p>Mobile – 38.4 per cent (up from 28.69 per cent)</p> <p>Tablet – 3.4 per cent (stable 3.4)</p>
Google search	
Where customers view our organisation on Google:	
<ul style="list-style-type: none"> • Listing on search – 6.2k (previous 1.7k) • Listing on maps – 28.2k (previous 8.7k) 	

Summary of media performance

Media coverage was overall positive and highlighted Riverina Waters projects and initiatives such as the proposed solar power project and the Community Grants Program.

Note: Minimal media releases were distributed while the Riverina Water office was closed due to COVID-19 prevention actions.

Content and coverage	
Media releases	2
Media opportunities	-
Media enquiries	6

Details of media coverage (from enquiries, media opportunities or releases only):

Date	Media outlet	Coverage/topic
20 July	Daily Advertiser	Solar farm project
21 July	Daily Advertiser	Follow up story on solar farm project
7 September	Prime	Mains break – Tarcutta Street, Wagga
22 September	Triple M Riverina	Community Grants Program
29 September	Daily Advertiser	Community Grants Program

Financial Implications

There are no financial implications associated with this report.

Nil

Risk Considerations

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

R8 Naming of Council Meeting Room

Organisational Area General Manager

Author Josh Lang, Community Engagement Officer

Summary The proposal to name the Council Meeting Room in recognition of Pat Brassil AM has been placed on public exhibition and is now put to Council for adoption.

RECOMMENDATION that Council:

- a) Notes there were three submissions received during the public exhibition period for the proposed naming of the Council Meeting Room
- b) Adopts the name the "Pat Brassil AM Room" for the Council Meeting Room

Report

At the August 26 2020 meeting, it was resolved to publicly exhibit Council's intention to name the new Council Meeting Room in recognition of the inaugural Riverina Water Chair, Pat Brassil AM in accordance with the recently adopted Policy 1.27 - Assets and Infrastructure Naming.

The policy provides the following wording if an asset or infrastructure is to be named after a person:

- the person commemorated should have contributed significantly to Riverina Water and/or to the wider community
- the person commemorated should preferably be recognised in memoriam
- the naming should be supported by the community

The naming proposal was placed on exhibition from 30 August to 25 September 2020. The community were notified and invited to comment through the following activities:

- Public notice advertised in The Daily Advertiser and Border Mail
- Published on Riverina Water's social media channels
- Available on Riverina Water's website with the ability to make online submissions

Three submission were made during the public exhibition period, one in favour and two opposed.

The submission in favour of the naming noted Mr Brassil's legacy to Local Government and Riverina Water.

A summary of reasons against the naming proposal are as follows:

Comment	Riverina Water response
The room's name should reflect geography, the river or water sources. The names of a Councillor or other person e.g. long-serving staff should not be used in general.	Geographical and water-based names e.g. Murrumbidgee will be retained on the current register of name suggestions to be used for future naming opportunities. Naming in honour of a Councillor or other person is within the scope of the policy.
Consideration should be given to the day-to-day users of the room when selecting a name.	While acknowledging that day-do-day the room's usage is predominantly internal, the room's primary purpose is as a Council Chamber/Boardroom for publically accessible meetings.
There should have been direct internal engagement regarding both the policy and naming proposal.	The intention of the Board to explore naming the room in recognition of Mr Brassil dates back to February 2020 meeting. Staff were advised of the original Notice of Motion, the policy development and naming proposal at internal briefings following all board meetings; and had the opportunity to make a submission during the public exhibition periods.

Taking into consideration the three submissions, it is recommended to proceed with the Board's proposal to name the room in recognition of Pat Brassil AM as it is within the scope of the policy and meets the criteria for honouring an individual.

In stating that, Board Members will note that submission three (3) is from a member of staff. The Board will recall that staff's concerns regarding the policy were raised at the August meeting of the Board, prior to adoption of the policy.

Background information

At the Board meeting held on 26 February 2020, a Notice of Motion was submitted by Councillor Vanessa Keenan regarding naming the new Council Meeting Room in recognition of Mr Brassil.

It was resolved at this meeting that a report be presented to the 22 April 2020 meeting, which would provide the Board with options for naming the room.

In preparing this report, it was found a similar matter had been discussed previously in August 2012, and a further report requested by the Board of the day in December 2012.

As the 2012 resolution was not actioned, it was resolved at the 22 April 2020 meeting to respond to this outstanding matter. Following this, the Assets and Infrastructure Naming Policy was developed and adopted at the August 26 2020 meeting following a public exhibition period.

- › **R8.1** **Submission 1**
- › **R8.2** **Submission 2**
- › **R8.3** **Submission 3**
- › **R8.4** **Assets and Infrastructure Naming Policy**

Financial Implications

The cost of any signage will be undertaken through existing budgets.

Risk Considerations

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



Form Submission

Please select which item you are making submission about

Naming of Council Meeting Room

First and last name

[Redacted]

Address

[Redacted]

Email address

[Redacted]

Phone number

[Redacted]

Provide your feedback

I strongly support the recommendation to name the meeting room after Pat Brassil. Apart from his own obvious legacy to Local Government and Riverina water - he raised a family who have become major contributors to the quality of life in our region

Consent for storing submitted data

True

Riverina Water County Council



Form Submission

Please select which item you are making submission about

Naming of Council Meeting Room

First and last name

[Redacted]

Address

[Redacted]

Email address

[Redacted]

Phone number

[Redacted]

Provide your feedback

I do not feel the room should be named after any councillor . It is a dreadful precedent. Please name after a prominent geographical feature of the river environment.

Consent for storing submitted data

True

Riverina Water County Council



Form Submission

Please select which item you are making submission about

Naming of Council Meeting Room

First and last name

[Redacted]

Address

[Redacted]

Email address

[Redacted]

Phone number

[Redacted]

Provide your feedback

Although the Asset & Infrastructure naming policy was on public exhibition, the majority of council staff have not read the policy. There has been no specific consultation with staff regarding the policy or the proposed Naming of Council Meeting Room. The naming policy or proposed name have not been discussed at the Staff Consultative Committee. Prior to the August Council Meeting, some staff members were consulted through the LGEA, USU and ETU delegates. The consultation was in the form of a survey with questions about the naming of the council room. Staff were asked if they support naming the Council Room after a former Councillor and 100% of the 12 respondents answered No. Staff were also asked if they would support naming the new Council Room after a local geographical feature eg Murrumbidgee Room, Eucumbene

Room etc and 100% of respondents answered Yes. Staff comments on naming of the Council room included • Recognising our geography, water sources, environment etc is more meaningful. It makes us more of a regional organisation rather than looking inwards • Naming after Councillors or long serving staff can create a lot of issues • using landmarks, geographical features etc, would be more relevant for the naming of the Council Room Before deciding on a name for the new Council Room, Councillors should consider the views of staff that will use the room daily.

Consent for
storing
submitted data

True

Riverina Water County Council



Asset & Infrastructure Naming policy

Purpose

To formalise the principles and processes by which Riverina Water names identified infrastructure or assets in recognition of a person, place, event or similar.

Policy Statement

Riverina Water recognises names are an important navigation and reference tool for the community, as well as being part of a community's identity.

Generally, Riverina Water's assets and infrastructure are not given a specific name outside of their function and/or location. From time to time, Riverina Water shall identify assets or infrastructure that have the opportunity to be given a unique or special name.

This policy will provide the standards and conditions for naming these identified assets and infrastructure within the supply area.

Scope

The Executive will identify assets or infrastructure not generally accessible by the public to be considered for naming.

Members of the public may submit a request for an asset or infrastructure to be named, which will be considered by the Board or Executive depending on the criteria above.

In selecting appropriate names, Riverina Water will endeavour to honour and observe local history of the relevant geographic area or infrastructure/asset, including consideration for names recognising the Wiradjuri People.

Naming is generally reserved for new assets and infrastructure only. Exceptions to this will be determined by the Board.

Data and document control

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Last revised date 26/8/2020

EDRMS #

Next scheduled review October 2021



Naming criteria

In general terms, naming should be unique and use spelling and style of contemporary Australian English or Wiradjuri language. Names should be easily identifiable to enable clear communication in times of emergency.

A name shall wherever possible be:

- relevant to local history, flora, fauna, culture, landscape and physical characteristics or relevant to the organisation's history and purpose
- short and simple
- easy to pronounce, spell and write, with exception to those in the Wiradjuri language
- in accordance with community standards and expectations
- complementary with existing names and adjoining assets
- not easily confused with or duplicating names within the region
- considerate of any potential risk to reputation

In addition, if personal names are used:

- the person commemorated should have contributed significantly to Riverina Water and/or to the wider community
- the person commemorated should preferably be recognised in memoriam
- the naming should be supported by the community

Process for naming assets and infrastructure

Names for identified assets or infrastructure not generally accessible by the public will be determined by the Executive.

Names for identified publicly accessible assets and infrastructure will be determined by the Board following public exhibition of the proposed name for a minimum of 28 days.

Submissions from members of the community will be considered by the Board and further community engagement will be undertaken as required.

Data and document control

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Policy Implementation

Riverina Water will keep a record of possible names suggested by the community that meet the criteria, to be considered for future naming opportunities.

Riverina Water will identify opportunities for naming new assets and infrastructure.

Non Compliance

Non-compliance with adopted policy may be considered a breach under the Code of Conduct. As such, any suspected or known non-compliance will be reported to the General Manager.

Policy number	1.27
Responsible area	General Manager/Governance
Approved by	Riverina Water Board – Res 20/079
Approval date	26 August 2020
Legislation or related strategy	
Documents associated with this policy	
Policy history	

Policy details may change prior to review date due to legislative or other changes, therefore this document is uncontrolled when printed.

END OF POLICY STATEMENT

Data and document control

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Author: J Lang

Version 1.0

Last revised date 26/8/2020

EDRMS #

Next scheduled review October 2021

R9 Fraud and Corruption Prevention and Control Policy

Organisational Area Governance & Human Resources

Author Simon Thomson, Manager Governance & Human Resources

Summary The policy and plan have been reviewed by the ARIC and endorsed by the Board. The policy has been made available for public comment with no feedback received.

RECOMMENDATION that Council approve the:

- a) Fraud and Corruption Prevention and Control Policy
- b) Fraud and Corruption Prevention and Control Plan

Report

Council at its meeting on the 26 August resolved to place both documents on public exhibition. The following channels were used to ensure effective public exhibition (between 27 August to 25 September 2020).

- Public notice advertised in The Daily Advertiser and Border Mail
- Published on Riverina Water's social media channels (total post reach: 853, total post engagements: 31)
- Available on Riverina Water's website with the ability to make online submissions

Employee awareness and support will be incorporated into Code of Conduct training within this financial year - 2020/21.

The following are attached;

-) **R9.1 2020-04-24 Corruption and Fraud Control Plan.docx**
-) **R9.2 2020-04-24 Corruption Prevention and Fraud Control Policy.docx**

Financial Implications

There are no financial implications associated with the adoption and implementation of the Policy and Plan

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.
-------	--

Riverina Water Fraud and Corruption Prevention and Control Plan

August 2020 |

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Executive Summary

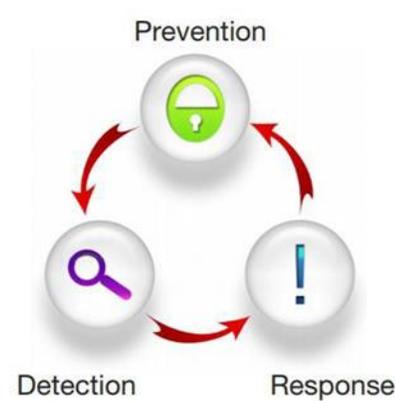
This document is to be read in conjunction with the Fraud and Corruption Prevention and Control Policy. Throughout this document Riverina Water County Council will be referenced Riverina Water.

The Plan provides the basis for various control strategies to address risk exposures associated with fraud and corruption. It also forms an integral part of Riverina Water's Governance Framework which includes:

- Code of Conduct
- Fraud and Corruption Prevention and Control Plan
- Statement of Business Ethics
- Risk management
- Procurement of assets and services
- Protected disclosure

1.

The relationship of the above key drivers of integrity are presented in the following diagram:



This Plan follows the guidelines of the Australian Standard 8001-2008, Fraud and Corruption Control (the Standard) and tailors the requirements to Riverina Water's environment.

While it is recognised that even the most stringent of governance frameworks may not prevent all fraud and corruption, the Plan summarises Riverina Water's approach to the prevention, detection, investigation and reporting of such activity.

Employees play an essential part in managing potential exposure to fraudulent activity by ensuring they behave in an ethical way consistent with the Riverina Water Code of Conduct and by reporting any incidents of suspected fraud.

Managers/supervisors carry the same individual responsibilities for their actions as other employees. However, additionally they are responsible for:

- Demonstrating through their personal behaviour a commitment to the highest possible ethical and moral standards for, with and on behalf of Riverina Water
- Identifying potential fraud risks in their area of responsibility
- Managing fraud risks through the development and use of appropriate controls
- Monitoring compliance with controls
- Promoting ethical behavior by employees

Contextual Background

Riverina Water is committed to building and sustaining an ethical, efficient and effective culture where opportunities for fraud and corruption are minimised.

It is expected that Board members and staff understand what good conduct is and are committed to the highest standards of probity in management and operation of Riverina Water.

This Plan aims to support Board members and staff in achieving these standards.

1. Objective

The objective of the Plan is to outline our approach to controlling fraud and corruption.

It proposes an approach to controlling fraud and corruption through a process of:

- Establishing Riverina Water's corruption prevention and fraud control objectives and values
- Implementing the Fraud and Corruption Prevention and Control Plan
- Ongoing reference to the Governance Framework
- Corruption prevention and fraud and corruption control planning
- Risk management of fraud and corruption including all aspects of identification, analysis, evaluation treatment, implementation, communication, monitoring and reporting
- Implementation of treatment strategies for fraud and corruption risks with a particular focus on intolerable risk
- Ongoing monitoring and improvement
- Awareness training
- Establishing clear accountability structures in terms of response and escalation of the investigation

- Establishing clear reporting policies and procedures
- Instituting procedures for the recovery of the proceeds of fraud and corruption; and
- Implementing other relevant strategies and procedures

Adoption of the Standard requires an appropriate level of forward planning and application of a structured risk management approach. The application of contemporary risk management principles is seen as fundamental to the prevention of fraud and corruption.

The objective of the Fraud and Corruption Control Plan as recommended by the Standard is:

1. The elimination of internally and externally instigated fraud and corruption against Riverina Water
2. The timely detection of all instances of fraud and corruption in the event that preventative strategies fail
3. Recovery for the Council of all property dishonestly appropriated or secure compensation equivalent to any loss suffered as a result of corrupt and fraudulent conduct; and
4. The suppression of fraud and corruption by entities against other entities.

While 'elimination' of fraud and corruption may ultimately be unachievable, it remains the ultimate objective of this plan.

2. Referenced Documents

The Plan should be read, construed and applied in conjunction with the following Standards.

- AS 4811 – 2006 Employment Screening
- AS 8000 – 2003 Good governance principles;
- AS 8002 – 2003 Organisational Codes of Conduct;
- AS 8003 – 2003 Corporate social responsibility;
- AS 8004 – 2003 Whistleblower protection programs for entities; and
- ISO 31000 –2009 Risk Management Principles and guidelines.

The Plan contains the detailed procedural requirements necessary to develop, implement and maintain a formalised approach to fraud and corruption risk at Riverina Water in accord with the provisions of the Standard.

3. Definitions

The Standard provides the definition for a range of matters that are fraud and corruption related, but the two key definitions in the Standard are as follows:

Fraud: Can be defined as a deliberate and premeditated turn of events which involves the use of deception to gain advantage from a position of trust and authority. The type of events includes: acts of omission, theft, the making of false statements, evasion, manipulation of information and numerous other acts of deception (Audit Office of NSW).

Corruption: The ICAC Act 1988 sections 7, 8 and 9 defines corruption as:

- Any conduct of any person (whether or not a public official) that adversely affects, or that could affect, either directly or indirectly, the honest or impartial exercise of official functions by any public official, any group or body of public officials or any public authority, or
- Any conduct of a public official that constitutes or involves the dishonest or partial exercise of any of their official functions, or
- Any conduct of a public official or former public official that constitutes or involves a breach of public trust, or
- Any conduct of a public official or former public official that involves the misuse of information or material that they have acquired in the course of their official functions, whether or not for their benefit or the benefit of any.
- The theft of property belonging to Council by a person or persons internal to Riverina Water but where deception is not used is also considered 'fraud' for the purposes of this Plan.

Note: The concept of fraud within the meaning of the Plan can involve corrupt or fraudulent conduct by internal or external parties targeting Riverina Water or fraudulent or corrupt conduct by Riverina Water itself targeting external parties.

Examples of fraudulent and corrupt activity

Theft

- Stationery and office supplies
- Construction and maintenance equipment and tools
- Laptop computers
- Mobile phones
- Technical equipment (mobiles, GPS, cameras etc.)
- Cash

- Intellectual property, including documents and data

Inappropriate or Misuse of Council Resources

- Unauthorised use of corporate credit cards, petrol cards, Cabcharge or vouchers
- Staff undertaking secondary paid work during work hours
- Staff using telephones excessively for private purposes without appropriate reimbursement of costs and or time.
- Internet service being used extensively for non-work purposes
- “Left-over” materials being taken by Council officers
- Plant being used by staff for private use

Gifts, Benefits and Bribes

Any gifts or benefits provided to, or any attempt to give a gift or benefit to, a Council officer, is managed by Council’s Gifts and Benefits Policy. The Policy prescribes when a gift may or not be accepted and relevant processes for dealing with such matters.

Bribes are given to influence the way a recipient carries out their official functions. For example, not responding to or report any illegal or unauthorised activity or procure goods and services from a specific person or company.

Higher risk areas for exposure to such behaviour includes:

- Officers who approve or can influence decisions
- Officers who procure goods and services for Council
- Regulatory and compliance staff
- Staff who carry out work with the private sector
-

Zoning and Development

- Coercion, intimidation and harassment of Council planning staff dealing with development applications (DAs).
- Inducement from developers to modify DA conditions imposed.

Procurement, Tendering and Contract Management

Activities associated with procurement, tendering and contract management have traditionally been susceptible to fraud and corruption risks. Examples of such risks include:

- Order splitting to avoid tendering provisions or quotes
- Collusion with suppliers (dummy quotes)
- Fraudulent contract variations
- False invoices

2.

Human Resources

- Creation of false employees on the payroll system
- Job applicants falsifying career background details
- Direct recruitment of friends and relatives breaching the legislative requirement of merit-based employment
- Claiming unworked overtime on timesheets

3.

Information Technology

- Unauthorised electronic transfer of funds.
- Unauthorised alteration of input data.
- Alteration or misuse of software.
- Unauthorised sale or provision of information to 3rd parties.

4. Risk Management Principles in Fraud and Corruption Control

Fraud is inescapably an enterprise risk to Riverina Water impacting on:

- Financial management and loss
- Reputation
- Organisational morale; and
- Diversion of management energy

The approach to managing this risk is the same as Riverina Water has adopted in respect to its other operational risks. Refer to Riverina Water Enterprise Risk Framework and Plan.

Fraud and corruption risk is targeted by the strategic approach outlined in the Standard AS 8001-2008, the specific framework of which is detailed below.

5. Standard Framework

The Standard is divided into five parts:

- Scope and General
- Planning and Resourcing
- Prevention
- Detection; and
- Response

6. Summary

The Plan embraces the principles of the Standard and provides Riverina Water with an effective mitigation plan to address the relevant risk exposures of fraud and corruption.

It uses the principles of sound risk management, planning, monitoring and remedial action.

Fraud and Corruption Prevention and Control Plan

1 Planning and Resourcing

- **1.1 Fraud and Corruption Prevention and Control Planning**

- *1.1.1 Implementing a Fraud and Corruption Prevention and Control Plan*

Riverina Water has developed the Fraud and Corruption Prevention and Control Plan to document the approach to controlling fraud and corruption exposure at strategic, tactical and operational levels.

The Plan details the intended action in implementing and monitoring fraud and corruption prevention, detection and response initiatives.

Accountability for the implementation and ongoing monitoring of the Plan has been assigned to the Internal Audit function, under the direction of the General Manager with oversight by the Audit & Risk Improvement Committee.

- *1.1.2 Monitoring the Operation of the Plan*

The operation of this Plan is monitored through the following processes:

- Internal reviews including
 - Review of the fraud and control framework
 - Fraud awareness training
 - Fraud risk assessment
 - Public Interest Disclosures and other complaints management procedures
 - Review of actual incidents or allegations of fraud and corruption
 - Staff assistance in the identification and reporting of suspected fraud and corruption

- *1.1.3 Communicating the Fraud and Corruption Prevention and Control Plan*

- External communication

In accord with the Standard, the Plan is to be communicated to external stakeholders by way of:

- a) An appropriate note in the Annual Report as part of a general declaration of integrity or corporate governance;
- b) Declarations in general terms and conditions of business dealings with external parties;

- c) Declarations in 'requests for tender' or similar invitations to propose to Riverina Water; and
- d) On Riverina Water's website.

It is considered that the requirement of the Standard for communicating with external stakeholders is addressed by comment in the governance statement in the Annual Report and a declaration within the requests for tender to external parties.

It also considered that the key stakeholders to whom this communication is addressed are suppliers and contractors who deal with the Riverina Water and may identify concerns of possible fraud or corruption.

Internal Communication

Regular internal communication is undertaken to ensure management and employees are informed of fraud and corruption control issues, policy and processes.

The Plan is to be accessible to all employees, via the internet, intranet and induction programs.

Key elements of the Plan are also communicated in the Fraud and Corruption Prevention and Control Policy 1.14.

- **1.2 Review of the Fraud and Corruption Prevention and Control Plan**

- 1.2.1 *Frequency of Review*

The Plan is reviewed and amended at intervals appropriate to Riverina Water but minimum, will be once every two years to take consideration of business and technological change.

- **1.3 Fraud and corruption control resources**

- 1.3.1 *Allocation of Resources*

The Standard requires Riverina Water to ensure that an appropriate level of resources are applied to controlling fraud and corruption risk.

Riverina Water has demonstrated its commitment to fraud and corruption prevention and control by allocating overall responsibility for implementing and overseeing the fraud and corruption control program to the General Manager, supported by the Governance and Human Resources Unit.

- 1.3.2 *Other Fraud and corruption Control Resources*

Other important resources within Riverina Water in terms of managing fraud and corruption include -

- a) human resources/industrial relations
- b) Work Health and Safety personnel
- c) compliance professionals

- d) corporate counsel
- e) quality assurance
- f) records management
- g) corporate risk management
- h) insurance management
- i) information security specialists and consultants
- j) regulatory affairs managers; and
- k) environmental impact practitioners.

The General Manager supported by ARIC, has responsibility for ensuring that all of Riverina Water's fraud and corruption control resources are coordinated so that they work together in a coordinated fashion in a way that achieves the objectives set out in the Plan.

- **1.4 Internal review activity in the control of fraud and corruption**

- 1.4.1 *Application of Internal Audit Resource in controlling Fraud and corruption*

While primary responsibility for the identification of fraud and corruption within Riverina Water rests with management, it is recognised that internal audit activity can be, in the context of addressing all business risks, an effective part of the overall control environment to identify the indicators of fraud and corruption.

The internal audit plan is in accordance with the fraud detection, deterrence and response provisions of The Professional Practices Framework (PPF) of the Institute of Internal Auditors.

- 1.4.2 *Application of the Professional Practices Framework of the Institute of Internal Auditors*

Experience has shown that internal audit activity can be effective in the detection of fraud and corruption and also in the prevention of fraud by ensuring due adherence to internal control systems.

Riverina Water has considered the role of internal audit in the detection, prevention and investigation of fraud with regard to the Professional Practices Framework (PPF) which provides:

The Internal Auditor should have sufficient knowledge to identify the indicators of fraud but is not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud.

Practice Advisory 1210.A2-1 and 1210.A2-2 issued on 5 January 2001 provide guidance in the interpretation of the International Standards for the Professional Practice of Internal Auditing.

- 1.4.3 *Internal Auditor's Role in deterring Fraud*

Practice Advisory 1210.A2-139 provides:

Internal Auditors are responsible for assisting in the deterrence of fraud by examining and evaluating the adequacy and the effectiveness of the system of internal control, commensurate with the extent of the potential exposure/risk in the various segments of the organisation's operation.

- 1.4.4 *Internal Auditor's Role in responding to fraud detected or suspected*

Practice Advisory 1210.A2-1 provides:

When an Internal Auditor suspects wrongdoing, the appropriate authorities within the organisation should be informed.

The Internal Auditor may recommend whatever investigation is considered necessary in the circumstances.

Thereafter the auditor should follow up to see that the internal auditing activity's responsibilities have been met.

Clauses 7 to 11 of the Practice Advisory deal with the role of the Internal Auditor in the investigation and reporting of detected fraud.

- 1.4.5 *Internal Auditor's role in detecting fraud*

Practice Advisory 1210.A2-2 provides:

Management and the internal audit activity have differing roles with respect to fraud detection. The normal course of work for the internal audit activity is to provide an independent appraisal, examination, and evaluation of an organisation's activities as a service to the organisation.

The objective of internal auditing in fraud detection is to assist members of the organisation in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed.

Management has a responsibility to establish and maintain an effective control system at a reasonable cost.

A well designed internal control system should not be conducive to fraud. Tests conducted by auditors, along with reasonable controls established by management, improve the likelihood that any existing fraud indicators will be detected and considered for further investigation.

Practice Advisory 1210.A2-1 provides:

Detection of fraud consists of identifying indicators of fraud sufficient to warrant recommending an investigation. These indicators may arise as a result of controls

established by management, tests conducted by auditors, and other sources both within and outside the organisation.

In conducting engagements, the Internal Auditor's responsibilities for detecting fraud are to:

- *Have sufficient knowledge of fraud to be able to identify indicators that fraud may have been committed.*
- *Be alert to opportunities, such as control weaknesses, that could allow fraud. If significant control weaknesses are detected, additional tests conducted by Internal Auditors should include tests directed toward identification of other indicators of fraud.*
- *Evaluate the indicators that fraud may have been committed and decide whether any further action is necessary or whether an investigation should be recommended.*
- *Notify the appropriate authorities within the organisation if a determination is made that there are sufficient indicators of the commission of a fraud to recommend an investigation.*

1.4.6 Accordingly Riverina Water provides the Internal Audit function with sufficient knowledge, training, experience and resources in order to fulfill the role in deterring, detecting and responding to instances of fraud or suspected fraud in accordance with the PPF.

2 Prevention

• 2.1 Implementing and Maintaining an Integrity Framework

• 2.1.1 Building an Ethical Culture

A key strategy in managing the risk of fraud and corruption within Riverina Water is the implementation and maintenance of a sound ethical culture.

Riverina Water will aim to ensure that it has a healthy and sustainable ethical culture supported by the implementation of an effective governance framework.

If Riverina Water's observable ethical culture falls below acceptable levels, remedial action including undertaking a broad-based communication and training program as a matter of priority.

Board members, Management/supervisors, staff and others concerned with Riverina Water's business operations in any capacity, are required to confirm in writing, annually, that they have, over the previous twelve months complied with Riverina Water's Code of Conduct and corruption and fraud policy and that they will so comply over the ensuing twelve months.

- 2.1.2 *The Elements of an Integrity Framework*

Riverina Water takes the view that promoting an ethical culture is achieved by adopting the Local Government Model Code of Conduct (2019)

Recent research has shown that promulgating a code of conduct will be more effective if it is implemented as part of a coordinated approach. A Code of Conduct is an important element, but not the only element, of an effective integrity framework.

In Riverina Water it is considered that commitment to the pillars of the strategic intent together with the staff and Councilor Codes of Conduct encapsulate the elements of the integrity framework required for compliance with the standard.

The fundamental elements of a sound integrity framework are set out in Table 1 below. Riverina Water has considered these concepts and will implement them where appropriate.

TABLE 1 – Fundamental elements of sound integrity practice

Element	Description
1. Integrity Framework	An appropriate integrity framework developed using a participatory approach which builds commitment from all employees and is subject to ongoing monitoring and maintenance. Will include the development and promulgation of the other fundamental elements set out below.
2. Example Setting	Observable adherence to Riverina Water's integrity framework by all levels of management.
3. Senior Management	Senior management group that recognises the need for establishing and maintaining an ethical culture and actively promotes such a culture.
4. Codes of Behaviour	A comprehensive Statement of Business Ethics/Code of Conduct incorporating a high-level aspirational statement of values with limited detail of unacceptable behavior.
5. Allocation of Responsibility	<p>Responsibility assigned to a senior person for ensuring Riverina Water's integrity initiatives are implemented and monitored.</p> <p>This person would have a direct line of reporting to the Audit and Risk Improvement Committee (ARIC) or another senior management body with overall responsibility for Riverina Water's ethical culture.</p> <p>In addition to allocation of specific responsibility for improving Riverina Water's performance on this issue, it will be clearly communicated internally that every person associated with Riverina Water has a role to play in driving integrity and ethical behaviour.</p>

6. Audit Risk & Improvement Committee(ARIC) Review	It is the body charged with oversight of Riverina Water's entire integrity framework.
7. Communication	A program for communicating Riverina Water's Statement of Business Ethics/Code of Conduct Communication of the importance of ethical standards through regular dissemination of material via newsletters and web sites.
8. Training	Specific ongoing training in the use of codes of behaviour and ethical tools for decision-making. Feature ethics components in all training.
9. Reinforcement	Incorporation of an integrated ethical standard into performance management, e.g. feedback, performance appraisal systems and remuneration strategies.
10. Benchmarking	A program for continuous benchmarking of ethical standards aimed at identifying improvement in Riverina Water's ethical standards over time and between different elements of Riverina Water.
11. Reporting of Complaints	A mechanism for the communication of ethical concerns inside and outside the normal channels of communication.
12. Compliance	A policy requiring all personnel to sign an annual statement to the effect that they have complied with all necessary Council policies in connection with conflict of interest, disclosure of confidential information and other relevant ethics related issues.

- **2.2 Internal Audit Committee and Senior Management commitment to controlling the risks of fraud and corruption**

- *2.2.1 Risk Consciousness*

Riverina Water will ensure a high level of risk consciousness for the risks of fraud and corruption across the senior management group by appropriate awareness training at senior levels.

This awareness training may include awareness of new types of technology that could be used for the commission of fraud and technological measures that can be used by council to minimise new types of fraud.

- *2.2.2 Consideration of fraud and corruption as a serious risk*

Riverina Water acknowledges that an important factor contributing to a fraud and corruption prone environment in Australian business is a fundamental failure of senior management to

treat the risks as a serious threat and a consequent failure to allocate sufficient resources to managing the problem.

Riverina Water ensures that the risks of fraud and corruption are treated seriously, and appropriate steps taken to minimise the risks of fraud and corruption occurring, as demonstrated by various policies and procedures including the following:

- Fraud and Corruption Prevention and Control Plan
 - Code of Conduct
 - Public Interest Disclosures Policy
- 2.2.3 *Senior management awareness of fraud and corruption issues*

Riverina Water will endeavor to ensure that senior management will, as a minimum, have an understanding of the following fraud and corruption issues:

- The incidence of fraud and corruption generally in Australia
- The types of fraud and corruption common to local government and the losses typically associated with conduct of this type
- The robustness of Riverina Water's internal control environment in terms of its ability to prevent and detect the types of fraud and corruption likely to occur
- A knowledge of the types of fraud and corruption that have been detected by Riverina Water in the last five years and how those matters were dealt with in terms of disciplinary action and internal control enhancement
- The fraud and corruption prevention and control plan and processes; and
- Knowledge of new technology tools for detecting and preventing fraudulent activity

Riverina Water will ensure that fraud awareness is regularly communicated to employees to address these requirements, along with ensuring mechanisms for reporting which would ensure anonymity and appropriate protections

• **2.3 Management Accountability**

- 2.3.1 *Accountability for prevention and detection of fraud*

The management of fraud and corruption is embedded into line managers and supervisors' responsibilities (i.e. compliance with legislative provisions) and is managed via the compliance and measurement processes.

Riverina Water considers that all employees have a responsibility for fraud and corruption prevention and control.

Managers are made aware of their accountabilities for the prevention and detection of fraud and corruption through the discussions held at Skills Reviews.

- 2.3.2 *The need for a “whole of business” approach to controlling fraud and corruption*

Fraud and corruption prevention and control is often seen as a ‘corporate’ responsibility (i.e. the responsibility of central management at the corporate level) rather than as a responsibility for the area or manager/supervisor.

It is an underlying principle of the Plan that no one strategy by itself can be effective in managing the risks of fraud and corruption and it follows therefore that no one person or category of person can be fully effective in managing the risks. It is the responsibility of all Council officers including management and employees to be vigilant.

- 2.3.3 *Achieving line management awareness of their accountability for controlling fraud and corruption*

Line management within Riverina Water will continue to be made fully aware that managing fraud and corruption is as much part of their responsibility as managing other types of enterprise risk.

In order to reinforce this, Riverina Water will develop, maintain and deliver a training program to reinforce awareness at regular intervals.

- **2.4 Internal control**

- 2.4.1 *Implementing an effective system of Internal Control*

Riverina Water will ensure that all business processes, particularly those assessed as having a higher predisposition to the risks of fraud and corruption, are subject to a rigorous system of internal controls that are well documented, updated regularly and understood by all.

- Note: There is a strong link between the incidence of fraud and corruption and poor internal control systems within councils, so it follows that tight internal control is an effective weapon in protecting Riverina Water against fraud

- 2.4.2 *The role of the Internal Control system in preventing fraud and corruption*

Riverina Water considers that whilst internal control is the first line of defense in the fight against fraud and corruption, management should take an active role in the internal control process.

- 2.4.3 *Issues for consideration in developing an internal control system that will be effective in preventing fraud*

The following are elements of Riverina Water’s internal control system that will assist to protect against the risk of fraud and corruption:

- a) Internal controls that are, to an appropriate degree, risk- focused, in other words, they have been developed taking into account the risks Riverina Water faces and are aimed at mitigating those risks.
- b) Internal controls that are appropriately documented.

- c) A process of continuous improvement of internal controls that are reviewed and amended regularly.
- d) Internal controls that are communicated effectively to all staff appropriate to their level of responsibility and position description.
- e) Internal controls that are accessible to staff. Riverina Water staff have ready access to Riverina Water's intranet site and the most recent version of a given internal control system can be quickly and efficiently accessed.
- f) A strong internal control culture in which all staff understand the importance of adhering to internal control. This shall include internal control adherence as an element of the regular Skills Review program.
- g) A program for assessing compliance with Riverina Water's internal controls. This will be done by way of annual skills review and Quality assurance audits.
- h) Senior management setting an example of internal control adherence.
- i) An internal audit program, as scheduled by the Audit Risk & Improvement Committee that incorporates a review of adherence to internal control.

- **2.5 Assessing Fraud and corruption Risk**

- *2.5.1 Implementing a Policy for assessing the risk of fraud and corruption*

Riverina Water has adopted a policy and process for the systematic identification, analysis and evaluation ('risk assessment') of fraud and corruption risk and periodically conducts a comprehensive assessment of the risks of fraud and corruption within its business operations.

Riverina Water has decided that such assessments are to be conducted every four years in line with Local Government Council Election cycle.

