

Riverina Water County Council

Annual Report

2006/2007



Riverina Water County Council
receives HACCP Certification and
Green Globe Award for Excellence



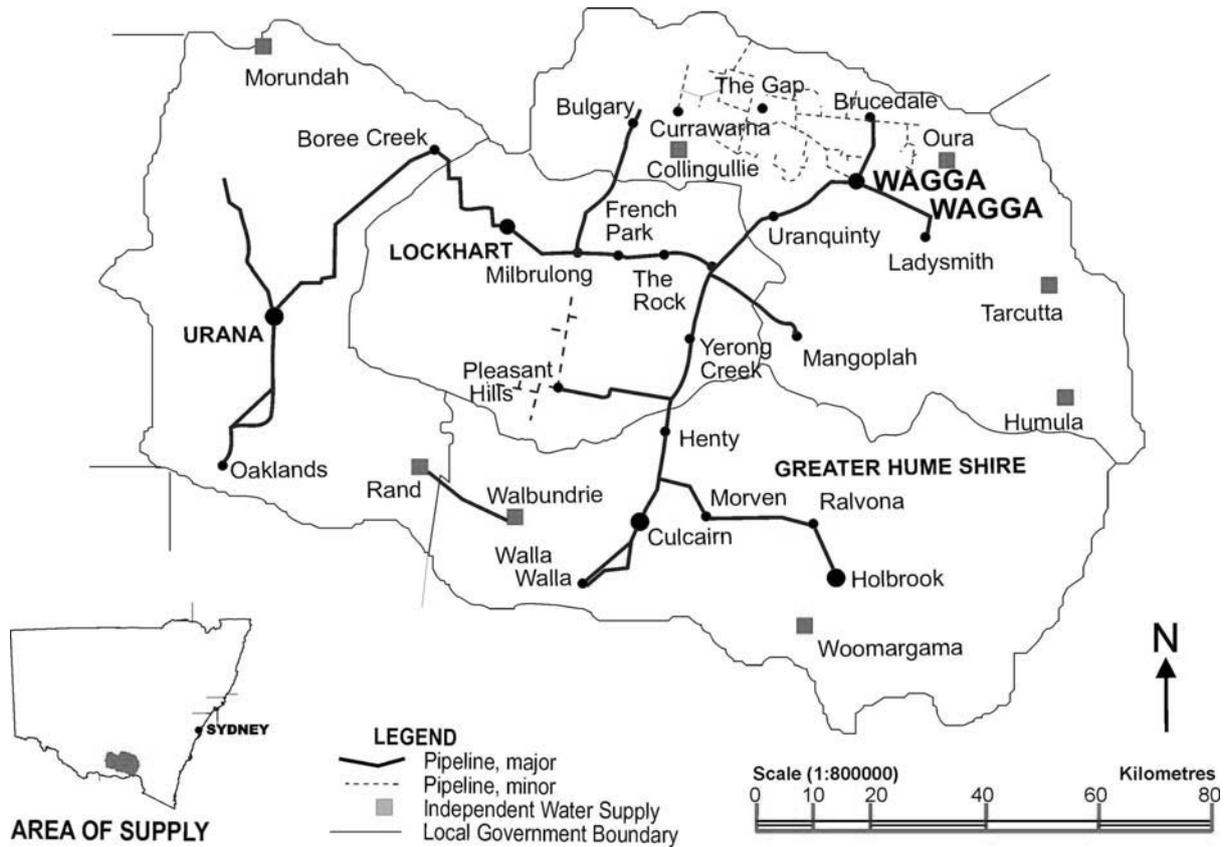
RIVERINA WATER COUNTY COUNCIL

Celebrates 10 Years

1st July 1997 to 1st July 2007

Riverina Water County Council

AREA OF SUPPLY



Front Cover

Riverina Water County Council receives
HACCP Certification and Green Globe Award for Excellence

Riverina Water County Council
Celebrates 10 Years
1st July 1997 to 1st July 2007

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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**

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

RIVERINA WATER COUNTY COUNCIL

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

ANNUAL REPORT

For the Year June 2006 to June 2007

COUNCILLORS



Clr. L. Vidler
Wagga Wagga
Chairperson

Clr. P. Yates
Lockhart Shire Council
Deputy Chairperson



Clr. R. Kendall
Wagga Wagga

Clr. D. Simpson
Wagga Wagga

Clr. K. Vidler
Wagga Wagga

Clr. K. Wales
Wagga Wagga



Clr. J. McInerney
Greater Hume Shire

Clr. J. Ross
Greater Hume Shire

Clr. I. Kreutzberger
Urana Shire Council

MANAGERS



G.W. Pieper
General Manager

P.H. Clifton
Director of Engineering

COUNCILLORS – TERM OF OFFICE

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

Chairperson

Brassil, AM, Pat AM	1 st July 1997 to 27 Mar 2004
Vidler, Lindsay	10 th May 2004 to Current

Deputy Chairperson

Coghill, Ian	1 st July 1997 to Oct 2003
Yates, Peter	Oct 2003 to Current

General Manager

Pieper, Gerald	1 st July 1997 to Current
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Senior Staff

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



Riverina Water County Council's
August 2006 Meeting
held at the
Lockhart Shire Council Chambers
on 23rd August 2006
Lockhart Shire Mayor Clr. Bruce Day
(on far right)
sits in at the Meeting

WaterWise advertising
displayed on Council's vehicles



General Manager Gerald Pieper,
Director of Engineering Peter Clifton,
and Deputy Chairperson
Clr. Peter Yates
at Broken Hill
for the Shires Water Management
Conference held August 2006



Chairperson Clr. Lindsay Vidler and
Vice Chairperson Clr. Peter Yates
re-elected in their positions at
Council's October 2006 Meeting



YEARS OF SERVICE



30 YEARS SERVICE

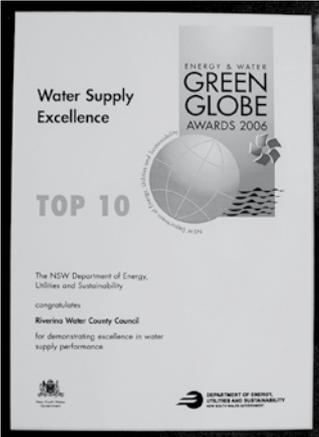
L-R- Chairman Clr. Lindsay Vidler, presents
Kerrie Fawcett (Secretary) with a gift on attaining
30 years service with Council



10 YEARS SERVICE

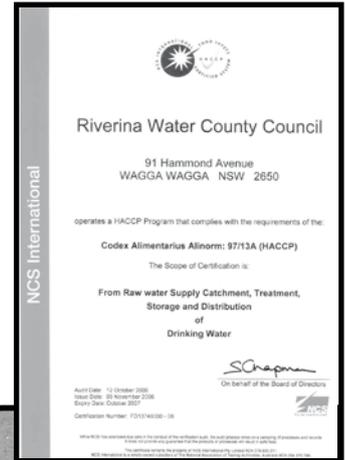
L-R- Deputy Chairman Clr. Peter Yates,
presents a certificate of attainment on
10 years Service with Council to
**Kathy Ovens (Storeperson/Training) &
Collin James (Snr Draftsperson)**





Green Globe Award & HACCP Certification

Presentation Breakfast - 14th December 2006



GREEN GLOBE AWARD... 2ND YEAR RUNNING....

Chairman Clr. Lindsay Vidler and Director of Engineering's Peter Clifton were in Sydney on November 27/28th to receive the:

Energy & Water GREEN GLOBE AWARDS 2006 TOP 10

The NSW Dept of Energy, Utilities & Sustainability congratulates Riverina Water County Council for demonstrating excellence in water supply performance.

HACCP Certification

For the past eighteen months we have been developing a water safety management system using HACCP principles to ensure that the water we produce is safe for consumption. A lot of employees from all the different sections have been involved in the process and just last month we achieved HACCP certification. **We are the first organisation in NSW** to achieve this and it means we meet the objectives of the Water Quality Management Framework within the new Australian Drinking Water Guidelines.



Gerald Pieper, General Manager, Paul Lee (Regional Manager South, DEUS), Tony Kolby (Director for Population Health, Greater Southern Area Health Service), Chairman Clr. Lindsay Vidler (Chairman, RWCC), Nicole Vonarx (Water Quality Officer) and Tony Burns (Dept of Health)

**“Wagga Compact”
Trades/Traineeship
Expo -
RSL Club, Wagga Wagga
27th November 2006**



Rory Winter - Apprentice Fitter



Zane Cronk - Apprentice Welder



Dermot McCormack - Apprentice Electrician

Riverina Water’s Apprentices

Zane Cronk (Welding), Dermot McCormack (Electrician) and Rory Winter (Fitter) along with their supervisors Phil Murray, Dennis Glazier and Brent O’Brien represented Council at the recent “Wagga Compact” Trades/Traineeship Expo at the RSL Club, on 27th November 2006

Excerpt from letter from Wagga Compact:

“.....The students and the Careers advisers gained much knowledge and insight into different careers and the many pathways that can be accessed to achieve their goals. Speaking with the students on a one to one basis is an invaluable experience for them to assist their direction, to experience different industries and give them ideas for their future from a practical “hands on” perspective.

The feedback from the students was very positive according to the evaluation forms with many businesses named individually as being helpful for them.....”

RIVERINA WATER COUNTY COUNCIL

Celebrates 10 Years

1st July 1997 to 1st July 2007

OFFICE ESTABLISHMENT

Resolved at Council Meeting 18th August 1997
Building commenced on 10th May 1998
Official Opening held 23rd December 1998 by the
then Minister Department Local Government
Ernie Page



FIRST COUNCIL MEETING

23rd July 1997, Pat Brassil elected as Chairman.

1997 1999 Council Pat Brassil (Chairman)(WWCC), Dennis Blackett (WWCC), Ian Coghill (Urana Shire), Peter Dale (WWCC), Ross Edwards (Lockhart), Mary Kidson (WWCC), Elwin Kotzur (Culcairn), Robert Peardon (Holbrook) and Lindsay Vidler (WWCC)

1999 2004 Council Pat Brassil AM (Chairman)(WWCC), Ian Coghill (Urana), Peter Dale (WWCC), Alan Fifield AM (Culcairn), Michael Georgiou (WWCC), John Harding (WWCC), John McInerney (Holbrook), Lindsay Vidler (WWCC) and Peter Yates (Lockhart).

2004 Council Lindsay Vidler (Chairman)(WWCC), Alan Fifield AM (Culcairn), Rod Kendall (WWCC), Ian Kreutzberger (Urana), John McInerney (Holbrook), Diana Simpson (WWCC), Karen Vidler (WWCC), Kevin Wales (WWCC) and Peter Yates (Lockhart).

John Ross and John McInerney became Greater Hume Shire delegates after election of amalgamated Council's Holbrook and Culcairn.

STAFF

1/7/1997 - 73 Staff 1 Trainee 1 Apprentice
(21 of these have retired/resigned)

1/7/2007 90 staff 3 Trainees 5 Apprentices

Staff at 30th June 2007

Years of Service	No.	%
40 +	1	1
35-39	5	6
30-34	4	4
25-29	6	7
20-24	23	3
15-19	14	15
10-14	12	13
5- 9	13	14
0- 4	32	37
Total	90	

Expenditure:

1997/98 -14.2 MI

2006/07 - 23 MI

Number of Customers

Connected Properties - 1997 - 25,117 and 2007 = 27,998

Total Connected Properties 1997 - 2007 = 2,881

Pat Brassil AM received Freedom of the City

May 2004 Culcairn and Holbrook Shire Council's amalgamated, Administrator David Sexton appointed.

Lindsay Vidler has been on Board since inception.

Council achieves Green Globe Awards 2005 and 2006 being in the Top 10 Water Utilities in NSW

LOAN PORTFOLIO

Council eliminated all loan debt on 15th June 2007

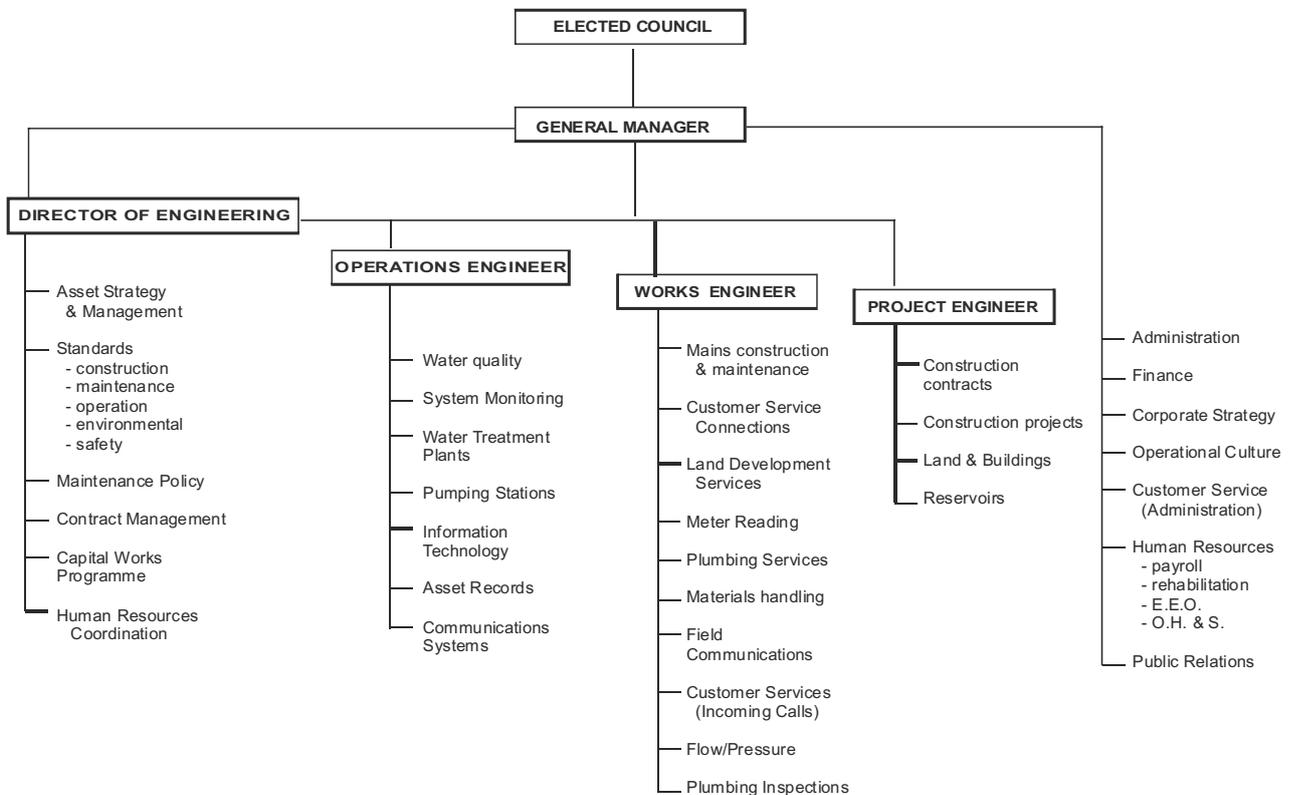
Total loan debt 1st July 1997 = \$9.2M¹

Loan portfolio restructured in 1999 resulting in a saving of \$2.5 MI

Paying out of debt in 2007 resulted in an additional \$1.5 MI saving a total of \$4 MI in saving.

INTRODUCTION

ORGANISATION STRUCTURE



CHAIRPERSON'S MESSAGE

The 2006/2007 year was a productive year for Council, whose task is to provide water to the City of Wagga Wagga and the Shires of Greater Hume, Lockhart and Urana, which includes the towns of Uranquinty, Ladysmith, Tarcutta, Yerong Creek, Mangoplah, Humula, Henty, Morven, Ralvona, Holbrook, Woomargama, Culcairn, Walla Walla, Walbundrie, Rand, Oaklands, Pleasant Hills, Urana, The Rock, French Park, Milbrulong, Lockhart, Boree Creek, Morundah, Bulgary, Currawarna, Collingullie, The Gap, Brucedale, Oura and rural areas. Due to the continued drought conditions a record amount of 17,891 megalitres of water was delivered to Wagga Wagga and the rural system. Council's system coped with this high demand which was met without any significant increase in costs so that Council received an increase in cash of \$1.4M, the overall result was a decrease in cash of \$3.7M after spending \$8.5M on assets and paying out of Council's loan portfolio of \$4.9M.

