



**Central  
Tablelands  
Water**

**Business Paper**

**Ordinary Meeting of  
Central Tablelands Water**

**14 October 2020**

**Grenfell & Video Conference**

10 October 2020

## **Notice to Members**

Your attendance is requested at an Ordinary Meeting of Council to be held at the Weddin Shire Council Chambers, Grenfell and via video conference platform Zoom on Wednesday, 14 October 2020 at 10.30am.

### **Agenda**

1. Opening meeting
2. Acknowledgment of country
3. Recording of Meeting Statement
4. Apologies and applications for a leave of absence by members
5. Confirmation of minutes from previous meeting(s)
6. Disclosures of interests
7. Public Forum
8. Chairperson's minute
9. Councillor representation
10. Notices of motion
11. Reports of Staff
12. Questions with notice
13. Confidential matters
14. 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.

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**HELD ON WEDNESDAY 14 OCTOBER 2020**

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**01) ELECTION OF CHAIRMAN AND DEPUTY CHAIRMAN (GO.CO.2)**

**Author:** General Manager

**IP&R Link:** Strategic Priority 3 – Regional leadership and collaboration

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**RECOMMENDATION:**

That Council adopt the ordinary voting system for election of Chairman and Deputy Chairman.

**REPORT**

The Local Government Regulations (Schedule 8 Parts 1&2) state that ‘an election for chairperson of a county council is to be held: (a) at the first meeting of the county council after an ordinary election of members of the county council, and (b) at the first meeting of the county council after each anniversary of that ordinary election until the next ordinary election of members of the county council is held.’

The procedures for election of the Chairman and Deputy Chairman can be summarised as follows:

- nominations are to be announced and elections are to be conducted at the same council meeting.
- a nomination is to be made in writing by 2 or more councillors, one of who may be the nominee.
- Council must resolve that the election proceed by preferential ballot, ordinary ballot or open voting.
- preferential ballots and ordinary ballots must be secret ballots.

Nomination forms are enclosed with the business paper. Nominations can be made at the meeting, prior to the conduct of elections.

Council has in the past opted to use the ordinary voting system for election of both Chairman and Deputy Chairman.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**02) COUNCIL COMMITTEES (GO.CO.2)**

**Author:** General Manager

**IP&R Link:** Strategy 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.

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**RECOMMENDATION:**

That Council confirm the Audit Risk and Improvement Committee (ARIC) comprise of the Chairman (or delegate), two (2) external independents, the General Manager and Director Finance & Corporate Services as observers, and the Governance & Executive Support Officer as the Secretariat to the ARIC.

**REPORT**

Council has only 1 constituted committee, namely the Audit Risk and Improvement Committee (ARIC) and is represented by the Chairman and General Manager on the Central NSW Joint Organisation (CNSWJO) Board.

**ARIC**

In 2011, Council resolved that membership of the Audit Committee, as outlined in the Audit Committee Charter, be amended to comprise the Chairman (or delegate), two (2) external independents, the General Manager as an observer, and the Director Finance & Corporate Services assuming the role of Secretariat to the Audit Committee (responsible for the coordination of the audit committee, functions and processes).

The charter for the ARIC was reviewed in 2019 with the Director Finance & Corporate Services now an observer and the Governance & Executive Support Officer undertaking the duties of Secretariat to the ARIC.

**CNSWJO Board**

The CNSWJO Board meet three to four times per year. CTW are represented on the Board by the Chairman and General Manager. As a County Council, CTW is an associate member of the CNSWJO.

**BUDGET IMPLICATIONS**

Operational Plan 2020/2021

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**03) MEETING TIMES AND DATES (GO.CO.2)**

**Author:** General Manager

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

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**RECOMMENDATION:**

1. That Council hold its ordinary meetings for the next 12 months on the following dates:

Wednesday	9 <sup>th</sup> December 2020	Canowindra
Wednesday	10 <sup>th</sup> February 2021	Blayney
Wednesday	14 <sup>th</sup> April 2021	Grenfell
Wednesday	9 <sup>th</sup> June 2021	Canowindra
Wednesday	11 <sup>th</sup> August 2021	Blayney
Wednesday	13 <sup>th</sup> October 2021	Grenfell
2. Council consider the Draft Operational Plan and Budget at the April ordinary meeting each year.