- *2.5.2 Application of Risk Management principles to assessment of fraud and corruption risk*

Riverina Water acknowledges that AS/NZS ISO 31000:2009 Risk Management Principles and Guidelines contemplates a seven-stage process of risk assessment the main elements of which are:

- a) Communicate and consult - that is, communication and consultation with external and internal stakeholders should take place during all stages of the risk management process;
- b) Establish the context - that is, the organisation articulates its objectives, defines the external and internal parameters to be taken into account when managing risk, and sets the scope and risk criteria for the remaining process;
- c) Identify risks – that is, the organisation should identify sources of risk, areas of impacts, events (including changes in circumstances) and their cause and their potential consequences;

- d) Analyse risks – that is, developing an understanding of the risks;
- e) Evaluate risks – That is, to assist decision makers, based on the outcomes of risk analysis, about which risks need treatment and the priority for treatment implementation;
- f) Treat risks – that is, selecting one or more options for modifying risks, and implementing those options;
- g) Monitor and review – that is, this should be a planned part of the risk assessment process and involve regular checking or surveillance;

- 2.5.3 *Fraud and corruption risk assessment process*

- 2.5.3.1 *Methodologies for assessing fraud and corruption risk*

It is noted that entities carrying out an assessment of fraud and corruption risk have traditionally used one of the following three alternative methodologies:

- a) Independent assessment of processes and procedures including a series of one-on-one interviews with relevant personnel and internal control documentation review.
- b) A survey of fraud and corruption risk by the issue and analysis of a questionnaire tailored for Riverina Water or those business units or operational functions of Riverina Water being assessed.
- c) A facilitated or consultative 'workshop' approach involving maximum input of personnel from the business unit being assessed wherein a 'risk assessment team' formed for each business unit identifies and assesses the risks relevant to the business unit.

Riverina Water deploys each of these methods to facilitate compliance confidence and maintenance of awareness as follows:

- a) Fraud control framework review;
- b) Targeted fraud awareness training; and
- c) Fraud and corruption risk assessment.

- 2.5.3.2 *Steps of the risk assessment process*

Riverina Water incorporates the following steps of the risk assessment process into the preparation of the Enterprise Risk Register having regard to the particular application of the process to the assessment of fraud and corruption risk:

- a) Risk identification;
- b) Risk analysis; and
- c) Risk evaluation.

- 2.5.4 *Monitoring and Review*

Riverina Water will regularly monitor and review any changes to the context, its risk environment and the effectiveness and efficiencies of its controls as part of its overall risk management strategy.

- **2.6 Communication and Awareness**

- 2.6.1 *Awareness of fraud and corruption issues*

Riverina Water will ensure that every member of staff (management and non-management) will have general awareness of fraud and corruption and how they should respond if this type of activity is detected or suspected.

This is to be facilitated by the Fraud Awareness Program coordinated by Governance and Human Resources unit every four years (unless deemed necessary earlier).

- 2.6.2 *The need for fraud and corruption awareness*

Riverina Water acknowledges that the primary purpose of fraud and corruption awareness training is to assist in the prevention and control of fraud by raising the general level of awareness amongst all employees.

A significant proportion of fraud and corruption is not identified at an early stage because of the inability to recognise the warning signs, because members of staff are unsure how to report their suspicions or they have a lack of confidence in the integrity of the reporting system or the investigation process to management.

- 2.6.3 *Fostering fraud and corruption awareness within Riverina Water*

An awareness of the risk of fraud and corruption control techniques and Riverina Water's attitude to control of fraud and corruption will be fostered by:

- a) Demonstrating through their personal behaviour a commitment to the highest possible ethical and moral standards for, with and on behalf of Riverina Water
- b) Ensuring all appropriate employees receive training in Riverina Water 's Code of Conduct and other elements of its integrity framework at induction and throughout the period of their employment;
- c) Ensuring all employees receive regular fraud awareness training appropriate to their level of responsibility;
- d) Ensuring updates and changes to fraud-related policies, procedures, the Code of Conduct and other ethical pronouncements are effectively communicated to all employees;
- e) Ensuring employees are aware of the alternative ways in which they can report allegations or concerns regarding fraud or unethical conduct; and
- f) Encouraging employees to report any suspected incidence of fraud or corruption.

- **2.7 Employment Screening**

- *2.7.1 Implementing a robust employment screening program*

The Standard suggests that the pre-employment screening process, based on the employment screening standard AS 4811-2006 is an effective way of reducing potential exposure to internally focused fraud and corruption.

The objective of the screening process is to reduce the risk of a potential security breach and to obtain a higher level of assurance as to the integrity, identity and credentials of those employed by council.

Appropriate pre-employment screening may be undertaken for all new employees before commencing employment.

- **2.8 Supplier and Customer Vetting**

- *2.8.1 Verification of suppliers and customers*

Riverina Water ensures the bona fides of suppliers by adhering to the Purchasing and Disposal Policy 1.19, Procedures and Practices developed in compliance with the Local Government Act (NSW) 1993 and Local Government (General) Regulations 2005.

Riverina Water will consider its ongoing commercial relationship with another party if it is found there is a heightened risk of fraud or corruption in continuing to deal with that party.

There is a constant requirement via the established processes to maintain an awareness to any contracted party manipulating the procurement process or soliciting the payment of secret commissions.

- *2.8.2 The case for vetting of suppliers and customers*

While much fraud and corruption in Australia is instigated by persons internal to an organisation, Riverina Water acknowledges that there is a growing sense that Australian business is becoming increasingly susceptible to externally instigated fraud.

In addition, there is growing evidence of the involvement of organised crime in external fraudulent attack on Australian corporations and government agencies.

Corruption typically perpetrated by external parties involves manipulation of the procurement process by paying or offering bribes.

The risk of fraud or corruption will be reduced if Riverina Water knows who it is dealing with in all significant commercial transactions.

- *2.8.3 Enquiries to be undertaken*

Riverina Water has developed a process that provides for effective vetting of suppliers and customers which represents an extension of credit checks.

Riverina Water acknowledges that if the customer or supplier is a corporation, the enquiries would typically include:

- a) Search of company register
- b) ABN confirmation
- c) Telephone listing verification
- d) Trading address verification; and

Within Riverina Water's procurement processes, various enquiries are made in respect to the bona fides of new suppliers.

It should be noted comprehensive review is undertaken of all proponents to contract and quotation award via the Procurement of Goods and Services Procedure.

- **2.9 Controlling the Risk of Corruption**

- *2.9.1 Specific measures for countering the risk of corruption*

The Council acknowledges that the following specific measures will be included in an anti-corruption program:

- A program for corruption resistance wherein Riverina Water makes a strong anti-corruption statement (in terms of both incoming and outgoing corrupt conduct) which is properly communicated and then consistently applied throughout Riverina Water
- Consideration of requiring 'vendor audits' of 'high-risk' providers
- Enhanced probity and contracting procedures
- Opening channels of communication within Riverina Water so that employees have a range of alternative avenues for reporting concerns in relation to possible corrupt conduct; and
- Opening channels of communication with customers, vendors and other third parties aimed at encouraging those parties to come forward if there is an indication of corrupt conduct involving Riverina Water or any person associated with Riverina Water.

Riverina Water's procurement and tendering policies and procedures developed with reference to the requirements of the Local Government Act (NSW) 1993 and Local Government (General) Regulations 2005, are subject to regular continuous monitoring and improvement.

3 Detection

- **3.1 Implementing a Fraud and Corruption Detection Program**

- *3.1.1 Detection Systems*

Riverina Water has implemented systems aimed at detecting fraud and corruption in the event that Riverina Water's preventative systems fail.

These systems include the following:

- a) Internal reporting procedures;
- b) Management system audits; Internal and external audit;
- c) Post-transactional review;
- d) Data mining and real-time computer system analysis to identify suspected fraudulent transactions; and
- e) Analysis of management accounting reports.

- *3.1.2 Responsibility for the fraud and corruption detection program*

Responsibility for developing systems to investigate and detect fraud and corruption at Riverina Water rests with the General Manager, supported by Governance and Human Resources and ARIC.

A general awareness of the skills and techniques deployed in any detection program is considered of value at any opportunity including scheduled training sessions, management and departmental meetings as appropriate.

- *3.1.3 Post-transactional review*

A review of transactions after they have been processed can be effective in identifying fraudulent or corrupt activity.

Such a review conducted by personnel unconnected with the business unit in which the transactions were effected, may uncover altered or missing documentation, falsified or altered authorisation or inadequate documentary support.

In addition to the possibility of detecting fraudulent transactions, such a strategy can also have a significant fraud prevention effect as the threat of detection may be enough to deter employees who would otherwise be motivated to engage in fraud and corruption.

- *3.1.4 Data mining and real-time computer systems analysis*

Riverina Water's information systems are an important source of information on fraudulent and, to a lesser extent, corrupt conduct.

By the application of sophisticated software applications and techniques, a series of suspect transactions can be identified and then investigated thus potentially detecting fraudulent and corrupt conduct at an early stage.

Strategic computer analysis may involve off-line and real-time techniques.

In off-line techniques, data is extracted from the computer system onto a personal computer system using appropriate software applications.

Real-time techniques will involve analysis of live data within the system.

- 3.1.5 *Analysis of management accounting reports to identify trends*

Using relatively straightforward techniques in analysing Riverina Water's management accounting reports, trends can be examined and investigated which may be indicative of fraudulent or corrupt conduct.

Some examples of the types of management accounting reports that can be utilised on a compare and contrast basis are monthly actual/budget comparison reports for individual cost centres, reports comparing expenditure against industry benchmarks and reports highlighting unusual trends in bad or doubtful debts.

- **3.2 Role of the External Auditor in the detection of fraud**

- 3.2.1 *Working with the External Auditor in the detection of fraud*

As Riverina Water's financial statements are audited by the NSW State Audit Office, it is familiar with the role and responsibilities of the auditor in detecting fraud.

Senior management and the ARIC will undertake a discussion with the auditor in terms of the audit procedures that will be carried out during the audit that are aimed at detecting material misstatements in Riverina Water's financial statements due to fraud or error.

- 3.2.2 *Leveraging from the external auditor fraud detection program*

- a) Riverina Water takes a proactive position in relation to the external audit fraud detection program; and
- b) Offering such assistance as they may require to enable a more comprehensive examination of any issues arising.

- **3.3 Avenues for Reporting Suspected Incidents**

- 3.3.1 *Implementation of a program for alternative reporting channels*

Riverina Water will ensure that adequate means for reporting suspicious or known illegal or unethical conduct are available to all employees.

- 3.3.2 *The need for a formalised system of reporting*

Reports of behaviour involving possible fraud or corruption can be communicated to senior management through:

- a) The employees usual organisational structure (i.e. to senior management via the employee's immediate manager or supervisor); and
- b) To the Internal Auditor or Public Interest Disclosure (PID) Coordinator.

- 3.3.3 *Alternative avenues for reporting*

External alternative reporting channels are available, and information can be obtained in the Protected Disclosures Policy.

- 3.3.4 *Implementing an internal reporting procedure*

Riverina Water has implemented an internal reporting procedure for the active protection of disclosers and will ensure that the policy is well communicated and understood by all personnel.

- 3.3.5 *Further guidance on implementing a n internal reporting protection program*

In order to encourage the prompt reporting of concerns and suspicions, Riverina Water has adopted a policy of encouraging employees who have knowledge of fraudulent or corrupt conduct to come forward.

If employees do not feel able to report a fraud or corruption concern directly to their manager or supervisor, they can raise concerns and suspicions to nominated reporting officers or the PID Officer.

Details of the alternative means of reporting suspicious or known illegal or unethical conduct are contained within the Protected Disclosures Policy internal reporting procedure.

4 Response

- **4.1 Policies and Procedures**

Riverina Water has appropriate policies, procedures and awareness programs for dealing with suspected fraud or corruption detected.

This has included the development and implementation of:

- a) Appropriate measures for the comprehensive investigation of such matters based on the principles of independence, objectivity and the rules of natural justice;
- b) Systems for internal reporting of all detected incidents;
- c) Protocols for reporting the matters of suspected fraud or corruption to the Police and/or other appropriate law enforcement agencies/regulatory bodies; and
- d) Procedures for the recovery of stolen funds or property.

- **4.2 Investigation**

Within Riverina Water, the reporting channels for fraud or suspected fraud including the Public Interest Disclosure Procedures are clearly laid out in the Fraud and Corruption Prevention and Control Plan. Investigations are undertaken independently of Internal Audit using appropriately qualified and experienced investigators.

- **4.3 Internal Reporting and Escalation**

- 4.3.1 *Collating information in relation to fraud and corruption incidents*

Riverina Water has considered whether it should establish a fraud and corruption incident register.

It is considered that the size of Riverina Water does not warrant such a register being established as there is already reporting requirements of the NSW Ombudsman, Independent Commission Against Corruption and the Minister for Local for the various levels of fraud detected.

- **4.4 Disciplinary Procedures**

- 4.4.1 *Disciplinary Procedures*

Riverina Water have adopted the disciplinary practices within the Riverina Water Enterprise Award 2019 which is available on Riverina Water intranet.

- 4.4.2 *Implementing a Disciplinary Procedures Policy*

The ultimate outcome of disciplinary proceedings may involve the admonition, termination, demotion, fining or reduction in seniority of any staff or other internal person.

An important element of the practices is the application of the rules of natural justice and fairness.

- 4.4.3 *Separation of investigation and determination processes*

It is important to separate the investigation and determination processes in relation to fraud or corruption incidents.

A description of the process followed in all disciplinary matters is in line with the Riverina Water Enterprise Award (2019).

A decision relating to all disciplinary matters is made on the basis of the evidence and after applying the Disciplinary and Procedure of the Riverina Water Enterprise Award (2019).

- **4.5 External Reporting**

- 4.5.1 *Implementing a policy dealing with external reporting of fraud and corruption*

Riverina Water has a zero tolerance to fraud and corruption.

Where evidence is established of corruption and/or fraud, involving Riverina Water, either internally or externally, it will be reported to the authority deemed appropriate in the circumstances, including, but not limited to, NSW Police, NSW Ombudsman and the Independent Commission Against Corruption.

- 4.5.2 *Format for reports to law enforcement agencies*

Should it become necessary, Riverina Water will provide, as a minimum, the following items to the law enforcement agency in a manner required by the law enforcement agency to ensure minimal duplication of effort:

- a summary of the allegations.
- a list of witnesses and potential witnesses.
- a list of suspects and potential suspects.
- copies of all statements, depositions or affidavits obtained to that point including and in particular, any written statement made by the subject of the investigation.
- a copy of the transcript of any interview conducted with a person suspected of involvement in the matters alleged.
- a copy of any electronic media on which such interviews have been recorded.
- copies of all documentary evidence obtained to that point (ultimately the law enforcement agency will probably require the original documents, in which case copies should be retained by Riverina Water).
- any charts or diagrammatical summaries of the allegations and evidence that Riverina Water may have produced.

- 4.5.3 *Commitment to assist law enforcement*

In the event that a decision is made to refer the matter to the appropriate law enforcement agency, Riverina Water will give an undertaking to the law enforcement agency that it will do all that is reasonable in assisting the law enforcement agency to conduct a full and proper investigation.

This may involve Riverina Water committing financial and other resources to an investigation either for or independently of the law enforcement agency.

- **4.6 Civil action for recovery of losses – Policy for Recovery Action**

Riverina Water will initiate appropriate recovery action where there is clear evidence of fraud or corruption and where the likely benefits of such recovery will exceed the funds and resources invested in the recovery action.

4.7 Review of Internal Controls

- 4.7.1 *Internal Control review following detection of a fraud or corruption incident*

In each instance where fraud is detected, the Internal Auditor and line management will reassess the adequacy of the internal control environment (particularly those controls directly impacting on the fraud incident and potentially allowing it to occur) and consider whether improvements are required.

Where improvements are required, these should be implemented as soon as practicable.

An assessment of adequacy of the internal control environment and any recommended improvements are to be reported to ARIC.

- **4.7.2** *Accountability for undertaking internal control review*

The responsibility for ensuring that the internal control environment is re-assessed and for ensuring that the recommendations arising out of this assessment are implemented will reside with the senior management, supported by the ARIC.

A summary of recommendations or requirements for the modification of the internal control environment should be provided to the manager of the area concerned.

- **4.8 Insurance – Consideration of the need for Fidelity Guarantee Insurance**

Riverina Water maintains a Fidelity Guarantee Policy that insures Riverina Water against the risk of loss arising from internal fraudulent conduct.

Fraud and Corruption Prevention and Control Policy

1. Purpose

This policy outlines Council's commitment to the prevention, deterrence, detection and investigation of all forms of fraud and corrupt conduct. It ensures the appropriate mechanisms are in place to protect the integrity, security and reputation of Riverina Water.

2. Policy Statement

Riverina Water will not tolerate any form of fraudulent or corrupt conduct by, staff, board members, committee members, contractors, consultants and volunteers.

Riverina Water is committed to the:

- Development and maintenance of a sound ethical culture supported by appropriate policies, procedures and strategies that prevent fraudulent and corrupt behaviour.
- Regular conduct and review of fraud and corruption risk assessments to identify circumstances in which fraud and corruption could occur.
- Implementation of fraud and corruption prevention and mitigation procedures in day to day operations.
- Use of formal procedures for the investigation of allegations of corrupt and fraudulent behaviour.
- Maintenance of processes and procedures that encourage all business dealings with tenderers, suppliers, consultants and contractors to be conducted in an ethical manner.
- Ongoing education and training of all Riverina Water Officers and elected members in relation to their obligations in combating dishonest and fraudulent behaviour.

3. Scope

This policy applies to all Riverina Water officials – Board members, Committee members, staff, contractors, consultants and volunteers.

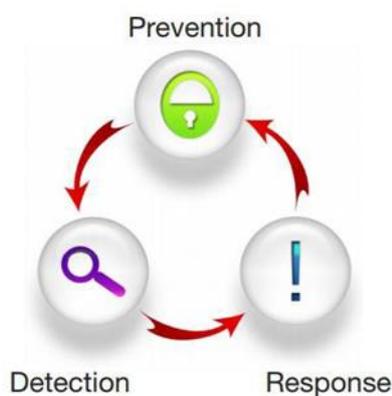
4. Definitions

Act	The Local Government Act (LGA) 1993
Regulation	The Local Government (General) Regulation 2005
Fraud	Can be defined as a deliberate and premeditated turn of events which involves the use of deception to gain advantage from a position of trust and authority. The type of events includes acts of omission, theft, the making of false statements, evasion, manipulation of information and numerous other acts of deception (Audit Office of NSW).
Corruption	<p>The ICAC Act 1988 sections 7, 8 and 9 defines corruption as:</p> <ul style="list-style-type: none"> • Any conduct of any person (whether or not a public official) that adversely affects, or that could affect, either directly or indirectly, the honest or impartial exercise of official functions by any public official, any group or body of public officials or any public authority; or • Any conduct of a public official that constitutes or involves the dishonest or partial exercise of any of their official functions, or • Any conduct of a public official or former public official that constitutes or involves a breach of public trust; or • Any conduct of a public official or former public official that involves the misuse of information or material that they have acquired in the course of their official functions, whether or not for their benefit or the benefit of any other person.
Council official:	Riveirna Water official includes Board members, Committee members, members of staff, volunteers and delegates of council.

Code of Conduct The applicable Code of Conduct that is applicable to all Council officials and as required by S 440 of the Local Government Act

5. Principles

Council's Fraud and Corruption Prevention and Control Policy is based on the fraud control framework identified by the NSW Audit Office. The fraud control framework has ten key attributes, which sit within the themes of prevention, detection and response.



The ten attributes of fraud control are:

Attribute		Theme
1	Leadership	Prevention
2	Ethical framework	Prevention, Detection, Response
3	Responsibility structures	Prevention, Detection, Response
4	Policy	Prevention
5	Prevention systems	Prevention
6	Fraud awareness	Prevention, Response
7	Third party management systems	Prevention, Response

8	Notification systems	Detection, Response
9	Detection systems	Detection
10	Investigation systems	Response

The implementation of the 10 key attributes are detailed further in Council's Fraud and Corruption Prevention and Control Plan.

6. Policy Responsibilities

Council officials are responsible for reporting cases of suspected fraud or corrupt conduct.

Council officials have a responsibility to act honestly and to follow diligently Council's policies and procedures to prevent and mitigate fraud and corruption.

The General Manager is ultimately responsible for the prevention, detection and reporting of fraud and corruption through the implementation of appropriate and effective internal control systems. The General Manager must report possible corrupt conduct to the Independent Commission Against Corruption (ICAC) pursuant to the ICAC Act 1988.

The General Manager, Director Engineering, all managers and supervisors are also responsible for the prevention, detection and reporting of fraud and corrupt conduct by ensuring:

- Their personal behaviour demonstrates a commitment to the highest possible ethical and moral standards for, with and on behalf of Riverina Water
- There are mechanisms in place within their area of control to assess the risk of fraud and corrupt conduct and to manage such risks by appropriate internal controls.
- The promotion of employee awareness and training/education on the prevention of fraud and corruption.
- Compliance with all relevant policies and practices.
- Reporting of any fraud or corruption matters to the General Manager.
- That reasonable steps are undertaken to ensure that Council contractors within their area of control adhere to the provisions of this policy.

All Council officials are responsible for:

- Performing their functions and duties with diligence, honesty, integrity and impartiality.
- Complying with this policy and all legislative requirements to ensure they are not participating in corrupt or fraudulent behaviour.
- Reporting any suspicion of fraudulent or corrupt behaviour to the General Manager, the appropriate Manager or the Chairperson if such behaviour concerns the General Manager, or by utilisation of Council's Internal Reporting Policy.
- Reporting any identified weaknesses in internal controls that could potentially facilitate a fraudulent or corrupt act.
- Council officials should read Council's Internal Reporting Policy in relation to the protection afforded officials who report or disclose information for specified matters (such as fraud and corruption) internally or to external agencies.

The Manager Governance and Human Resources will instigate a review of Council's fraud and corruption risk and control strategies every four years. The Manager will also ensure that periodic and comprehensive risk assessments are conducted by relevant managers of each area of operation pursuant to Council's Enterprise Risk Management Policy.

Regular internal audits will be conducted to test the fraud and corruption control plan.

Discipline and Investigation

Riverina Water has zero tolerance for corrupt or fraudulent behaviour. Council staff found guilty of such matters will face disciplinary matters pursuant to the Code of Conduct and the Riverina Water Enterprise Award. Other (non-staff) Council officers will be disciplined pursuant to Council's Code of Conduct.

Further, as stated above, all possible corruption matters, involving Council officers, have a mandatory statutory reporting requirement to ICAC. The ICAC or Council itself can also seek criminal prosecutions by reporting fraud and other corruption matters to the NSW Police Service.

The General Manager must make an initial determination as to whether the matter in question concerns or may concern corrupt conduct. This may entail their own analysis of the circumstances surrounding the matter or utilising another staff member or an investigator to carry out preliminary enquiries on which to base the determination.

After formal notification by the General Manager, the ICAC will normally determine if they will investigate the alleged corruption matter. Alternatively, the ICAC may instruct Council to carry out their own investigation and report the findings to the ICAC. In such circumstances Council should engage an experienced and suitably qualified investigator for the process, which is appropriately documented

7. Policy Implementation

Fraud and Corruption Prevention Training

Riverina Water acknowledges that a high level of awareness amongst all Council officers in relation to fraud and corruption issues is an essential element in identifying and combatting such behaviours. Awareness training will be implemented through the following programs:

- At induction for all new employees.
- At the induction program for all new Board members.
- Regular refreshers.
- Fraud and Corruption prevention information through meetings, memos and other internal publications.
- Follow up meetings with staff after internal and external audits where relevant.

Fraud and Corruption Mitigation Practices

Riverina Water recognises that appropriate policies and procedures must be implemented in certain operational areas to regulate and enable the monitoring of particular activities. These areas within Council include:

Risk Management

- Risk Assessment pursuant to the Enterprise Risk Management Framework and Plan.

Finance

- Cash Handling Procedures
- Corporate Credit Card Policy

Governance

- Purchasing and Disposal Policy
- Councillors' Expenses and Facilities Policy
- Secondary Employment Policy
- Internal Reporting Policy

Ethics

- Code of Conduct.
 - Corruption Prevention and Fraud Policy
 - Statement of Business Ethics.
- 1.
 2. Operational
 - Policy and procedures

8. Non Compliance

Non-compliance with adopted policy may be considered a breach under the Code of Conduct. As such, any suspected or known non-compliance will be reported to the General Manager.

9. References

Policy number	To be allocated
Responsible area	Governance and Human Resources
Approved by	
Approval date	
Legislation or related strategy	Local Government Act 1993

Independent Commission Against Corruption Act
1988

Public Interest Disclosure Act 1994 NSW

Documents associated with this policy

Code of Conduct

Councillor's Access to Information and Interactions
with Staff and Access to Council premises Policy

Councillor's Expenses and Facilities Policy

Internal Reporting Policy

Enterprise Risk Management Policy

Corruption Prevention and Fraud control plan

Gifts and Benefits Policy

Enterprise Risk Management Plan

Cash Handling Procedures

Corporate Credit Card Policy

Purchasing Disposal Policy.

Councillors' Expenses and Facilities Policy.

Secondary Employment Policy.

Statement of Business Ethics

Policy history

14 December 2012 – Adopted 5.29 Res: 12/172

22 November 2013 – Name changed

15 October 2014 – Revised Res 14/132

Policy details may change prior to review date due to legislative or other changes, therefore this document is uncontrolled when printed.

END OF POLICY STATEMENT

R10 Board representation on Audit Risk and Improvement Committee

Organisational Area Governance & Human Resources

Author Wendy Reichelt, Governance & Records Officer

Summary The community representatives and the Chair of the Riverina Water Audit, Risk and Improvement Committee (ARIC) were extended at the August 2020 Board meeting for a further 12 months. At that same meeting it was resolved that a Board representative and alternate for the Committee would be determined at the October 2020 Board meeting

RECOMMENDATION that Council nominate a Board representative and alternate representative to the Riverina Water Audit, Risk and Improvement Committee until October 2021.

Report

The Riverina Water ARIC Charter adopted in December 2019 outlines the composition and tenure of the ARIC Committee. Section 4 4.1 in part reads:

The ARIC shall comprise of up to four voting members – one Board member and not fewer than 2 or more than 3 independent external members, one of whom will be the Chair. Appointment to the committee and the chair will be determined by the Board

Due to the expected changes to the Audit Risk & Improvement guidelines and the delay in the local government elections until 2021, it was determined at the August 2020 Board meeting that the community members and chair would be extended for a further 12 months to November 2021.

Concerning the membership of a Board member on the Committee, the Charter further reads:

One Board member is to be appointed to the committee for a one-year term and may be reappointed subject to Office of Local Government guidelines. The Board will appoint an alternate member to the committee who will act as a stand-in as required.

The Board therefore resolved at that same August 2020 Board meeting that a Board representative and alternate to the ARIC would be appointed at the October 2020 Board meeting (**Res 20/085 – (d) Council elect a Board member and their alternate to participate on the ARIC until October 2021 (at its meeting to be held in October 2020)**)

Financial Implications

There are no financial implications associated with this report and the operation of the ARIC. Operating costs for the ARIC are funded in the adopted 2020/21 Operational Plan.

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.

R11 WHS Policy 4.3

Organisational Area General Manager

Author Julie Philpott, Work Health and Safety Officer

Summary Council's WHS Officer has undertaken a review of WHS Policy 4.3 which has been updated and is now presented to the Board for endorsement

RECOMMENDATION that Council adopt Policy 4.3 - Work Health & Safety.

Report

This policy was last revised in August 2018. The policy has been reviewed as part of Council's general timetable of policy reviews.

The updated content in this policy reflects the requirements for a WHS Policy under the new ISO45001 for Safety Management Systems. The format to the policy also reflects Councils' new policy format template.

Given the internal nature of the Policy and the minimal changes made to the previous Policy, it is not proposed to place the updated Policy on public exhibition

› R11.1 Policy 4.3 Work Health and Safety

Financial Implications

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.

WORK HEALTH AND SAFETY POLICY

10. GOAL

Riverina Water County Council is committed to achieving a consistently high standard of workplace and community health and safety. Riverina Water will strive to acquire, sustain and continuously improve on a level of workplace health & safety which it considers the best practice for this organisation.

11. COMMITMENT

Riverina Water is committed to the prevention of work-related injury and ill health, through the provision of safe and healthy work environments, facilities, equipment and systems for our workers, volunteers, contractors, visitors and members of the public.

Riverina Water, led by the General Manager, will demonstrate this commitment, by:

- Identifying, eliminating and/or minimising health and safety risks to reduce work related injury and illness;
- Ensuring *Riverina Water* has available and uses appropriate resources and processes to eliminate or minimise risks to safety, especially for higher risk activities;
- Establishing measurable health and safety objectives and targets and regularly reviewing our performance;
- Fulfilling all legal requirements *and meeting the AS/NZS ISO 45001 Standard* for safety;
- Continuously improving our Health and Safety Management System;
- Should an incident occur, then ensuring there are effective processes in place to record, investigate and carry out remedial actions to prevent a recurrence;
- Consulting and communicating with workers and the public (where relevant) to ensure they are empowered to actively participate in WHS risk management in the workplace and their community;

- Ensuring workers understand their general responsibilities for work health and safety and the specific responsibilities for safety relating to their job descriptions.

3.

4.

Signed:

Andrew Crakanthorp

GENERAL MANAGER

Date:

Policy number**P4.3**

Responsible area

General Manager / Work Health & Safety

Approved by

If Council include resolution number

Original Approval date

December 1997

Legislation or related strategy

Work Health & Safety Act 2011

Policy history

Revision number	Issue Date	Approved	Approval date
0	January 2012	Res: 12/11	22 February 2012
1	April 2014	Res: 14/39	23 April 2014
2	April 2017	Res: 17/60	26 April 2017
3	August 2018	Res: 18/123	22 August 2018
4		Res:	Oct 2020

Policy details may change prior to review date due to legislative or other changes, therefore this document is uncontrolled when printed.

END OF POLICY STATEMENT

R12 The Rock Depot Redevelopment Master Plan

Organisational Area Engineering

Author Tamarin Taylor, Project Officer and Ashleigh Hayden, Cadet Engineer

Summary The report provides an update on The Rock Depot Redevelopment Master Plan project

RECOMMENDATION that Council note the proposed staging for The Rock Depot Redevelopment Master Plan project.

Background

The Rock Depot Site was initially established in 1955 and included the development of a brick pump house and associated pipework. A plant shed was developed on the site in 1963, followed by a single external toilet in 1981 and a small workshop in 1993. The small workshop was modified in 2014, to allow for space to accommodate 4 staff workstations and some basic staff amenities such as a sink, hot water unit and fridge. Since then, only minor modifications have been made to improve the function of the workshop and improve security. The small workshop has significant cracking and inadequate facilities and space to cater for staff. A building condition report was undertaken to assess viability of further repair and modification versus a complete rebuild. The building condition report outcome led to the decision to demolish and rebuild the office block and associated amenities.

The Rock Depot Redevelopment project will provide a completely revitalised site including a new staff office block and associated amenities, a new rural store warehouse, sealed site roads, staff and visitor car parking, material storage bays and an open wash bay for vehicles and plant. The redevelopment will provide a contemporary and safe depot with quality infrastructure that will serve Council's rural area well into the future.

Issues

In accordance with Riverina Water's Capital Works Program, project number 286 'Capital - The Rock Depot Redevelopment Master Plan - Initial Stages', Council will undertake a redevelopment of the entire The Rock Depot site at 34-40 Urana Street, The Rock.

The scope of works will aim to have The Rock Depot, which was split over two separate lots, consolidated into a single lot and become a highly functional, fit for purpose rural depot facility. The site will ensure adequate office and site amenities are provided, and that water mains, fittings and plant and equipment can be more readily available by being securely stored on site.

The new depot office will have a dedicated foyer entry, provision for six staff workstations, a multipurpose meeting/training room, staff lunchroom, utility room, a disabled toilet, two unisex toilets, and a shower.

The new warehouse will provide a large enclosed pallet racking area for storage of fittings and pipes, a mezzanine floor for additional pallet storage, a functional workshop clean room for maintenance work, and secure undercover storage for large plant and equipment.

In addition to the new depot office and depot warehouse, the remainder of the site will be developed to include automated gates for site entry and exit, fully sealed roads suitable for vehicle and truck access, a covered car park, open wash bay with an oil/water separator for vehicles and plant, an on-site fuel bowser, and storage bays for materials such as sand and gravel.

› R12.1 The Rock Depot Redevelopment Plans

Financial Implications

The project is included in the current CAPEX budget. There is \$500,000 allocated in the 2020/21 budget and \$300,000 in 2021/22 budget. The initial budget was estimated based on preliminary design assuming the refurbishment of the original brick building on-site and scoping requirements and was fully anticipated to be revised following the detailed designs and pre-tender estimates.

A detailed pretender estimate for the project is being undertaken by an external Quantity Surveyor. The total construction estimate is due in the coming weeks and a Quarterly Budget Review Form (QBR) will be submitted in the December Quarterly Review.

It is proposed that construction will be staged over two financial years to distribute the cost and to minimise disruption to rural staff who operate from The Rock Depot and ensure service levels are maintained within the rural community. The two stages are outlined below:

Stage 1 to be undertaken in the 2020/21 financial year will include some site preparation, Automatic site entry gates, construction of the new warehouse and installation and connection of associated site services.

Stage 2 to be undertaken in the 2021/22 financial year will include the demolition of the existing small warehouse, construction of a new office block and associated amenities, and the remainder of the site development including car parking, sealed roads, wash bay and material storage bays.