As a result of the continued dry conditions Council introduced water restrictions for the day light savings period. It is incumbent on Council to promote water wise use and discourage practices which tend to waste water. To this end we are active on our own account but also take part in other activities such as salinity programmes, water week, media promotions etc.

Council held a meeting at Lockhart in August and I thank the Lockhart Shire Council for their hospitality.

Council received funding from Department of Transport and Regional Services (DOTARS) to complete Urangeline/Bidgeemia Water Scheme.

I am pleased to report that Council is the first NSW water utility to gain Hazard Analysis Critical Control Point (HACCP) certification. Council's HACCP Program was audited by NCS International and received certification that our HACCP Program complies with Codex Alimentarius Alinorm: 97/13A (HACCP), a HACCP Certified Water Quality Management System. This is a tremendous achievement by all our staff, and I congratulate them on this outstanding recognition.



Councillors and staff continue to work together and are very dedicated to providing our customers with a safe and reliable water supply. I wish to thank my fellow councillors for the way in which they have worked together and in particular Deputy Chairman Clr. Peter Yates for his assistance and General Manager Mr. Gerald Pieper and staff for their help and assistance during the last 12 months, to myself, as this will be my last report during this term of Council.



Clr. Lindsay Vidler
CHAIRPERSON

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 \$2 M). 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 2006/2007 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 2006/2007.

COUNCILLORS' FEES, FACILITIES AND EXPENSES

Section 428 (2) (f)

Chairperson's Allowance	\$ 5,500
Councillors' Fees	\$32,400
Councillors' Expenses	\$ 2,211
Conference / Seminar Fees	\$ 3,071
Spouse/Partner Conference expenses	\$ 400

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 2006/2007 Council employed two senior staff, the General Manager and Director of Engineering, at a total remuneration cost of \$287,886 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. Two apprentices have been employed during the year through G.T.E.S.

Riverina Water's commitment to developing a skilled workforce is demonstrated in its apprenticeship and trainee program. Apprentices are employed in the Electrical (2), Fitting (2), and Welding (1) trades. Trainees are employed in Filtration Plant Operations (1) and Maintenance Operations (3). These nine (9) apprentice/trainee positions represent 9% 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 2006	7	6	21	43	5	82
Temp.June 2006		1	1		1	3
TOTAL June 2006	7	7	22	43	6	85
Retired				1		1
Resigned			1	2		3
Terminated				1		1
Appointed		2		1		3
Internal Transfer						
Transfer to Perm.						
Temp. Appointed			1			1
Temp.Terminated		1	1			2
Perm.June 2007	7	8	21	40	6	82
Temp.June 2007			1			1
TOTAL June 2007	7	8	22	40	6	83

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 2006/2007

TRAINING COURSE	NUMBER OF PARTICIPANTS
32 nd Groundwater School	1
Air Conditioner RPL	1
Backflow Prevention	2
Bearing Maintenance – SKF	5
Chemcert-Chemical Training	3
Chlorine Gas/Hypo Training	2
Chlorine Residual Training	14
Confined Space Full Course	4
Confined Space Refresher	15
Dangerous Goods Full Licence	3
Dangerous Goods Renewal	4
Dogging Training	8
Filter Assessment & Optimisation	3
Fire Team Training	9
First Aid Full Course	10
First Aid Refresher	19
Frontline Management – Information Session	12
HC Drivers Licence	3
HR Truck Licence	1
MAGFLO Verification	4
Manual Handling Training	24
MR Drivers Licence	1
OH&S Construction Induction	4
OH&S Consultation (Committee)	5
Plumbing Expo	1
Radtel User Workshop	4
Sharps Management	12
Track Safety Awareness	16
Traffic Control – L3	1
Traffic Control – L4	1
Traffic Controller – Stop/Slow	15
Trenching & Ground Support – Shoring	11
Water Billing Operation Training	1
Water Operator Pt 2	3
Water Operator Pt 1 – Training	3
Women in Leadership Forum	2
WorkCover Licence – Backhoe	1
WorkCover Licence – Excavator	1
Worksite Traffic Control – L3 – 2 days	9
TOTAL	238

Enterprise Award

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

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

Staff Committees

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

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

Occupational Health and Safety Management

The focus this year has been on moving forward. The safety management systems are now in place; Risk management processes; Reporting/Investigation Processes & Systems Auditing, so Riverina Water has been focusing on its PEOPLE.

Group discussion has been encouraged and managers have made an additional effort to be seen out and about with more regular visits to work teams onsite, thus making them more approachable.

This year has been all about PEOPLE making a difference! Safety RIGHT NOW, everyone, everyday.

OHS & R Goals & Objectives 2006/07

Riverina Water's OH & S goal for 2006/07 is to provide a safe workplace and systems of work, assisting the organisation ideally to eliminate but more realistically to reduce the instances and severity of Lost Time Injuries by at least 50%. At Riverina Water our aim over the period 1st July 2006 to 30th June 2007 is to implement the following strategies as the main tools to achieve the overall objective/goal for this 12 month period.

Means of achieving		Target/Measure – KPI's	Result/Achievement
Develop and implement a revised OHS & R Management system	- Review and implement the current draft OHS Manual	Stage 1 manual to be endorsed and implemented	Endorsed by committee, approved by GM. Executive committee reading through documentation.
	- Develop and implement an OHS Processes Manual	Complete draft and distribute for review	Manual commenced.
	- Develop and distribute supervisor/employee manuals	Gain approval for concept and form working group.	Team manuals distributed to all supervisors. Training not yet in place.
Improve Safety Culture and Employee Involvement	<ul style="list-style-type: none"> • <i>Training</i> - Review and improve induction processes for new and transferring employees - Improve skills lists to more clearly identify OHS skill levels 	<ul style="list-style-type: none"> Draft Induction Process prepared. Define training required to obtain Basic/Advanced OHS skill level. 	<ul style="list-style-type: none"> Induction process complete, implemented and in current usage – AP003 Training now defined and adopted by the skills review committee and during recruitment process.
	- Promote understanding of OHS Policy	All employees to know of and understand policy objectives	Include with OHS manual implementation.
	- Undertake annual personal development reviews	Process developed and scheduled.	Procedure developed AP008, but no training as yet.
	- 6 monthly Team Safety Performance Reviews	Completed 6 monthly and graphed	Stalled at present
	- Address non-compliance issues in accordance with the Enterprise Award	Non-compliance issues formally recorded and documented.	Procedure developed. AP009

Means of achieving		Target/Measure – KPI's	Result/Achievement
Improve Communication and Consultation	- Develop organisational standards for team meetings and communication requirements	Formalised and documented requirements for meetings at all levels (confirm during team reviews).	Not documented.
	- Provide clear guidance on positional roles/OHS responsibilities and accountability	Document and promote OHS duties of all staff. Provide appropriate training to supervisory staff	No progress No progress
	- Provide feedback on OHS issues	Improved OH&S committee roles	Improvement made
	- Implement document control system	Workgroup formed and some progress toward system implementation	PDCG
Reduce Motor Vehicle Incidents	- Improved reporting and investigation	No unreported damage to vehicles	Still some damage unreported
	- Driver awareness / accountability campaigns	Safety Newsflash articles	Promotion undertaken each month
	- Address non-compliance or unsafe work practices in accordance with the Enterprise Award	Non-compliance issues formally recorded and documented.	Procedure developed AP009 Progressive discipline process and AP012 Grievance procedure.
Develop and Complete an annual CIAP (Continuous Improvement Action Plan)	- Develop CIAP from reports received following annual OHS audits.	CIAP developed 100% completion of items by due dates	Developed but action slow Poor completion rate
	- Audit by external source - Internal audit - StateCover Self Evaluation Tool	90% evaluation result	93.4% achieved
Identification of hazards and elimination / reduction of risks	- Workplace inspections to be undertaken 3 monthly	Inspection schedule to be up to date	Up to date
	- Improve Accident/Incident reporting and investigation	All accidents/incidents to be reported and investigated within set time frames	Improving but not yet 100%
	- Hazard register to be reviewed regularly	Interim controls to be implemented within 4 weeks of hazard identification. Permanent controls to be in place within 24 calendar months 100% completion of items by due dates	Falling behind
	- Manual handling issues to be addressed	Reduction of manual handling related injuries by 20%	On target
Develop and Review Safe Work Procedures and train staff in safe work requirements	- Develop internal training and accreditation programs to ensure all staff are trained and accredited in relevant safe work methods.	Develop program within 12 months	PDCG assisting with training recommendation but no follow up as yet.
	- Review all SWP's with a view to their effectiveness and legal compliance	Review all current procedures within 12 months Develop program to write procedures for all tasks within 18 months	Will take longer Will take longer

The OH&S Committee this year has focused on being actively engaged with all staff. Rather than waiting for issues to be raised, OH&S members are now going onsite and undertaking worksite visits. Whilst they are onsite they are able to do a worksite audit, and question staff on any concerns they may have, this facilitates greater communication between the staff and their OH&S committee and shows a genuine interest in staff welfare and the day to day issues they face.

ACHIEVEMENTS THIS YEAR

- Recruitment package developed as a manual for management & those selected to be on an interview panel
- Induction package developed with follow-up reviews and final recommendations prior to probationary period
- Progressive disciplinary program has been developed to ensure this a fair and well documented process
- Pre-employment medicals have been revised so that a medical history is taken as well a functional assessment to ensure the new employee has the physical capacity to undertake the duties within the job role.
- A package to assist managers to conduct personal development objectives (reviews) is currently being reviewed
- Team procedure manuals which include all current Riverina Water procedures have been developed and distributed.
- A procedure has been developed to ensure there is a process in place to train all staff in the procedures relevant to their work teams.

Engineering controls of risk

Safety related projects for the past year include:-

- Security fence erected enclosing Waterworks building, East Wagga Aeration and Sludge Treatment Plant
- Extend KBK crane in welders workshop to cover steel storage and cutting areas
- Install security fence along east boundary of site
- Erect security fence at Tarcutta treatment plant
- Erect security fence at Milbrulong reservoir
- Upgrade access ladders, platforms and gantries at Milbrulong reservoir
- Upgrade access ladders, platforms and gantries at Boree Creek Reservoir
- Install additional ground level entry hatch at Estella reservoir. Fit hinges to both entry hatch to remove manual handling hazard
- Install safety mirror at corner of building workshop to allow vehicles to see around corner
- Replace entry gate at Estella reservoir.

Watchout Safety Incentive Award Recipients

This is the fifth 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.

June 2006	Awarded to Mick Trotman (Building Foreperson) Implementation of a new section to be included on the RHS Job sheets for 2 nd gangs work. Previous gang to record anything unusual with the job to ensure safety to staff and property.
August 2006	Awarded to Mark Carroll (Water Supply Plant Operator) Modification to Truck 24 which consists of a gumboot holder and a workbench area on the truck.

- October 2006 Awarded to Dermot McCormack (Apprentice Electrician)
Installing a Safe-T-Step to tray back vehicles fitted with tow bar.
These steps have a dual purpose:-
a) provide a suitable step to be able to climb onto rear deck
 of vehicle and
b) a protective device to help prevent shins from damage
- December 2006 Awards to Filtration Plant Operators
For the redesign and installation of a new siphon line for Floc Tank No. 1 so
that the operator could work on the siphon within the safety of the handrails
- June 2007 Awarded to Craig Price (Trades Assistant Electrical)
Design & manufacture of a simple, yet effective way of installing and later
accessing transducers & float switches in many of our Reservoirs. We have
always had access difficulties where Confined Space Access is required,
also awkward positioning to carry out the task was a problem, accessing
float switches etc sometimes meant getting very close to the edge of the
reservoir roof without any fall restraint points.
This design allows access to transducers & floats without having to enter
the reservoir and also they can be placed further away from the roof edge.

RIVERINA WATER'S WORKERS COMPENSATION PERFORMANCE

The benchmark for measurement of Workers Compensation performance is "Average Rate" (Premium/wages%). At Riverina Water \$6.20 out of every \$100 wages paid goes towards Workers Compensation Premium.

Due to the large increase in lost time days during 2005 (106 days), there was also a sharp increase in medical & rehabilitation costs.

Like previous years, manual handling injuries accounted for half of the claims that resulted in time lost. Some of the high wage/medical/rehabilitation costs have come from two hernia injuries, one shoulder repair, and one fractured jaw that required surgical intervention and several weeks away from work before being able to return on suitable duties for an extended period of time. Muscle injuries, particularly to backs also contributed significantly to medical & rehabilitation costs requiring regular, ongoing treatment from providers.

In addition to the costs from injuries sustained over the past year, Riverina Water continues to have a small proportion of ongoing costs from old injuries sustained in earlier years.

As a means to reducing the number of lost time injuries, the following strategies have been recommended for consideration by management:-

- Training of supervisors
- Develop a more structured induction program with follow-ups
- Develop a safety manual for supervisors
- Formalise the ways SWP's are written & provide training
- Ensure team meetings are documented
- Refine and review the current investigation process
- Focus also needs to be retained on offering suitable duties
- Consider utilising an Occupational Therapist to work onsite with individual work teams presenting with muscle injuries

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

Section 428 (2) (n)

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

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

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

E.E.O. Strategies are:

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

EXTERNAL BODIES WHICH HAVE EXERCISED COUNCIL-DELEGATED FUNCTIONS

Section 428 (2) (o)

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

TOTAL REMUNERATION FOR SENIOR STAFF

Section 428 (2) (r) General Regulation (Clause 31 [I] [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 \$287,886.



WATCHOUT

SUPPORTING WORKPLACE SAFETY “Watchout” Safety Incentive Scheme

SAFETY AWARD WINNERS



**AWARDED TO
MARK CARROLL**
(W/S Plant Operator) for
“Modification to truck 24 which
consists of
a gumboot holder
and a workbench area on the
trailer”

L-R Judi Dunning (RTW
Coordinator), Mark Carroll (W/S
Plant Operator) Peter Clifton
(Director of Engineering) and
Jennifer Adams (Wagga Mutual
Credit Union)
August 2006

AWARDED TO DERMOT McCORMACK

(Apprentice Electrician)
for “Installing a “Safe-T-Step” to our
tray back vehicles fitted with tow ball.

These steps have a dual purpose:
(A) provide a suitable step to be able
to climb onto rear deck of vehicles,
and

(B) A protection device to help prevent
our shins from damage”

L-R Carla Schneider
(Developing/Marketing, Wagga Mutual
Credit Union); Dermot McCormack
(Apprentice Electrician), Jason Ip
(Operations Engineer) and Dennis
Glazier (Snr. Technical Officer)

October 2006



AWARDED TO FILTRATION PLANT OPERATORS

“The redesign and installation of a
new siphon line for
Floc Tank No. 1,
so that the operator could work on
the siphon hose within the safety of
the handrails”

L-R Judi Dunning (RTW
Coordinator), Phillip McAlister
(Filtration Plant Operator), Jennifer
Adams (Wagga Mutual Credit
Union), and Gerald Pieper
(General Manager)

(Absent Filtration Plant Operators:
Garry Watson, Aundre Haggar,
Robert McIntyre & Adam Gadd)

December 2006





WATCHOUT

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

SAFETY AWARD WINNERS

**AWARDED TO
CRAIG PRICE**

(Electrical Trades Assistant)
For the “design manufacture of a simple yet very effective way of installing and later accessing Transducers and Float Switches in many of our reservoirs.

Where access difficulties where:
Confined Space Access is required, also awkward positioning to carry out the task was a problem, accessing float switches etc sometimes meant getting very close to the edge of reservoir roofs without any fall restraint points. Allows access to transducers and floats without having to enter the reservoir and also they can be placed further away from the roof edge.”



Pictured is Judi Dunning accepting award on Craig Price’s behalf.
L-R Judi Dunning (RTW Coordinator), Carla Schneider (Developing/Marketing, Wagga Mutual Credit Union), and Daryl Ryan (OHS Coordinator)
Craig Price - insert- June 2007

Confined Space Training
Craig Webster & Nelson Sali
August 2006



Director of Engineering Peter Clifton undertaking Confined Space Training - August 2006





New access ladders and platforms installed by Riverina Water staff at Milbrulong Reservoir (above) and Boree Creek Reservoir (right)



Painting of Estella Reservoir by Rays Machinery Painting

Construction of a DAF (Dissolved Air Flotation) Pilot Plant at Tarcutta

Following encouraging results from DAF Jar Testing and a report from Hunter Water we have installed a trial DAF plant at Tarcutta. The plant will remove most of the iron and some manganese from the bore water prior to filtering. The filtering process should then be able to remove the remaining iron and manganese to levels that satisfy the Australian Drinking Water Guidelines and allow chlorination.