**REPORT****Special Meetings**

Council may hold special or extraordinary meetings as determined by Council, or call of the Chairman, by giving 5 days written notice, or such shorter notice as emergency circumstances dictate.

**Ordinary Meetings**

Council has previously held its ordinary meetings on the 2<sup>nd</sup> Wednesday of alternate months, as follows:

February	-	Blayney
April	-	Grenfell
June	-	Canowindra
August	-	Blayney
October	-	Grenfell
December	-	Canowindra

The use of video conferencing facilities for meetings will continue to be utilised as determined by the Office of Local Government.

**BUDGET IMPLICATIONS**

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This is Page No. 5 of the Agenda presented to the Ordinary Meeting of Central Tablelands County Council held at Grenfell and via video conference on 14 October 2020

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil



**04) DISCLOSURES BY COUNCILLORS AND DESIGNATED PERSONS  
(GO.CO.3)**

**Author:** General Manager

**IP&R Link:** Strategic Priority 2 – An efficient, sustainable and customer focussed organisation – 2.3 Improving performance and managing risk.

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**RECOMMENDATION:**

That the “Disclosures by Councillors and Designated Persons” Returns for the period ending 30 June 2020, as tabled be received.

**REPORT**

In accordance with Sect 450A of the Local Government Act 1993, all returns disclosing interests of Councillors and designated persons, for the period 1 July 2019 to 30 June 2020, must be tabled at the first meeting of Council following the last day for lodgement of the returns. This date was 30 September 2020.

Accordingly, a copy of the returns will be tabled at this meeting for each Councillor, who held office at 30 June 2020, and the General Manager, Director Finance & Corporate Services, and Director Operations & Technical Services who were all designated persons during that period.

As noted above, this is a requirement of the Local Government Act Sect 450A.

**BUDGET IMPLICATIONS**

Nil.

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**05) AUDIT, RISK AND IMPROVEMENT COMMITTEE (ARIC) MEETING MINUTES AND ANNUAL REPORT (CM.AU.1)**

**Author:** Governance & Executive Support Officer

**IP&R Link:** Strategic Priority 2 – An efficient, sustainable and customer focussed organisation – 2.3.4 – Implement internal audit processes for governance and compliance management.

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**RECOMMENDATION:**

That Council:

1. Note the Audit, Risk and Improvement Committee meeting minutes dated 3 June 2020, and
2. Endorse the ARIC 2020 Annual Report referred to Council for consideration and acceptance.

**REPORT**

The adopted minutes of the Internal Audit, Risk and Improvement Committee (ARIC) Meeting held on 3 June 2020 are attached for Council's information.

There was a further Committee Meeting on 2 September 2020, however those minutes are yet to be adopted by the Committee. They will be presented to Council after adoption.

The ARIC 2020 Annual Report is also attached for Council's consideration and acceptance.

The Annual Report for Central Tablelands Water (CTW) covers the period of activity from January 2019 to 30 June 2020.

The extended period covered by this report is a result of the change in Committee Chairmanship in early 2019, at which time the previous report from the Committee up to 31 December 2018 was tabled, and the need to realign the reporting responsibility of the Committee with the ARIC Charter which requires the Committee to present its Annual Report to the first meeting of the Committee after 30 June each year.

The report provides background to the Committee's membership, activities during the period and areas for development in the year to come.

Prior to its presentation to Council, the report was reviewed and endorsed by the Members of the ARIC.

**BUDGET IMPLICATIONS**

Operational Plan 2020/21.

