Central Tablelands Water

Business Paper

Ordinary Meeting of Central Tablelands Water

11 December 2019

Canowindra

Central Tablelands Water

6 December 2019

Notice to Members

Your attendance is requested at an Ordinary Meeting of Council to be held at the Old Vic Inn, Canowindra on Wednesday, 11 December 2019 at 10.30am. Morning tea will be served from 10.00am.

Agenda

1. Opening meeting
2. Acknowledgment of country
3. Recording of Meeting Statement
4. Presentation of Financial Statements FY2018-2019 – Mr John O'Malley - Intentus
5. Apologies and applications for a leave of absence by members
6. Confirmation of minutes from previous meeting(s)
7. Disclosures of interests
8. Public Forum
9. Chairperson's minute
10. Councillor representation
11. Notices of motion
12. Reports of Staff
13. Questions with notice
14. Confidential matters
15. Conclusion of the meeting

Yours faithfully

G. Rhodes
General Manager

ACKNOWLEDGMENT OF COUNTRY

I would like to acknowledge the Wiradjuri people who are the Traditional Custodians of the Land. I would also like to pay respect to their people both past and present and extend that respect to other Aboriginal Australians who are present.

RECORDING OF MEETING STATEMENT

In accordance with the Central Tablelands Water Code of Meeting Practice, this meeting will be audio recorded and will be uploaded to Council's website within 2 weeks after the meeting. The audio recording will allow members of the public to listen to the proceedings of the Council meetings. The objective of this service is to eliminate geographic and other access barriers for the community wishing to learn more about Council's decision making processes. By speaking at the Council Meeting you agree to be audio recorded. Please ensure that if and when you speak at this Council Meeting that you ensure you are respectful to others and use appropriate language at all times. Whilst Council will make every effort to ensure that audio recordings are available, it takes no responsibility for, and cannot be held liable for technical issues beyond its control. Technical issues may include, recording device failure or malfunction, or power outages. Audio recordings are a free public service and are not an official record of Council meetings. Recordings will be made of all Council meetings (excluding confidential items) and published within 2 weeks after the meeting. For a copy of the official public record, please refer to Council's Business Papers and Minutes page on Council's website. Council does not accept any responsibility for any verbal comments made during Council meetings which may be inaccurate, incorrect, defamatory, or contrary to law and does not warrant nor represent that the material or statements made during the meeting are complete, reliable, accurate or free from error. The audio recording is primarily set up to capture the proceedings of the Council meeting and members of the public attending a Council meeting need to be aware they may be recorded as part of the proceedings.

NOTICES OF MOTION

NOTICE OF MOTION: SALE OF NON POTABLE WATER

I, Cr Paul Best wish to move the following Notice of Motion at the Council meeting of 11 December 2019:

MOTION

That CTW's Senior Management Team investigates the process, costs and foreseeable impacts to include the sale of non-potable water under CTW's water access licence, and report the findings to Council.

Signed Cr Paul Best

STAFF COMMENT

CTW's Senior Management Team have commenced research into the potential to distribute non-potable water via existing CTW bores utilising existing water access licences.

The findings from this research will be reported to Council at the February 2020 meeting.

INDEX OF REPORTS
OF THE ORDINARY MEETING OF CENTRAL TABLELANDS WATER
HELD ON WEDNESDAY 11 DECEMBER 2019

GENERAL MANAGER REPORTS

01	ANNUAL REPORT 2018-2019 (CM.RP.2)	4
02	LAKE ROWLANDS AUGMENTATION PROJECT (WS.SP.4)	5
03	DEMAND MANAGEMENT REPORT (WS.AG.1)	7
04	LGNSW ANNUAL CONFERENCE 2019 (CM.CF.1)	9
05	DELIVERY PROGRAM PROGRESS REPORT (FM.PL.1)	11
06	CLOSING OF OFFICE OVER CHRISTMAS – NEW YEAR PERIOD (CM.ME.1)	17
07	APPLICATION FOR ANNUAL LEAVE – GENERAL MANAGER (PE.LE.1)	18
08	COUNCIL RESOLUTIONS UPDATE REPORT (GO.CO.1)	19

FINANCIAL & CORPORATE SERVICES REPORTS

09	FINANCIAL MATTERS (FM.BA.1)	25
10	ANNUAL FINANCIAL STATEMENTS AND AUDITOR'S REPORT YEAR ENDING 30 JUNE 2019 (FM.FR.1)	28
11	QUARTERLY BUDGET REVIEW STATEMENT – 30 SEPTEMBER 2019 (FM.FR.1)	34
12	AUDIT RISK AND IMPROVEMENT COMMITTEE (ARIC) (CM.AU.1)	45

OPERATIONS & TECHNICAL SERVICES REPORTS

13	WATER SECURITY – DROUGHT IMPACT UPDATE (WS.AM.1)	61
14	TRUNK MAIN K RENEWAL (WS.AM.1)	62
15	LAKE ROWLANDS DAM SAFETY UPGRADE (WS.SP.4)	63
16	MAINTENANCE OF COUNCIL'S SYSTEMS (WS.MO.4)	64
17	PERFORMANCE OF COUNCIL'S SYSTEMS (WS.MO.4)	66
18	REPORTING THE PERFORMANCE OF COUNCIL'S SYSTEMS (WS.MO.4)	71

COMMITTEE REPORTS

19	QUESTIONS ON NOTICE	72

01) ANNUAL REPORT 2018-2019 (CM.RP.2)

Author: General Manager

IP&R Link: Strategic Priority 2 – An efficient, sustainable and customer focussed organisation – 2.3 – Improving performance and managing risk
Strategic Priority 3 – Regional leadership and collaboration - 3.1 Regional collaboration and partnerships.

RECOMMENDATION:

That the Central Tablelands Water Annual Report for 2018/2019 be received and noted.

REPORT

The 2018/2019 Annual Report of Central Tablelands Water was posted on Council's website at www.ctw.nsw.gov.au on 30 November 2019, with notification provided to the Minister for Local Government in accordance with the *Local Government Act 1993 Sec 428(5).*

A copy of the Annual Report 2018/2019 was distributed to all Councillors via email on 30 November 2019.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

02) LAKE ROWLANDS AUGMENTATION PROJECT (WS.SP.4)

Author: General Manager

IP&R Link: Strategic Priority 1 – Provide a high quality and reliable drinking water supply. Strategic Priority 3 – Regional leadership and collaboration – 3.1 – Regional collaboration and partnerships.

RECOMMENDATION:

That Council note the report.

REPORT

At Lake Rowlands on Friday 29 November 2019, the Member for Bathurst, the Hon Paul Toole MP and Nationals MLC, Sam Farraway announced $1 million of State government funding for the completion of a feasibility study for the Lake Rowlands dam extension as part of its emergency response to the drought in regional NSW.

This project is the first stage of the Lake Rowlands Augmentation three stage concept. Stage 1 involves raising the height of the existing dam wall by 2.2 metres which will increase the capacity from 4.5 gigalitres to 8 gigalitres. This will help shore up the water security needs of CTW's existing consumers now and well into the future.

The second stage is a pipeline linking Lake Rowlands to Carcoar Dam of which a final business case is currently underway by WaterNSW. The final stage and longer term project is a new dam 2.5 kilometres further downstream increasing the capacity of Lake Rowlands to in excess of 26 gigalitres.

CTW has been lobbying continuously for over 20 years for the enlargement of Lake Rowlands, so it is extremely pleasing to be moving forward on this important water security project.

The timetable for this project aligns with the final business case currently being undertaken by WaterNSW linking Lake Rowlands with Carcoar Dam. By combining these vital water security projects during the assessment and final business case stage, it will enable the maximisation of benefits to be realised whilst improving water security for the region.

The following works will be undertaken to ensure shovel readiness of this important drought water security project:

- Engineering design
- Review of Environmental Factors (REF)
- Benefit Cost Analysis (including business case development)
- Secure Yield Study
- Community and stakeholder engagement

Council is now awaiting the funding deed from the State government prior to commencing procurement action for the works.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

03) DEMAND MANAGEMENT REPORT (WS.AG.1)

Author: General Manager

IP&R Link: Strategic Priority 1 – Provide a high quality and reliable drinking water supply – 1.1 – Service provision through fit for purpose infrastructure – 1.3 Best practice asset management – 1.4 – Mitigate environmental impacts on service delivery – 1.5 – Efficient use of water.

RECOMMENDATION:

That Council adhere to its Water Restrictions Policy and ensure preparedness to implement applicable level water restrictions if and when policy triggers are reached, or if the Bureau of Meteorology rainfall forecasts change significantly.

REPORT

With the peak summer demand period rapidly approaching, the Senior Management Team (SMT) in consultation with CTW's Water Quality Manager and Water Network Manager have undertaken a review of current water supply levels and future long term rainfall forecasts for the catchment.

Following the welcomed snow event in August and sporadic rainfall events of September, October and November, the level of Lake Rowlands has held steady, however with recent temperature increases, there has been a gradual decline. As of early December, Lake Rowlands sits at 51% of capacity.

CTW's current water restriction level for all consumers is at Level 3. Under Level 3 restrictions, the target water consumption is 220 litres per person per day. It is estimated that CTW consumers are currently using 160 litres per person per day, which equates to CTW's Level 5 restriction target. Consumers may water residential gardens using microsprays, drip systems, and soaker hoses only. Handheld trigger hoses can be used up to 1 hour during allocated water days under the odds and evens system.

If Lake Rowlands reaches 40%, Level 4 restrictions will apply whereby watering will be restricted to Wednesday and Sunday evenings between 6pm and 8pm. A detailed list of CTW's Water Restrictions definitions are available on CTW's website.

The Bureau of Meteorology (BOM) climate outlook for the period December 2019 to February 2020 (as at 3/12/19) have forecasted the following rainfall in the Blayney area:

Rainfall (mm)	Chance (%)
25	100
50	98
100	79
150	49
200	25

Based on the current level of Lake Rowlands and the forecasted rainfall listed above in the Blayney area, it is recommended at this stage that Council adheres to its current Water Restrictions policy and ensure preparedness to implement applicable water restrictions, if and when policy triggers are reached or BOM rainfall forecasts change significantly.

The SMT and Managers will continue to closely monitor the level of Lake Rowlands and future BOM rainfall forecasts.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

04) LGNSW ANNUAL CONFERENCE 2019 (CM.CF.1)

Author: General Manager

IP&R Link: Strategic Priority 3 – Regional leadership and collaboration – 3.2 Industry and regional leader in the water sector – 3.2.1 – Explore opportunities to influence water industry policy and direction through participation in industry groups and bodies.

RECOMMENDATION:

That Council note the report.

REPORT

Council's Chairman, Deputy Chairman and General Manager attended the 2019 LGNSW Annual Conference at Warwick Farm from 14 October to 16 October 2019.

The LGNSW Annual Conference is the annual policy making event for NSW general-purpose councils and associate members. CTW is an associate member of LGNSW. The conference is considered a key event of the local government calendar, where local councillors come together to share ideas and debate issues that shape the way Councils are governed.

As resolved at the October 2019 Council meeting, CTW put forward the following motion at the conference:

> *"THAT LGNSW advocates that local water utilities (LWUs) regulated under the Water Management Act 2000 be afforded the same flexibility in recovering contributions from developers toward the cost of water and sewer works as applies to metropolitan utilities regulated under the Water Industry Competition Act 2006. In particular:*
>
> *1) LWUs should have the flexibility to recover the cost of existing and new infrastructure (calculated under the utility's Development Servicing Plan):*
>
> > *a) entirely from developers of new developments;*
> >
> > *b) entirely from all existing and new customers; or*
> >
> > *c) from a combination of both (eg through a cap less than the full developer charge).*
>
> *2) The manner and extent of the disclosure of any cross subsidy should be at the discretion of the LWU,*
>
> *in both cases without the LWU being in breach of the Best Practice Guidelines for Water and Sewerage."*
>
> The motion and was carried.

Local Water Utilities (LWU) operating in regional NSW (i.e. outside the Sydney Water and Hunter Water regions) service a wide variety of regional communities, from large regional centres to smaller local communities. Each supply area has its own demographics, its own growth patterns, residential and commercial mix, and

population demand and property prices. All are required to comply with the same Best Practice Guidelines for Water and Sewerage. This mandates that they calculate developer charges in accordance with a development servicing plan. While this provides flexibility to charge less than the fully calculated developer charge, there are two disincentives to doing so: there are extensive cross-subsidy disclosures required and it will mean the LWU fails to meet best practice guidelines. In addition, failure to meet best practice means a LWU may not pay a dividend from any surplus, and may find that this is a barrier to grant funding applications.

In contrast, in the Sydney Water and Hunter Water supply areas, developer charges are reduced to zero through a Treasurer's direction. This was done, apparently, to remove what had become a barrier to residential development, thereby compounding Sydney's housing shortage and contributing to the increase in house prices. The same rationale applies in many areas of regional NSW. While land prices are much less, developer charges (as a proportion of the value of a block of vacant land) can be very high particularly in smaller towns and villages, thereby discouraging much needed development to support growth. The aim of this motion is to give regional LWU's the same flexibility as applies in metropolitan NSW, without the current deterrents.

It is important to note that this does not detract from the obligation on all LWU's to fully recover the cost of water and sewerage infrastructure, including incremental costs of servicing new development, to ensure its long term financial sustainability. It simply allows a LWU to do so flexibly, for example through a mix of developer charges (up front, phase in or deferred), usage charges (standard or consumption surcharges) and access charges, without penalty.

This motion was also supported by LGNSW's Local Water Utilities Policy Advisory Group.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

05) DELIVERY PROGRAM PROGRESS REPORT (FM.PL.1)

Author: General Manager

IP&R Link: Strategy Priority 1 – Provide a high quality and reliable drinking water supply – Strategy Priority 2 – An efficient, sustainable and customer focussed organisation - Strategy Priority 3 – Regional leadership and collaboration.

RECOMMENDATION:

That Council note the report.

REPORT

This report relates to and provides information about Council's progress in achieving the strategic outcomes prescribed in Council's Integrated Planning and Reporting Delivery Program. It provides information on the performance of Council's strategic objectives in a streamlined summary aligned directly with Council's Delivery Program.