Results to date have been mixed. While at times we have been able to achieve 99% removal of iron and 98% removal of manganese there have been several taste and odour complaints. At present we are dosing activated carbon into the DAF plant to reduce taste and odour, however removal rates have also decreased. Other options for iron and manganese removal are currently being investigated.





**Construction of the
Bidgeemia/Urangeline
pipeline**

The Bidgeemia/Urangeline water supply scheme commenced in August 2006 and was completed and commissioned in December 2006 and so far 24 consumers have been connected, with a total of 55 kilometres of water main, accounting for 69% of extensions for 2006/07

Red Hill Road rural main cut-in
November 2006



**Collingullie Treatment Plant
Upgrade -**

The raw water quality has changed since the original commissioning of the plant, resulting in higher levels of manganese, successful trials to remove manganese during 2004/05 have resulted in permanent modifications to existing treatment processes, such as the oxidation and filtering of manganese and the appropriate disposal of waste from the treatment processes.





Riverina Water Works staff
undertaking maintenance
on Flocculation Tank No. 2
at the Waterworks



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 Natural 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:

Collingullie	Iron/Manganese removal plant commissioned.
Tarcutta	Improved iron removal and disposal process being investigated.

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 2006/07 was 9.00% 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. This will see some 10,000 older meters replaced, resulting in improved accuracy of metering water consumption.

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. Planning has commenced for a Waterweek school forum involving students from various local primary schools. The forum will give students an opportunity to share waterwise activities that occur at their schools as well as to research other waterwise and sustainability opportunities.

OPERATION, CONSTRUCTION & MAINTENANCE

MANAGEMENT PLAN – PERFORMANCE TARGETS 2006/2007

Section 428 (2) (b)

Tabled below is a report on the progress achieved in the year for the various objectives set out in the 2006/2007 Management Plan.

Services

Strategies / Actions	Progress to 30 th June 2007
<ul style="list-style-type: none"> Regularly monitor urban and village growth, and augment supply as required in line with ten year plan, and current needs 	Customer needs met. Undertaking hydraulic modelling analysis of systems
<ul style="list-style-type: none"> Maintain network analysis of Wagga urban water system 	Network data mostly rebuilt and being used for design and customer enquiries. Ongoing development of hydraulic analysis
<ul style="list-style-type: none"> Maintain the water supply infrastructure in good working order. 	Critical mains replaced based on breakdown performance and risk. Emphasis to replace aging infrastructure is required
<ul style="list-style-type: none"> Monitor the operation of the water supply system to ensure continuity of supply. 	Upgrade of telemetry system to improve monitoring and continuity of supply.
<ul style="list-style-type: none"> 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. 	Encouragement to staff regarding water quality, response times to customer's requests. Implementation of HACCP improvement programmes. Request handling system is maintained.
<ul style="list-style-type: none"> 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. 	Media promotions over summer to educate customers to be waterwise and inform customers of restrictions and pricing.
<ul style="list-style-type: none"> Increase inspection and documentation of consumer pipework where there is potential for contamination from backflow. 	Non testable devices are routinely replaced as part of meter replacement programme. Testable devices are registered in Council's database system. Requests for annual tests are issued monitored and recorded.

Asset Replacement

Strategies / Actions	Progress to 30 th June 2007
Develop and maintain a rolling replacement plan for all assets with review every 3 years.	Revision of rolling replacement plan for all assets is due.
Identify potential system capacity deficiencies and incorporate in capital works programme.	Use of hydraulic modelling to confirm system's performance as well as using in-field monitoring equipment.
Maintain water network analysis programme to identify timetable of system improvements and extensions.	Use of hydraulic modelling to assist planning of large infrastructure improvements and upgrade works.
Utilise Asset Register and associated technology and pipeline breakage history to determine the timing of mains replacement to minimise over all costs.	Further development in an integrated asset management system into Council's corporate financial system is on going. Plan based on performance history and associated risks

Human Resources & OH & S

Objective/goal

Riverina Water's OH & S goal for 2006/2007 is to provide a safe workplace and systems of work, assisting the organisation ideally to eliminate but more realistically to reduce the instances and severity of Lost Time Injuries by at least 50%. At Riverina Water our aim over the period 1st July 2006 to 30th June 2007 is to implement the following strategies as the main tools to achieve the overall objective/goal for this 12 month period.

Means of achieving		Target/Measure – KPI's (<5LTI's & 53 LTD's)
Develop and implement a revised OHS & R Management System	Review and implement the current draft OHS & RMS Manual	Stage 1 manual to be endorsed and implemented
	Develop and implement an OHS & R Procedures Manual	Complete draft and distribute for review
	Develop and distribute supervisor / employee manuals	Gain approval for concept and form working group.
Improve Safety Culture and Employee Involvement	Training * review and improve induction processes for new and transferring employees	Draft Induction Process prepared.
	* Improve skills lists to more clearly identify OHS skill levels	Define training required to obtain Basic/Advanced OHS skill level
	Promote understanding of OHS Policy	All employees to know of and understand policy objectives.
	Undertake annual personal reviews	All employees to undergo review
	6 monthly Team Safety Performance Reviews	Completed 6 monthly and graphed
	Address non-compliance issues	
Improve Communication and Consultation	Develop organisational standards for team meetings and communication requirements	Formalised and documented requirements for meetings at all levels (confirm during team reviews)
	Provide clear guidance on positional roles/OHS responsibilities and accountability	Document and promote OHS duties of all staff. Provide appropriate training to supervisory staff.
	Provide feedback on OHS issues	Improved OH&S committee roles
	Implement document control system	Workgroup formed and some progress toward system implementation.

Means of achieving		Target/Measure – KPI's (<5LTI's & 53 LTD's)
Reduce Motor Vehicle Incidents	Improved reporting & investigation	No unreported damage to vehicles
	Driver awareness/accountability campaigns	Safety Newsflash articles
	Address non-compliance or unsafe work practices	
Develop and Complete an annual CIAP (Continuous Improvement Action Plan)	Develop from reports received following annual OHS audits	CIAP developed 100% completion of items by due dates.
	? Audit by external source	
	? Internal audit ? StateCover Self Evaluation Tool	>90% evaluation result
Identification of hazards & elimination /reduction of risks	Workplace inspections to be undertaken 3 monthly	Inspection schedule to be up to date.
	Improve Accident/Incident reporting and investigation	All accidents/incidents to be reported and investigated within set time frames.
	Hazard register to be reviewed regularly	Interim controls to be implemented within 4 weeks of hazard identification Permanent controls to be in place within 24 calendar months 100% completion of items by due dates.
	Manual handling issues to be addressed	Reduction of manual handling related injuries by 20%
Develop and Review Safe Work Procedures and train staff in safe work requirements	Develop internal training and accreditation programs to ensure all staff are trained and accredited in relevant safe work methods	Develop program within 12 months
	Review all SWP's with a view to their effectiveness and legal compliance	Review all current procedures within 12 months. Develop program to write procedures for all tasks within 18 months.

Environment

Strategies / Actions	Progress to 30 th June 2007
Water returned to the environment from the filtration plant will be monitored for quality.	EPA standards achieved. Annual return to EPA submitted
All field work-sites will be protected and restored to eliminate degradation.	Implementation of soil control measures at worksites to reduce soil loss or siltation. Vegetation restored immediately after construction.
Soiled water from Urban field site works will be returned for proper disposal.	Continued improvements of work practices to reduce soiled water entering town drainage systems.
Electrical efficiency will be considered in infrastructure design.	Reduced electricity use per kilolitre of water produced. Employment of energy consultants to reduce energy costs
Marshalls Creek environmental project to restore native vegetation and protect creek bed.	Native vegetation restored. Stable creek bed. On-going maintenance to banks of Marshall Creek and Murrumbidgee River
Unaccounted for water measured wherever possible, and identified losses reduced. Early detection and repair of leaks.	Reduced unaccounted water loss from 12.6% (2005/06) to 9.0% (2006/07). Meter replacement program proceeding full time.
Participation in joint activities.	Water Smart City Project. Joint development of Ground Water Modelling with DNR. Participation in National Waterweek. Continued schools tours of waterworks. Participation in Pipes Wagga committee, REROC and Water Directorate

Strategies / Actions	Progress to 30th June 2007
Co-operation with other Councils in effluent re-use.	On-going development of Integrated Water Cycle plan with WWCC
Water pricing that gives incentive to avoid waste, coupled with customer education and information.	Two part tariff achieved. Reduced consumption per tenement. Meets State Government's Best Practice guidelines
Encourage and advise on possible water saving devices.	Production of Fact Sheets and information on Council's website.

Financial Revenue

Strategies / Actions	Progress to 30th June 2007
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)

Tyco Water	Supply of pipes	\$1,377,000
Ray's Machinery Painting	Painting of Estella Reservoir	\$ 203,850

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)

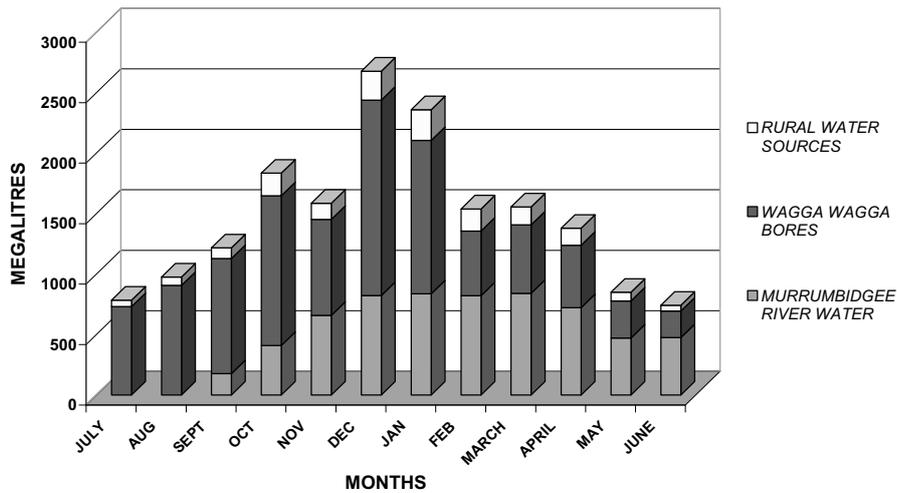
In accordance with Department of Water and Energy Best-Practice Management of Water Supply Council adopted Development Service Plan at its Meeting on 21st October 2004. The draft DSP was placed on public exhibition after Council's meeting on 25th August 2004.

The Calculated Developer charge in the DSP is \$4388 and Council resolved to incrementally increase the current charge of \$1800 to \$3300. The charge for 2006/07 was \$2,800, and as reported in Council's 2006/07 financial statements that a total cross-subsidy in developer charges for 2006/07 was \$1,588 per equivalent tenement.

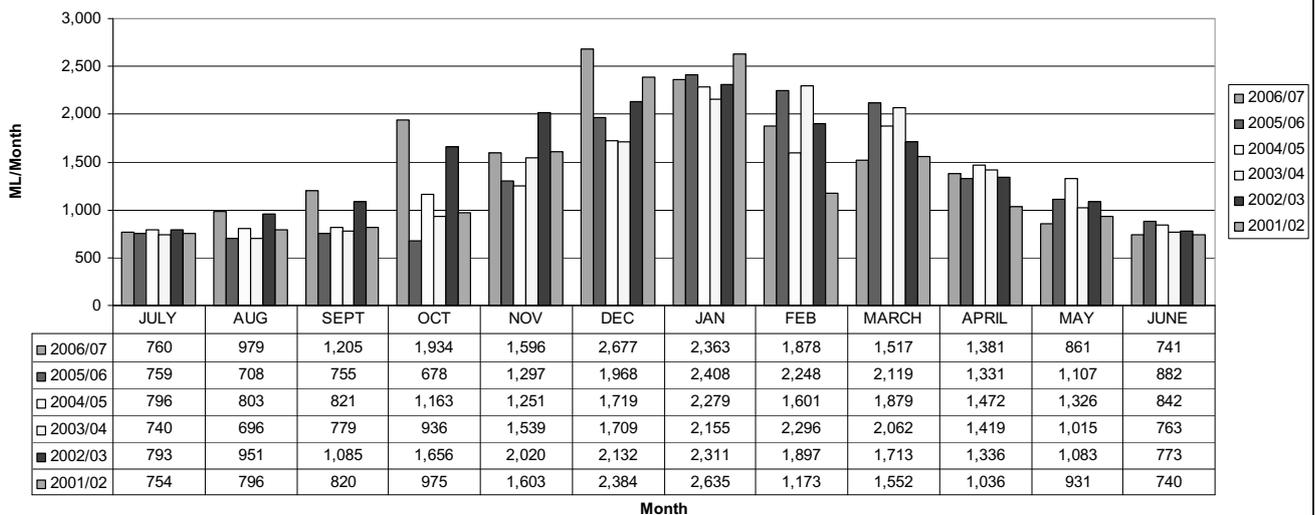
WATER SUPPLIED

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 2,677 megalitres in December compared to the previous record of 2,635 megalitres in January 2002. The full year's total of 17,891 megalitres was a 9% increase on last year's consumption of 16,390 megalitres.

2006/ 2007 WATER SOURCED



Total Monthly Consumption over last 6 Years



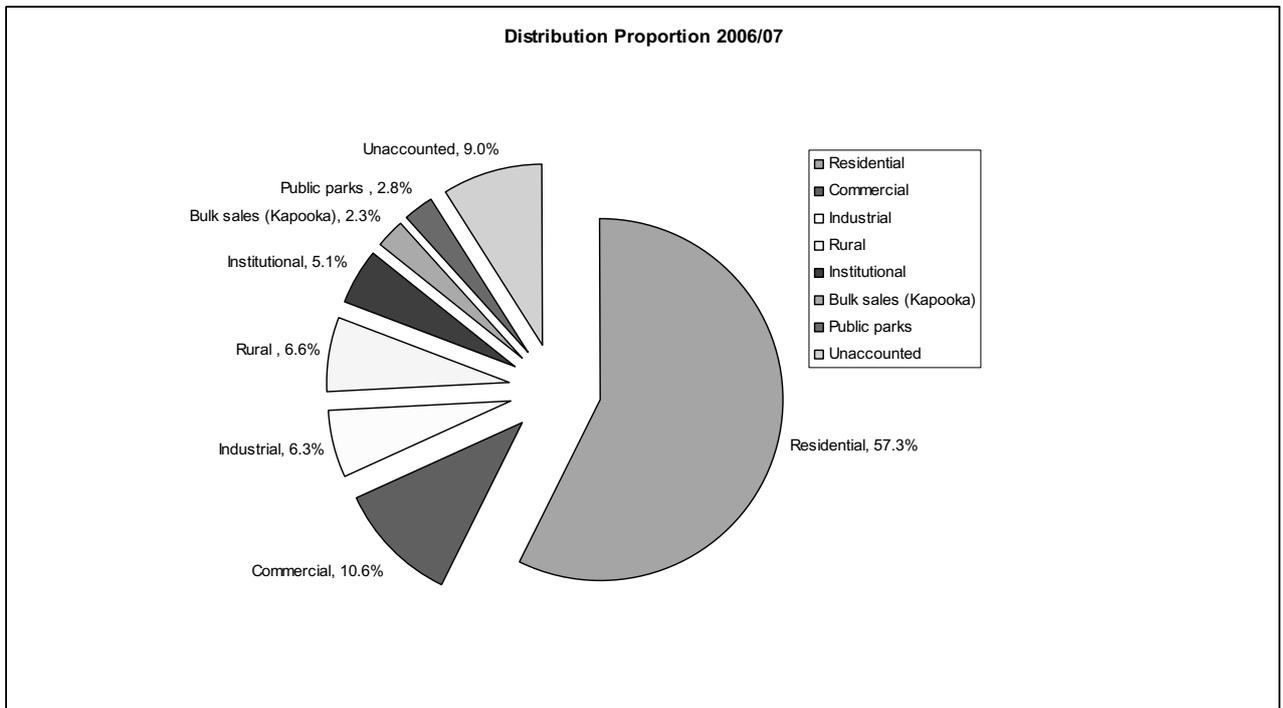
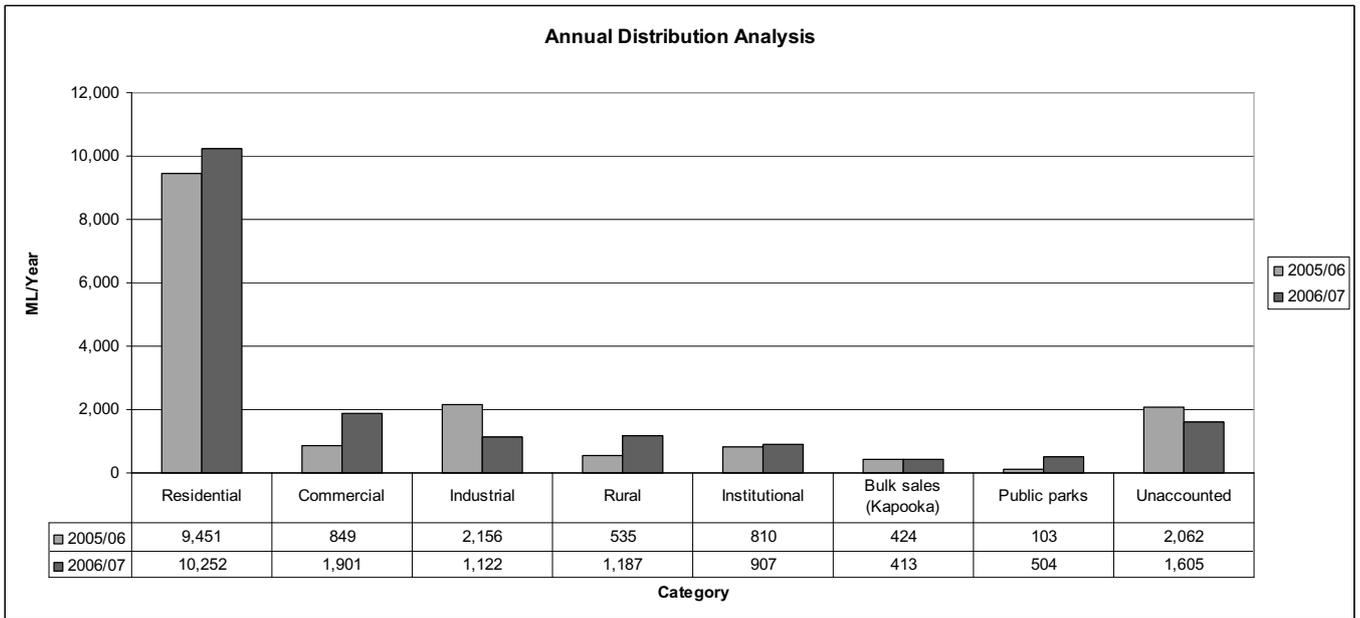
Distribution