Risk Considerations

<h4>Environmental Influences</h4>

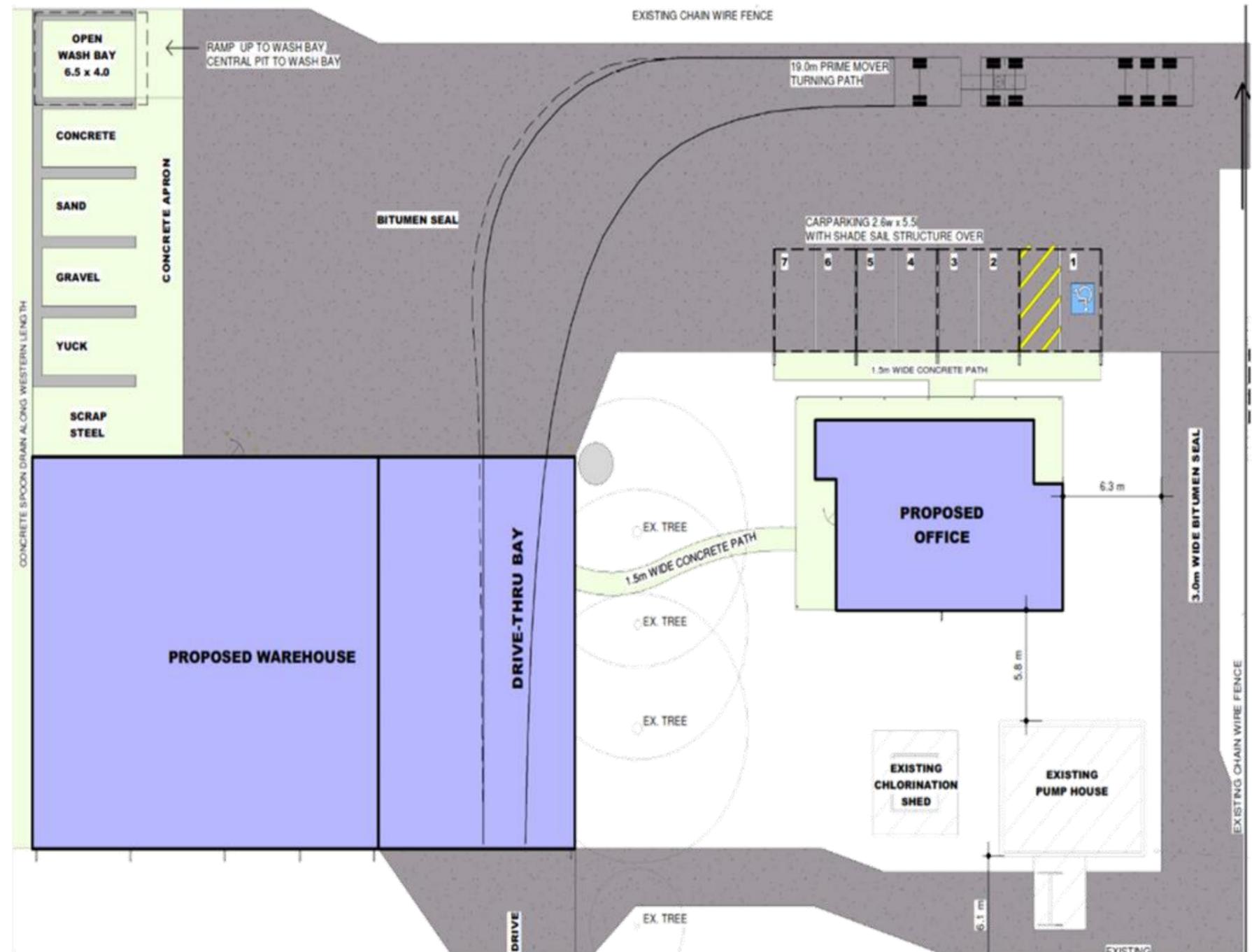
Avoid	Council will avoid risks that negatively impact the environment. Council will ensure that successful delivery is achievable without negative environmental impacts.
-------	---

Appendix 2.1

New Rock Depot Site

Features include:

- › Automated gates
- › Fully sealed roads
- › Covered car park
- › Wash bay for vehicles and plant
- › storage bays for materials

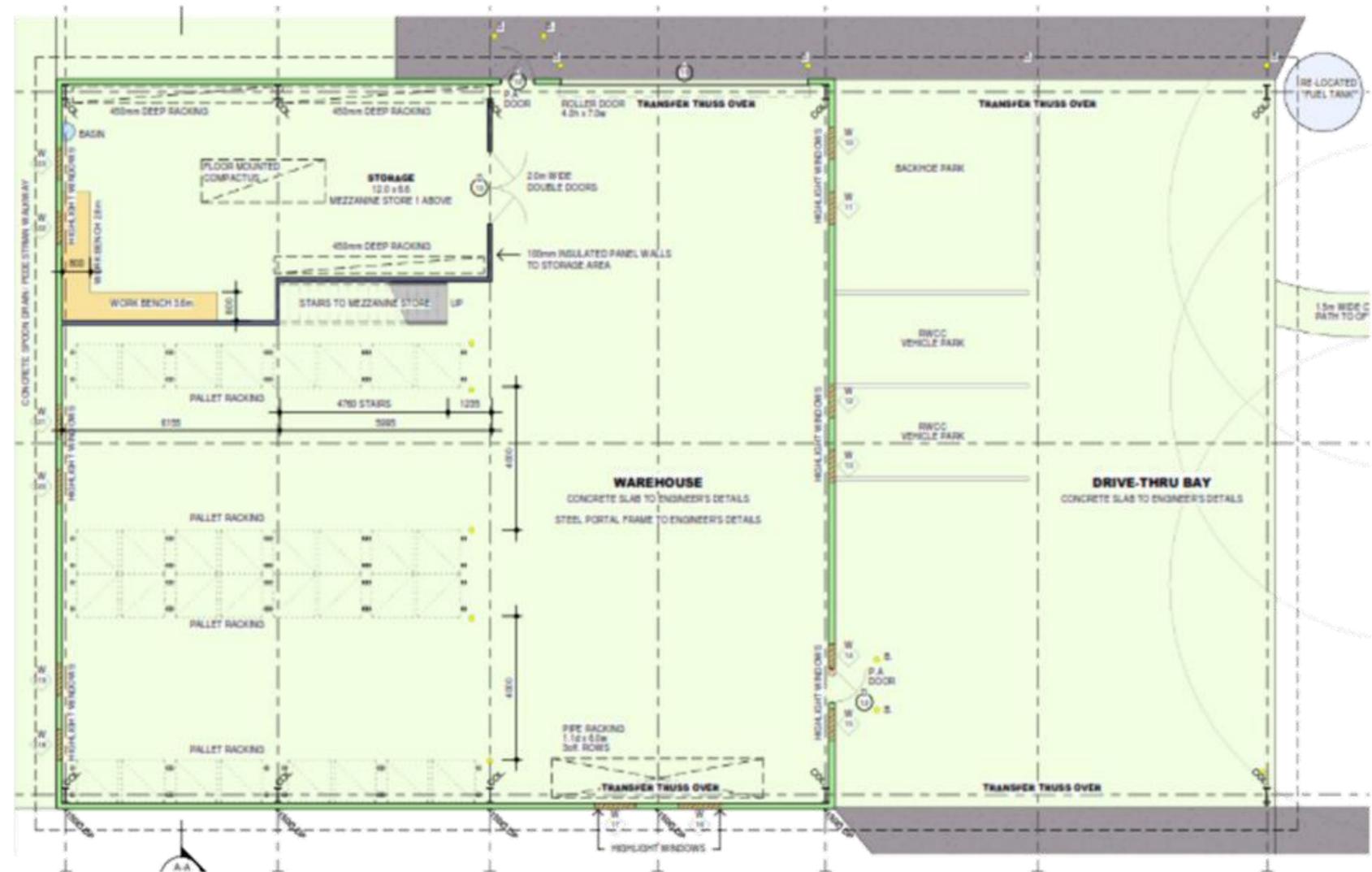


Appendix 2.2

Rock Depot Site Rock Depot Redevelopment Floorplan

The warehouse will provide:

- › pallet racking area for storage of pipes & fittings
- › mezzanine floor for additional pallet storage
- › workshop clean room for maintenance work
- › secure undercover storage for plant & equipment



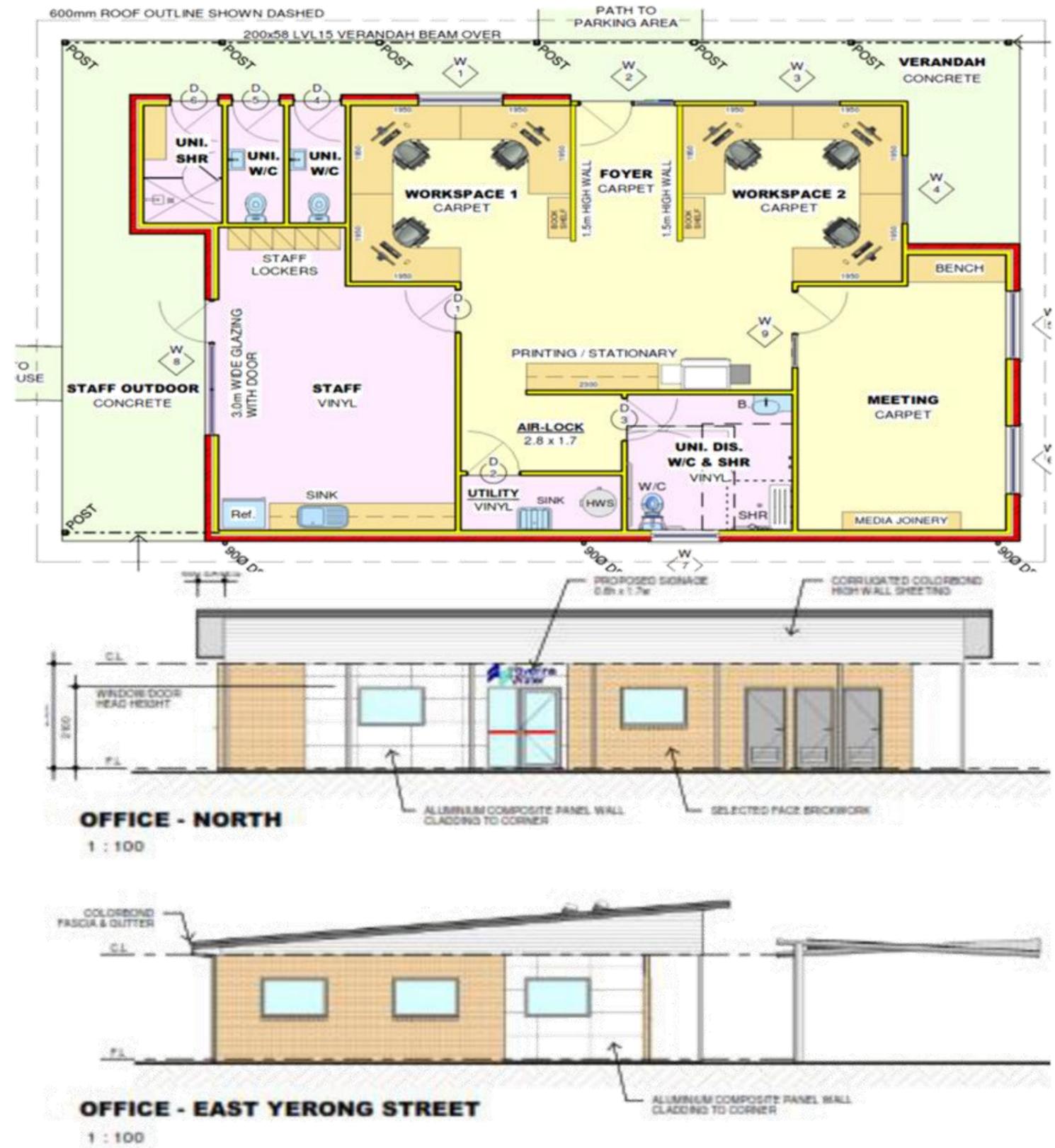
The Rock Depot Redevelopment Master Plan

Appendix 2.3

Rock Depot Site Rock Depot Redevelopment Floorplan

The office will have:

- › 6 staff workstations
- › multipurpose meeting/training room
- › Lunchroom with lockers
- › utility room
- › disabled toilet
- › Externally accessed unisex toilets & shower



R13 Operations Office Refurbishment

Organisational Area Engineering

Author Tamarin Taylor, Project Officer and Ashleigh Hayden, Cadet Engineer

Summary The report provides an update on the Operations Office Refurbishment project

RECOMMENDATION that Council;

- 1) Notes the progress update on the Operations Office Refurbishment project.
- 2) Approves the recommended staging and budgets for the Operations Office Refurbishment project.
- 3) Note that budget adjustment has been made for the 2020/21 Budget as part of the September Quarterly Budget Review in this business paper

Background

Originally established in 1983, the old depot building is well positioned on the site and was initially designed and constructed for works staff including a toilet block, lunchroom, small store, meter repair rooms and a grounds storage area. The depot then further expanded in 1992 with the development of workshops for the mechanics, welders and carpenters' trade teams. The office building was largely abandoned in late 2015 when the works staff relocated into the newly constructed purpose-built Store building and warehouse on the site. The building amenities and office space was occupied by UGL contractors during the WTP construction however remained largely unmodified, with original fixtures and finishes from the construction in 1983. Along with wear and tear over the years and outdated finishes and fixtures, the building was also inundated by flood water on 3 occasions.

The building is well positioned on the site with proximity to the new WTP, the Fitter Electricians Workshop and the Store Building. The building requires significant refurbishment and updating to suit the needs of the Operations Team, who will relocate from The Old Waterworks building (adjacent to the river), and occupy the new, functional office space along with necessary workshop upgrades to compliment the current and future needs of the Trade Teams.

Issues

In accordance with Riverina Water's Capital Works Program, project number 225 'Refurbishment of Operations Office - Urban', we will undertake an internal and external refurbishment of our Old Works Depot Building on our site at 91 Hammond Avenue, Wagga

Wagga. The scope of works will see the old works depot building completely refurbished and modifications made to upgrade the building to a highly functional, fit for purpose building.

The refurbished building will include a complete external facelift to render the outdated brickwork and replace the wheat coloured cladding. The new composite cladding will include external sheet panelling to improve the building's energy rating, new roofing and guttering, and larger motorised roller doors for the workshops. Other external work will include modifications to doors and walkways to meet requirements for disabled access.

Internal refurbishments include a new Operations Office, Water Quality Office, Water Quality Testing Room, multipurpose lunchroom and amenities block. The internal refurbishment of the old depot building will provide functional office space and amenities for the Operations team who are currently located at The Old Waterworks building. Nine permanent workstations will be provided across the two office areas along with space for four casual workstations. The multipurpose lunchroom and amenities block will provide necessary facilities on the Hammond Avenue site for a variety of trade teams, approximately twenty employees across multiple work groups. The internal modifications and refurbishments have been designed with consideration of Riverina Water's Workforce plan. This ensures capability for future workforce growth, that adequate facilities are provided for male and female employees and that all common and office facilities are DDA compliant.

Necessary workshop modifications to complement the trade team include larger automated roller doors for large truck and plant access, a new stainless-steel cleanroom, mezzanine floor and mechanical services to provide a better quality of work environment such as fume extraction, fixed gas heating and fixed evaporative cooling. A new grounds storage area will also be constructed in order to allocate space for a proposed Water Quality Testing Room.

- › **R13.1 Existing Depot and Office Site**
- › **R13.2 Operations Office Redevelopment Floorplans**
- › **R13.3 Pretender Estimate High Level Summary**

Financial Implications

The project is included in the current CAPEX budget (Project 228) with \$640,000 allocated in the 2020/21 budget and \$500,000 in 2021/22 budget. The initial budget was estimated based on preliminary design and scoping requirements and was fully anticipated to be revised following the detailed designs and pre-tender estimates.

The pre-tender estimate for the project is \$2,414,000 broken down into notable areas* as follows: **for detailed project breakdown, refer to RLB report Ref 2010-1 Project number 2010 available on request*

- External Facelift – \$844,910

- This includes but is not limited to complete recladding, rendering of the brickwork, new doors, new windows and larger automated roller doors into the workshops
- Common building amenities - \$355,761
 - This includes a large multipurpose lunchroom / meeting room with computer stations for outdoor staff and a new toilet block to cater for male, female and people of all abilities.
- Operations Office - \$226,875
 - The office area includes spaces for 4 Operator workstations, a supervisor's office, staff lockers, IT server/communication and printing room and a team collaboration area.
- Water Quality Office - \$207,782
 - The office area includes spaces for 4 Water Quality workstations with increased working and storage space, staff lockers, a printing area and a storage area.
- Water Quality Testing Area - \$178,804
 - This includes modifications in an existing grounds storage room to create a second Water Quality Testing Area on the site. Modifications include chemical resistant flooring, custom joinery, plumbing services, chemical fume ventilation and electrical services amongst other items.
- New workshop mezzanine and the stainless-steel clean room - \$333,557
 - This includes a new mezzanine in the Mechanics Workshop for storage, a purpose-built stainless-steel cleanroom to assist in the ongoing requirements of the welding team and a small store for tools.
- Mechanical upgrades to workshops - \$ 266,311
 - This includes new gas heating and fixed evaporative cooling in all 3 workshops as well as a new grounds storage area.

It is proposed that construction will be staged over three financial years to distribute the cost and to minimise disruption to the operation of the Hammond Avenue site. The three stages are outlined below:

- Stage 1 to be undertaken in the 2020/21 financial year will include a full external facelift of the building. This includes but is not limited to complete recladding, rendering of the brickwork, new doors, new windows and larger automated roller doors into the workshops. Pre-tender estimates have shown this at a cost of approximately \$874,000

- Stage 2 to be undertaken in the 2021/22 financial year will include mechanical services will be complete including fixed evaporative cooling to all workshops, gas heating in workshops, and reverse cycle air-conditioning to the new office areas. It will also include the construction of the Operations Office, Water Quality Office and new grounds workshop. Pre-tender estimates have shown this at a cost of approximately \$1,040,000
- Stage 3 to be undertaken in the 2022/23 financial year will include modification to the Mechanics/Welders workshop to construct a new mezzanine floor and stainless-steel cleanroom as well as the construction and fit out of the new Water Quality Testing Room. Pre-tender estimates have shown this at a cost of approximately \$500,000

Council approval is sought to increase the budget to \$874,000 for the 2020/21 financial year, \$1,040,000 for the 2021/22 financial year and \$500,000 for the 2022/23 financial year.

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.

Appendix 1

Existing Depot and Office Site

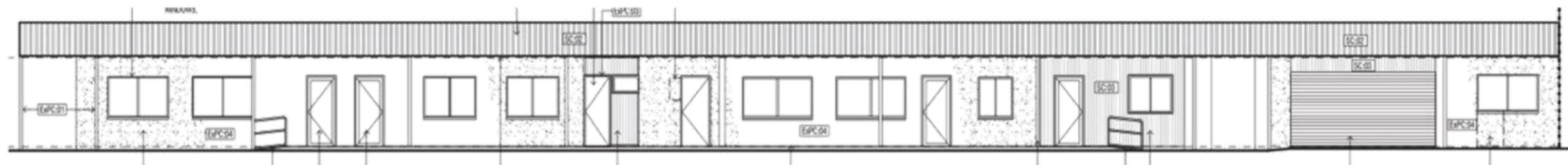
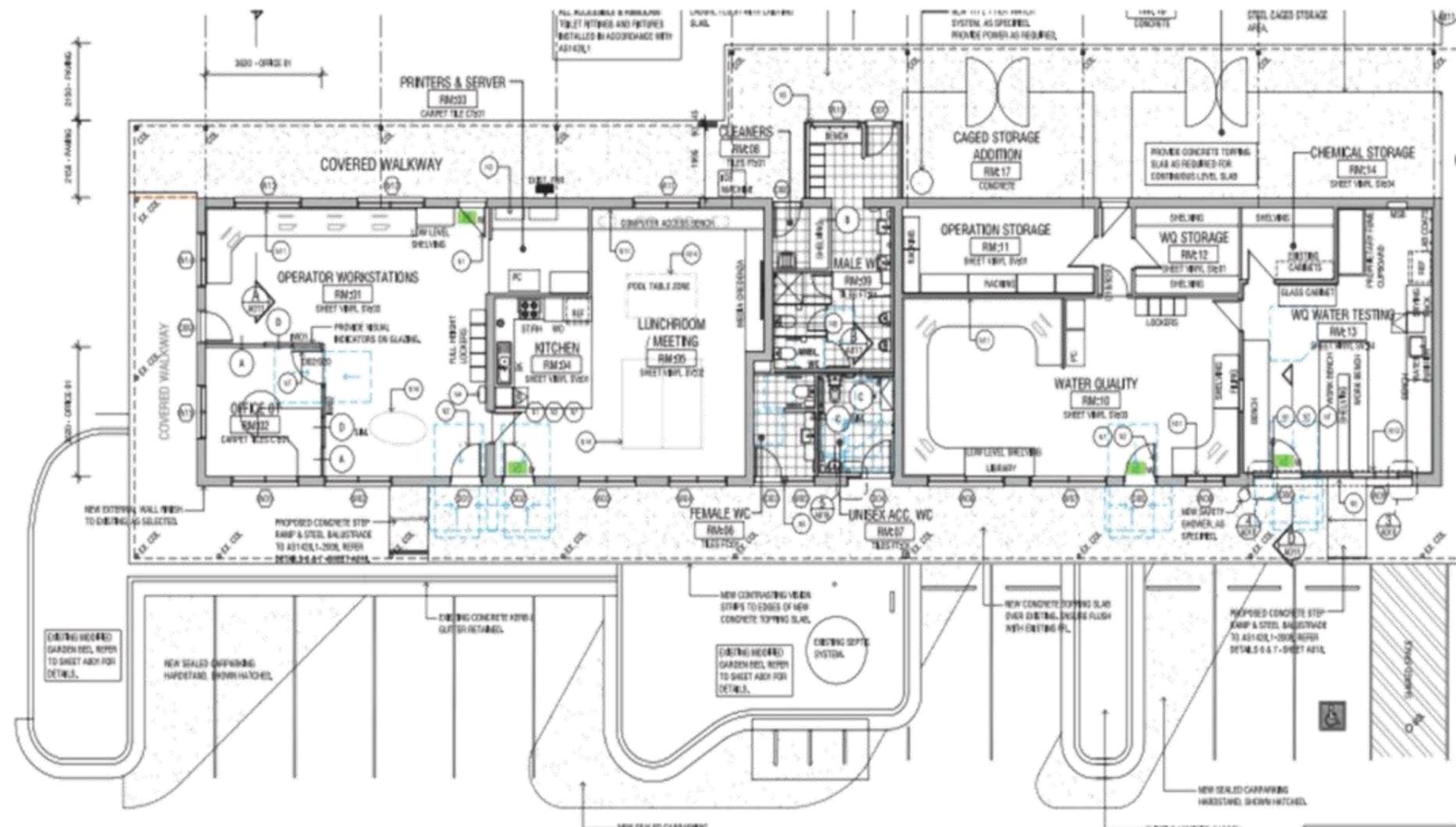


Operations Office Refurbishment Project 228

Appendix 2.1

Block A Redevelopment Floorplan

- › Complete external facelift
- › New Operator Workstations
- › New Amenities Block
- › New Water Quality office
- › New Water Quality Testing room

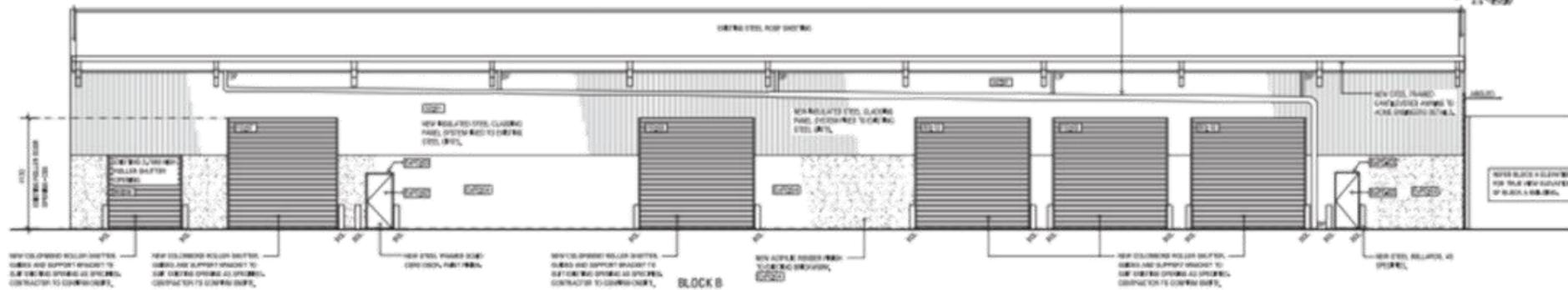


Operations Office Refurbishment Project 228

Appendix 2.2

Block B Redevelopment Floorplan

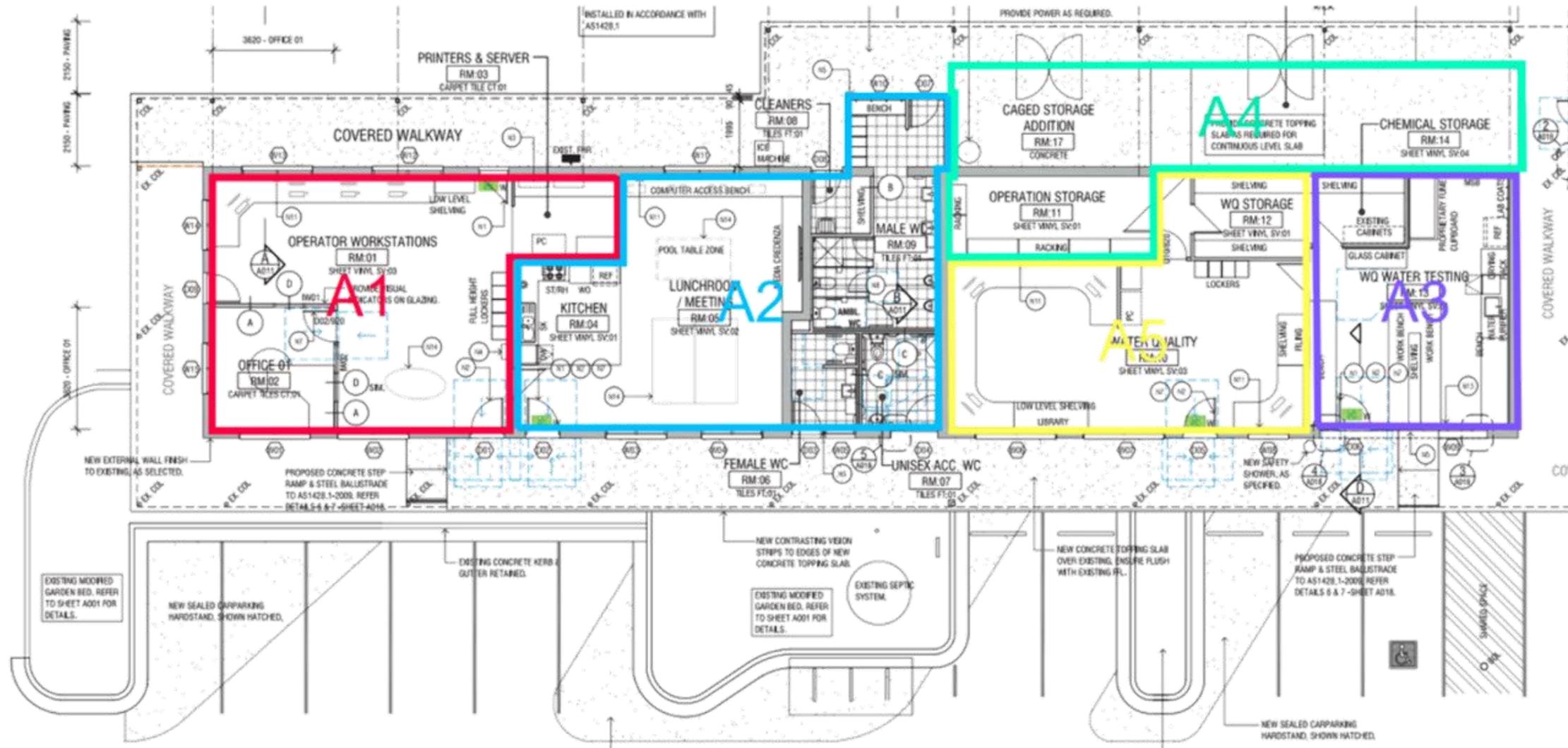
- › Complete external facelift including larger motorised roller doors for the workshops
- › New workshop gas heating, evaporative cooling and ventilation
- › New Grounds Storage area
- › New Mechanics office
- › New workshop mezzanine
- › New stainless-steel clean room



Operations Office Refurbishment Project 228

Appendix 3.1

Block A – Pretender Estimate High Level Summary



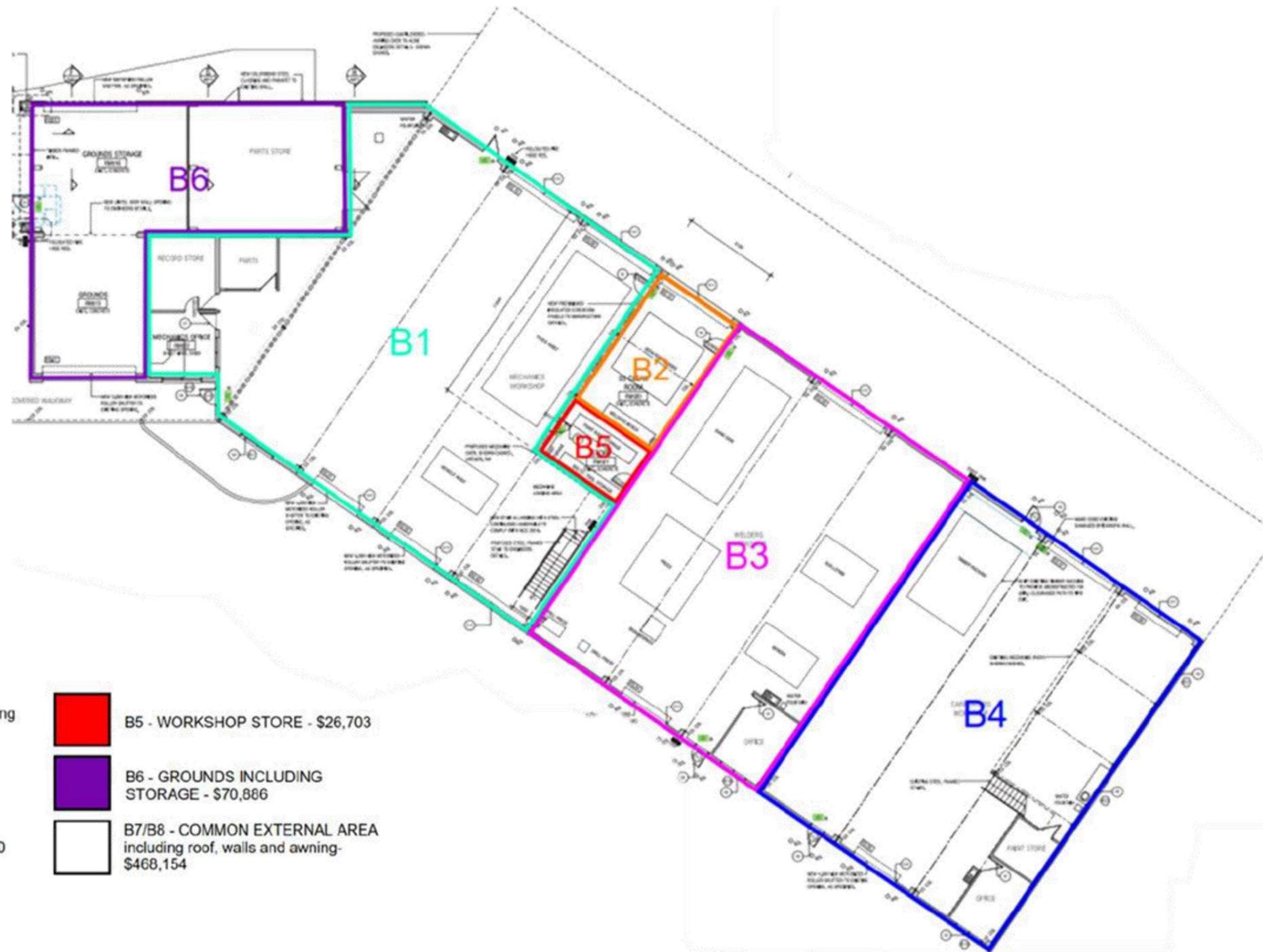
- A1 - OPERATIONS OFFICE AREA AND WORKSTATIONS - \$226,875
- A2 - COMMON AMENITIES - \$356,117
(A2A Kitchen & multipurpose lunchroom \$1139,837 ; A2B Toilet Amenities \$216,280)
- A3 - WATER QUALITY TESTING AREA (INCLUDING CHEMICAL STORE) - \$178,804

- A4 - OPERATIONS STORAGE AREA - \$27,233
- A5 - WATER QUALITY OFFICE AREA - \$207,782
- A6 - COMMON EXTERNAL AREA - \$376,756

Operations Office Refurbishment Project 228

Appendix 3.2

Block B – Pretender Estimate High Level Summary



- | | |
|--|---|
| <ul style="list-style-type: none"> B1 - MECHANICS WORKSHOP including mezzanine - \$231,979 B2 - SS CLEAN ROOM - \$43,875 B3 - WELDERS WORKSHOP - \$51,220 B4 - CARPENTERS WORKSHOP - \$66,972 | <ul style="list-style-type: none"> B5 - WORKSHOP STORE - \$26,703 B6 - GROUNDS INCLUDING STORAGE - \$70,866 B7/B8 - COMMON EXTERNAL AREA including roof, walls and awning - \$468,154 |
|--|---|

Operations Office Refurbishment Project 228

R14 Amendments to the Code of Conduct and the Procedures

Organisational Area Governance & Human Resources

Author Wendy Reichelt, Governance & Records Officer

Summary The Office of Local Government released updates to the Model Code of Conduct and the Procedures in August 2020. The Riverina Water Code of Conduct has now been amended to reflect these changes, and the updated 2020 Procedures are now being presented for information

RECOMMENDATION that Council:

- a) Note and adopt the changes to the Riverina Water Code of Conduct as prescribed within the Model Code of Conduct 2020
- b) Note that the cap for gifts and benefits within the Riverina Water Code of Conduct remains at \$50; and
- c) Note the updated Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW (the Procedures) 2020

Report

The *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW (the Procedures)* have been amended in response to the decision by the Supreme Court in the matter of *Cornish v Secretary, Department of Planning, Industry and Environment* (2019) NSWSC 1134. Amendments have also been made to the *Model Code of Conduct for Local Councils in NSW (the Model Code of Conduct)*.

The new Model Code of Conduct and Procedures take effect immediately.

Amendments to the Procedures

Councils have the following options when taking disciplinary action against councillors for breaches of their codes of conduct under the new Procedures:

- That a councillor be formally censured for the breach under section 440G of the Local Government Act 1993 (the Act), or
- That a councillor be formally censured for a breach under section 440G and the matter referred to OLG for further disciplinary action under the misconduct provisions of the Act.

The process for censuring councillors for breaches of the Code of Conduct has been significantly strengthened to ensure councillors are made publicly accountable for their conduct. When censuring councillors, councils are required to specify in their resolution the grounds on which the councillor is being censured by disclosing the investigator's findings and determination and any other grounds that the council considers may be relevant or appropriate.

Councillors may seek to avoid public censure for breaches of the Code of Conduct by voluntarily agreeing to undergo training or counselling to apologise for their conduct or give undertakings not to repeat their conduct before the investigator finalises their report to the council. Investigators can finalise their investigations without a report to the council where they consider these to be an appropriate outcome to the matter they are investigating. However, it will remain open to investigators to finalise their report and to recommend censure where they consider this is appropriate and warranted.

The process for referral by councils of Code of Conduct breaches by councillors to OLG for further disciplinary action under the misconduct provisions of the Act has been streamlined. Investigators are required to consult with OLG before recommending the referral of matters to ensure the conduct in question is sufficiently serious to warrant disciplinary action for misconduct and that there is sufficient evidence of the breach to allow OLG to take further disciplinary action.

Other amendments have been made to the Procedures to:

- Allow panels of conduct reviewers to be appointed without a resolution of the council, and
- Allow the referral of investigators' reports to OLG for action under the misconduct provisions of the Act where the council will not have a quorum to deal with the matter.

Amendments to the Model Code of Conduct

The Model Code of Conduct has been amended to:

- Remove as a breach, failure to comply with a council resolution requiring action in relation to a Code of Conduct breach (because it is now redundant)
- Update the language used to describe the various heads of discrimination in clause 3.6 to reflect more contemporary standards
- Include in the definition of council committee and council committee members, members of audit, risk and improvement committees (ARICS)

Amendments have also been made to the gifts and benefits provisions of the Model Code of Conduct in response to feedback from some councils. The amendments:

- Lift the \$50 cap on the value of gifts that may be accepted to \$100

- Clarify that items with a value of \$10 or less are not “gifts or benefits” for the purposes of the Model Code of Conduct and do not need to be disclosed
- Clarify that benefits and facilities provided by councils (as opposed to by third parties) to staff and councillors are not “gifts and benefits” for the purposes of the Model Code of Conduct, and
- Remove the cap on the value of meals and refreshments that may be accepted by council officials in conjunction with the performance of their official duties.

Councils are not obliged to amend their Code of Conduct to lift the cap on the value of gifts that may be accepted if they do not wish to. It is open to councils to retain the existing \$50 cap or to impose another cap that is lower than \$100. As it is not a requirement, it is recommended that Riverina Water maintain the gifts and benefit provision at a \$50 cap on the value of gifts.

Changes have now been made to the Riverina Water Code of Conduct, which is attached – changes are highlighted through track changes. A copy of the updated Procedure is also attached for review.

- › **R14.1 Code of Conduct - amendments Oct 2020.docx**
- › **R14.2 Procedures-for-the-Administration-of-the-Model-Code-of-Conduct-for-Local-Councils-in-NSW-updated-August-2020 (1).docx**

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.

Code of Conduct

June 2019 | Policy 1.1

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Part 1 Introduction

The Riverina Water Code of Conduct is made under section 440 of the Local Government Act 1993 ("LGA") and the *Local Government (General) Regulation 2005* ("the Regulation").

The Code of Conduct sets the minimum standards of conduct for council officials. It is prescribed by regulation to assist council officials to:

- understand and comply with the standards of conduct that are expected of them
- enable them to fulfil their statutory duty to act honestly and exercise a reasonable degree of care and diligence (section 439)
- act in a way that enhances public confidence in local government.

Section 440 of the LGA requires every council (including county councils) and joint organisation to adopt a code of conduct that incorporates the provisions of the Model Code of Conduct. A council's or joint organisation's adopted code of conduct may also include provisions that supplement the Model Code of Conduct and that extend its application to persons that are not "council officials" for the purposes of the Model Code of Conduct (eg volunteers, contractors and members of wholly advisory committees).