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

- |                                     |         |
|-------------------------------------|---------|
| 1. ARIC Meeting 3 June 2020 Minutes | 3 Pages |
| 2. ARIC 2020 Annual Report          | 6 Pages |

**Minutes of the Audit, Risk and Improvement Committee Meeting of Central Tablelands Water held at Blayney Community Centre on Wednesday 3 June 2020 commencing at 11:10am**

<b>PRESENT:</b> Mr Phillip Burgett	(Chairperson - Independent Member - Voting)
Ms Donna Rygate	(Independent Member – Voting)
Cr David Somerville	(Council Chairman - Voting)
Gavin Rhodes	(General Manager - Observer)
Peter McFarlane	(Director Finance & Corporate Services - Secretariat)
Bee Smith	(Executive and Governance Support Officer -Observer)
Noel Wellham	(Director of Operations and Technical Services – Observer)

**1. Welcome**

The Chairperson, Phillip Burgett welcomed everyone to the meeting.

**2. Declarations of Interest**

There were no declarations of interest.

**3. Apologies for Non Attendance**

An apology was received from Karen Taylor of the NSW Audit Office.

It was noted that Leanne Smith from Intentus was to join the meeting via teleconference at Item 7.

Moved: Cllr Somerville      Seconded: Donna Rygate

Resolved: That the apology from Karen Taylor be accepted.

**4. Confirmation of Minutes of Audit, Risk and Improvement Committee – 4 March 2020**

Moved: Cllr Somerville      Seconded: Donna Rygate

Resolved: That the minutes of the meeting of 4 March 2020 be adopted.

**5. Major Developments Since the Previous Meeting**

Moved: Donna Rygate      Seconded: Cllr Somerville

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

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This is Page No. 1 of the Minutes of the Central Tablelands Water Audit Risk and Improvement Committee Meeting held 3 June 2020.

**6. Risk Management**

The DFCS provided an overview of current status of the Risk Register form which the Chair expressed a view that the Risk Register was substantially in place and rather than persist in seeking to improve it before making using it as an operating document management should consider referencing it in decision making and reporting its current status to each Committee meeting.

Moved: Cllr Somerville    Seconded: Donna Rygate

Resolved:

- 1) That the Committee received and note the verbal report from Secretariat;
- 2) That the status of the Risk Register be tabled at future meetings advising the status of current risks, risks added and deleted and the risk treatment plans for risks that are outside Council's risk appetite.

*Proceedings in brief: Leanne Smith joined the meeting via telephone at 11:45am.*

**7. 2019-20 External Audit Engagement****a) Interim Audit – 25 to 27 May**

Moved: Donna Rygate    Seconded: Cllr Somerville

Resolved: That the Committee receive and note the verbal Interim Audit report provided by the DFCS. .

**b) Financial Statement Template Upgrade**

Moved: Cllr Somerville    Seconded: Donna Rygate

Resolved:

- 1) That the Committee receive and note the verbal report on the template upgrade provided by the DFCS;
- 2) That the Committee provide feedback to the DFCS on the template by 30 June 2020.

**c) Impact of COVID-19 on the Financial Statements and Audit Process**

Moved: Donna Rygate    Seconded: Cllr Somerville

Resolved: That the Committee receive and note the verbal update provided by Ms. Smith with regard to the impacts of COVID-19 on the financial statements and audit process.

*Proceedings in brief: Leanne Smith left the meeting at 12:20pm.*

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This is Page No. 2 of the Minutes of the Central Tablelands Water Audit Risk and Improvement Committee Meeting held 3 June 2020.

**8. Internal Audit Program**

**a) State Cover 2019 WHS Self Audit – Actions Status**

Moved: Donna Rygate

Seconded: Cllr Somervaille

Resolved: That the Committee receive and note the 2019 WHS Self Audit status with an additional report to be provided at the next meeting on the 2018 observations integrated into the 2019 report.

**b) Cyber Audit Recommendations – Update on Action Plan**

Moved: Cllr Somervaille

Seconded: Donna Rygate

Resolved: That the Committee receive and note the cyber audit recommendations report and confirm appropriate actions have been completed.