In accordance with Section 404(5) of the *Local Government Act 1993,* the General Manager must ensure that regular reports are provided to Council as to progress with respect to the achievement of the principal activities detailed in the Delivery Program.

This report has been compiled in consultation with management and staff.

A copy of the Delivery Program Progress Report as at December 2019 is attached for information.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Delivery Program Progress Report

Delivery Program - Progress Report December 2019

STRATEGY PRIORITY 1 – PROVIDING A HIGH QUALITY AND RELIABLE DRINKING WATER SUPPLY							
DP Ref	Key Result Area	ACTIVITY	Measure	Responsible Officer/s	Ongoing	Completed	Comment
1.1.1	1.1 SERVICE PROVISION THROUGH FIT FOR PURPOSE INFRASTRUCTURE	Deliver capital works program based on asset management data.	Capital works program is delivered	DOTS & AO	√		The Capital Works program is progressing. All current capital works are within budget.
1.1.2		Develop and deliver maintenance program	Maintenance Program is delivered	DOTS & WNM	√		CTW develops a maintenance program based on operational needs and asset condition on an annual basis.
1.1.3		Develop and implement a backflow prevention program.	Program is in place	DOTS & WNM	√		In progress.
1.1.4		Undertake regular water meter replacement program	Program is in place	DOTS & WNM	√		Meter replacement program when the meter is above 7,500 kL is ongoing.
1.2.1	1.2 COMPLIANCE AND REGULATION	Implement a Water Quality Management Plan.	Water quality guidelines are met or exceeded	DOTS	√		Drinking Water Management System is reviewed and updated on an annual basis.
1.2.2		Inform and involve our customers and regulators about projects, programs and other activities	Positive involvement and feedback	GM & DOTS	√		Notification regarding projects and programs are provided via CTW's website, facebook page, public notices in local newspapers, newsletters and householder pamphlets.
1.2.3		Undertake strategic reviews of water treatment facilities.	Reviews completed	DOTS & WQM	√		CTW has an extensive water monitoring program at Lake Rowlands and WTP's which determine any adjustments to WTP operation. CTW regularly consults with NSW Dept of Health and participates in reviews to ensure treatment processes meet Drinking Water Guidelines.
1.2.4		Develop and implement an Integrated Water Cycle Management Plan using established community expectations and asset management information	Plan implemented	DOTS & WQM	√		IWCM completed in 2014. IWCM to be reviewed and updated every 8 years in accordance with BPM guidelines.
1.2.5		Undertake regular water sampling programs	Program ongoing	DOTS & WQM	√		Council has an extensive water quality sampling program in place which enables Council to meet regulatory water quality compliance requirements.
1.2.6		Develop and maintain register of legislation and regulation requirements	Register completed	DOTS, WNM & WQM	√		In progress.
1.3.1	1.3 BEST PRACTICE ASSET MANAGEMENT	Assets are managed strategically, using whole of life methodology to improve delivery of services and financial management	TAMP and systems, hierarchy and processes are in place	AO	√		Revised Asset Management Plan adopted in June 2018.

G:\Integrated Planning & Reporting (IP&R)\Delivery Program\Delivery Program progress report as at December 2019

Delivery Program - Progress Report December 2019

STRATEGY PRIORITY 1 – PROVIDING A HIGH QUALITY AND RELIABLE DRINKING WATER SUPPLY

DP Ref	Key Result Area	ACTIVITY	Measure	Responsible Officer/s	Ongoing	Completed	Comment
1.4.1	1.4 MITIGATE ENVIRONMENTAL IMPACT OF SERVICE DELIVERY	Review and implement water demand management plan.	Plan has been implemented	DOTS & AO	√		Industry water expert engaged to assist CTW to review and update current Demand Management Plan. This is to be completed in 19/20.
1.4.2		Review and implement drought management plan.	Plan has been implemented	DOTS & AO	√		Industry water expert engaged to assist CTW to review and update current Drought Management Plan. This is to be completed in 19/20.
1.4.3		Develop and implement an energy cost reduction strategy.	Program is in place and savings quantified	DOTS, WNM, WQM & AO	√		Renewable Energy Action Plan developed following and energy audit of CTW's assets. SMT are currently working through the action plan with energy industry experts.
1.4.4		Renewable energy sources are utilised where viable	Alternative sources are being used	DOTS, WNM, WQM & AO	√		Solar panels were installed at CTW Administration Office in 2018.
1.4.5		Automate and improve the reliability of processes at, and data available from, water treatment facilities.	Evidence of continuous improvement	DOTS, WNM, WQM & AO	√		Ongoing consultation with NSW Dept of Health and associated industry experts to ensure drinking water guidelines are met or exceeded.
1.5.1	1.5 EFFICIENT WATER USE	Provide customers with information and system to monitor water usage.	Water usage can be monitored	GM	√		Water saving and monitoring measures are provided via CTW's website, newsletters, television advertising and Smart Water Mark.

STRATEGY PRIORITY 2 – AN EFFICIENT, SUSTAINABLE AND CUSTOMER FOCUSSED ORGANISATION

DP Ref	Key Result Area	ACTIVITY	Measure	Responsible Officer/s	Ongoing	Completed	Comment
2.1.1	2.1 CUSTOMER SERVICE	Develop and implement a customer engagement strategy	Strategy has been implemented.	DFCS	√		Formal strategy yet to be completed.
2.1.2		Undertake customer survey	Survey is completed and feedback being used to improve performance	DFCS		√	Customer satisfaction survey completed by independent research company in March 2019.
2.1.3		Review and action customer survey feedback.	Customers are provided timely services and response.	SMT	√		SMT are currently reviewing the results of the survey and will develop an action plan to address identified areas for improvement.
2.1.4		Establish service levels and monitor and report on performance.	Service level reviews completed	DOTS & DFCS	√		In progress.
2.1.5		Public education information about water management and sustainable water practice is developed and published	Information is available	DOTS	√		Council's membership and involvement with the CWUA includes participation in joint demand management advertising and promotion. This includes the Smart Approved WaterMark membership.

G:\Integrated Planning & Reporting (IP&R)\Delivery Program\Delivery Program progress report as at December 2019

Delivery Program - Progress Report December 2019

STRATEGY PRIORITY 2 – AN EFFICIENT, SUSTAINABLE AND CUSTOMER FOCUSSED ORGANISATION

DP Ref	Key Result Area	ACTIVITY	Measure	Responsible Officer/s	Ongoing	Completed	Comment
2.1.6	2.1 CUSTOMER SERVICE	Communicate and engage with constituent councils regularly.	Good relationships and communication with other councils.	GM	√		Constituent councils are regularly invited to attend CTW Strategic and Planning workshops. (e.g. Strategic Futures, DSP, IP&R). Continuous networking with Central NSW Councils during Centroc/JO meetings. The GM also attends Water County Council GM's meetings on a quarterly basis.
2.1.7		Provide timely advice to developer or customer requests for service connection	Customer service standards are met.	DOTS	√		Timely responses are provided to developer and customer connection requests.

STRATEGY PRIORITY 2 – AN EFFICIENT, SUSTAINABLE AND CUSTOMER FOCUSSED ORGANISATION

DP Ref	Key Result Area	ACTIVITY	Measure	Responsible Officer/s	Ongoing	Completed	Comment
2.2.1	2.2 FINANCIAL MANAGEMENT	Develop a long-term financial management plan.	LTFP developed annually.	DFCS	√		LTFP adopted June 2019
2.2.2		Review schedule of fees and charges as part of the annual operational plan.	Updated annually.	DFCS	√		2019/20 Fees & Charges adopted June 2019
2.2.3		Work with constituent councils to review and implement an agreed Development Servicing Plan (DSP) which may include a deferred payment scheme	Plan is developed and implemented	SMT	√		Constituent councils were invited to participate in the CTW DSP Workshop held in March 2019. The draft DSP is currently going through the independent audit process in accordance with the 2016 DSP Guidelines.
2.2.4		Generate income through diversification exploring fee for service opportunities within the region	New income is identified	SMT	√		Ongoing.
2.2.5		Apply project management methodology and structure to key projects to meet budget and timelines	Projects completed on time and in budget	DOTS & DFCS	√		Microsoft Project is currently being used to plan, monitor and progress projects. Regular SMT and Managers meetings are held to discuss the progress of current projects (i.e. timelines and budget) and to plan for the delivery of future projects.
2.2.6		Secure grant funding where available to support delivery and development of services and infrastructure	Grant funding applications successful	SMT	√		CTW continues to apply for grant funding when available. CTW were recently successful in securing funding to purchase and install 5 water filling stations in Manildra, Eugowra, Canowindra, Grenfell and Quandialla. NSW government announced $1m on 29/11/19 for a feasibility study into raising the Lake Rowlands Dam wall.
2.3.1	2.3 IMPROVING PERFORMANCE AND MANAGING RISK	Monitoring of organisational and operational performance is regular, accessible and understandable	KPI and performance data is monitored and reported	DFCS	√		Ongoing.

G:\Integrated Planning & Reporting (IP&R)\Delivery Program\Delivery Program progress report as at December 2019

Delivery Program - Progress Report December 2019

STRATEGY PRIORITY 2 – AN EFFICIENT, SUSTAINABLE AND CUSTOMER FOCUSSED ORGANISATION

DP Ref	Key Result Area	ACTIVITY	Measure	Responsible Officer/s	Ongoing	Completed	Comment
2.3.2	2.3 IMPROVING PERFORMANCE AND MANAGING RISK	Manage the risk management framework including a risk register	Framework is in place	DOTS & DFCS	√		Continually monitored and updated.
2.3.3		Develop and implement a business wide and information technology continuity plan	BCP is in place	SMT	√		In progress. Disaster Recovery site being equipped.
2.3.4		Implement internal audit processes for governance and compliance management.	Internal audit committee meets regularly	DFCS	√		Audit, Risk and Improvement Committee in place and meets 3 times per year. Audit Plan finalised.
2.3.5		Implement Work Health and Safety Program	Program is in place	SMT	√		A review of CTW's WHS policies and procedures was undertaken in late 2018. Recommendations from the review are currently being addressed via an Action Plan.
2.3.6		Complete a strategic futures review of the operating model of CTW to maximise independence and relevance	Review and plan has been completed	SMT	√		A CTW Futures Strategic Workshop was held in September 2018 with constituent councils invited to attend and participate. Strategies from the workshop are regularly reviewed at SMT meetings with strategies being progressed.
2.4.1	2.4 A CAPABLE AND MOTIVATED WORKFORCE	Develop and implement a workforce management strategy and plan including a review of salary and organisation structure	Review has been completed and plan developed	SMT		√	A salary system and organisation structure review was undertaken during 18/19. The new salary system was implemented from 1 January 2019. Recruitment of positions from identified resource skills gap was undertaken in March/April 2019. Project completed June 2019.
2.4.2		Provide staff with professional development opportunities that meet future needs.	Training needs are identified annually, and a training budget is available	SMT	√		Training plan and professinal development opportunities to be discussed and agreed during staff performance appraisals.
2.4.3		Develop capability and innovate with mobile technologies in the field	Mobile technologies are in use	DOTS	√		In progress.
2.5.1	2.5 EFFICIENT BUSINESS OPERATIONS	Corporate systems are integrated and efficient	Evidence of continuous improvement	DFCS	√		In progress.
2.5.2		Continually update and improve the Geographic Information System.	GIS system is current and used	AO	√		In progress.
2.5.3		Implement a fleet management system.	Review is completed and system in place	DOTS & DFCS	√		Currently being investigated.
2.5.4		Develop systems and processes to monitor and report on emerging technology and methods related to water cycle management.	New technologies are implemented	DOTS	√		In progress.

G:\Integrated Planning & Reporting (IP&R)\Delivery Program\Delivery Program progress report as at December 2019

Delivery Program - Progress Report December 2019

STRATEGY PRIORITY 3 – REGIONAL LEADERSHIP AND COLLABORATION

DP Ref	Key Result Area	ACTIVITY	Measure	Responsible Officer/s	Ongoing	Completed	Comment
3.1.1	3.1 REGIONAL COLLABORATION AND PARTNERSHIPS	Work closely with Central West JO (through Water Alliance) for regional water security and access	Active participant of JO	GM & DOTS	√		The Chairman and General Manager attend Centroc and JO Board Meetings. The GM attends CNSWJO GMAC Meetings. DFCS attends CNSWJO RDOCs Meetings. The GM or DOTS attend CNSWJO WUA Meetings. CTW Staff participate in joint CNSWJO Projects and training when applicable to CTW.
3.1.2		Participate in opportunities for resource, expertise and knowledge sharing with Central West JO.	Opportunities identified and considered	SMT	√		
3.1.3		Partner with and support constituent councils to attract growth and new business to the region.	Growth in constituent councils is supported	SMT	√		CTW continues to work with constituent councils to encourage growth in the region.
3.2.1	3.2 INDUSTRY AND REGIONAL LEADER IN THE WATER SECTOR	Explore opportunities to influence water industry policy and direction through participation in industry groups and bodies	Recognised as a sector leader	SMT	√		CTW continues to have a strong working relationship with DPIE Water and WaterNSW. GM represents CTW on the WaterNSW Lachlan Customer Advisory Group.
3.2.2		Identify value add services to grow the capability of the Council	Role and service provision is expanded	SMT	√		Ongoing.
3.2.3		Develop a future water strategy	Strategy is developed	SMT	√		Ongoing.
3.2.4		Investigate additional raw water sources within the region.	Ongoing investigation	DOTS	√		Ongoing.
3.2.5		Increase capacity of Lake Rowlands (dependent on grant funding)	Lake Rowlands is enlarged	SMT	√		CTW continues to advocate for the enlargement of Lake Rowlands. CTW is a key stakeholder in the Lake Rowlands to Carcoar Pipeline Project final business case with WaterNSW. $1m announced on 29/11/19 by NSW State government to undertake a feasibility study into raising the Lake Rowlands Dam wall.

