



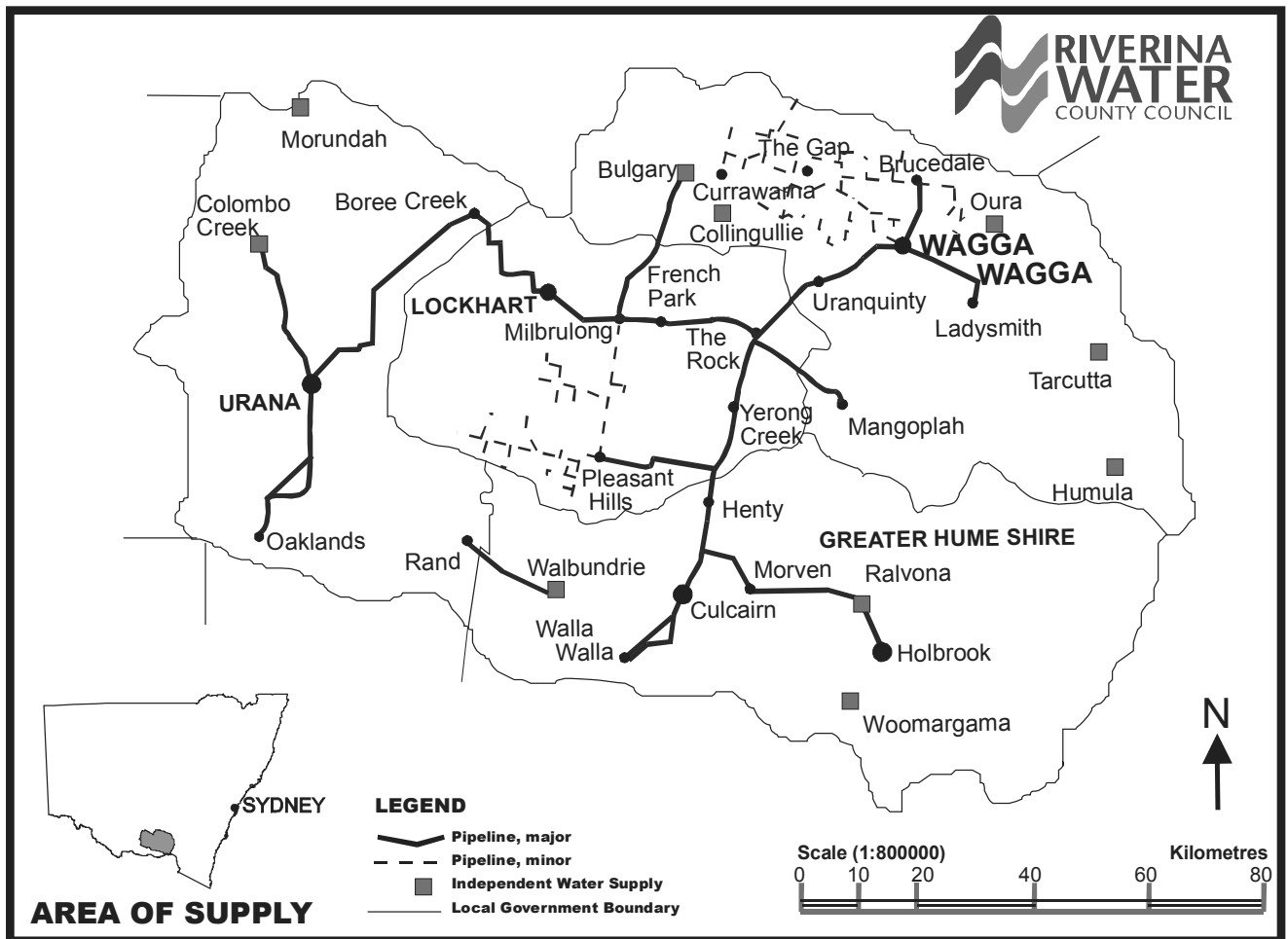
# Annual Report

## Riverina Water County Council

2008/2009

# Riverina Water County Council

## AREA OF SUPPLY



## Front Cover

Peter Clifton, Director of Engineering  
Retired from Riverina Water County Council  
after 40+ years of service  
1968 - 2009

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## MISSION STATEMENT

### **Mission:**

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

### **Goals include:**

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

## RIVERINA WATER COUNTY COUNCIL



### DIRECTORY

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

# **RIVERINA WATER COUNTY COUNCIL**

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

## **ANNUAL REPORT**

**For the Year June 2008 to Sept 2008**

### **COUNCILLORS**



Clr. P. Yates  
Lockhart Shire Council  
Chairperson

Clr. R. Kendall  
Wagga Wagga  
Deputy Chairperson



Clr. D. Simpson  
Wagga Wagga

Clr. L. Vidler  
Wagga Wagga

Clr. K. Wright  
Wagga Wagga

Clr. K. Wales  
Wagga Wagga

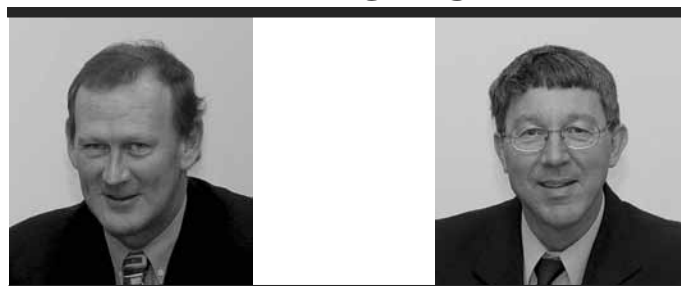


Clr. J. McInerney  
Greater Hume Shire

Clr. J. Ross  
Greater Hume Shire

Clr. I. Kreutzberger  
Urana Shire Council

### **MANAGERS**



G.W. Pieper  
General Manager

P.H. Clifton  
Director of Engineering

# **RIVERINA WATER COUNTY COUNCIL**

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

## **ANNUAL REPORT**

**22nd Oct 2008 to 30th June 2009**

### **COUNCILLORS**



Clr. Rod Kendall  
Wagga Wagga  
Chairperson

Clr. John McNerney  
Greater Hume Shire  
Deputy Chairperson



Clr. Alan Brown  
Wagga Wagga

Clr. Wayne Geale OAM  
Wagga Wagga

Clr. Ray Goodlass  
Wagga Wagga

Clr. Lindsay Vidler  
Wagga Wagga



Clr. Ian Kreutzberger  
Urana Shire Council

Clr. John Ross  
Greater Hume Shire

Clr. Peter Yates  
Lockhart Shire Council

### **MANAGERS**



Gerald W. Pieper  
General Manager

Greg Finlayson  
Director of Engineering  
From 29 June 2009

Peter H. Clifton  
Director of Engineering  
To 3rd July 2009



# COUNCILLORS – TERM OF OFFICE

Blackett, Dennis	Wagga Wagga	1 <sup>st</sup> July 1997 to 1999
Brassil AM, Patrick	Wagga Wagga	1 <sup>st</sup> July 1997 to 27 <sup>th</sup> March 2004
Brown, Alan	Wagga Wagga	Sept 2008 to Current
Coghill, Ian	Urana	1 <sup>st</sup> July 1997 to Oct 2003
Dale, Peter	Wagga Wagga	1 <sup>st</sup> July 1997 to March 2004
Edwards, Ross	Lockhart	1 <sup>st</sup> July 1997 to 1999
Fifield AM, Alan	Culcairn	28 <sup>th</sup> Sept 1999 to 26 <sup>th</sup> May 2004
Geale OAM, Wayne	Wagga Wagga	Sept 2008 to Current
Georgiou, Michael	Wagga Wagga	25 <sup>th</sup> Oct 1999 to April 2004
Goodlass, Ray	Wagga Wagga	Sept 2008 to Current
Harding, John	Wagga Wagga	25 <sup>th</sup> Oct 1999 to April 2004
Kendall, Rod	Wagga Wagga	April 2004 to Current
Kidson, Mary	Wagga Wagga	1 <sup>st</sup> July 1997 to 1999
Kotzur, Elwyn	Culcairn	1 <sup>st</sup> July 1997 to 1999
Kreutzberger, Ian	Urana	April 2004 to Current
McInerney, John	Holbrook	22 <sup>nd</sup> Sept 1999 to 26 <sup>th</sup> May 2004
McInerney, John	Greater Hume	27 <sup>th</sup> April 2005 to Current
Peardon, Robert	Holbrook	1 <sup>st</sup> July 1997 to 1999
Ross, John	Greater Hume Shire	27 <sup>th</sup> April 2005 to Current
Sexton, David	Administrator, Greater Hume Shire	26 <sup>th</sup> May 2004 to 23 <sup>rd</sup> Feb 2005
Simpson, Diana	Wagga Wagga	April 2004 to Sept 2008
Wright, Karen	Wagga Wagga	April 2004 to Sept 2008
Vidler, Lindsay	Wagga Wagga	1 <sup>st</sup> July 1997 to Current
Wales, Kevin	Wagga Wagga	April 2004 to Sept 2008
Yates, Peter	Lockhart	20 <sup>th</sup> Sept 1999 to Current
<b>Chairperson</b>		
Brassil, AM, Pat		1 <sup>st</sup> July 1997 to 27 <sup>th</sup> March 2004
Vidler, Lindsay		10 <sup>th</sup> May 2004 to 31 <sup>st</sup> Oct 2007
Yates, Peter		31 <sup>st</sup> Oct 2007 to Oct 2008
Kendall, Rod		Oct 2008 to Current
<b>Deputy Chairperson</b>		
Coghill, Ian		1 <sup>st</sup> July 1997 to Oct 2003
Yates, Peter		Oct 2003 to 31 <sup>st</sup> Oct 2007
Kendall, Rod		31 <sup>st</sup> Oct 2007 to Oct 2008
McInerney, John		Oct 2008 to present

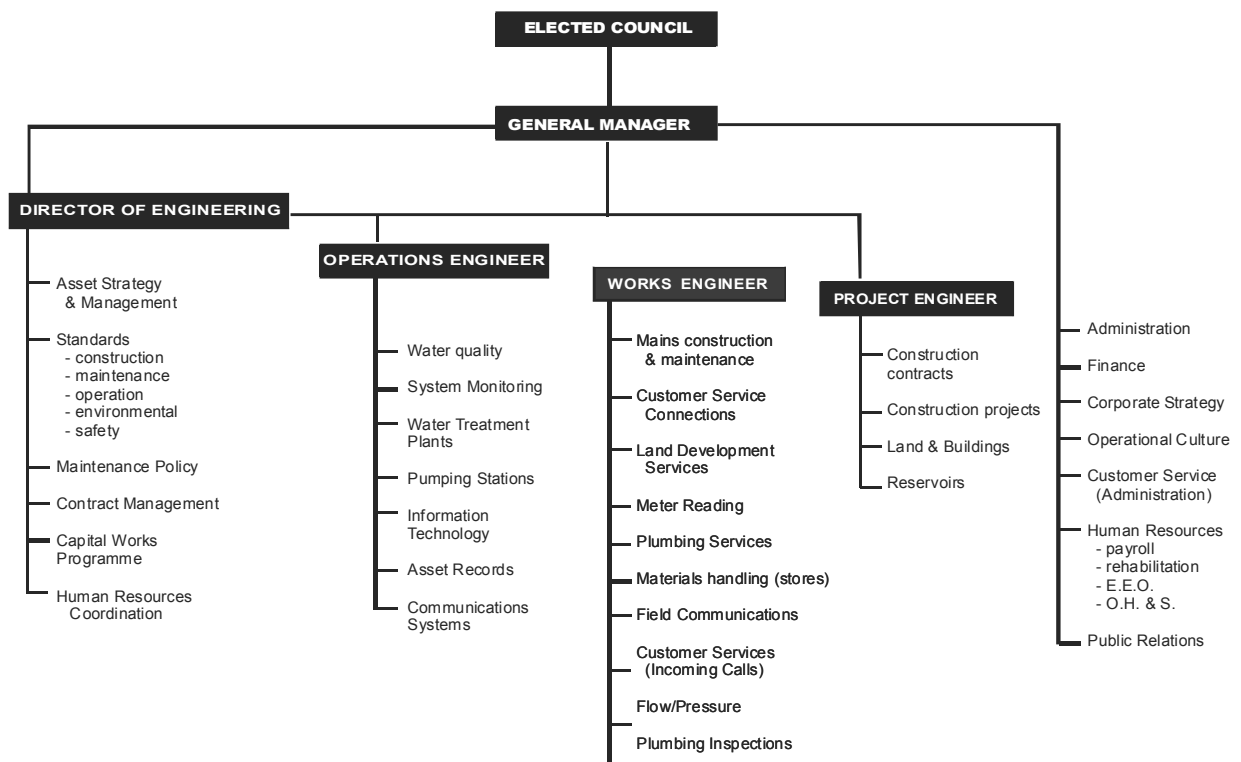
<b>General Manager</b> - Pieper, Gerald	1 <sup>st</sup> July 1997 to Current
<b>Senior Staff:</b>	
Nash, Murray (Director of Engineering)	1 <sup>st</sup> July 1997 to 14 <sup>th</sup> May 2004
Clifton, Peter (Director of Engineering)	10 <sup>th</sup> May 2004 to 3 <sup>rd</sup> July 2009
Finlayson, Greg (Director of Engineering)	29 <sup>th</sup> June 2009 to Current

## MEETING ATTENDANCE 2008/2009

COUNCILLOR	NUMBER OF MEETINGS	ATTENDANCE
A. Brown	5	5
W. Geale OAM	5	4
R. Goodlass	5	4
R. Kendall	6	6
I. Kreutzberger	6	6
J. McInerney	6	6
J. Ross	6	5
D. Simpson	1	1
L. Vidler	6	6
K. Wales	1	1
K. Wright	1	1
P. Yates	6	5

# INTRODUCTION

## ORGANISATION STRUCTURE



## **CHAIRPERSON'S MESSAGE 2008/2009**

Water security continues to be a major concern. As I write this message, we have again been advised by the NSW Department of Water and Energy that our water allocation from the first of July 2009 has been reduced to 50% as the main storage dams supplying the Murrumbidgee River are at critical low levels.

The times have changed and we can no longer expect an unlimited supply of water. Riverina Water and our consumers will have to adapt so that less water is consumed in the future.

Adoption of water conservation measures that will include a combination of recycling, reuse, use of water efficient equipment, low water use plantings and the like will be a necessity. As with all other challenges that have been put to our rural and regional areas, I am confident that the adaptation to a low water use environment will have unforeseen benefits to the whole community.

Water is not only our business but is vital to sustaining life. To meet its charter, Riverina Water must provide both a reliable and a safe water supply.

I am therefore very proud that Riverina Water is the first NSW water utility to gain HACCP (Hazard Analysis and Critical Control Point) certification. HACCP provides a methodology that assists in understanding and assessing the risks associated with supplying drinking water, developing control measures, and documenting a management system that when implemented will give confidence that our customers will continue to receive a safe and high quality drinking water.

This water quality safety plan is a result of the efforts of many people particularly:-

- water quality officer, Nicole Vonarx, who lead this very important project with dedication and enthusiasm.
- All staff who contributed to the many team and project meetings with their wealth of experience.
- The assistance from outside agencies such as Department Natural Resources, DEUS, and NSW Health.
- Dr Annette Davidson and Dr Daniel Deere of Water Futures who have provided outstanding guidance to Riverina Water throughout this project.

During the last 12 months the NSW Government has continued its Independent Enquiry into Secure and Sustainable Water Supply and Sewerage Services for Non-metropolitan NSW.

The draft report, released in January 2009, recommends that Riverina Water County Council would retain its current responsibilities for water supply. Council is supportive of this recommendation and sees it as confirmation of the high regard in which Riverina Water is held within the industry and by Government.

Notwithstanding this recommendation, Council is committed to ongoing consultation and cooperation with the region to ensure that any potential efficiency opportunities are identified and implemented. At the time of writing we are still awaiting release of the final report.

Several significant capital works programs have been commenced in the last 12 months as identified in our long term financial plan. One of the most significant is the commencement of the Urana pipeline that will replace the last open channel supply in our network. This work will not only result in significant water savings through reduced losses, but will result in a more consistent raw water quality being presented to the Urana treatment plant.

Riverina Water in combination with Wagga Wagga City Council, Lockhart Shire Council, Greater Hume Shire Council and Urana Shire Council have commenced detailed work towards the preparation of an integrated water cycle management plan to identify system constraints and opportunities in the total water cycle throughout our region.

The completion of this plan and its future adoption is critical to understanding and achieving a sustainable water future for this region.

Dealing with the current pace of change in complexity of issues requires planning horizons well beyond a normal business plan approach. The Council's current focus is on long term forward planning to ensure that our Council is able to adapt and reinvigorate itself to face the new operating environment and changing customer intentions.

I would like to take this opportunity to thank Deputy Chairman John McInerney, past Chairman, Councillor Peter Yates, All my fellow Councillors and the executive management team for their support and astuteness in steering the Council through these challenging times. In particular I'd like to thank former Riverina Water County Council Councillor, Kevin Wales, who provided significant contributions to this Council over a long period of time.

A handwritten signature in blue ink, appearing to read 'R. Kendall', with a date '1.11' written to the right.