**c) Business Continuity Plan Update**

Moved: Donna Rygate

Seconded: Cllr Somervaille

Resolved: That the Committee receive and note the verbal update provided by the DFCS with a further report to be provided upon completion of the consultancy and review once Council adopt the Plan.

**9. Any other business**

There was no other business.

**10. Next meeting**

The next meeting will be held at Blayney on 2 September 2020.

There being no further business, the Chairperson declared the meeting closed at 12:58pm.





## Central Tablelands Water – Audit, Risk and Improvement Committee

### Annual Report to Council - 2020

#### Introduction

On behalf of the Audit, Risk and Improvement Committee ('Committee' or 'ARIC'), I present the ARIC report for Central Tablelands Water (CTW) covering the period of activity from January 2019 to 30 June 2020.

The extended period covered by this report is a consequence of the change in Committee Chairmanship in early 2019, at which time the previous report from the Committee up to 31 December 2018 was tabled, and the need to realign the reporting responsibility of the Committee with the ARIC Charter which requires the Committee to present its Annual Report to the first meeting of the Committee after 30 June each year.

The objective of the ARIC is to function as an independent assurance activity that provides oversight and assistance to improve risk management, governance and compliance, internal control and external accountability of Central Tablelands Water.

The ARIC operates in accordance with its Charter which is complemented by an Internal Audit Charter. The ARIC Charter sets out the roles and responsibilities of the Committee, its authority, membership and the tenure of its members, the operation of its meetings, how decisions are made and its reporting responsibilities. The Charter is subject to formal review biennially but is amended as necessary to reflect evolving regulatory guidance issued by the Office of Local Government.

#### Role of the Committee

The Committee seeks to achieve its objectives as outlined in the Charter by:

- examining and commenting on CTW's risk management framework and practices;
- reviewing internal control mechanisms;
- reviewing financial reporting and controls in CTW including meeting with external auditors;
- monitoring legislative compliance including compliance with policies and guidelines issued by the Office of Local Government; and
- supporting an active program of internal audit by authorising an annual and strategic internal audit program, as well as overseeing progress with the implementation of the recommendations of completed internal audit reports.

*Central Tablelands Water Audit Committee 2019 – '20 Annual Report*

### **Purpose of Report**

The report provides background to the Committee's membership, activities during the period and areas for development in the year to come.

Prior to its presentation to Council, the report was reviewed and endorsed by the Members of the ARIC.

### **Committee Membership**

Membership of the ARIC comprises one Councillor and two Independent Members. The previous Chair, Steve Kent retired from the Committee on 31 October 2018 and did not seek re-appointment. Phillip Burgett was re-appointed and Donna Rygate was appointed as an independent ARIC member following an expression of interest process undertaken by Blayney Shire Council, Central Tablelands Water and Cabonne Council in late 2018.

Phillip Burgett was elected Chair of the ARIC on 21 February 2019.

The Committee is currently comprised of the following members:

#### *Independent Members:*

- Phillip Burgett (Chair)
- Donna Rygate

#### *Councillor Member:*

- Councillor David Somervaille (voting)

#### *Independent Member Profiles*

Phillip Burgett is an experienced professional accountant and external auditor with considerable experience in local government. He retired in June 2011 after a lengthy career as a Partner with the Bathurst based professional accounting firm Morse Group. Currently Phillip is a member of six (6) local government council audit, risk and improvement committees.

Donna Rygate is an experienced Chief Executive, independent director, business leader and skilled problem solver with a solid track record of positive transformation of organisations. Currently Donna is a member of six (6) local government council audit, risk and improvement committees.

During the period, the ARIC was effectively supported by:

- Gavin Rhodes, General Manager
- Peter McFarlane, Director Finance & Corporate Services
- Noel Wellham, Director of Operations and Technical Services
- Bernadina Smith, Executive and Governance Support Officer



### Meetings of the Committee

The table below sets out the meetings of the Committee held during the reporting period and the attendance of Committee Members at these meetings.