A council's or joint organisation's adopted code of conduct has no effect to the extent that it is inconsistent with the Model Code of Conduct. However, a council's or joint organisation's adopted code of conduct may prescribe requirements that are more onerous than those prescribed in the Model Code of Conduct.

Members, administrators, members of staff of council, delegates of council, (including members of council committees that are delegates of a council) and any other person Riverina Water's adopted code of conduct applies to, must comply with the applicable provisions of the council's code of conduct. It is the personal responsibility of council officials to comply with the standards in the code and to regularly review their personal circumstances and conduct with this in mind.

Failure by a member to comply with the standards of conduct prescribed under this code constitutes misconduct for the purposes of the LGA. The LGA provides for a range of penalties that may be imposed on members for misconduct, including suspension or disqualification from civic office. A member who has been suspended on three or more occasions for misconduct is automatically disqualified from holding civic office for five years.

Failure by a member of staff to comply with a council's code of conduct may give rise to disciplinary action.

Part 2 Definitions

In this code the following terms have the following meanings:

LGA	the Local Government Act
administrator	an administrator of a council appointed under the LGA other than an administrator appointed under section 66
chairperson	includes the chairperson of a county council or a joint organisation
committee	see the definition of "council committee"
complaint	a code of conduct complaint made for the purposes of clauses 4.1 and 4.2 of the Procedures
council	includes country council and joint organisations
council committee	a committee established by a council comprising of members, staff or other persons that the council has delegated functions to and the council's audit, risk and improvement committee
council committee member	a person other than a councillor or member of staff of a council who is a member of a council committee other than a wholly advisory committee, and a person other than a councillor who is a member of the council's audit, risk and improvement committee
council official	includes members, members of staff of a council, administrators, council committee members, delegates of council and, for the purposes of clause 4.16, council advisers
conduct	includes acts and omissions
delegate of council	a person (other than a councillor or member of staff of a council) or body, and the individual members of that body, to whom a function of the council is delegated
designated person	a person referred to in clause 4.8
election campaign	includes council, state and federal election campaigns

environmental planning instrument	has the same meaning as it has in the Environmental Planning and Assessment Act 1979
general manager	includes the executive of a joint organisation
joint organisation	a joint organisation established under section 400O of the LGA
local planning panel	a local planning panel constituted under the <i>Environmental Planning and Assessment Act 1979</i>
member (councillor)	any person appointed to civic office, including the chairperson and includes members and chairpersons of county councils and voting representatives of the boards of joint organisations and chairpersons of joint organisations
members of staff of a council	includes members of staff of county councils and joint organisations
the Office	Office of Local Government
personal information	information or an opinion (including information or an opinion forming part of a database and whether or not recorded in a material form) about an individual whose identity is apparent or can reasonably be ascertained from the information or opinion
the Procedures	the Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW prescribed under the Regulation
the Regulation	the Local Government (General) Regulation 2005
voting representative	a voting representative of the board of a joint organisation
wholly advisory committee	a council committee that the council has not delegated any functions to

Part 3 General Conduct Obligations

General Conduct

3.1 You must not conduct yourself in a manner that:

- a) is likely to bring the council or other council officials into disrepute
- b) is contrary to statutory requirements or the council's administrative requirements or policies
- c) is improper or unethical
- d) is an abuse of power
- e) causes, comprises or involves intimidation or verbal abuse
- f) involves the misuse of your position to obtain a private benefit
- g) constitutes harassment or bullying behaviour under this code, or is unlawfully discriminatory.

3.2 You must act lawfully and honestly, and exercise a reasonable degree of care and diligence in carrying out your functions under the LGA or any other Act. (section 439).

Fairness and equity

3.3 You must consider issues consistently, promptly and fairly. You must deal with matters in accordance with established procedures, in a non-discriminatory manner.

3.4 You must take all relevant facts known to you, or that you should be reasonably aware of, into consideration and have regard to the particular merits of each case. You must not take irrelevant matters or circumstances into consideration when making decisions.

3.5 An act or omission in good faith, whether or not it involves error, will not constitute a breach of clauses 3.3 or 3.4.

Harassment and discrimination

3.6 You must not harass or unlawfully discriminate against others, or support others who harass or unlawfully discriminate against others, on the grounds of age, disability, race (including colour, national or ethnic origin or immigrant status), sex, pregnancy, marital or relationship status, family responsibilities or breastfeeding, sexual orientation, gender identify or intersex status, or political, religious or other affiliation.

3.7 For the purposes of this code, "harassment" is any form of behaviour towards a person that:

- a) is not wanted by the person
- b) offends, humiliates or intimidates the person, and
- c) creates a hostile environment.

Bullying

3.8 You must not engage in bullying behaviour towards others.

3.9 For the purposes of this code, "bullying behaviour" is any behaviour in which:

- a) a person or a group of people repeatedly behaves unreasonably towards another person or a group of persons and
- b) the behaviour creates a risk to health and safety.

3.10 Bullying behaviour may involve, but is not limited to, any of the following types of behaviour:

- a) aggressive, threatening or intimidating conduct
- b) belittling or humiliating comments
- c) spreading malicious rumours
- d) teasing, practical jokes or 'initiation ceremonies'
- e) exclusion from work-related events
- f) unreasonable work expectations, including too much or too little work, or work below or beyond a worker's skill level
- g) displaying offensive material
- h) pressure to behave in an inappropriate manner.

3.11 Reasonable management action carried out in a reasonable manner does not constitute bullying behaviour for the purposes of this code. Examples of reasonable management action may include, but are not limited to:

- a) performance management processes
- b) disciplinary action for misconduct
- c) informing a worker about unsatisfactory work performance or inappropriate work behaviour
- d) directing a worker to perform duties in keeping with their job

- e) maintaining reasonable workplace goals and standards
- f) legitimately exercising a regulatory function
- g) legitimately implementing a council policy or administrative processes.

Work health and safety

3.12 All council officials, including members, owe statutory duties under the Work Health and Safety Act 2011 (WH&S Act). You must comply with your duties under the WH&S Act and your responsibilities under any policies or procedures adopted by the council to ensure workplace health and safety. Specifically, you must:

- a) take reasonable care for your own health and safety
- b) take reasonable care that your acts or omissions do not adversely affect the health and safety of other persons
- c) comply, so far as you are reasonably able, with any reasonable instruction that is given to ensure compliance with the WH&S Act and any policies or procedures adopted by the council to ensure workplace health and safety
- d) cooperate with any reasonable policy or procedure of the council relating to workplace health or safety that has been notified to council staff
- e) report accidents, incidents, near misses, to the general manager or such other staff member nominated by the general manager, and take part in any incident investigations
- f) so far as is reasonably practicable, consult, co-operate and coordinate with all others who have a duty under the WH&S Act in relation to the same matter.

Land use planning, development assessment and other regulatory functions

3.13 You must ensure that land use planning, development assessment and other regulatory decisions are properly made, and that all parties are dealt with fairly. You must avoid any occasion for suspicion of improper conduct in the exercise of land use planning, development assessment and other regulatory functions.

3.14 In exercising land use planning, development assessment and other regulatory functions, you must ensure that no action, statement or communication between yourself and others conveys any suggestion of willingness to improperly provide concessions or preferential or unduly unfavourable treatment.

Binding caucus votes

- 3.15 You must not participate in binding caucus votes in relation to matters to be considered at a board or committee meeting.
- 3.16 For the purposes of clause 3.15, a binding caucus vote is a process whereby a group of members are compelled by a threat of disciplinary or other adverse action to comply with a predetermined position on a matter before the board or committee, irrespective of the personal views of individual members of the group on the merits of the matter before the board or committee.
- 3.17 Clause 3.15 does not prohibit members from discussing a matter before the board or committee prior to considering the matter in question at a board or committee meeting, or from voluntarily holding a shared view with other members on the merits of a matter.
- 3.18 Clause 3.15 does not apply to a decision to elect the chairperson or deputy chairperson, or to nominate a person to be a member of a council committee or a representative of the council on an external body.

Obligations in relation to meetings

- 3.19 You must comply with rulings by the chair at board and committee meetings or other proceedings of the council unless a motion dissenting from the ruling is passed.
- 3.20 You must not engage in bullying behaviour (as defined under this Part) towards the chair, other council officials or any members of the public present during board or committee meetings or other proceedings of the council (such as, but not limited to, workshops and briefing sessions).
- 3.21 You must not engage in conduct that disrupts board or committee meetings or other proceedings of the council (such as, but not limited to, workshops and briefing sessions), or that would otherwise be inconsistent with the orderly conduct of meetings.
- 3.22 If you are a board member, you must not engage in any acts of disorder or other conduct that is intended to prevent the proper or effective functioning of the board, or of a committee of the council. Without limiting this clause, you must not:
- a) leave a meeting of the board or a committee for the purposes of depriving the meeting of a quorum, or
 - b) submit a rescission motion with respect to a decision for the purposes of voting against it to prevent another member from submitting a rescission motion with respect to the same decision, or
 - c) deliberately seek to impede the consideration of business at a meeting.

Part 4 Pecuniary interests

What is a pecuniary interest?

- 4.1 A pecuniary interest is an interest that you have in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to you or a person referred to in clause 4.3.
- 4.2 You will not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision you might make in relation to the matter, or if the interest is of a kind specified in clause 4.6.
- 4.3 For the purposes of this Part, you will have a pecuniary interest in a matter if the pecuniary interest is:
- (a) your interest, or
 - (b) the interest of your spouse or de facto partner, your relative, or your partner or employer, or
 - (c) a company or other body of which you, or your nominee, partner or employer, is a shareholder or member.
- 4.4 For the purposes of clause 4.3:
- (a) Your "relative" is any of the following:
 - i) your parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child
 - ii) your spouse's or de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child
 - iii) the spouse or de facto partner of a person referred to in paragraphs (i) and (ii).
 - (b) "de facto partner" has the same meaning as defined in section 21C of the *Interpretation Act 1987*.
- 4.5 You will not have a pecuniary interest in relation to a person referred to in subclauses 4.3(b) or (c):
- (a) if you are unaware of the relevant pecuniary interest of your spouse, de facto partner, relative, partner, employer or company or other body, or
 - (b) just because the person is a member of, or is employed by, a council or a statutory body, or is employed by the Crown, or
 - (c) just because the person is a member of, or a delegate of a council to, a company or other body that has a pecuniary interest in the matter, so

long as the person has no beneficial interest in any shares of the company or body.

What interests do not have to be disclosed?

4.6 You do not have to disclose the following interests for the purposes of this Part:

- (a) your interest as an elector
- (b) your interest as a ratepayer or person liable to pay a charge
- (c) an interest you have in any matter relating to the terms on which the provision of a service or the supply of goods or commodities is offered to the public generally, or to a section of the public that includes persons who are not subject to this code
- (d) an interest you have in any matter relating to the terms on which the provision of a service or the supply of goods or commodities is offered to your relative by the council in the same manner and subject to the same conditions as apply to persons who are not subject to this code
- (e) an interest you have as a member of a club or other organisation or association, unless the interest is as the holder of an office in the club or organisation (whether remunerated or not)
- (f) if you are a council committee member, an interest you have as a person chosen to represent the community, or as a member of a non-profit organisation or other community or special interest group, if you have been appointed to represent the organisation or group on the council committee
- (g) an interest you have relating to a contract, proposed contract or other matter, if the interest arises only because of a beneficial interest in shares in a company that does not exceed 10 per cent of the voting rights in the company
- (h) an interest you have arising from the proposed making by the council of an agreement between the council and a corporation, association or partnership, being a corporation, association or partnership that has more than 25 members, if the interest arises because your relative is a shareholder (but not a director) of the corporation, or is a member (but not a member of the committee) of the association, or is a partner of the partnership
- (i) an interest you have arising from the making by the council of a contract or agreement with your relative for, or in relation to, any of the following, but only if the proposed contract or agreement is similar in terms and

conditions to such contracts and agreements as have been made, or as are proposed to be made, by the council in respect of similar matters with other residents of the area:

- i) the performance by the council at the expense of your relative of any work or service in connection with roads or sanitation
- ii) security for damage to footpaths or roads
- iii) any other service to be rendered, or act to be done, by the council by or under any Act conferring functions on the council, or by or under any contract
- (j) an interest relating to the payment of fees to members (including the chairperson and deputy chairperson)
- (k) an interest relating to the payment of expenses and the provision of facilities to members (including the chairperson and deputy chairperson) in accordance with a policy under section 252 of the LGA,
- (l) an interest relating to an election to the office of chairperson arising from the fact that a fee for the following 12 months has been determined for the office of chairperson
- (m) an interest of a person arising from the passing for payment of a regular account for the wages or salary of an employee who is a relative of the person
- (n) an interest arising from being covered by, or a proposal to be covered by, indemnity insurance as a member or a council committee member
- (o) an interest arising from the appointment of a member to a body as a representative or delegate of the council, whether or not a fee or other recompense is payable to the representative or delegate.

4.7 For the purposes of clause 4.6, "relative" has the same meaning as in clause 4.4, but includes your spouse or de facto partner.

What disclosures must be made by a designated person?

4.8 Designated persons include:

- (a) the general manager
- (b) other senior staff of the council for the purposes of section 332 of the LGA
- (c) a person (other than a member of the senior staff of the council) who is a member of staff of the council or a delegate of the council and who holds a position identified by the council as the position of a designated person because it involves the exercise of functions (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict

between the person's duty as a member of staff or delegate and the person's private interest

- (d) a person (other than a member of the senior staff of the council) who is a member of a committee of the council identified by the council as a committee whose members are designated persons because the functions of the committee involve the exercise of the council's functions (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict between the member's duty as a member of the committee and the member's private interest.

4.9 A designated person:

- (a) must prepare and submit written returns of interests in accordance with clauses 4.21, and
- (b) must disclose pecuniary interests in accordance with clause 4.10.

4.10 A designated person must disclose in writing to the general manager (or if the person is the general manager, to the board) the nature of any pecuniary interest the person has in any council matter with which the person is dealing as soon as practicable after becoming aware of the interest.

4.11 Clause 4.10 does not require a designated person who is a member of staff of the council to disclose a pecuniary interest if the interest relates only to the person's salary as a member of staff, or to their other conditions of employment.

4.12 The general manager must, on receiving a disclosure from a designated person, deal with the matter to which the disclosure relates or refer it to another person to deal with.

4.13 A disclosure by the general manager must, as soon as practicable after the disclosure is made, be laid on the table at a meeting of the board and the board must deal with the matter to which the disclosure relates or refer it to another person to deal with.

What disclosures must be made by council staff other than designated persons?

4.14 A member of staff of council, other than a designated person, must disclose in writing to their manager or the general manager the nature of any pecuniary interest they have in a matter they are dealing with as soon as practicable after becoming aware of the interest.

- 4.15 The staff member's manager or the general manager must, on receiving a disclosure under clause 4.14, deal with the matter to which the disclosure relates or refer it to another person to deal with.

What disclosures must be made by council advisers?

- 4.16 A person who, at the request or with the consent of the board or a council committee, gives advice on any matter at any meeting of the board or committee, must disclose the nature of any pecuniary interest the person has in the matter to the meeting at the time the advice is given. The person is not required to disclose the person's interest as an adviser.
- 4.17 A person does not breach clause 4.16 if the person did not know, and could not reasonably be expected to have known, that the matter under consideration at the meeting was a matter in which they had a pecuniary interest.

What disclosures must be made by a council committee member?

- 4.18 A council committee member must disclose pecuniary interests in accordance with clause 4.28 and comply with clause 4.29.
- 4.19 For the purposes of clause 4.18, a "council committee member" includes a member of staff of council who is a member of the committee.

What disclosures must be made by a member?

- 4.20 A member:
- (a) must prepare and submit written returns of interests in accordance with clause 4.21, and
 - (b) must disclose pecuniary interests in accordance with clause 4.28 and comply with clause 4.29 where it is applicable.

Disclosure of interests in written returns

- 4.21 A member or designated person must make and lodge with the general manager a return in the form set out in schedule 2 to this code, disclosing the member's or designated person's interests as specified in schedule 1 to this code within 3 months after:

- (a) becoming a member or designated person, and
 - (b) 30 June of each year, and
 - (c) the member or designated person becoming aware of an interest they are required to disclose under schedule 1 that has not been previously disclosed in a return lodged under paragraphs (a) or (b).
- 4.22 A person need not make and lodge a return under clause 4.21, paragraphs (a) and (b) if:
- (a) they made and lodged a return under that clause in the preceding 3 months, or
 - (b) they have ceased to be a member or designated person in the preceding 3 months.
- 4.23 A person must not make and lodge a return that the person knows or ought reasonably to know is false or misleading in a material particular.
- 4.24 The general manager must keep a register of returns required to be made and lodged with the general manager.
- 4.25 Returns required to be lodged with the general manager under clause 4.21 (a) and (b) must be tabled at the first meeting of the board after the last day the return is required to be lodged.
- 4.26 Returns required to be lodged with the general manager under clause 4.21 (c) must be tabled at the next council meeting after the return is lodged.
- 4.27 Information contained in returns made and lodged under clause 4.21 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.

Disclosure of pecuniary interests at meetings

- 4.28 A member or a council committee member who has a pecuniary interest in any matter with which the council is concerned, and who is present at a meeting of the board or committee at which the matter is being considered, must disclose the nature of the interest to the meeting as soon as practicable.
- 4.29 The member or council committee member must not be present at, or in sight of, the meeting of the council or committee:
- (a) at any time during which the matter is being considered or discussed by the board or committee, or

(b) at any time during which the board or committee is voting on any question in relation to the matter.

- 4.30 In the case of a meeting of a board of a joint organisation, a voting representative is taken to be present at the meeting for the purposes of clauses 4.28 and 4.29 where they participate in the meeting by telephone or other electronic means.
- 4.31 A disclosure made at a meeting of a board or council committee must be recorded in the minutes of the meeting.
- 4.32 A general notice may be given to the general manager in writing by a member or a council committee member to the effect that the member or council committee member, or the member's or council committee member's spouse, de facto partner or relative, is:
- a) a member of, or in the employment of, a specified company or other body, or
 - b) a partner of, or in the employment of, a specified person.

Such a notice is, unless and until the notice is withdrawn or until the end of the term of the board in which it is given (whichever is the sooner), sufficient disclosure of the member's or council committee member's interest in a matter relating to the specified company, body or person that may be the subject of consideration by the board or council committee after the date of the notice.

- 4.33 A member or a council committee member is not prevented from being present at and taking part in a meeting at which a matter is being considered, or from voting on the matter, merely because the member or council committee member has an interest in the matter of a kind referred to in clause 4.6.
- 4.34 A person does not breach clauses 4.28 or 4.29 if the person did not know, and could not reasonably be expected to have known, that the matter under consideration at the meeting was a matter in which they had a pecuniary interest.
- 4.35 Despite clause 4.29, a member who has a pecuniary interest in a matter may participate in a decision to delegate consideration of the matter in question to another body or person.
- 4.36 Clause 4.29 does not apply to a member who has a pecuniary interest in a matter that is being considered at a meeting if:
- (a) the matter is a proposal relating to:
 - (i) the making of a principal environmental planning instrument applying to the whole or a significant portion of the council's area, or
 - (ii) the amendment, alteration or repeal of an environmental planning instrument where the amendment, alteration or

repeal applies to the whole or a significant portion of the council's area, and

- (b) the pecuniary interest arises only because of an interest of the member in the member's principal place of residence or an interest of another person (whose interests are relevant under clause 4.3) in that person's principal place of residence, and
- (c) the member made a special disclosure under clause 4.37 in relation to the interest before the commencement of the meeting.

4.37 A special disclosure of a pecuniary interest made for the purposes of clause 4.36(c) must:

- (a) be in the form set out in schedule 3 of this code and contain the information required by that form, and
- (b) be laid on the table at a meeting of the board as soon as practicable after the disclosure is made, and the information contained in the special disclosure is to be recorded in the minutes of the meeting.

4.38 The Minister for Local Government may, conditionally or unconditionally, allow a member or a council committee member who has a pecuniary interest in a matter with which the council is concerned to be present at a meeting of the board or committee, to take part in the consideration or discussion of the matter and to vote on the matter if the Minister is of the opinion:

- (a) that the number of members prevented from voting would be so great a proportion of the whole as to impede the transaction of business, or
- (b) that it is in the interests of the electors for the area to do so.

4.39 A member or a council committee member with a pecuniary interest in a matter who is permitted to be present at a meeting of the board or committee, to take part in the consideration or discussion of the matter and to vote on the matter under clause 4.38, must still disclose the interest they have in the matter in accordance with clause 4.28.

Part 5 Non-pecuniary conflicts of interest

What is a non-pecuniary conflict of interest?

- 5.1 Non-pecuniary interests are private or personal interests a council official has that do not amount to a pecuniary interest as defined in clause 4.1 of this code. These commonly arise out of family or personal relationships, or out of involvement in sporting, social, religious or other cultural groups and associations, and may include an interest of a financial nature.
- 5.2 A non-pecuniary conflict of interest exists where a reasonable and informed person would perceive that you could be influenced by a private interest when carrying out your official functions in relation to a matter.
- 5.3 The personal or political views of a council official do not constitute a private interest for the purposes of clause 5.2.
- 5.4 Non-pecuniary conflicts of interest must be identified and appropriately managed to uphold community confidence in the probity of council decision-making. The onus is on you to identify any non-pecuniary conflict of interest you may have in matters that you deal with, to disclose the interest fully and in writing, and to take appropriate action to manage the conflict in accordance with this code.
- 5.5 When considering whether or not you have a non-pecuniary conflict of interest in a matter you are dealing with, it is always important to think about how others would view your situation.

Managing non-pecuniary conflicts of interest

- 5.6 Where you have a non-pecuniary conflict of interest in a matter for the purposes of clause 5.2, you must disclose the relevant private interest you have in relation to the matter fully and in writing as soon as practicable after becoming aware of the non-pecuniary conflict of interest and on each occasion on which the non-pecuniary conflict of interest arises in relation to the matter. In the case of members of council staff other than the general manager, such a disclosure is to be made to the staff member's manager. In the case of the general manager, such a disclosure is to be made to the chairperson.
- 5.7 If a disclosure is made at a board or committee meeting, both the disclosure and the nature of the interest must be recorded in the minutes on each occasion on which the non-pecuniary conflict of interest arises. This disclosure constitutes disclosure in writing for the purposes of clause 5.6.

- 5.8 How you manage a non-pecuniary conflict of interest will depend on whether or not it is significant.
- 5.9 As a general rule, a non-pecuniary conflict of interest will be significant where it does not involve a pecuniary interest for the purposes of clause 4.1, but it involves:
- a) a relationship between a council official and another person who is affected by a decision or a matter under consideration that is particularly close, such as a current or former spouse or de facto partner, a relative for the purposes of clause 4.4 or another person from the council official's extended family that the council official has a close personal relationship with, or another person living in the same household
 - b) other relationships with persons who are affected by a decision or a matter under consideration that are particularly close, such as friendships and business relationships. Closeness is defined by the nature of the friendship or business relationship, the frequency of contact and the duration of the friendship or relationship.
 - c) an affiliation between the council official and an organisation (such as a sporting body, club, religious, cultural or charitable organisation, corporation or association) that is affected by a decision or a matter under consideration that is particularly strong. The strength of a council official's affiliation with an organisation is to be determined by the extent to which they actively participate in the management, administration or other activities of the organisation.
 - d) membership, as the council's representative, of the board or management committee of an organisation that is affected by a decision or a matter under consideration, in circumstances where the interests of the council and the organisation are potentially in conflict in relation to the particular matter
 - e) a financial interest (other than an interest of a type referred to in clause 4.6) that is not a pecuniary interest for the purposes of clause 4.1
 - f) the conferral or loss of a personal benefit other than one conferred or lost as a member of the community or a broader class of people affected by a decision.
- 5.10 Significant non-pecuniary conflicts of interest must be managed in one of two ways:
- a) by not participating in consideration of, or decision making in relation to, the matter in which you have the significant non-pecuniary conflict of interest and the matter being allocated to another person for consideration or determination, or
 - b) if the significant non-pecuniary conflict of interest arises in relation to a matter under consideration at a council or committee meeting, by

managing the conflict of interest as if you had a pecuniary interest in the matter by complying with clauses 4.28 and 4.29.

- 5.11 If you determine that you have a non-pecuniary conflict of interest in a matter that is not significant and does not require further action, when disclosing the interest you must also explain in writing why you consider that the non-pecuniary conflict of interest is not significant and does not require further action in the circumstances.
- 5.12 If you are a member of staff of council other than the general manager, the decision on which option should be taken to manage a non-pecuniary conflict of interest must be made in consultation with and at the direction of your manager. In the case of the general manager, the decision on which option should be taken to manage a non-pecuniary conflict of interest must be made in consultation with and at the direction of the chairperson.
- 5.13 Despite clause 5.10(b), a member who has a significant non-pecuniary conflict of interest in a matter, may participate in a decision to delegate consideration of the matter in question to another body or person.
- 5.14 Council committee members are not required to declare and manage a non-pecuniary conflict of interest in accordance with the requirements of this Part where it arises from an interest they have as a person chosen to represent the community, or as a member of a non-profit organisation or other community or special interest group, if they have been appointed to represent the organisation or group on the council committee.

Political donations

- 5.15 Members should be aware that matters before council or committee meetings involving their political donors may also give rise to a non-pecuniary conflict of interest.
- 5.16 Where you are a member and have received or knowingly benefitted from a reportable political donation:
- a) made by a major political donor in the previous four years, and
 - b) the major political donor has a matter before council,
- you must declare a non-pecuniary conflict of interest in the matter, disclose the nature of the interest, and manage the conflict of interest as if you had a pecuniary interest in the matter by complying with clauses 4.28 and 4.29. A disclosure made under this clause must be recorded in the minutes of the meeting.
- 5.17 For the purposes of this Part:

- a) a “reportable political donation” has the same meaning as it has in section 6 of the *Electoral Funding Act 2018*
 - b) “major political donor” has the same meaning as it has in the *Electoral Funding Act 2018*.
- 5.18 Members should note that political donations that are not a “reportable political donation”, or political donations to a registered political party or group by which a member is endorsed, may still give rise to a non-pecuniary conflict of interest. Members should determine whether or not such conflicts are significant for the purposes of clause 5.9 and take the appropriate action to manage them.
- 5.19 Despite clause 5.16, a member who has received or knowingly benefitted from a reportable political donation of the kind referred to in that clause, may participate in a decision to delegate consideration of the matter in question to another body or person.

Loss of quorum as a result of compliance with this Part

- 5.20 A member who would otherwise be precluded from participating in the consideration of a matter under this Part because they have a non-pecuniary conflict of interest in the matter is permitted to participate in consideration of the matter if:
- a) the matter is a proposal relating to:
 - i) the making of a principal environmental planning instrument applying to the whole or a significant portion of the council's area, or
 - ii) the amendment, alteration or repeal of an environmental planning instrument where the amendment, alteration or repeal applies to the whole or a significant portion of the council's area, and
 - b) the non-pecuniary conflict of interest arises only because of an interest that a person has in that person's principal place of residence, and
 - c) the member discloses the interest they have in the matter that would otherwise have precluded their participation in consideration of the matter under this Part in accordance with clause 5.6.
- 5.21 The Minister for Local Government may, conditionally or unconditionally, allow a member or a council committee member who is precluded under this Part from participating in the consideration of a matter to be present at a meeting of the board or committee, to take part in the consideration or discussion of the matter and to vote on the matter if the Minister is of the opinion:
- a) that the number of members prevented from voting would be so great a proportion of the whole as to impede the transaction of business, or
 - b) that it is in the interests of the electors for the area to do so.

- 5.22 Where the Minister exempts a member or committee member from complying with a requirement under this Part under clause 5.21, the member or committee member must still disclose any interests they have in the matter the exemption applies to, in accordance with clause 5.6.

Other business or employment

- 5.23 The general manager must not engage, for remuneration, in private employment, contract work or other business outside the service of the council without the approval of the board.
- 5.24 A member of staff must not engage, for remuneration, in private employment, contract work or other business outside the service of the council that relates to the business of the council or that might conflict with the staff member's council duties unless they have notified the general manager in writing of the employment, work or business and the general manager has given their written approval for the staff member to engage in the employment, work or business.
- 5.25 The general manager may at any time prohibit a member of staff from engaging, for remuneration, in private employment, contract work or other business outside the service of the council that relates to the business of the council, or that might conflict with the staff member's council duties.
- 5.26 A member of staff must not engage, for remuneration, in private employment, contract work or other business outside the service of the council if prohibited from doing so.
- 5.27 Members of staff must ensure that any outside employment, work or business they engage in will not:
- a) conflict with their official duties
 - b) involve using confidential information or council resources obtained through their work with the council including where private use is permitted
 - c) require them to work while on council duty
 - d) discredit or disadvantage the council
 - e) pose, due to fatigue, a risk to their health or safety, or to the health and safety of their co-workers.

Personal dealings with council

- 5.28 You may have reason to deal with your council in your personal capacity (for example, as a customer, recipient of a council service or applicant for a

development consent granted by council). You must not expect or request preferential treatment in relation to any matter in which you have a private interest because of your position. You must avoid any action that could lead members of the public to believe that you are seeking preferential treatment.

- 5.29 You must undertake any personal dealings you have with the council in a manner that is consistent with the way other members of the community deal with the council. You must also ensure that you disclose and appropriately manage any conflict of interest you may have in any matter in accordance with the requirements of this code.

Part 6 Personal benefit

- 6.1 For the purposes of this Part, a gift or a benefit is something offered to or received by a council official or someone personally associated with them for their personal use and enjoyment.
- 6.2 A reference to a gift or benefit in this Part does not include:
- a) items with a value of \$10 or less
 - b) a political donation for the purposes of the *Electoral Funding Act 2018*
 - c) a gift provided to the council as part of a cultural exchange or sister-city relationship that is not converted for the personal use or enjoyment of any individual council official or someone personally associated with them
 - d) a benefit or facility provided by the council to employee or board member
 - e) attendance by a council official at a work-related event or function for the purposes of performing their official duties, or
 - f) free or subsidised meals, beverages or refreshments of token value provided to council officials in conjunction with the performance of their official duties such as, but not limited to:
 - i. the discussion of official business
 - ii. work-related events such as council-sponsored or community events, training, education sessions or workshops
 - iii. conferences
 - iv. council functions or events
 - v. social functions organised by groups, such as council committees and community organisations.

Gifts and benefits

- 6.3 You must avoid situations that would give rise to the appearance that a person or body is attempting to secure favourable treatment from you or from the council, through the provision of gifts, benefits or hospitality of any kind to you or someone personally associated with you.
- 6.4 A gift or benefit is deemed to have been accepted by you for the purposes of this Part, where it is received by you or someone personally associated with you.

How are offers of gifts and benefits to be dealt with?

6.5 You must not:

- a) seek or accept a bribe or other improper inducement
- b) seek gifts or benefits of any kind
- c) accept any gift or benefit that may create a sense of obligation on your part, or may be perceived to be intended or likely to influence you in carrying out your public duty
- d) subject to clause 6.7, accept any gift or benefit of more than token value as defined by clause 6.9
- e) accept an offer of cash or a cash-like gift as defined by clause 6.13, regardless of the amount
- f) participate in competitions for prizes where eligibility is based on the council being in or entering into a customer–supplier relationship with the competition organiser
- g) personally benefit from reward points programs when purchasing on behalf of the council.

6.6 Where you receive a gift or benefit of any value other than one referred to in clause 6.2, you must disclose this promptly to your manager or the general manager in writing. The recipient, manager, or general manager must ensure that, at a minimum, the following details are recorded in the council's gift register:

- a) the nature of the gift or benefit
- b) the estimated monetary value of the gift or benefit
- c) the name of the person who provided the gift or benefit, and
- d) the date on which the gift or benefit was received.

6.7 Where you receive a gift or benefit of more than token value that cannot reasonably be refused or returned, the gift or benefit must be surrendered to the council, unless the nature of the gift or benefit makes this impractical.

Gifts and benefits of token value

6.8 You may accept gifts and benefits of token value. Gifts and benefits of token value are one or more gifts or benefits received from a person or organisation over a 12-month period that, when aggregated, do not exceed a value of \$50. They include, but are not limited to:

- a) invitations to and attendance at local social, cultural or sporting events with a ticket value that does not exceed \$50
- b) gifts of alcohol that do not exceed a value of \$50
- c) ties, scarves, coasters, tie pins, diaries, chocolates or flowers or the like
- d) prizes or awards that do not exceed \$50 in value.

Gifts and benefits of more than token value

- 6.9 Gifts or benefits that exceed \$50 in value are gifts or benefits of more than token value for the purposes of clause 6.5(d) and, subject to clause 6.7, must not be accepted.
- 6.10 Gifts and benefits of more than token value include, but are not limited to, tickets to major sporting events (such as international matches or matches in national sporting codes) with a ticket value that exceeds \$50, corporate hospitality at a corporate facility at major sporting events, free or discounted products or services for personal use provided on terms that are not available to the general public or a broad class of persons, the use of holiday homes, artworks, free or discounted travel.
- 6.11 Where you have accepted a gift or benefit of token value from a person or organisation, you must not accept a further gift or benefit from the same person or organisation or another person associated with that person or organisation within a single 12-month period where the value of the gift, added to the value of earlier gifts received from the same person or organisation, or a person associated with that person or organisation, during the same 12-month period would exceed \$50 in value.
- 6.12 For the purposes of this Part, the value of a gift or benefit is the monetary value of the gift or benefit inclusive of GST.

“Cash-like gifts”

- 6.13 For the purposes of clause 6.5(e), “cash-like gifts” include but are not limited to, gift vouchers, credit cards, debit cards with credit on them, prepayments such as phone or internet credit, lottery tickets, memberships or entitlements to discounts that are not available to the general public or a broad class of persons.

Improper and undue influence

- 6.14 You must not use your position to influence other council officials in the performance of their official functions to obtain a private benefit for yourself or for somebody else.

A member will not be in breach of this clause where they seek to influence other council officials through the proper exercise of their role as prescribed under the LGA.

- 6.15 You must not take advantage (or seek to take advantage) of your status or position with council, or of functions you perform for council, in order to obtain a private benefit for yourself or for any other person or body.

Part 7 Relationships between council officials

Obligations of members and administrators

- 7.1 Each council is a body politic. The members or administrator/s are the governing body of the council. Under section 223 of the LGA, the role of the governing body of the council includes the development and endorsement of the strategic plans, programs, strategies and policies of the council, including those relating to workforce policy, and to keep the performance of the council under review.
- 7.2 Members or administrators must not:
- a) direct council staff other than by giving appropriate direction to the general manager by way of board or committee resolution, or by the chairperson or administrator exercising their functions under section 226 of the LGA
 - b) in any public or private forum, direct or influence, or attempt to direct or influence, any other member of the staff of the council or a delegate of the council in the exercise of the functions of the staff member or delegate
 - c) contact a member of the staff of the council on council-related business unless in accordance with the policy and procedures governing the interaction of members and council staff that have been authorised by the board and the general manager
 - d) contact or issue instructions to any of the council's contractors, including the council's legal advisers, unless by the chairperson or administrator exercising their functions under section 226 of the LGA.
- 7.3 Despite clause 7.2, members may contact the council's external auditor or the chair of the council's audit risk and improvement committee to provide information reasonably necessary for the external auditor or the audit, risk and improvement committee to effectively perform their functions.

Obligations of staff

- 7.4 Under section 335 of the LGA, the role of the general manager includes conducting the day-to-day management of the council in accordance with the strategic plans, programs, strategies and policies of the council, implementing without undue delay, lawful decisions of the council and ensuring that the chairperson and other members are given timely information and advice and the administrative and professional support necessary to effectively discharge their official functions.
- 7.5 Members of staff of council must:
- a) give their attention to the business of the council while on duty

- b) ensure that their work is carried out ethically, efficiently, economically and effectively
- c) carry out reasonable and lawful directions given by any person having authority to give such directions
- d) give effect to the lawful decisions, policies and procedures of the council, whether or not the staff member agrees with or approves of them
- e) ensure that any participation in political activities outside the service of the council does not interfere with the performance of their official duties.