Clr. Rod Kendall  
CHAIRPERSON

PHOTO PAGE

# **RETIREMENT**

Peter Clifton  
Director of Engineering,

Retiring after 40+ years of service  
1968 - 2009

Peter commenced with Southern Riverina County Council on 16th December 1968 as a Junior Engineering Draftsman, then enrolling at RMIT to undertake Civil Engineering Diploma Course, then advanced to:

- 1968 - Junior Assistant Engineer
- 1975 - Assistant Engineer
- 1980 - Senior Assistant Engineer
- 1983 - Senior Engineer
- 1993-1995- Senior Engineer/Quality Manager
- 1996 - Operations Engineer
- 2004 - Director of Engineering



Peter and Genette Clifton  
Cutting cake at staff informal farewell  
1st July 2009



Peter with gifts from  
Depot & Works Staff  
1st July 2009



Last day at the Office  
3rd July 2009

PHOTO PAGE

## STAFF RETIREMENTS



**Brian Harmer**  
**Electrical Assistant**

1972 - 2008  
retired from Council  
after 36 years service



**Phil Murray**  
**Welding Supervisor**

1979 - 2008  
retired from Council  
after 29 years service



**Brian Harmer**  
**and**  
**Phil Murray**

Cutting their  
Retirement Cake



**Mick Trotman**  
**Building Supervisor**

1985 - 2008  
retired from Council  
after 23 years service

PHOTO PAGE

## **YEARS OF SERVICE**

Presentation of Gifts and Certificates  
at Council's Christmas Gathering  
held 12th December 2008



### **40 YEARS SERVICE**

1968 - 16th December - 2008

Right - Peter Clifton (Director of Engineering) celebrates his 40 years with Riverina Water with Chairman Clr. Rod Kendall and Peter's wife Genette.



### **35 and 30 YEARS SERVICE**

Chairman Clr. Rod Kendall with 35 and 30 year service employees Eddie Dunn (35) Robert Palframan (30), Garry Watson (35), Wayne Schiller (30 Yr) with Gerald Pieper (Absent: Stephen Cutting (30))



### **20 YEARS SERVICE**

Deputy Chairman Clr. John McInerney congratulates Peter Looney, Ross Hawkins and Robert Woodward on 20 years service (Absent: Bryce McDonnell)

### **15 YEARS SERVICE**

Kane Cathro being presented with a certificate on attaining 15 years service from Clr. John McInerney (Absent: Rob McIntyre, Craig Willis & Trevor White)

### **10 YEARS SERVICE**

Deputy Chairman Clr. John McInerney congratulates Trevor Hogan and Adam Carey on 10 years service (Absent: Corey Levy)



## RURAL TOUR OF COUNCIL FACILITIES

Riverina Water Councillors,  
elected September 2008  
and staff members toured the  
Rural facilities and held their  
February  
Meeting in Walla Walla.  
**25th February 2009**



Tarcutta Pumping Station



Urana Treatment Plant



Council Meeting held at Walla Walla



Ralvona Treatment Plant



Natalie Eisenhauer (Works Engineer) and  
Kerrie Fawcett (Secretary)





PHOTO PAGE  
**PEST CONTROL SERVICES-  
 2008 - 2013  
 at Riverina Water sites**

**Avanteguard Pest Control** have been awarded the pest contract for 5 yrs. Garry Williams will service twice/year to all pumphouses, aeration plants, selected pits, admin, depot, works and 2 RWCC residences.



**SAFETY WATCHOUT  
 AWARDS  
 Feb 2002 to Aug 2008**

Glenn Elliott  
 (Wagga Mutual Credit Union),  
 Gerald Pieper (General Manager)  
 and  
 Daryl Ryan (OHS Coordinator),  
 with 3 filled plaques of  
 Watchout Award Winners.

**NATIONAL WATER WEEK  
 Colouring in Competition**

National Water Week ran from 19th-25th October 2008. As a community involvement activity, Riverina Water ran a colouring in competition for Kindergarten to Year 6 students. The competition was well received with 14 schools participating, 6 of which were regional!

Each school was awarded 2 prizes one for K-2 and one for 3-6 which were bags of water related goodies, lollies, books, drink bottles, DVD's etc.

All the winning entries were on display at the Historic Council Chambers for 2 weeks. It was a lot of fun organizing the competition and we look forward to next years NWW.

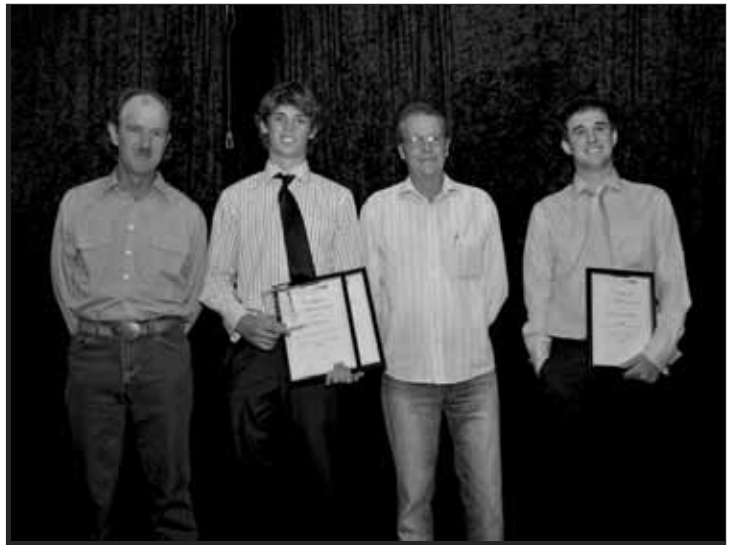


Riverina Water's Environmental Officer  
 Leanne Hastings with some of the  
 winning entries.

## **GTES EMPLOYEE OF THE YEAR AWARDS**

**held 27th November 2008  
Garden Court Restaurant,  
Wagga Wagga**

Riverina Water County Council had 3 finalists  
in the "Apprentice of the Year" Award -  
Zane Cronk, Welder (Finalist for 4th Year)  
Jeremy Alexander, Electrical Apprentice -  
Finalist  
Ryan Quade, Electrical Apprentice -(Finalist  
and Encouragement Award Winner



Colin Fisher, (Welding Supervisor), Ryan Quade  
(Finalist & Encouragement Award), Dennis Glazier  
(Snr. Technical Officer) and Jeremy Alexander (Finalist)



Apprentice Electrician Ryan Quade  
with his award



Zane Cronk receiving his Award

Trevor Robinson soldering electrical components onto  
a circuit board, as part of his work experience in the  
Electrical Department of  
Riverina Water County Council  
August 2008



## GTES TRAINEESHIPS

Riverina Water's Dane Garside and Stephen McIntyre receiving their certificates for completion of their Traineeships as Maintenance Operators from GTES Representative Mike Tompkins at Council's Christmas Function held 12th December 2008



Stephen McIntyre



Dane Garside



Riverina Water staff undertaking  
Dogging Training  
October 2008



Riverina Water staff members  
Darryl Grosvenor, Peter Elliott, Trevor White,  
Corey Levy undertaking Confined Space Training  
Course- May 2009

# NATIONAL COMPETITION POLICY

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

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

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

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

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

Council has developed a complaints management system.

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

As one of the intentions of the National Competition Policy is to provide a "level playing field" between Council's business activities and those provided by the private sector. The guidelines require calculations to be made to determine tax equivalents, debt guarantee fees (where the activity may obtain a lower borrowing rate than it may have faced if it were a private organisation) and dividends. These calculations do not have to appear in Council's external accounting processes but need to be calculated and recognised in Council's internal accounting arrangements. Calculations have been completed and included in the statistical notes of the financial statements for the 2008/2009 financial year.

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

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

**v) The Council has not received any complaints in respect of Competition Neutrality during 2008/2009.**

# COUNCILLORS' FEES, FACILITIES AND EXPENSES

## Section 428 (2) (f)

Chairperson's Allowance	\$ 7,650
Councillors' Fees	\$38,150
Councillors' Expenses	\$ 4,250
Conference / Seminar Fees	\$ 9,067
Spouse/Partner Conference expenses	\$ 386

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

### **POLICY 5.3 - COUNCILLORS' EXPENSES & FACILITIES**

#### **POLICY TITLE**

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

#### **OBJECTIVES:**

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

#### **POLICY STATEMENT:**

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

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

## PERSONNEL & DELEGATION

### EMPLOYMENT OF SENIOR STAFF

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

During the year 2008/2009 Council employed two senior staff, the General Manager and Director of Engineering, at a total remuneration cost of \$336,445 including salaries, superannuation, private use of a Council car and fringe benefits tax.

### HUMAN RESOURCE ACTIVITIES - UNDERTAKEN BY COUNCIL

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

Riverina Water employs a workforce of 86 people to carry out the range of responsibilities in administering the organisation and supplying water to the communities. From time to time this workforce is supplemented by a small number of temporary staff. 5 apprentices have been employed during the year through G.T.E.S.

Riverina Water's commitment to developing a skilled workforce is demonstrated in its apprenticeship and trainee program. Apprentices are employed in the Electrical (2), Welding (1) and Fitting (2) trades. Trainees are employed in Maintenance Operations and Water Treatment (1). These six (6) apprentice/trainee positions represent 7% of Council's staff.

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

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

	Admin	Engineering	Waterworks	Depot Base	Rural	Totals
Perm.June 2008	7	9	22	39	5	82
Temp.June 2008				1		1
<b>TOTAL June 2008</b>	<b>7</b>	<b>9</b>	<b>22</b>	<b>40</b>	<b>5</b>	<b>83</b>
Retired			1	3		
Resigned						
Terminated						
Appointed		1		5	1	
Internal Transfer						
Transfer to Perm.			1	2		
Temp. Appointed		1				
Temp.Terminated						
Perm.June 2009	7	10	22	41	6	86
Temp.June 2009		1				1
<b>TOTAL June 2009</b>	<b>7</b>	<b>11</b>	<b>22</b>	<b>41</b>	<b>6</b>	<b>87</b>

Recruitment practices follow the EEO guidelines.

## Training

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

### Training Undertaken 2008/2009

TRAINING COURSE	NUMBER OF PARTICIPANTS
ADWG Implementation	1
Asbestos for Supervisors	17
Bonded Asbestos Removal	5
Bachelor Engineering – Civil	1
Civil Systems Practice	1
Residential School	1
Business Administration	1
Chainsaw - Level 1	13
Chlorine Training	3
Confined Space – Refresher	15
Confined Space – Full course	6
Dangerous Goods – Refresher	4
Dangerous Goods – Full course	1
Civil Materials – Lab Sessions	1
Design Certificate IV	1
Dissolved Air Flotation	2
Executive Womens' Leadership Symposium	1
E-Safety Field Days	5
First Aid – Refresher	23
First Aid – Full Course	4
First Time Manager or Supervisor	4
Fluoride Operator Training	3
Groundwater School	2
Horticulture – CII	1
Internal Auditor Training	2
OH & S Consultation	2
Project Management CIV	5
Rail PO1	44
Telstra Cable Awareness	23
Team Member to Team Leader	12
Traffic Controller – Stop / Slow	13
Truck Licence –MR	1
Truck Licence – HR	1
Water Industry Operators C3	2
Water Plant Operator Pt 1 W41	1
Water Plant Operator Pt 2 WT22	1
Welding OH & S Workshop	1
Workcover Licence – Backhoe	2
Workcover Licence – Skidsteer	1
Workcover Licence – Dogging	12
Workcover Licence – Excavator	3
Workcover Licence – Forklift	6
Workcover Licence – Loader	1
Worksite Traffic Control – L3	10
Autodesk Civil 3D	7
Building & Designers Conf	1
Civica User Conference	2
Emergency / Incident Management	2
Field Days – Civinex	4
H2O Net Update – Gold Coast	1
Operators Conference – Newcastle	3
Operators Conference – Bendigo	3
Operator Update Seminar – WW	2
Plumbing Expo	1
Radtel User Conference – Brisbane	3

TRAINING COURSE	NUMBER OF PARTICIPANTS
SIA Conference – Melbourne	1
SIA Conference – Cairns	2
RTW Coordinator Forum	1
StateCover Training Workshop	2
Risk Management Conference	1
<b>TOTAL</b>	<b>295</b>

## **Enterprise Award**

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

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

## **Staff Committees**

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

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

## **Occupational Health and Safety Management**

Communication has been the focus this year at Riverina Water. Due to the successful launch last year of "Take a Break & Talk Safety" an additional incentive was presented for staff. Those work teams who completed a full six months without missing a team meeting were provided with a free luncheon for their work team towards the end of December. Managers and supervisors have been encouraged to make safety an important part of their job with an emphasis on safety behaviour and attitudes; otherwise there can be an erosion of people's beliefs that safety has the highest priority. Good communication & consistency in delivering the same message is the key. If we get co-workers, supervisors, and dept. managers all communicating the same message, it becomes unlikely that people will veer away from behaviours that fit that message.

## **OHS & R Goals & Objectives 2008/09**

### **Goal**

Riverina Water's OH&S goal for 2008/2009 was to always provide a safe workplace and safe systems of work. The object of this goal was to eliminate Lost Time Injuries and to reduce the time lost through management of injuries that were incurred prior to this period by at least 25%. At Riverina Water our aim over the period July 1, 2008 – June 30, 2009 was to continue with the implementation of the following strategies as the main tools to achieve the overall goal for this 12-month period.



Objectives	Means of achieving	Target / Measure / KPI's <i>Result</i>
Improve Safety Culture and Employee Involvement	<ul style="list-style-type: none"> <li>Undertake annual personal development reviews</li> <li>6 monthly Team Safety Performance Reviews</li> <li>Reports to go to Managers/Supervisors</li> <li>Identify and acknowledge positive safety performances.</li> </ul>	<p>Process developed, to be scheduled 2008/2009. <i>No further progress.</i> Completed 6 monthly and graphed. <i>Process stalled at present.</i> Action plan to be implemented, and feedback provided to team members</p> <p>Watch Out Safety Award and team meetings. <i>Safety Award every 2 months.</i></p>
Improve Communication and Consultation	<ul style="list-style-type: none"> <li>Monitor team meetings (Take a Break)</li> <li>Provide clear guidance/training on OHS roles for all positions</li> <li>Continue to provide clear feedback on OHS issues</li> <li>Continue to monitor OHS document control system</li> <li>Regular feedback from management on changes to Water Industry/Organisation.</li> </ul>	<p>Records to be provided monthly. <i>Started slowly but all teams now holding meetings.</i> Document and communicate OHS responsibilities and duties of all employees. <i>Information documented and waiting on training.</i> OHS Committee - minutes and consultation with employees; managers to attend team meetings where possible. <i>OHS Committee minutes distributed to all teams; Managers not attending team meetings.</i> All current documents in circulation and out of date copies removed. <i>All manuals now current.</i> Staff aware of impending changes. <i>Staff kept up to date throughout the process.</i></p>
Develop and Complete an annual CIAP (Continuous Improvement Action Plan)	<ul style="list-style-type: none"> <li>Develop from reports received following annual OHS audits <ul style="list-style-type: none"> <li>- Audit by external source</li> <li>- Internal audit (External consultant to conduct, using RWCC audit tool)</li> <li>- StateCover Self Evaluation Tool</li> </ul> </li> </ul>	<p>CIAP developed. <i>CIAP was developed.</i> 100% completion of items by due dates. <i>Low % completion of items by due dates. No reviews of progress.</i> Audit conducted every 3 - 5 years Audit conducted annually</p> <p>&gt;90% evaluation result. <i>95% evaluation result</i></p>
Identification of hazards & elimination/reduction of risks	<ul style="list-style-type: none"> <li>Workplace inspections to be undertaken every 4 - 6 months</li> <li>Monitor Accident/Incident reporting and investigation</li> </ul>	<p>Inspection schedule to be up to date. <i>Inspection schedule up to date most of the time. Need to involve managers &amp; OHS committee more often.</i> All accidents/incidents to be reported and investigated within set time frames. Referrals to Dept. Managers as required. <i>Incident reports slow being lodged. Investigations and follow up is poor.</i></p>

Objectives	Means of achieving	Target / Measure / KPI's <i>Result</i>
Identification of hazards & elimination/reduction of risks	<ul style="list-style-type: none"> <li>Hazard register to be reviewed bi-monthly.</li> <li>Manual handling issues to be addressed</li> <li>OHS Coordinator to monitor manual handling during onsite visits</li> </ul>	<p>Interim controls to be implemented immediately. Permanent controls to be in place within 24 calendar months of listing on register. <i>Interim controls implemented immediately. Permanent controls often taking more than 24 calendar months of listing on register. Reviews not being held. Items on register for a long time.</i></p> <p>Reduction of manual handling related injuries by 20% (&lt; 16 m/h related injuries). <i>Still having manual handling injuries</i></p>
Develop and Review Safe Work Procedures & train staff in safe work requirements	<ul style="list-style-type: none"> <li>Monitor internal training and accreditation programs to ensure all staff are trained and accredited in relevant procedures and safe work methods.</li> <li>Review all SWP's with a view to their effectiveness and legal compliance</li> </ul>	<p>Skills register kept up to date. <i>Register up to date.</i></p> <p>Review all current procedures within 12 months Develop program to write procedures for all tasks within 18 months <i>Good percentage of procedure training completed. Most procedures have been reviewed. Still require procedures written for more tasks.</i></p>
Reduce Motor Vehicle Damage/Incidents	<ul style="list-style-type: none"> <li>Improved reporting &amp; investigation</li> <li>All motor vehicle damage/incidents to be escalated to Dept. Manager level</li> <li>Driver awareness / accountability campaigns</li> <li>Address non-compliance or unsafe work practices in accordance with the Enterprise Award &amp; procedures</li> </ul>	<p>No unreported damage to vehicles. <i>Still some damage unreported.</i> Discussions held between employee &amp; Dept manager following incident. Dept. Manager to sign off on investigation form.</p> <p>Safety newsflash articles. <i>Safety newsflash articles published.</i> Non-compliance issues formally recorded and documented. <i>Only serious Non-compliance issues formally recorded and documented.</i></p>

### Safety Breakfast

The OH&S Committee held a safety breakfast to coincide with Safe Australia Week on the 21st October, 2008 with all Riverina Water staff invited to attend. The morning event was used to promote a safe driving campaign – Drive for Life – with a questionnaire on driving knowledge completed by all employees. Prizes were awarded to the first correct answers. WorkCover, Wagga Mutual & Daily Advertiser representatives were in attendance.