Meeting Date	Phillip Burgett	Donna Rygate	Cr David Somerville	Cr John Newstead
21 February 2019	✓	✓	✓	NOT REQUIRED
1 August 2019	✓	✓	✓	NOT REQUIRED
21 November 2019	✓	✓	✓	NOT REQUIRED
4 March 2020	✓	✓	✓	NOT REQUIRED
3 June 2020	✓	✓	✓	NOT REQUIRED

Councillor John Newstead has been the alternate Councillor member in this period but has not been required to attend meetings in the period covered by this report.

### Committee Activities in the Reporting Period

#### Internal Audit

The Committee has previously accepted within the limitation of resources available at CTW that the development of a risk management framework including a corporate risk register would take precedence over the compilation of an internal audit program. In this period the Committee is pleased to report that an Internal Audit Plan has begun to take shape.

CTW is committed to at least one (1) major internal audit each year whilst acknowledging that its budget allows for no more than two (2) major internal audits annually. Resourcing for each internal audit is matched to the skills and experience required to satisfy the agreed scope.

The following internal audit was undertaken and finalised in the reporting period:

- Internal Infrastructure Security Assessment - CTW Corporate Network (4 June 2020)

CTW also engaged an independent consultant to undertake a WHS Management System Audit (desktop assessment) of CTW WHS documentation in response to the 2018 StateCover WHS Audit and Action Plan.

In 2020-21 Fraud Prevention and Control is the planned internal audit with consideration being given, subject to available resources and funding, to undertaking an additional internal audit in one of the following operational areas:

- Capital Project Management incorporating project procurement and contract management
- Water production and telemetry process controls

#### Status of Prior Report Recommendations

The status of past report recommendations has been considered at each meeting. Currently there are agreed actions in progress covering the following reports:

- WHS Management System Audit and StateCover WHS Work Plan
- Audit Office 2018-19 Final Phase Management Letter

The Committee will manage the resolution of these outstanding matters in accordance with the agreed deadlines over the course of 2020-21.

*Risk Management*

The Committee has continued to promote the need for a Risk Management Framework (RMF), to inform CTW's decision making, risk mitigation activities and internal audit priorities.

An update of the Enterprise Risk Register (ERR) was considered by the Committee in August 2019 which effectively captured the risk exposures of CTW. Whilst it was agreed that further work to better define the mitigating strategies and risk assessment matrix would further enhance the ERR, as the year progressed the Committee formed the view that the ERR was fit for purpose and should be in use to inform management decisions, allowing further development to evolve through operational experience and periodic review.

In 2020-21 the ERR will, at a minimum, be reviewed bi-annually by management and new risks, eliminated risks and changes in ratings of risks will be formally reported to the ARIC. If specific events occur which immediately impact the risk profile of CTW the ERR will be updated and reported to the Committee.

The Business Continuity Plan (BCP) project is ongoing with the business impact analysis component currently being completed. Statewide are assisting CTW in the finalisation of the BCP and it is planned that the BCP will be tested and critically assessed during 2020 – 21.

Management briefed the Committee on the risk exposures presented by COVID-19 including the impact on the CTW business and how those challenges were effectively managed.

*External Audit and Annual Financial Statements*

The Auditor General of New South Wales (AO) is the appointed external auditor of CTW but retains the services of Intentus Chartered Accountants as its contracted agent to conduct the external audit.

Both the Audit Office Director and Contract Agent were active contributors to the activities of the ARIC, attending meetings in person and online as appropriate.

The Committee considered the following documents and reports provided by the AO during the conduct of the external audit:

- 2017 – 18 Audit Engagement Closing Report (21 February 2019)
- 2018 – 19 Annual Engagement Plan (21 February 2019)
- 2017 – 18 Final Phase Management Letter (1 August 2019)
- 2018 – 19 Interim Phase Management Letter (1 August 2019)
- 2018 – 19 Audited Financial Statements (21 November 2019)
- 2018 – 19 Final Phase Management Letter (4 March 2020)
- 2019 – 20 Annual Engagement Plan (4 March 2020)

The Committee reviewed the external auditor's management letters and Council's management responses and is satisfied there were no significant findings in the letters requiring specific action by the Committee.