Annual Distribution Analysis

	2005/06		2006/07	
	Consumption	Percentage	Consumption	Percentage
Residential	9,451	57.7%	10,252	57.3%
Commercial	849	5.2%	1,901	10.6%
Industrial	2,156	13.2%	1,122	6.3%
Rural	535	3.3%	1,187	6.6%
Institutional	810	4.9%	907	5.1%
Bulk sales (Kapooka)	424	2.6%	413	2.3%
Public parks	103	0.6%	504	2.8%
Unaccounted Including flushing, firefighting, unmetered use	2,062	12.6%	1,605	9.0%
	16,390	100%	17,891	100%

Riverina Water began its domestic meter replacement programmed in January 2006 in effort to reduce its unaccounted water. So far, 5,117 of an estimated 10,000 meters have been replaced as first stage of the meter replacement programme. The total annual unaccounted water for 2006/07 is 9.0%, which is a reduction from the previous year of 12.6%.

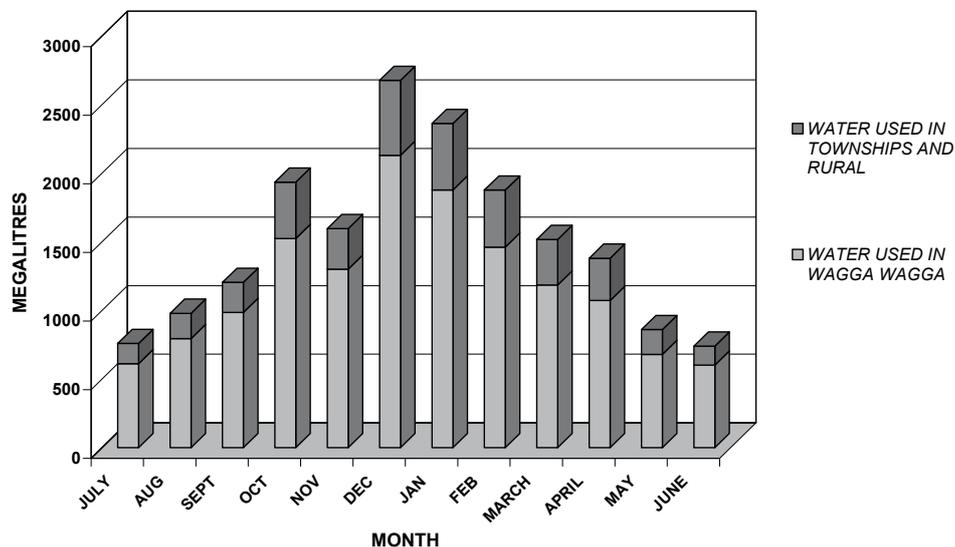
The total volume of water distributed increased by 9.2% compared to previous year, with significant increases in both commercial consumption (124%), rural consumption (122%) and Public Parks (389%). The industrial consumption decreased by 48% compared to previous year.



Water Use

	MEGALITRES USED			
	2003/2004	2004/2005	2005/2006	2006/2007
East Bomen	410	382	287	344
Estella	689	735	748	778
North Wagga	1043	1171	1007	857
Wagga Wagga – Low Level	2596	2808	2531	2,078
Wagga Wagga – High Level	7563	7349	7857	9,337
Wagga Wagga – Bellevue Level	463	494	495	833
SUB-TOTAL	12,764	12,939	12,924	14,227
Ladysmith	72	57	77	87
Bruce Dale	291	307	295	276
Currawarna	131	136	150	163
Rural south from Wagga Wagga	1494	1274	1555	1,516
Rural from Walla Walla Bore	181	140	165	224
Milbr., Lockhart and Boree Creek	339	332	383	456
Urana and Oaklands	260	241	249	290
Holbrook	330	295	343	356
SUB-TOTAL	3098	2772	3218	3,368
Woomargama	17	14	18	19
Humula	14	17	10	7
Tarcutta	58	51	59	70
Oura	45	39	47	59
Walbundrie	10	16	34	44
Rand	19	16	0	0
Morundah	9	8	10	11
Collingullie	75	82	71	85
SUB-TOTAL	247	243	248	296
TOTAL	16,109	15,954	16,390	17,891
AVERAGE RESIDENTIAL CONSUMPTION	KILOLITRES			
Urban	378	341	370	420
Non Urban	484	449	462	525

2006/2007 WATER USED



NEW CUSTOMERS

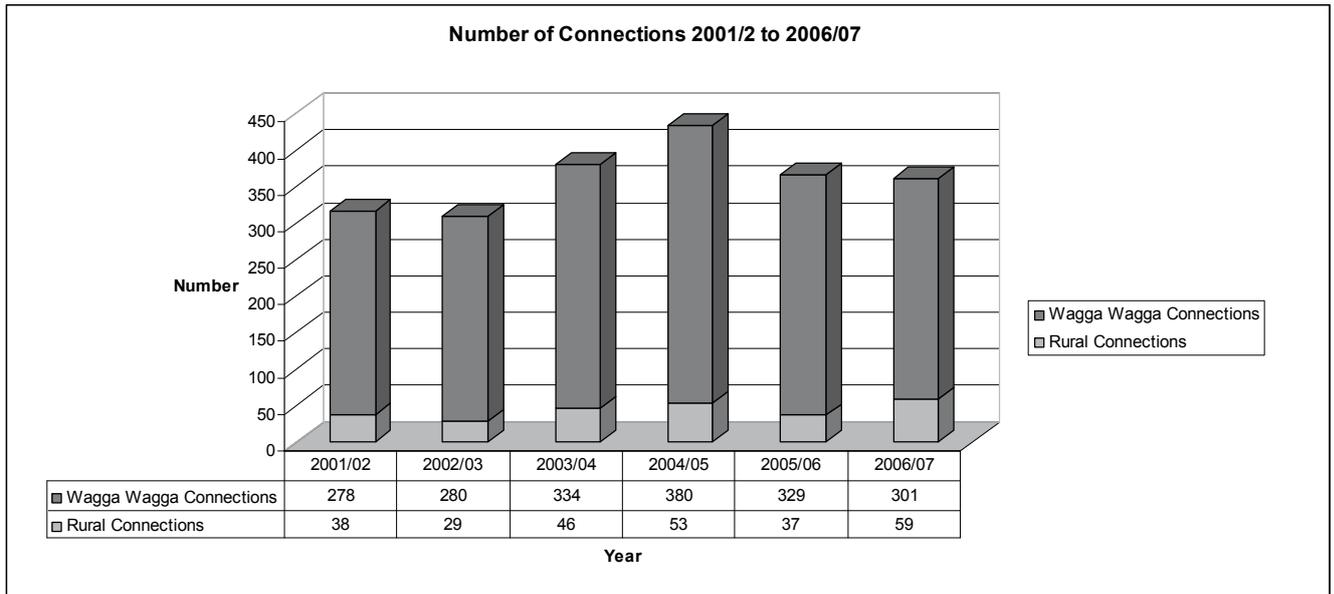
New consumers were connected at the various centres listed below:

LOCATION	NUMBER CONNECTED					
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Bidgeemia						6
Boree Creek		2			1	
Brucedale-The Gap	4	1	3	8	3	8
Bulgary	2			2		1
Collingullie	2					1
Coorabin						1
Culcairn	1				1	1
Currawarna	1	2	2		1	5
Forest Hill	4					
Henty	2	1	5	2	3	5
Holbrook	5	1	7	13	7	4
Humula	1					
Ladysmith	2				1	1
Lockhart	2	1	6	5	1	1
Mangoplah		4		6		5
Milbrulong	1					1
Morundah	1					
Morven	1				1	3
Oaklands	1					
Oura			3	2	2	1
Pleasant Hills		6				3
Rand						1
San Isidore						
Tarcutta			1	1		1
The Rock	1	5	7	7	5	3
Urana		2	5	1	1	1
Uranquinty	6		5	1	1	2
Wagga Wagga	278	280	334	380	329	301
Walbundrie		1			1	
Walla Walla		3	1	5	6	4
Woomargama			1			
Yerong Creek	1				1	
TOTALS	316	309	380	433	365	360

Total customers at 30th June 2007: 28,402

Table - Customer Analysis

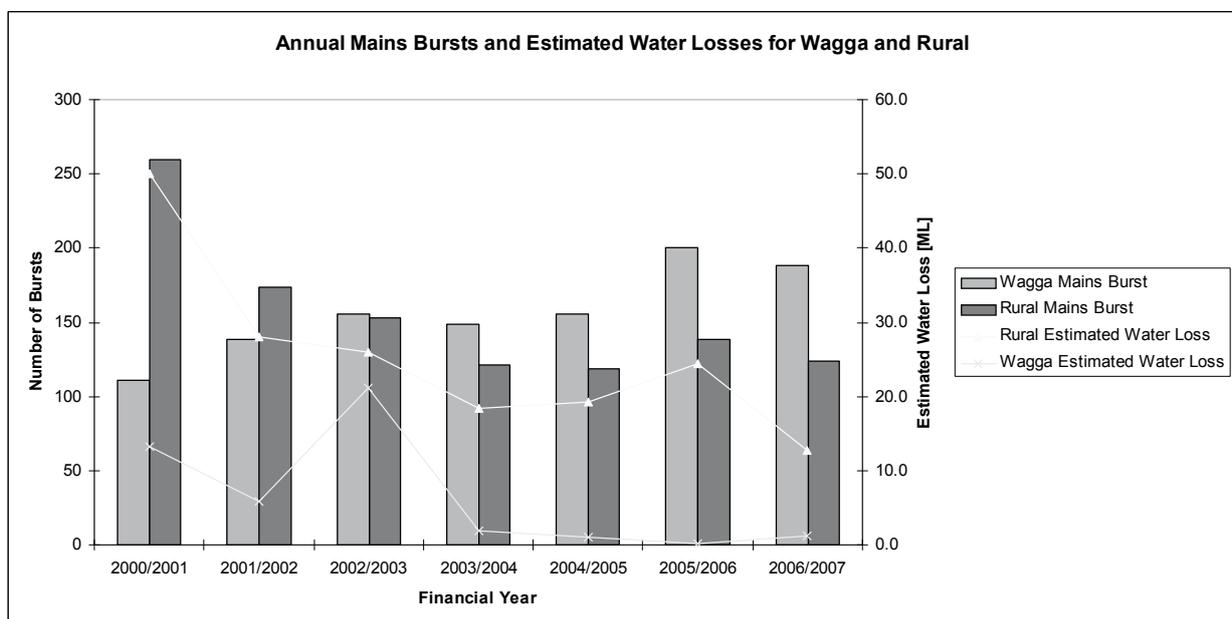
Residential	2005/06	2006/07	Percentage Change
Wagga Wagga	21,081	21,347	1.26%
Rural	4,588	4,696	2.35%
Sub-Total	25,669	26,043	1.46%
Business			
Wagga Wagga	1,587	1,608	1.32%
Rural	749	749	0.00%
Sub-Total	2,336	2,357	0.90%
Others ie. Bulk Supply	2	2	0.00%
TOTAL	28,007	28,402	1.41%



Pipeline Losses

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

YEAR	WAGGA WAGGA		RURAL	
	BURST MAINS	ESTIMATED LOSS ML	BURST MAINS	ESTIMATED LOSS ML
2001/2002	138	5.8	174	28
2002/2003	156	21.1	153	26
2003/2004	149	1.9	121	18
2004/2005	156	1.0	119	19
2005/2006	200	1.1	138	24
2006/2007	188	1.1	124	13

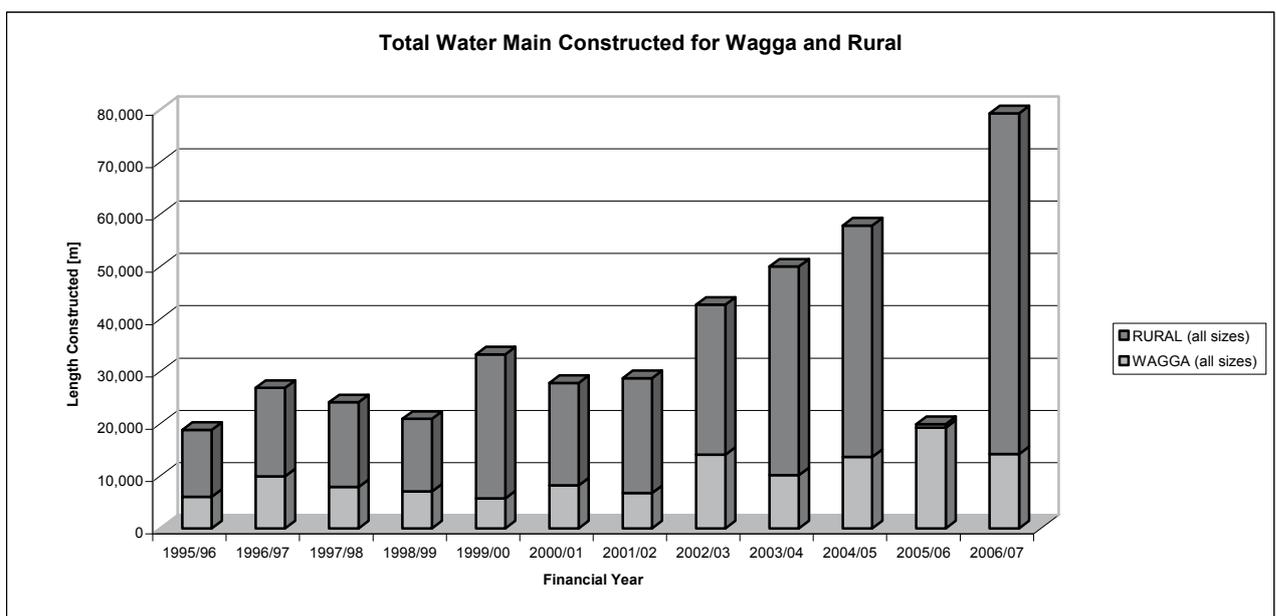


CONSTRUCTION

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	8,993	5,194
Rural & Village	62,270	2,797



CAPITAL WORKS

An extensive capital works programme was carried out in 2006/2007 including the following significant items:

System Extensions and Improvements

Wagga and rural system extensions and improvements comprise 90% (or 71.2 kilometres) of all water main construction activities (79.2 kilometres). In particular, the Bidgeemia/Urangeline water supply scheme accounted for 69% (or 55 kilometres) and Wagga system extensions due to urban subdivisions account for 6% (or 4.1 kilometres) in suburbs such as Forest Hill, Hilltop, Bourkelands, Springvale, Estella and Tatton.