G:\Integrated Planning & Reporting (IP&R)\Delivery Program\Delivery Program progress report as at December 2019

06) CLOSING OF OFFICE OVER CHRISTMAS – NEW YEAR PERIOD (CM.ME.1)

Author: General Manager

IP&R Link: Strategic Priority 1 – Provide a high quality and reliable drinking water supply. Strategic Priority 2 – An efficient, sustainable and customer focussed organisation.

RECOMMENDATION:

That Council note the report.

REPORT

Council has resolved in past years to close the office during the Christmas-New Year period. This closure normally involves up to three working days and the administration staff have been granted leave for this period in lieu of overtime worked during the previous 12 months.

Under this arrangement, the office will close this year at 12pm on 24 December 2019 and re-open on 6 January 2020. The General Manager has approved this request as it was resolved at the December 2013 Council Meeting that *'Reoccurring events be left to the discretion of the General Manager.'*

As has been the practice in previous years, operational staff work as normal and are rostered on-call over the public holidays to attend to any emergency. Emergency numbers for all locations will be advertised in the local press, on Council's website and on the front door of Council's office during the month of December and until the office re-opens on 6 January 2020.

Closing the office has not caused any problems in previous years and there does not appear to be any reason not to continue this practice.

BUDGET IMPLICATIONS

Operational Plan 2019/2020

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

07) APPLICATION FOR ANNUAL LEAVE – GENERAL MANAGER (PE.LE.1)

Author: General Manager

IP&R Link: Strategic Priority 1 – Provide a high quality and reliable drinking water supply. Strategic Priority 2 – An efficient, sustainable and customer focussed organisation. Strategic Priority 3 – Regional leadership and collaboration.

RECOMMENDATION:

That Council approve annual leave for the period requested by the General Manager and that the Director Finance & Corporate Services, Mr Peter McFarlane, be appointed as Acting General Manager with associated delegations during this time.

REPORT

Application is made for annual leave to be granted to the General Manager for the following period in 2020:

26 March 2020 until 6 May 2020 inclusive

CTW's Director Finance & Corporate Services, Mr Peter McFarlane has consented to act as General Manager during the above period.

BUDGET IMPLICATIONS

Operational Plan 2019/2020

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

08) COUNCIL RESOLUTIONS UPDATE REPORT (GO.CO.1)

Author: General Manager

IP&R Link: Strategy Priority 2 – An efficient, sustainable and customer focussed organisation – 2.5.5 Good governance in place with timely management of council meetings.

RECOMMENDATION:

That Council note the Council Resolutions Update Report to October 2019.

REPORT

The General Manager is responsible for ensuring that Council's resolutions, policies and decisions are implemented in a timely and efficient manner, progress monitored and variances reported.

The General Manager provides the management oversight in relation to all information progressing from appropriate staff to Council for consideration via the Business Paper.

After a Council meeting, each resolution is allocated to the General Manager or responsible officer to action in accordance with the Council resolution. The Senior Management Team (SMT) then discuss the progress of these resolutions at fortnightly SMT meetings.

Council have requested a Resolutions Update Report at each Council meeting.

The Council Resolutions Update Report includes Council Resolutions to October 2019.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

1 Council Resolutions Update table 5 Pages

COUNCIL RESOLUTIONS UPDATE

Council Resolutions Update – Meeting held 11 December 2019					
Resolution Ref.	**Date of Meeting**	**Subject**	**Responsible Officer**	**Decision**	**Action Taken/Status**
17/052	14/6/17	Late Item – NBN Co Ltd – Amended Lease Agreement – Carcoar Reservoir	GM/DOTS	That Council authorise the Chairman and General Manager to sign and execute under Council's Common Seal the amended lease agreement between Council and the NBN Co Ltd for the telecommunications facility on the roof of Carcoar Reservoir, in a form satisfactory to Senior Council staff.	13/2/18 - Awaiting final lease agreement from solicitors containing "third party infrastructure" conditions as per the NSW Water Directorate recommendation. 31/5/18 & 17/7/18 – Follow up emails sent to solicitor regarding progress of lease. 19/7/18 - GM spoke with solicitor's secretary to follow up. 8/8/18 – Solicitor emailed seeking final review of third party infrastructure checklist points to be included in lease. GM and DOTS are reviewing. 5/12/18 – GM met with solicitor to discuss outstanding legal matters. The lease and pipeline project property easements are expected to be completed by the end of the year. 7/2/19 – Third party infrastructure requirements sent to solicitor to finalise NBN Lease. 26/7/19 – CTW's solicitor has requested final amended leases urgently from NBN solicitors to finalise this matter. 12/11/19 & 5/12/19 – Emails to CTW's solicitors requesting an update on progress with regards to this matter.

1

17/088	18/10/17	Proposed Boundary Readjustment	DOTS/GM	1. That Council approve the proposed boundary readjustment in principle; 2. That a plan of the proposed boundary readjustment be reported to Council once completed, for endorsement, and 3. Council to contribute $3,000 towards the cost of the boundary adjustment and Mr Whitehead to contribute $3,000 for the cost of the land.	13/11/17 – DOTS advised Mr Whitehead of Council's resolution. 14/12/17 – Mr Whitehead replied to DOTS accepting Council's in principle support to the boundary adjustment. 15/12/17 – DOTS resigned from CTW. New DOTS appointed in February 2018, commenced March 2018. 27/4/18 – GM & DOTS liaising with Mr Whitehead regarding proposed boundary adjustment. 10/8/18 – DOTS is continuing to liaise with Mr Whitehead regarding boundary adjustment. 7/12/18 – DOTS is following up on this matter as a priority now that a major capital works project is nearing final completion. 12/4/19 – DOTS has been liaising with the Mr Whitehead to finalise this matter. 10/6/19 – DOTS has engaged surveyor to survey boundary adjustment. 2/12/19 – DOTS to liaise further with Mr Whitehead following recent funding announcement for Lake Rowlands.
18/098	12/12/2018	75 Year Silver Jubilee of Central Tablelands County Council	GM	That Council authorise the General Manager to plan an official function to commemorate the 75 Year Jubilee of the proclamation of Central Tablelands County Council in 2019.	13/12/18 – GM has commenced initial planning of the official function with SMT and administration staff. 21/3/19 – Function date of 31 May proposed and agreed by Councillors. The Jubilee will also coincide with the new CTW website and rebranding launch. 17/4/19 – Jubilee date is to be determined due to proposed date of 31

2

					May clashing with LGNSW Country Mayors. 6/8/19 – Executive and Governance Officer is organising venue for Jubilee and will propose event date(s) following finalisation of rebranding decision. 29/8/19 – 75th Proclamation celebration set for 30 October 2019. **Action completed.**
18/103	12/12/2018	Renewable Energy Action Plan	GM	That Council note the report and resolve to undertake further research on the potential costs and benefits of on-site energy generation at the CTW sites of Lake Rowlands, Carcoar Water Filtration Plant and Blayney Water Filtration Plant.	21/3/19 - SMT investigating the potential costs and benefits of on-site energy generation at the CTW sites in consultation with renewable energy professionals. Also investigating potential grant funding opportunities for renewable energy projects, including studies.
19/025	17/4/2019	Customer Satisfaction Survey	GM	That Senior Management review the results of the customer satisfaction survey and provide Council with an action plan to address identified areas for improvement.	21/5/19 – SMT discussed with Chairman and will develop an action plan during upcoming SMT meetings and present to Council. 23/9/19 – Action plan being developed by SMT and Governance & Executive Officer.
19/056	19/6/19	Safe & Secure Water Program Update	GM	2. That Council write to the Minister for Water requesting that the project to supply potable water to the village of Caragabal be considered outside the Integrated Water Cycle Management (IWCM) requirements for the Safe &	10/7/19 – Letter sent to Minister for Water requesting the project be considered outside IWCM requirements. 6/8/19 – Project discussed with Minister for Water with a follow up letter to be sent as a result of those discussions.

3

				Secure Water Program funding guidelines.	3/9/19 – Response received from Minister for Water via the Member for Cootamundra. A meeting is being scheduled with DPIE Water to discuss next steps in progressing the project. 7/11/19 – Meeting held with DPIE Water to progress the project. DPIE Water advised to write directly to the Minister for Water to confirm funding commitment/availability. 19/11/19 – Correspondence sent to Minister for Water's Office requesting funding confirmation. 28/11/19 – Meeting held with Minister for Water's Senior Advisor. Email from 19/11/19 forwarded as requested. CTW is awaiting a response from the Minister's Office.
19/072	19/6/19	Boundary Adjustment at Carcoar Water Filtration Plant	DOTS	That Council: 1. Delegate to the General Manager under Section 377 (h) of the Local Government Act 1993 to purchase the land at the Carcoar Water Filtration Plant at Felltimber Road, and 2. Upon acquisition of the land classify it as operational.	24/7/19 – Solicitors have been engaged to make an application to DPIE Crown Lands for the removal of a subdivision restriction on the land. 27/11/19 – CTW advised by solicitors to have Blayney Shire Council stamp the plan in support of the removal of restriction to complete the process.
19/080	14/8/19	Financial Matters	DFCS	2. A report on possible amendments to the investment policy be presented at a future Council meeting.	4/10/19 – DFCS to provide a report at the December 2019 Council meeting. 5/12/19 – Investment policy is being reviewed and updated by SMT for presentation of draft at February 2020 Council meeting.

4

19/088	14/8/19	Performance of Council's Systems	DOTS	2. That Council receive a report recommending the adoption of benchmarks for (a) main breaks and (b) service complaints appropriate for CTW.	4/10/19 – DOTS has provided a report to the October 2019 Council meeting for consideration and adoption of benchmarks. 9/10/19 – Benchmarks adopted by Council. **Action completed.**

5

09) FINANCIAL MATTERS (FM.BA.1)

Author: Director Finance and Corporate Services

IP&R Link: Strategic Priority 2 – An efficient, sustainable and customer focussed organisation - Key Result Area 2.3 Improving Performance and Managing Risk – 2.3.1 monitoring of organisational and operational performance is regular, accessible and understandable

---

RECOMMENDATION:

That the information in relation to Council's investments as at 31 October 2019 be noted.

REPORT

Cash and Investments

The investment summary below represents Council's total investments as at 31 October, 2019 in accordance with clause 212 of the Local Government (General) Regulation 2005 and Section 625 of the Local Government Act 1993.

The below investments have been made in accordance with the Local Government Act 1993, the Local Government General Regulation 2005 and Council's Investment Policy.

Peter McFarlane
Responsible Accounting Officer

		Credit Rating	Term (Days)	Rate	Maturity Date	% of Portfolio
Short Term Deposits	**$ 4,600,000.00**					**75.19%**
NAB - RIM Securities	500,000	AA-	218	2.70%	5/09/19	8.17%
Reliance Bank	500,000	Unrated	182	2.20%	7/02/20	8.17%
AMP - Curve Securities	500,000	A	182	2.00%	26/02/20	8.17%
Reliance Bank	500,000	Unrated	214	2.75%	4/10/19	8.17%
Reliance Bank	500,000	Unrated	183	2.75%	12/09/19	8.17%
ME Bank - Curve Securites	500,000	BBB+	120	2.35%	20/09/19	8.17%
AMP - Curve Securities	500,000	A	211	2.75%	1/11/19	8.17%
BankVic - Curve Securities	500,000	BBB+	212	2.10%	29/01/20	8.17%
NAB - Curve Securities	600,000	AA-	159	1.82%	6/01/20	9.81%

At Call Deposits	**$ 1,517,693.09**					**24.81%**
Commonwealth Bank General Account	$ 569,637.10	AA-	At Call	0.85%	N/A	
Commonwealth Bank - BOS Account	$ 947,999.17	AA-	At Call	1.10%	N/A	
Reliance Credit Union - Cheque Account	$ 56.82	Unrated	At Call	0.00%	N/A	
Total Value of Investment Funds	**$ 6,117,693.09**					**100%**

Average Rate on Term Deposits	
90 Day BBSW for August 2019	0.983%
Average Rate on Term Deposits	2.380%
Margin over 90 day BBSW	1.397%
Average Term - Short Term Deposits (days)	187

Portfolio by Credit Rating	**Amount $**	**%**
AA-	$ 2,617,636.27	42.80%
A	$ 1,000,000.00	16.35%
BBB+	$ 1,000,000.00	16.35%
Unrated	$ 1,500,056.82	24.52%
Total	$ 6,117,693.09	100.02%

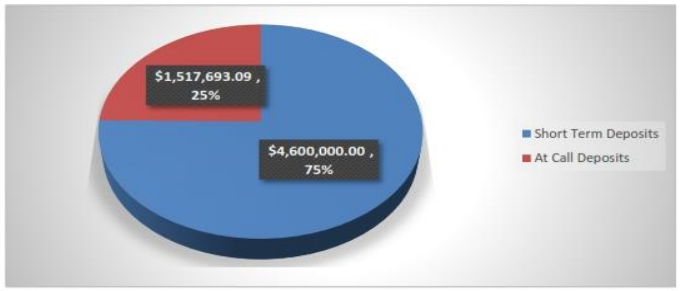
BANK RECONCILIATION

Balance as per Bank Statement	$	566,222.38
Less: Outstanding Amount	$	-
Add: Receipting deposited 02.09.19	$	3,414.72
Add: Outstanding Deposit	$	-
Balance as per Cash Book	$	569,637.10

GENERAL FUND

(a) Cash Book Balance	$	1,517,693.09
(b) Bank Balance	$	1,517,693.09

Short Term Deposits	**$**	**4,600,000.00**
At Call Deposits	**$**	**1,517,693.09**



Page 1 G:\Business Paper\2019\December\Peter Reports\Bank Rec and Investments For Dec 2019 Meeting - Final

Investment Commentary

The Reserve Bank of Australia (RBA) kept the cash rate at an historic low of 0.75% at its meeting held on 3 December, 2019. The RBA have indicated that they will consider further rate cuts in 2020 if inflation and level of economic activity remain subdued.

The expected stimulus from the low income tax rebates implemented by the Federal Government (paid when income tax returns were processed) did not materalise, as many people decided to pay down existing debt or save the funds rather than use the funds for more spending. The continuing severe drought is also implicating many communities with funds being spent on urgent water supplies, fodder for stock and basic needs such as food and fuel.