**ACHIEVEMENTS THIS YEAR**

- Drive for Life Campaign launched during the October Safety Breakfast
- Depression awareness seminar conducted for Admin/Engineering staff by Insight Services
- RTW Coordinator attended courses for - Understanding & Managing Psychological Injuries; Behavioural Interviewing & Selection; RTW Quarterly Forums; Dealing effectively with unacceptable employee behaviour; Monitoring & improving client service delivery; Suicide Safetalk – you can talk to me; O'Halloran & Deal seminar on workers compensation claims management.
- Changes for asbestos implemented by way of training & new procedures to adhere to the new regulations
- OH&S Coordinator attended two major safety conferences
- AP015 Workplace stress procedure
- AP013 Councillor Induction Package
- AP018 Mobile Phone Etiquette
- MM009 Maintaining Meter Accessibility
- PE018 Bore Decommission
- PE016 Bench Grinder
- PE001 Lathe Operation
- PE002 Milling Machine Operation
- PE003 Radial Arm Drill Operation
- PE004 Handheld power tools
- PM001 Pump Removal/Installing & Maintenance
- PM002 Removal of Bore pump/motor
- PM003 Install Bore pump/motor
- PM004 Bore hole screen flushing
- PM005 Sterilisation of mechanical part for bore water pumping
- TP004 River pump suctions silt removal
- SWP021 Lone worker trial tested for a period of 4-5 months. Program now operational.
- UVR Exposure & clothing policy currently being changed – will also include working in hot/cold environments
- Code of Conduct training provided to all staff
- Business Continuity Planning – meetings have commenced to develop an appropriate plan of action and required training

**ENGINEERING CONTROLS OF RISK**

Safety related projects for the past year include:-

- Erect security fence and motorised gate at Hammond Avenue
- Install handrail around Aeration Towers at North Wagga
- Remarking lines on internal road
- Install security fence at The Rock depot
- Install Fibre Reinforced Plastic light weight pit lids at North Wagga Bore 2
- Install Fibre Reinforced Plastic light weight pit lids at Collingullie Treatment Plant
- Construct new steel access platform at Bulgary Bores metering point
- Remove trip hazards from Lockhart reservoir ground floor
- Installation of gantry at new Tarcutta pump house
- Installation of gantry at Waterworks for filter maintenance
- Installation of platform and step to fit trolley to sludge gantry

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

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

July/Aug 2008 Awarded to Joint Winners

Richard Menz/Zane Cronk  
For the design & manufacture of a frame to attach to the forklift to carry gas bottles/cylinders in an upright position.

Awarded to Filtration Plant Operators  
For removing trip hazards from Urana Treatment Plant.

October 2008 Awarded to Kathy Ovens & Richard Menz

For identifying a lighting issue and arranging for a metal hydride lamp to be fitted on top of the Depot veranda directed towards the standpipe. They also arranged for more power outlets to be placed on the corner of the Pergola, to eliminate possible trips with extension cords at work functions.

May/June 2009 Awarded to Ross Hawkins & David Herrick

For installing electronic cab-lift for large trucks. By installing a hydraulic ram it has removed manual handling issues, currently operational on T48 & T57.

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

The focus this year has been on assisting employees to find the balance between work and home life. Psychological issues have been identified with family troubles and relationship break ups being the most common contributing factor. The usage of the EAP (Employee Assistance Program) has increased this year, reconfirming that this free counselling service is beneficial as a holistic approach to the needs of Riverina Water employees and their families.

A seminar on Depression Awareness was conducted onsite to assist employees understand the affects of depression on workers, carers & families. The opportunity to run this seminar reconfirms management commitment towards the welfare of their employees.

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

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

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

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

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

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

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

### **Section 428 (2) (n)**

#### **PURPOSE**

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

#### **SCOPE**

This policy applies to all employees & potential employees of Riverina Water. An employee or potential employee will not be disadvantaged because of age, carer status, disability, sexual orientation, marital status, parental status, physical features, political belief or activity, pregnancy, breastfeeding, race, religious belief or activity, gender or any other factors that are not related to individual job performance and the ability to develop in the workplace. Nor will an employee or potential employee be disadvantaged through personal association with someone who has (or is assumed to have) one of these characteristics.

#### **ADVERTISING STAFF POSITIONS**

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

**"Riverina Water County Council is an E.E.O. Employer"**

#### **E.E.O. STRATEGIES**

During the course of the preparation of the E.E.O. Program the following strategies will be observed:

- Maintain the wording of advertisements for vacant positions to ensure they offer all potential applicants equal employment opportunities
- Ensure equal employment opportunity underpins Riverina Water's recruitment, promotion, training, development, personnel policies and management practices & support material (including handbooks, manuals, forms, induction booklets etc.)
- Applications for positions, including transfers and promotions and for career development (e.g. training, study assistance programs) are to be assessed without bias on the basis of availability and individual merit
- Riverina Water will keep records of job applications, interviews, selection & training programs
- Provide career counselling
- Improve career opportunities for staff currently employed in areas of limited career structure
- Reinforce the staff grievance procedure
- Prevent harassment of staff
- Continue the training program for all staff
- Continue with job rotation program where practicable
- Ensure all new policies and procedures adhere to EEO principles
- Make E.E.O. responsibilities a routine part of management and supervisory functions
- Provide mechanisms for resolving employment discrimination complaints
- Continue to improve staff access to information about Riverina Water and conditions of employment

## **EXTERNAL BODIES WHICH HAVE EXERCISED COUNCIL-DELEGATED FUNCTIONS**

### **Section 428 (2) (o)**

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

## **TOTAL REMUNERATION FOR SENIOR STAFF**

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

The information required by this sub-section is the total of the salary component, employer's contribution to superannuation, private use of motor vehicle and fringe benefit taxes, for the positions of General Manager and Director of Engineering was \$336,445.

## **HIGH SCHOOL STUDENTS TOUR**

### **RIVERINA WATER**

Leanne Hastings, Environmental Officer takes students from a regional high school on a tour of the Water Treatment Process  
**February 2009**



## **CHARLES STURT UNIVERSITY DENTAL HYGIENE COURSE**

Students undertaking the Dental Hygiene Course took a guided tour of Riverina Water to see how the water treatment process works  
**April 2009**



## **SCIENCE IN THE BUSH**

Riverina Water's Peter Outtrim (Water Quality Officer) participating in the "Science in the Bush" Expo  
**June 2009**

## RIVERINA WATER'S SAFETY BREAKFAST

21st October 2008  
part of Safety Week



L-R Wagga Mutual Credit Union's CEO Glenn Elliott, with Riverina Water's OHS Coordinator Daryl Ryan, General Manager Gerald Pieper, Rehab Coordinator Judi Dunning, WorkCover's Mark Barber and OHS Chairman Colin Fisher



## Staff undertaking a "DRIVE for LIFE" Driver Knowledge Quiz



Riverina Water staff members L-R David Badger, Trevor White, Sturt Rose and Robert Jeffery.



Riverina Water staff members L-R Bryce McDonnell, Trevor Hogan, Barry Collins, Jason Ip and Zane Cronk.





TO PAGE

WATCHOUT

## SUPPORTING WORKPLACE SAFETY “Watchout” Safety Incentive Scheme

### SAFETY AWARD WINNERS

**AWARDED TO  
THE FILTRATION PLANT OPERATORS  
and RICHARD MENZ AND ZANE CRONK  
August 2008**



L-R Zane Cronk (Apprentice Welder), Richard Menz (Assist.S'person), Michael Smalley (WMCU Community Development Coordinator), Colin Fisher (Chairman OHS Committee), Adam Gadd (WTP Operator) &

Peter Outtrim (Oper. Coordinator).

(Absent Garry Watson, Rob McIntyre, Phil McAlister, Aundre Haggard & Luke Prowse (WTP Operators))

#### **Richard Menz / Zane Cronk**

The design and manufacture of a frame to attach to the forklift to carry gas bottles/cylinders in an upright position. Prior to the manufacture of this equipment the bottles/cylinders were carried lying down across the forks. This was very hazardous as the cylinders could easily slide or bounce off the forks and possibly cause damage or harm to people or equipment.

#### **Filtration Plant Operators**

For removing trip hazards from Urana Treatment Plant. After noticing new ladder installed to the working deck to the filters and that the old ladder had been removed and the gap filled in. Upon closer inspection on the working deck we saw these trip hazards. We recorded these trip hazards on our risk assessment and decided to paint them red so people could see them; we also placed a witch's hat to alert people that a hazard existed. By doing this we had made our work area safe to work in for the short term. But we decided that the only safe way to fix this hazard was to remove the offending steel, so we cut it away leaving a safer work area.



TO PAGE

**WATCHOUT**

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

### **SAFETY AWARD WINNERS**

**AWARDED TO  
RICHARD MENZ AND KATHY OVENS  
October 2008**

“After witnessing a tanker driver experiencing difficulties working a top his water tanker at dusk, Kathy and Richard asked Dennis Glazier if he could organize a light to shine in the area mentioned.

A metal hydride lamp was fitted on top of the Depot veranda directed towards the standpipe (and petrol bowsers).

At the same time they asked Dennis to organize more power outlets on the corners of the Pergola, to eliminate possible trips with extension cords at our Work Functions.”

**October 2008**



L-R Michael Smalley (WMCU Comm. Develop Coordinator), Richard Menz (Assist S'person), Kathy Ovens (S'person/Training) & Gerald Pieper (General Manager)



**AWARDED TO  
JOHN KING  
December 2008**

“Hoses on fuel pumps to be lifted off the ground like the ones at service stations, to avoid trip hazards and hoses being driven over and damaged.”

The hoses on fuel pumps have been lifted.

**December 2008**

L-R Michael Smalley (WMCU Comm. Develop Coordinator), John King (Truck Driver/Pipelayer), Judi Dunning (Rehab. Co-ordinator) and Gerald Pieper (General Manager)



**WATCHOUT**

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

### **SAFETY AWARD WINNERS**

**AWARDED TO  
ROSS HAWKINS & DAVID HERRICK  
April 2009**

**Electronic cab-lift for big trucks**, ram on bottom of cab to lift hydraulically, has removed manual handling issue, currently in operation on T48 and T57.

**April 2009**



L-R Judi Dunning (Re-hab Co-ordinator), Peter Clifton (Director of Engineering), David Herrick (Mechanic), Ross Hawkins (Fleet Supervisor) and Tawnie Chutikulrungsee (WMCU Representative)

**AWARDED TO  
TREVOR WHITE & KRISTIAN KENDALL  
June 2009**



L-R Gerald Pieper (General Manager), Trevor White, Kristian Kendall, Colin Fisher (OHS Chairman) and Amy Harden (Wagga Mutual Credit Union Representative)

“Overhead light similar to “Street Light” near sand bays, so when tarping trucks at night, walking over uneven load you can see better, better safety for operator to see driver if out of vehicle.”

- Lights have been fitted top of Carpenters shed facing the sand bays and at the other end of shed. Fairly well illuminated, sensor when dark stays on.

**June 2009**

# ENVIRONMENTAL & SOCIAL MATTERS

## STATE OF THE ENVIRONMENT

### Section 428 (2) (c)

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

### Environmental Protection – objectives and targets

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

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

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

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

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

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

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

### Section 428 (2) (i)

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

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

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

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

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

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

Water extracted from the river bores is measured by large bulk meters and over a year this volume is compared with the volume of water measured through all the customers individual meters. The difference for 2008/09 was 4.8% unaccounted for, but including such things as evaporation, flushing mains, firefighting, repairing burst mains, faulty customer meters, and illegal use of water. A major customer meter replacement program commenced in 2006 and is now largely completed. The program will continue at a reduced rate to ensure any aging meters are replaced.

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

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

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

## **BUSH FIRE HAZARD REDUCTION**

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

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

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

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

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

## **COMPANIES IN WHICH COUNCIL HELD A CONTROLLING INTEREST**

### **Section 428 (2) (p)**

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

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

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

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

## **ACTIVITIES FOR CHILDREN**

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

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

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

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

# OPERATION, CONSTRUCTION & MAINTENANCE

## MANAGEMENT PLAN – PERFORMANCE TARGETS 2008/2009

### Section 428 (2) (b)

Tabled below is a report on the progress achieved in the year for the various objectives set out in the 2008/2009 Management Plan.

#### Services

Strategies / Actions	Progress to 30 <sup>th</sup> June 2009
Regularly monitor urban and village growth, and augment supply as required in line with ten year plan, and current needs	Completed rural hydraulic models for The Rock, Henty, Lockhart, Walla Walla and Holbrook.
Maintain network analysis of Wagga urban water system	Completed hydraulic model build for Wagga Wagga Low/High/Bellevue systems including field data acquisition for model calibration. Model calibration scheduled in 2009/10
Maintain the water supply infrastructure in good working order.	Some but infrequent breakdowns.
Monitor the operation of the water supply system to ensure continuity of supply.	Continuity of supply maintained.
Reinforce throughout the organisation that we are customer orientated. Maintain a request and complaint handling system that ensures both attention to the request and advice of action taken or to be taken.	Responses met customer expectations.
Use customer newsheets to disseminate information to customers. Utilise the local media when appropriate to increase awareness within the community. Meet with sectional or interest groups or invite them to meet with us to communicate and receive feedback on relevant issues.	All criteria satisfied.
Increase inspection and documentation of consumer pipework where there is potential for contamination from backflow.	Protection devices inspected and managed in accordance with council policy.

#### Asset Replacement

Strategies / Actions	Progress to 30 <sup>th</sup> June 2009
Develop and maintain a rolling replacement plan for all assets with review every 3 years.	All criteria satisfied.
Identify potential system capacity deficiencies and incorporate in capital works programme.	
Maintain water network analysis programme to identify timetable of system improvements and extensions.	
Utilise Asset Register and associated technology and pipeline breakage history to determine the timing of mains replacement to minimise over all costs.	



## Human Resources & OH & S

### Goal

Riverina Water's OH&S goal is to always provide a safe workplace and systems of work. The object of this goal is to eliminate Lost Time Injuries and to reduce the time lost through management of injuries that were incurred prior to this period by at least 25%. At Riverina Water our aim over the period July 1, 2008 – June 30, 2009 is to continue with the implementation of the following strategies as the main tools to achieve the overall goal for this 12-month period.

Objectives	Means of achieving	Target/Measure – KPI's
<b><i>Improve Safety Culture and Employee Involvement</i></b>	<ul style="list-style-type: none"> <li>• Undertake annual personal development reviews</li> <li>• 6 monthly Team Safety Performance Reviews</li> <li>• Reports to go to Managers/Supervisors</li> <li>• Identify and acknowledge positive safety performances.</li> </ul>	<p>Process developed, to be scheduled 2008/2009.</p> <p>Completed 6 monthly and graphed.</p> <p>Action plan to be implemented, and feedback provided to team members</p> <p>Watch Out Safety Award and team meetings</p>
<b><i>Improve Communication and Consultation</i></b>	<ul style="list-style-type: none"> <li>• Monitor team meetings (Take a Break)</li> <li>• Provide clear guidance/training on OHS roles for all positions</li> <li>• Continue to provide clear feedback on OHS issues</li> <li>• Continue to monitor OHS document control system</li> <li>• Regular feedback from management on changes to Water Industry/Organisation.</li> </ul>	<p>Records to be provided monthly. Document and communicate OHS responsibilities and duties of all employees</p> <p>OHS Committee - minutes and consultation with employees; managers to attend team meetings where possible.</p> <p>All current documents in circulation and out of date copies removed. Staff aware of impending changes.</p>
<b><i>Develop and Complete an annual CIAP (Continuous Improvement Action Plan)</i></b>	<ul style="list-style-type: none"> <li>• Develop from reports received following annual OHS audits               <ul style="list-style-type: none"> <li>- Audit by external source</li> <li>- Internal audit (External consultant to conduct, using RWCC audit tool)</li> <li>- StateCover Self Evaluation Tool</li> </ul> </li> </ul>	<p>CIAP developed</p> <p>100% completion of items by due dates.</p> <p>Audit conducted every 3 years</p> <p>Audit conducted annually</p> <p>&gt;90% evaluation result</p>
<b><i>Identification of hazards &amp; elimination/reduction of risks</i></b>	<ul style="list-style-type: none"> <li>• Workplace inspections to be undertaken every 4 - 6 months</li> <li>• Monitor Accident/Incident reporting and investigation</li> <li>• Hazard register to be reviewed bi-monthly.</li> <li>• Manual handling issues to be addressed OHS Coordinator to monitor manual handling during onsite visits</li> </ul>	<p>Inspection schedule to be up to date</p> <p>All accidents/incidents to be reported and investigated within set time frames. Referrals to Dept. Managers as required.</p> <p>Interim controls to be implemented immediately. Permanent controls to be in place within 24 calendar months of listing on register. 100% completion of items by due dates.</p> <p>Reduction of manual handling related injuries by 20%</p>



Objectives	Means of achieving	Target/Measure – KPI's
<b><i>Develop and Review Safe Work Procedures &amp; train staff in safe work requirements</i></b>	<ul style="list-style-type: none"> <li>• Monitor internal training and accreditation programs to ensure all staff are trained and accredited in relevant procedures and safe work methods.</li> <li>• Review all SWP's with a view to their effectiveness and legal compliance</li> </ul>	<p>Skills register kept up to date.</p> <p>Review all current procedures within 12 months Develop program to write procedures for all tasks within 18 months</p>
<b><i>Reduce Motor Vehicle Damage/Incidents</i></b>	<ul style="list-style-type: none"> <li>• Improved reporting &amp; investigation</li> <li>• All motor vehicle damage/incidents to be escalated to Dept. Manager level</li> <li>• Driver awareness / accountability campaigns</li> <li>• Address non-compliance or unsafe work practices in accordance with the Enterprise Award &amp; procedures</li> </ul>	<p>No unreported damage to vehicles Discussions held between employee &amp; Dept manager following incident. Dept. Manager to sign off on investigation form.</p> <p>Safety newsflash articles</p> <p>Non-compliance issues formally recorded and documented.</p>

## Environment

Strategies / Actions	Progress to 30 <sup>th</sup> June 2009
Water returned to the environment from the filtration plant will be monitored for quality.	EPA standards achieved.
All field work-sites will be protected and restored to eliminate degradation.	No soil loss or siltation. Vegetation restored. Soil surrounding underground fuel tanks at Wagga Depot tested and result indicate no contamination. Fuel tanks to be removed and replaced with above ground tanks.
Soiled water from Urban field site works will be returned for proper disposal.	No soiled water entering town drainage systems.
Electrical efficiency will be considered in infrastructure design.	Reduced electricity use per kilolitre of water produced.
Marshalls Creek environmental project to restore native vegetation and protect creek bed.	Native vegetation restored. Stable creek bed.
Unaccounted for water measured wherever possible, and identified losses reduced. Early detection and repair of leaks.	Percentage of water unaccounted for in the year, not greater than 10%.
Participation in joint activities.	Group outcomes.
Co-operation with other Councils in effluent re-use.	Increased re-use where appropriate.
Water pricing that gives incentive to avoid waste, coupled with customer education and information.	Two part tariff achieved. Reduced consumption per tenement.
Encourage and advise on possible water saving devices.	Reduced consumption per tenement.