The Bidgeemia/Urangeline water supply scheme commenced in August 2006 and was commissioned in December 2006 and so far 24 consumers have been connected.

Reticulation extensions have also been constructed to improve distribution systems, such as the elimination of multiple private pipelines in road reserves along Pine Gully and Harris Roads, and improving rural supply to The Gap Road.

Mains Replacements

Replacement of water mains in both Wagga and Rural areas (ie. 8 kilometres) is comparable to last financial year 2005/06 (ie. 8.7 kilometres), even with other significant construction activities such as construction of Bidgeemia/Urangeline scheme and Pine Gully/Harris Road system improvements. Though in 2006/07, more emphasis was replacing rural mains which increased from 476 metres in 2005/06 to 2,797 metres. It should be also noted that work associated with replacement of existing rural trunk mains was due to the duplication of railway along Olympic Highway, which accounted for 30% (or 2.4 kilometres) of all water main replacement works (ie. 8 kilometres).

Trees and ground movement attributed to change in soil moisture content have been contributors to water main failures. Garland Street and a section of 150mm main along Sturt Highway to Forest Hill have been replaced with a high priority. The remaining section of the 150mm main along Sturt Highway to Forest Hill is scheduled in 2007/08.

Trunk Mains

It is expected that a further 3 kilometres of rural trunk main along Olympic Highway at Uranquinty is to be located and replaced due the SIA railway duplications in 2007/08.

With the RAAF base to be supplied 1.1 ML/day from our system, a dedicated rising main has been designed and Stage 1 construction work (approximately 8 kilometres of a total of 14 kilometres) is to commence during 2007/08.

The North Wagga 200mm rising main attached to the railway viaduct across Murrumbidgee River has been replaced as part of the bridge replacement works in December and January.

Pumping Stations

Significant preparation was undertaken at Estella Pumphouse to reliably provide water supply to the university and Estella, while Estella Reservoir is being re-painted. This included installation of variable speed drives and new control valves at the university's pumphouse.

Electrical site audits and preventative maintenance on major switchboards located at waterworks, West Wagga and North Wagga treatment plants were undertaken by Nilsen contractors. This proved a worthwhile exercise to ensure reliability of switchboards that are up to 35 years old.

The replacement of Ralvona Bore No.2 and installation of a 2nd Walbundrie bore were completed during 2006/07. The electrical and mechanical fit-out for 2nd Walbundrie bore is scheduled in 2007/08

Reservoirs

Tenders were received for the painting of Estella Reservoir and Ray's Machinery Painting (RMP) Pty Ltd was the successful tenderer for the sum of \$203,850 (excluding GST). Significant work was undertaken in preparation of decommissioning Estella Reservoir whilst painting work is carried out including: installation of variable speed drive pumping system at Estella Pumphouse, installation of telemetry and control systems, and pipework modifications at the university's pumphouse allowing supply from their reservoir.

New access ladders and platforms have been installed at Boree Creek and Milbrulong reservoirs. This has significantly improved safety of staff for reservoir inspections and maintenance.

Treatment Plants

A pilot plant has been established to treat the raw water at Tarcutta in order to meet Australian Drinking Water Guidelines. A trial dissolved air flotation (DAF) plant has been installed together with modifications to existing sand filters. The processes to effectively remove iron and manganese have been difficult, but water quality results after changing filter media are encouraging.

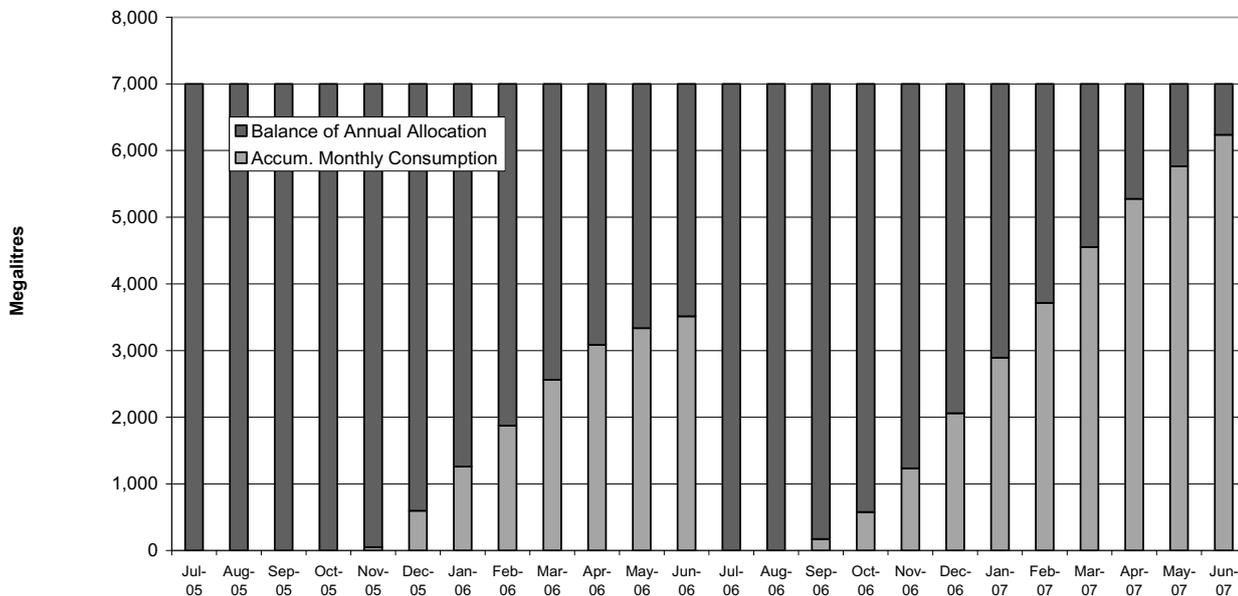
The water treatment plant upgrade at Collingullie is also continuing. The raw water quality has changed since the original commissioning of the plan due to the drought, resulting in higher levels of iron and manganese. Successful trials to remove iron and manganese during 2004/05 have resulted in providing permanent modifications to existing treatment processes, such as the oxidation and filtering of iron and manganese and the appropriate disposal of waste from the treatment process.

Water consumption and allocations

During 2006/07 more emphasis was placed to extract surface water from Murrumbidgee Riverina, in order to reduce stress on groundwater sources in Wagga Wagga. The filtration plant operated over 24 hours through the months of December to February and managed to utilise 89% of its annual surface water allocation compared to 50% in 2005/06 ie. an equivalent increase of 2,724 megalitres.

Utilisation of bores in Wagga Wagga reached 73% of their annual allocation in 2006/07, compared to 81% in 2005/06. This is an equivalent reduction of 1,137 megalitres.

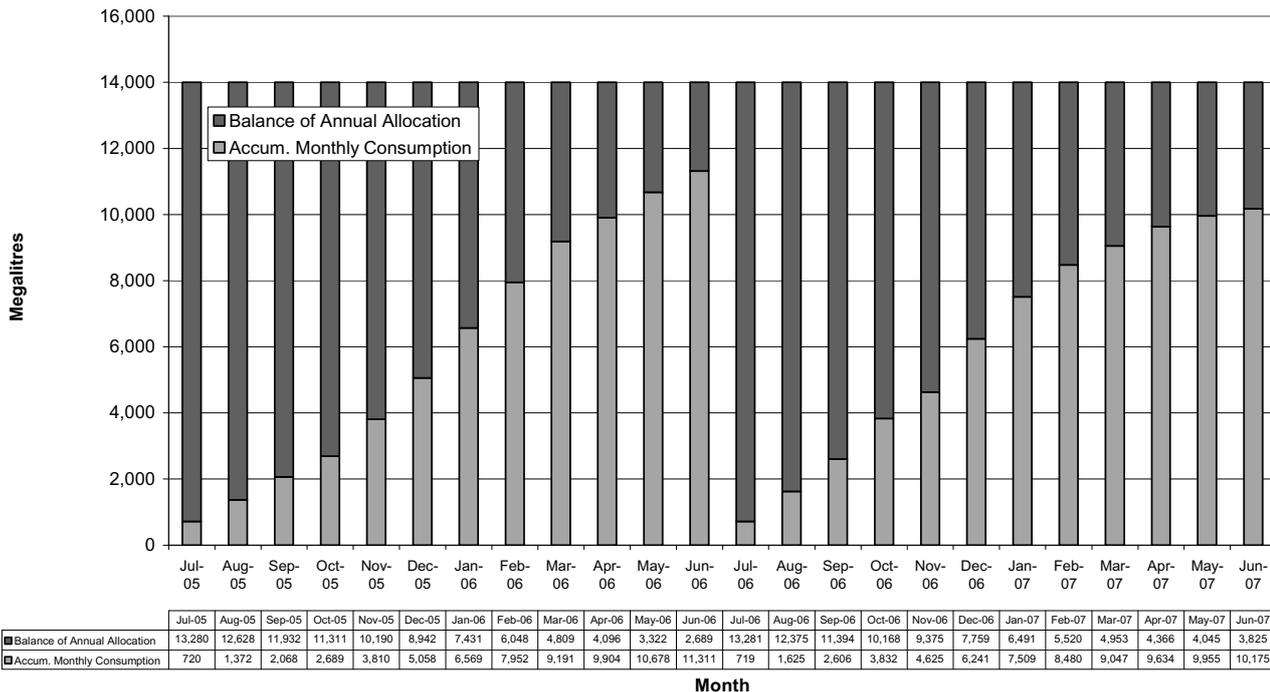
Wagga Surface Allocation Analysis



	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
Balance of Annual Allocation	7,000	7,000	7,000	7,000	6,950	6,402	5,739	5,127	4,441	3,916	3,666	3,488	7,000	7,000	6,830	6,422	5,765	4,943	4,107	3,287	2,447	1,726	1,237	764
Accum. Monthly Consumption	0	0	0	0	50	598	1,261	1,873	2,559	3,084	3,334	3,512	0	0	170	578	1,235	2,057	2,893	3,713	4,553	5,274	5,763	6,236

Month

Wagga Bores Allocation Analysis



The Department of Water and Energy have completed and calibrated a groundwater model based on historical data of 30 years. Already it has become a useful tool by providing an explanation how the ground water system responds to recharge and extraction mechanisms. Investigations are underway to consider: optimising the utilisation of bores and determining suitable location(s) of future bores.

Critical Water Availability

The NSW Department of Water and Energy held a meeting at Leeton on 30th April 2007, regarding the water availability in the Murray/Darling River system. The meeting was attended by representatives of water users along the Riverina section of the Murrumbidgee River, and was arranged in response to a report “Murray-Darling Basin Dry Inflow Contingency Planning – Overview Report to First Ministers” submitted to the Premier and Prime Minister. Issues of insufficient consultation with water authorities were apparent as the Minister informed water authorities only through the media of: 1) Stage 4 Water Restrictions as of 1 July 2007 and, 2) 50 % reduction of surface water allocation from Murrumbidgee River as of 1 July 2007.

A meeting with the Minister is scheduled in July 2007 to bring Riverina Water business to his attention, and to foster more effective communication and consultation processes.

Water Quality Measures

Riverina Water received HACCP certification on water quality management systems and practices during November 2007. The HACCP programme provides a framework that is consistent with the 2004 Drinking Water Guidelines and assists in improving management systems to produce a safe, reliable and high quality water supply.

RAAF Base

The RAAF base has been modifying their internal reticulation in preparation to be supplied potable water from Riverina Water as well as maintaining their own bores for non-potable purposes ie. irrigation.

Developer's contribution for 1.1 megalitres per day (or 220 equivalent tenements) has been received and a connection has been provided, but they are still yet to utilise the supply.

In line with the staging of RAAF base's redevelopment, the Forest Hill Trunk main (stage 1) has been designed and pipes scheduled to be delivered. Construction will commence in 2007/08.

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 2006/2007 are set out below:

Urban Section:

(i) Domestic

Year	Usage Charge (per quarter)		Access Charge (per quarter)	
			Connected	Vacant
2006/2007	Non-Stepped Tariff	72 c per kl	\$20.00	\$10.00

(ii) Commercial

Year	Usage Charge (per quarter)		Access Charge (per quarter)	
			Connected	Vacant
2006/2007	1- 3000 kls/month	72 c per kl	\$30.00	\$10.00
	Balance above 3000 kls/month	62 c per kl		

(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
2006/2007	Non-stepped tariff	84 c per kl	\$25.00	\$10.00

(iv) Commercial

Year	Usage Charge (per quarter)		Access Charge (per quarter)	
			Connected	Vacant
2006/2007	1 to 3000 kls/month	84 c per kl	\$31.25	\$10.00
	Balance above 3000 kls/month	74 c per kl		

(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 2007 \$'000
Water Mains – distribution, rural & reticulation	Iron 75 yrs Other 50 yrs	140,800	37 yrs	79,049
Reservoirs – 61 off	Steel 75 yrs Conc. 100 yrs	33,983	61.8 yrs	20,466
Pumping Stations – 70 off	*	15,822	-	7,911
Water Treatment Plants – 14 off Aeration – 7 Filtration – 7	75/100 yrs	33,357	54.1 yrs	18,065
Water Supply Bores – 26	25 yrs Stainless steel-40 yrs	2,459	19.3 yrs	1,128
Land & Buildings – other	-	-	-	3,393
TOTAL		226,421		130,012

* 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 2006/2007 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	2006/2007 Upgrading or Renewal Programme \$000	Annual Maintenance Need \$000	2006/2007 Maintenance Programme \$000
Water Mains – Trunk & Rural	8,504	2,200	1,640	690	570
Water Mains – Reticulation					
Reservoirs	110	200	408	49	110
Pumping Stations & Bores	575	460	840	617	575
Treatment Plants	769	400	420	81	56

SUMMARY OF DISCLOSABLE LEGAL PROCEEDINGS

Section 428 (2) (e)

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

AMOUNTS CONTRIBUTED / GRANTED UNDER SECTION 356

Section 428 (2) (l)

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

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

OVERSEAS VISITS FUNDED BY COUNCIL

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

No overseas visits undertaken by Councillors and others representing Council during 2006/2007.

RATES & CHARGES WRITTEN OFF

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

Pensioner Rebates written off totalled	\$337,586
A Pensioner subsidy was received for the value of	\$200,865
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 30th June 2007. No applications were received by Council during the 2006/2007 period. Council has not received any enquiries from the Ombudsman under the *Freedom of Information Act* nor has it received any appeals under that Act to the District Court or the Supreme Court.

Statistical Details

F.O.I. REQUESTS	PERSONAL	OTHER	TOTAL
NEW	NIL	NIL	NIL
BROUGHT FORWARD	NIL	NIL	NIL
TOTAL TO BE PROCESSED	NIL	NIL	NIL
COMPLETED	NIL	NIL	NIL
TRANSFERRED OUT	NIL	NIL	NIL
WITHDRAWN	NIL	NIL	NIL
TOTAL PROCESSED	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 2006/2007 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 26th April 2006*



.....
Clr. L. Vidler
CHAIRPERSON



.....
Clr. P. Yates
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 30th JUNE 2007

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RIVERINA WATER COUNTY COUNCIL

GENERAL PURPOSE FINANCIAL REPORT

INDEPENDENT AUDITORS' REPORT

SCOPE

We have audited the general purpose financial reports of Riverina Water County Council for the year ended 30 June 2007, comprising the Statement by Councillors and Management of the Council, Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and accompanying Notes to the Accounts. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council.

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

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

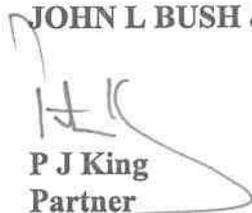
AUDIT OPINION

In our opinion

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

Yours faithfully

JOHN L BUSH & CAMPBELL



P J King
Partner

14 September 2007

PK/KMC/RIVERWA/HIS

16 September 2007

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 2007 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 2007 have been prepared to comply with Statements of Accounting Concepts and Applicable Australian Accounting Standards including the requirements under Australian equivalents of International Financial Reporting Standards, the requirements of the Local Government Act 1993 and Regulations thereto, the Local Government Code of Accounting Practice and Financial Reporting and Local Government Asset Accounting Manual.