Whilst the property market has recovered in many capital cities due to the record low interest rates, the overall level of economic growth remains lower than expected (around 1.7% pa) and this has resulted in slight increase unemployment levels from 5.2% to 5.3%.

In this environment it is considered likely that interest rates may reduce further as early as the first quarter of 2020.

BUDGET IMPLICATIONS

Continuing low interest rates present a challenge for Council to achieve its estimated 2019/20 investment income. At this stage of the year Council has higher average level of funds invested than budgeted and this is assisting in keeping the level of overall returns commensurate with the budget estimate. This level of investment returns against budget are constantly reviewed so future adjustments of the budget estimate are possible prior to the 30 June, 2020.

POLICY IMPLICATIONS

Council's investment policy requires that at least $1 million dollars or 10% of the value of total investments, whichever is greater, be available within 7 days to minimise any liquidity risk. Council looks to achieve this through management of its overnight call account and rolling maturities to cover periods of low liquidity.

The investment policy is currently being reviewed, with a draft to be presented to the February 2020 meeting. It is not anticipated at this stage that the new policy with be a substantial change on the existing one.

ATTACHMENTS

Nil

10) ANNUAL FINANCIAL STATEMENTS AND AUDITOR'S REPORT YEAR ENDING 30 JUNE 2019 (FM.FR.1)

Author: Director Finance and Corporate Services

IP&R Link: Strategy Priority 2 an Efficient Sustainable and Customer Focussed Organisation- Key Result Area 2.3 Improving Performance and Managing Risk 2.3.1 Monitoring of organisational and operational performance is regular, accessible and understandable.

RECOMMENDATION:

That the 2018/19 Financial Statements and Auditors Reports be received.

REPORT

Councils Financial Statements for the year ending 30 June, 2019 have been completed and in accordance with Section 418 (1) of the Local Government Act 1993 (the Act) are now presented to the public.

In accordance with Section 420 of the Act, any person may make a submission in writing with respect to Council's Annual Financial Statements or the Auditors Reports. The closing date for submissions is Wednesday 18 December, 2019.

A copy of Council's Audited Financial Statements may be viewed on Council's website at www.ctw.nsw.gov.au or alternately are available at Council's Administrative Offices located at 30 Church Street, Blayney.

Mr John O'Malley, on behalf of the Audit Office of NSW will be presenting an outline of the conduct of the Audit and the Auditors Reports at this meeting.

The draft accounts were sent to Council's Audit Risk and Improvement Committee on 14 October, 2019. The Financial Statements were lodged with the Office of Local Government (OLG) on the 31 October, 2019 after unqualified audit reports had been received on the 30 October, 2019. This lodgement met the deadline set by the Office of Local Government.

The 2018/19 Financial Statements were the first produced by Council using the cloud based templates that are now being rolled out across the Local Government sector in NSW. This template replaced a number of complex integrated excel spreadsheets and word documents that have been used for around the last 20 years.

Whilst there were some teething issues with the cloud based templates, some of which were attributable to lack of experience by users and the bedding down of some new formats required under the Local Government Code of Accounting Practice Financial Reporting, overall the process worked well and is expected to be easier in future years. The prompt support provided by the template provider, LG Solutions, was critical in getting issues resolved within a reasonable time frame.

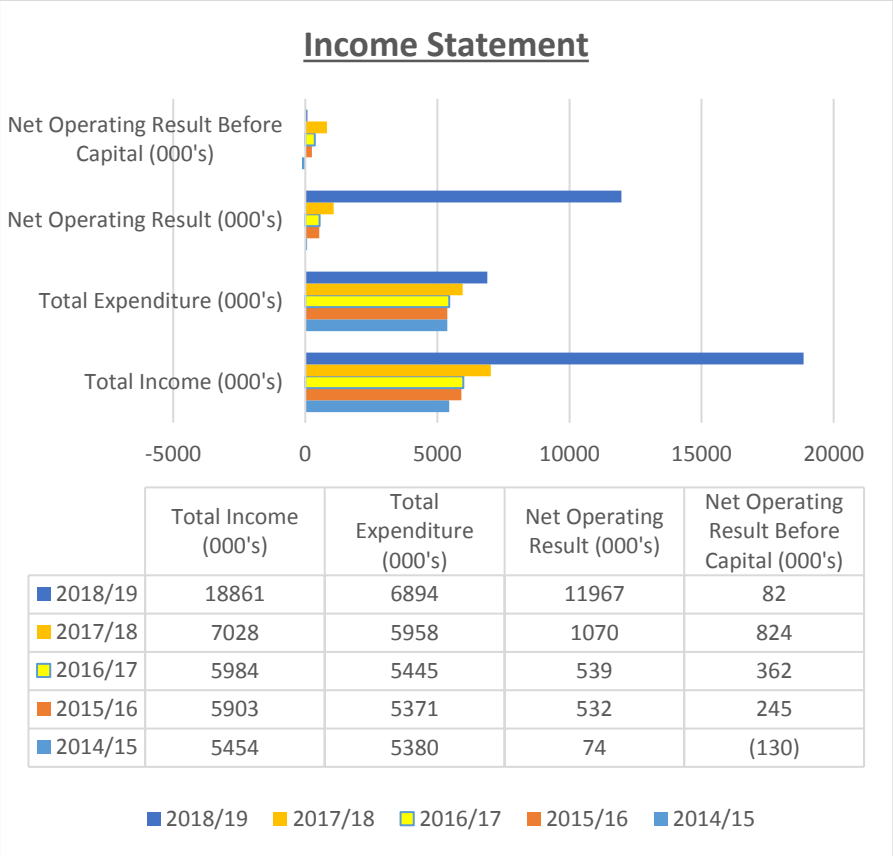
It is important to also acknowledge the efforts and support of John O'Malley and his staff, Karen Taylor and the NSW Audit Office staff, for their efforts in getting the Financial Statements signed off. In particular, we thank John and his team for their

patience and capacity to get matters resolved during a period of intense work pressure for everyone.

Everyone is encouraged to review the full set of Financial Statements and Audit Reports available on Council's website at: www.ctw.nsw.gov.au. Any submissions, questions or queries can be directed to water@ctw.nsw.gov.au

Below are some key comparisons of the 2018/19 result compared to the previous 4 years.

Income Statement



	Total Income (000's)	Total Expenditure (000's)	Net Operating Result (000's)	Net Operating Result Before Capital (000's)
2018/19	18861	6894	11967	82
2017/18	7028	5958	1070	824
2016/17	5984	5445	539	362
2015/16	5903	5371	532	245
2014/15	5454	5380	74	(130)

The Net Operating Result before Capital of $82K was notable in the following areas:

- Total Income from 7,028 K to 18,861K atrributable primarily to the recognition of the Capital grant of 11,258K for the Carcoar to Orange Pipeline.
- User charges increased by around 1% from 4,861K to 4,929K.
- Total Expenses increased by 16% from 5,958K to 6,894K.
- Depreciation increased by 30% from 2,111K to 2,761K attributable mainly to the shortening of the useful life for the existing Trunk Main K which is expected to be decommissioned in early 2020.
- Depreciation is now 40% of total operating costs which presents a challenge as the program of asset renewals continue.

- Employee costs increased by 7% from 1,933K to 2,070K which was attributable to the 2.5% award increase, voluntary redundancy payments following an organisational restructure and changes in pay rates following a review of Council's salary system.

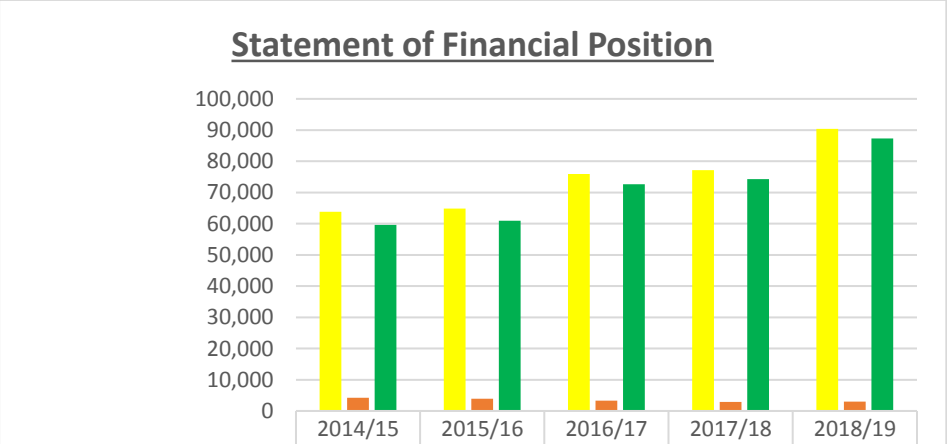
- Other Expenses increased by 13% from 799K to 905K which was driven primarily by increases in power, general insurances and communication costs.

- The was a very small increase in water user charges from 4,759K to 4,790K reflecting a reduction in demand due to the introduction of level 2 restrictions from 1 January, 2019.

Statement of Financial Position

As can be seen on the graphs below the net assets grew from 74,291K in 17/18 to 90,355K in 18/19. This is mainly attributable to the strong operating result including capital amounts of $11,967K. This was principally attributable to the 11,258K capital grant received for the Carcoar to Orange Pipeline.

Total liabilities grew from 2,907K to 3,015K mainly attributable to an increase in payables from 202K to 605K, (due to payments due in respect of the Trunk Main K project) and an increase in employee leave provisions (ELE's) from 707K to 831K. In response to this increase in ELE provisions, the ELE restriction was increased from 359K to 422K (coverage of 50.7% of the ELE liability)



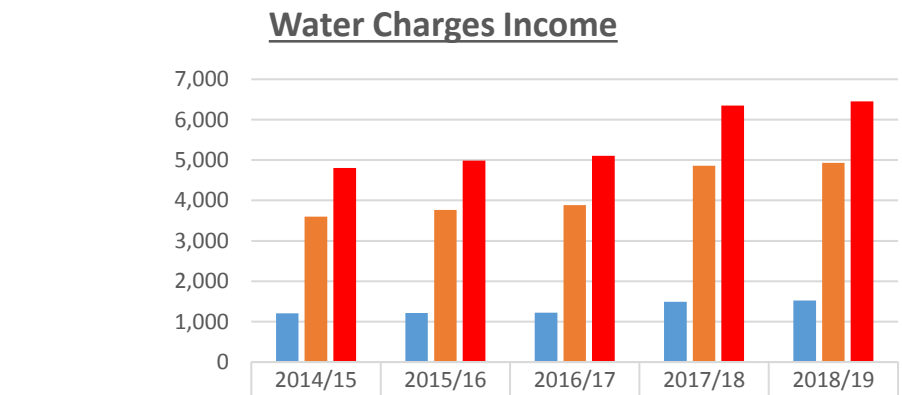
	2014/15	2015/16	2016/17	2017/18	2018/19
Total Assets (000's)	63,803	64,895	75,961	77,198	90,355
Total Liabilities (000's)	4,211	3,917	3,316	2,907	3,015
Total Equity (000's)	59,592	60,978	72,645	74,291	87,340

Water Charges Income

This consists of both access charges and water usage charge income. Council adopted a 2% increase in access charges and a 6% increase usage charges in 2018/19 to fund its ongoing capital expenditure program. It should be noted that level

2 water restrictions were implemented across the CTW network for the first time in over 10 years from 1 January, 2019. This was done in accordance with Council's Drought and Demand Management Policies.

As the severe drought continues, the demand from rural consumers has remained strong however, water restrictions have reduced the level of demand across other users. This will preserve Council's water resources in these severe drought conditions but this will also reduce Councils income and its capacity to fund its capital expenditure program.



	2014/15	2015/16	2016/17	2017/18	2018/19
Acess Charges (000's)	1,205	1,216	1,225	1,490	1,523
User Charges (000's)	3,596	3,767	3,884	4,861	4,929
Total Access and User Charges (000's)	4,801	4,983	5,109	6,351	6,452

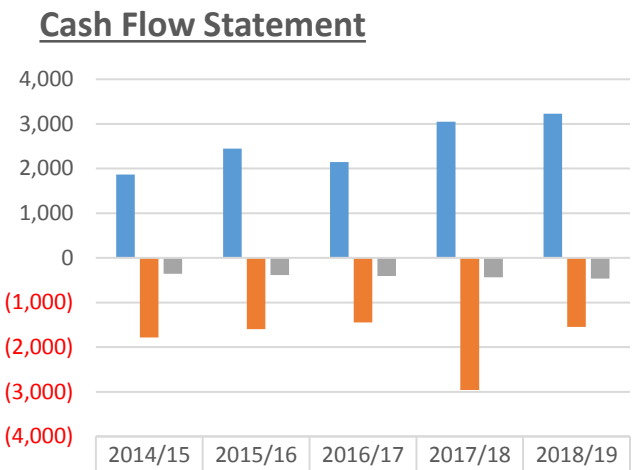
Cash Flow Statement

Council generated 3,228K from operations in 18/19. This was a modest increase on the 3,050K achieved in 2017/18.

Cash used for investing activities included 1,550K for capital expenditure. This included approximately 3,576K for the major projects such as renewal of the Trunk Main K Pipeline. These outflows were offset by sales of plant and equipment of 154K and the net redemption of investments of 1,900K.

Financing activities consisted of loan principal repayments of 466K. This existing loan will be fully repaid by March 2022.

Overall cash and investments reduced by 688k from 6,817K in 17/18 to 6,129K in 18/19.



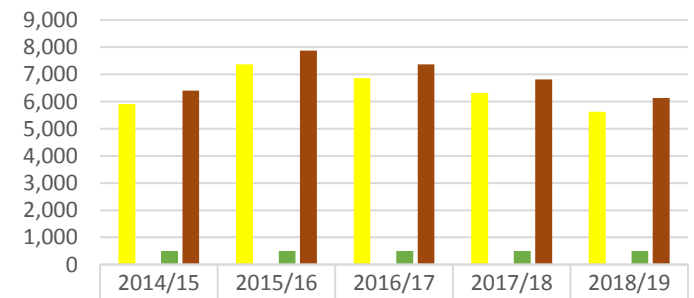
	2014/15	2015/16	2016/17	2017/18	2018/19
Cash Flow from Operations (000's)	1,867	2,446	2,145	3,050	3228
Cash Flow Used in Investing Activities (000's)	(1,785)	(1,594)	(1,444)	(2,961)	(1,550)
Cash Flow Used in Financing Activities (000's)	(359)	(383)	(409)	(437)	(466)

Cash and Investments

Council's cash and investments totalled 6,129K at 30 June, 2019. (Note 6) This consisted of 500K of unrestricted funds and 5,629K of restrictions.