## Financial Revenue

Strategies / Actions	Progress to 30 <sup>th</sup> June 2009
To continue a two part tariff, with a differential applying between Wagga Wagga & Rural, subject to some concession for large year round users.	Two part pricing applied, concessional pricing for large industry.
New capital works are to continue to require capital contributions from developers. Specific works will be at full cost to the developer while headworks will be partly developer and partly water sales funded, as per the Development Servicing Plan	Funding balance achieved.

## CONTRACTS AWARDED DURING THE YEAR

### Section 428 (2) (h)

(Excl GST)

Iplex Pipelines Australia Pty Ltd	27,000m of 200mm PN12.5 PVC-O Pipe	\$ 731,160
Vinidex Pty Ltd	4800m of 200mm PVC-O, Class 16 Pipe	\$ 134,400
Tyco Water Pty Ltd	220m of 375mm DICL, Class 35 Pipe	\$ 35,860
Tyco Water Pty Ltd	4950m of 600mm DICL, Class 35 Pipe	\$1,584,000

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

### Section 428 (2) (k)

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

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

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

### Development Servicing Plan (DSP)

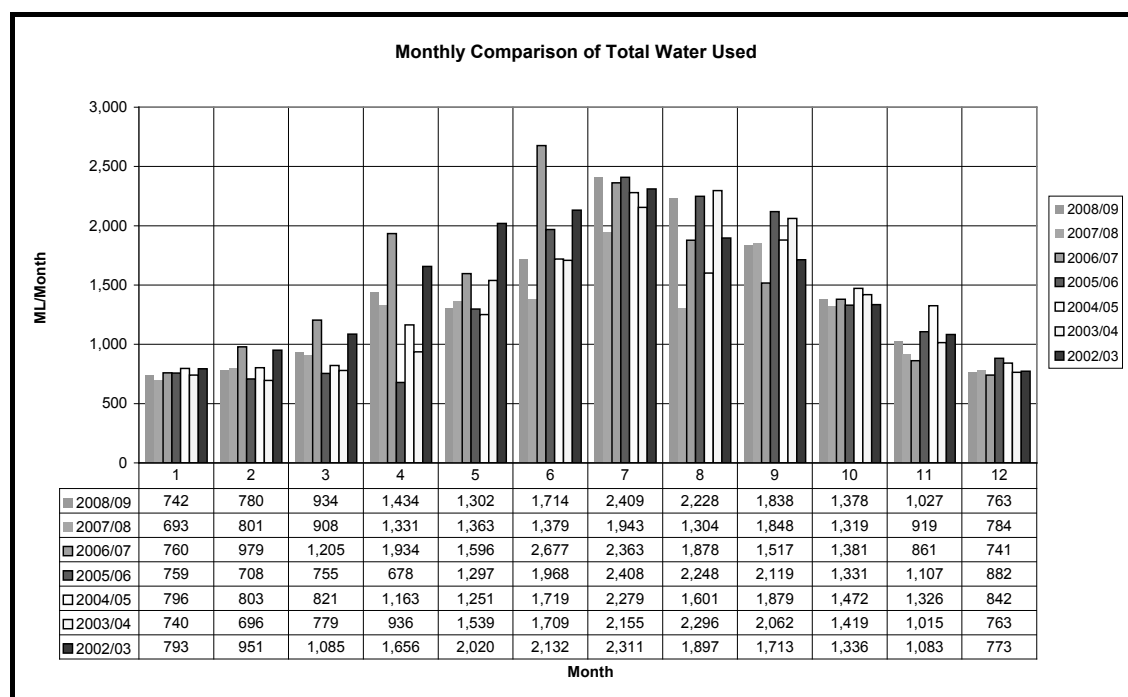
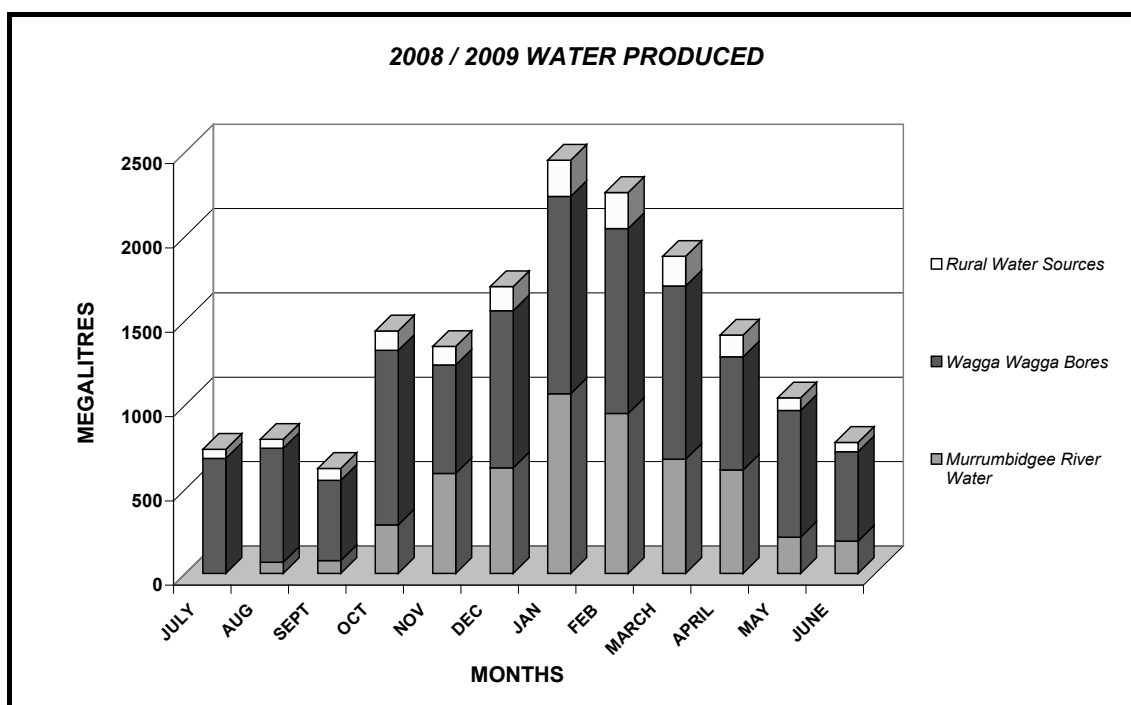
In accordance with Department of Water and Energy Best-Practice Management of Water Supply Council adopted Development Service Plan at its Meeting on 21<sup>st</sup> October 2004. The draft DSP was placed on public exhibition after Council's meeting on 25<sup>th</sup> August 2004.

The Calculated Developer charge in the DSP is \$4,388. and Council resolved to incrementally increase the current charge of \$1,800 to \$3,300. The charge for 2008/09 was \$3,400 and as reported in Council's 2008/09 financial statements that a total cross-subsidy in developer charges for 2008/09 was \$988 per equivalent tenement.

## WATER SUPPLIED

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

Monthly consumption peaked at 2409 megalitres in January 2009. The full year's total of 16,381 megalitres was an increase of 12.2% on last year's consumption of 14,593 megalitres. It should be noted the 2008/09 rainfall of 346.6mm was down by 131mm compared to 2007/08.

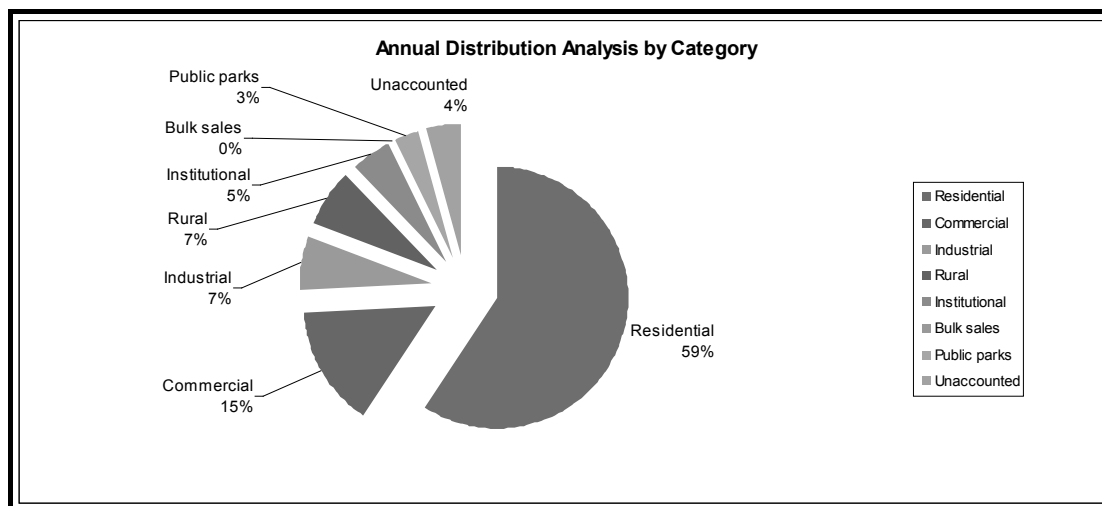
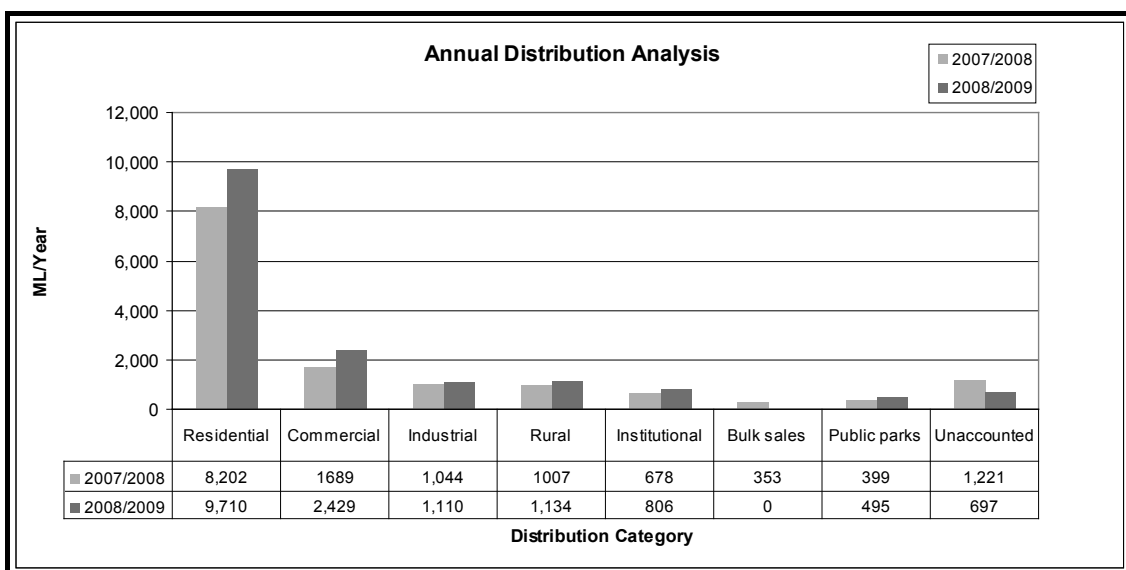


## Distribution

### Annual Distribution Analysis

	2007/2008		2008/2009		% change from previous year
	Consumption (MI)	Percentage	Consumption (MI)	Percentage	
Residential	8,202	56.2%	9,710	58.0%	18.4%
Commercial	1,689	11.6%	2,429	14.0%	43.8%
Industrial	1,044	7.2%	1,110	7.8%	6.3%
Rural	1,007	6.9%	1,134	8.2%	12.6%
Institutional	678	4.6%	806	4.0%	18.9%
Bulk sales (Kapooka)	353	2.4%	0	0.0%	-100.0%
Public parks	399	2.7%	495	3.2%	24.1%
Unaccounted Including flushing, firefighting, unmetered use	1,221	8.4%	697	4.8%	-42.9%
	<b>14,593 MI</b>	<b>100.0%</b>	<b>16,381 MI</b>	<b>100.0%</b>	<b>-18.4%</b>

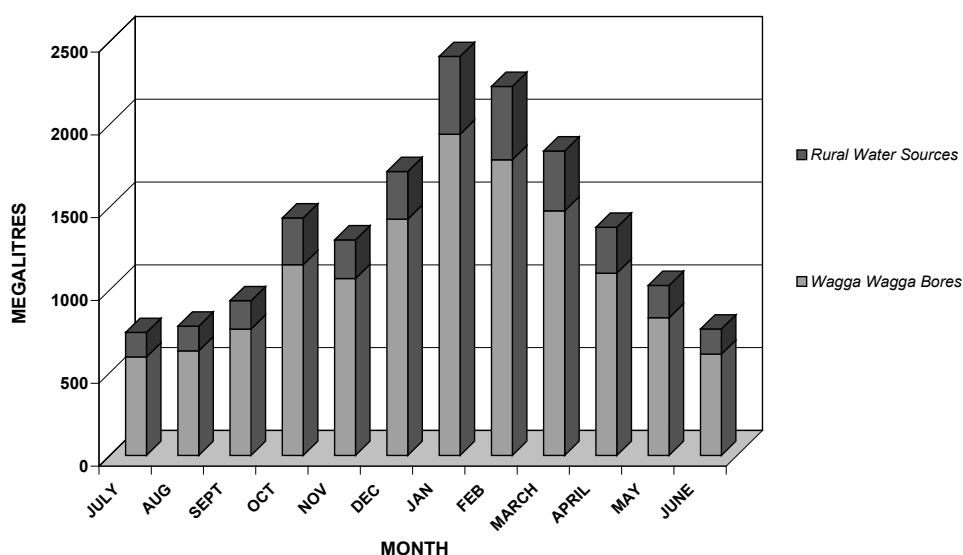
Riverina Water began its domestic meter replacement programme in January 2006 in an effort to reduce its unaccounted water. So far 9,450 meters have been replaced in the meter replacement programme. The total annual unaccounted water for 2008/09 is 4.8%, which is a significant reduction from the previous year of 8.4%.



## Water Use

	MEGALITRES USED			
	2005/2006	2006/2007	2007/08	2008/09
East Bomen	287	344	327	282
Estella	748	778	791	898
North Wagga	1007	857	841	1015
Wagga Wagga – Low Level	2531	2,078	2278	2537
Wagga Wagga – High Level	7857	9,337	6738	7761
Wagga Wagga – Bellevue Level	495	833	725	886
<b>SUB-TOTAL</b>	<b>12,924</b>	<b>14,227</b>	<b>11,700</b>	<b>13,379</b>
Ladysmith	77	87	64	73
Bruceale	295	276	242	274
Currawarna	150	163	143	151
Rural south from Wagga Wagga	1555	1,516	1381	1330
Rural from Walla Walla Bore	165	224	133	0
Milbr., Lockhart and Boree Creek	383	456	298	326
Urana and Oaklands	249	290	255	287
Holbrook	343	356	267	307
<b>SUB-TOTAL</b>	<b>3218</b>	<b>3,368</b>	<b>2659</b>	<b>2,748</b>
Woomargama	18	19	13	20
Humula	10	7	12	14
Tarcutta	59	70	57	51
Oura	47	59	42	45
Walbundrie	34	44	35	38
Rand	0	0	0	0
Morundah	10	11	8	10
Collingullie	71	85	67	76
<b>SUB-TOTAL</b>	<b>248</b>	<b>296</b>	<b>234</b>	<b>254</b>
<b>TOTAL</b>	<b>16,390</b>	<b>17,891</b>	<b>14,593</b>	<b>16,381</b>
<b>AVERAGE RESIDENTIAL CONSUMPTION</b>	<b>KILOLITRES</b>			
Urban	370	420	334	382
Non Urban	462	525	423	475

2008/2009 WATER USED



## NEW CUSTOMERS

New consumers were connected at the various centres listed below:

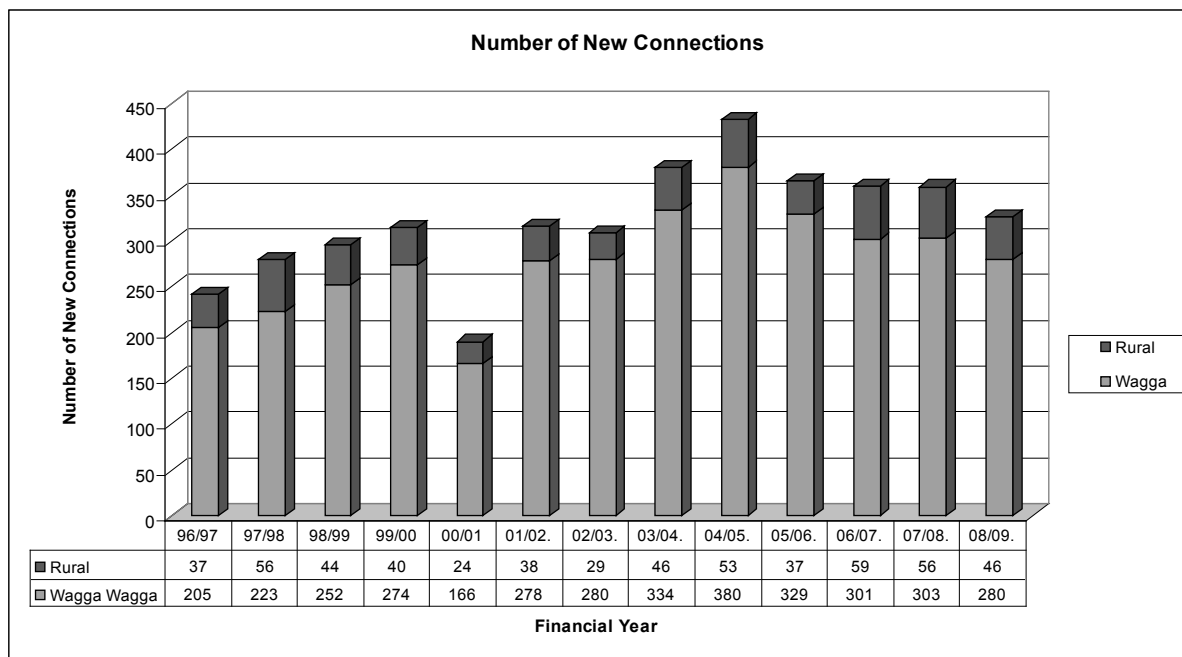
LOCATION	NUMBER CONNECTED					
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Bidgeemia				6		
Boree Creek			1			
Brucedale-The Gap	3	8	3	8	3	2
Bulgary		2		1		
Collingullie				1		
Coorabin				1		
Culcairn			1	1	3	1
Currawarna	2		1	5	5	3
Forest Hill						
French Park					1	
Henty	5	2	3	5	3	2
Holbrook	7	13	7	4	8	5
Humula						1
Ladysmith			1	1	3	
Lockhart	6	5	1	1	4	8
Mangoplah		6		5		
Milbrulong				1		1
Morundah						
Morven			1	3		2
Oaklands					2	
Oura	3	2	2	1		1
Pleasant Hills				3		3
Rand				1		1
San Isidore						
Tarcutta	1	1		1		4
The Rock	7	7	5	3	14	4
Urana	5	1	1	1	3	
Uranquinty	5	1	1	2	3	5
Wagga Wagga	334	380	329	301	303	280
Walbundrie			1		1	2
Walla Walla	1	5	6	4	1	1
Woomargama	1				2	
Yerong Creek			1			
<b>TOTALS</b>	<b>380</b>	<b>433</b>	<b>365</b>	<b>360</b>	<b>359</b>	<b>326</b>

Total customers at 30<sup>th</sup> June 2009: 28,402

### Table - Customer Analysis

Residential	2007/2008	2008/2009	Percentage Change
Wagga Wagga	21,694	22,021	1.5
Rural	4,873	5,041	3.5
<b>Sub-Total</b>	<b>26567</b>	<b>27,062</b>	<b>1.9</b>
Business			
Wagga Wagga	1,623	1,639	1
Rural	750	752	0.3
<b>Sub-Total</b>	<b>2373</b>	<b>2,391</b>	<b>0.8</b>
Others ie. Bulk Supply	1	1	0
<b>TOTAL</b>	<b>28,941</b>	<b>29,454</b>	<b>1.8</b>

## Number of connections 1996/97 to 2008/09



## Pipeline Losses

Estimated pipeline losses due to bursts over the past 6 years are shown in the following table.

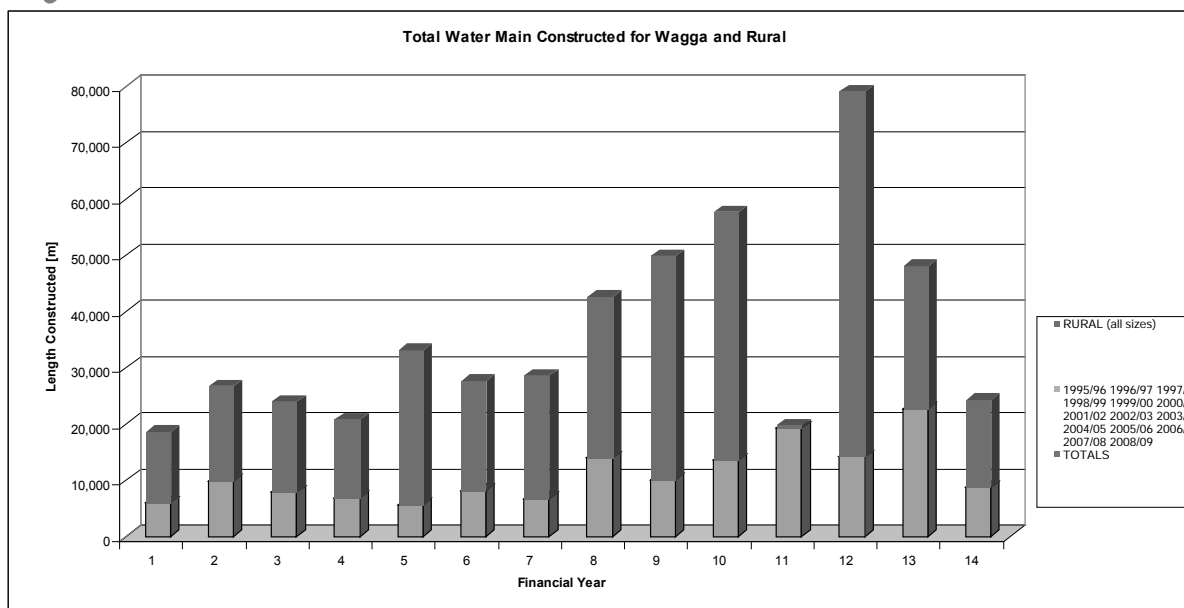
YEAR	WAGGA WAGGA		RURAL	
	BURST MAINS	ESTIMATED LOSS ML	BURST MAINS	ESTIMATED LOSS ML
2003/2004	149	1.9	121	18
2004/2005	156	1.0	119	19
2005/2006	200	1.1	138	24
2006/2007	188	1.1	124	13
2007/2008	105	3.1	110	9.6
2008/2009	132	36.7	94	22.4

## CONSTRUCTION

### Pipeline Construction

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

	System Extensions Metres	Replacements Metres
Wagga Wagga	3,087	5,694
Rural & Village	14,968	9,485



## CAPITAL WORKS

An extensive capital works programme was carried out in 2008/2009 including the following significant items:

### System Extensions and Improvements

Kings Subdivision, Boorooma Subdivision, Estella Subdivision, Bourkelands/Hilltop Subdivision.

### Mains Replacements

The Urana pipeline project commenced during May 2009 and work is proceeding well with some 18 kilometres of pipe having been laid by end of June 2009. Pipelaying commenced at the Urana Treatment plant end of the project. Rain delayed work which has since resumed.

Mains replaced in Albury Street, Shaw Street, Mitchellmore Street and Evans Streets due to a long history of bursts at these locations.

### Pumping Stations

Coorabin – Installed new pump and motor.

### Reservoirs

Oaklands Reservoir – installed new magflow and other associated work.

Gregadoo Reservoir, Beauty Point, The Rock, Morven and others.

### Water Treatment Plants

Completion, excluding commissioning, of Tarcutta. Water Treatment upgrade.

Establishment of DAF pilot plant at Wagga Waterworks.

### Water consumption and allocations

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

	Allocation (ML)	Used (ML)	% of Allocation
Surface Water	8,000	5,359	67%
Ground Water	14,000	11,413	82%
<b>Total Water</b>	<b>22,000</b>	<b>16,772</b>	<b>76%</b>





## MO vember 2008

Riverina Water staff members  
Participate in MO vember  
L-R.Back Row

Adam Gadd, Robert Gardner, Colin Fisher, Dermot McCormack, Trevor White  
Front Row - Stephen McIntyre, Mark Carroll, Barry Weeks, Peter Outtrim,  
Peter Looney, Rodney Walmsley & Kane Cathro  
(Absent from Group Photo but pictured Bryce McDonell and Nelson Sali)  
Staff raised \$605 with RW contributing a further \$500



## HUME HIGHWAY

Riverina Water engineering staff members along with members of Institute of Engineers toured the Hume Highway road works on 5th March 2009

Pictured:

L-R Greg Vidler (Snr Project Engineer), Nelson Sali (Project Engineer), Nathan Looney (Engineering work experience student), Peter Clifton (Director of Engineering) and Natalie Eisenhauer (Works Engineer)



**3rd Annual  
WATER INDUSTRY OPERATORS ASSOCIATION NSW  
Water Industry Engineers & Operators Conference  
Tamworth, NSW - 2009**

Congratulations to Peter Outtrim on winning the Iwaki Prize for the Best Overall Paper (on Tarcutta Treatment Plant) and also winner of the Actizyme Prize.

Pictured is Peter receiving his Iwaki Prize from Ian Jesson (left) and receiving his Actizyme Award from Alex Madarasi (right)



**UNDERGROUND PETROLEUM STORAGE SYSTEMS (UPSS)**

Drilling began on 17th February 2009 by Aitken Rowe to assess the soil quality around the existing underground petroleum tanks of which there are 5. The reason for this work is that a new DECC Regulation was passed in 2008 which means that all underground tanks are to conform by having - Groundwater monitoring wells by 2010, an Environment Protection Plan by June 2009, Instrument Maintenance records, Modification Log and - Incident Log

Riverina Water has made the decision to remove ALL tanks and replace them with aboveground tanks which will be mobile, self-bunded and incorporate bowlers and associated equipment. There will be 1 x 10,000 Litre diesel tank and 1 x 2400 Litre raised ULP tank. B & B Petroleum will be commissioned to remove the tanks before 1st June 2009.

**RIVERINA WATER COUNTY COUNCIL  
SECURITY FENCE INSTALLATION  
MARK SHARROCK FENCING  
July/August/September 2008**



## NORTH WAGGA AERATION

Repair of joints,  
manufacture and installation of  
filters.



## NORTH WAGGA AERATION

Erection of protective sail provided by Melbourne based company "Superspan", with assistance from Riverina Water's staff members



## URANA PIPELINE CONSTRUCTION

The Urana pipeline project commenced during May 2009 and work is proceeding well with some 18 kilometres of pipe having been laid by end of June 2009. Pipelaying commenced at the Urana Treatment plant end of the project. Rain delayed work which has since resumed.



# FINANCIAL INFORMATION

## CHARGES FOR WATER

### "User Pay" system

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

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

#### Urban Section:

##### (i) Domestic

Year	Usage Charge (per quarter)		Access Charge (per quarter)	
			Connected	Vacant
<b>2008/2009</b>	Non-Stepped Tariff	78c per kl	\$20.00	\$10.00

##### (ii) Commercial

Year	Usage Charge (per quarter)		Access Charge (per quarter)	
			Connected	Vacant
<b>2008/2009</b>	1- 3000 kls/month Balance above 3000 kls/month	78c per kl 68c per kl	\$30.00	\$10.00

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

#### Non-Urban Section:

##### (iii) Domestic

Year	Usage Charge (per quarter)		Access Charge (per quarter)	
			Connected	Vacant
<b>2008/2009</b>	Non-stepped tariff	90c per kl	\$25.00	\$10.00

##### (iv) Commercial

Year	Usage Charge (per quarter)		Access Charge (per quarter)	
			Connected	Vacant
<b>2008/2009</b>	1 to 3000 kls/month Balance above 3000 kls/month	90c per kl 80c per kl	\$31.25	\$10.00

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

## CONDITION OF PUBLIC WORKS UNDER COUNCIL'S CONTROL

### Section 428 (2) (d)

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

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

Asset Description	Asset Life	Replacement Cost \$'000	Weighted Remaining Life	Remaining Life Value at June 2008 \$'000
Water Mains – distribution, rural & reticulation	Iron 75 yrs Other 50 yrs	154,300	35 yrs	88,068
Reservoirs – 61 off	Steel 75 yrs Conc. 100 yrs	35,379	59.8 yrs	21,283
Pumping Stations – 70 off	*	18,465	-	10,124
Water Treatment Plants – 14 off Aeration – 7 Filtration – 7	75/100 yrs	36,006	52.1 yrs	19,997
Water Supply Bores – 26	25 yrs Stainless steel-40 yrs	2,909	18.3 yrs	1,042
Land & Buildings – other	-			3,608
<b>TOTAL</b>		<b>247,059</b>		<b>144,122</b>

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

The work required to bring those sections of the work that need improvement up to a satisfactory standard, the annual maintenance to maintain the standard, and the 2008/2009 programme of maintenance for the works is outlined in the following tables. The major need is for renewal of older water mains, based on the theoretical lifespan of each type of pipe. Some of these mains are however still serving their intended purpose and the relative urgency of renewal is not critical.

Works	Improvement Need \$000	Annual Upgrading or Renewal Need \$000	2008/2009 Upgrading or Renewal Programme \$000	Annual Maintenance Need \$000	2008/2009 Maintenance Programme \$000
Water Mains – Trunk & Rural	7,138	2,200	3,026	760	600
Water Mains – Reticulation					
Reservoirs	62	200	32	58	70
Pumping Stations & Bores	31	460	680	529	562
Treatment Plants	585	400	244	96	56

## **SUMMARY OF DISCLOSABLE LEGAL PROCEEDINGS**

### **Section 428 (2) (e)**

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

## **AMOUNTS CONTRIBUTED / GRANTED UNDER SECTION 356**

### **Section 428 (2) (l)**

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

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

## **OVERSEAS VISITS FUNDED BY COUNCIL**

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

No overseas visits undertaken by Councillors and others representing Council during 2008/2009.

## **RATES & CHARGES WRITTEN OFF**

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

Pensioner Rebates written off totalled	\$331,682
A Pensioner subsidy was received for the value of	\$189,950
Sundry Write-offs totalled	\$ NIL

## **FREEDOM OF INFORMATION**

In accordance with the provisions of the *Freedom of Information Act, 1989*, Council has completed its annual statistics for the twelve month period ended 30<sup>th</sup> June 2009. No applications were received by Council during the 2008/2009 period. Council has not received any enquiries from the Ombudsman under the *Freedom of Information Act* nor has it received any appeals under that Act to the District Court or the Supreme Court.

Statistical Details

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



**INFORMATION PROTECTION ACT, 1998**

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

The Privacy Management Plan provides for the protection of personal information and for the protection of the privacy of individuals. No applications were received by Council for review under Part 5 of the Act during the 2008/2009 period.

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

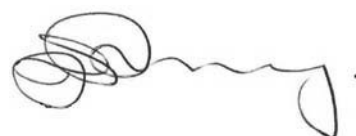
In accordance with a resolution of the members of Riverina Water County Council, we declare on behalf of Riverina Water County Council that in our opinion Council:

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

*Signed in accordance with a Resolution of Council  
Dated 21<sup>st</sup> April 2009*



.....  
Clr. P. Yates  
CHAIRPERSON



.....  
Clr. John McInerney  
DEPUTY CHAIRPERSON



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



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

# **FINANCIAL REPORTS**

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

# FINANCIAL STATEMENTS FOR THE YEAR ENDING 30<sup>th</sup> JUNE 2009

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**RIVERINA WATER COUNTY COUNCIL**

**GENERAL PURPOSE FINANCIAL REPORT**

**INDEPENDENT AUDITORS' REPORT**



A.B.N. 33 225 395 249

**SCOPE**

We have audited the general purpose financial reports of Riverina Water County Council for the year ended 30 June 2009, comprising the Statement by Councillors and Management of the Council, Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and accompanying Notes to the Accounts. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council.

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

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

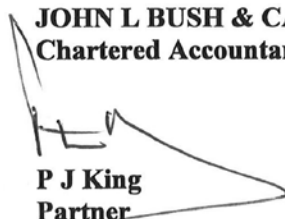
**AUDIT OPINION**

In our opinion

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

Yours faithfully

**JOHN L BUSH & CAMPBELL**  
Chartered Accountants



**P J King**  
Partner

26 August 2009

PK/KMC/RIVERWA/09AUDIT

14 August 2009

John L  
**BUSH &  
CAMPBELL**  
CHARTERED ACCOUNTANTS

A.B.N. 33 225 395 249

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

Dear Sir

Having completed an examination of the books of account and associated records of the Riverina Water County Council for the 12 months ended 30 June 2009 we have pleasure in submitting our report in accordance of Section 417(3) of the Local Government Act 1993.

The financial statements for the year ended 30 June 2009 have been prepared to comply with Statements of Accounting Concepts and Applicable Australian Accounting Standards including the requirements under Australian equivalents of International Financial Reporting Standards, the requirements of the Local Government Act 1993 and Regulations thereto, the Local Government Code of Accounting Practice and Financial Reporting and Local Government Asset Accounting Manual.

### **Operating Result and Financial Position**

The operating result for the year was \$2.654 million. In addition Council received contributions for capital purposes of \$1.309 million and recorded a net gain on disposal of assets of \$90 thousand. The total change in net assets resulting from operations was \$3.963 million.

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

	<b>2009 \$000</b>	<b>2008 \$000</b>	<b>2007 \$000</b>	<b>2006 \$000</b>	<b>2005 \$000</b>
Net Assets 1 July 1997	20,627	20,627	20,627	20,627	20,627
Asset Revaluation	99,632	95,538	91,639	87,965	81,439
Change in net assets resulting from operations	39,837	35,874	31,288	26,695	23,932
Net Assets 30 June	<u>\$160,096</u>	<u>\$152,039</u>	<u>\$143,554</u>	<u>\$135,287</u>	<u>\$125,998</u>

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

## Cash Investments and Working Capital

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

	<b>2009 \$000</b>	<b>2008 \$000</b>	<b>2007 \$000</b>	<b>2006 \$000</b>	<b>2005 \$000</b>
Cash (overdraft)	153	56	55	5	17
Investment	7,518	10,776	11,264	15,058	15,460
Working Capital	8,664	12,142	11,472	13,485	16,363

Cash and Investments held at the close of the year amounted to \$7.671 million. The statement of cashflows which includes bank overdrafts shows a decrease in cash of \$3.161 million. This reduction is due to the capital works programs undertaken during the year. Cash and Investments have not been restricted in there use by any externally imposed requirements. However they are restricted by internally imposed requirements. The healthy position of Council's working capital is reflected in the performance indicators detailed in the financial reports.