Operating Result and Financial Position

The operating result for the year was \$1.870 million. In addition Council received contributions for capital purposes of \$2.723 million and recorded a net loss on disposal of assets of \$55 thousand. The total change in net assets resulting from operations was \$4.593 million.

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

	2007	2006	2005	2004	2003
	\$000	\$000	\$000	\$000	\$000
Net Assets 1 July 1997	20,627	20,627	20,627	20,627	20,627
Asset Revaluation	91,639	87,965	81,439	81,439	78,745
Change in net assets resulting from operations	31,288	26,695	23,932	21,647	17,409
Net Assets 30 June	<u>\$143,554</u>	<u>\$135,287</u>	<u>\$125,998</u>	<u>\$123,713</u>	<u>\$116,781</u>

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

Changes to Accounting Policies

During the 2007 year the Council was instructed to value the non current assets at fair value. This is a departure from the accounting treatment in 2006 when non current assets were valued at cost. This change in accounting treatment has been applied retrospectively and therefore impacted on the 2006 comparative figures. The result of this accounting adjustment is as follows:

- An increase in infrastructure, property, plant and equipment by \$6.536 million and an increase in the Asset Revaluation Reserve for the same amount for 2006 financial year.
- The Asset Revaluation Reserve also increased by \$3.674 million in 2007 with the same increase to infrastructure, property, plant and equipment.

The implication of adopting fair value is that the Council needs to obtain a complete valuation of all fixed assets every 5 years. In the years the Council does not obtain a valuation the fixed assets are to be annually indexed to national indexing valuations.

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.

	2007 \$000	2006 \$000	2005 \$000	2004 \$000	2003 \$000
Cash (overdraft)	55	5	17	73	73
Investment	11,264	15,058	15,460	15,297	13,813
Working Capital	11,472	13,485	16,363	16,243	14,322

Cash and Investments held at the close of the year amounted to \$11.319 million. The statement of cashflows which includes bank overdrafts shows a decrease in cash of \$3.744 million. This reduction is a combination of capital works programs and the payout of the external debt. Cash and Investments have not been restricted in their 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

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

Equity

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

	2007 \$000	2006 \$000	2005 \$000	2004 \$000	2003 \$000
Non Current Assets	134,157	126,267	116,639	114,956	110,467
Non Current Liabilities	2,075	4,465	7,004	7,486	8,008
Working Capital	11,472	13,485	16,363	16,243	14,322
Equity	\$143,554	\$135,287	\$125,998	\$123,713	\$116,781

Other Matters

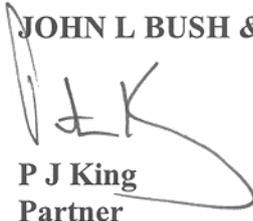
It is evident that at June 2007 the Council continues to preside over a fundamentally sound balance sheet. The excellent result for 2007 on top of the previous years continues Councils very strong position.

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

A handwritten signature in black ink, appearing to read "P J King", is written over a light grey rectangular background. The signature is stylized and includes a large, sweeping flourish at the end.

P J King
Partner

RIVERINA WATER COUNTY COUNCIL

STATEMENT BY COUNCILLORS AND MANAGEMENT OF THE COUNCIL

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 30th June 2007 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 29th August 2007.*



.....
Clr. L. Vidler
CHAIRPERSON
29th August 2007



.....
Clr. P. Yates
DEPUTY CHAIRPERSON
29th August 2007



.....
Mr. G.W. Pieper
GENERAL MANAGER
29th August 2007



.....
Mr. G.G. Geaghan
ACCOUNTING OFFICER
29th August 2007

RIVERINA WATER COUNTY COUNCIL
**INCOME STATEMENT
For the year ended 30th June 2007**

Original Budget 2007 \$'000		Notes	Actual 2007 \$'000	Actual 2006 \$'000
	INCOME FROM CONTINUING OPERATIONS			
2,499	Rates and Annual Charges	3a	2,475	2,448
10,539	User Charges and Fees	3b	12,000	10,262
450	Interest and Investment Income	3c	802	853
275	Other revenues	3d	602	427
196	Grants and Contributions provided for operating purposes	3e&f	204	199
950	Grants and Contributions provided for capital purposes	3e&f	2,723	1,089
27	Net gain from the disposal of assets	5		
14,936	TOTAL INCOME FROM CONTINUING OPERATIONS		18,806	15,278
	EXPENSES FROM CONTINUING OPERATIONS			
4,807	Employee benefits and on-costs	4a	4,361	4,230
1,200	Borrowing Costs	4b	1,926	730
1,281	Materials and Contracts	4c	1,760	1,761
3,877	Depreciation	4d	3,824	3,875
2,108	Other expenses	4e	2,286	1,902
	Net loss from the disposal of assets	5	56	17
13,273	TOTAL EXPENSES FROM CONTINUING ACTIVITIES		14,213	12,515
1,663	NET OPERATING RESULT FOR THE YEAR		4,593	2,763
713	NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS AND CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES		1,870	1,674

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

RIVERINA WATER COUNTY COUNCIL

**BALANCE SHEET
as at 30th June 2007**

	Notes	Actual 2007 \$'000	Actual 2006 \$'000
CURRENT ASSETS			
Cash and cash equivalents	6a	11,319	15,063
Receivables	7	1,833	1,671
Inventories	8	1,293	1,078
Other	8	75	48
TOTAL CURRENT ASSETS		<u>14,520</u>	<u>17,860</u>
NON-CURRENT ASSETS			
Infrastructure, Property, Plant and Equipment	9	134,157	126,267
TOTAL NON-CURRENT ASSETS		<u>134,157</u>	<u>126,267</u>
TOTAL ASSETS		<u>148,677</u>	<u>144,127</u>
CURRENT LIABILITIES			
Payables	10	2,066	915
Interest bearing liabilities	10		2,492
Provisions	10	982	968
TOTAL CURRENT LIABILITIES		<u>3,048</u>	<u>4,375</u>
NON-CURRENT LIABILITIES			
Interest bearing liabilities	10		2,492
Provisions	10	2,075	1,973
TOTAL NON-CURRENT LIABILITIES		<u>2,075</u>	<u>4,465</u>
TOTAL LIABILITIES		<u>5,123</u>	<u>8,840</u>
NET ASSETS		<u>143,554</u>	<u>135,287</u>
EQUITY			
Retained earnings		51,915	47,322
Reserves		91,639	87,965
TOTAL EQUITY		<u>143,554</u>	<u>135,287</u>

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 30th June 2007**

	TOTAL		ACCUMULATED SURPLUS		ASSET REVALUATION RESERVE	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the reporting period	135,287	129,038	47,322	44,559	87,965	84,479
Change in equity recognised in the statement of financial performance	4,593	2,763	4,593	2,763		
Transfers to asset revaluation reserve	3,674	3,486			3,674	3,486
Transfer from asset revaluation reserve						
Balance at end of the reporting period	143,554	135,287	51,915	47,322	91,639	87,965

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

RIVERINA WATER COUNTY COUNCIL
STATEMENT OF CASH FLOWS
For the Year ended 30th June 2007

Budget 2007 \$'000		Notes	Actual 2007 \$'000	Actual 2006 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
<u>Receipts:</u>				
2,499	Rates and annual charges		2,478	2,433
10,539	User charges and fees		12,141	10,173
450	Investment revenue and interest		806	885
1,146	Grants and Contributions		2,927	1,301
275	Other		601	424
<u>Payments:</u>				
(3,810)	Employee benefits and on-costs		(4,477)	(4,230)
(302)	Materials and contracts		(1,644)	(1,761)
(1,200)	Borrowing Costs		(1,947)	(732)
(4,050)	Other		(1,549)	(1,313)
5,547	Net cash provided (or used) in operating activities	11(b)	9,336	7,180
CASH FLOWS FROM INVESTING ACTIVITIES				
<u>Receipts:</u>				
107	Sale of investments			
364	Sale of infrastructure, property, plant and equipment		369	310
<u>Payments:</u>				
(8,696)	Purchase of infrastructure, property, plant and equipment		(8,465)	(7,305)
(8,225)	Net cash provided by (or used in) investing activities		(8,096)	(6,995)
CASH FLOWS FROM FINANCING ACTIVITIES				
<u>Payments:</u>				
(2,492)	Borrowings and advances		(4,984)	(599)
(2,492)	Net cash provided by (or used in) financing activities		(4,984)	(599)
(5,170)	Net increase/(decrease) in cash and cash equivalents		(3,744)	(414)
13,401	Cash and cash equivalents at beginning of reporting period	11(a)	15,063	15,477
8,231	Cash and cash equivalents at end of reporting period	11(a)	11,319	15,063

The above Cashflow 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 30TH JUNE, 2007

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, Urgent Issues Group Interpretations, the Local Government Act (1993) and Regulations, and Financial Reporting Guidelines for NSW Councils.

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

Historical cost convention

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

Critical accounting estimates

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

3. Revenue Recognition

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

Annual charges, grants and contributions

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

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

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

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

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

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

User charges and fees

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

Sale of plant, property, infrastructure and equipment

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

Interest and rents

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

4. Principles of Consolidation

(i) The Consolidated Fund

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

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

5 Acquisition of Assets

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

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

6. Impairment of Assets

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

7. Cash and Cash Equivalents

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

8. Receivables

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

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

9. Investments

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

10. Investment and other Financial Assets

From 1st July 2005 to 30th June 2006

Council had taken the exemption available under AASB1 to apply AASB 132 and AASB 139 only from 1st July 2006. Council has applied previous AGAAP to the comparative information on financial instruments within the scope of AASB 132 and AASB 139.

Adjustments on transition date: 1st July 2006

The nature of the main adjustments to make this information comply with AASB 132 and AASB 139 are that, with the exception of held-to-maturity investments and loans and receivable which are measured at amortised cost (refer below), fair value is the measurement basis. Fair value is inclusive of transaction costs. Changes in fair value are either taken to the income statement or an equity reserve (refer below). At the date of transition (1st July 2006) changes to carrying amounts are taken to retained earnings or reserves.

From 1st July 2006

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 re-evaluates this designation at each reporting date.

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

This category has two sub-categories; financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

11. Fair Value Estimation

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

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

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

12. Infrastructure, Property, Plant and Equipment

All infrastructure and buildings are stated at fair value less depreciation. This is a departure of the accounting policy used in 2006 where buildings and infrastructure were measured at cost. The change of this accounting policy has been applied retrospectively to the 2006 year and 2006 opening retained earnings. The financial effect of this adjustment is discussed at Note 26.

Fair value was measured at 30th June 2004 and since this time annually indexed in accordance with "NSW Reference Rates Manual for Valuation of Water Supply, Sewerage and Stormwater Assets, 2003".

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

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

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

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

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

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

13. Payables

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

14. Borrowings

Council repaid all loan debt during 2006/07.

15. Borrowing Costs

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

16. Employee Benefits

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

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

(ii) *Long service leave*

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

(iii) *Retirement benefit obligations*

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

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

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

"The Local Government Superannuation Scheme – Pool B (the Scheme) is a defined benefit plan that has been deemed to be a "multi-employer fund" for the purposes of AASB 119. Sufficient information is not available to account for the Scheme as a defined benefit plan because the assets to the Scheme are pooled together for all Councils. The amount of employer contributions recognised as an expense for the year ending 30th June 2007 was \$90,758. The last valuation of the Scheme was performed by Mr. Martin Stevenson BSc, FIA, FIAA on 19th June 2007 and covers the period ended 30th June 2006. This valuation found that the Scheme's assets were \$3,291.1million and its past service liabilities \$2,980.3million, giving it a surplus of \$310.8million. The existence of this surplus has resulted in Council's contributing in 2006/2007 at half the normal level of contributions. The financial position is monitored annually".

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

17. Rounding of amounts

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

18. 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.

19. New Accounting Standards and UIG interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for 30th June 2007 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below.

(i) *UIG 4 Determining whether an Asset contains a Lease*

UIG 4 is applicable to annual periods beginning on or after 1st January 2006. Council has not elected to adopt UIG 4 early. It will apply UIG 4 in its 2007 financial statements and the UIG 4 transition provisions. Council will therefore apply UIG 4 on the basis of facts and circumstances that existed as of 1st July 2006. Implementation of UIG 4 is not expected to change the accounting for any of Council's current arrangements.

(ii) *UIG 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*

Council does not have interests in decommissioning, restoration and environmental rehabilitation funds. This interpretation will not affect the Council's financial statements.

(iii) *AASB 2005-9 Amendments to Australian Accounting Standards (AASB 4, AASB 1023, AASB 139 & AASB 132)*

AASB 2005-9 is applicable to annual reporting periods beginning on or after 1st January 2006. The amendments relate to the accounting for financial guarantee contracts. Council has not entered into any financial guarantee contracts and there will be no effect on the Council's financial statements.

(iv) *AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038)*

AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1st January 2007. Council has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in the financial instruments.

(v) *UIG 6 Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment*

UIG 6 is applicable to annual reporting periods beginning on or after 1st December 2006. Council has not sold any electronic or electrical equipment on the European market and has not incurred any associated liabilities. This interpretation will not affect Council's financial statements.

(vi) AASB 2005-6 Amendments to Australian Accounting Standards (AASB 121)

AASB2005-6 is applicable to annual reporting periods ending on or after 31st December 2006. The amendment relates to monetary items that form part of a reporting entity's net investment in a foreign operation. It removes the requirement that such monetary items had to be denominated either in the functional currency of the reporting entity or the foreign operation. Council does not have any monetary items forming part of a net investment in a foreign operation. The amendment to AASB 121 will therefore have no impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Note 2(a)

FUNCTIONS

	INCOME, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE WATER SUPPLY FUNCTIONS. DETAILS OF THIS FUNCTION IS PROVIDED									
	INCOME FROM CONTINUING OPERATIONS		EXPENSES FROM CONTINUING OPERATIONS		OPERATING RESULTS FROM CONTINUING OPERATIONS		GRANTS INCLUDED IN INCOME FROM CONTINUING OPERATIONS		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Orig Budget 2007 \$'000	Actual 2007 \$'000	Orig Budget 2007 \$'000	Actual 2007 \$'000	Orig Budget 2007 \$'000	Actual 2007 \$'000	Orig. Budget 2007 \$'000	Actual 2007 \$'000	Orig. Budget 2007 \$'000	Actual 2007 \$'000
FUNCTION										
Water Supplies	14,936	18,806	13,273	14,213	713	1,870	196	204	134,986	148,677
TOTALS	14,936	18,806	13,273	14,213	713	1,870	196	204	134,986	148,677

NOTES TO THE FINANCIAL STATEMENTS

Note 3

REVENUE FROM CONTINUING OPERATIONS

	Actual 2007 \$'000	Actual 2006 \$'000		
a) RATES & ANNUAL CHARGES				
<i>Annual Charges</i> (pursuant to s.496 & s.501)				
Water Supply Services	2,475	2,448		
Total Rates & Annual Charges	<u>2,475</u>	<u>2,448</u>		
b) USER CHARGES & FEES				
<i>User Charges</i> (pursuant to s.502)				
Total User Charges	<u>12,001</u>	<u>10,265</u>		
<i>Fees</i>				
Private works	(1)	(3)		
Total User Charges & Fees	<u>12,000</u>	<u>10,262</u>		
c) INTEREST AND INVESTMENT REVENUE				
Interest on investments	802	853		
Total Interest Revenue	<u>802</u>	<u>853</u>		
d) OTHER REVENUES				
Lease Rental	7	8		
Connection Fees	347	238		
Other	248	181		
Total Other Revenue from Ordinary Activities	<u>602</u>	<u>427</u>		
	OPERATING Actual 2007 \$'000	OPERATING Actual 2006 \$'000	CAPITAL Actual 2007 \$'000	CAPITAL Actual 2006 \$'000
e) GRANTS				
General Purpose (Untied)				
- Pensioners' Rates Subsidies	201	193		
- Diesel and Alternative Fuels	3	6		
- Water Supplies				176
Total Grants	<u>204</u>	<u>199</u>		<u>176</u>
f) CONTRIBUTIONS & DONATIONS				
Water			2,723	913
Total Contributions & Donations			<u>2,723</u>	<u>913</u>
TOTAL GRANTS & CONTRIBUTIONS	<u>204</u>	<u>199</u>	<u>2,723</u>	<u>1,089</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 4