The Infrastructure Restriction had a balance of 4,353K at 30 June, 2019, this is a decline of 944K over the balance of 5,297K at 30 June, 2018. This reflects the fact that funds spent on Councils capital program in 2018/19 exceeded the transfers to the restriction. This was due substantially to the funding of the renewal of Trunk Main K. (2,991K expenditure in 18/19)

Unrestricted cash at a level of 500K provides a degree of flexibility to respond to short term cash demands without needing to resort to transferring funds from restrictions.



	2014/15	2015/16	2016/17	2017/18	2018/19
Internal Restrictions (000's)	5,904	7,373	6,865	6,316	5,628
External Restrictions (000's)					1
Unrestricted Cash (000's)	500	500	500	501	500
Total Cash and Investments (000's)	6,404	7,873	7,365	6,817	6,129

BUDGET IMPLICATIONS

The 2018/19 Financial Reports highlight two substantial elements, being depreciation on water infrastructure and usage charge revenue reductions due to demand management responses, that will require significant consideration when preparing future Long Term Financial Plans. These matters will be considered in more detail as part of the 2020/21 budget preparation cycle.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

11) QUARTERLY BUDGET REVIEW STATEMENT – 30 SEPTEMBER 2019 (FM.FR.1)

Author: Director Finance and Corporate Services

IP&R Link: Strategy Priority 2 – An efficient, sustainable and customer focussed organisation. 2.2 Financial Management – 2.2.2 Complete and report on Quarterly Budget Reviews

---

RECOMMENDATION:

That the budget review statement for the quarter ended 30th September, 2019 be accepted, and the variations therein be voted.

REPORT

The Quarterly Budget Review Statement (QBRS) for the period ended 30 September 2019 is submitted for consideration by Council in accordance with clause 203 of the Local Government (General) Regulation 2005.

It is estimated that the original forecast operating budget surplus after capital amounts for 2019/2020 of $68,501 is now estimated to become a $579,001 deficit.

The major reason for this change is an increase of $500,000 in the estimated depreciation expense from $2,227,000 to $2,727,000. This is attributable to the expected decommissioning of the existing Trunk Main K when the new pipeline is commissioned in the first quarter of 2020.

There have also been some estimated additional costs in respect of consultancies ($50,000), general insurances ($15,000) and completion of the rebranding project ($10,000).

Water user charges are tracking slightly below budget at this time. In view of the potential impacts of further demand management measures, this will be reviewed at the next quarterly budget review to assess if a reduction in the estimated water user charges revenue estimate should be made.

The major variations to the operational budget are detailed in the September, 2019 QBR report which is attached to this report.

There are some variations to the capital budget to incorporate the revotes of 2018/19 uncompleted works that were approved by Council at the August, 2019 meeting. The further $225,000 voted at the October, 2019 meeting for the completion of the Trunk Main K pipeline has also been included in the report. A $45,000 vote for new Water Operations and Production software has been included.

The adopted overall cash surplus of $739,734 as originally estimated for 2019/2020 has now been revised to a surplus of $690,234. This result is considered to be satisfactory in view of the current operational conditions being experienced by Council.

BUDGET IMPLICATIONS

As outlined in the report.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Quarterly Budget Review Statement – 30th September, 2019 9 Pages

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/07/19 to 30/09/19

Table of Contents

		page
1.	Responsible Accounting Officer's Statement	2
2.	Budget Review Statement Summary	3
3.	Income & Expenses Budget Review Statement's	4
	- Income Statement variations	5
4.	Capital Budget Review Statement	6
	- Capital Budget Review variations	7
5	Leakage Allowances Granted	8
6.	Contracts Budget Review Statement	9

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/07/19 to 30/09/19

Report by Responsible Accounting Officer

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

It is my opinion that the Quarterly Budget Review Statement for Central Tablelands Water for the quarter ended 30/09/19 indicates that Council's projected financial position at 30/6/20 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed: **Date:** 21/11/2019

Peter McFarlane
Responsible Accounting Officer

Page 2

Budget Review Statement
as at 30 September 2019

Council's Revised Income and Expenditure for the year 2019/2020

Original Budget		Revised Budget	
	Operating Revenue		
1,495,599	Availability Charges	1,495,599	
4,918,740	Water Charges	4,918,740	
129,000	Interest	129,000	
64,962	Other Revenues	64,962	
1,013,000	Capital Grants and Contributions	1,088,000	
62,514	Operational Grants and Contributions	62,514	
57,000	Gains on Disposal of Assets	57,000	
7,740,815			7,815,815
	Operating Expenses		
2,283,556	Employee Costs	2,238,556	
83,170	Borrowing Costs	83,170	
797,581	Materials & Contracts	802,581	
8,000	Legal Costs	8,000	
101,750	Consultants	151,750	
1,158,257	Other Expenses	1,225,757	
0	Loss on Sale of Assets	0	
2,227,000	Depreciation and Impairment	2,727,000	
6,659,314			7,236,814
1,081,501	**Operating Result for Period After Capital**	**Surplus/(Deficit)**	579,001
	Less Non-Operating Expenditure		
1,977,173	Acquisitions of Assets	2,937,793	
497,486	Repayment of Loans	497,486	
210,000	Transfer to Reserves - Plant	210,000	
708,017	Transfer to Reserves - Renewal Reserves	708,017	
0	Transfer to Reserves - ELE	0	
143,264	Water Pricing Increase @ 3% - Tfr to Infrastructure	143,264	
50,000	Transfer to Reserves - ELE	50,000	
50,000	Transfer to Reserves - Consultancy	50,000	
739,734	Transfer Estimated Budget Surplus/(Deficit)	690,234	
4,375,674			5,286,794
(3,294,173)			(4,707,793)
	Add Non-Operating Revenue		
190,500	Book Value of Assets Sold	190,500	
-	Loan Funds Raised	-	
202,500	Transfer from Reserves - Plant	202,500	
0	Transfer from Consultancy Reserve	50,000	
30,000	Transfer from Reserves - ELE	30,000	
644,173	Transfer from Reserves - Capital	1,507,793	
1,067,173			1,980,793
(2,227,000)			(2,727,000)
	Add Expenses not Involving Flow of Funds		
2,227,000	Depreciation		2,727,000
$ -	**Budget (Cash) Result Surplus/(Deficit)**		$ -

Page 3

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/07/19 to 30/09/19

Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2019
Income & Expenses - Water Fund

	Original Budget 2019/20	Revised Budget 2019/20	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
Income						
Rates and Annual Charges	1,495,599	1,495,599	-		1,495,599	377,880
User Charges and Fees	4,918,740	4,918,740	-	1(a)	4,918,740	1,000,617
Interest and Investment Revenues	129,000	129,000	-	1(b)	129,000	34,916
Other Revenues	64,962	64,962	-	1(c)	64,962	20,017
Grants & Contributions - Capital	1,013,000	1,013,000	75,000	1(d)	1,088,000	188,012
Grants & Contributions - Operating	62,514	62,514	-		62,514	13,255
Net gain from disposal of assets	57,000	57,000	-		57,000	-
Total Income from Continuing Operations	**7,740,815**	**7,740,815**	**75,000**		**7,815,815**	**1,634,697**
Expenses						
Employee Costs	2,283,556	2,283,556	(45,000)	2(a)	2,238,556	509,807
Borrowing Costs	83,170	83,170	-		83,170	25,652
Materials & Contracts	797,581	797,581	5,000	2(b)	802,581	156,317
Depreciation	2,227,000	2,227,000	500,000	2(c)	2,727,000	681,750
Impairment	0	-	-		-	-
Legal Costs	8,000	8,000	-		8,000	-
Consultants	101,750	101,750	50,000	2(d)	151,750	32,817
Other Expenses	1,158,257	1,158,257	67,500	2(e)	1,225,757	222,847
Interest & Investment Losses	0	-	-		-	
Net Loss from disposal of assets		-			-	
Total Expenses from Continuing Operations	**6,659,314**	**6,659,314**	**577,500**		**7,236,814**	**1,629,190**
Net Operating Result from Continuing Operations	**1,081,501**	**1,081,501**	**(502,500)**		**579,001**	**5,507**
Discontinued Operations		-			-	
Net Operating Result from All Operations	**1,081,501**	**1,081,501**	**(502,500)**		**579,001**	**5,507**
Net Operating Result before Capital Items	**68,501**	**68,501**	**(577,500)**		**(508,999)**	**(182,505)**

This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 31/3/2018 and should be read in conjuction with the total QBRS report

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/07/19 to 30/09/19

Income & Expenses Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
2 (a)	The PT Executive Support and Governance Officer role is engaged through a labour hire agency. This position will be subject to recruitment action in May, 2020. The $45,000 budget reduction in employee costs will now be transferred to materials and contracts.
2 (b)	$45,000 transferred from Employee Costs to fund the PT Executive Support and Governance Officer labour hire position. $40,000 of savings from meter reading, trunk and reticulation mains maintenance to fund aerial photography engagement costing $40,000. (refer Note 2 (e))
2 (c)	Estimated increase in water infrastructure depreciation following the decommissioning of the existing trunk main K pipeline, when new pipeline is commissioned in the first quarter of 2020. This is estimated to give rise to an additional depreciation cost of $500,000 in espect of water infrastructure in 2020/21.
2 (d)	Additional consultancies as follows: - $12,000 additional funding to complete Demand and Drought Management Plans - $10,000 to complete branding and website project (initial voted at CM 13/2/19) - $8,000 for additional work on Development Servicing Plan - $20,000 to investigate bore usage/refurbishment options A total additional vote of $50,000 for these engagements.
2 (e)	Additional funding of $40,000 for an update of Council's aerial photography of its network. This was a group procurement involving CTW, Blayney and Cabonne Councils. This data will be used to update Council's mapping, asset management data and meter reading data. This additional funding has been found from savings in meter reading, trunk main and reticulation main maintenance. (refer to Note 2 (b)). Additional vote of $15,000 for general insurances due to increased property valuations and new assets (pump stations - orange to Carcoar pipeline). $2,500 for the 75th Anniversary of the proclamation of Central Tablelands County Council ceremony, incorporating the new brand and website launch. An additional $10,000 to complete branding project and logo transition. (initially voted at CM 13/2/19)
1 (d)	$75,000 Grant Funding from the Department of Public Health for the renewal of the BWFP Fluoride unit.

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/07/19 to 30/09/19

Capital Budget Review Statement

Budget review for the quarter ended 30 September 2019
Capital Budget - Water Fund

	Original Budget 2019/20	Approved Changes Other than by a QBRS	Revised Budget 2019/20	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
Capital Expenditure							
New Assets							
- Plant & Equipment	15,000		15,000		4 (a)	15,000	-
- Land & Buildings	-	20,000	20,000			20,000	
- Office Equipment	25,000		25,000			25,000	-
- Smart Metering	40,000	4,000	44,000			44,000	
- Telemetry	150,000		150,000			150,000	-
- Energy Audit Initiatives	-	28,298	28,298			28,298	
- Automatic Filling Stations		3,000	3,000			3,000	2,997
- Carcoar WFP Reservoir	833,000		833,000			833,000	-
- Water Operations Reporting Software				45,000	4 (b)	45,000	-
Renewal Assets (Replacement)							
- Pump replacements	49,173	26,178	75,351	(13,035)	4 (c)	62,316	11,943
- Vehicle Replacement	450,000	75,338	525,338			525,338	50,359
'- Canowindra Depot Refurbishment	40,000		40,000			40,000	-
'- Blayney Office - Outdoor Refurbishment	-	24,662	24,662			24,662	-
'- Blayney Depot - Refurbishment	-	40,000	40,000			40,000	7,273
- Network Signage	60,000		60,000			60,000	
- Reticulation Main Renewals	80,000		80,000			80,000	4,997
Water Supply Network			-			-	
- Trunk Main 'P' - "C" to Somers	-		-	30,000	4 (d)	30,000	-
- Trunk Main 'K' Renewal	100,000	553,097	653,097			653,097	223,858
- Carcoar to Orange Pipeline		20,000	20,000			20,000	0
- Trunk Main A - 300mtrs (Grant)	-	2,000	2,000			2,000	-
- Carcoar WFP - Submersible Pump	0		0	13,035	4 (e)	13,035	13,035
- Lake Rowlands Preliminary Dam Safety Work	100,000		100,000			100,000	19,802
BWFP - Renew Wallaby Pipeline	35,000		35,000			35,000	
BWFP- Access Road and Carpark	-	14,047	14,047	-		14,047	
BWFP - Flouride Plant	-		-	75,000	4 (f)	75,000	7,280
Subtotal	1,977,173	810,620	2,787,793	150,000	-	2,937,793	341,544
Loan Repayments (Principal)	497,486		497,486			497,486	121,215
Total Capital Expenditure	**2,474,659**	**810,620**	**3,285,279**	**150,000**	**-**	**3,435,279**	**462,759**
Capital Funding							
User Fees & Charges Funding	497,486		497,486	-		497,486	121,215
Other Revenue			-			-	
Capital Grants & Contributions	883,000	22,000	905,000	75,000	4 (g)	980,000	
Reserves:							
- External Restrictions/Reserves			-			-	
- Internal Restrictions/Reserves	846,673	788,620	1,635,293	75,000	4 (h)	1,710,293	290,402
Receipts from Sale of Assets							
- Plant & Equipment	247,500		247,500	-		247,500	51,142
Total Capital Funding	**2,474,659**	**810,620**	**3,285,279**	**150,000**		**3,435,279**	**462,759**
Net Capital Funding	-	-	-	-		-	-

This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 31/3/2018 and should be read in conjuction with the total QBRS report

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/07/19 to 30/09/19

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
4 (b)	$45,000 to purchase Specialised Water Operations software that is used to inferface with telemetry systems, water treatment plant SCADA control systems, CASY Meter reading systems and field system check forms. This system will be used by Councils operations and technical teams to produce more timely and effective operational information that is more relaible and easily complied and stored.
4 (c)	$13,035 reduction in the Pump Replacement budget used refurbish spare submersible pump at Carcoar Water Treatment Plant. (refer item 4 (d))
4 (d)	$30,000 to complete the renewal of a small remaining section of Trunk Main P that was not included in the revotes approved by Council at the August 2019 meeting.
4 (e)	$13,035 for the refurbishment of a submersible pump at the Carcoar WFP funded from the pump replacement vote (refer item 4 (c))
4 (f)	$75,000 for the refurbishment of the Fluoride plant at the Blayney Water Filtration Plant 100% funded by a grant from the Department of Public Health.
4(g)	$75,000 Capital Grant funding for the renewal of the BWFP Flouride Unit (refer to item 4 (f))
4 (h)	$75,000 additional transfer from the instrastructure restriction to fund the completion of the renewal works at Trunk Main P ($30,000 - item 4 (d)) and $45,000 for the new Water Operations software package (item 4 (b))

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/07/19 to 30/09/19

Leakage Allowances Granted - Financial Year to Date

Sept Qtr	No of Applications Granted	Total Allowance Kls	Total Allowance Granted $
Residential	7	1,014.43	3,144.72
Non Residential	1	100.00	310.00
Total	8	1,114.43	3,454.72

Note: Council's undetected water leaks policy provides for an allowance to be granted if certain conditions are met as per the leakage policy
The granting of a leakage allowance is at the absolute discretion of Council based upon individual circumstances.
Property owners are responsible for the maintenance of water infrastructure on their properties.