The Committee will manage the resolution of these outstanding matters in accordance with the agreed deadlines over the course of 2020-21.

**Committee's Report Card**

RESPONSIBILITY	COMPLIANCE	COMMENT
Risk Management	ON-TRACK	Risk Policy, Risk Management Framework and Risk Register adopted by Council. Risks were reviewed by management in 2019-20 and presented to the ARIC meeting
Internal Control framework	ACHIEVED	Review of controls through the internal audit reports received. External audit management letter considered in ARIC meetings
External Accountability	ACHIEVED	Independent audit processes and opinions reviewed OLG Compliance Calendar
Compliance	NEEDS ATTENTION	OLG Compliance Calendar ARIC reporting mechanism to cover the Charter components to be agreed with management
Internal Audit	ON-TRACK	Annual plans now in place and a multi-year strategy to be compiled in 2020-21 Suitably qualified consultants engaged on each audit. Standard methodologies and practices based on the Internal Audit International Professional Practise Framework (IPPF)
External Audit	ACHIEVED	External audit plans and reports reviewed and implementation by management of audit recommendations monitored
Fraud and Corruption Prevention	COMMENCED	Absence of formal fraud control policy and management plan reported in 2018-19 by AO  Fraud Control Internal Audit scheduled for 2020-21
Business Improvement	NEEDS ATTENTION	ARIC reporting mechanism to cover the Charter components to be agreed with management
Accountability	ON-TRACK	Committee member contributions meet Charter expectations but a formal performance review should be considered
Transparency	ACHIEVED	Declarations of any pecuniary or non-pecuniary conflicts of interest required  Sensitivity of all matters considered by the ARIC is assessed but generally agendas and minutes of Committee meetings will be made publicly available subject to privacy and confidentiality considerations

**ARIC Charter Review**

The ARIC Charter was not subject to a formal review however the Committee was advised that amendments were made to Clause 4 to incorporate specific responsibilities in respect of the Chairperson's role and that a revised Code of Conduct had been adopted by Council in 2019.

*Central Tablelands Water Audit Committee 2019 – '20 Annual Report*



**New Risk Management and Internal Audit Framework for NSW Councils**

In response to the Office of Local Government's (OLG) Discussion Paper on the proposed structure, role and responsibilities of audit, risk and improvement committees the Committee provided commentary on the key issues which formed the basis of a submission made by CTW.

No further advice has been provided to the sector by the OLG on the issues raised in the consultative process and an implementation timetable has not been confirmed. The ARIC will continue to monitor developments and advise Council on accordingly.

**The Year Ahead in 2020-21**

Reflecting on the objectives set in the last Committee Annual Report and the foregoing Report Card Council and the ARIC have made good progress in the development of CTW's governance framework covering risk management and internal audit.

Building on this base will be the primary focus of the Committee in 2020-21 in the following specific areas.

- Internal Audit – Areas of review for in 2020-21 will be in accordance with the approved Internal Audit Plan. Subject to available resources and influenced by key areas of risk as identified by the organisation and increased and emerging risks in the local government sector which may impact Council, a four (4) year Internal Audit Plan will be developed.
- Risk Management – Monitor CTW's risk management framework and associated procedures to facilitate effective identification and management of business and financial risks.
- Fraud and Corruption Prevention – Respond to the outcomes of the planned internal audit of Council's policies and processes and work with management to establish objective performance measures.
- Business Improvement – Enhance the Committee's understanding of management's plans for this objective and work with management to develop effective reporting of project goals and achievements.
- Compliance and Accountability – Further enhance the alignment of the Prescribed Functions Activity Report with the ARIC Charter responsibilities of the Committee.