EXPENSES FROM CONTINUING OPERATIONS

	Actual 2007 \$'000	Actual 2006 \$'000
(a) EMPLOYEE COSTS		
Salaries and Wages	3,113	2,907
Travelling	409	433
Employee Leave Entitlements	682	561
Superannuation	340	324
Worker's Compensation Insurance	102	303
FBT	19	20
Payroll Tax	275	251
Training Costs (excluding salaries)	147	106
Less Capitalised Costs	(726)	(675)
Total Employee Costs Expensed	<u>4,361</u>	<u>4,230</u>
Number of FTE employees	85.5	85.5
(b) BORROWING COSTS		
Interest on Loans	1,926	730
Total Borrowing Cost Expensed	<u>1,926</u>	<u>730</u>
(c) MATERIALS AND CONTRACTS		
Contractor and Consulting costs	2	
Audit Fees	24	14
Other	1,734	1,747
Total Materials and Contracts	<u>1,760</u>	<u>1,761</u>
(d) DEPRECIATION		
Plant and equipment	671	846
Office equipment/Furniture	31	28
Buildings	95	91
Infrastructure		
- Water supply	3,027	2,910
Total Depreciation Costs Expensed	<u>3,824</u>	<u>3,875</u>
(e) OTHER EXPENSES		
Chairperson Fee	6	5
Member's Fees & Allowances	32	27
Members' Expenses	2	2
Insurance	65	83
Electricity & Heating	1,513	1,318
Telephone	89	91
Other	579	376
Total Other Expenses from Ordinary Activities	<u>2,286</u>	<u>1,902</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 5

GAIN OR LOSS FROM DISPOSAL OF ASSETS

	Actual 2007 \$'000	Actual 2006 \$'000
GAIN (OR LOSS) ON DISPOSAL OF PLANT & EQUIPMENT		
Proceeds from disposal	369	310
Less: Carrying amount of assets sold	425	327
GAIN (OR LOSS) ON DISPOSAL	<u>(56)</u>	<u>(17)</u>
TOTAL GAIN (OR LOSS) ON DISPOSAL OF ASSETS	<u>(56)</u>	<u>(17)</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 6a

CASH AND CASH EQUIVALENTS

	Actual 2007		Actual 2006	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
CASH				
Cash at Bank and on hand	55		5	
Deposits at Call	11,264		15,058	
TOTAL CASH ASSETS	11,319		15,063	
TOTAL CASH ASSETS AND INVESTMENT SECURITIES	11,319		15,063	

NOTES TO THE FINANCIAL STATEMENTS

Note 6b

INVESTMENTS

Restrictions	Notes	MOVEMENTS				PROPOSED UTILISATION OF RESTRICTION		
		Opening Balance 30 June 2006 \$'000	Transfers to Restriction \$'000	Transfers from Restriction \$'000	Closing Balance 30 June 2007 \$'000	Less than 1 Year	Between 1 and 5 Years	Greater than 5 Years
Internal								
<i>Mains Replacement</i>	6a	1,000			1,000		1,000	
<i>Loan Sinking Fund</i>	6a	800		800				
<i>Sales Fluctuation</i>	6a	1,200			1,200		1,200	
<i>Employee Leave Entitlement</i>	6a	882	35		917			917
Total		3,882	35	800	3,117		2,200	917

NOTES TO THE FINANCIAL STATEMENTS

Note 6c

**RESTRICTED CASH, CASH EQUIVALENTS
AND INVESTMENTS**

TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS

	Actual 2007		Actual 2006	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
TOTAL INTERNAL RESTRICTIONS				
Included in liabilities				
- Employee Leave Entitlements	917		882	
Other				
- Mains replacement	1,000		1,000	
- Sinking Funds			800	
- Sales Fluctuation	1,200		1,200	
TOTAL INTERNAL RESTRICTIONS	3,117		3,882	

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 2006/2007 has been based on the trend analysis undertaken, an amount of 13,200 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 2007		Actual 2006	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
Rates and Annual Charges	272		275	
User Charges & Fees	891		1,032	
Accrued Interest on Investments	21		25	
Government Grants & Subsidies	20		20	
Other	629		319	
Total	<u>1,833</u>	<u></u>	<u>1,671</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 2007		Actual 2006	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
Inventories				
- Stores and Materials	1,293	_____	1,078	_____
	1,293	_____	1,078	_____
Other				
Prepayments	75	_____	48	_____
	75	_____	48	_____

NOTES TO THE FINANCIAL STATEMENTS
Note 9a

INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT
--

	At 30/6/2006				MOVEMENTS DURING YEAR				At 30/6/2007			
	At cost	At Valuation	Accum Depn	Book Value	Asset Purchases	Asset Disposals	Depn	Net Revaluation	At Cost	At Valuation	Accum Depn	Book Value
Plant & Equipment	11,625		7,953	3,672	1,432	425	671		12,632		8,624	4,008
Office Equipment/ Furniture	463		316	147	20		31		484		347	137
Land & Buildings		3,461	176	3,285	104		95	99		3,664	271	3,393
Infrastructure - Water Supply Network		124,888	5,725	119,163	6,909		3,027	3,574		135,371	8,752	126,619
TOTALS	12,088	128,349	14,170	126,267	8,465	425	3,824	3,673	13,116	139,035	17,994	134,157

NOTES TO THE FINANCIAL STATEMENTS

Note 10a

**PAYABLES, INTEREST BEARING LIABILITIES
AND PROVISIONS**

	Actual 2007		Actual 2006	
	Current \$'000	Non- Current \$'000	Current \$'000	Non- Current \$'000
<u>Payables</u>				
Goods and Services	1,921		764	
Accrued Expenses	145		151	
TOTAL PAYABLES	2,066		915	
<u>Interest Bearing Liabilities</u>				
Loans			2,492	2,492
TOTAL INTEREST BEARING LIABILITIES			2,492	2,492
<u>Provisions</u>				
Annual Leave	484		473	
Sick Leave	215	375	211	403
Long Service Leave	283	1,700	284	1,570
TOTAL PROVISIONS	982	2,075	968	1,973

NOTES TO THE FINANCIAL STATEMENTS

Note 11

RECONCILIATION OF CASH FLOWS MOVEMENTS

		Actual 2007 \$'000	Actual 2006 \$'000
a) Reconciliation of Cash			
Total Cash and Cash Equivalents	6A	11,319	15,063
Balances as per statement of cash flows		11,319	15,063
b) Reconciliation of Surplus/(Deficit) from Ordinary Activities to Cash from Operating Activities			
Surplus/(deficit) from ordinary activities		4,593	2,763
Add: Depreciation		3,824	3,875
Decrease in Receivables			104
Increase in employee leave entitlements		116	81
Increase in payables		1,151	441
Decrease in other current assets			86
Loss on Sale Assets		56	17
		9,740	7,367
Less:			
Decrease in employee leave entitlements			
Increase in Receivables		162	187
Increase in Inventories		215	
Increase in other current assets		27	
Net Cash provided by (or used in) operating activities		9,336	7,180

NOTES TO THE FINANCIAL STATEMENTS

Note 12

COMMITMENTS FOR EXPENDITURE

	Actual 2007 \$'000	Actual 2006 \$'000
CAPITAL COMMITMENTS		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:	_____	_____
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 2006/2007**

	Amounts	Current Yr Indicators	2006	2005
1. UNRESTRICTED CURRENT RATIO				
Factors				
<u>Current Assets less All External Restrictions</u>	\$14,520			
<u>Current Liabilities less Specific Purpose Liabilities</u>	\$ 3,048	Ratio <u>4.76:1</u>	<u>4.08</u>	<u>9.55</u>
2. DEBT SERVICE RATIO				
Factors				
<u>Debt Service cost</u>				
Revenue from Continuing Operations excluding capital items and specific purpose grants/contributions	\$ <u>6,110</u> \$16,083	0.38:1	0.09	0.10
3. RATE COVERAGE RATIO				
Factors				
<u>Rate & Annual Charges</u>	\$ <u>2,475</u>	0.13:1	0.16	.16
Revenue for Continuing Operations	\$18,806			
4. RATES & ANNUAL CHARGES OUTSTANDING PERCENTAGE				
Factors				
<u>Rates & Annual Charges Outstanding</u>	\$ <u>272</u>	9.89%	10.16%	9.84%
Rates & Annual Charges Collectable	\$2,750			
5. ASSET RENEWALS RATIO				
Assets renewals				
Depreciation, amortisation & impairment	\$4,130 \$3,824	1.08:1	0.89	

NOTES TO THE FINANCIAL STATEMENTS

Note 14

INVESTMENT PROPERTIES

	Actual 2007 \$'000	Actual 2006 \$'000
AT FAIR VALUE		
Opening balance at 1 st 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		
CLOSING BALANCE AT 30th JUNE	<u>NIL</u>	<u>NIL</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 15

FINANCIAL INSTRUMENTS

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.

2007	Notes	Floating	Fixed interest maturing in:			Non-	Total
		interest rate	≤ 1 year	> 1 year	> 5 years	interest bearing	
		\$'000	\$'000	≤ 5 years	\$'000	\$'000	\$'000
Financial Assets							
Cash and Deposits	6	1,200	10,119				11,319
Receivables	7					1,833	1,833
Total		1,200	10,119			1,833	13,152
Weighted Ave. Interest Rate		6.52%	6.61%				
Financial Liabilities							
Bank overdraft & loans	11,10						
Bills Payable	10					2,066	2,066
Total						2,066	2,066
Weighted Ave. Interest Rate							
Net Financial assets/(liabilities)		1,200	10,119			(233)	11,086
2006	Notes	Floating	Fixed interest maturing in:			Non-	Total
		interest rate	≤ 1 year	> 1 year	> 5 years	interest bearing	
		\$'000	\$'000	≤ 5 years	\$'000	\$'000	\$'000
Financial Assets							
Cash and Cash Equivalents	6	3,241	11,822				15,063
Receivables	7					1,671	1,671
Total		3,241	11,822			1,671	16,734
Weighted Ave. Interest Rate		6.12%	6.05%				
Financial Liabilities							
Bank overdraft & loans	11,10		2,492	2,492			4,984
Bills Payable	10					915	915
Total			2,492	2,492		915	5,899
Weighted Ave. Interest Rate		10.14%					
Net Financial assets/(liabilities)		3,241	9,330	(2,492)		756	10,835

NOTES TO THE FINANCIAL STATEMENTS

Note 15 Continued

FINANCIAL INSTRUMENTS

Reconciliation of Net Financial Assets

	Notes	2007 \$'000	2006 \$'000
Net financial assets from previous page		11,086	10,835
Non-financial assets and liabilities			
- Inventories	8	1,293	1,078
- Property, plant & equipment	9	134,157	119,741
- Other Assets	8	75	48
- Provisions	10	(3,057)	(2,941)
Net Assets per Statement of Financial Position		143,554	128,761

Net fair value of Financial Assets

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

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

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

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

	Notes	2007		2006	
		Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
<u>Financial Assets</u>					
Trade debtors	7	1,163	1,163	1,307	1,307
Other debtors	7	670	670	364	364
Unlisted investments	6	11,319	11,319	15,063	15,063
Total		13,152	13,152	16,734	16,734
<u>Financial Liabilities</u>					
Other loans	10			4,984	4,984
Other liabilities	10	2,066	2,066	915	915
Total		2,066	2,066	5,899	5,899

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 2006. The original projections on which the budget was based have been affected by climate conditions, interest rates and increase in capital expenditure.

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

Revenues

1. User Charges & Fees

User Charges & Fees were over budget by \$1,461 (F) (14%) primarily due to weather patterns.

2. Interest Received

The actual amount of interest revenue received was over budget by some \$352 (F) (78%). This was due to increase in funds as a result of better than expected results.

3. Other revenues

Main variance of other revenues related to the connection fees received, due to increase in development minor variations in amounts received from Sundry Income, resulted in \$327 (F)(119%) over budget.

4. Grants & Contributions

Increase in Urban residential subdivision and an increase due to drought conditions of rural main extensions resulted in \$1,773 (F) (187%) over budget.

Expenses

1. Employee Costs

Due to increase in capital works and holiday for Superannuation contribution continuing for 2006/2007 this resulted in \$446 (F) (9%) under budget.

2. Borrowing Costs

Council eliminated all loan debt during the year which resulted in \$726 (U) (60.5%) over budget.

3. Materials and Contracts

As a result of increase in maintenance of water connections resulted in \$479 (U) (37%) over budget.

4. Other Expenses

Due to drought conditions increase in electricity costs and usage and maintenance on pumps and reservoirs resulted in \$178 (U) (8%) over budget.

NOTES TO THE FINANCIAL STATEMENTS

Note 17

STATEMENT OF DEVELOPER CONTRIBUTIONS

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

Purpose	Opening Balance \$'000	Contributions received during year*		Interest earned during year \$'000	Expended During Year \$'000	Expended in Advance \$'000	Held as restricted asset** \$'000	Works Provided to date \$'000
		Cash \$'000	Non-Cash \$'000					
Water Supply	NIL	2,723						2,723
Total Contributions	NIL	2,723						2,723

NOTES TO THE FINANCIAL STATEMENTS

Note 18

CONTINGENCIES

There are no assets and liabilities not recognised in the Statement of Financial Position.

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 2007 \$'000	Actual 2006 \$'000
(a) Revaluation reserves			
Infrastructure, property, plant and equipment revaluation reserve		91,639	87,965
Available-for-sale investments revaluation reserve			
		91,639	87,965
Movements:			
Property, plant and equipment revaluation reserve			
At beginning of year		87,965	
Revaluations		3,674	
At end of year		91,639	87,965
(b) Retained earnings			
Movements in retained earnings were as follows:			
At beginning of year		47,322	44,559
Adjustment on adoption of AASB 132 and AASB 139			
Net operating result for the year		4,593	2,763
At end of year		51,915	47,322

(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.

(ii) *Available-for-sale investments revaluation reserve*

Changes in fair value are taken to the available-for-sale investments revaluation reserve, as described in Note 1(k). Amounts are recognised in profit and loss when the associated assets are sold or impaired.

(d) Correction of error in previous years

Council had not previously recognised a parcel of community land due to an error in the property records. An adjustment has been made to the opening balances of prior year IPPE and Retained Earnings to correct the error.

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 30th June 2007 to be included in balance sheet as at 30th June 2007

NOTES TO THE FINANCIAL STATEMENTS

Note 24

DISCONTINUED OPERATION

Council business is a continuing operation.

NOTES TO THE FINANCIAL STATEMENTS

Note 25

INTANGIBLE ASSETS

No intangible assets as at 30th June 2007.

NOTES TO THE FINANCIAL STATEMENTS

Note 26

EXPLANATION OF CHANGE IN ACCOUNTING POLICY FOR LAND, BUILDINGS & INFRASTRUCTURE FROM COST TO FAIR VALUE

(a) At the data of transition: 1 July 2005

	Cost	Effect of change	Fair Value
ASSETS			
Current assets			
Cash and cash equivalents	15,477		15,477
Receivables	1,775		1,775
Inventories	890		890
Other	134		134
Total current assets	18,276		18,276
Non-current assets			
Infrastructure, property, plant and equipment	116,639	3,040	119,679
Total non-current assets	116,639	3,040	119,679
Total assets	134,915	3,040	137,955
LIABILITIES			
Current liabilities			
Payables	474		474
Interest bearing liabilities	605		605
Provisions	834		834
Total current liabilities	1,913		1,913
Non-current liabilities			
Interest bearing liabilities	4,978		4,978
Provisions	2,026		2,026
Total non-current liabilities	7,004		7,004
Total liabilities	8,917		8,917
Net assets	125,998	3,040	129,038
EQUITY			
Retained earnings	44,559		44,559
Revaluation reserves	81,439	3,040	84,479
Total equity	125,998	3,040	129,038

NOTES TO THE FINANCIAL STATEMENTS

Note 26 Continued

EXPLANATION OF CHANGE IN ACCOUNTING POLICY FOR LAND, BUILDINGS & INFRASTRUCTURE FROM COST TO FAIR VALUE

(b) At the end of the last reporting period under previous accounting policy 30th June 2006

	Cost	Effect of change	Fair Value
ASSETS			
Current assets			
Cash and cash equivalents	15,063		15,063
Receivables	1,671		1,671
Inventories	1,078		1,078
Other	48		48
Total current assets	<u>17,860</u>		<u>17,860</u>
Non-current assets			
Infrastructure, property, plant and equipment	119,741	6,526	126,267
Total non-current assets	<u>119,741</u>	<u>6,526</u>	<u>126,267</u>
Total assets	<u>137,601</u>	<u>6,526</u>	<u>144,127</u>
LIABILITIES			
Current liabilities			
Payables	915		915
Interest bearing liabilities	2,492		2,492
Provisions	968		968
Total current liabilities	<u>4,375</u>		<u>4,375</u>
Non-current liabilities			
Interest bearing liabilities	2,492		2,492
Provisions	1,973		1,973
Total non-current liabilities	<u>4,465</u>		<u>4,465</u>
Total liabilities	<u>8,840</u>		<u>8,840</u>
Net assets	<u>128,761</u>	<u>6,526</u>	<u>135,287</u>
EQUITY			
Retained earnings	47,322		47,322
Revaluation reserves	81,439	6,526	87,965
Total equity	<u>128,761</u>	<u>6,526</u>	<u>135,287</u>



**Special Purpose Financial Reports and Special Schedules
for the year ending 30th June 2007**

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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 2007, comprising the Statement by Council, Income Statement of Water Supply Business Activity, Balance Sheet of Water Supply Business Activity, and accompanying Notes to the Accounts. The financial statements include the accounts of the business activities of the Council and the entities it controlled at the year's end or from time to time during the year. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council.