Central Tablelands Water

Quarterly Budget Review Statement
for the period 01/07/19 to 30/09/19

Contracts Budget Review Statement

Budget review for the quarter ended 30 September 2019
Contracts Listing - contracts entered into during the quarter

Contractor	Contract detail & purpose	Contract Value	Start Date	Duration of Contract	Budgeted (Y/N)	Notes
	Nil	-		0		

This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 30/09/18 and should be read in conjuction with the total QBRS raport

12) AUDIT RISK AND IMPROVEMENT COMMITTEE (ARIC) (CM.AU.1)

Author: Director Finance and Corporate Services

IP&R Link: Strategy Priority 2 – An efficient, sustainable and customer focussed organisation 2.3 - Improving Performance and Managing Risk – 2.3.4 Implement internal audit processes for governance and compliance management

---

RECOMMENDATION:

That Council note the Audit, Risk and Improvement Committee meeting minutes dated 1 August, 2019.

REPORT

The adopted minutes of the Internal Audit, Risk and Improvement Committee (ARIC) Meeting held on 1 August, 2019 are attached for Council's information.

As indicated in the minutes the Internal Audit program for 2019 and 2020 was determined at that meeting to cover the following areas:

- 2019 – Cyber Security – System Penetration Testing (in progress)
- 2020 – Fraud Prevention and Control

A further ARIC meeting was held on 21 November, 2019.

Council's ARIC members were provided with a draft copy of Council's Financial Reports for the year ended 30 June, 2019 prior to final audit reports being received. A copy of the audited accounts were provided to Committee members after the Audit Reports were issued by the NSW Audit Office on 30 October, 2019. Any questions from Committee members regarding the accounts were addressed by Council's Management Team.

It is also important to note that the Office of Local Government in September, 2019 released a new proposed Risk Management and Internal Audit Framework (summary guide is attached). The initial review of these guidelines are that they will be extremely onerous and costly to implement. Council discussed these proposed guidelines at the recent ARIC meeting and council is awaiting advice from Committee members with the view of making a submission prior to the 31st December, 2019 closure date.

Please note that the AIRC have requested that minutes of meetings be presented after adoption by the Committee at a subsequent meeting.

BUDGET IMPLICATIONS

Council has a 2019/20 adopted budget of $21,000 that covers the cost of the committee meeting costs and the conduct of at least one internal audit project engagement per annum. The cost of the Cyber Security audit is around $8,000.

POLICY IMPLICATIONS

As outlined in the report.

ATTACHMENTS

Minutes of Committee Meeting 1 August, 2019

Snapshot Guide of proposed Office of Local Government Risk and Internal Audit Framework.

Minutes of the Audit, Risk and Improvement Committee Meeting of Central Tablelands Water held at Blayney Community Centre on Thursday 1st August, 2019 commencing at 11.15am

PRESENT:	Mr Phillip Burgett	(Chairperson - Independent Member - Voting)
	Ms Donna Rygate	(Independent Member – Voting)
	Cllr David Somervaille	(Council Chairman - Voting)
	Gavin Rhodes	(General Manager - Observer)
	Peter McFarlane	(Director Finance & Corporate Services - Secretariat)
	Bernadina Smith	(Executive and Governance Support Officer -Observer)
	Noel Wellham	(Director of Operations and Technical Services – Observer)
	Karen Taylor	(Audit Director - NSW Audit Office)

1. Welcome

The Chairperson, Phillip Burgett welcomed everyone to the meeting and thanked Ms Karen Taylor from the NSW Audit Office for attending the meeting.

2. Declarations of Interest

There were no declarations of interest.

3. Apologies for Non Attendance

An apology was received on behalf of John O'Malley of Intentus. It was noted that Mr O'Malley could ring in to the meeting if required.

Moved: Cllr Somervaille Seconded: Donna Rygate

Resolved: That the apology from John O'Malley be accepted.

4. Confirmation of Minutes of Audit, Risk and Improvement Committee – 21 February 2019

Moved: Cllr Somervaille Seconded: Donna Rygate

Resolved: That the minutes of the meeting of 21 February 2019 be adopted.

5. Major Developments since Previous Meeting

The Committee members requested that a copy of the adopted 2019-20 to 2028-29 Long Term Financial Plan be provided to them.

Moved: Donna Rygate Seconded: Cllr Somervaille

Resolved: That the report on recent developments be received and noted.

6. Audit Management Letter – Final 2017-18 Financial Statements

Karen Taylor from the NSW Audit Office provided an overview of the items mentioned in the management letter.

Moved: Donna Rygate Seconded: Cllr Somervaille

Resolved: That the contents of the Management Letter be received and noted.

7. Audit Management Letter – Interim 2018-19 Financial Audit

Karen Taylor from the NSW Audit Office provided an overview of the items mentioned in the management letter. It was noted that Council is currently reviewing the credit card policy.

Moved: Cllr Somervaille Seconded: Donna Rygate

Resolved: That the contents of the Management Letter be received and noted.

8. ARIC Charter – Chairperson's Role and Responsibilities

Moved: Cllr Somervaille Seconded: Donna Rygate

Resolved: That the Committee notes the insertion of changes to Clause 4 of the Charter to incorporate specific responsibilities in respect of the Chairperson's role that were adopted at the 17 April, 2019 meeting of Council.

Donna Rygate also advised that Clause 5 of the Charter in relation to Committee reporting, required disclosures to be made after 30 June in respect to:

1. Performance of the ARIC over the previous financial year.
2. Status of the approved Internal Audit Plan.
3. Any other matters of importance.

The Chairperson noted in respect of these matters:

1. Compliance with the ARIC Charter was monitored over the course of the year with an Annual Report on the Committee's activities and performance tabled at the February 2019 Committee Meeting. New Committee membership has been confirmed for the remainder of Council's current term and will be subject to a report to Council early in 2020.

2. The Committee noted that no formal Internal Audit Plan had been adopted prior to the beginning of the 2018-19 financial year, however a substantial audit was undertaken in respect of WHS matters. An updated report was presented at this meeting. It was also noted that substantial progress had been made in developing a Business Continuity Plan (BCP) by Council with significant input from the Committee.

3. There were no other substantial matters considered by the Committee that required separate noting at this time.

Moved: Phillip Burgett Seconded: Donna Rygate

Resolved: That the reporting matters required by Clause 5 of the Charter be received and noted.

9. ARIC Meetings – Timing and Location

The Chairperson noted that this matter is subject to further discussion with Cabonne Council. It was noted that for the best logistical outcome for Committee members was for the Blayney Shire Council and Central Tablelands Water meetings to run in sequence on a given meeting day. It was further noted that Central Tablelands Water had no objection to holding one ARIC meeting annually for all 3 Councils at a location selected by Cabonne Council.

10. New Code of Conduct

Moved: Donna Rygate Seconded: Cllr Somervaille

Resolved: That the new Code of Conduct adopted by Council be noted.

11. Business Continuity Plan (BCP) Update

Moved: Cllr Somervaille Seconded: Donna Rygate

Resolved:

1. That the update on the Business Continuity Plan be noted.

2. That feedback on the planned exercise with Statewide Mutual be reported back to the Committee upon receipt.

12. Internal Audit Program - WHS Update

Noel Wellham presented an update on the progress of this matter.

Moved: Donna Rygate Seconded: Phillip Burgett

Resolved:

1. That the report be received and noted.
2. That a subsequent report be provided to the Committee regarding the outcome of the 2019 StateCover review noting the improvements actioned by Council.

13. Risk Register – June 2019 Review

The Chairperson thanked Council staff for their efforts in updating and maintaining the risk register. It was noted that the format and contents of the register are considered fit for purpose with some small modifications required in the comments regarding how residual risk ratings are determined including review of the risk matrix. The Chairperson indicated that he will communicate directly with Council staff regarding these matters prior to the next detailed register review in December 2019.

Moved: Cllr Somervaille Seconded: Donna Rygate

Resolved: That the updated risk register be received and noted.

14. Proposed Internal Audit Program – 2019 and 2020

Moved: Donna Rygate Seconded: Cllr Somervaille

Resolved:

1. That the Committee endorses the proposed internal audit program being 2019 - Cyber Security and 2020 - Fraud Prevention and Control.
2. That details of the Cyber Audit engagement and agreed scope be provided to the Committee (out of session) once it has been finalised.
3. That, if resources and funding become available, consideration be given to undertaking an additional internal audit of Capital Project Management incorporating project procurement and contract management.

15. Other Business

There was no other business.

16. Next Meeting

The next meeting will be held at Blayney on 21 November, 2019.

The meeting closed at 1.09 pm

This is Page No. 4 of the Minutes of the Central Tablelands Water Audit Risk and Improvement Committee Meeting held 1 August, 2019.

A NEW RISK MANAGEMENT AND INTERNAL AUDIT FRAMEWORK

for local councils in NSW

Snapshot Guide

September 2019

NSW GOVERNMENT

A NEW RISK MANAGEMENT AND INTERNAL AUDIT FRAMEWORK FOR LOCAL COUNCILS IN NSW – SNAPSHOT GUIDE
2019

ACCESS TO SERVICES
The Office of Local Government is located at:
Street Address: Levels 1 & 2, 5 O'Keefe Avenue, NOWRA NSW 2541
Postal Address: Locked Bag 3015, Nowra, NSW 2541
Phone: 02 4428 4100
Fax: 02 4428 4199
TTY: 02 4428 4209
Email : olg@olg.nsw.gov.au
Website: www.olg.nsw.gov.au

OFFICE HOURS
Monday to Friday
9.00am to 5.00pm
(Special arrangements may be made if these hours are unsuitable)
All offices are wheelchair accessible.

ALTERNATIVE MEDIA PUBLICATIONS
Special arrangements can be made for our publications to be provided in large print or an alternative media format. If you need this service, please contact Client Services on 02 4428 4100.

DISCLAIMER
While every effort has been made to ensure the accuracy of the information in this publication, the Office of Local Government expressly disclaims any liability to any person in respect of anything done or not done as a result of the contents of the publication or the data provided.

© NSW Office of Local Government, Department of Planning, Industry and Environment 2019
Produced by the NSW Office of Local Government, Department of Planning, Industry and Environment

A NEW RISK MANAGEMENT AND INTERNAL AUDIT FRAMEWORK FOR LOCAL GOVERNMENT IN NSW - Snapshot Guide

Purpose

This summary guide provides a 'snapshot' of the mandatory internal audit and risk management framework that is being proposed for NSW councils.

For a full understanding of the proposed framework, please refer to the discussion paper, *A new risk management and internal audit framework for local councils in NSW,* which can be found at www.olg.nsw.gov.au.

Introduction

In 2016, the NSW Government made it a requirement under the *Local Government Act 1993* ('Local Government Act') that each council have an Audit, Risk and Improvement Committee. This requirement is likely to take effect from March 2021. Councils are also required to proactively manage any risks they face under the new guiding principles of the Act.

The Government is consulting on the proposed regulatory framework that will support the operation of these committees, and the establishment of a risk management framework and internal audit function in each council.

There will be nine core requirements that councils will be required to comply with when establishing their Audit, Risk and Improvement Committees, risk management framework and internal audit function.

These requirements are based on international standards and the experience of Australian and NSW Government public sector agencies who have already implemented risk management and internal audit.

There are also components of the proposed framework that are designed to reflect the unique needs and structure of NSW councils.

The framework will apply to councils, county councils and joint organisations.

Have Your Say

The NSW Government would like to know what you think of the framework being proposed.

Submissions may be made in writing by **31 December 2019** to the following addresses.

Post: Locked Bag 3015 NOWRA NSW 2541
Email: olg@olg.nsw.gov.au

Key questions you may wish to consider when providing your feedback include:

- will the proposed framework achieve the outcomes sought?
- what challenges do you see for your council when implementing the proposed framework?
- does the proposed framework include all important elements of an effective internal audit and risk framework?
- is there anything you don't like about the proposed framework?
- can you suggest any improvements to the proposed framework?

Proposed regulatory framework

The NSW Government's objective is to ensure that:

→ each council in NSW has an independent Audit, Risk and Improvement Committee that adds value to the council

→ each council in NSW has a robust risk management framework in place that accurately identifies and mitigates the risks facing the council and its operations

→ each council in NSW has an effective internal audit function that provides independent assurance that the council is functioning effectively and the internal controls the council has put into place to manage risk are working, and

→ councils comply with minimum standards for these mechanisms that are based on internationally accepted standards and good practice.