## Actual Performance Compared to Budget

	<b>2009 Actual \$000</b>	<b>2009 Budget \$000</b>	<b>2008 Actual \$000</b>	<b>2008 Budget \$000</b>	<b>2007 Actual \$000</b>	<b>2007 Budget \$000</b>	<b>2006 Actual \$000</b>	<b>2006 Budget \$000</b>
<b>Revenue</b>								
Rates and Annual Charges	2,573	2,519	2,520	2,481	2,475	2,499	2,448	2,433
User charges and fees	12,557	12,178	10,392	11,408	12,000	10,539	10,262	9,562
Interest	547	350	720	350	802	450	853	525
Grants and Contributions	1,506	910	2,937	805	2,927	1,146	1,288	844
Other	984	542	811	272	602	275	427	410
Gain on disposal of assets	90	27	11	27	(55)	27	(17)	27
	<b>18,257</b>	<b>16,526</b>	<b>17,391</b>	<b>15,343</b>	<b>18,751</b>	<b>14,936</b>	<b>15,261</b>	<b>13,801</b>
<b>Expenses</b>	<b>14,294</b>	<b>13,593</b>	<b>12,805</b>	<b>13,400</b>	<b>14,158</b>	<b>13,273</b>	<b>12,498</b>	<b>12,190</b>
<b>Operating Result</b>	<b>\$3,963</b>	<b>\$2,933</b>	<b>\$4,586</b>	<b>\$1,943</b>	<b>\$4,593</b>	<b>1,663</b>	<b>\$2,763</b>	<b>\$1,611</b>

## Equity

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

	<b>2009 \$000</b>	<b>2008 \$000</b>	<b>2007 \$000</b>	<b>2006 \$000</b>	<b>2005 \$000</b>
Non Current Assets	153,053	141,757	134,157	126,267	116,639
Non Current Liabilities	1,621	1,860	2,075	4,465	7,004
Working Capital	8,664	12,142	11,472	13,485	16,363
<b>Equity</b>	<b>\$160,096</b>	<b>\$152,039</b>	<b>\$143,554</b>	<b>\$135,287</b>	<b>\$125,998</b>

### **Other Matters**

It is evident that at June 2009 the Council continues to preside over a fundamentally sound balance sheet. The excellent result for 2009 on top of the previous years continues Councils very strong position.

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

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

Yours faithfully

**JOHN L BUSH & CAMPBELL**  
**Chartered Accountants**

A large, stylized handwritten signature in black ink, appearing to read 'P J King', is written over the printed name and title.

**P J King**  
**Partner**

**RIVERINA WATER COUNTY COUNCIL**

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**STATEMENT BY COUNCILLORS AND MANAGEMENT**

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

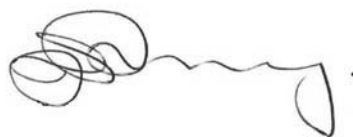
1. The accompanying financial statements exhibit a true and fair view of the financial position of Riverina Water County Council as at 30<sup>th</sup> June 2009 and transactions for the twelve months then ended.
2. The Statements have been prepared in accordance with the provisions of the Local Government Act, 1993 (as amended) and the Regulations made thereunder; the Australian Accounting Standards and professional pronouncements, and the Local Government Code of Accounting Practice and Financial Reporting.
3. All information provided has been prepared in accordance with the requirements of the Financial Statement Guidelines for NSW Councils.

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

*Signed in accordance with a Resolution of Council  
dated 26th August 2009.*



.....  
Clr. R. Kendall  
CHAIRPERSON  
26th August 2009



.....  
Clr. J. McInerney  
DEPUTY CHAIRPERSON  
26th August 2009



.....  
Mr. G.W. Pieper  
GENERAL MANAGER  
26th August 2009



.....  
Mr. Graeme Geaghan  
FINANCE MANAGER  
26th August 2009



**RIVERINA WATER COUNTY COUNCIL**

**INCOME STATEMENT  
For the year ended 30th June 2009**

<b>Original Budget<sup>(1)</sup> 2009 \$'000</b>		<b>Notes</b>	<b>Actual 2009 \$'000</b>	<b>Actual 2008 \$'000</b>
	<b>INCOME FROM CONTINUING OPERATIONS</b>			
2,519	Rates and Annual Charges	3a	2,573	2,520
12,178	User Charges and Fees	3b	12,557	10,392
350	Interest and Investment Income	3c	547	720
542	Other revenues	3d	984	811
210	Grants and Contributions provided for operating purposes	3e&f	197	190
700	Grants and Contributions provided for capital purposes	3e&f	1,309	2,747
27	Net gain from the disposal of assets	5	90	11
<hr/> 16,526	<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>		<hr/> 18,257	<hr/> 17,391
	<b>EXPENSES FROM CONTINUING OPERATIONS</b>			
5,804	Employee benefits and on-costs	4a	5,405	4,992
	Borrowing Costs	4b		
1,578	Materials and Contracts	4c	2,386	1,683
4,201	Depreciation	4d	4,107	4,003
2,010	Other expenses	4e	2,396	2,127
	Net loss from the disposal of assets	5		
<hr/> 13,593	<b>TOTAL EXPENSES FROM CONTINUING ACTIVITIES</b>		<hr/> 14,294	<hr/> 12,805
<hr/> 2,933	<b>NET OPERATING RESULT FOR THE YEAR</b>		<hr/> 3,963	<hr/> 4,586
<hr/> 2,233	<b>NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS AND CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES</b>		<hr/> 2,654	<hr/> 1,838

Note:

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

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

**RIVERINA WATER COUNTY COUNCIL**

**BALANCE SHEET  
as at 30th June 2009**

	<b>Notes</b>	<b>Actual 2009 \$'000</b>	<b>Actual 2008 \$'000</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6a	7,671	10,832
Receivables	7	2,292	1,829
Inventories	8	1,133	1,279
Other	8	46	46
<b>TOTAL CURRENT ASSETS</b>		<b>11,142</b>	<b>13,986</b>
<b>NON-CURRENT ASSETS</b>			
Infrastructure, Property, Plant and Equipment	9	149,445	141,205
Intangibles	25	3,608	552
<b>TOTAL NON-CURRENT ASSETS</b>		<b>153,053</b>	<b>141,757</b>
<b>TOTAL ASSETS</b>		<b>164,195</b>	<b>155,743</b>
<b>CURRENT LIABILITIES</b>			
Payables	10	864	739
Provisions	10	1,614	1,105
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,478</b>	<b>1,844</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	1,621	1,860
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,621</b>	<b>1,860</b>
<b>TOTAL LIABILITIES</b>		<b>4,099</b>	<b>3,704</b>
<b>NET ASSETS</b>		<b>160,096</b>	<b>152,039</b>
<b>EQUITY</b>			
Retained earnings	20	60,464	56,501
Reserves	20	99,632	95,538
<b>TOTAL EQUITY</b>		<b>160,096</b>	<b>152,039</b>

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

# RIVERINA WATER COUNTY COUNCIL

## **STATEMENT OF CHANGES IN EQUITY** **For the Year ended 30<sup>th</sup> June 2009**

	<b>TOTAL</b>		<b>ACCUMULATED SURPLUS</b>		<b>ASSET REVALUATION RESERVE</b>	
	ACTUAL 2009 \$'000	ACTUAL 2008 \$'000	ACTUAL 2009 \$'000	ACTUAL 2008 \$'000	ACTUAL 2009 \$'000	ACTUAL 2008 \$'000
Balance at beginning of the reporting period	152,039	143,554	56,501	51,915	95,538	91,639
Change in equity recognised in the statement of financial performance	3,963	4,586	3,963	4,586		
Transfers to asset revaluation reserve	4,094	3,899			4,094	3,899
Transfer from asset revaluation reserve						
Balance at end of the reporting period	160,096	152,039	60,464	56,501	99,632	95,538

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

**RIVERINA WATER COUNTY COUNCIL  
CASH FLOW STATEMENT  
For the Year ended 30th June 2009**

<b>Budget 2009 \$'000</b>		<b>Notes</b>	<b>Actual 2009 \$'000</b>	<b>Actual 2008 \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
	<u>Receipts:</u>			
2,519	Rates and annual charges		2,495	2,519
12,178	User charges and fees		12,311	10,371
350	Investment revenue and interest		549	738
910	Grants and Contributions		1,441	2,875
542	Other		984	811
	<u>Payments:</u>			
(4,658)	Employee benefits and on-costs		(5,675)	(4,900)
(350)	Materials and contracts		(2,386)	(1,683)
	<u>Borrowing Costs</u>			
(4,468)	Other		(1,660)	(3,526)
7,023	Net cash provided (or used) in operating activities	11(b)	8,059	7,205
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
	<u>Receipts:</u>			
	Sale of financial assets		681	
365	Sale of infrastructure, property, plant and equipment		365	625
	<u>Payments:</u>			
(15,240)	Purchase of infrastructure, property, plant and equipment		(8,658)	(8,317)
	Other		(3,608)	
(14,875)	Net cash provided by (or used in) investing activities		(11,220)	(7,692)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
	<u>Payments:</u>			
	Borrowings and advances			
	Net cash provided by (or used in) financing activities			
(7,852)	Net increase/(decrease) in cash and cash equivalents		(3,161)	(487)
10,079	Cash and cash equivalents at beginning of reporting period	11(a)	10,832	11,319
2,227	Cash and cash equivalents at end of reporting period	11(a)	7,671	10,832

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

## RIVERINA WATER COUNTY COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2009****Note 1****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****1. The Local Government Reporting Entity**

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

**2. Basis of Accounting**

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

**2.1 Compliance**

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

**AAS 27**

The Standard has been superseded from 1<sup>st</sup> July 2008. However, all key elements of the former Standard have been incorporated into other current Standards including AASB 1051, 1052 and 1004.

***Historical cost convention***

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

***Critical accounting estimates***

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

**3. Revenue Recognition**

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

***Annual charges, grants and contributions***

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

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

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

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

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

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

#### *User charges and fees*

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

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

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

#### *Interest and rents*

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

## **4. Principles of Consolidation**

### **(i) The Consolidated Fund**

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

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

## **5 Acquisition of Assets**

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

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

## **6. Impairment of Assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets 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 which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than good will that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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

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

## **8. Receivables**

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

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

## **9. Investments**

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

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

### *Classification*

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

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

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

### **(ii) Loans and receivables**

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

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

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

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

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

### *Recognition and derecognition*

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

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

### *Subsequent measurement*

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

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

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

### *Fair value*

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

### *Impairment*

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



## Policy

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

### **11. Fair Value Estimation**

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

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

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

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

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

Fair value was measured at 30<sup>th</sup> June 2008 and since this time annually indexed in accordance with "NSW Reference Rates Manual for Valuation of Water Supply, Sewerage and Stormwater Assets, 2003", in which the Director of Engineering has provided a report which supports the annual indexation.

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

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

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

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

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

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

### 13. Payables

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

### 14. Borrowings

Council repaid all loan debt during 2006/07.

### 15. Borrowing Costs

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

### 16. Employee Benefits

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

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

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

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

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

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

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

The Local Government Superannuation Scheme has advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities amounting to around \$290 million at 30 June 2009. As a result, they have asked for significant increases in contributions from 2009/2010 onwards to recover that deficiency. Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the

deficiency has been recognised in Council's accounts. Council has, however, disclosed a contingent liability in note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

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

## **17. Intangibles**

The Council has purchased water licences during the 2009 year. These are recorded at cost and subject to annual impairment testing.

## **18. Rounding of amounts**

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

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

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

## **20. New Accounting Standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30<sup>th</sup> June 2009 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below:

<b>Title and topic</b>	<b>Issued</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
a) AASB-1 12 <i>Service Concession Arrangements</i> , AASB 2007-1 <i>Amendments to Australian Accounting Standards arising from AASB Interpretation 12, revised UIG 4 Determining whether an Arrangement contains a Lease and revised UIG 129 Service Concession Arrangements; Disclosures</i>	Feb 2007	1 Jan 2008	Nil – Council is not party to any Service Concession Arrangements.
b) AASB 8 <i>Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8</i>	Feb 2007	1 Jan 2009	Nil – The Standard is not applicable to non-for-profit entities.
c) Revised AASB 123 <i>Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 &amp; AASB 138 and Interpretations 1 &amp; 12)</i>	June 2007	1 Jan 2009	Nil – The revised Standard has removed the option to expense all borrowing costs and – when adopted – will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Council as the Council already capitalises borrowing costs relating to qualifying assets.

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

## 21. 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 balance sheet.

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

## NOTES TO THE FINANCIAL STATEMENTS

### Note 2(a)

#### FUNCTIONS

	<b>INCOME, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE WATER SUPPLY FUNCTIONS. DETAILS OF THIS FUNCTION IS PROVIDED</b>									
	<b>INCOME FROM CONTINUING OPERATIONS</b>		<b>EXPENSES FROM CONTINUING OPERATIONS</b>		<b>OPERATING RESULTS FROM CONTINUING OPERATIONS</b>		<b>GRANTS INCLUDED IN INCOME FROM CONTINUING OPERATIONS</b>		<b>TOTAL ASSETS HELD (CURRENT &amp; NON-CURRENT)</b>	
FUNCTION	Orig Budget 2009 \$'000	Actual 2009 \$'000	Orig Budget 2009 \$'000	Actual 2009 \$'000	Orig Budget 2009 \$'000	Actual 2009 \$'000	Orig. Budget 2009 \$'000	Actual 2009 \$'000	Orig. Budget 2009 \$'000	Actual 2009 \$'000
Water Supplies	16,526	18,257	13,593	14,294	2,933	3,963	210	197	161,633	164,195
<b>TOTALS</b>	<b>16,526</b>	<b>18,257</b>	<b>13,593</b>	<b>14,294</b>	<b>2,933</b>	<b>3,963</b>	<b>210</b>	<b>197</b>	<b>161,633</b>	<b>164,195</b>

**As reported on the Income Statement**

## NOTES TO THE FINANCIAL STATEMENTS

### Note 3

#### INCOME FROM CONTINUING OPERATIONS

	Actual 2009 \$'000	Actual 2008 \$'000		
<b>a) RATES &amp; ANNUAL CHARGES</b>				
<u>Annual Charges</u> (pursuant to s.496 & s.501)				
Water Supply Services	2,573	2,520		
Total Rates & Annual Charges	2,573	2,520		
<b>b) USER CHARGES &amp; FEES</b>				
<u>User Charges</u> (pursuant to s.502)	12,560	10,401		
Total User Charges	12,560	10,401		
<i>Fees</i>				
Private works	(3)	(9)		
Total User Charges & Fees	12,557	10,392		
<b>c) INTEREST AND INVESTMENT REVENUE</b>				
Interest on investments	547	720		
Total Interest Revenue	547	720		
<b>d) OTHER REVENUES</b>				
Lease Rental	7	7		
Connection Fees	415	618		
Other	562	186		
Total Other Revenue from Ordinary Activities	984	811		
	<b>OPERATING Actual 2009 \$'000</b>	<b>OPERATING Actual 2008 \$'000</b>	<b>CAPITAL Actual 2009 \$'000</b>	<b>CAPITAL Actual 2008 \$'000</b>
<b>e) GRANTS</b>				
General Purpose (Untied)				
- Pensioners' Rates Subsidies	190	187		
- Diesel and Alternative Fuels	7	3		
- Water Supplies				
Total Grants	197	190		
<b>f) CONTRIBUTIONS &amp; DONATIONS</b>				
Water			1,309	2,747
Total Contributions & Donations				
<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>	197	190	1,309	2,747

## NOTES TO THE FINANCIAL STATEMENTS

### Note 4

#### EXPENSES FROM CONTINUING OPERATIONS

	Actual 2009 \$'000	Actual 2008 \$'000
<b>(a) EMPLOYEE BENEFITS AND ON COSTS</b>		
Salaries and Wages	3,296	3,635
Travelling	516	488
Employee Leave Entitlements	1,176	693
Superannuation	585	409
Worker's Compensation Insurance	170	184
FBT	46	24
Payroll Tax	332	312
Training Costs (excluding salaries)	219	153
Less Capitalised Costs	(935)	(906)
Total Employee Costs Expensed	5,405	4,992
Number of FTE employees	86.1	84.5
<b>(b) BORROWING COSTS</b>		
Interest on Loans		
Total Borrowing Cost Expensed		
<b>(c) MATERIALS AND CONTRACTS</b>		
Contractor and Consulting costs		
Audit Fees	17	26
Other	2,369	1,657
Total Materials and Contracts	2,386	1,683
<b>(d) DEPRECIATION</b>		
Plant and equipment	749	768
Office equipment/Furniture	33	32
Buildings	106	103
Infrastructure		
- Water supply	3,219	3,100
Total Depreciation Costs Expensed	4,107	4,003
<b>(e) OTHER EXPENSES</b>		
Chairperson Fee	8	7
Member's Fees & Allowances	42	39
Members' Expenses	9	4
Insurance	95	96
Electricity & Heating	1,842	1,543
Telephone	96	84
Other	304	354
Total Other Expenses from Ordinary Activities	2,396	2,127

## NOTES TO THE FINANCIAL STATEMENTS

### Note 5

#### **GAIN OR LOSS FROM DISPOSAL OF ASSETS**

	<b>Actual 2009 \$'000</b>	<b>Actual 2008 \$'000</b>
<b>GAIN (OR LOSS) ON DISPOSAL OF PLANT &amp; EQUIPMENT</b>		
Proceeds from disposal	365	625
Less: Carrying amount of assets sold	404	614
<b>GAIN (OR LOSS) ON DISPOSAL</b>	<b>(39)</b>	<b>11</b>
<b>GAIN (OR LOSS) ON DISPOSAL OF FINANCIAL ASSET</b>		
Proceeds from disposal	681	
Less: Carrying amount of assets sold	552	
<b>GAIN (OR LOSS) ON DISPOSAL</b>	<b>129</b>	
<b>TOTAL GAIN (OR LOSS) ON DISPOSAL OF ASSETS</b>	<b>90</b>	<b>11</b>



## NOTES TO THE FINANCIAL STATEMENTS

### Note 6a

#### CASH AND CASH EQUIVALENTS

	Actual 2009		Actual 2008	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
<b><u>CASH</u></b>				
Cash at Bank and on hand	153		56	
Deposits at Call	7,518		10,776	
<b>TOTAL CASH ASSETS</b>	<b>7,671</b>		<b>10,832</b>	
<b>TOTAL CASH ASSETS AND INVESTMENT SECURITIES</b>	<b>7,671</b>		<b>10,832</b>	

## NOTES TO THE FINANCIAL STATEMENTS

### Note 6b

#### INVESTMENTS

Restrictions	Notes	MOVEMENTS				PROPOSED UTILISATION OF RESTRICTION		
		Opening Balance 30 June 2008 \$'000	Transfers to Restriction \$'000	Transfers from Restriction \$'000	Closing Balance 30 June 2009 \$'000	Less than 1 Year	Between 1 and 5 Years	Greater than 5 Years
<b>Internal</b>								
<i>Mains Replacement</i>	6a	1,000			1,000		1,000	
<i>Sales Fluctuation</i>	6a	1,200			1,200		1,200	
<i>Employee Leave Entitlement</i>	6a	890	80		970			970
<b>Total</b>		<b>3,090</b>	<b>80</b>		<b>3,170</b>		<b>2,200</b>	<b>970</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 6c

### RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

#### TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS

	Actual 2009		Actual 2008	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
<b>TOTAL INTERNAL RESTRICTIONS</b>				
Included in liabilities				
- Employee Leave Entitlements	970		890	
Other				
- Mains replacement	1,000		1,000	
- Sales Fluctuation	1,200		1,200	
<b>TOTAL INTERNAL RESTRICTIONS</b>	<b>3,170</b>		<b>3,090</b>	

a) Employee Leave Entitlements

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

b) Mains Replacement

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

c) Sales Fluctuation Reserve

Income from sales of water is largely dependent on seasonal weather conditions. Consumption for 2008/2009 has been based on the trend analysis undertaken, an amount of 15,035 megalitres. Should Council experience an abnormal year, such as 1993, then the consumption could be more around 10,710 megalitres. A sales fluctuation reserves purpose is to afford the Council's consumers some protection against extraordinary increases in the price of water resulting from a decrease in water sales due to unfavourable weather conditions.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 7

#### RECEIVABLES

	Actual 2009		Actual 2008	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
Rates and Annual Charges	351		273	
User Charges & Fees	1,158		912	
Accrued Interest on Investments	1		3	
Government Grants & Subsidies	147		82	
Other	635		559	
Total	<u>2,292</u>	<u></u>	<u>1,829</u>	<u></u>

#### Rates and Annual Charges

Annual charges are secured.