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

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

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

AUDIT OPINION

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

Yours faithfully

JOHN L BUSH & CAMPBELL

P J King
Partner

14 September 2007

RIVERINA WATER COUNTY COUNCIL

STATEMENT BY COUNCILLORS AND MANAGEMENT OF THE COUNCIL

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 30th June 2007.
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 29th August 2007.*



.....
Clr. L. Vidler
CHAIRPERSON
29th August 2007



.....
Clr. P. Yates
DEPUTY CHAIRPERSON
29th August 2007



.....
Mr. G.W. Pieper
GENERAL MANAGER
29th August 2007



.....
Mr. G.G. Geaghan
ACCOUNTING OFFICER
29th August 2007

RIVERINA WATER COUNTY COUNCIL

**INCOME STATEMENT OF WATER SUPPLY BUSINESS ACTIVITY
FOR THE YEAR ENDED 30TH JUNE 2007**

	Actual 2007 \$'000	Actual 2006 \$'000	Actual 2005 \$'000
Income from continuing operations			
Access charges	2,475	2,448	2,406
User charges	12,000	10,262	9,112
Fees			
Interest	802	853	771
Grants and contributions provided for non capital purposes	204	199	195
Profit from the sale of assets			
Other income	602	427	716
Total income from continuing operations	16,083	14,189	13,200
Expenses from continuing operations			
Employee benefits and on-costs	4,361	4,230	4,072
Borrowing costs	1,926	730	755
Materials and contracts	1,760	1,761	1,202
Depreciation and impairment	3,824	3,875	3,940
Water purchase charges	62	58	54
Loss on sale of assets	56	17	23
Calculated taxation equivalents	12	12	10
Debt guarantee fee (if applicable)			
Other expenses	2,224	1,844	1,847
Total expenses from continuing operations	14,225	12,527	11,903
Surplus (deficit) from continuing operations before capital amounts	1,858	1,662	1,297
Grants and contributions provided for capital purposes	2,723	1,089	1,687
Surplus (deficit) from continuing operations after capital amounts	4,581	2,751	2,984
Surplus (deficit) from all operations before tax	4,581	2,751	2,984
Less Corporate Taxation Equivalent (30%) [based on result before capital]	1,374	825	895
Surplus (deficit) after tax	3,207	1,926	2,089
Opening retained profits			
Adjustments for amounts unpaid			
Taxation equivalent payments			
Debt guarantee fees			
Corporate taxation equivalent	1,374	825	895
Less:			
– TER dividend paid			
– Surplus dividend paid			
Closing retained profits	4,581	2,751	2,994
Return on Capital %	2.8%	2.00%	1.70%
Subsidy from Council			
Calculation of dividend payable:			
Surplus (deficit) after tax	3,207	1,926	2,089
Less: Capital grants and contributions (excluding developer contributions)	2,723	1,089	1,687
Surplus for dividend calculation purposes	484	837	402
Dividend calculated from surplus	236	412	191

RIVERINA WATER COUNTY COUNCIL

**BALANCE SHEET OF WATER SUPPLY BUSINESS ACTIVITY
AS AT 30th JUNE 2007**

WATER CATEGORY 1

	Notes	Actual 2007 \$'000	Actual 2006 \$'000
CURRENT ASSETS			
Cash and cash equivalents		11,319	15,063
Receivables		1,833	1,671
Inventories		1,293	1,078
Other		75	48
TOTAL CURRENT ASSETS		<u>14,520</u>	<u>17,860</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment		134,157	126,267
TOTAL NON-CURRENT ASSETS		<u>134,157</u>	<u>126,267</u>
TOTAL ASSETS		<u>148,677</u>	<u>144,127</u>
CURRENT LIABILITIES			
Bank overdraft			
Payables		2,066	915
Provisions		10,658	9,258
Interest bearing liabilities			2,492
TOTAL CURRENT LIABILITIES		<u>12,724</u>	<u>12,665</u>
NON-CURRENT LIABILITIES			
Provisions		2,075	1,973
Interest bearing liabilities			2,492
TOTAL NON-CURRENT LIABILITIES		<u>2,075</u>	<u>4,465</u>
TOTAL LIABILITIES		<u>14,799</u>	<u>17,130</u>
NET ASSETS		<u>133,878</u>	<u>126,997</u>
EQUITY			
Retained Profits		42,239	39,032
Asset Revaluation reserve		91,639	87,965
TOTAL EQUITY		<u>133,878</u>	<u>126,997</u>

NOTES TO THE SPECIAL PURPOSE FINANCIAL REPORTS

Note 1**SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

National Competition Policy

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

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

Declared Business Activities

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

Monetary Amounts

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

(i) Taxation Equivalent Payments

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

	Notional Rate Applied %
Corporate Tax Rate	30 %
Land Tax	1.2 %

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

Income Tax

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

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

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

Local Government Rates & Charges

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

Loan & Debt Guarantee Fees

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

(ii) Subsidies

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

(iii) Return on Investments (Rate of Return)

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

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

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return can be calculated for each of council's business activities from the Statement of Business Activities and Statement of Financial Position and is disclosed at the bottom of the Statement of Business Activities. The return on capital achieved for Council's business is 2.8% 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 30th June 2007 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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

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	12,236
(ii)	No. of assessments multiplied by \$3/assessment	85,206
(iii)	Amounts payable for Tax-Equivalents (lesser of (i) and (ii))	12,236
(iv)	Amounts paid for Tax-Equivalents	12,236
Dividend from Surplus		
(i)	50% of Surplus before Dividends <i>(Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines)</i>	236,000
(ii)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	840,000
(iii)	Cumulative Surplus before Dividends for the 3 years to 30 th June 2007, less the cumulative Dividends Paid for the 2 years to 30 th June 2006	7,188,000
(iv)	Maximum Dividend from Surplus (least of (i),(ii) and (iii))	236,000
(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 th September each year	T	
(6) Integrated Water Cycle Management Strategy (by June 2008)		T

National Water Initiative (NWI) Financial Performance Indicators		%	\$'000
NWI F4	Residential Revenue from Usage Charges (Water)	79.72	
NWI F1	Total Revenue (Water)		18,004
NWI F20	Capital Works Grants (Water)		NIL
NWI F13	Economic Real Rate of Return (Water)	5.1	
NWI F6	Operating Cost (OMA) (Water)		7,560
NWI F9	Total Cost (Water)		11,384

**Special Schedules
for the year ending 30th June 2007**

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RIVERINA WATER COUNTY COUNCIL
SPECIAL SCHEDULE NO. 1
**NET COST OF SERVICES
For the year ended 30th June 2007**
(\$'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
WATER SUPPLIES TOTALS – FUNCTIONS						
CAPITAL GRANTS CONTRIBUTIONS ¹						
GENERAL PURPOSE REVENUES ²	14,213	14,213	18,806	18,806	4,593	4,593
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	14,213	14,213	18,806	18,806	4,593	4,593

¹Each 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

²General 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 30th June 2007**

(\$'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	2,492	2,492	4,984		4,184	800	1,926	NIL	NIL	NIL
Other										
TOTAL LOANS										
TOTAL LONG TERM DEBT										

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 on the Cash Flow Statement (Financing Activities).
- (4) Total should agree with Current Liabilities – Borrowings (Statement of Financial Position).
- (5) Total should agree with Non-Current Liabilities – Borrowings (Statement of Financial Position).

RIVERINA WATER COUNTY COUNCIL

SPECIAL SCHEDULE NO. 3

**INCOME STATEMENT
(GROSS INCLUDING INTERNAL TRANSACTIONS)
for the year ended 30th June 2007**

	2007 \$'000	2006 \$'000
<u>A. EXPENSES & REVENUES</u>		
Expenses		
Management	1,485	1,459
- Administration	572	488
- Engineering & Supervision		
Operation and Maintenance Expenses		
Mains		
- Operation Expenses	92	83
- Maintenance Expenses	690	723
Reservoirs		
- Operation Expenses	92	83
- Maintenance Expenses	49	74
Pumping Stations		
- Operation Expenses (excl. energy costs)	369	333
- Energy Costs	1,513	1,318
- Maintenance Expenses	617	437
Treatment		
- Operation Expenses (excl. chemical costs)	287	260
- Chemical Costs	616	503
- Maintenance Expenses	81	73
Other		
- Operation Expenses	533	493
- Maintenance Expenses	502	403
- Purchase of Water	62	58
Depreciation	3,123	3,001
- System Assets	701	874
- Plant and Equipment		
Miscellaneous	1,926	730
- Interest	903	1,105
- Other Expenses		
	14,213	12,498
<u>Total Expenses</u>	14,213	12,498
Revenues		
Rates & Service Availability Charges		
- Residential	2,167	2,144
- Commercial	248	245
- Other	60	60
User Charges		
- Sales of Water: Residential	8,516	7,208
- Sales of Water: Commercial	3,035	2,607
- Sales of Water: Other	450	450
Interest Income	802	853
Other Revenue (includes Profit on Sale)	601	405

	2007	2006
	\$'000	\$'000
Grants		
- Grants for Acquisition of Assets		176
- Other Grants	204	199
Contributions		
- Developer Charges	2,723	914
<u>Total Revenues</u>	<u>18,806</u>	<u>15,261</u>
Operating Result	4,593	2,763
<u>Operating Result</u>		
(less Grants for Acquisition of Assets)	4,593	2,587

B. CAPITAL TRANSACTIONS

Non-Operating Expenditure

Acquisition of Fixed Assets		
- Subsidised Scheme		224
- Other New System Assets	2,883	3,265
- Renewals	4,130	2,581
- Plant & Equipment	1,452	1,235
Repayment of Debt		
Loans	4,984	599
TOTALS	<u>13,449</u>	<u>7,904</u>
Non-Operating Funds Employed		
Proceeds from Disposal of Assets	369	310
TOTALS	<u>369</u>	<u>310</u>

C. RATES & CHARGES

(a) Urban

1. Number of Assessments		
- Residential (occupied)	21,347	21,081
- Residential (unoccupied)	650	612
- Non-Residential (occupied)	1,608	1,587
- 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	0.72 c/Kl	0.70 c/Kl
--------------------	-----------	-----------

(b) Non-Urban

1. Number of Assessments		
- Residential (occupied)	4,696	4,588
- Residential (unoccupied)	548	531
- Non-Residential (occupied)	751	751
- Non-Residential (unoccupied)		

2. User Charge

If charge varies with usage, specify charges for various ranges

Up to 125 Kl/a

Over 125 Kl/a

Non-Stepped Tariff	0.84 c/Kl	0.82 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	\$3,200
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6. Number of ET's for which Developer Charges were received	450	311
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7. Total Amount of Pensioner Rebates	338	335
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RIVERINA WATER COUNTY COUNCIL

SPECIAL SCHEDULE NO. 3 Continued

**WATER SUPPLY – CROSS SUBSIDIES
for the year ended 30th June 2007**

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*?

--	--	--

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?

--	--

b. Total cross-subsidy in water supply developer charges for 2006/07 (page 47 of Guidelines)

\$1,588/ET

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

29. Disclosure of Cross Subsidies

\$1,588/ET

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

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

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

RIVERINA WATER COUNTY COUNCIL

NOTES TO THE SPECIAL SCHEDULES NO. 3

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

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

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

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

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

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

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

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

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

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

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

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

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

RIVERINA WATER COUNTY COUNCIL

SPECIAL SCHEDULE NO. 4

**WATER SUPPLY – NET ASSETS COMMITTED
(GROSS INCLUDING INTERNAL TRANSACTIONS)
as at 30th June 2007**

(\$'000)

	<u>Current</u>	<u>Non-Current</u>	<u>Total</u>
<u>ASSETS</u>			
<i>Cash and Investments</i>	11,319		11,319
- Other			
<i>Receivables</i>	20		20
- Specific Purpose Grants	1,163		1,163
- Rates and Availability Charges	650		650
- Other			
<i>Inventories</i>	1,293		1,293
<i>Property, Plant and Equipment</i>		130,012	130,012
- System Assets		4,145	4,145
- Plant & Equipment			
<i>Other Assets</i>	75		75
Total Assets	<u>14,520</u>	<u>134,157</u>	<u>148,677</u>
<u>LIABILITIES</u>			
<i>Bank Overdraft</i>			
<i>Creditors</i>	2,066		2,066
<i>Borrowings</i>			
- Loans			
<i>Provisions</i>	982	2,075	3,057
Total Liabilities	<u>3,048</u>	<u>2,075</u>	<u>5,123</u>
NET ASSETS COMMITTED	<u>11,472</u>	<u>132,082</u>	<u>143,554</u>
<u>EQUITY</u>			
Accumulated Surplus	11,472	40,443	51,915
Asset Revaluation Reserve		91,639	91,639
Total Equity	<u>11,472</u>	<u>132,082</u>	<u>143,554</u>
Notes to System Assets:			
Current Replacement Cost of System Assets			226,421
Accumulated Current Cost Depreciation of system Assets			96,409
Written Down Current Cost of System Assets			130,012

RIVERINA WATER COUNTY COUNCIL
SPECIAL SCHEDULE NO. 7
**CONDITION OF PUBLIC WORKS
AS AT 30th JUNE 2007**
(\$'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)				
Public Buildings	Council Offices/Depots	2.5	92		3,488	92	3,393	S			
	Houses	2.5	3			3		S			
Water	Treatment Plants	1.3	354		18,419	354	18,065	S	769	81	56
	Bores	4	76		1,204	76	1,128	S	Included in Pumping Stations		
	Reservoirs	1	287		20,753	287	20,466	S	110	49	110
	Pipelines	2	2,106		81,155	2,106	79,049	S	8,504	690	570
	Pump Stations	1.3	204		8,115	204	7,911	S	575	617	575
Total – Classes	Total – All Assets		3,122		133,134	3,122	130,012		9,958	1,437	1,311

S = Satisfactory

RIVERINA WATER COUNTY COUNCIL

SPECIAL SCHEDULE NO. 8

FINANCIAL PROJECTIONS

	2007 ⁽¹⁾ \$m	2008 \$m	2009 \$m
Recurrent budget			
Income from continuing operations	19	16	16
Expenses from continuing operations	14	14	15
Operating result from continuing operations	5	2	1
Capital budget			
New capital works ⁽²⁾	3	3	3
Funded by:			
– Loans			
– Asset sales			
– Reserves			
– Grants/Contributions	2	1	2
– 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
(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).**

BillEXPRESS Look for the **Bill EXPRESS** logo at participating newsagencies to pay this bill with cash, cheque, debit card, Visa, Master Card or Bankcard. Or, use the ServiceATM at most Coles Supermarkets (cards only). For locations call 1300 739 250 or visit www.billexpress.com.au
Biller ID and reference number is located beside the Bill EXPRESS symbol on the front of your account.

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) 6921 4170

FAX: (02) 6921 2241

EMAIL: admin@rwcc.com.au

WEBSITE: www.rwcc.com.au

EMERGENCY & FIELD SERVICE

Wagga Wagga	(02) 6921 4170 All hours.
The Rock	0428 694856
Lockhart	0428 694326
Uranquinty	0429 448968
Urana/Oaklands	0429 448969
Culcairn/Holbrook/Walla Walla	0427 102174