The proposed statutory framework will consist of the following three elements:

1. Current provisions in the Local Government Act

Section 428A

Section 428A (when proclaimed) will require each council to establish an Audit, Risk and Improvement Committee to continuously review and provide independent advice to the general manager and the governing body of council about:

- whether the council is complying with all necessary legislation
- the adequacy and effectiveness of the council's risk management framework, fraud and corruption prevention activities, financial management processes, and the council's financial position and performance
- the council's governance arrangements
- the achievement of the goals set out in the council's community strategic plan, delivery program, operational plan and other strategies
- how the council delivers local services and how to improve the council's performance of its functions more generally
- the collection of performance measurement data by the council, and
- any other matters prescribed by the *Local Government (General) Regulation 2005* (i.e. internal audit).

Section 428B

Section 428B (when proclaimed) will also allow a council to establish a joint Audit, Risk and Improvement Committee with another council/s including through joint or regional organisations of councils.

Guiding principles and roles and responsibilities

Amendments made to the Local Government Act in 2016 prescribed new guiding principles for councils and updated the prescribed roles and responsibilities of the governing body (section 223) and general manager (section 335). These amendments will operate to support the work of Audit, Risk and Improvement Committees and provide for the future establishment of a risk management and internal audit function in each council.

These guiding principles and roles and responsibilities have already commenced.

2. New regulations

The operation of sections 428A and 428B will be supported by new regulations in the *Local Government (General) Regulation 2005*.

These will prescribe the requirements that councils are to comply with when appointing their Audit, Risk and Improvement Committee and establishing their risk management framework and internal audit function.

The regulations will also provide for a model internal audit charter and model terms of reference for Audit, Risk and Improvement

Committees which all councils must adopt and comply with.

3. New Guidelines

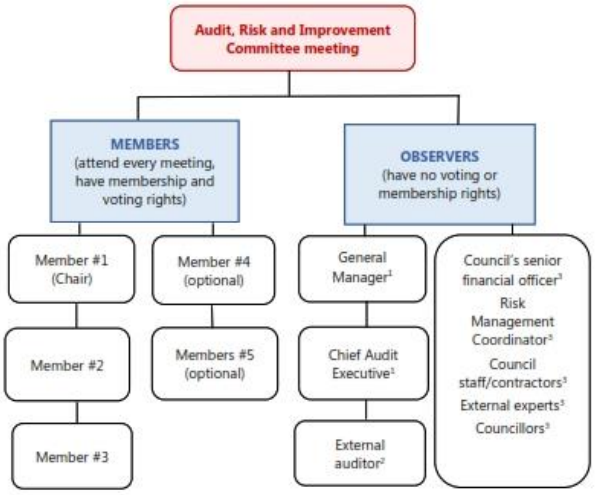
New guidelines will be issued setting out the core requirements that each council's Audit, Risk and Improvement Committee, risk management framework and internal audit function must comply with.

These core requirements are detailed below.

Core requirement 1:

Appoint an independent Audit, Risk and Improvement Committee

- Each council is to have an independent Audit, Risk and Improvement Committee that reviews all the matters prescribed in section 428A of the Local Government Act
- The Audit, Risk and Improvement Committee is to operate according to terms of reference, based on a model terms of reference, and approved by the governing body of the council after endorsement by the Committee
- The Audit, Risk and Improvement Committee is to comprise of three to five independent members who are prequalified via the NSW Government's *Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members*
- Audit, Risk and Improvement Committee members and the Chair are to serve a three to five-year term. A member's term cannot exceed eight years and the Chair's term cannot exceed five years
- The Audit, Risk and Improvement Committee is to meet quarterly, with the ability to hold extra meetings if required. A council's general manager and Chief Audit Executive (see below) should attend except where excluded by the Committee
- Audit, Risk and Improvement Committee members are to comply with the council's code of conduct and the conduct requirements of the NSW Government's *Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members*
- Disputes between the general manager and/or the Chief Audit Executive are to be resolved by the Audit, Risk and Improvement Committee. Disputes with the Committee are to be resolved by the governing body of the council
- The Audit, Risk and Improvement Committee is to provide an annual assurance report to the governing body of the council and be assessed by an external party at least once each council term as part of council's quality assurance and improvement program
- The general manager is to nominate a council employee/s to provide secretariat support to the Audit, Risk and Improvement Committee. Minutes are to be recorded for all committee meetings



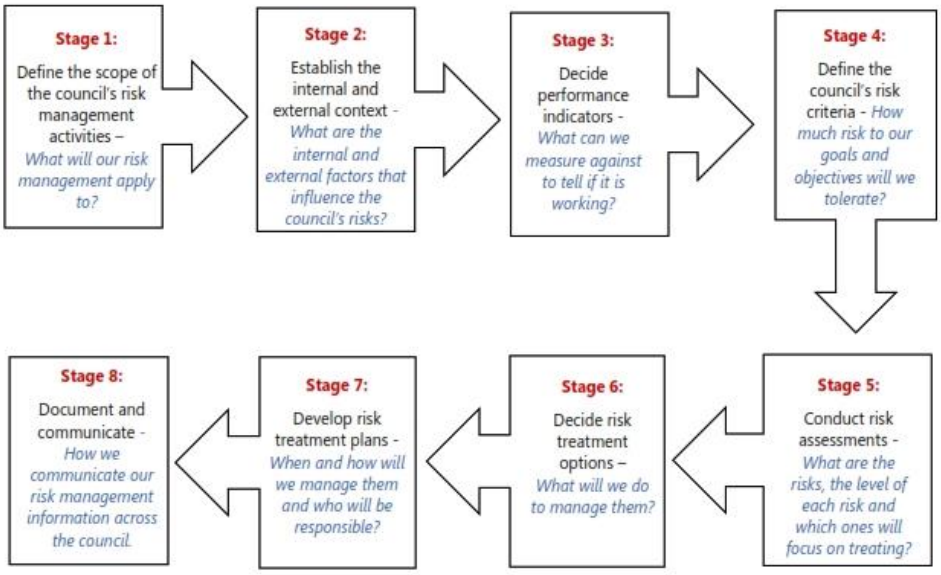
[1] Attends each meeting except where excluded by the Committee
[2] Open invitation to attend every meeting as an independent advisor
[3] When invited by the Committee to attend/give information

Core requirement 2:

Establish a risk management framework consistent with the current Australian risk management standards

- Each council is to establish a risk management framework that is consistent with current Australian standards for risk management
- The governing body of the council is to ensure that council is sufficiently resourced to implement an appropriate and effective risk management framework
- Each council's risk management framework is to include the implementation of a risk management policy, risk management plan and risk management process (see below). This includes deciding the council's risk criteria and how risk that falls outside tolerance levels will be treated
- Each council is to fully integrate its risk management framework within all of council's decision-making, operational and integrated planning and reporting processes
- Each council is to formally assign responsibilities for risk management to the general manager, senior managers and other council staff and ensure accountability
- Each council is to ensure its risk management framework is regularly monitored and reviewed
- The Audit, Risk and Improvement Committee and the council's internal audit function are to provide independent assurance of risk management activities
- The general manager is to publish in the council's annual report an attestation certificate indicating whether the council has complied with the risk management requirements

Stages of a council's risk management process



A New Risk Management and Internal Audit Framework for Local Councils in NSW – Snapshot Guide 6

Core requirement 3:

Establish an internal audit function mandated by an Internal Audit Charter

- Each council is to establish an internal audit function
- The governing body is to ensure that the council's internal audit function is sufficiently resourced to carry out its work
- The governing body of the council is to assign administrative responsibility for internal audit to the general manager and include this in their employment contract and performance reviews
- The Chief Audit Executive is to develop an Internal Audit Charter, based on a model charter, which will guide how internal audit is conducted by the council. The Charter is to be approved by the governing body of the council after endorsement by the Audit, Risk and Improvement Committee

Core requirement 4:

Appoint internal audit personnel and establish reporting lines

- The general manager is to appoint a Chief Audit Executive to oversee the council's internal audit activities in consultation with the Audit, Risk and Improvement Committee
- The Chief Audit Executive is to report functionally to the Audit, Risk and Improvement Committee and administratively to the general manager and attend all committee meetings
- The general manager is to ensure that, if required, the council has adequate internal audit personnel to support the Chief Audit Executive. Councils will be able to appoint in-house internal audit personnel or completely or partially outsource their internal audit function to an external provider

[1] reports administratively (day-to-day processes and resources)
[2] reports functionally (strategic direction, accountability)

Core requirement 5:

Develop an agreed internal audit work program

- The Chief Audit Executive is to develop a four-year strategic plan to guide the council's longer term internal audits in consultation with the governing body, general manager and senior managers. The strategic plan is to be approved by the Audit, Risk and Improvement Committee
- The Chief Audit Executive is to develop an annual risk-based internal audit work plan, based on the strategic plan, to guide the council's internal audits each year. The work plan is to be developed in consultation with the governing body, general manager and senior managers and approved by the Audit, Risk and Improvement Committee

- The Chief Audit Executive is to ensure performance against the annual and strategic plans can be assessed

Core requirement 6:

How to perform and report internal audits

- The Chief Audit Executive is to ensure that council's internal audits are performed in accordance with the IPPF and current Australian risk management standards (where applicable), and approved by the Audit, Risk and Improvement Committee
- The Chief Audit Executive is to develop policies and procedures to guide the operation of the internal audit function, including the performance of internal audits
- The Chief Audit Executive is to report internal audit findings and recommendations to the Audit, Risk and Improvement Committee. Each finding is to have a recommended remedial action and a response from the relevant senior manager/s
- All internal audit documentation is to remain the property of, and can be accessed by, the audited council, including where internal audit services are performed by an external provider. It can also be accessed by the Audit Risk and Improvement Committee, external auditor and governing body of the council (by resolution)

Core requirement 7:

Undertake ongoing monitoring and reporting

- The Audit, Risk and Improvement Committee is to be advised at each quarterly meeting of the internal audits undertaken and progress made implementing corrective actions
- The governing body of the council is to be advised after each quarterly meeting of the Audit, Risk and Improvement Committee of the internal audits undertaken and the progress made implementing corrective actions
- The Audit, Risk and Improvement Committee can raise any concerns with the governing body of the council at any time through the Chair

Core requirement 8:

Establish a quality assurance and improvement program

- The Chief Audit Executive is to establish a quality assurance and improvement program which includes ongoing monitoring and periodic self-assessments, an annual review and strategic external review at least once each council term
- The general manager is to publish in the council's annual report an annual attestation certificate indicating whether the council has complied with the core requirements for the Audit, Risk and Improvement Committee and the internal audit function

Core requirement 9:

Councils can establish shared internal audit arrangements

- A council can share all or part of its internal audit function with another council/s by either establishing an independent shared arrangement with another council/s of its choosing, or utilising an internal audit function established by a joint or regional organisation of councils that is shared by member councils
- The core requirements that apply to stand-alone internal audit functions will also apply to shared internal audit functions, with specified exceptions that reflect the unique structure of shared arrangements
- The general manager of each council in any shared arrangement must sign a 'Shared Internal Audit Arrangement' that describes the agreed arrangements

Implementation timeline

The transitional arrangements built into the Local Government Act mean that the requirement to have an Audit, Risk and Improvement Committee will not come into force until six months after the next ordinary elections in September 2020 at the earliest. Councils will therefore have until March 2021 to establish their committees.

It is proposed that councils will then have a further 18 months, until December 2022, to establish their internal audit function and risk management framework (guided by the Audit, Risk and Improvement Committee).

As these functions are bedded down and greater time and resources become available to the Audit, Risk and Improvement Committee and the council, the role of the committee is to broaden to comply with the remaining requirements of sections 428A of the Local Government Act.

Full compliance with section 428A of the Local Government Act will be expected by 2026.

Councils with established Audit, Risk and Improvement Committees and mature risk management and internal audit functions will be encouraged to comply sooner.

→ By March 2021

Audit, Risk and Improvement Committee established and appointed (core requirement 1 or 9 for shared arrangements)

→ By December 2022

Risk management framework developed, including appointment of a Risk Management Coordinator (core requirement 2)

Internal audit function established, including employment of a Chief Audit Executive and personnel (core requirements 3-4 or 9 for shared arrangements)

→ By 2024

Risk management framework fully implemented throughout council and operating in compliance with regulatory requirements (core requirement 2)

Internal audit function fully implemented by the council and operating in compliance with regulatory requirements (core requirements 5-8)

→ By 2026

Audit, Risk and Improvement Committee's role expanded to include compliance, fraud control, financial management, governance, integrated planning and reporting, service reviews, performance measurement data and performance improvement in compliance with section 428A of the Local Government Act.

NSW GOVERNMENT

13) WATER SECURITY – DROUGHT IMPACT UPDATE (WS.AM.1)

Author: Director Operations & Technical Services

IP&R Link: Strategy Priority 1 – Providing a high quality and reliable drinking water supply – 1.1.1 Deliver capital works program based on asset management data.

RECOMMENDATION:

That the information be noted.

REPORT

Central Tablelands Water (CTW) continues to operate under its Drought Management Plan (DMP) 2012.

In line with this DMP, CTW implemented Level 3 restrictions on 1st July 2019 and will closely monitor its effect on Demand of Residence Consumption per Person (DoRCpP).

The target DoRCpP for Level 3 restriction is 211 Litres/person/day.

CTW is closely monitoring the level of its Lake Rowlands Dam (LRD), and comparing its current level against the 2006 drought levels.

LRD is currently 5% higher than its 2006 level.

CTW continues to supplement LRD water by increasing the usage of its Gooloogong bore fields.

CTW has engaged the services of HunterH2O to assist with pre-treatment options necessary to re-introduce Bangaroo Bores, Cudal Bore and Blayney Well into the CTW network. CTW is awaiting drought funding support from NSW State government to assist with these services.

BUDGET IMPLICATIONS

Increased Operational Cost in 2019-2020 Financial Year

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

14) TRUNK MAIN K RENEWAL (WS.AM.1)

Author: Director Operations & Technical Services

IP&R Link: Strategy Priority 1 – Providing a high quality and reliable drinking water supply – 1.1.1 Deliver capital works program based on asset management data.

RECOMMENDATION:

That Council approve an additional vote of $225k from the Infrastructure Restriction to complete the Trunk Main K Project.