Inappropriate interactions

7.6 You must not engage in any of the following inappropriate interactions:

- a) members and administrators approaching staff and staff organisations to discuss individual or operational staff matters (other than matters relating to broader workforce policy), grievances, workplace investigations and disciplinary matters
- b) council staff approaching members and administrators to discuss individual or operational staff matters (other than matters relating to broader workforce policy), grievances, workplace investigations and disciplinary matters
- c) subject to clause 8.6, council staff refusing to give information that is available to other members to a particular councillor
- d) members and administrators who have lodged an application with the council, discussing the matter with council staff in staff-only areas of the council
- e) members and administrators approaching members of local planning panels or discussing any application that is either before the panel or that will come before the panel at some future time, except during a panel meeting where the application forms part of the agenda and the member has a right to be heard by the panel at the meeting
- f) members and administrators being overbearing or threatening to council staff
- g) council staff being overbearing or threatening to members or administrators
- h) members and administrators making personal attacks on council staff or engaging in conduct towards staff that would be contrary to the general conduct provisions in Part 3 of this code in public forums including social media

- i) members and administrators directing or pressuring council staff in the performance of their work, or recommendations they should make
- j) council staff providing ad hoc advice to members and administrators without recording or documenting the interaction as they would if the advice was provided to a member of the community
- k) council staff meeting with applicants or objectors alone AND outside office hours to discuss planning applications or proposals
- l) members attending on-site inspection meetings with lawyers and/or consultants engaged by the council associated with current or proposed legal proceedings unless permitted to do so by the council's general manager or, in the case of the chairperson or administrator, unless they are exercising their functions under section 226 of the LGA.

Part 8 Access to information and council resources

Member and administrator access to information

- 8.1 The general manager is responsible for ensuring that members and administrators can access information necessary for the performance of their official functions. The general manager and public officer are also responsible for ensuring that members of the public can access publicly available council information under the *Government Information (Public Access) Act 2009* (the GIPA Act).
- 8.2 The general manager must provide members and administrators with the information necessary to effectively discharge their official functions.
- 8.3 Members of staff of council must provide full and timely information to members and administrators sufficient to enable them to exercise their official functions and in accordance with council procedures.
- 8.4 Members of staff of council who provide any information to a particular member in the performance of their official functions must also make it available to any other member who requests it and in accordance with council procedures.
- 8.5 Members and administrators who have a private interest only in council information have the same rights of access as any member of the public.
- 8.6 Despite clause 8.4, members and administrators who are precluded from participating in the consideration of a matter under this code because they have a conflict of interest in the matter, are not entitled to request access to council information in relation to the matter unless the information is otherwise available to members of the public, or the council has determined to make the information available under the GIPA Act.

Members and administrators to properly examine and consider information

- 8.7 Members and administrators must ensure that they comply with their duty under section 439 of the LGA to act honestly and exercise a reasonable degree of care and diligence by properly examining and considering all the information provided to them relating to matters that they are required to make a decision on.

Refusal of access to information

8.8 Where the general manager or public officer determine to refuse access to information requested by a member or administrator, they must act reasonably. In reaching this decision they must take into account whether or not the information requested is necessary for the member or administrator to perform their official functions (see clause 8.2) and whether they have disclosed a conflict of interest in the matter the information relates to that would preclude their participation in consideration of the matter (see clause 8.6). The general manager or public officer must state the reasons for the decision if access is refused.

Use of certain council information

- 8.9 In regard to information obtained in your capacity as a council official, you must:
- a) subject to clause 8.14, only access council information needed for council business
 - b) not use that council information for private purposes
 - c) not seek or obtain, either directly or indirectly, any financial benefit or other improper advantage for yourself, or any other person or body, from any information to which you have access by virtue of your office or position with council
 - d) only release council information in accordance with established council policies and procedures and in compliance with relevant legislation.

Use and security of confidential information

- 8.10 You must maintain the integrity and security of confidential information in your possession, or for which you are responsible.
- 8.11 In addition to your general obligations relating to the use of council information, you must:
- a) only access confidential information that you have been authorised to access and only do so for the purposes of exercising your official functions
 - b) protect confidential information
 - c) only release confidential information if you have authority to do so
 - d) only use confidential information for the purpose for which it is intended to be used

- e) not use confidential information gained through your official position for the purpose of securing a private benefit for yourself or for any other person
- f) not use confidential information with the intention to cause harm or detriment to the council or any other person or body
- g) not disclose any confidential information discussed during a confidential session of a council or committee meeting or any other confidential forum (such as, but not limited to, workshops or briefing sessions).

Personal information

8.12 When dealing with personal information you must comply with:

- a) the *Privacy and Personal Information Protection Act 1998*
- b) the *Health Records and Information Privacy Act 2002*
- c) the Information Protection Principles and Health Privacy Principles
- d) the council's privacy management plan
- e) the Privacy Code of Practice for Local Government

Use of council resources

8.13 You must use council resources ethically, effectively, efficiently and carefully in exercising your official functions, and must not use them for private purposes, except when supplied as part of a contract of employment (but not for private business purposes), unless this use is lawfully authorised and proper payment is made where appropriate.

8.14 Union delegates and consultative committee members may have reasonable access to council resources and information for the purposes of carrying out their industrial responsibilities, including but not limited to:

- a) the representation of members with respect to disciplinary matters
- b) the representation of employees with respect to grievances and disputes
- c) functions associated with the role of the local consultative committee.

8.15 You must be scrupulous in your use of council property, including intellectual property, official services, facilities, technology and electronic devices and must not permit their misuse by any other person or body.

- 8.16 You must avoid any action or situation that could create the appearance that council property, official services or public facilities are being improperly used for your benefit or the benefit of any other person or body.
- 8.17 You must not use council resources (including council staff), property or facilities for the purpose of assisting your election campaign or the election campaigns of others unless the resources, property or facilities are otherwise available for use or hire by the public and any publicly advertised fee is paid for use of the resources, property or facility.
- 8.18 You must not use the council letterhead, council crests, council email or social media or other information that could give the appearance it is official council material:
- a) for the purpose of assisting your election campaign or the election campaign of others, or
 - b) for other non-official purposes.
- 8.19 You must not convert any property of the council to your own use unless properly authorised.

Internet access

- 8.20 You must not use council's computer resources or mobile or other devices to search for, access, download or communicate any material of an offensive, obscene, pornographic, threatening, abusive or defamatory nature, or that could otherwise lead to criminal penalty or civil liability and/or damage the council's reputation.

Council record keeping

- 8.21 You must comply with the requirements of the *State Records Act 1998* and the council's records management policy.
- 8.22 All information created, sent and received in your official capacity is a council record and must be managed in accordance with the requirements of the *State Records Act 1998* and the council's approved records management policies and practices.
- 8.23 All information stored in either soft or hard copy on council supplied resources (including technology devices and email accounts) is deemed to be related to the business of the council and will be treated as council records, regardless of whether the original intention was to create the information for personal purposes.
- 8.24 You must not destroy, alter, or dispose of council information or records, unless authorised to do so. If you need to alter or dispose of council information or records,

you must do so in consultation with the council's records manager and comply with the requirements of the *State Records Act 1998*.

Councillor access to council buildings

- 8.25 Members and administrators are entitled to have access to the board room, committee room, chairperson's office (subject to availability), members' rooms, and public areas of council's buildings during normal business hours and for meetings. Members and administrators needing access to these facilities at other times must obtain authority from the general manager.
- 8.26 Members and administrators must not enter staff-only areas of council buildings without the approval of the general manager (or their delegate) or as provided for in the procedures governing the interaction of members and council staff.
- 8.27 Members and administrators must ensure that when they are within a staff only area they refrain from conduct that could be perceived to improperly influence council staff decisions.

Part 9 Maintaining the integrity of this Code

Complaints made for an improper purpose

- 9.1 You must not make or threaten to make a complaint or cause a complaint to be made alleging a breach of this code for an improper purpose.
- 9.2 For the purposes of clause 9.1, a complaint is made for an improper purpose where it is trivial, frivolous, vexatious or not made in good faith, or where it otherwise lacks merit and has been made substantially for one or more of the following purposes:
- a) to bully, intimidate or harass another council official
 - b) to damage another council official's reputation
 - c) to obtain a political advantage
 - d) to influence a council official in the exercise of their official functions or to prevent or disrupt the exercise of those functions
 - e) to influence the council in the exercise of its functions or to prevent or disrupt the exercise of those functions
 - f) to avoid disciplinary action under the Procedures
 - g) to take reprisal action against a person for making a complaint alleging a breach of this code
 - h) to take reprisal action against a person for exercising a function prescribed under the Procedures
 - i) to prevent or disrupt the effective administration of this code under the Procedures.

Detrimental action

- 9.3 You must not take detrimental action or cause detrimental action to be taken against a person substantially in reprisal for a complaint they have made alleging a breach of this code.
- 9.4 You must not take detrimental action or cause detrimental action to be taken against a person substantially in reprisal for any function they have exercised under the Procedures.
- 9.5 For the purposes of clauses 9.3 and 9.4, a detrimental action is an action causing, comprising or involving any of the following:

- a) injury, damage or loss
- b) intimidation or harassment
- c) discrimination, disadvantage or adverse treatment in relation to employment
- d) dismissal from, or prejudice in, employment
- e) disciplinary proceedings.

Compliance with requirements under the Procedures

- 9.6 You must not engage in conduct that is calculated to impede or disrupt the consideration of a matter under the Procedures.
- 9.7 You must comply with a reasonable and lawful request made by a person exercising a function under the Procedures. A failure to make a written or oral submission invited under the Procedures will not constitute a breach of this clause.
- 9.8 You must comply with a practice ruling made by the Office under the Procedures.
- 9.9

Disclosure of information about the consideration of a matter under the Procedures

- 9.9 All allegations of breaches of this code must be dealt with under and in accordance with the Procedures.
- 9.10 You must not allege breaches of this code other than by way of a complaint made or initiated under the Procedures.
- 9.11 You must not make allegations about, or disclose information about, suspected breaches of this code at board, committee or other meetings, whether open to the public or not, or in any other forum, whether public or not.
- 9.12 You must not disclose information about a complaint you have made alleging a breach of this code or a matter being considered under the Procedures except for the purposes of seeking legal advice, unless the disclosure is otherwise permitted under the Procedures.
- 9.13 Nothing under this Part prevents a person from making a public interest disclosure to an appropriate public authority or investigative authority under the *Public Interest Disclosures Act 1994*.

Complaints alleging a breach of this Part

- 9.14 Complaints alleging a breach of this Part by a member, the general manager or an administrator are to be managed by the Office. This clause does not prevent the Office from referring an alleged breach of this Part back to the council for consideration in accordance with the Procedures.
- 9.16 Complaints alleging a breach of this Part by other council officials are to be managed by the general manager in accordance with the Procedures.

Schedule 1: Disclosures of interest and other matters in written returns submitted under Clause 4.21

Part 1: Preliminary

Definitions

1. For the purposes of the schedules to this code, the following definitions apply:

address means:

- a) in relation to a person other than a corporation, the last residential or business address of the person known to the member or designated person disclosing the address, or
- b) in relation to a corporation, the address of the registered office of the corporation in New South Wales or, if there is no such office, the address of the principal office of the corporation in the place where it is registered, or
- c) in relation to any real property, the street address of the property.

de facto partner has the same meaning as defined in section 21C of the Interpretation Act 1987.

disposition of property means a conveyance, transfer, assignment, settlement, delivery, payment or other alienation of property, including the following:

- a) the allotment of shares in a company
- b) the creation of a trust in respect of property
- c) the grant or creation of a lease, mortgage, charge, easement, licence, power, partnership or interest in respect of property
- d) the release, discharge, surrender, forfeiture or abandonment, at law or in equity, of a debt, contract or chose in action, or of an interest in respect of property
- e) the exercise by a person of a general power of appointment over property in favour of another person
- f) a transaction entered into by a person who intends by the transaction to diminish, directly or indirectly, the value of the person's own property and to increase the value of the property of another person.

gift means a disposition of property made otherwise than by will (whether or not by instrument in writing) without consideration, or with inadequate consideration, in

money or money's worth passing from the person to whom the disposition was made to the person who made the disposition, but does not include a financial or other contribution to travel.

interest means:

- a) in relation to property, an estate, interest, right or power, at law or in equity, in or over the property, or
- b) in relation to a corporation, a relevant interest (within the meaning of section 9 of the Corporations Act 2001 of the Commonwealth) in securities issued or made available by the corporation.

listed company means a company that is listed within the meaning of section 9 of the Corporations Act 2001 of the Commonwealth.

occupation includes trade, profession and vocation.

professional or business association means an incorporated or unincorporated body or organisation having as one of its objects or activities the promotion of the economic interests of its members in any occupation.

property includes money.

return date means:

- a) in the case of a return made under clause 4.21 (a), the date on which a person became a member or designated person
- b) in the case of a return made under clause 4.21 (b), 30 June of the year in which the return is made
- c) in the case of a return made under clause 4.21 (c), the date on which the member or designated person became aware of the interest to be disclosed.

relative includes any of the following:

- a) a person's spouse or de facto partner
- b) a person's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child
- c) a person's spouse's or de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child
- d) the spouse or de facto partner of a person referred to in paragraphs (b) and (c).

travel includes accommodation incidental to a journey.

Matters relating to the interests that must be included in returns

2. *Interests etc. outside New South Wales:* A reference in this schedule or in schedule 2 to a disclosure concerning a corporation or other thing includes any reference to a disclosure concerning a corporation registered, or other thing arising or received, outside New South Wales.
3. *References to interests in real property:* A reference in this schedule or in schedule 2 to real property in which a member or designated person has an interest includes a reference to any real property situated in Australia in which the member or designated person has an interest.
4. *Gifts, loans etc. from related corporations:* For the purposes of this schedule and schedule 2, gifts or contributions to travel given, loans made, or goods or services supplied, to a member or designated person by two or more corporations that are related to each other for the purposes of section 50 of the *Corporations Act 2001* of the Commonwealth are all given, made or supplied by a single corporation.

Part 2: Pecuniary interests to be disclosed in returns

Real property

5. A person making a return under clause 4.21 of this code must disclose:
 - a) the street address of each parcel of real property in which they had an interest on the return date, and
 - b) the street address of each parcel of real property in which they had an interest in the period since 30 June of the previous financial year, and
 - c) the nature of the interest.
6. An interest in a parcel of real property need not be disclosed in a return if the person making the return had the interest only:
 - a) as executor of the will, or administrator of the estate, of a deceased person and not as a beneficiary under the will or intestacy, or
 - b) as a trustee, if the interest was acquired in the ordinary course of an occupation not related to their duties as the holder of a position required to make a return.
7. An interest in a parcel of real property need not be disclosed in a return if the person ceased to hold the interest prior to becoming a member or designated person.
8. For the purposes of clause 5 of this schedule, "interest" includes an option to purchase.

Gifts

9. A person making a return under clause 4.21 of this code must disclose:
 - a) a description of each gift received in the period since 30 June of the previous financial year, and
 - b) the name and address of the donor of each of the gifts.
10. A gift need not be included in a return if:
 - a) it did not exceed \$500, unless it was among gifts totalling more than \$500 made by the same person during a period of 12 months or less, or
 - b) it was a political donation disclosed, or required to be disclosed, under Part 3 of the *Electoral Funding Act 2018*, or
 - c) the donor was a relative of the donee, or
 - d) subject to paragraph (a), it was received prior to the person becoming a member or designated person.

11. For the purposes of clause 10 of this schedule, the amount of a gift other than money is an amount equal to the value of the property given.

Contributions to travel

12. A person making a return under clause 4.21 of this code must disclose:
- a) the name and address of each person who made any financial or other contribution to the expenses of any travel undertaken by the person in the period since 30 June of the previous financial year, and
 - b) the dates on which the travel was undertaken, and
 - c) the names of the states and territories, and of the overseas countries, in which the travel was undertaken.
13. A financial or other contribution to any travel need not be disclosed under this clause if it:
- a) was made from public funds (including a contribution arising from travel on free passes issued under an Act or from travel in government or council vehicles), or
 - b) was made by a relative of the traveller, or
 - c) was made in the ordinary course of an occupation of the traveller that is not related to their functions as the holder of a position requiring the making of a return, or
 - d) did not exceed \$250, unless it was among gifts totalling more than \$250 made by the same person during a 12-month period or less, or
 - e) was a political donation disclosed, or required to be disclosed, under Part 3 of the *Electoral Funding Act 2018*, or
 - f) was made by a political party of which the traveller was a member and the travel was undertaken for the purpose of political activity of the party in New South Wales, or to enable the traveller to represent the party within Australia, or
 - g) subject to paragraph (d) it was received prior to the person becoming a member or designated person.
14. For the purposes of clause 13 of this schedule, the amount of a contribution (other than a financial contribution) is an amount equal to the value of the contribution.

Interests and positions in corporations

15. A person making a return under clause 4.21 of this code must disclose:
- a) the name and address of each corporation in which they had an interest or held a position (whether remunerated or not) on the return date, and
 - b) the name and address of each corporation in which they had an interest or held a position in the period since 30 June of the previous financial year, and
 - c) the nature of the interest, or the position held, in each of the corporations, and

- d) a description of the principal objects (if any) of each of the corporations, except in the case of a listed company.
16. An interest in, or a position held in, a corporation need not be disclosed if the corporation is:
- a) formed for the purpose of providing recreation or amusement, or for promoting commerce, industry, art, science, religion or charity, or for any other community purpose, and
 - b) required to apply its profits or other income in promoting its objects, and
 - c) prohibited from paying any dividend to its members.
17. An interest in a corporation need not be disclosed if the interest is a beneficial interest in shares in a company that does not exceed 10 per cent of the voting rights in the company.
18. An interest or a position in a corporation need not be disclosed if the person ceased to hold the interest or position prior to becoming a member or designated person.

Interests as a property developer or a close associate of a property developer

19. A person making a return under clause 4.21 of this code must disclose whether they were a property developer, or a close associate of a corporation that, or an individual who, is a property developer, on the return date.
20. For the purposes of clause 19 of this schedule:
- close associate*, in relation to a corporation or an individual, has the same meaning as it has in section 53 of the *Electoral Funding Act 2018*.
- property developer* has the same meaning as it has in Division 7 of Part 3 of the *Electoral Funding Act 2018*.

Positions in trade unions and professional or business associations

21. A person making a return under clause 4.21 of the code must disclose:
- a) the name of each trade union, and of each professional or business association, in which they held any position (whether remunerated or not) on the return date, and
 - b) the name of each trade union, and of each professional or business association, in which they have held any position (whether remunerated or not) in the period since 30 June of the previous financial year, and
 - c) a description of the position held in each of the unions and associations.

22. A position held in a trade union or a professional or business association need not be disclosed if the person ceased to hold the position prior to becoming a member or designated person.

Dispositions of real property

23. A person making a return under clause 4.21 of this code must disclose particulars of each disposition of real property by the person (including the street address of the affected property) in the period since 30 June of the previous financial year, under which they wholly or partly retained the use and benefit of the property or the right to re-acquire the property.
24. A person making a return under clause 4.21 of this code must disclose particulars of each disposition of real property to another person (including the street address of the affected property) in the period since 30 June of the previous financial year, that is made under arrangements with, but is not made by, the person making the return, being a disposition under which the person making the return obtained wholly or partly the use of the property.
- (a)
25. A disposition of real property need not be disclosed if it was made prior to a person becoming a member or designated person.

Sources of income

26. A person making a return under clause 4.21 of this code must disclose:
- a) each source of income that the person reasonably expects to receive in the period commencing on the first day after the return date and ending on the following 30 June, and
 - b) each source of income received by the person in the period since 30 June of the previous financial year.
27. A reference in clause 26 of this schedule to each source of income received, or reasonably expected to be received, by a person is a reference to:
- a) in relation to income from an occupation of the person:
 - (i) a description of the occupation, and
 - (ii) if the person is employed or the holder of an office, the name and address of their employer, or a description of the office, and
 - (iii) if the person has entered into a partnership with other persons, the name (if any) under which the partnership is conducted, or
 - b) in relation to income from a trust, the name and address of the settlor and the trustee, or
 - c) in relation to any other income, a description sufficient to identify the person from whom, or the circumstances in which, the income was, or is reasonably expected to be, received.
28. The source of any income need not be disclosed by a person in a return if the amount of the income received, or reasonably expected to be received, by the person from that

source did not exceed \$500, or is not reasonably expected to exceed \$500, as the case may be.

29. The source of any income received by the person that they ceased to receive prior to becoming a member or designated person need not be disclosed.
- (b)
30. A fee paid to a member or to the chairperson or deputy chairperson under sections 248 or 249 of the LGA need not be disclosed.

Debts

31. A person making a return under clause 4.21 of this code must disclose the name and address of each person to whom the person was liable to pay any debt:
- a) on the return date, and
 - b) at any time in the period since 30 June of the previous financial year.
32. A liability to pay a debt must be disclosed by a person in a return made under clause 4.21 whether or not the amount, or any part of the amount, to be paid was due and payable on the return date or at any time in the period since 30 June of the previous financial year, as the case may be.
33. A liability to pay a debt need not be disclosed by a person in a return if:
- a) the amount to be paid did not exceed \$500 on the return date or in the period since 30 June of the previous financial year, as the case may be, unless:
 - (i) the debt was one of two or more debts that the person was liable to pay to one person on the return date, or at any time in the period since 30 June of the previous financial year, as the case may be, and
 - (ii) the amounts to be paid exceeded, in the aggregate, \$500, or
 - b) the person was liable to pay the debt to a relative, or
 - c) in the case of a debt arising from a loan of money the person was liable to pay the debt to an authorised deposit-taking institution or other person whose ordinary business includes the lending of money, and the loan was made in the ordinary course of business of the lender, or
 - d) in the case of a debt arising from the supply of goods or services:
 - (i) the goods or services were supplied in the period of 12 months immediately preceding the return date, or were supplied in the period since 30 June of the previous financial year, as the case may be, or
 - (ii) the goods or services were supplied in the ordinary course of any occupation of the person that is not related to their duties as the holder of a position required to make a return, or
 - e) subject to paragraph (a), the debt was discharged prior to the person becoming a councillor or designated person.

Discretionary disclosures

34. A person may voluntarily disclose in a return any interest, benefit, advantage or liability, whether pecuniary or not, that is not required to be disclosed under another provision of this Schedule.

Schedule 2: Form of written return of interests submitted under Clause 4.21

‘Disclosures by members and designated persons’ return

1. The pecuniary interests and other matters to be disclosed in this return are prescribed by Schedule 1 of the Model Code of Conduct for Local Councils in NSW (the Model Code of Conduct).

(c)

2. If this is the first return you have been required to lodge with the general manager after becoming a member or designated person, do not complete Parts C, D and I of the return. All other parts of the return should be completed with appropriate information based on your circumstances at the return date, that is, the date on which you became a member or designated person.

(d)

3. If you have previously lodged a return with the general manager and you are completing this return for the purposes of disclosing a new interest that was not disclosed in the last return you lodged with the general manager, you must complete all parts of the return with appropriate information for the period from 30 June of the previous financial year or the date on which you became a member or designated person, (whichever is the later date), to the return date which is the date you became aware of the new interest to be disclosed in your updated return.

(e)

4. If you have previously lodged a return with the general manager and are submitting a new return for the new financial year, you must complete all parts of the return with appropriate information for the 12-month period commencing on 30 June of the previous year to 30 June this year.

(f)

5. This form must be completed using block letters or typed.

(g)

6. If there is insufficient space for all the information you are required to disclose, you must attach an appendix which is to be properly identified and signed by you.

(h)

7. If there are no pecuniary interests or other matters of the kind required to be disclosed under a heading in this form, the word “NIL” is to be placed in an appropriate space under that heading.

Important information

This information is being collected for the purpose of complying with clause 4.21 of the Model Code of Conduct.

You must not lodge a return that you know or ought reasonably to know is false or misleading in a material particular (see clause 4.23 of the Model Code of Conduct). Complaints about breaches of these requirements are to be referred to the Office of Local Government and may result in disciplinary action by the council, the Chief Executive of the Office of Local Government or the NSW Civil and Administrative Tribunal.

The information collected on this form will be kept by the general manager in a register of returns. The general manager is required to table all returns at a board meeting.

Information contained in returns made and lodged under clause 4.21 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.

You have an obligation to keep the information contained in this return up to date. If you become aware of a new interest that must be disclosed in this return, or an interest that you have previously failed to disclose, you must submit an updated return within three months of becoming aware of the previously undisclosed interest.

Disclosure of pecuniary interests and other matters _by [full name of member or designated person]

as at [return date]

in respect of the period from [date] to [date]

[member's or designated person's signature]

[date]

A. Real Property

Street address of each parcel of real property in which I had an interest at the return date/at any time since 30 June	Nature of interest

B. Sources of income

1 Sources of income I reasonably expect to receive from an occupation in the period commencing on the first day after the return date and ending on the following 30 June

Sources of income I received from an occupation at any time since 30 June

Description of occupation	Name and address of employer or description of office held (if applicable)	Name under which partnership conducted (if applicable)
---------------------------	--	--

2 Sources of income I reasonably expect to receive from a trust in the period commencing on the first day after the return date and ending on the following 30 June

Sources of income I received from a trust since 30 June

Name and address of settlor	Name and address of trustee
-----------------------------	-----------------------------

3 Sources of other income I reasonably expect to receive in the period commencing on the first day after the return date and ending on the following 30 June

Sources of other income I received at any time since 30 June

[Include description sufficient to identify the person from whom, or the circumstances in which, that income was received]

C. Gifts

Description of each gift I received at any time since 30 June

Name and address of donor

D. Contributions to travel

Name and address of each person who made any financial or other contribution to any travel undertaken by me at any time since 30 June	Dates on which travel was undertaken	Name of States, Territories of the Commonwealth and overseas countries in which travel was undertaken
---	--------------------------------------	---

E. Interests and positions in corporations

Name and address of each corporation in which I had an interest or held a position at the return date/at any time since 30 June	Nature of interest (if any)	Description of position (if any)	Description of principal objects (if any) of corporation (except in case of listed company)

F. Were you a property developer or a close associate of a property developer on the return date? (Y/N)

G. Positions in trade unions and professional or business associations

Name of each trade union and each professional or business association in which I held any position (whether remunerated or not) at the return date/at any time since 30 June	Description of position

H. Debts

Name and address of each person to whom I was liable to pay any debt at the return date/at any time since 30 June

I. Dispositions of property

1 Particulars of each disposition of real property by me (including the street address of the affected property) at any time since 30 June as a result of which I retained, either wholly or in part, the use and benefit of the property or the right to re-acquire the property at a later time

2 Particulars of each disposition of property to a person by any other person under arrangements made by me (including the street address of the affected property), being dispositions made at any time since 30 June, as a result of which I obtained, either wholly or in part, the use and benefit of the property

J. Discretionary disclosures

Schedule 3: Form of Special Disclosure of pecuniary interest submitted under Clause 4.37

1. This form must be completed using block letters or typed.
2. If there is insufficient space for all the information you are required to disclose, you must attach an appendix which is to be properly identified and signed by you.

Important information

This information is being collected for the purpose of making a special disclosure of pecuniary interests under clause 4.36(c) of the Riverina Water Code of Conduct.

The special disclosure must relate only to a pecuniary interest that a member has in the member's principal place of residence, or an interest another person (whose interests are relevant under clause 4.3 of the Riverina Water Code of Conduct) has in that person's principal place of residence.

Clause 4.3 of the Riverina Water Code of Conduct states that you will have a pecuniary interest in a matter because of the pecuniary interest of your spouse or your de facto partner or your relative or because your business partner or employer has a pecuniary interest. You will also have a pecuniary interest in a matter because you, your nominee, your business partner or your employer is a member of a company or other body that has a pecuniary interest in the matter.

"Relative" is defined by clause 4.4 of the Riverina Water Code of Conduct as meaning your, your spouse's or your de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child and the spouse or de facto partner of any of those persons.

You must not make a special disclosure that you know or ought reasonably to know is false or misleading in a material particular. Complaints about breaches of these requirements are to be referred to the Office of Local Government and may result in disciplinary action by the Chief Executive of the Office of Local Government or the NSW Civil and Administrative Tribunal.

This form must be completed by you before the commencement of the board or council committee meeting at which the special disclosure is being made. The completed form must be tabled at the meeting. Everyone is entitled to inspect it. The special disclosure must be recorded in the minutes of the meeting.

Special disclosure of pecuniary interests by *[full name of member]*

in the matter of *[insert name of environmental planning instrument]*

which is to be considered at a meeting of the *[name of board or council committee (as the case requires)]*

to be held on the day of 20 .

Pecuniary interest	
Address of the affected principal place of residence of the member or an associated person, company or body (the identified land)	
Relationship of identified land to the member <i>[Tick or cross one box]</i>	<input type="checkbox"/> The member has an interest in the land (e.g. is the owner or has another interest arising out of a mortgage, lease, trust, option or contract, or otherwise). <input type="checkbox"/> An associated person of the member has an interest in the land. <input type="checkbox"/> An associated company or body of the member has an interest in the land.
Matter giving rise to pecuniary interest ¹	
Nature of the land that is subject to a change in zone/planning control by the proposed LEP (the subject land) ² <i>[Tick or cross one box]</i>	<input type="checkbox"/> The identified land. <input type="checkbox"/> Land that adjoins or is adjacent to or is in proximity to the identified land.

¹ Clause 4.1 of the Riverina Water Code of Conduct provides that a pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person. A person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to the matter, or if the interest is of a kind specified in clause 4.6 of the Code of Conduct.

² A pecuniary interest may arise by way of a change of permissible use of land adjoining, adjacent to or in proximity to land in which a councillor or a person, company or body referred to in clause 4.3 of the Riverina Water Code of Conduct has a proprietary interest.

<p>Current zone/planning control <i>[Insert name of current planning instrument and identify relevant zone/planning control applying to the subject land]</i></p>	
<p>Proposed change of zone/planning control <i>[Insert name of proposed LEP and identify proposed change of zone/planning control applying to the subject land]</i></p>	
<p>Effect of proposed change of zone/planning control on member or associated person <i>[Insert one of the following: "Appreciable financial gain" or "Appreciable financial loss"]</i></p>	

[If more than one pecuniary interest is to be declared, reprint the above box and fill in for each additional interest.]

Member's signature

Date

[This form is to be retained by the council's general manager and included in full in the minutes of the meeting]

Policy details

Policy number	Policy 1.1
Responsible area	General Manager
Approved by	Riverina Water board – Resolution No 19/87
Approval date	26 June 2019
Legislation or related strategy	Local Government Act 1993 Model Code of Conduct 2018 Procedures for the Administration of the Code of Conduct 2018
Documents associated with this policy	Policy 1.6 Conflict of Interest Policy 1.3 Good Governance Policy 1.7 Gifts & Benefits Policy 1.14 Fraud & Corruption Prevention Policy 1.28 Related Parties Disclosure
Policy history	Replaces Code of Conduct 2017 Res 17/135 PDF version EDRMS # 46331

Policy details may change prior to review date due to legislative or other changes, therefore this document is uncontrolled when printed.

Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW

2020

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PART 1

INTRODUCTION

These procedures (“the Model Code Procedures”) are prescribed for the administration of the *Model Code of Conduct for Local Councils in NSW* (“the Model Code of Conduct”).

The Model Code of Conduct is made under section 440 of the *Local Government Act 1993* (“the LGA”) and the *Local Government (General) Regulation 2005* (“the Regulation”). Section 440 of the LGA requires every council (including county councils) and joint organisation to adopt a code of conduct that incorporates the provisions of the Model Code of Conduct.

The Model Code Procedures are made under section 440AA of the LGA and the Regulation. Section 440AA of the LGA requires every council (including county councils) and joint organisation to adopt procedures for the administration of their code of conduct that incorporate the provisions of the Model Code Procedures.

In adopting procedures for the administration of their adopted codes of conduct, councils and joint organisations may supplement the Model Code Procedures. However, provisions that are not consistent with those prescribed under the Model Code Procedures will have no effect.

Note: References in these procedures to councils are also to be taken as references to county councils and joint organisations.

Note: In adopting the Model Code Procedures, joint organisations should adapt them to substitute the terms “board” for “council”, “chairperson” for “mayor”, “voting representative” for “councillor” and “executive officer” for “general manager”.

Note: In adopting the Model Code Procedures, county councils should adapt them to substitute the term “chairperson” for “mayor” and “member” for “councillor”.

Note: Parts 6, 7, 8 and 11 of these procedures apply only to the management of code of conduct complaints about councillors (including the mayor) or the general manager.

PART 2 DEFINITIONS

In these procedures the following terms have the following meanings:

administrator	an administrator of a council appointed under the LGA other than an administrator appointed under section 66
code of conduct	a code of conduct adopted under section 440 of the LGA

code of conduct complaint	a complaint that is a code of conduct complaint for the purposes of clauses 4.1 and 4.2 of these procedures
complainant	a person who makes a code of conduct complaint
complainant councillor	a councillor who makes a code of conduct complaint
complaints coordinator	a person appointed by the general manager under these procedures as a complaints coordinator
conduct reviewer	a person appointed under these procedures to review allegations of breaches of the code of conduct by councillors or the general manager
council	includes county councils and joint organisations
council committee	a committee established by a council comprising of councillors, staff or other persons that the council has delegated functions to and the council's audit, risk and improvement committee
council committee member	a person other than a councillor or member of staff of a council who is a member of a council committee other than a wholly advisory committee, and a person other than a councillor who is a member of the council's audit, risk and improvement committee
councillor	any person elected or appointed to civic office, including the mayor, and includes members and chairpersons of county councils and voting representatives of the boards of joint organisations and chairpersons of joint organisations
council official	any councillor, member of staff of council, administrator, council committee member, delegate of council and, for the purposes of clause 4.16 of the Model Code of Conduct, council adviser

delegate of council	a person (other than a councillor or member of staff of a council) or body, and the individual members of that body, to whom a function of the council is delegated
external agency	a state government agency such as, but not limited to, the Office, the ICAC, the NSW Ombudsman or the police
general manager	includes the executive officer of a joint organisation
ICAC	the Independent Commission Against Corruption
joint organisation	a joint organisation established under section 4000 of the LGA
LGA	the <i>Local Government Act 1993</i>
mayor	includes the chairperson of a county council or a joint organisation
members of staff of a council	includes members of staff of county councils and joint organisations
the Office	the Office of Local Government
investigator	a conduct reviewer
the Regulation	the <i>Local Government (General) Regulation 2005</i>
respondent	a person whose conduct is the subject of investigation by a conduct reviewer under these procedures
wholly advisory committee	a council committee that the council has not delegated any functions to

PART 3 ADMINISTRATIVE FRAMEWORK

The establishment of a panel of conduct reviewers

3.1 The council must establish a panel of conduct reviewers.

- 3.2 The council may enter into an arrangement with one or more other councils to share a panel of conduct reviewers including through a joint organisation or another regional body associated with the councils.
- 3.3 The panel of conduct reviewers is to be established following a public expression of interest process.
- 3.4 An expression of interest for members of the council's panel of conduct reviewers must, at a minimum, be advertised locally and in the Sydney metropolitan area.
- 3.5 To be eligible to be a conduct reviewer, a person must, at a minimum, meet the following requirements:
 - a) an understanding of local government, and
 - b) knowledge of investigative processes including but not limited to procedural fairness requirements and the requirements of the *Public Interest Disclosures Act 1994*, and
 - c) knowledge and experience of one or more of the following:
 - i) investigations
 - ii) law
 - iii) public administration
 - iv) public sector ethics
 - v) alternative dispute resolution, and
 - d) meet the eligibility requirements for membership of a panel of conduct reviewers under clause 3.6.
- 3.6 A person is not eligible to be a conduct reviewer if they are:
 - a) a councillor, or
 - b) a nominee for election as a councillor, or
 - c) an administrator, or
 - d) an employee of a council, or
 - e) a member of the Commonwealth Parliament or any State Parliament or Territory Assembly, or
 - f) a nominee for election as a member of the Commonwealth Parliament or any State Parliament or Territory Assembly, or
 - g) a person who has a conviction for an indictable offence that is not an expired conviction.
- 3.7 A person is not precluded from being a member of the council's panel of conduct reviewers if they are a member of another council's panel of conduct reviewers.
- 3.8 An incorporated or other entity may be appointed to a council's panel of conduct reviewers where the council is satisfied that all the persons who will be undertaking the functions of a conduct reviewer on behalf of the entity meet the selection and eligibility criteria prescribed under this Part.
- 3.9 A panel of conduct reviewers established under this Part is to have a term of up to four years.