**Recommendation:** That ARIC 2020 Annual Report be endorsed and referred to Council for consideration and acceptance.

Phillip Burgett

**Independent Chair – Central Tablelands Water Audit, Risk and Improvement Committee**

*Central Tablelands Water Audit Committee 2019 – '20 Annual Report*

**06) AMENDMENTS TO THE MODEL CODE OF CONDUCT (GO.PR.1)**

**Author:** Governance & Executive Support Officer

**IP&R Link:** Strategic Priority 2 – An efficient, sustainable and customer focussed organisation – 2.3 Improving performance and managing risk.

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**RECOMMENDATION:**

That Council adopt the 2020 Amendments to the Model Code of Conduct for Local Councils in NSW and Procedures, as issued by the Office of Local Government.

**REPORT**

The Office of Local Government (OLG) Circular No 20-32 dated 14 August 2020 has advised Councils that procedures for the Administration of the Model Code of Conduct for Local Councils in NSW (the Procedures), prescribed under the *Local Government (General) Regulation 2005*, have been amended in response to the decision by the Supreme Court in the matter of *Cornish v Secretary, Department of Planning, Industry and Environment* [2019] NSWSC 1134, and take effect immediately.

Amendments have also been made to the Model Code of Conduct for Local Councils in NSW (the Model Code of Conduct).

The amendments to the Procedures as outlined in the circular from the OLG are as follows:

- Consistent with the Supreme Court's decision, councils have the following options when taking disciplinary action against councillors for breaches of the code of conduct under the new Procedures:
  - that a councillor be formally censured for the breach under section 440G of the Local Government Act 1993 (the Act), or
  - that a councillor be formally censured for a breach under section 440G and the matter referred to OLG for further disciplinary action under the misconduct provisions of the Act.
- The process for censuring councillors for breaches of the code of conduct has been significantly strengthened to ensure councillors are made publicly accountable to their electors for their conduct. When censuring councillors, councils are required to specify in their resolution the grounds on which the councillor is being censured by disclosing the investigator's findings and determination and any other grounds that the council considers may be relevant or appropriate.
- Councillors may seek to avoid public censure for breaches of the code of conduct by voluntarily agreeing to undergo training or counselling, to apologise for their conduct or to give undertakings not to repeat their conduct before the investigator finalises their report to the council. Investigators can finalise their investigations without a report to the council where they consider these to be an appropriate outcome to the matter they are investigating. However, it will remain

open to investigators to finalise their report and to recommend censure where they consider this is appropriate and warranted.

- The process for referral by councils of code of conduct breaches by councillors to OLG for further disciplinary action under the misconduct provisions of the Act has been streamlined. Investigators are required to consult with OLG before recommending the referral of matters to ensure the conduct in question is sufficiently serious to warrant disciplinary action for misconduct and that there is sufficient evidence of the breach to allow OLG to take further disciplinary action.
- Other amendments have been made to the Procedures to:
  - allow panels of conduct reviewers to be appointed without a resolution of the council, and
  - allow the referral of investigators' reports to the OLG for action under the misconduct provisions of the Act where the council will not have a quorum to deal with the matter.

The amendments to the Model Code of Conduct as outlined in the circular from the Office of Local Government are as follows:

- The Model Code of Conduct has been amended to:
  - remove as a breach, failure to comply with a council resolution requiring action in relation to a code of conduct breach (because it is now redundant)
  - update the language used to describe the various heads of discrimination in clause 3.6 to reflect more contemporary standards
  - include in the definition of council committee and council committee members, members of audit, risk and improvement committees (ARICs) in anticipation of the commencement of the requirement for all councils to appoint an ARIC following the next local government elections.
- Amendments have also been made to the gifts and benefits provisions of the Model Code of Conduct in response to feedback from some councils. The amendments:
  - lift the \$50 cap on the value of gifts that may be accepted to \$100
  - clarify that items with a value of \$10 or less are not “gifts or benefits” for the purposes of the Model Code of Conduct and do not need to be disclosed
  - clarify that benefits and facilities provided by councils (as opposed to third parties) to staff and councillors are not “gifts or benefits” for the purposes of the Model Code of Conduct, and
  - remove the cap on the value of meals and refreshments that may be accepted by council officials in conjunction with the performance of their official duties.
- Councils are not obliged to amend their codes of conduct to lift the cap on the value of gifts that may be accepted if they do not wish to. It is open to councils

to retain the existing \$50 cap or to impose another cap that is lower than \$100.