#### User Charges and Fees

User charges and fees are secured.

#### Government Grants

Government grants and subsidies have been guaranteed.

#### Private works

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

# NOTES TO THE FINANCIAL STATEMENTS

## Note 8

### INVENTORIES AND OTHER ASSETS

	Actual 2009		Actual 2008	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
<b>Inventories</b>				
- Stores and Materials	1,133		1,279	
	<u>1,133</u>		<u>1,279</u>	
<b>Other</b>				
Prepayments	46		46	
	<u>46</u>		<u>46</u>	

# NOTES TO THE FINANCIAL STATEMENTS

## Note 9a

### INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

	At 30/6/2008				MOVEMENTS DURING YEAR				At 30/6/2009			
	Fair Value	Fair Value	Accum Depn	Book Value	Asset Purchases	Asset Disposals	Depn	Fair Value	Fair Value	Fair Value	Accum Depn	Book Value
Plant & Equipment	14,000		9,392	4,608	1,778	404	749		15,373		10,141	5,232
Office Equipment/ Furniture	491		379	112	12		33		503		412	91
Buildings		3,878	374	3,504	106		106	105		4,088	480	3,608
Infrastructure - Water Supply Network		144,833	11,852	132,981	6,762		3,219	3,989		155,585	15,071	140,514
<b>TOTALS</b>	<b>14,491</b>	<b>148,711</b>	<b>21,997</b>	<b>141,205</b>	<b>8,658</b>	<b>404</b>	<b>4,107</b>	<b>4,094</b>	<b>15,876</b>	<b>159,673</b>	<b>26,104</b>	<b>149,445</b>

Additions to Buildings and Infrastructure are made up of Asset Renewals.  
Renewals are defined as replacements of existing assets with equivalent capacity or performance as opposed to the acquisition of new assets.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 10a

#### **PAYABLES, INTEREST BEARING LIABILITIES AND PROVISIONS**

	Actual 2009		Actual 2008	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
<b><u>Payables</u></b>				
Goods and Services	674		566	
Accrued Expenses	190		173	
<b>TOTAL PAYABLES</b>	<b>864</b>		<b>739</b>	
<b><u>Provisions</u></b>				
Annual Leave	575		525	
Sick Leave	467		294	
Long Service Leave	572	1,621	286	1,860
<b>TOTAL PROVISIONS</b>	<b>1,614</b>	<b>1,621</b>	<b>1,105</b>	<b>1,860</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 11

#### RECONCILIATION OF CASH FLOWS MOVEMENTS

		Actual 2009 \$'000	Actual 2008 \$'000
<b>a) Reconciliation of Cash</b>			
Total Cash and Cash Equivalents	6A	7,671	10,832
Balances as per statement of cash flows		<u>7,671</u>	<u>10,832</u>
<b>b) Reconciliation of Surplus/(Deficit) from Ordinary Activities to Cash from Operating Activities</b>			
Surplus/(deficit) from ordinary activities		3,963	4,586
Add: Depreciation		4,107	4,003
Decrease in Receivables			4
Increase in employee leave entitlements		270	
Decrease in Inventories		147	14
Increase in payables		125	
Decrease in other current assets			28
Loss on Sale Assets		<u>8,612</u>	<u>8,635</u>
Less:			
Decrease in employee leave entitlements			92
Increase in Receivables		463	
Increase in Inventories			
Decrease in payables			1,327
Increase in other current assets			
Profit on Sale Assets		<u>90</u>	<u>11</u>
Net Cash provided by (or used in) operating activities		<u>8,059</u>	<u>7,205</u>

## NOTES TO THE FINANCIAL STATEMENTS

### Note 12

#### COMMITMENTS FOR EXPENDITURE

##### CAPITAL COMMITMENTS

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

Actual 2009 \$'000	Actual 2008 \$'000
--------------------------	--------------------------

NIL

NIL

These expenditures are payable as follows:

Not later than one year

NIL

NIL

Later than one year and not later than 2 years

Later than 2 years and not later than 5 years

Later than 5 years

NIL

NIL

## NOTES TO THE FINANCIAL STATEMENTS

### Note 13

#### STATEMENT OF PERFORMANCE MEASUREMENT FOR THE YEAR 2008/2009

	Amounts	Current Yr Indicators	2008	2007
<b>1. UNRESTRICTED CURRENT RATIO</b>				
<b>Factors</b>				
<i>Current Assets less All External Restrictions</i>	<u>\$11,142</u>			
<i>Current Liabilities less Specific Purpose Liabilities</i>	<u>\$ 2,478</u>	Ratio <u>4.50:1</u>	7.58:1	4.76
<b>2. DEBT SERVICE RATIO</b>				
<b>Factors</b>				
<i>Debt Service cost</i>				
<i>Revenue from Continuing Operations excluding capital items and specific purpose grants/contributions</i>	<u>\$ 0</u> \$16,948			.38
<b>3. RATE COVERAGE RATIO</b>				
<b>Factors</b>				
<i>Rate &amp; Annual Charges</i>	<u>\$ 2,573</u>			
<i>Revenue for Continuing Operations</i>	<u>\$18,257</u>	0.14:1	0.14:1	0.13
<b>4. RATES &amp; ANNUAL CHARGES OUTSTANDING PERCENTAGE</b>				
<b>Factors</b>				
<i>Rates &amp; Annual Charges Outstanding</i>	<u>\$ 351</u>			
<i>Rates &amp; Annual Charges Collectable</i>	<u>\$2,846</u>	12.33%	9.78%	9.89%
<b>5. BUILDING AND INFRASTRUCTURE RENEWALS RATIO</b>				
<i>Assets renewals (Building and Infrastructure)</i>				
<i>Depreciation, amortisation &amp; impairment (building and infrastructure)</i>	<u>\$3,024</u> \$3,325	0.91:1	0.57:1	



## NOTES TO THE FINANCIAL STATEMENTS

### Note 14

#### INVESTMENT PROPERTIES

|

	Actual 2009 \$'000	Actual 2008 \$'000
<b>AT FAIR VALUE</b>		
Opening balance at 1 <sup>st</sup> July		
Acquisitions		
Capitalised subsequent expenditure		
Classified as held for sale or disposals		
Net gain (loss) from fair value adjustment		
Transfer (to) from inventories and owner occupied property		
<b>CLOSING BALANCE AT 30<sup>th</sup> JUNE</b>	<u>NIL</u>	<u>NIL</u>

# NOTES TO THE FINANCIAL STATEMENTS

## Note 15

### FINANCIAL RISK MANAGEMENT

#### Interest Rate Risk Exposures

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

2009	Notes	Floating interest rate \$'000	Fixed interest maturing in: ≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000	Non- interest bearing \$'000	Total \$'000
<b>Financial Assets</b>							
Cash and Cash Equivalents	6	5,671	2,000				7,671
Receivables	7					2,292	2,292
<b>Total</b>		5,671	2,000			2,292	9,963
Weighted Ave. Interest Rate		6.64%	4.35%				
<b>Financial Liabilities</b>							
Bank overdraft & loans	11,10						
Bills Payable	10					864	864
<b>Total</b>						864	864
Weighted Ave. Interest Rate							
<b>Net Financial assets/(liabilities)</b>		5,671	2,000			1,428	9,099
<b>2008</b>							
2008	Notes	Floating interest rate \$'000	Fixed interest maturing in: ≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000	Non- interest bearing \$'000	Total \$'000
<b>Financial Assets</b>							
Cash and Cash Equivalents	6	8,697	2,135				10,832
Receivables	7					1,829	1,829
<b>Total</b>		8,697	2,135			1,829	12,661
Weighted Ave. Interest Rate		7.34%	8.25%				
<b>Financial Liabilities</b>							
Bank overdraft & loans	11,10						
Bills Payable	10					739	739
<b>Total</b>						739	739
Weighted Ave. Interest Rate							
<b>Net Financial assets/(liabilities)</b>		8,697	2,135			1,090	11,922

## NOTES TO THE FINANCIAL STATEMENTS

### Note 15 Continued

#### FINANCIAL RISK MANAGEMENT

##### Reconciliation of Net Financial Assets

	Notes	2009 \$'000	2008 \$'000
Net financial assets from previous page		9,099	11,922
Non-financial assets and liabilities			
- Inventories	8	1,133	1,279
- Property, plant & equipment	9	149,445	141,757
- Other Assets	8	3,654	46
- Provisions	10	(3,235)	(2,965)
Net Assets per Statement of Financial Position		<u>160,096</u>	<u>152,039</u>

##### Net fair value of Financial Assets

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

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

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

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

		2009		2008	
	Notes	Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
<b>Financial Assets</b>					
Trade debtors	7	1,509	1,509	1,185	1,185
Other debtors	7	783	783	644	644
Unlisted investments	6	7,671	7,671	10,832	10,832
<b>Total</b>		<u>9,963</u>	<u>9,963</u>	<u>12,661</u>	<u>12,661</u>
<b>Financial Liabilities</b>					
Other loans	10				
Other liabilities	10	864	864	739	739
<b>Total</b>		<u>864</u>	<u>864</u>	<u>739</u>	<u>739</u>

## NOTES TO THE FINANCIAL STATEMENTS

**Note 16****MATERIAL BUDGET VARIATIONS**

Council's original budget was incorporated as part of the Management Plan adopted by Council on 21st June 2008. The original projections on which the budget was based have been affected by climate conditions, interest rates and increase in capital expenditure.

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

**Revenues**1. Interest Received

The actual amount of interest revenue received was over budget by some \$197(F) (56%). This was due to increase in funds as a result of better than expected results.

2. Other revenues

Main variance of other revenues related to the connection fees received, due to increase in development minor variations in amounts received from Sundry Income, resulted in \$442(F) (82%) over budget.

3. Grants & Contributions

Increase in Urban residential subdivision and an increase due to drought conditions of rural main extensions resulted in \$609(F) (87%) over budget.

**Expenses**1. Materials and Contracts

Increase in capital works resulted in \$808(U) (51%) over budget.

2. Other Expenses

Due to increase in electricity costs and usage and maintenance on water mains resulted in \$386(U) (19%) over budget.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 17

#### STATEMENT OF DEVELOPER CONTRIBUTIONS

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

Purpose	Opening Balance  \$'000	Contributions received during year*		Interest earned during year  \$'000	Expended During Year  \$'000	Expended in Advance  \$'000	Held as restricted asset**  \$'000	Works Provided to date  \$'000
		Cash \$'000	Non- Cash \$'000					
Water Supply	NIL	1,309						1,309
Total Contributions	NIL	1,309						1,309

## NOTES TO THE FINANCIAL STATEMENTS

### Note 18

#### CONTINGENCIES

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

Council contributes to the Local Government Superannuation Scheme which has a closed section where a portion of member entitlements are defined as a multiple of salary. Member councils bear the responsibility of ensuring there are sufficient monies available to pay out benefits as these members cease employment. The Scheme has a deficit of assets over liabilities totalling \$290 million as at 30<sup>th</sup> June 2009. The scheme administrators have advised Council that it will need to make significantly higher contributions from 2009/2010 to help reverse this deficit. However, they may call upon Council to make an immediate payment sufficient to offset this deficit at any time. As the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils, the amount of such a payment is not able to be reliability quantified.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 19

#### INTERESTS IN JOINT VENTURES

Council has no joint venture partnerships

## NOTES TO THE FINANCIAL STATEMENTS

### Note 20

#### REVALUATION RESERVES AND RETAINED EARNINGS

	Notes	Actual 2009 \$'000	Actual 2008 \$'000
<b>(a) Revaluation reserves</b>			
Infrastructure, property, plant and equipment revaluation reserve		99,632	95,538
		<u>99,632</u>	<u>95,538</u>
Movements:			
Property, plant and equipment revaluation reserve			
At beginning of year		95,538	91,639
Revaluations		4,094	3,899
At end of year		<u>99,632</u>	<u>95,538</u>
<b>(b) Retained earnings</b>			
Movements in retained earnings were as follows:			
At beginning of year		56,501	51,915
Net operating result for the year		3,963	4,586
At end of year		<u>60,494</u>	<u>56,501</u>

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

##### (i) *Infrastructure, property, plant and equipment revaluation reserve*

The infrastructure, property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

## NOTES TO THE FINANCIAL STATEMENTS

**Note 21****REINSTATEMENT, REHABILITATION  
AND RESTORATION LIABILITIES**

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

## NOTES TO THE FINANCIAL STATEMENTS

**Note 22****NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE**

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

## NOTES TO THE FINANCIAL STATEMENTS

**Note 23****EVENTS OCCURRING AFTER BALANCE SHEET DATE**

There are no events that have occurred after 30<sup>th</sup> June 2009 to be included in balance sheet as at 30<sup>th</sup> June 2009

## NOTES TO THE FINANCIAL STATEMENTS

**Note 24****DISCONTINUED OPERATION**

Council business is a continuing operation.

## NOTES TO THE FINANCIAL STATEMENTS

**Note 25****INTANGIBLE ASSETS**

	Notes	2009 \$'000	2008 \$'000
Water Licences		3,608	552



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**Special Purpose Financial Reports and Special Schedules  
for the year ending 30<sup>th</sup> June 2009**

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## RIVERINA WATER COUNTY COUNCIL

## SPECIAL PURPOSE FINANCIAL REPORTS

## INDEPENDENT AUDITORS' REPORT

## SCOPE

We have audited the special purpose financial reports of Riverina Water County Council for the year ended 30 June 2009, comprising the Statement by Council, Income Statement of Water Supply Business Activity, Balance Sheet of Water Supply Business Activity, and accompanying Notes to the Accounts. The financial statements include the accounts of the business activities of the Council and the entities it controlled at the year's end or from time to time during the year. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council.

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

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

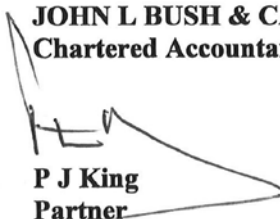
The audit opinion expressed in this report has been formed on the above basis.

## AUDIT OPINION

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

Yours faithfully

**JOHN L BUSH & CAMPBELL**  
Chartered Accountants



**P J King**  
Partner

26 August 2009

**RIVERINA WATER COUNTY COUNCIL**

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**STATEMENT BY COUNCILLORS AND MANAGEMENT**

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

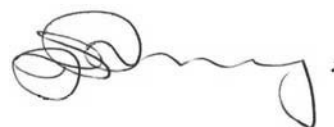
1. The accompanying special purpose financial reports exhibit a true and fair view of the financial position of Riverina Water County Council declared business activity as at 30<sup>th</sup> June 2009.
2. The special purpose financial reports have been prepared in accordance with:
  - NSW Government Policy Statement "Application of National Competition Policy to Local Government",
  - Department of Local Government Guidelines "Pricing and Costing for Council Businesses; A guide to Competitive Neutrality" ,
  - The Local Government Code of Accounting Practice and Financial Reporting, and
  - The Department of Water and Energy Practice Management of Water Supply guidelines.
3. All information provided has been prepared in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting.