- 3.10 The council may terminate the panel of conduct reviewers at any time. Where a panel of conduct reviewers has been terminated, conduct reviewers who were members of the panel may continue to deal with any matter referred to them under these procedures prior to the termination of the panel until they have finalised their consideration of the matter.
- 3.11 When the term of the panel of conduct reviewers concludes or is terminated, the council must establish a new panel of conduct reviewers in accordance with the requirements of this Part.
- 3.12 A person who was a member of a previous panel of conduct reviewers established by the council may be a member of subsequent panels of conduct reviewers established by the council if they continue to meet the selection and eligibility criteria for membership of the panel.

The appointment of an internal ombudsman to a panel of conduct reviewers

- 3.13 Despite clause 3.6(d), an employee of a council who is the nominated internal ombudsman of one or more councils may be appointed to a council's panel of conduct reviewers with the Office's consent.
- 3.14 To be appointed to a council's panel of conduct reviewers, an internal ombudsman must meet the qualification requirements for conduct reviewers prescribed under clause 3.5 as modified by the operation of clause 3.13.
- 3.15 An internal ombudsman appointed to a council's panel of conduct reviewers may also exercise the functions of the council's complaints coordinator. For the purposes of clause 6.1, an internal ombudsman who is a council's complaints coordinator and has been appointed to the council's panel of conduct reviewers, may either undertake a preliminary assessment and investigation of a matter referred to them under clauses 5.26 or 5.33 or refer the matter to another conduct reviewer in accordance with clause 6.2.
- 3.16 Clause 6.4(c) does not apply to an internal ombudsman appointed to a council's panel of conduct reviewers.

The appointment of complaints coordinators

- 3.17 The general manager must appoint a member of staff of the council or another person (such as, but not limited to, a member of staff of another council or a member of staff of a joint organisation or other regional body associated with the council), to act as a complaints coordinator. Where the complaints coordinator is a member of staff of the council, the complaints coordinator should be a senior and suitably qualified member of staff.
- 3.18 The general manager may appoint other members of staff of the council or other persons (such as, but not limited to, members of staff of another

council or members of staff of a joint organisation or other regional body associated with the council), to act as alternates to the complaints coordinator.

- 3.19 The general manager must not undertake the role of complaints coordinator.
- 3.20 The person appointed as complaints coordinator or alternate complaints coordinator must also be a nominated disclosures coordinator appointed for the purpose of receiving and managing reports of wrongdoing under the *Public Interest Disclosures Act 1994*.
- 3.21 The role of the complaints coordinator is to:
- a) coordinate the management of complaints made under the council's code of conduct
 - b) liaise with and provide administrative support to a conduct reviewer
 - c) liaise with the Office, and
 - d) arrange the annual reporting of code of conduct complaints statistics.

PART 4 HOW MAY CODE OF CONDUCT COMPLAINTS BE MADE?

What is a code of conduct complaint?

- 4.1 For the purpose of these procedures, a code of conduct complaint is a complaint that shows or tends to show conduct on the part of a council official in connection with their role as a council official or the exercise of their functions as a council official that would constitute a breach of the standards of conduct prescribed under the council's code of conduct if proven.
- 4.2 The following are not "code of conduct complaints" for the purposes of these procedures:
- a) complaints about the standard or level of service provided by the council or a council official
 - b) complaints that relate solely to the merits of a decision made by the council or a council official or the exercise of a discretion by the council or a council official
 - c) complaints about the policies or procedures of the council
 - d) complaints about the conduct of a council official arising from the exercise of their functions in good faith, whether or not involving error, that would not otherwise constitute a breach of the standards of conduct prescribed under the council's code of conduct.
- 4.3 Only code of conduct complaints are to be dealt with under these procedures. Complaints that do not satisfy the definition of a code of

conduct complaint are to be dealt with under the council's routine complaints management processes.

When must a code of conduct complaint be made?

- 4.4 A code of conduct complaint must be made within 3 months of the alleged conduct occurring or within three months of the complainant becoming aware of the alleged conduct.
- 4.5 A complaint made after 3 months may only be accepted if the general manager or their delegate, or, in the case of a complaint about the general manager, the mayor or their delegate, is satisfied that the allegations are serious and compelling grounds exist for the matter to be dealt with under the code of conduct.

How may a code of conduct complaint about a council official other than the general manager be made?

- 4.6 All code of conduct complaints other than those relating to the general manager are to be made to the general manager in writing. This clause does not operate to prevent a person from making a complaint to an external agency.
- 4.7 Where a code of conduct complaint about a council official other than the general manager cannot be made in writing, the complaint must be confirmed with the complainant in writing as soon as possible after the receipt of the complaint.
- 4.8 In making a code of conduct complaint about a council official other than the general manager, the complainant may nominate whether they want the complaint to be resolved by mediation or by other alternative means.
- 4.9 The general manager or their delegate, or, where the complaint is referred to a conduct reviewer, the conduct reviewer, must consider the complainant's preferences in deciding how to deal with the complaint.
- 4.10 Notwithstanding clauses 4.6 and 4.7, where the general manager becomes aware of a possible breach of the council's code of conduct, they may initiate the process for the consideration of the matter under these procedures without a written complaint.

How may a code of conduct complaint about the general manager be made?

- 4.11 Code of conduct complaints about the general manager are to be made to the mayor in writing. This clause does not operate to prevent a person from making a complaint about the general manager to an external agency.

- 4.12 Where a code of conduct complaint about the general manager cannot be made in writing, the complaint must be confirmed with the complainant in writing as soon as possible after the receipt of the complaint.
- 4.13 In making a code of conduct complaint about the general manager, the complainant may nominate whether they want the complaint to be resolved by mediation or by other alternative means.
- 4.14 The mayor or their delegate, or, where the complaint is referred to a conduct reviewer, the conduct reviewer, must consider the complainant's preferences in deciding how to deal with the complaint.
- 4.15 Notwithstanding clauses 4.11 and 4.12, where the mayor becomes aware of a possible breach of the council's code of conduct by the general manager, they may initiate the process for the consideration of the matter under these procedures without a written complaint.

PART 5 HOW ARE CODE OF CONDUCT COMPLAINTS TO BE MANAGED?

Delegation by general managers and mayors of their functions under this Part

- 5.1 A general manager or mayor may delegate their functions under this Part to a member of staff of the council or to a person or persons external to the council other than an external agency. References in this Part to the general manager or mayor are also to be taken to be references to their delegates.

Consideration of complaints by general managers and mayors

- 5.2 In exercising their functions under this Part, general managers and mayors may consider the complaint assessment criteria prescribed under clause 6.31.

What complaints may be declined at the outset?

- 5.3 Without limiting any other provision in these procedures, the general manager or, in the case of a complaint about the general manager, the mayor, may decline to deal with a complaint under these procedures where they are satisfied that the complaint:
- a) is not a code of conduct complaint, or
 - b) subject to clause 4.5, is not made within 3 months of the alleged conduct occurring or the complainant becoming aware of the alleged conduct, or
 - c) is trivial, frivolous, vexatious or not made in good faith, or
 - d) relates to a matter the substance of which has previously been considered and addressed by the council and does not warrant further action, or

- e) is not made in a way that would allow the alleged conduct and any alleged breaches of the council's code of conduct to be readily identified.

How are code of conduct complaints about staff (other than the general manager) to be dealt with?

- 5.4 The general manager is responsible for the management of code of conduct complaints about members of staff of council (other than complaints alleging a breach of the pecuniary interest provisions contained in Part 4 of the code of conduct) and for determining the outcome of such complaints.
- 5.5 The general manager must refer code of conduct complaints about members of staff of council alleging a breach of the pecuniary interest provisions contained in Part 4 of the code of conduct to the Office.
- 5.6 The general manager may decide to take no action in relation to a code of conduct complaint about a member of staff of council other than one requiring referral to the Office under clause 5.5 where they consider that no action is warranted in relation to the complaint.
- 5.7 Where the general manager decides to take no action in relation to a code of conduct complaint about a member of staff of council, the general manager must give the complainant reasons in writing for their decision and this shall finalise the consideration of the matter under these procedures.
- 5.8 Code of conduct complaints about members of staff of council must be managed in accordance with the relevant industrial instrument or employment contract and make provision for procedural fairness including the right of an employee to be represented by their union.
- 5.9 Sanctions for breaches of the code of conduct by staff depend on the severity, scale and importance of the breach and must be determined in accordance with any relevant industrial instruments or contracts.

How are code of conduct complaints about delegates of council, council advisers and council committee members to be dealt with?

- 5.10 The general manager is responsible for the management of code of conduct complaints about delegates of council and council committee members (other than complaints alleging a breach of the pecuniary interest provisions contained in Part 4 of the code of conduct) and for determining the outcome of such complaints.
- 5.11 The general manager must refer code of conduct complaints about council advisers, delegates of council and council committee members alleging a breach of the pecuniary interest provisions contained in Part 4 of the code of conduct to the Office.

- 5.12 The general manager may decide to take no action in relation to a code of conduct complaint about a delegate of council or a council committee member other than one requiring referral to the Office under clause 5.11 where they consider that no action is warranted in relation to the complaint.
- 5.13 Where the general manager decides to take no action in relation to a code of conduct complaint about a delegate of council or a council committee member, the general manager must give the complainant reasons in writing for their decision and this shall finalise the consideration of the matter under these procedures.
- 5.14 Where the general manager considers it to be practicable and appropriate to do so, the general manager may seek to resolve code of conduct complaints about delegates of council or council committee members, by alternative means such as, but not limited to, explanation, counselling, training, mediation, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the offending behaviour. The resolution of a code of conduct complaint under this clause is not to be taken as a determination that there has been a breach of the council's code of conduct.
- 5.15 Where the general manager resolves a code of conduct complaint under clause 5.14 to the general manager's satisfaction, the general manager must notify the complainant in writing of the steps taken to resolve the complaint and this shall finalise the consideration of the matter under these procedures.
- 5.16 Sanctions for breaches of the code of conduct by delegates of council and/or council committee members depend on the severity, scale and importance of the breach and may include one or more of the following:
- a) censure
 - b) requiring the person to apologise to any person or organisation adversely affected by the breach in such a time and form specified by the general manager
 - c) prosecution for any breach of the law
 - d) removing or restricting the person's delegation
 - e) removing the person from membership of the relevant council committee.
- 5.17 Prior to imposing a sanction against a delegate of council or a council committee member under clause 5.16, the general manager or any person making enquiries on behalf of the general manager must comply with the requirements of procedural fairness. In particular:
- a) the substance of the allegation (including the relevant provision/s of the council's code of conduct that the alleged conduct is in breach of) must be put to the person who is the subject of the allegation, and

- b) the person must be given an opportunity to respond to the allegation, and
- c) the general manager must consider the person's response in deciding whether to impose a sanction under clause 5.16.

How are code of conduct complaints about administrators to be dealt with?

- 5.18 The general manager must refer all code of conduct complaints about administrators to the Office for its consideration.
- 5.19 The general manager must notify the complainant of the referral of their complaint in writing.

How are code of conduct complaints about councillors to be dealt with?

- 5.20 The general manager must refer the following code of conduct complaints about councillors to the Office:
- a) complaints alleging a breach of the pecuniary interest provisions contained in Part 4 of the code of conduct
 - b) complaints alleging a failure to comply with a requirement under the code of conduct to disclose and appropriately manage conflicts of interest arising from political donations (see section 328B of the LGA)
 - c) complaints alleging a breach of the provisions relating to the maintenance of the integrity of the code of conduct contained in Part 9 of the code of conduct
 - d) complaints that are the subject of a special complaints management arrangement with the Office under clause 5.49.
- 5.21 Where the general manager refers a complaint to the Office under clause 5.20, the general manager must notify the complainant of the referral in writing.
- 5.22 The general manager may decide to take no action in relation to a code of conduct complaint about a councillor, other than one requiring referral to the Office under clause 5.20, where they consider that no action is warranted in relation to the complaint.
- 5.23 Where the general manager decides to take no action in relation to a code of conduct complaint about a councillor, the general manager must give the complainant reasons in writing for their decision within 21 days of receipt of the complaint and this shall finalise the consideration of the matter under these procedures.
- 5.24 Where the general manager considers it to be practicable and appropriate to do so, the general manager may seek to resolve code of conduct complaints about councillors, other than those requiring referral to the Office under clause 5.20, by alternative means such as, but not limited to, explanation, counselling, training, mediation, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the

offending behaviour. The resolution of a code of conduct complaint under this clause is not to be taken as a determination that there has been a breach of the council's code of conduct.

- 5.25 Where the general manager resolves a code of conduct complaint under clause 5.24 to the general manager's satisfaction, the general manager must notify the complainant in writing of the steps taken to resolve the complaint within 21 days of receipt of the complaint and this shall finalise the consideration of the matter under these procedures.
- 5.26 The general manager must refer all code of conduct complaints about councillors, other than those referred to the Office under clause 5.20 or finalised under clause 5.23 or resolved under clause 5.24, to the complaints coordinator.

How are code of conduct complaints about the general manager to be dealt with?

- 5.27 The mayor must refer the following code of conduct complaints about the general manager to the Office:
- a) complaints alleging a breach of the pecuniary interest provisions contained in Part 4 of the code of conduct
 - b) complaints alleging a breach of the provisions relating to the maintenance of the integrity of the code of conduct contained in Part 9 of the code of conduct
 - c) complaints that are the subject of a special complaints management arrangement with the Office under clause 5.49.
- 5.28 Where the mayor refers a complaint to the Office under clause 5.27, the mayor must notify the complainant of the referral in writing.
- 5.29 The mayor may decide to take no action in relation to a code of conduct complaint about the general manager, other than one requiring referral to the Office under clause 5.27, where they consider that no action is warranted in relation to the complaint.
- 5.30 Where the mayor decides to take no action in relation to a code of conduct complaint about the general manager, the mayor must give the complainant reasons in writing for their decision within 21 days of receipt of the complaint and this shall finalise the consideration of the matter under these procedures.
- 5.31 Where the mayor considers it to be practicable and appropriate to do so, the mayor may seek to resolve code of conduct complaints about the general manager, other than those requiring referral to the Office under clause 5.27, by alternative means such as, but not limited to, explanation, counselling, training, mediation, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the offending behaviour. The resolution of a code of conduct complaint under this clause is not to

be taken as a determination that there has been a breach of the council's code of conduct.

- 5.32 Where the mayor resolves a code of conduct complaint under clause 5.31 to the mayor's satisfaction, the mayor must notify the complainant in writing of the steps taken to resolve the complaint within 21 days of receipt of the complaint and this shall finalise the consideration of the matter under these procedures.
- 5.33 The mayor must refer all code of conduct complaints about the general manager, other than those referred to the Office under clause 5.27 or finalised under clause 5.30 or resolved under clause 5.31, to the complaints coordinator.

How are complaints about both the general manager and the mayor to be dealt with?

- 5.34 Where the general manager or mayor receives a code of conduct complaint that alleges a breach of the code of conduct by both the general manager and the mayor, the general manager or mayor must either:
- a) delegate their functions under this part with respect to the complaint to a member of staff of the council other than the general manager where the allegation is not serious, or to a person external to the council, or
 - b) refer the matter to the complaints coordinator under clause 5.26 and clause 5.33.

Referral of code of conduct complaints to external agencies

- 5.35 The general manager, mayor or a conduct reviewer may, at any time, refer a code of conduct complaint to an external agency for its consideration, where they consider such a referral is warranted.
- 5.36 The general manager, mayor or a conduct reviewer must report to the ICAC any matter that they suspect on reasonable grounds concerns or may concern corrupt conduct.
- 5.37 Where the general manager, mayor or conduct reviewer refers a complaint to an external agency under clause 5.35, they must notify the complainant of the referral in writing unless they form the view, on the advice of the relevant agency, that it would not be appropriate for them to do so.
- 5.38 Referral of a matter to an external agency shall finalise consideration of the matter under these procedures unless the council is subsequently advised otherwise by the referral agency.

Disclosure of the identity of complainants

- 5.39 In dealing with matters under these procedures, information that identifies or tends to identify complainants is not to be disclosed unless:
- a) the complainant consents in writing to the disclosure, or
 - b) it is generally known that the complainant has made the complaint as a result of the complainant having voluntarily identified themselves as the person who made the complaint, or
 - c) it is essential, having regard to procedural fairness requirements, that the identifying information be disclosed, or
 - d) a conduct reviewer is of the opinion that disclosure of the information is necessary to investigate the matter effectively, or
 - e) it is otherwise in the public interest to do so.
- 5.40 Clause 5.39 does not apply to code of conduct complaints made by councillors about other councillors or the general manager.
- 5.41 Where a councillor makes a code of conduct complaint about another councillor or the general manager, and the complainant councillor considers that compelling grounds exist that would warrant information that identifies or tends to identify them as the complainant not to be disclosed, they may request in writing that such information not be disclosed.
- 5.42 A request made by a complainant councillor under clause 5.41 must be made at the time they make a code of conduct complaint and must state the grounds upon which the request is made.
- 5.43 The general manager or mayor, and where the matter is referred to a conduct reviewer, the conduct reviewer, must consider a request made under clause 5.41 before disclosing information that identifies or tends to identify the complainant councillor, but they are not obliged to comply with the request.
- 5.44 Where a complainant councillor makes a request under clause 5.41, the general manager or mayor or, where the matter is referred to a conduct reviewer, the conduct reviewer, shall notify the councillor in writing of their intention to disclose information that identifies or tends to identify them prior to disclosing the information.

Code of conduct complaints made as public interest disclosures

- 5.45 These procedures do not override the provisions of the *Public Interest Disclosures Act 1994*. Code of conduct complaints that are made as public interest disclosures under that Act are to be managed in accordance with the requirements of that Act, the council's internal reporting policy, and any guidelines issued by the NSW Ombudsman that relate to the management of public interest disclosures.

- 5.46 Where a councillor makes a code of conduct complaint about another councillor or the general manager as a public interest disclosure, before the matter may be dealt with under these procedures, the complainant councillor must consent in writing to the disclosure of their identity as the complainant.
- 5.47 Where a complainant councillor declines to consent to the disclosure of their identity as the complainant under clause 5.46, the general manager or the mayor must refer the complaint to the Office for consideration. Such a referral must be made under section 26 of the *Public Interest Disclosures Act 1994*.

Special complaints management arrangements

- 5.48 The general manager may request in writing that the Office enter into a special complaints management arrangement with the council in relation to code of conduct complaints made by or about a person or persons.
- 5.49 Where the Office receives a request under clause 5.48, it may agree to enter into a special complaints management arrangement if it is satisfied that the number or nature of code of conduct complaints made by or about a person or persons has:
- a) imposed an undue and disproportionate cost burden on the council's administration of its code of conduct, or
 - b) impeded or disrupted the effective administration by the council of its code of conduct, or
 - c) impeded or disrupted the effective functioning of the council.
- 5.50 A special complaints management arrangement must be in writing and must specify the following:
- a) the code of conduct complaints the arrangement relates to, and
 - b) the period that the arrangement will be in force.
- 5.51 The Office may, by notice in writing, amend or terminate a special complaints management arrangement at any time.
- 5.52 While a special complaints management arrangement is in force, an officer of the Office (the assessing OLG officer) must undertake the preliminary assessment of the code of conduct complaints specified in the arrangement in accordance with the requirements of Part 6 of these procedures.
- 5.53 Where, following a preliminary assessment, the assessing OLG officer determines that a code of conduct complaint warrants investigation by a conduct reviewer, the assessing OLG officer shall notify the complaints coordinator in writing of their determination and the reasons for their determination. The complaints coordinator must comply with the recommendation of the assessing OLG officer.

- 5.54 Prior to the expiry of a special complaints management arrangement, the Office may, at the request of the general manager, review the arrangement to determine whether it should be renewed or amended.
- 5.55 A special complaints management arrangement shall expire on the date specified in the arrangement unless renewed under clause 5.54.

PART 6 PRELIMINARY ASSESSMENT OF CODE OF CONDUCT COMPLAINTS ABOUT COUNCILLORS OR THE GENERAL MANAGER BY CONDUCT REVIEWERS

Referral of code of conduct complaints about councillors or the general manager to conduct reviewers

- 6.1 The complaints coordinator must refer all code of conduct complaints about councillors or the general manager that have not been referred to an external agency or declined or resolved by the general manager, mayor or their delegate and that have been referred to them under clauses 5.26 or 5.33, to a conduct reviewer within 21 days of receipt of the complaint by the general manager or the mayor.
- 6.2 For the purposes of clause 6.1, the complaints coordinator will refer a complaint to a conduct reviewer selected from:
- a) a panel of conduct reviewers established by the council, or
 - b) a panel of conduct reviewers established by an organisation approved by the Office.
- 6.3 In selecting a suitable conduct reviewer, the complaints coordinator may have regard to the qualifications and experience of members of the panel of conduct reviewers. Where the conduct reviewer is an incorporated or other entity, the complaints coordinator must also ensure that the person assigned to receive the referral on behalf of the entity meets the selection and eligibility criteria for conduct reviewers prescribed under Part 3 of these procedures.
- 6.4 A conduct reviewer must not accept the referral of a code of conduct complaint where:
- a) they have a conflict of interest in relation to the matter referred to them, or
 - b) a reasonable apprehension of bias arises in relation to their consideration of the matter, or
 - c) they or their employer has entered into one or more contracts with the council (other than contracts relating to the exercise of their functions as a conduct reviewer) in the 2 years preceding the referral, and they or their employer have received or expect to receive payments under the contract or contracts of a value that, when aggregated, exceeds \$100,000, or

- d) at the time of the referral, they or their employer are the council's legal service provider or are a member of a panel of legal service providers appointed by the council.
- 6.5 For the purposes of clause 6.4(a), a conduct reviewer will have a conflict of interest in a matter where a reasonable and informed person would perceive that they could be influenced by a private interest when carrying out their public duty (see clause 5.2 of the Model Code of Conduct).
- 6.6 For the purposes of clause 6.4(b), a reasonable apprehension of bias arises where a fair-minded observer might reasonably apprehend that the conduct reviewer might not bring an impartial and unprejudiced mind to the matter referred to the conduct reviewer.
- 6.7 Where the complaints coordinator refers a matter to a conduct reviewer, they will provide the conduct reviewer with a copy of the code of conduct complaint and any other information relevant to the matter held by the council, including any information about previous proven breaches and any information that would indicate that the alleged conduct forms part of an ongoing pattern of behaviour.
- 6.8 The complaints coordinator must notify the complainant in writing that the matter has been referred to a conduct reviewer, and advise which conduct reviewer the matter has been referred to.
- 6.9 Conduct reviewers must comply with these procedures in their consideration of matters that have been referred to them and exercise their functions in a diligent and timely manner.
- 6.10 The complaints coordinator may at any time terminate the referral of a matter to a conduct reviewer and refer the matter to another conduct reviewer where the complaints coordinator is satisfied that the conduct reviewer has failed to:
- a) comply with these procedures in their consideration of the matter, or
 - b) comply with a lawful and reasonable request by the complaints coordinator, or
 - c) exercise their functions in a timely or satisfactory manner.
- 6.11 Where the complaints coordinator terminates a referral to a conduct reviewer under clause 6.10, they must notify the complainant and any other affected person in writing of their decision and the reasons for it and advise them which conduct reviewer the matter has been referred to instead.

Preliminary assessment of code of conduct complaints about councillors or the general manager by a conduct reviewer

- 6.12 The conduct reviewer is to undertake a preliminary assessment of a complaint referred to them by the complaints coordinator for the purposes of determining how the complaint is to be managed.
- 6.13 The conduct reviewer may determine to do one or more of the following in relation to a complaint referred to them by the complaints coordinator:
- a) to take no action
 - b) to resolve the complaint by alternative and appropriate strategies such as, but not limited to, explanation, counselling, training, mediation, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the offending behaviour
 - c) to refer the matter back to the general manager or, in the case of a complaint about the general manager, the mayor, for resolution by alternative and appropriate strategies such as, but not limited to, explanation, counselling, training, mediation, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the offending behaviour
 - d) to refer the matter to an external agency
 - e) to investigate the matter.
- 6.14 In determining how to deal with a matter under clause 6.13, the conduct reviewer must have regard to the complaint assessment criteria prescribed under clause 6.31.
- 6.15 The conduct reviewer may make such enquiries the conduct reviewer considers to be reasonably necessary to determine what options to exercise under clause 6.13.
- 6.16 The conduct reviewer may request the complaints coordinator to provide such additional information the conduct reviewer considers to be reasonably necessary to determine what options to exercise in relation to the matter under clause 6.13. The complaints coordinator will, as far as is reasonably practicable, supply any information requested by the conduct reviewer.
- 6.17 The conduct reviewer must refer to the Office any complaints referred to them that should have been referred to the Office under clauses 5.20 and 5.27.
- 6.18 The conduct reviewer must determine to take no action on a complaint that is not a code of conduct complaint for the purposes of these procedures.
- 6.19 The resolution of a code of conduct complaint under clause 6.13, paragraphs (b) or (c) is not to be taken as a determination that there has been a breach of the council's code of conduct.

- 6.20 Where the conduct reviewer completes their preliminary assessment of a complaint by determining to exercise an option under clause 6.13, paragraphs (a), (b) or (c), they must provide the complainant with written notice of their determination and provide reasons for it, and this will finalise consideration of the matter under these procedures.
- 6.21 Where the conduct reviewer refers a complaint to an external agency, they must notify the complainant of the referral in writing unless they form the view, on the advice of the relevant agency, that it would not be appropriate for them to do so.
- 6.22 The conduct reviewer may only determine to investigate a matter where they are satisfied as to the following:
- a) that the complaint is a code of conduct complaint for the purposes of these procedures, and
 - b) that the alleged conduct is sufficiently serious to warrant the formal censure of a councillor under section 440G of the LGA or disciplinary action against the general manager under their contract of employment if it were to be proven, and
 - c) that the matter is one that could not or should not be resolved by alternative means.
- 6.23 In determining whether a matter is sufficiently serious to warrant formal censure of a councillor under section 440G of the LGA or disciplinary action against the general manager under their contract of employment, the conduct reviewer is to consider the following:
- a) the harm or cost that the alleged conduct has caused to any affected individuals and/or the council
 - b) the likely impact of the alleged conduct on the reputation of the council and public confidence in it
 - c) whether the alleged conduct was deliberate or undertaken with reckless intent or negligence
 - d) any previous proven breaches by the person whose alleged conduct is the subject of the complaint and/or whether the alleged conduct forms part of an ongoing pattern of behaviour.
- 6.24 The conduct reviewer must complete their preliminary assessment of the complaint within 28 days of referral of the matter to them by the complaints coordinator and notify the complaints coordinator in writing of the outcome of their assessment.
- 6.25 The conduct reviewer is not obliged to give prior notice to or to consult with any person before making a determination in relation to their preliminary assessment of a complaint, except as may be specifically required under these procedures.

Referral back to the general manager or mayor for resolution

- 6.26 Where the conduct reviewer determines to refer a matter back to the general manager or to the mayor to be resolved by alternative and

appropriate means, they must write to the general manager or, in the case of a complaint about the general manager, to the mayor, recommending the means by which the complaint may be resolved.

- 6.27 The conduct reviewer must consult with the general manager or mayor prior to referring a matter back to them under clause 6.13(c).
- 6.28 The general manager or mayor may decline to accept the conduct reviewer's recommendation. In such cases, the conduct reviewer may determine to deal with the complaint by other means under clause 6.13.
- 6.29 Where the conduct reviewer refers a matter back to the general manager or mayor under clause 6.13(c), the general manager or, in the case of a complaint about the general manager, the mayor, is responsible for implementing or overseeing the implementation of the conduct reviewer's recommendation.
- 6.30 Where the conduct reviewer refers a matter back to the general manager or mayor under clause 6.13(c), the general manager, or, in the case of a complaint about the general manager, the mayor, must advise the complainant in writing of the steps taken to implement the conduct reviewer's recommendation once these steps have been completed.

Complaints assessment criteria

- 6.31 In undertaking the preliminary assessment of a complaint, the conduct reviewer must have regard to the following considerations:
- a) whether the complaint is a code of conduct complaint for the purpose of these procedures
 - b) whether the complaint has been made in a timely manner in accordance with clause 4.4, and if not, whether the allegations are sufficiently serious for compelling grounds to exist for the matter to be dealt with under the council's code of conduct
 - c) whether the complaint is trivial, frivolous, vexatious or not made in good faith
 - d) whether the complaint discloses prima facie evidence of conduct that, if proven, would constitute a breach of the code of conduct
 - e) whether the complaint raises issues that would be more appropriately dealt with by an external agency
 - f) whether there is or was an alternative and satisfactory means of redress available in relation to the conduct complained of
 - g) whether the complaint is one that can be resolved by alternative and appropriate strategies such as, but not limited to, explanation, counselling, training, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the offending behaviour
 - h) whether the issue/s giving rise to the complaint have previously been addressed or resolved
 - i) any previous proven breaches of the council's code of conduct
 - j) whether the conduct complained of forms part of an ongoing pattern of behaviour

- k) whether there were mitigating circumstances giving rise to the conduct complained of
- l) the seriousness of the alleged conduct (having regard to the criteria specified in clause 6.23)
- m) the significance of the conduct or the impact of the conduct for the council
- n) how much time has passed since the alleged conduct occurred
- o) such other considerations that the conduct reviewer considers may be relevant to the assessment of the complaint.

PART 7 INVESTIGATIONS OF CODE OF CONDUCT COMPLAINTS ABOUT COUNCILLORS OR THE GENERAL MANAGER

What matters may a conduct reviewer investigate?

- 7.1 A conduct reviewer (hereafter referred to as an “investigator”) may investigate a code of conduct complaint that has been referred to them by the complaints coordinator and any matters related to or arising from that complaint.
- 7.2 Where an investigator identifies further separate possible breaches of the code of conduct that are not related to or do not arise from the code of conduct complaint that has been referred to them, they are to report the matters separately in writing to the general manager, or, in the case of alleged conduct on the part of the general manager, to the mayor.
- 7.3 The general manager or the mayor or their delegate is to deal with a matter reported to them by an investigator under clause 7.2 as if it were a new code of conduct complaint in accordance with these procedures.

How are investigations to be commenced?

- 7.4 The investigator must at the outset of their investigation provide a written notice of investigation to the respondent. The notice of investigation must:
 - a) disclose the substance of the allegations against the respondent, and
 - b) advise of the relevant provisions of the code of conduct that apply to the alleged conduct, and
 - c) advise of the process to be followed in investigating the matter, and
 - d) advise the respondent of the requirement to maintain confidentiality, and
 - e) invite the respondent to make a written submission in relation to the matter within a period of not less than 14 days specified by the investigator in the notice, and
 - f) provide the respondent the opportunity to address the investigator on the matter within such reasonable time specified in the notice.

- 7.5 The respondent may, within 7 days of receipt of the notice of investigation, request in writing that the investigator provide them with such further information they consider necessary to assist them to identify the substance of the allegation against them. An investigator will only be obliged to provide such information that the investigator considers reasonably necessary for the respondent to identify the substance of the allegation against them.
- 7.6 An investigator may at any time prior to issuing a draft report, issue an amended notice of investigation to the respondent in relation to the matter referred to them.
- 7.7 Where an investigator issues an amended notice of investigation, they must provide the respondent with a further opportunity to make a written submission in response to the amended notice of investigation within a period of not less than 14 days specified by the investigator in the amended notice.
- 7.8 The investigator must also, at the outset of their investigation, provide written notice of the investigation to the complainant, the complaints coordinator and the general manager, or in the case of a complaint about the general manager, to the complainant, the complaints coordinator and the mayor. The notice must:
- a) advise them of the matter the investigator is investigating, and
 - b) in the case of the notice to the complainant, advise them of the requirement to maintain confidentiality, and
 - c) invite the complainant to make a written submission in relation to the matter within a period of not less than 14 days specified by the investigator in the notice.

Written and oral submissions

- 7.9 Where the respondent or the complainant fails to make a written submission in relation to the matter within the period specified by the investigator in their notice of investigation or amended notice of investigation, the investigator may proceed to prepare their draft report without receiving such submissions.
- 7.10 The investigator may accept written submissions received outside the period specified in the notice of investigation or amended notice of investigation.
- 7.11 Prior to preparing a draft report, the investigator must give the respondent an opportunity to address the investigator on the matter being investigated. The respondent may do so in person or by telephone or other electronic means.
- 7.12 Where the respondent fails to accept the opportunity to address the investigator within the period specified by the investigator in the notice of

investigation, the investigator may proceed to prepare a draft report without hearing from the respondent.

- 7.13 Where the respondent accepts the opportunity to address the investigator in person, they may have a support person or legal adviser in attendance. The support person or legal adviser will act in an advisory or support role to the respondent only. They must not speak on behalf of the respondent or otherwise interfere with or disrupt proceedings.
- 7.14 The investigator must consider all written and oral submissions made to them in relation to the matter.

How are investigations to be conducted?

- 7.15 Investigations are to be undertaken without undue delay.
- 7.16 Investigations are to be undertaken in the absence of the public and in confidence.
- 7.17 Investigators must make any such enquiries that may be reasonably necessary to establish the facts of the matter.
- 7.18 Investigators may seek such advice or expert guidance that may be reasonably necessary to assist them with their investigation or the conduct of their investigation.
- 7.19 An investigator may request that the complaints coordinator provide such further information that the investigator considers may be reasonably necessary for them to establish the facts of the matter. The complaints coordinator will, as far as is reasonably practicable, provide the information requested by the investigator.

Referral or resolution of a matter after the commencement of an investigation

- 7.20 At any time after an investigator has issued a notice of investigation and before they have issued their final report, an investigator may determine to:
- a) resolve the matter by alternative and appropriate strategies such as, but not limited to, explanation, counselling, training, mediation, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the offending behaviour, or
 - b) refer the matter to the general manager, or, in the case of a complaint about the general manager, to the mayor, for resolution by alternative and appropriate strategies such as, but not limited to, explanation, counselling, training, mediation, informal discussion, negotiation, a voluntary apology or an undertaking not to repeat the offending behaviour, or
 - c) refer the matter to an external agency.

- 7.21 Where an investigator determines to exercise any of the options under clause 7.20 after the commencement of an investigation, they must do so in accordance with the requirements of Part 6 of these procedures relating to the exercise of these options at the preliminary assessment stage.
- 7.22 The resolution of a code of conduct complaint under clause 7.20, paragraphs (a) or (b) is not to be taken as a determination that there has been a breach of the council's code of conduct.
- 7.23 Where an investigator determines to exercise any of the options under clause 7.20 after the commencement of an investigation, they may by written notice to the respondent, the complainant, the complaints coordinator and the general manager, or in the case of a complaint about the general manager, to the respondent, the complainant, the complaints coordinator and the mayor, discontinue their investigation of the matter.
- 7.24 Where the investigator discontinues their investigation of a matter under clause 7.23, this shall finalise the consideration of the matter under these procedures.
- 7.25 An investigator is not obliged to give prior notice to or to consult with any person before making a determination to exercise any of the options under clause 7.20 or to discontinue their investigation except as may be specifically required under these procedures.