REPORT

Trunk Main K supplies Grenfell with water from the Central Tablelands Water (CTW) system. Built in 1946, Trunk Main K, and a section referred as "Trunk Main K to Trunk Main C interconnection", stretches some 39 kilometres from Gooloogong Bridge to Grenfell. The pipeline is cast iron, and while the trunk main has reliably delivered water to the township of Grenfell for the last 70 years, there were numerous areas of the pipeline that had started to fail due to pipe fatigue.

The Capital Works budget for the replacement of Trunk Main K is $6,182,364 extending originally across the 2015/16 – 2018/19 financial years.

The previous Stage 1 & Stage 2 augmentation of 250mm PVC Class PN20 pipeline was completed in December 2018, however the flushing and disinfecting of this new pipeline into Grenfell North reservoir remains on-hold due to implementation of Level 3 Water restrictions applied across all CTW's water supply networks.

The remaining section of this project, being the Stage 3 construction of 300mm Ductile Iron (DI) Class PN35 pipeline, recommenced on 4th November 2019, and is currently deemed to be 90% complete.

BUDGET IMPLICATIONS

Nil – Original Capex budget, Operational Plan FY19/20

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

15) LAKE ROWLANDS DAM SAFETY UPGRADE (WS.SP.4)

Author: Director Operations & Technical Services

IP&R Link: Strategy Priority 1 – Providing a high quality and reliable drinking water supply – 1.1.1 Deliver capital works program based on asset management data.

RECOMMENDATION:

That the information be noted.

REPORT

In 2013, Council engaged consultants GHD to undertake the Lake Rowlands Safety Upgrade Options Study and prepare a report for the NSW Dam Safety Committee (DSC).

Following deliberations with GHD and another independent consultant engineer with dam expertise, Council submitted its recommendation for Option 1b of this study to the DSC.

In February 2015, DSC noted Option 1b was in line with DSC's risk based approach and requested CTW submit and undertake a program to ensure these works would be completed by March 2021.

Council have currently re-engaged consultants GHD to assist with firming up cost estimates of the original options plus undertake further option studies and costings that would not restrict the opportunity to raise the dam wall.

A letter was forwarded to DSC by Council, recommending CTW undertake a staged approach to address each the three risks previously identified. DCS has advised they have no objection to CTW's recommended staged approach and proposed timelines for completion of each stage.

GHD has completed a design to address our highest risk, however all DCS works have been placed on hold due to the NSW State Government's recent announcement of a $1M grant to be shovel ready for the raising of the wall, being Stage 1 of the Lake Rowlands Augmentation project.

CTW will ensure that all DSC concerns are addressed with the design for Stage 1.

BUDGET IMPLICATIONS

Operational Plan FY19/20.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

16) MAINTENANCE OF COUNCIL'S SYSTEMS (WS.MO.4)

Author: Director Operations & Technical Services

IP&R Link: Strategy Priority 1 – Providing a high quality and reliable drinking water supply – 1.1.2 Develop and deliver maintenance program. 1.1.4 Undertake regular water meter replacement program.

RECOMMENDATION:

That the information be noted.

REPORT

a) *Meter Reading*
The second meter read for the 2019/20 financial year commenced 8th October as per the meter reading schedule. CTW successfully implemented a new software package and smart devices that has improved this process.

b) *Meter Change Program*
There have been 30 meter changes undertaken since the previous reporting period.

c) *Water Filtration Plants*
Both Blayney and Carcoar Water Treatments Plants operations have continued unabated.

d) *Pump Stations*
Cleaning of Pump Stations listed under general maintenance has continued throughout our network over the past 3 months.

e) *Drinking Water Quality*
No reportable incidences of exceeding our Critical Control Points for delivery of drinking water from our Water Treatment Plants.

f) *Trunk Mains*
Ongoing inspections continue to be carried out on Trunk Mains and Rural supplies during the previous three months.

g) *Hydrants*
Ongoing inspections and maintenance requirements have continued to be carried out on hydrants throughout all towns on the CTW supply network during the previous three months.

h) *Rural Scheme renewals*
Trunk Main 'P' - Somers Lane. Approx. 2km of 100mm Blue PVC pipeline. Completion of the laying of this new main and changeover of all rural connections is expected by the end of December 2019.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

17) PERFORMANCE OF COUNCIL'S SYSTEMS (WS.MO.4)

Author: Director Operations & Technical Services

IP&R Link: Strategy Priority 1 – Providing a high quality and reliable drinking water supply – Strategy Priority 2 – An efficient, sustainable and customer focussed organisation – 2.1.4 Establish service levels and monitor and report on performance.

RECOMMENDATION:

That the information be noted.

REPORT

a) Main Breaks

Location		Date	Size / Type	Comment
Blayney	Binstead St	2/12/2019	150mm AC	DNR
Canowindra	Nr Moorbel Reservoir	06/11/2019	100mm AC	DNR
Canowindra	Nr Moorbel Reservoir	1911/2019	100mm AC	DNR
Gooloogong	Warraderry Way	15/11/2019	200mm Steel	Weld
Millthorpe	Crowson St	19/11/2019	100mm AC	DNR

a) *Service Activities and Requests*

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
BLAYNEY	**22**	**17**	**28**	**38**	**2.64%**	**1440**
BURST METER	0	1	0	0	0.00%	
CHECK METER READING	1	0	3	0	0.00%	
CUSTOMER DAMAGED METER	2	0	0	0	0.00%	
DIRTY WATER COMPLAINT	0	1	1	0	0.00%	
LEAKING METER	7	8	9	19	1.32%	
LEAKING SERVICE	6	2	5	4	0.28%	
LOW PRESSURE COMPLAINT	1	0	4	2	0.14%	
MAIN BREAK	1	1	1	1	0.07%	
MAINTENANCE - GENERAL	0	1	0	4	0.28%	
METER NEW / REPLACEMENT	0	0	0	8	0.56%	
METER NOT SHUTTING OFF	4	1	2	0	0.00%	
NO WATER COMPLAINT	0	0	1	0	0.00%	
PATHCOCK FAILURE	0	1	1	0	0.00%	
QUALITY COMPLAINT	0	1	0	0	0.00%	
RESERVOIR MAINTENANCE	0	0	1	0	0.00%	
Total Complaints = 2						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
CANOWINDRA	**15**	**19**	**25**	**30**	**2.69%**	**1117**
BURST METER	0	0	1	0	0.00%	
CHECK METER READING	0	0	0	1	0.09%	
DISCONNECTION OF WATER	1	0	0	0	0.00%	
HYDRANT LEAKING	0	1	0	0	0.00%	
LEAKING METER	3	6	8	12	1.07%	
LEAKING SERVICE	7	7	6	3	0.27%	
LOW PRESSURE COMPLAINT	1	0	1	0	0.00%	
MAIN BREAK	0	1	6	2	0.18%	
MAINTENANCE - GENERAL	2	3	2	7	0.63%	
METER NEW / REPLACEMENT	0	0	0	2	0.18%	
METER NOT SHUTTING OFF	0	1	0	0	0.00%	
NO WATER COMPLAINT	1	0	0	2	0.18%	
QUALITY COMPLAINT	0	0	1	0	0.00%	
RESERVOIR MAINTENANCE	0	0	0	1	0.09%	
Total Complaints = 2						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
CARCOAR	**2**	**1**	**2**	**1**	**0.75%**	**134**
CHECK METER READING	0	0	1	0	0.00%	
LEAKING METER	1	1	1	1	0.75%	
MAIN BREAK	1	0	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
CARGO	**2**	**2**	**3**	**5**	**3.73%**	**159**
CUSTOMER DAMAGED METER	0	1	0	0	0.00%	
HYDRANT LEAKING	0	1	0	0	0.00%	
LEAKING METER	1	0	0	4	2.99%	
LEAKING SERVICE	1	0	0	0	0.00%	
LOW PRESSURE COMPLAINT	0	0	2	1	0.75%	
MAIN BREAK	0	0	1	0	0.00%	
Total Complaints = 1						

ACTIVITIES	PREVIOUS YEARS	THIS PERIOD	

	2016	2017	2018	2019	% of Total customers	Total Customers
CUDAL	**3**	**5**	**9**	**4**	**1.77%**	**226**
HYDRANT LEAKING	0	0	1	0	0.00%	
LEAKING METER	1	1	4	3	1.33%	
LEAKING SERVICE	2	4	2	0	0.00%	
LOW PRESSURE COMPLAINT	0	0	1	0	0.00%	
MAIN BREAK	0	0	1	0	0.00%	
METER NEW / REPLACEMENT	0	0	0	1	0.44%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
EUGOWRA	**4**	**1**	**4**	**4**	**1.04%**	**383**
CUSTOMER DAMAGED METER	0	0	1	0	0.00%	
LEAKING METER	2	0	1	1	0.26%	
LEAKING SERVICE	1	1	1	1	0.26%	
MAIN BREAK	0	0	1	1	0.26%	
METER NOT SHUTTING OFF	1	0	0	0	0.00%	
METER NEW / REPLACEMENT	0	0	0	1	0.26%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
GRENFELL	**6**	**10**	**11**	**18**	**1.37%**	**1317**
BURST METER	1	0	0	0	0.00%	
CHECK METER READING	1	1	0	1	0.08%	
CUSTOMER DAMAGED METER	0	0	0	1	0.08%	
DIRTY WATER COMPLAINT	0	0	1	0	0.00%	
LEAKING METER	2	1	3	2	0.15%	
LEAKING SERVICE	0	4	1	3	0.23%	
LOW PRESSURE COMPLAINT	0	0	1	0	0.00%	
MAIN BREAK	0	0	2	0	0.00%	
MAINTENANCE – GENERAL	1	0	1	3	0.23%	
METER NEW / REPLACEMENT	0	1	0	6	0.46%	
METER NOT SHUTTING OFF	1	2	1	1	0.08%	
NO WATER COMPLAINT	0	0	0	0	0.00%	
PATHCOCK FAILURE	0	1	0	0	0.00%	
QUALITY COMPLAINT	0	0	1	1	0.08%	
Total Complaints = 1						

ACTIVITIES	PREVIOUS YEARS	THIS PERIOD	

	2016	2017	2018	2019	% of Total customers	Total Customers
LYNDHURST	**0**	**1**	**0**	**5**	**3.27%**	**153**
LEAKING METER	0	0	0	5	3.27%	
MAINTENANCE – GENERAL	0	1	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
MANDURAMA	**1**	**1**	**4**	**4**	**3.01%**	**133**
HYDRANT LEAKING	0	0	1	0	0.00%	
LEAKING METER	0	0	2	3	2.26%	
LEAKING SERVICE	0	0	0	0	0.00%	
MAIN BREAK	0	0	1	0	0.00%	
MAINTENANCE – GENERAL	0	0	0	1	0.75%	
NO WATER COMPLAINT	1	1	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
MANILDRA	**2**	**1**	**3**	**6**	**2.15%**	**279**
CHECK METER READING	1	0	0	0	0.00%	
LEAKING METER	0	1	0	1	0.36%	
LEAKING SERVICE	1	0	0	1	0.36%	
LOW PRESSURE COMPLAINT	0	0	1	0	0.00%	
MAIN BREAK	0	0	1	0	0.00%	
MAITENANCE - GENERAL	0	0	1	4	1.43%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
MILLTHORPE	**7**	**7**	**1**	**4**	**0.88%**	**452**
LEAKING METER	2	2	0	0	0.00%	
LEAKING SERVICE	3	2	0	1	0.22%	
HYDRANT LEAKING	0	0	0	0	0.00%	
MAIN BREAK	1	0	1	1	0.22%	
METER NOT SHUTTING OFF	1	0	0	1	0.22%	
PATHCOCK FAILURE	0	2	0	1	0.22%	
QUALITY COMPLAINT	0	1	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Customers
	2016	2017	2018	2019	% of Total customers	
QUANDIALLA	**2**	**1**	**1**	**0**	**0.00%**	**98**
HYDRANT LEAKING	1	1	0	0	0.00%	
LEAKING METER	0	0	1	0	0.00%	
LEAKING SERVICE	1	0	0	0	0.00%	
Total Complaints = 0						

TOTAL ACROSS CTW TOWNSHIPS	**66**	**66**	**91**	**119**	**2.02%**	**5891**

Notes:

1. Total Customers reflect the number of properties where water is connected.
2. Comparison years use data from the same period i.e. October to December.
3. CTW complaint rolling value score across 12mths == 7.97 which is above the 2017/18 NSW State median of 5.0 complaints/1000 connections.
4. CTW Total Service Activities and Requests score == 2.02% which is below CTW benchmark of 5% across all townships.

c) Lake Rowlands

The current level of Lake Rowlands is 51% (6.12.19)

d) New Water Services

Since 9th October 2019, there have been nine (9) new domestic water services connected to Council's mains.

BUDGET IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

18) REPORTING THE PERFORMANCE OF COUNCIL'S SYSTEMS (WS.MO.4)

Author: Director Operations & Technical Services

IP&R Link: Strategy Priority 1 – Providing a high quality and reliable drinking water supply – Strategy Priority 2 – An efficient, sustainable and customer focussed organisation – 2.1.4 Establish service levels and monitor and report on performance.

RECOMMENDATION:

That Council approve an additional $45k of funding for FY 2019/20 to procure a dedicated Operations Reporting package.

REPORT

CTW currently requires manual transfer of operational data from its telemetry system, Water Treatment Plant SCADA systems, CASYS meter reading database and hard copied plant Systems Check Sheets, into spreadsheets to provide compliance data for various government agencies.

CTW has sourced a cloud based Infrastructure Data program that will enable direct interfacing and automatic data transferring from its current telemetry, SCADA and CASYS systems, to create automatic generation of compliance reporting.

The labour saving created by this tool will provide efficiencies in both staff utilisation and online operations performance monitoring in real-time.

BUDGET IMPLICATIONS

Additional $45k – September 2019 QBRS.

POLICY IMPLICATIONS

Nil

ATTACHMENTS

Nil

19) QUESTIONS ON NOTICE

(General Manager)

No questions on notice were received.

ATTACHMENTS

Nil