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

*Signed in accordance with a Resolution of Council  
dated 26th August 2009.*



.....  
Clr. R. Kendall  
CHAIRPERSON  
26th August 2009



.....  
Clr. J. McInerney  
DEPUTY CHAIRPERSON  
26th August 2009



.....  
Mr. G.W. Pieper  
GENERAL MANAGER  
26th August 2009



.....  
Mr. Graeme Geaghan  
FINANCE MANAGER  
26th August 2009

RIVERINA WATER COUNTY COUNCIL

**INCOME STATEMENT OF WATER SUPPLY BUSINESS ACTIVITY  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2009**

	<b>Actual 2009 \$'000</b>	<b>Actual 2008 \$'000</b>	<b>Actual 2007 \$'000</b>
<b>Income from continuing operations</b>			
Access charges	2,573	2,520	2,475
User charges	12,557	10,392	12,000
Fees			
Interest	547	720	802
Grants and contributions provided for non capital purposes	197	190	204
Profit from the sale of assets	90	11	
Other income	984	811	602
<b>Total income from continuing operations</b>	<b>16,948</b>	<b>14,644</b>	<b>16,083</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	5,405	4,992	4,361
Borrowing costs			1,926
Materials and contracts	2,386	1,683	1,760
Depreciation and impairment	4,107	4,003	3,824
Water purchase charges	42	65	62
Loss on sale of assets			56
Calculated taxation equivalents	23	25	12
Debt guarantee fee (if applicable)			
Other expenses	2,354	2,062	2,224
<b>Total expenses from continuing operations</b>	<b>14,317</b>	<b>12,830</b>	<b>14,225</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>2,631</b>	<b>1,814</b>	<b>1,858</b>
<b>Grants and contributions provided for capital purposes</b>	<b>1,309</b>	<b>2,747</b>	<b>2,723</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>3,940</b>	<b>4,561</b>	<b>4,581</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>3,940</b>	<b>4,561</b>	<b>4,581</b>
Less Corporate Taxation Equivalent (30%) [based on result before capital]	1,182	1,368	1,374
<b>Surplus (deficit) after tax</b>	<b>2,758</b>	<b>3,193</b>	<b>3,207</b>
<b>Opening retained profits</b>			
<b>Adjustments for amounts unpaid</b>			
Taxation equivalent payments			
Debt guarantee fees			
Corporate taxation equivalent	1,182	1,368	1,374
<b>Less:</b>			
– TER dividend paid			
– Surplus dividend paid			
<b>Closing retained profits</b>	<b>3,940</b>	<b>4,561</b>	<b>4,581</b>
Return on Capital %	1.8%	1.3%	2.8%
Subsidy from Council			
<b>Calculation of dividend payable:</b>			
Surplus (deficit) after tax	2,758	3,193	3,207
Less: Capital grants and contributions (excluding developer contributions)	1,309	2,747	2,723
Surplus for dividend calculation purposes	713	446	484
Dividend calculated from surplus	345	210	236

**RIVERINA WATER COUNTY COUNCIL**

**BALANCE SHEET OF WATER SUPPLY BUSINESS ACTIVITY  
AS AT 30<sup>th</sup> JUNE 2009**

**WATER CATEGORY 1**

	Notes	Actual 2009 \$'000	Actual 2008 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		7,671	10,832
Receivables		2,292	1,829
Inventories		1,133	1,279
Other		46	46
<b>TOTAL CURRENT ASSETS</b>		<b>11,142</b>	<b>13,986</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment		149,445	141,205
Intangibles		3,608	552
<b>TOTAL NON-CURRENT ASSETS</b>		<b>153,053</b>	<b>141,757</b>
<b>TOTAL ASSETS</b>		<b>164,195</b>	<b>155,743</b>
<b>CURRENT LIABILITIES</b>			
Bank overdraft			
Payables		864	739
Provisions		13,887	12,174
<b>TOTAL CURRENT LIABILITIES</b>		<b>14,751</b>	<b>12,913</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		1,621	1,860
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,621</b>	<b>1,860</b>
<b>TOTAL LIABILITIES</b>		<b>16,372</b>	<b>14,773</b>
<b>NET ASSETS</b>		<b>147,823</b>	<b>140,970</b>
<b>EQUITY</b>			
Retained Profits		48,191	45,432
Asset Revaluation reserve		99,632	95,538
<b>TOTAL EQUITY</b>		<b>147,823</b>	<b>140,970</b>

## RIVERINA WATER COUNTY COUNCIL

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**NOTES TO THE SPECIAL PURPOSE FINANCIAL REPORTS**

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**Note 1****SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

**National Competition Policy**

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

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

**Declared Business Activities**

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

**Monetary Amounts**

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

**(i) Taxation Equivalent Payments**

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs. However, where council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all council nominated business activities and are reflected in the SPFRs as expenses. For the purposes of disclosing comparative information relevant to the private sector equivalent the following taxation equivalents have been applied to all council nominated business activities (this does not include Council's non-business activities):

	Notional Rate Applied %
Corporate Tax Rate	30 %
Land Tax	1.6 %

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

**Income Tax**

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

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

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

**Local Government Rates & Charges**

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

## Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that council business activities face "true" commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, council has determined what the differential borrowing rate would have been between the commercial rate and the council's borrowing rate for its business activities. The debt guarantee fee represents the difference between the commercial and discount rate multiplied by the loan amount.

### (ii) Subsidies

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

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

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

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

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return can be calculated for each of council's business activities from the Statement of Business Activities and Statement of Financial Position and is disclosed at the bottom of the Statement of Business Activities. The return on capital achieved for Council's business is 1.8% and is consistent with that required for "Long Term Sustainability".

### (iv) Dividends

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

Local Government Water Supply and Sewerage Businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus. The dividend, calculated and approved in accordance with the Best Practice Management Guidelines, must not exceed 50% of this surplus in any one year, or the number of water supply assessments at 30<sup>th</sup> June 2009 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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

## RIVERINA WATER COUNTY COUNCIL

## NOTES TO THE SPECIAL PURPOSE FINANCIAL REPORTS

## Note 2

**WATER SUPPLY BUSINESS BEST PRACTICE  
MANAGEMENT DISCLOSURE REQUIREMENTS**
**Calculation and Payment of Tax-Equivalents**

\$

(i)	Calculated Tax- Equivalents	22,693
(ii)	No. of assessments multiplied by \$3/assessment	88,362
(iii)	Amounts payable for Tax-Equivalents (lesser of (i) and (ii))	22,693
(iv)	Amounts paid for Tax-Equivalents	22,693
<b>Dividend from Surplus</b>		
(i)	50% of Surplus before Dividends <i>(Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines)</i>	345,000
(ii)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	860,927
(iii)	Cumulative Surplus before Dividends for the 3 years to 30 <sup>th</sup> June 2008, less the cumulative Dividends Paid for the 2 years to 30 <sup>th</sup> June 2007	9,008,000
(iv)	Maximum Dividend from Surplus (least of (i),(ii) and (iii))	215,000
(v)	Dividend paid from Surplus	

Nil

**Required Outcomes for 6 Criteria**

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

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

		%	\$'000
NWI F1	Total Revenue (Water)		17,710
NWI F4	Residential Revenue from Usage Charges (Water)	79.43	
NWI F9	Written Down Replacement Cost of Fixed Assets		144,122
NWI F11	Operating Cost (OMA) (Water)		8,589
NWI F14	Capital Expenditure		8,658
NWI F17	Economic Real Rate of Return (Water)	3.36	
NWI F26	Capital Works Grants (Water)		NIL





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**Special Schedules  
for the year ending 30<sup>th</sup> June 2009**

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**RIVERINA WATER COUNTY COUNCIL**

**SPECIAL SCHEDULE NO. 1**

---

**NET COST OF SERVICES**  
**For the year ended 30<sup>th</sup> June 2009**

---

**(\$'000)**

FUNCTION OR ACTIVITY	EXPENSES FROM CONTINUING OPERATIONS		INCOME FROM CONTINUING OPERATIONS		NET COST OF SERVICES	
	Expenses	Group totals	Revenues	Group totals	Net Cost	Group totals
<b>WATER SUPPLIES TOTALS – FUNCTIONS</b>						
<b>CAPITAL GRANTS CONTRIBUTIONS <sup>1</sup></b>						
<b>GENERAL PURPOSE REVENUES <sup>2</sup></b>	14,294	14,294	18,257	18,257	3,963	3,963
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS</b>	14,294	14,294	18,257	18,257	3,963	3,963

---

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

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

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

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

**RIVERINA WATER COUNTY COUNCIL**

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

**STATEMENT OF LONG-TERM DEBT (ALL PURPOSE)**  
**For the year ended 30<sup>th</sup> June 2009**

**(\$'000)**

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

Exclude: Internal Loans

Refinancing of loans except for any additional borrowings

Please check that for each debt line category:

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

(1) Show same values as reported on previous year's Special Schedule 5(1). If values are different, please provide reason for variation.

(2) Values should agree with Proceeds from Loans and Other Borrowings shown on the Cash Flow Statement (Financing Activities).

(3) Values should agree with Reduction of Loans and Other Liabilities shown n the Cash Flow Statement (Financing Activities).

(4) Total should agree with Current Liabilities – Borrowings (Statement of Financial Position).

(5) Total should agree with Non-Current Liabilities – Borrowings (Statement of Financial Position).

**RIVERINA WATER COUNTY COUNCIL  
SPECIAL SCHEDULE NO. 3**

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**INCOME STATEMENT  
(GROSS INCLUDING INTERNAL TRANSACTIONS)  
for the year ended 30<sup>th</sup> June 2009**

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	2009 \$'000	2008 \$'000
<b><u>A. EXPENSES &amp; REVENUES</u></b>		
<b>Expenses</b>		
<b>Management</b>	1,747	1,604
- Administration	666	648
- Engineering & Supervision		
<b>Operation and Maintenance Expenses</b>		
<b>Mains</b>		
- Operation Expenses	108	100
- Maintenance Expenses	760	606
<b>Reservoirs</b>		
- Operation Expenses	109	100
- Maintenance Expenses	58	85
<b>Pumping Stations</b>		
- Operation Expenses (excl. energy costs)	436	400
- Energy Costs	1,842	1,543
- Maintenance Expenses	529	633
<b>Treatment</b>		
- Operation Expenses (excl. chemical costs)	340	312
- Chemical Costs	660	631
- Maintenance Expenses	96	88
<b>Other</b>		
- Operation Expenses	592	604
- Maintenance Expenses	604	498
- Purchase of Water	42	65
<b>Depreciation</b>	3,325	3,203
- System Assets	782	800
- Plant and Equipment		
<b>Miscellaneous</b>		
- Interest	1,598	885
- Other Expenses		
	<hr/> 14,294	<hr/> 12,805
<b><u>Total Expenses</u></b>	<hr/>	<hr/>
<b>Revenues</b>		
<b>Rates &amp; Service Availability Charges</b>		
- Residential	2,259	2,197
- Commercial	254	263
- Other	60	60
<b>User Charges</b>		
- Sales of Water: Residential	8,723	7,229
- Sales of Water: Commercial	3,284	2,649
- Sales of Water: Other	553	523
<b>Interest Income</b>	547	720
<b>Other Revenue (includes Profit on Sale)</b>	1,071	813
<b>Grants</b>		

	<b>2009 \$'000</b>	<b>2008 \$'000</b>
- Grants for Acquisition of Assets		
- Other Grants	197	190
Contributions		
- Developer Charges	1,309	2,747
<b><u>Total Revenues</u></b>	<b><u>18,257</u></b>	<b><u>17,391</u></b>
Operating Result	3,963	4,586
<b><u>Operating Result</u></b>		
(less Grants for Acquisition of Assets)	3,963	4,586
<b><u>B. CAPITAL TRANSACTIONS</u></b>		
<b><u>Non-Operating Expenditure</u></b>		
Acquisition of Fixed Assets		
- Subsidised Scheme		
- Other New System Assets	3,844	3,951
- Renewals	3,024	1,825
- Plant & Equipment	1,790	2,541
Repayment of Debt		
Loans		
<b>TOTALS</b>	<b><u>8,658</u></b>	<b><u>8,317</u></b>
Non-Operating Funds Employed		
Proceeds from Disposal of Assets	1,046	625
<b>TOTALS</b>	<b><u>1,046</u></b>	<b><u>625</u></b>
<b><u>C. RATES &amp; CHARGES</u></b>		
<b>(a) Urban</b>		
1. Number of Assessments		
- Residential (occupied)	22,021	21,694
- Residential (unoccupied)	799	659
- Non-Residential (occupied)	1,639	1,623
- Non-Residential (unoccupied)		
2. User Charge		
If charge varies with usage, charges for various ranges:		
Up to 125 Kl/a		
Over 125 Kl/a		
Non-stepped Tariff	0.78c/kl	0.75 c/kl
<b>(b) Non-Urban</b>		
1. Number of Assessments		
- Residential (occupied)	5,041	4,873
- Residential (unoccupied)	618	602
- Non-Residential (occupied)	753	751
- Non-Residential (unoccupied)		
2. User Charge		
If charge varies with usage, specify charges for various ranges		
Up to 125 Kl/a		
Over 125 Kl/a		
Non-Stepped Tariff	0.90c/kl	0.87 c/kl
3. Annual Water Allowance for Minimum Rate or Charge		
4. Does Council have a Land Value component in its charging for:		
- Residential	NO	NO
- Non-Residential	NO	NO
5. Typical Developer Charge	4	4
6. Number of ET's for which Developer Charges were received	699	602
7. Total Amount of Pensioner Rebates	332	327

RIVERINA WATER COUNTY COUNCIL

SPECIAL SCHEDULE NO. 3 Continued

**WATER SUPPLY – CROSS SUBSIDIES**  
**for the year ended 30<sup>th</sup> June 2009**

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

Yes No Amount  
\$

**27. Annual Charges**

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

	Ψ	
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If Yes, go to 28a.

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

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

Council has not used land values since 1994

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

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

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

**28. Developer Charges**

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

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

\$988 / ET

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

**29. Disclosure of Cross Subsidies**

\$988 / ET

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

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

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

## RIVERINA WATER COUNTY COUNCIL

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**NOTES TO THE SPECIAL SCHEDULES NO. 3**

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

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

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

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

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

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

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

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

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

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

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

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

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

**RIVERINA WATER COUNTY COUNCIL**

**SPECIAL SCHEDULE NO. 4**

**WATER SUPPLY – NET ASSETS COMMITTED  
(GROSS INCLUDING INTERNAL TRANSACTIONS)  
as at 30<sup>th</sup> June 2009**

**(\$'000)**

	<u><b>Current</b></u>	<u><b>Non- Current</b></u>	<u><b>Total</b></u>
<b><u>ASSETS</u></b>			
<i>Cash and Investments</i>	7,671		7,671
- Other			
<i>Receivables</i>			
- Specific Purpose Grants	147		147
- Rates and Availability Charges	1,509		1,509
- Other	636		636
<i>Inventories</i>	1,133		1,133
<i>Property, Plant and Equipment</i>			
- System Assets		144,122	144,122
- Plant & Equipment		5,323	5,323
<i>Other Assets</i>	46	3,608	3,654
<b>Total Assets</b>	<u>11,142</u>	<u>153,053</u>	<u>164,195</u>
<b><u>LIABILITIES</u></b>			
<i>Bank Overdraft</i>			
<i>Creditors</i>	864		864
<i>Borrowings</i>			
- Loans			
<i>Provisions</i>	1,614	1,621	3,235
<b>Total Liabilities</b>	<u>2,478</u>	<u>1,621</u>	<u>4,099</u>
<b>NET ASSETS COMMITTED</b>	<u>8,664</u>	<u>151,432</u>	<u>160,096</u>
<b><u>EQUITY</u></b>			
Accumulated Surplus	8,664	51,800	60,464
Asset Revaluation Reserve		99,632	99,632
<b>Total Equity</b>	<u>8,664</u>	<u>151,432</u>	<u>160,096</u>

**Notes to System Assets:**

Current Replacement Cost of System Assets	247,059
Accumulated Current Cost Depreciation of system Assets	102,937
Written Down Current Cost of System Assets	144,122



## RIVERINA WATER COUNTY COUNCIL

## SPECIAL SCHEDULE NO. 7

CONDITION OF PUBLIC WORKS  
AS AT 30<sup>th</sup> JUNE 2009

(\$'000)

Asset Class	Asset Category	Depreciation Rate (5)	Depreciation Expense	Cost	Valuation	Accumulated Depreciation	WDV	Asset Condition	Estimated cost to bring to satisfactory	Annual Maintenance Expense	Program Maintenance Works
									(i)	(ii)	(iii)
		Per Note 1	Per Note 4	Per Note 9				Per Section 428(2d)			
<b>Public Buildings</b>	Council Offices/Depots	2.5	103		3,714	106	3,608	S			
	Houses	2.5	3					S			
<b>Water</b>	Treatment Plants	1.3	375		20,372	375	19,997	S	585	96	56
	Bores	4	76		1,118	76	1,042	S	Included in Pumping Stations		
	Reservoirs	1	290		21,573	290	21,283	S	62	58	70
	Pipelines	2	2,248		90,316	2,248	88,068	S	7,138	760	600
	Pump Stations	1.3	230		10,354	230	10,124	S	31	529	562
<b>Total – Classes</b>	<b>Total – All Assets</b>		3,325		147,447	3,325	144,122		7,816	1,443	1,288

S = Satisfactory

## SPECIAL SCHEDULE NO. 8

## FINANCIAL PROJECTIONS

	2009 <sup>(1)</sup> \$m	2010 \$m	2011 \$m
<b>Recurrent budget</b>			
Income from continuing operations	18	19	20
Expenses from continuing operations	15	15	16
Operating result from continuing operations	3	4	4
<b>Capital budget</b>			
New capital works <sup>(2)</sup>	2	3	2
Funded by:			
– Loans			
– Asset sales			
– Reserves			
– Grants/Contributions	1	1	1
– Recurrent revenue	1	2	1
– Other			

Notes:

(1) From Income Statement

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

# CUSTOMER INFORMATION

## PAYMENT FACILITIES

**TELEPHONE** Australia Post Telephone Billpay

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

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

**TO PAY BY THE  
INTERNET**

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

(Access to this option is also available via Council's Internet site listed above).

**BPAY**

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

**MAIL**

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

**IN PERSON**

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

# EMERGENCY NUMBERS

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

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

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

**FAX:** (02) 6921 2241

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

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

## EMERGENCY

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

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