Draft investigation reports

- 7.26 When an investigator has completed their enquiries and considered any written or oral submissions made to them in relation to a matter, they must prepare a draft of their proposed report.
- 7.27 The investigator must provide their draft report to the respondent and invite them to make a written submission in relation to it within a period of not less than 14 days specified by the investigator.
- 7.28 Where the investigator proposes to make adverse comment about any other person (an affected person) in their report, they must also provide the affected person with relevant extracts of their draft report containing such comment and invite the affected person to make a written submission in relation to it within a period of not less than 14 days specified by the investigator.
- 7.29 The investigator must consider written submissions received in relation to the draft report prior to finalising their report in relation to the matter.
- 7.30 The investigator may, after consideration of all written submissions received in relation to their draft report, make further enquiries into the matter. If, as a result of making further enquiries, the investigator makes any material change to their proposed report that makes new adverse comment about the respondent or an affected person, they must provide

the respondent or affected person as the case may be with a further opportunity to make a written submission in relation to the new adverse comment.

7.31 Where the respondent or an affected person fails to make a written submission in relation to the draft report within the period specified by the investigator, the investigator may proceed to prepare and issue their final report without receiving such submissions.

7.32 The investigator may accept written submissions in relation to the draft report received outside the period specified by the investigator at any time prior to issuing their final report.

Final investigation reports

7.33 Where an investigator issues a notice of investigation, they must prepare a final report in relation to the matter unless the investigation is discontinued under clause 7.23.

7.34 An investigator must not prepare a final report in relation to the matter at any time before they have finalised their consideration of the matter in accordance with the requirements of these procedures.

7.35 The investigator's final report must:

- a) make findings of fact in relation to the matter investigated, and,
- b) make a determination that the conduct investigated either,
 - i. constitutes a breach of the code of conduct, or
 - ii. does not constitute a breach of the code of conduct, and
- c) provide reasons for the determination.

7.36 At a minimum, the investigator's final report must contain the following information:

- a) a description of the allegations against the respondent
- b) the relevant provisions of the code of conduct that apply to the alleged conduct investigated
- c) a statement of reasons as to why the matter warranted investigation (having regard to the criteria specified in clause 6.23)
- d) a statement of reasons as to why the matter was one that could not or should not be resolved by alternative means
- e) a description of any attempts made to resolve the matter by use of alternative means
- f) the steps taken to investigate the matter
- g) the facts of the matter
- h) the investigator's findings in relation to the facts of the matter and the reasons for those findings
- i) the investigator's determination and the reasons for that determination
- j) any recommendations.

- 7.37 Where the investigator determines that the conduct investigated constitutes a breach of the code of conduct, the investigator may recommend:
- a) in the case of a breach by the general manager, that disciplinary action be taken under the general manager's contract of employment for the breach, or
 - b) in the case of a breach by a councillor, that the councillor be formally censured for the breach under section 440G of the LGA, or
 - c) in the case of a breach by a councillor, that the council resolves as follows:
 - i. that the councillor be formally censured for the breach under section 440G of the LGA, and
 - ii. that the matter be referred to the Office for further action under the misconduct provisions of the LGA.
- 7.38 Where the investigator proposes to make a recommendation under clause 7.37(c), the investigator must first consult with the Office on their proposed findings, determination and recommendation prior to finalising their report, and must take any comments by the Office into consideration when finalising their report.
- 7.39 Where the investigator has determined that there has been a breach of the code of conduct, the investigator may, in addition to making a recommendation under clause 7.37, recommend that the council revise any of its policies, practices or procedures.
- 7.40 Where the investigator determines that the conduct investigated does not constitute a breach of the code of conduct, the investigator may recommend:
- a) that the council revise any of its policies, practices or procedures
 - b) that a person or persons undertake any training or other education.
- 7.41 The investigator must provide a copy of their report to the complaints coordinator and the respondent.
- 7.42 At the time the investigator provides a copy of their report to the complaints coordinator and the respondent, the investigator must provide the complainant with a written statement containing the following information:
- a) the investigator's findings in relation to the facts of the matter and the reasons for those findings
 - b) the investigator's determination and the reasons for that determination
 - c) any recommendations, and
 - d) such other additional information that the investigator considers may be relevant.

- 7.43 Where the investigator has determined that there has not been a breach of the code of conduct, the complaints coordinator must provide a copy of the investigator's report to the general manager or, where the report relates to the general manager's conduct, to the mayor, and this will finalise consideration of the matter under these procedures.
- 7.44 Where the investigator has determined that there has been a breach of the code of conduct and makes a recommendation under clause 7.37, the complaints coordinator must, where practicable, arrange for the investigator's report to be reported to the next ordinary council meeting for the council's consideration, unless the meeting is to be held within the 4 weeks prior to an ordinary local government election, in which case the report must be reported to the first ordinary council meeting following the election.
- 7.45 Where it is apparent to the complaints coordinator that the council will not be able to form a quorum to consider the investigator's report, the complaints coordinator must refer the investigator's report to the Office for its consideration instead of reporting it to the council under clause 7.44.

Consideration of the final investigation report by council

- 7.46 The role of the council in relation to a final investigation report is to impose a sanction if the investigator has determined that there has been a breach of the code of conduct and has made a recommendation in their final report under clause 7.37.
- 7.47 The council is to close its meeting to the public to consider the final investigation report in cases where it is permitted to do so under section 10A of the LGA.
- 7.48 Where the complainant is a councillor, they must absent themselves from the meeting and take no part in any discussion or voting on the matter. The complainant councillor may absent themselves without making any disclosure of interest in relation to the matter unless otherwise required to do so under the code of conduct.
- 7.49 Prior to imposing a sanction, the council must provide the respondent with an opportunity to make a submission to the council. A submission may be made orally or in writing. The respondent is to confine their submission to addressing the investigator's recommendation.
- 7.50 Once the respondent has made their submission they must absent themselves from the meeting and, where they are a councillor, take no part in any discussion or voting on the matter.
- 7.51 The council must not invite submissions from other persons for the purpose of seeking to rehear evidence previously considered by the investigator.

- 7.52 Prior to imposing a sanction, the council may by resolution:
- a) request that the investigator make additional enquiries and/or provide additional information to it in a supplementary report, or
 - b) seek an opinion from the Office in relation to the report.
- 7.53 The council may, by resolution, defer further consideration of the matter pending the receipt of a supplementary report from the investigator or an opinion from the Office.
- 7.54 The investigator may make additional enquiries for the purpose of preparing a supplementary report.
- 7.55 Where the investigator prepares a supplementary report, they must provide copies to the complaints coordinator who shall provide a copy each to the council and the respondent.
- 7.56 The investigator is not obliged to notify or consult with any person prior to submitting the supplementary report to the complaints coordinator.
- 7.57 The council is only required to provide the respondent a further opportunity to make an oral or written submission on a supplementary report if the supplementary report contains new information that is adverse to them.
- 7.58 A council may by resolution impose one of the following sanctions on a respondent:
- a) in the case of a breach by the general manager, that disciplinary action be taken under the general manager's contract of employment for the breach, or
 - b) in the case of a breach by a councillor, that the councillor be formally censured for the breach under section 440G of the LGA, or
 - c) in the case of a breach by a councillor:
 - i. that the councillor be formally censured for the breach under section 440G of the LGA, and
 - ii. that the matter be referred to the Office for further action under the misconduct provisions of the LGA.
- 7.59 Where the council censures a councillor under section 440G of the LGA, the council must specify in the censure resolution the grounds on which it is satisfied that the councillor should be censured by disclosing in the resolution, the investigator's findings and determination and/or such other grounds that the council considers may be relevant or appropriate.
- 7.60 The council is not obliged to adopt the investigator's recommendation. Where the council proposes not to adopt the investigator's recommendation, the council must resolve not to adopt the recommendation and state in its resolution the reasons for its decision.

7.61 Where the council resolves not to adopt the investigator's recommendation, the complaints coordinator must notify the Office of the council's decision and the reasons for it.

PART 8 OVERSIGHT AND RIGHTS OF REVIEW

The Office's powers of review

- 8.1 The Office may, at any time, whether or not in response to a request, review the consideration of a matter under a council's code of conduct where it is concerned that a person has failed to comply with a requirement prescribed under these procedures or has misinterpreted or misapplied the standards of conduct prescribed under the code of conduct in their consideration of a matter.
- 8.2 The Office may direct any person, including the council, to defer taking further action in relation to a matter under consideration under the council's code of conduct pending the completion of its review. Any person the subject of a direction must comply with the direction.
- 8.3 Where the Office undertakes a review of a matter under clause 8.1, it will notify the complaints coordinator and any other affected persons, of the outcome of the review.

Complaints about conduct reviewers

- 8.4 The general manager or their delegate must refer code of conduct complaints about conduct reviewers to the Office for its consideration.
- 8.5 The general manager must notify the complainant of the referral of their complaint about the conduct reviewer in writing.
- 8.6 The general manager must implement any recommendation made by the Office as a result of its consideration of a complaint about a conduct reviewer.

Practice rulings

- 8.7 Where a respondent and an investigator are in dispute over a requirement under these procedures, either person may make a request in writing to the Office to make a ruling on a question of procedure (a practice ruling).
- 8.8 Where the Office receives a request in writing for a practice ruling, the Office may provide notice in writing of its ruling and the reasons for it to the person who requested it and to the investigator, where that person is different.
- 8.9 Where the Office makes a practice ruling, all parties must comply with it.

8.10 The Office may decline to make a practice ruling. Where the Office declines to make a practice ruling, it will provide notice in writing of its decision and the reasons for it to the person who requested it and to the investigator, where that person is different.

Review of decisions to impose sanctions

8.11 A person who is the subject of a sanction imposed under Part 7 of these procedures other than one imposed under clause 7.58, paragraph (c), may, within 28 days of the sanction being imposed, seek a review of the investigator's determination and recommendation by the Office.

8.12 A review under clause 8.11 may be sought on the following grounds:

- a) that the investigator has failed to comply with a requirement under these procedures, or
- b) that the investigator has misinterpreted or misapplied the standards of conduct prescribed under the code of conduct, or
- c) that in imposing its sanction, the council has failed to comply with a requirement under these procedures.

8.13 A request for a review made under clause 8.11 must be made in writing and must specify the grounds upon which the person believes the investigator or the council has erred.

8.14 The Office may decline to conduct a review, in cases where the grounds upon which the review is sought are not sufficiently specified.

8.15 The Office may undertake a review of a matter without receiving a request under clause 8.11.

8.16 The Office will undertake a review of the matter on the papers. However, the Office may request that the complaints coordinator provide such further information that the Office considers reasonably necessary for it to review the matter. The complaints coordinator must, as far as is reasonably practicable, provide the information requested by the Office.

8.17 Where a person requests a review under clause 8.11, the Office may direct the council to defer any action to implement a sanction. The council must comply with a direction to defer action by the Office.

8.18 The Office must notify the person who requested the review and the complaints coordinator of the outcome of the Office's review in writing and the reasons for its decision. In doing so, the Office may comment on any other matters the Office considers to be relevant.

8.19 Where the Office considers that the investigator or the council has erred, the Office may recommend that a decision to impose a sanction under these procedures be reviewed. Where the Office recommends that the decision to impose a sanction be reviewed:

- a) the complaints coordinator must, where practicable, arrange for the Office's determination to be tabled at the next ordinary council meeting unless the meeting is to be held within the 4 weeks prior to an ordinary local government election, in which case it must be tabled at the first ordinary council meeting following the election, and
- b) the council must:
 - i. review its decision to impose the sanction, and
 - ii. consider the Office's recommendation in doing so, and
 - iii. resolve to either rescind or reaffirm its previous resolution in relation to the matter.

8.20 Where, having reviewed its previous decision in relation to a matter under clause 8.19(b), the council resolves to reaffirm its previous decision, the council must state in its resolution its reasons for doing so.

PART 9 PROCEDURAL IRREGULARITIES

- 9.1 A failure to comply with these procedures does not, on its own, constitute a breach of the code of conduct, except as may be otherwise specifically provided under the code of conduct.
- 9.2 A failure to comply with these procedures will not render a decision made in relation to a matter invalid where:
 - a) the non-compliance is isolated and/or minor in nature, or
 - b) reasonable steps are taken to correct the non-compliance, or
 - c) reasonable steps are taken to address the consequences of the non-compliance.

PART 10 PRACTICE DIRECTIONS

- 10.1 The Office may at any time issue a practice direction in relation to the application of these procedures.
- 10.2 The Office will issue practice directions in writing, by circular to all councils.
- 10.3 All persons performing a function prescribed under these procedures must consider the Office's practice directions when performing the function.

PART 11 REPORTING STATISTICS ON CODE OF CONDUCT COMPLAINTS ABOUT COUNCILLORS AND THE GENERAL MANAGER

11.1 The complaints coordinator must arrange for the following statistics to be reported to the council within 3 months of the end of September of each year:

- a) the total number of code of conduct complaints made about councillors and the general manager under the code of conduct in the year to September (the reporting period)
- b) the number of code of conduct complaints referred to a conduct reviewer during the reporting period
- c) the number of code of conduct complaints finalised by a conduct reviewer at the preliminary assessment stage during the reporting period and the outcome of those complaints
- d) the number of code of conduct complaints investigated by a conduct reviewer during the reporting period
- e) without identifying particular matters, the outcome of investigations completed under these procedures during the reporting period
- f) the number of matters reviewed by the Office during the reporting period and, without identifying particular matters, the outcome of the reviews, and
- g) the total cost of dealing with code of conduct complaints made about councillors and the general manager during the reporting period, including staff costs.

11.2 The council is to provide the Office with a report containing the statistics referred to in clause 11.1 within 3 months of the end of September of each year.

PART 12 CONFIDENTIALITY

12.1 Information about code of conduct complaints and the management and investigation of code of conduct complaints is to be treated as confidential and is not to be publicly disclosed except as may be otherwise specifically required or permitted under these procedures.

12.2 Where a complainant publicly discloses information on one or more occasions about a code of conduct complaint they have made or purported to make, the general manager or their delegate may, with the consent of the Office, determine that the complainant is to receive no further information about their complaint and any future code of conduct complaint they make or purport to make.

12.3 Prior to seeking the Office's consent under clause 12.2, the general manager or their delegate must give the complainant written notice of their intention to seek the Office's consent, invite them to make a written submission within a period of not less than 14 days specified by the

general manager or their delegate, and consider any submission made by them.

- 12.4 In giving its consent under clause 12.2, the Office must consider any submission made by the complainant to the general manager or their delegate.
- 12.5 The general manager or their delegate must give written notice of a determination made under clause 12.2 to:
- a) the complainant
 - b) the complaints coordinator
 - c) the Office, and
 - d) any other person the general manager or their delegate considers should be notified of the determination.
- 12.6 Any requirement under these procedures that a complainant is to be provided with information about a code of conduct complaint that they have made or purported to make, will not apply to a complainant the subject of a determination made by the general manager or their delegate under clause 12.2.
- 12.7 Clause 12.6 does not override any entitlement a person may have to access to council information under the *Government Information (Public Access) Act 2009* or to receive information under the *Public Interest Disclosures Act 1994* in relation to a complaint they have made.

R15 Portable standpipe use by Constituent Councils

Organisational Area Operations

Author Jason Ip, Manager Operations

Summary The continued use of portable standpipes onto Riverina Water's distribution system by constituent councils is exposing risks to Riverina Water's operations and water quality safety, despite the increasing availability of automated fixed water filling stations.

RECOMMENDATION that Council phase out use of portable standpipes onto Riverina Water's reticulation system by constituent councils and increase the utilisation of automated fixed filling stations as a substitute.

Background

Riverina Water has an ongoing programme installing automated fixed water filling stations throughout its area of supply. This programme has been successful in reducing many portable standpipes being used and connected to Riverina Water's water reticulation systems, and addressing risks such as:

- Water mains failures caused by improper standpipe use (i.e. pressure surges from rapid closure of standpipe valve)
- Customer complaints associated with dirty water events caused by excessive hydrant flows stirring up pipeline sediments, typically when portable standpipes are used in inappropriate and unapproved locations
- Water loss from leaking hydrant springs after portable standpipe use, that have not been rectified/reported to Riverina Water
- Non accounted or unbilled water volumes attributed to:
 - Under-recording of water volumes from unmetered portable standpipe, or from metered portable standpipes with broken/unserviceable meters
 - Non-disclosure or under reporting of accurate water take volumes
- Impacts to customers' levels of service (i.e. delivery pressures and flows) and water supply operations when used in inappropriate locations with inadequate hydraulic capacity and/or without Riverina Water's consent

- Water quality backflow contamination from poorly maintained standpipes, hoses and improper filling of tanks, etc., entering into Riverina Water's distribution systems. This is regarded as a non-compliance with Riverina Water's Drinking Water Management System (DWMS).

Issues

Some constituent councils (and their contractors/agents), along with the occasional access by agencies such as Transport NSW and NBN for example, who are still using portable standpipes to extract water from Riverina Water's reticulation for construction works, arguing convenience, time and cost reductions compared to using the new automated water filling stations.

The systems of work permitting such use of portable standpipes have continuously failed resulting in Riverina Water being exposed to the risks listed in the background above. The major concern remains our ability to ensure the safety of our drinking water quality.

It is recommended to phase out the use of portable standpipes onto Riverina Water's reticulation system, and increase the utilisation of the automated fixed filling stations as a substitute.

Riverina Water's staff and emergency services agencies may still use portable standpipes as required.

Pending Council's consideration of this report and the recommendation, it is intended that discussions with relevant staff at our constituent Council's will commence to be followed by a letter to the four Councils. It is the desire of staff to work in collaboration with the four constituent councils in working towards the elimination of the use of portable standpipes.

Financial Implications

Any costs associated with this work will be from within existing operational budgets.

There may be a small positive financial improvement to fixed standpipe revenue, by reducing the under recording/reporting of water take from portable standpipes

Risk Considerations

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

R16 Council Meeting Schedule 2021

Organisational Area General Manager

Author Andrew Crakanthorp, General Manager

Summary This report proposes dates and locations for meetings of the Board of Riverina Water County Council during 2021

RECOMMENDATION that Council endorse the schedule of Council meeting dates for 2021 as follows:

- Wednesday 24 February
- Wednesday 28 April in Urana
- Wednesday 23 June
- Wednesday 25 August
- Wednesday 27 October
- Wednesday 15 December

Report

Council's Code of Meeting Practice provides that Council shall meet at least six times each year, on a bi-monthly basis. Council meeting dates are normally the fourth Wednesday of February, April, June, August, October and December each calendar year and commence at 9:30am.

In accordance with the above schedule, the requisite dates for 2021 are:

- Wednesday 24 February
- Wednesday 28 April in Urana
- Wednesday 23 June
- Wednesday 25 August
- Wednesday 27 October
- Wednesday 15 December

The October meeting is usually also subject of a report to Council suggesting a change of date that is normally in response to the timing of the LGNSW Annual Conference. The dates for the conference have been announced as the 16 to 18 November at the Hyatt Regency Sydney. The dates for the annual conference (including the AGM) of the Murray Darling Association (MDA) are yet to be announced and can also impact on the date for the October meeting. Given that information it is proposed that when the dates for the MDA conference is announced, a further report on the date of the October 2021 meeting may well be required.

The scheduled meeting for December 2021 falls on 22 December.

This report proposes that the December Council meeting be held on Wednesday 15 December, followed by lunch at a venue to be arranged.

Financial Implications

There are no financial implications associated with setting the dates for the Council meetings in 2021. The costs of convening the meetings are funded via budget allocations in the 2020/21 Operational Plan

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.

R17 Council Resolution Sheet

Organisational Area General Manager

Author Andrew Crakanthorp, General Manager

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.

› **R17.1 Council Resolution Sheet 28 October 2020**

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.

Council Resolution Sheet Update to meeting held 28 October 2020				
Report Reference	Subject	Responsible Officer	Council Decision	Action Taken
Meeting held 18 October 2018				
18/167	Purchase of Land for Storage and Potential Access	DE	<p>RESOLVED, on the motion of Clrs. Braid and Funnell that:</p> <p>(a) Council purchases land zoned RU1 bordering Koorungal Road, comprised of: Part Lot 5, DP 588177 Part Lot 17, DP 863322 Part Lot 15, DP 842485 for operational and access requirements in accordance with Section 187 of the Local Government Act 1993.</p> <p>(b) Council purchase land zoned RU1 and IN2 land bordering Koorungal Road, comprised of: Part Lot 5, DP 588177 Part Lot 17, DP 863322 for operational and access requirements in accordance with Section 187 of the Local Government Act 1993.</p>	The plan of survey of the land to be purchased has been completed. The current owner is responsible for lodging a subdivision application and this process has commenced. Exchange of the contracts took place in June and settlement is expected later this year. The current owners have been asked to redirect a stormwater pipe that directs stormwater on to the land to be acquired prior to settlement taking place. Settlement is now planned for 2021 and the contract has been amended to reflect that.
18/168	PFAS matter	DE	RESOLVED on the motion of Clrs. Funnell and Quinn that the report be received and that Council be kept appraised of further developments in the management of the matter.	A report on this matter will be provided when new information is presented to Council. Councils Manager Operations attends the regular meeting of the Project Committee
Meeting held 30 October 2019				
19/163	Purchase of land for future operational purposes	DE	<p>Resolved on the motion of Clrs Koschel and Funnell that Council</p> <p>1. Purchase land zoned RU1 and B6 at 45 Koorungal Rd, comprising of: Lot 1, DP 136233 Lot 1, DP 154512 Lot 2, DP 154512</p>	Negotiations with the owners have concluded with a positive outcome. Contracts have been exchanged and a deposit paid by Council. Council is now purchasing a smaller parcel of land that will allow the proposed project to proceed. The

			Lot 3, DP 542294 for operational requirements in accordance with Section 187 of the Local Government Act 1993. Refer to Appendix 2, land shaded blue and red on aerial image.	subdivision of land has been approved and settlement will occur in November 2020.
Meeting held 26 August 2020				
20/083	Membership of Regional Organisations	GM	Resolved on the Motion of Councillors T Quinn and V Keenan that Council: a) Discontinue its membership with the Riverina Eastern Regional Organisation of Councils (REROC) at the end of the 2020/21 Financial Year b) Provide written notice to REROC of this decision and thank them for their support over the past twenty years c) Delegate authority to the Chairperson and General Manager to negotiate an exit from REROC	Letter advising of the decision was sent to the Chairperson of REROC by RWCC Chairperson on 2 September 2020.
20/084	Proposed naming of Council Meeting Room	GM	Resolved on the Motion of Councillors V Keenan and T Koschel that Council: a) Propose to name the Council Meeting Room, the "Pat Brassil OAM Room" b) Place the proposed room name on public exhibition from 30 August to 25 September 2020 invite public submissions on the proposed name during that period c) Receive a further report following the public exhibition and submission period: i. Addressing any submissions made in respect of the proposed room name ii. Proposing adoption of the room name unless there are any submissions that deem it necessary to require a further public exhibition period	A report on this matter is included in this business paper
20/085	Extension of community representatives to Riverina Water Audit Risk & Improvement Committee (ARIC)	GM	Resolved on the Motion of Councillors T Koschel and T Quinn that: a) Council extend the community members on the Riverina Water ARIC for a further 12 months to November 2021 b) Council extend the term of the ARIC Chair for a further 12-month period to November 2021 c) A letter be sent to the community members extending their tenure on the Committee to November 2021	Both community members have accepted the offer by Council to extend their terms to November 2021. A report on the Council delegate to the ARIC is included in this business paper.

			d) Council elect a Board member and their alternate, to participate on the ARIC until October 2021 (at its meeting to be held in October 2020)	
Meeting held 30 September 2020				
20/098	Enterprise Resource Planning Solution	MCS	<p>Resolved on the Motion of Councillors T Quinn and P Funnell that:</p> <p>a) In accordance with Section 178(1) (b) of the Local Government Regulation, Council declines to accept any of the tenders received for W2.66 Enterprise Resource Planning Solution, for the reasons set out in this report and noting that all tenders received were nonconforming</p> <p>b) Council does not invite fresh tenders, as it is considered that inviting fresh tenders would not attract additional suitable vendors over and above those that have responded to this tender</p> <p>c) In accordance with Section 178 (3) (e) of the Local Government Regulations Council, for the reasons referenced in (b) above and for the reasons set out in this report, delegate authority to the General Manager to enter into negotiations with any person or persons with the view to entering into a contract in relation to the subject matter of the tender</p> <p>d) Council allocate additional funds to the ERP project (as detailed in the report) to allow negotiations with any person or persons as referenced in (c) above</p> <p>e) receive a further report at the December meeting of the Board on the matter</p>	Contact has been made with the vendors selected for further negotiations. Sessions have been created to allow the vendors to demonstrate their offerings and these sessions commenced on 20 October. A further report will be presented to the board at the December meeting.

R18 Works Report covering August 2020

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 2020

RECOMMENDATION that the Works Report covering August 2020 be received and noted

Report

This report provides an overview of water usage, connections, maintenance and water quality matters from 1-31 August 2020

› R18.1 Engineering Report August 2020

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.

Rx Works Report covering August 2020

Management Area Engineering

Author Bede Spannagle, Director Engineering

Summary This report provides an overview of water usage, connections, maintenance and water quality matters from 1 – 31 August 2020

RECOMMENDATION that the Works Report covering August 2020 be received and noted

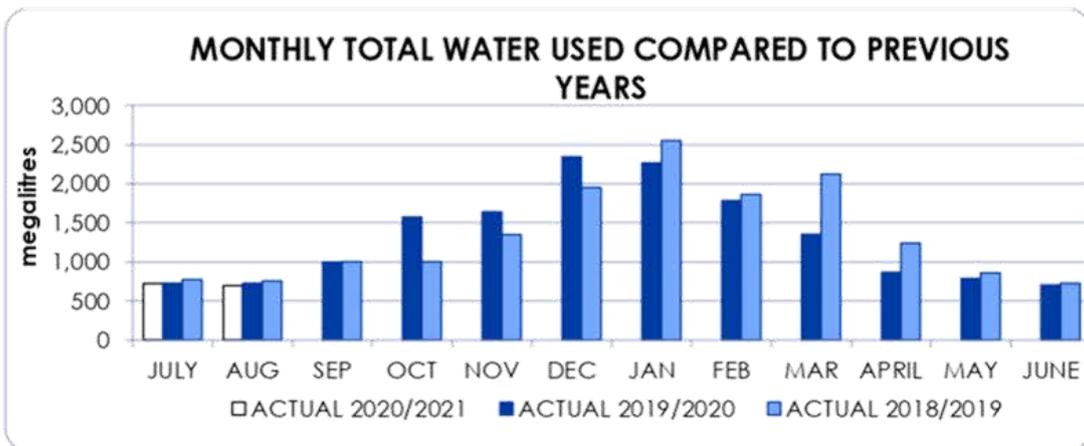
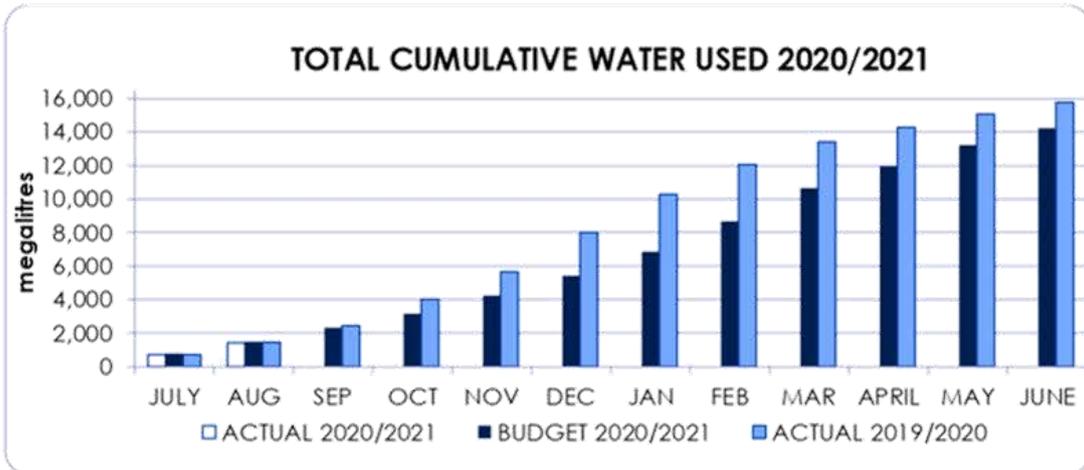
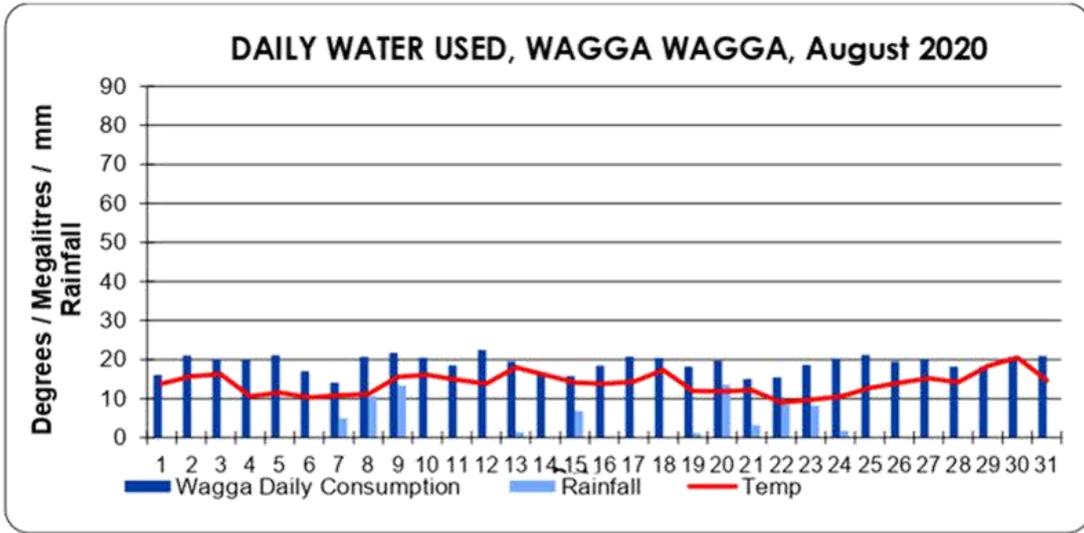
Report

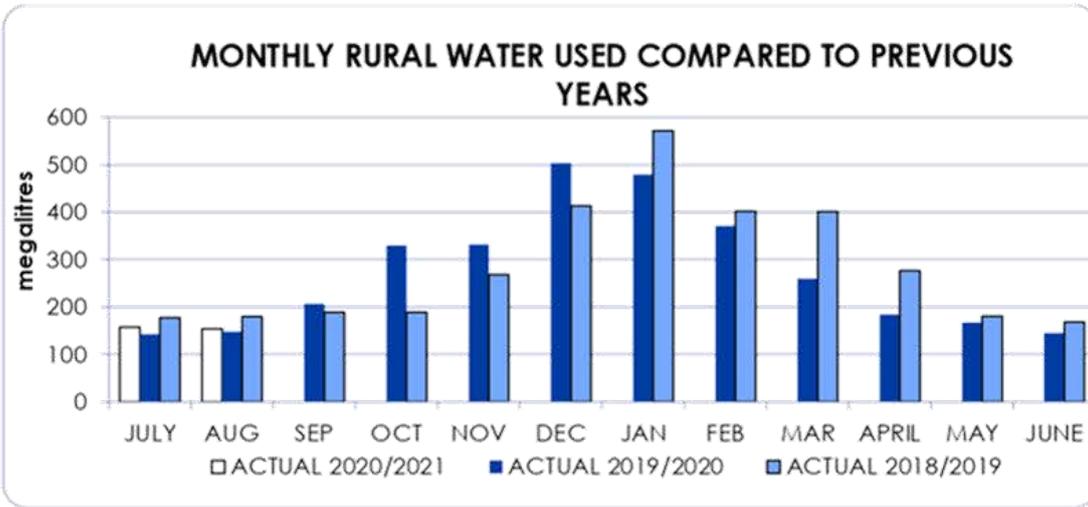
This report provides an overview of water usage, connections, maintenance and water quality matters from 1 – 31 August 2020

Water Sourced and Used

	2018	2019	2020
Rainfall	13.6	14.2	74.0
Wet days	11	8	12
Water sourced August 2020 (ML)			
North Wagga bores	177.92	167.60	152.30
West Wagga bores	370.27	133.27	95.36
East Wagga bores	149.85	310.28	413.52
Murrumbidgee River	0.00	79.54	0.00
Sub Total	698.04	690.69	661.18
Bulgary bores	26.17	16.60	20.16
Urana source	0.00	0.00	0.00
Ralvona bores	13.9	12.04	12.72
Walla Walla bores	0.00	0.00	0.00
Goldenfields Water Supply System	1.39	2.08	3.15
Sub Total	41.46	30.72	36.03
Woomargama	1.19	0.68	0.67
Humula	0.33	0.73	0.27
Tarcutta	2.4	2.59	2.29
Oura	2.07	1.88	1.92

	2018	2019	2020
Walbundrie / Rand	1.95	1.66	1.73
Morundah	0.78	0.62	0.63
Collingullie	10.15	4.88	5.44
Sub Total	18.87	13.04	12.95
Totals	758.37	734.45	710.16
Water used August 2020 (MI)			
East Bomen	22.05	18.19	20.57
Estella	46.41	52.30	53.68
North Wagga	86.96	88.50	55.42
Wagga Wagga – low level	77.91	82.38	83.77
Wagga Wagga – high level	289.66	295.28	289.26
Wagga Wagga – Bellevue level	55.07	41.52	41.83
Sub Total	578.06	578.17	544.53
Ladysmith system	2.19	2.60	3.29
Brucedale scheme	15.62	13.42	21.48
Currawarna scheme	10.11	6.18	6.99
Rural Southern trunk main system	88.20	76.99	74.43
Rural Western trunk main system	27.57	23.54	22.17
Sub Total	143.73	122.73	128.36
Holbrook	13.90	12.07	12.70
Woomargama	1.19	0.68	0.67
Humula	0.33	0.73	0.27
Tarcutta	2.40	2.55	2.18
Oura	2.07	1.88	1.92
Walbundrie / Rand	1.95	1.66	1.73
Morundah	0.78	0.57	0.53
Collingullie	10.15	5.02	5.32
Sub Total	32.77	25.16	25.32
Totals	754.56	726.06	698.21





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	35	2	4	18	8	2			1	62	4	1
Wagga Wagga		1	1	2	5	1				18		1
Forest Hill			1	1						2		
North Wagga				3		1			1	1	1	
Estella	10									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
Koorinal				3						9		
Turvey Park				1						3		
Lake Albert	1		1	1						8	1	
Ashmont			1	1						3		
Tolland				1						4		
Mount Austin				1						7		
Tatton											1	
Glenfield Park				1	1					4		
Lloyd	3											
Springvale	2			1								
East Wagga				2							1	
Boorooma	2											
Gobbagombalin	17	1										
Gumly Gumly					2					2		
Brucedale					1							
Shepherds Siding				2								
Humula										1		
Oura					1							
San Isidore				1						1		
Tarcutta				1								
The Gap					1	1						
Lockhart				2		1						
Milbrulong					1							
Bidgeemia				1								
The Rock	1				2					2		
Yerong Creek				1								
Henty				1								
Holbrook										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
Walla Walla										1		
Morundah											1	
Rand				1								
Urana	1	1		2								
Total	37	3	4	27	14	4	0	0	1	69	5	1

Water System Repairs

Wagga Wagga								
Date	Location	Town	Main type	Cause	Live repair	Outage duration time	Customers affected	Water lost (KI)
6/08/2020	4 Hayes Street	North Wagga Wagga	100 AC	Pipe Failure (not specified)	No		15	20
10/08/2020	51 McNickle Road	Wagga Wagga	100 WPVC	Pipe Failure (not specified)	No		20	10
14/08/2020	11 Forsyth Street	Wagga Wagga	100 AC	Pipe Failure (not specified)	No		15	5
31/08/2020	12 Victoria Street	Mount Austin	100 AC	Pipe Failure (not specified)	Yes		0	0

Rural								
Date	Location	Town	Main type	Cause	Live repair	Outage duration time	Customers affected	Water lost (KI)
5/08/2020	7 Milne Road	The Rock	100 AC	Pipe Failure - Ground Movement	No		20	30
5/08/2020	55 Scott Street	The Rock	100 AC	Pipe Failure - Ground Movement	No		25	20

5/08/2020	1 Milne Street	The Rock	100 AC	Pipe Failure - Ground Movement	No		20	15
5/08/2020	40 Scott Street	The Rock	100 AC	Pipe Failure - Ground Movement	No		23	10
6/08/2020	Woomargama Way	Woomargama	50 PVC	Corrosion	Yes		0	1
11/08/2020	Kendalls Road	Henty	200 AC	Pipe Failure - Ground Movement	No		0	78
12/08/2020	Corner Cotte Road & Gap Road	Currawarna	63 PE	Pipe Failure (not specified)	No		3	5
13/08/2020	Yamma Street	Morundah	100 AC	Pipe Failure - Ground Movement	Yes		0	78
15/08/2020	47 Coonong Street	Urana	100 AC	Pipe Failure - Ground Movement	Yes		5	230
17/08/2020	Olympic Highway	Henty	200 AC	Pipe Failure - Ground Movement	No		0	56
29/08/2020	14 Edward Street	Woomargama	100 AC	Pipe Failure - Ground Movement	Yes		0	12

Water Quality Complaints

Date	Location	Problem	Action Taken
5/08/2020	Unit 3, 5 Chambers Pl. Wagga	Funny Taste	Cl 1.28mg/L, Turb 0.23 NTU, pH 8.05 all within ADWG. Recommended cleaning strainer at kitchen sink.
6/08/2020	Unit 3/124 Mima St. Glenfield Park	Dirty water and small sand grains found in the water	Flushed service
9/08/2020	16 Justinian Pl. Gumly	Cloudy water	water very cloudy, flushed main.
9/08/2020	10 Scarborough Way, Gumly	Dirty water	Flushed water main

11/08/2020	170 Cobdens Rd. The Gap	Air in water line due to works on Becks Lane. Owner advised she thought this would be attended to immediately after works completed Becks Lane	Flushed end of line no more air
12/08/2020	30 Day St. The Rock	Please flush line, metallic tasting water. Owner said she was advised to call, and line will be flushed again.	Flushed main & service. Cl 1.28 turb 4.44
12/08/2020	53 Wilson St. The Rock	White powder on the hot water system. Water needs to be flushed	Told consumer that that happens but still flushed main and service. Cl 1.16, turb 4.48
14/08/2020	109 Riverview Dr. Wagga	Water pressure inconsistent and water white colour/milky in colour.	No problem with pressure or milky water rang owner and left a message
19/08/2020	2 Wagga Wagga Rd. Oura	Dirty water	Flushed main.
23/08/2020	25 Springvale Dr. Wagga	Dirty Water	Flushed main and service.
26/08/2020	92 Brindabella Dr Tatton	Experiencing high levels of chlorine, skin reactions. Would like water tested	Checked Free Chlorine residues 1.52mg/L and 1.48 mg/L which are within ADWG
27/08/2020	Brucedale Dr. Brucedale	Dirty water	Flushed water main

Replacement of Existing Mains

Location	Project	63	100		150		450	600
		PE	OPVC	DICL	OPVC	DICL	DICL	DICL
Osbourne	Doigs Lane Replacement	1000						
Beck's Lane	Upgrade		1002					
Low Level Res	Replacement							67
Cox Ave Forest Hill	Replacement			340				
Botanic Gardens	Replacement		170					
Farrer Road	Replacement, Upgrade						14	

Other Construction

Location or Project	Work done
Cox Ave Forest Hill	Gangs Renewed 27 services

Major Repairs / Overhauls

Location or Project	Work done
Farrer Road Pump house	Cut in valve sets for new main

Water Filling Station Activity

Location	Number of fills
Bomen Hereford Street	95
Estella Farrer Road	17
Forest Hill Elizabeth Avenue	24
Glenfield Red Hill Road	32
Henty Olympic Way	1
Holbrook Millswood Road	15
Lake Albert Plumpton Road	31
Lockhart Napier Road	27
Pleasant Hills Manson Street	9
The Rock	14
Yerong Creek Finlayson	13

Fleet Disposals

Nil to report

Fleet Acquisitions

Vehicle No	Tenders received	Accepted Tenderer	Vehicle type	Make/Model	Price ex GST
425	4	Wagga Trucks	Tipper	UD GW460	\$192,413
426	4	Westrac	Excavator	308	\$149,500
427	3	Griffith Motor Group	Ute	Mitsubishi Triton	\$32,120.18
428	4	Hillis Ford	Ute	Ford Ranger XLT	\$46,346.34

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

	On track
	Behind schedule
	Unlikely this Financial Year

Description	2019/20 Budget	Actual & Committed to Date	Comments
MANAGEMENT			
Administration Office			
Administration Office	\$100,000	\$10,871	Waiting on design to be finalised in accordance with feedback. Design to be provided to Quantity Surveyor (QS) for pricing in September.
Depot Buildings			
Refurbishment of Operations Office – Urban	\$640,000	\$4,398	Detailed design complete and QS price is \$2.42M. Construction specifications and tender schedules received for review. See detailed report.
Depot Building The Rock – Non-Urban	\$500,000	-\$600	Detailed design was due in March however consultant experienced issues related to COVID which have delayed delivery. Architectural and Structural designs now complete. Civil, Mechanical, Electrical designs and specifications expected in October along with tender schedules. Consultant's estimate for work is \$1.8M. Once design and specifications complete QS will price. Subdivision plans have been registered. The two lots have now been officially consolidated. See detailed report.

Description	2019/20 Budget	Actual & Committed to Date	Comments
Land and Buildings for Admin, Depot and Workshops			
Access, Parking and Landscaping			
Koorringal Road purchase	\$235,000	\$7,226	Acquisition will proceed once stormwater works completed by owner.
Forge & Copland Street Development	\$250,000	\$220	Earthworks (pad) completed.
PLANT AND EQUIPEMENT			
IT Equipment			
Computer Server Replacement – Urban	\$2,105,000	\$3,725	Budget mostly in relation to ERP - Work is yet to commence.
Computer Equipment – Urban	\$139,000	\$40,319	2021 renewal program has commenced – on track.
Working Plant and Vehicle Purchases			
Routine plant and vehicle replacements	\$1,130,000	-\$26	Ongoing
Telemetry and Control Systems Upgrade			
Radio Telemetry SCADA Upgrade	\$482,000	\$77,571	Ongoing. North Wagga system control and communications upgrade commenced
Energy Efficiency and Cost Minimisation			
Solar Pilot plant – East Wagga	\$500,000	\$51,750	Company named “The Energy Project” in partnership with University of Adelaide has been engaged to review and validate our proposed solar and battery project. This review for due diligence and is in progress. Riverina Water is also engaging Essential Energy as part of the approval process.
SOURCES			

Description	2019/20 Budget	Actual & Committed to Date	Comments
Bores – Renew / Refurbish / Decommission			
Humula Well Replacement	\$150,000	\$0	CapEx item to be removed
Humula Well Flood Protection	\$200,000	\$0	CapEx item to be removed
Bulgary Bore 3B - Reline & Riseless	\$180,000	\$158,735	Commenced
TREATMENT PLANTS			
Aeration Tower Covers			
West Wagga Aeration Roof Replacement / Cover	\$108,000	\$68,354	Fabrication of eight replacement Stainless Steel towers completed. Four towers have been commissioned with 4 towers currently being installed. Modification to platforms for access to towers completed. Set out for Aeration Cover frame underway.
Treatment Plant Refurbishments			
WTP stage 1 – Urban	\$3,750,000	\$109,763	UGL has withdrawn the notice of referral and terminated the references to Expert Determination (ED). Repair of high priority defects including Raw Water pump are underway.
Roads	\$400,000	\$13,636	50% Design Issue of Civil Drawings received and reviewed. Feedback sent to GHD. Safety in Design (SiD) workshop has taken place. Detailed civil design, construction specifications, tender schedules & QS due October.
Footpaths and Covered Walkways	\$100,000	\$0	Design incorporated in Roads project
Landscaping	\$100,000	\$0	Design incorporated in Roads project
West Wagga WTP Fluoride Plant Replacement	\$130,000	\$0	Not commenced

Description	2019/20 Budget	Actual & Committed to Date	Comments
North Wagga WTP Fluoride Plant Replacement	\$160,000	\$0	Not commenced
PUMPING STATIONS			
Estella Pump Station	\$120,000	\$0	Waiting for final outcomes of IWCM 30-year CapEx plan
RESERVOIRS			
New / Replacement Reservoirs			
Humula Reservoir Replacement 2x 100kL with 1x 150kL	\$150,000	\$0	Commenced site investigations and planning to demolish one of the reservoirs to make space for new 150kL reservoir.
Walbundrie Reservoir #2 1x100kL with 150kL replacement	\$150,000	\$0	Commenced site investigations. Planning isolated and relocation electrical work and demolish old reservoir to make space for new 150kL reservoir.
The Rock Reservoir South	\$320,000	\$0	Waiting for property owner to reply to our correspondence in relation to land acquisition.
MAINS			
System Improvements			
System Improvements – Urban	\$150,000	\$3,882	In progress
WW WTP 600mm DICL Koorngal Road	\$200,000	-\$6,400	
Estella PH and Res	\$500,000	\$82,861	In progress
Reticulation for Developers (including other extensions)			
Reticulation for Developers – Urban	\$800,000	\$36,254	In progress
Renew Reticulation Mains			
Renew Reticulation Mains – Non-Urban	\$200,000	\$0	

Description	2019/20 Budget	Actual & Committed to Date	Comments
Renew Reticulation Mains – Urban	\$400,000	-\$31,136	
The Gap / Brucedale System – Non-Urban	\$150,000	\$874	
Heydon Avenue, 250m 100mm DICL	\$150,000	\$0	
Cox Avenue, Forest Hill, 600m 100mm DICL	\$300,000	\$160,708	In progress
Doigs Lane, 6.1km 63mm PE	\$250,000	\$58,011	In progress
Renew Trunk Mains			
Renew Trunk Mains – Urban	\$200,000	\$143,928	In progress
Renew Trunk Mains – Non-Urban	\$200,000	\$33,797	In progress
Sturt Highway, 4km 300mm DICL	\$800,000	\$0	
Simkin/Churchill/Sherwood 1.1km 250mm oPVC	\$550,000	\$953	
The Rock Res Trunk Main 1.2km 250mm oPVC	\$400,000	\$0	
SERVICES			
Service Connections, new including Meters			
Service Connections, New – Urban	\$500,000	\$83,524	In progress
Renew Services			
Renew Services – Urban	\$300,000	\$25,018	In progress
METERS			
Water Meters Replacement			
Water meters replacement – Urban	\$150,000	\$24,430	In progress

Description	2019/20 Budget	Actual & Committed to Date	Comments
Remote Metering			
Smart Meters - Investigation LE, GSM2 digital comms	\$300,000	\$65,707	In progress

R19 Works Report covering September 2020

Organisational Area Engineering

Author Bede Spannagle, Director of Engineering

Summary This report provides an overview of water usage, connections, maintenance and water quality from 1-30 September 2020

RECOMMENDATION that the Works Report covering September 2020 be received and noted

Report

This report provides an overview of water usage, connections, maintenance and water quality matters from 1-30 September 2020.

› R19.1 Engineering Report September 2020

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.

Rx Works Report covering September 2020

Management Area Engineering

Author Bede Spannagle, Director Engineering

Summary This report provides an overview of water usage, connections, maintenance and water quality matters from 1 – 30 September 2020

RECOMMENDATION that the Works Report covering September 2020 be received and noted

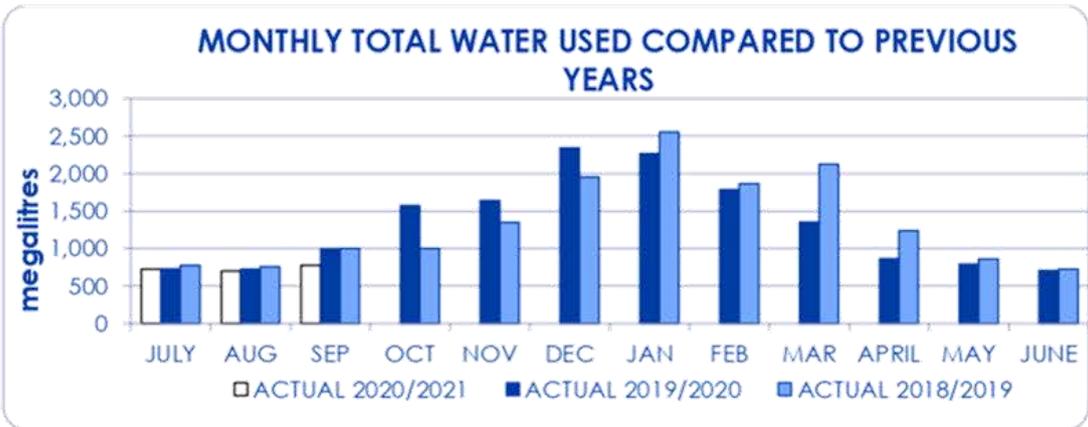
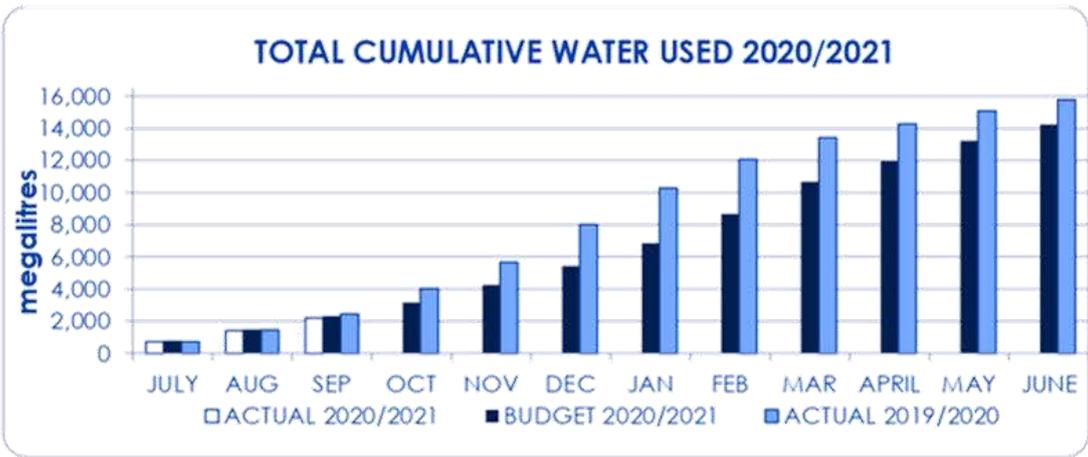
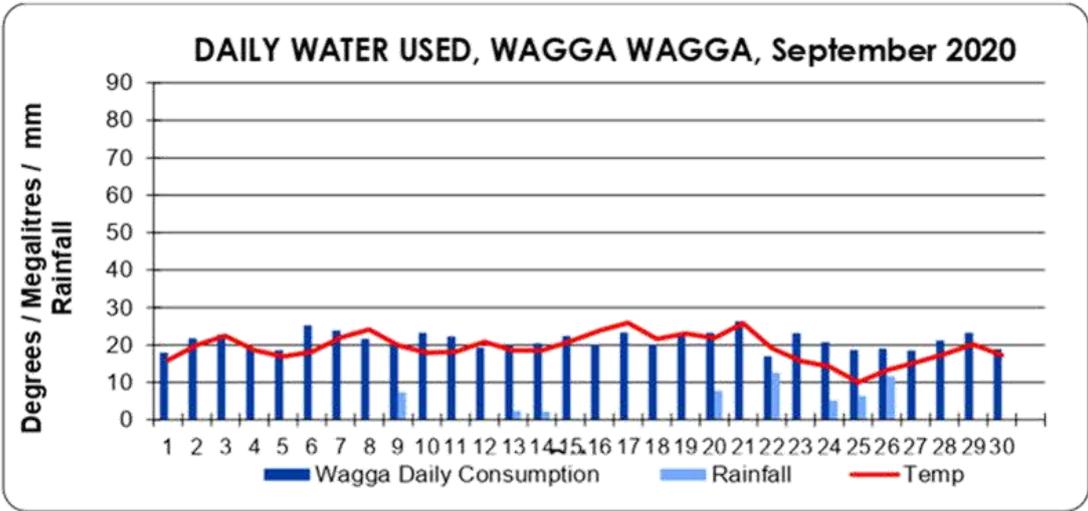
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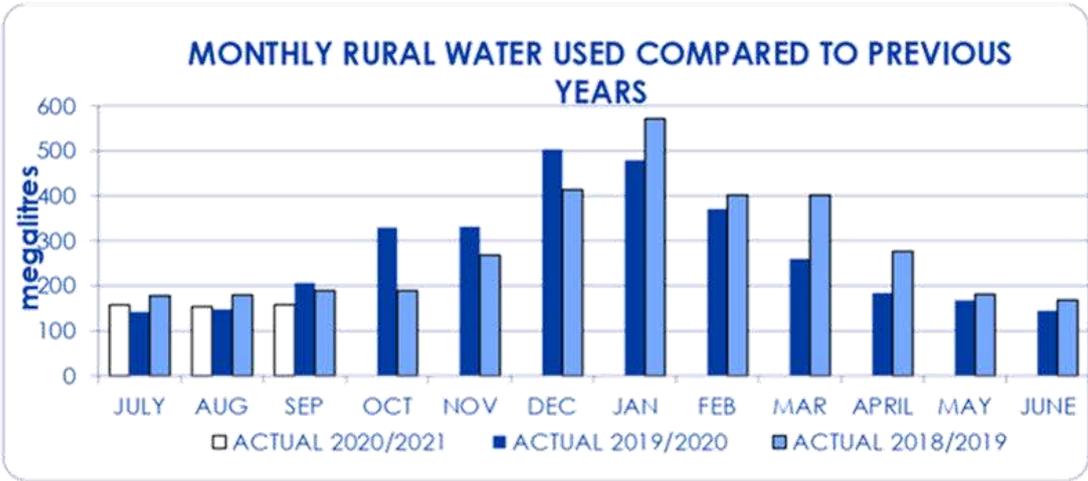
This report provides an overview of water usage, connections, maintenance and water quality matters from 1 – 30 September 2020

Water Sourced and Used

	2018	2019	2020
Rainfall	30.8	16.2	56.4
Wet days	4	5	11
Water sourced September 2020 (MI)			
North Wagga bores	195.44	195.88	146.61
West Wagga bores	412.88	225.19	186.99
East Wagga bores	483.40	434.54	413.45
Murrumbidgee River	142.57	96.03	0.00
Sub Total	1234.29	951.64	747.05
Bulgary bores	37.95	31.14	24.39
Urana source	0.00	0.00	0.00
Ralvona bores	14.90	14.61	13.68
Walla Walla bores	0.00	0.00	0.00
Goldenfields Water Supply System	1.51	1.77	5.3
Sub Total	54.36	47.52	43.37
Woomargama	1.06	0.83	0.77
Humula	0.45	0.72	0.52
Tarcutta	2.50	2.88	2.40

	2018	2019	2020
Oura	2.34	2.57	1.95
Walbundrie / Rand	2.23	1.95	2.03
Morundah	0.72	0.74	0.50
Collingullie	4.20	5.15	4.96
Sub Total	13.50	14.84	13.13
Totals	1302.15	1014.00	803.55
Water used September 2020 (MI)			
East Bomen	17.60	25.88	5.83
Estella	67.87	70.76	56.71
North Wagga	83.83	76.24	56.95
Wagga Wagga – low level	186.19	139.82	126.91
Wagga Wagga – high level	410.71	414.20	326.21
Wagga Wagga – Bellevue level	45.31	63.57	46.43
Sub Total	811.51	790.47	619.04
Ladysmith system	3.89	3.35	2.83
Brucedale scheme	14.18	19.41	23.63
Currawarna scheme	11.45	12.85	10.34
Rural Southern trunk main system	113.2	103.54	73.38
Rural Western trunk main system	45.19	38.17	24.07
Sub Total	187.95	177.32	134.25
Holbrook	14.90	14.69	13.62
Woomargama	1.06	0.83	0.77
Humula	0.45	0.72	0.52
Tarcutta	2.50	2.80	2.40
Oura	2.34	2.57	1.95
Walbundrie / Rand	2.23	1.95	2.03
Morundah	0.72	0.67	0.39
Collingullie	4.20	4.85	2.26
Sub Total	13.50	29.08	23.94
Totals	1012.96	996.87	777.23





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	46	3	2	15	21	7				60	3	
Wagga Wagga	1		2	5	12	3				24	3	
Forest Hill		1			1					3		
North Wagga					1							
Estella	4									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
Koorinal				2						6		
Turvey Park	2			1		2				2		
Lake Albert	3			1	2					5		
Ashmont				1	1					5		
Tolland						1				3		
Mt Austin				1						2		
Bourkelands	1									1		
Glen Oak					1							
Glenfield				1						3		
Lloyd	15	1			1					1		
Springvale				2	1	1				1		
East Wagga										1		
Boorooma	4				1					1		
Gobbagombalin	16	1		1								
San Isidore					6							
The Gap				1								
Collingullie				1								
Lockhart						1				2		
Milbrulong											1	
Bidgeemia				2								
The Rock				1	1	1				1		
Uranquinty	2											
Yerong Creek				1								
Henty	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
Holbrook										3		
Morven	1											1
Walbundrie				1								
Walla Walla										1		
Woomargama				1								
Boree Creek				1								
Oaklands			1									
Rand				1						2		
TOTAL	50	3	3	23	28	9	0	0	0	69	4	1

Water System Repairs

Wagga Wagga								
Date	Location	Town	Main type	Cause	Live repair	Outage duration time	Customers affected	Water lost (KI)
1/9/2020	420 Koorungal Road	Lake Albert	250 DICL	Leaking Collar	No		2	5
1/9/2020	Hamiltons Lane (comes off Denis Crossing Road)	Wagga Wagga	50 PVC	Leaking Collar	No		3	5
3/9/2020	40 Docker Street	Wagga Wagga	150 DICL	Leaking Collar	No		15	5
7/9/2020	582 Becks Lane	Gobbagombalin	80 PVC	Pipe Failure (not specified)	Yes		0	3
18/9/2020	Wilks Park	North Wagga	150 AC	Pipe Failure (not specified)	Yes		0	5

Rural								
Date	Location	Town	Main type	Cause	Live repair	Outage duration time	Customers affected	Water lost (KI)
1/9/2020	Lockhart The Rock Road	Milbrulong	100 AC	Pipe Failure (not specified)	Yes		0	1
2/9/2020	Schneider Lane	Osbourne	63 PE	Pipe Failure (not specified)	No		3	1
2/9/2020	Culcairn Holbrook Rd	Ralvona	50 PVC	Pipe Failure (not specified)	No		3	2
4/9/2020	Bidgeemia Road	Bidgeemia	63 PE	Pipe Failure (not specified)	No		1	2
4/9/2020	Doigs Lane	Pleasant Hill	63 PE	Pipe Failure (not specified)	No		3	1
4/9/2020	Lockhart Albury Road	Pleasant Hill	63 PE	Pipe Failure (not specified)	No		2	1
4/9/2020	Semens Lane	The Rock	100 WPVC	Pipe Failure - Ground Movement	Yes		0	14
17/9/2020	Clarke Street & Tumba Street	Humula	80 AC	Tree Roots	Yes		0	5
19/9/2020	Bidgeemia Road	Bidgeemia	100 BPVC	Pipe Failure - Ground Movement	No		2	5

Water Quality Complaints

Date	Location	Problem	Action Taken
3/09/2020	48 Cox Ave, Forest Hill	WQ and corrosion in pipe	Checked pH, Ec, Fe, Cl, all within ADWG
4/09/2020	34-36 Fitzmaurice St, Wagga	dirty water	Responded, flushed service
7/09/2020	Wilks Park, North Wagga	water smells and tastes from his tank	Checked pH, turbidity, Cl, all within ADWG. No bad odour or taste at tap water
8/09/2020	137 Bradman Dr, Booroma	dirty water	Flushed service

9/09/2020	14 Peppermint Dr, Glen Oak	water brown/yellow	Flushed service
10/09/2020	6 Tallowood Cres, L. Albert	dirty water	Flushed service
10/09/2020	49 Chaston St, Wagga	dirty water	Flushed service
10/09/2020	3 Cottonwood Cl, L. Albert	dirty water	Flushed service
15/09/2020	3 Eugene St, San Isidore	dirty water	Flushed service
16/09/2020	4 Eugene St, San Isidore	dirty water	old gal pipe on customers side
18/09/2020	15 Spring St, Wagga	dirty water	Burst main in South Parade
18/09/2020	144 Gurwood St, Wagga	dirty water	Flushed service
18/09/2020	10 Macley St, Wagga	dirty water, son has stomach cramps.	Checked pH, turbidity, Cl, Micro. All within ADWG. Water clear. Entered twice also RHS #55335
18/09/2020	184 Morgan St, Wagga	dirty water	Flushed service
18/09/2020	5/196 Morgan St, Wagga	dirty water	Flushed service
18/09/2020	59 Baylis St, Wagga	dirty water	Flushed service
19/09/2020	50 Rods, Rd, The Rock	dirty water	Flushed service
21/09/2020	26 South Parade, Wagga	dirty water	Flushed service
21/09/2020	Cobdens L. Wagga	milky water	Flushed air valve at service
22/09/2020	48 Mumford St, Ashmont	dirty water. Property vacant since 2015	Flushed service
22/09/2020	4 Hensche Ave, San Isidore	dirty water	Turbidity checked, flushed service
22/09/2020	2 Cummins Drv, San Isidore	dirty water	Turbidity checked, flushed service
22/09/2020	2/50 Paldi Cres, Wagga	dirty water	Flushed service
22/09/2020	35 Hargrave Ave, Lloyd	dirty water	tested water, flushed at home, all within ADWG
27/09/2020	Spring St, Wagga	dirty water	Flushed hydrant
28/09/2020	23 Henwood Ave, Wagga	Metallic tasting water	tested water Cl, turbidity, pH, all within ADWG, Taste test OK
28/09/2020	15 Indigo Dr, Springvale	poor water quality	Flushed main

30/09/2020	24 Wren St, Mt Austin	water discoloured, reddish	Maintenance will put this in for renewal our side gal their side copper
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New water mains laid

Location	Project	63		100		150		200		300	
		PE	OPVC	DICL	OPVC	DICL	OPVC	DICL	OPVC	DICL	
Bidgeemia	Mains Extension		5300								
Governors Hill	New sub-division				480		192				
Springvale Heights	New sub-division				865	90					
Coffee Rd Currawarna	Mains Extension	1300									

Replacement of Existing Mains

Location	Project	63	100		150		450	600
		PE	OPVC	DICL	OPVC	DICL	DICL	DICL
Becks Lane	Mains Up-Grade		288	24				
Farrer Rd	Mains Up-Grade						280	

Other Construction

Location or Project	Work done
Men's Shed Ashmont	100mm Fire Service

Major Repairs / Overhauls

Nil to report

Water Filling Station Activity

Location	Number of fills
Bomen Hereford Street	121
Estella Farrer Road	86
Forest Hill Elizabeth Avenue	38
Glenfield Red Hill Road	72
Henty Olympic Way	3
Holbrook Millswood Road	66
Lake Albert Plumpton Road	57
Lockhart Napier Road	25
Pleasant Hills Manson Street	3
The Rock	63
Walla Walla Short Street	4
Yerong Creek Finlayson	2

Fleet Disposals

Nil to report

Fleet Acquisitions

Nil to report

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

	On track
	Behind schedule
	Unlikely this Financial Year

Description	2019/20 Budget	Actual & Committed to Date	Comments
MANAGEMENT			
Administration Office			
Administration Office	\$100,000	\$39,127	Waiting on design to be finalised in accordance with feedback. Design to be provided to Quantity Surveyor (QS) for pricing in November.
Depot Buildings			
Refurbishment of Operations Office – Urban	\$640,000	\$23,467	Detailed design complete and QS price is \$2.42M. Report to October council meeting with proposed budget increase and project staging.
Depot Building The Rock – Non-Urban	\$500,000	\$44,300	Detailed design complete waiting for QS. Report to October council meeting with proposed budget increase and project staging.
Land and Buildings for Admin, Depot and Workshops			
Access, Parking and Landscaping			

Description	2019/20 Budget	Actual & Committed to Date	Comments
Koorringal Road purchase	\$235,000	\$125,970	Acquisition will proceed once stormwater works completed by owner. Current owner has proposed alternate solution that is being evaluated.
Forge & Copland Street Development	\$250,000	\$220	Earthworks (pad) completed.
PLANT AND EQUIPEMENT			
IT Equipment			
Computer Server Replacement – Urban	\$2,105,000	\$22,123	Budget mostly in relation to ERP - Work is yet to commence.
Computer Equipment – Urban	\$139,000	\$47,309	2021 renewal program has commenced – on track.
Working Plant and Vehicle Purchases			
Routine plant and vehicle replacements	\$1,549,847	\$419,821	Ongoing
Telemetry and Control Systems Upgrade			
Radio Telemetry SCADA Upgrade	\$482,000	\$143,019	Ongoing. North Wagga system control and communications upgrade being commissioned
Energy Efficiency and Cost Minimisation			
Solar Pilot plant – East Wagga	\$500,000	\$83,527	Company named “The Energy Project” in partnership with University of Adelaide has been engaged to review and validate our proposed solar and battery project. This review for due diligence and is in progress. Riverina Water has engaged Essential Energy as part of the approval process and is currently working on the detailed enquiry back to EE.
SOURCES			
Bores – Renew / Refurbish / Decommission			

Description	2019/20 Budget	Actual & Committed to Date	Comments
Bulgary Bore 3B - Reline & Riseless	\$180,000	\$173,144	Ongoing
TREATMENT PLANTS			
Aeration Tower Covers			
West Wagga Aeration Roof Replacement / Cover	\$137,124	-\$192,348	All eight towers are installed and commissioned. In the process of installation, the aeration covers.
Treatment Plant Refurbishments			
WTP stage 1 – Urban	\$3,750,000	\$276,724	Raw water pump motors are due back on the 23/10/2020. Pumps to be reassembled the week ending 1 st November and re installed. All clear water pump motor bearing are being replaced due to lack of maintenance and will be all online by the end of October. WTP to have full capacity restored by the start of November.
Roads	\$473,763	\$90,127	50% Design Issue of Civil Drawings received and reviewed. Feedback sent to GHD. Safety in Design (SiD) workshop has taken place. Detailed civil design, construction specifications, tender schedules & QS due November.
Footpaths and Covered Walkways	\$100,000	\$0	Design incorporated in Roads project
Landscaping	\$100,000	\$0	Design incorporated in Roads project
West Wagga WTP Fluoride Plant Replacement	\$130,000	\$0	Not commenced
North Wagga WTP Fluoride Plant Replacement	\$160,000	\$0	Not commenced
PUMPING STATIONS			
Estella Pump Station	\$120,000	\$0	Waiting for final outcomes of IWCM 30-year CapEx plan
RESERVOIRS			

Description	2019/20 Budget	Actual & Committed to Date	Comments
New / Replacement Reservoirs			
Humula Reservoir Replacement 2x 100kL with 1x 150kL	\$150,000	\$16,532	Commenced site investigations and planning to demolish one of the reservoirs to make space for new 150kL reservoir.
Walbundrie Reservoir #2 1x100kL with 150kL replacement	\$150,000	\$10,016	Commenced site investigations. Planning isolated and relocation electrical work and demolish old reservoir to make space for new 150kL reservoir.
The Rock Reservoir South	\$324,900	\$4,960	Waiting for property owner to reply to our correspondence in relation to land acquisition. Management considering compulsory acquisition process.
MAINS			
System Improvements			
System Improvements – Urban	\$150,000	\$4,428	In progress
WW WTP 600mm DICL Koorinal Road	\$200,000	\$14,012	
Estella PH and Res	\$500,000	\$223,639	In progress
Reticulation for Developers (including other extensions)			
Reticulation for Developers – Urban	\$800,000	\$242,641	In progress
Renew Reticulation Mains			
Renew Reticulation Mains – Non-Urban	\$200,000	\$2,859	
Renew Reticulation Mains – Urban	\$400,000	\$27,673	In progress
The Gap / Brucedale System – Non-Urban	\$150,000	\$969	
Heydon Avenue, 250m 100mm DICL	\$150,000	\$14	

Description	2019/20 Budget	Actual & Committed to Date	Comments
Cox Avenue, Forest Hill, 600m 100mm DICL	\$300,000	\$174,738	Complete
Doigs Lane, 6.1km 63mm PE	\$250,000	\$63,910	In progress
Renew Trunk Mains			
Renew Trunk Mains – Urban	\$200,000	\$197,619	In progress
Renew Trunk Mains – Non-Urban	\$200,000	\$45,410	In progress
Sturt Highway, 4km 300mm DICL	\$800,000	\$0	
Simkin/Churchill/Sherwood 1.1km 250mm oPVC	\$550,000	\$59,919	
The Rock Res Trunk Main 1.2km 250mm oPVC	\$400,000	\$0	
SERVICES			
Service Connections, new including Meters			
Service Connections, New – Urban	\$500,000	\$149,276	In progress
Renew Services			
Renew Services – Urban	\$300,000	\$31,675	In progress
METERS			
Water Meters Replacement			
Water meters replacement – Urban	\$150,000	-\$23,756	In progress
Remote Metering			
Smart Meters - Investigation LE, GSM2 digital comms	\$300,000	\$66,994	In progress

M1 Minutes of Audit, Risk and Improvement Committee held on 16 September 2020

Organisational Area Governance & Human Resources

Author Wendy Reichelt, Governance & Records Officer

Summary The Riverina Water Audit Risk & Improvement Committee (ARIC) met on 16 September 2020 to consider the financial statements. No other business was discussed at this meeting.

RECOMMENDATION that Council endorses the recommendations contained in the minutes of the Audit, Risk and Improvement Committee meeting held on 16 September 2020.

Report

The Audit, Risk and Improvement Committee met on 16 September 2020. The minutes of the meeting are attached.

› M1.1 **2020-09-16 ARIC Minutes 16 September 2020.pdf**

Minutes of the meeting of Riverina Water Audit, Risk & Improvement Committee held on Wednesday 16 September 2020

The meeting of Riverina Water Audit, Risk & Improvement Committee was declared open at 9:32am.

Present

David Maxwell (Chairperson)
Councillor Yvonne Braid OAM
Bryce McNair (via Zoom)

In Attendance

Danielle McKenzie	Crowe
Andrew Crakanthorp	General Manager
Emily Tonacia	Manager Corporate Services
Kate Pellow	Accounting Officer
Melissa Donges	Executive Assistant to the General Manager
Melissa Vincent	Executive Assistant to the General Manager

Apologies

None received

Declaration of interests

None declared

Confirmation of Minutes

To be reviewed at November 2020 meeting, along with any business arising from these minutes

Financial Statements 2019/2020

The Committee reviewed the General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedules and referred the following items for further finance and audit consideration:

Note	Page	Description
2	13	Other activity correction needed
7	24	Investments no longer held to maturity
9	27	Remove 'Inventory held for distribution' section
13	33	Loans are secured over the income of Council (not general rating)
14	35	Placement of 'Defined Benefit Superannuation Disclosure' section to be confirmed with Audit Office
21	48	High Security Water Licence should be shown as "Level 1"

20/035 RESOLVED:
On the Motion of B McNair and Councillor Y Braid OAM

That the Committee:

- a) Reports that it has reviewed the 2019/2020 General Purpose and Special Purpose Financial Statements and Special Schedules
- b) Note the external Auditor's verbal update on the audit
- c) Advise Council that the Committee is unaware of any matter that would prevent Council from executing the certificate required by Section 213(2)(c) of the Local Government Act (as amended)
- d) Commends the Manager Corporate Services and Accounting Officer on their work in the preparation of the Financial Statements
- e) Will review the formal auditors reports at its next meeting in November 2020

CARRIED

This concluded the meeting of Riverina Water Audit, Risk & Improvement Committee which rose at 10:45am