A copy of the OLG Circular No. 20-32 and Model Code of Conduct for Local Councils in NSW 2020 has been circulated to all Councillors.

**BUDGET IMPLICATIONS**

Nil.

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

## **07) DRAFT IT SECURITY AND USAGE POLICY (CM.PO.1)**

**Author:** Governance & Executive Support Officer

**IP&R Link:** Strategy Priority 2 – An efficient, sustainable and customer focussed organisation.

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### **RECOMMENDATION:**

That Council:

1. Note the report, and
2. Adopt the draft Information Technology (IT) Security and Usage Policy as presented.

### **REPORT**

CTW's Information Technology (IT) Security and Usage Policy has been reviewed by the Senior Management Team defining acceptable use of computer equipment at CTW and the rules around security access to network resources, which are in place to protect the employees and CTW.

The purpose of the policy is to outline how inappropriate use of technology can expose CTW to risks including virus attacks, compromise of network systems and services and legal issues.

The draft IT Security and Usage Policy is attached for Council's consideration and adoption.

### **BUDGET IMPLICATIONS**

Nil

### **POLICY IMPLICATIONS**

Nil

### **ATTACHMENTS**

Draft IT Security and Usage Policy

8 pages





**Central  
Tablelands  
Water**

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**Information Technology  
Security and Usage Policy**

DRAFT

## DOCUMENT CONTROL

Document Title		Information Technology Security and Usage Policy			
Policy Number		CTW-PR040			
Responsible Officer		Director Finance and Corporate Services			
Reviewed by					
Date Adopted					
Adopted by		Council			
Review Due Date		October 2020			
Revision Number		1			
Previous Versions	Date	Description of Amendments	Author	Review/ Sign Off	Minute No: (if relevant)

## Objective

The purpose of this policy is to outline the acceptable use of computer equipment at Central Tablelands Water (CTW) and rules around security access to network resources. These rules are in place to protect the employees and CTW. Inappropriate use exposes CTW to risks including virus attacks, compromise of network systems and services and legal issues.

## Definitions

Word/Term	Definition
Information Technology Security	The practice of defending computing devices, networks, and stored data from unauthorised access, use, disclosure, disruption, modification or destruction
Cyber Security Team	Capability appointed by the General Manager. Their responsibilities are outlined in the Cyber Security Policy
CTW facilities and services	Information Technology facilities operated by or on behalf of CTW. This includes services and systems and associated computing hardware and software used for the communication, processing and storage of information
CTW	Central Tablelands Water and controlled entities
CTW Network	The network infrastructure used by CTW including all network services on and off site with trusted access to CTW services
User	Any person using any of the IT facilities and services

## Scope

This policy applies to all employees, contractors, consultants and other workers at CTW including all third party affiliates. All users should be aware of this policy, their responsibilities and legal obligations and are required to comply with the policy and are bound by law to observe statutory legislation.

Internet/Intranet related systems, including but not limited to computer equipment, software operating systems, storage media, network accounts providing email, Web-browsing is the property of CTW. These systems are to be used for business purposes in serving the interests of CTW, our customers and the community in the course of normal operations.

While CTW's network aims to provide a reasonable level of privacy, users should be aware that the data created on the corporate system remains the property of CTW.

For security and network maintenance purposes, authorised individuals within CTW may monitor equipment, systems and network traffic at any time.

## Principles

All CTW IT facilities and services will be protected by effective management of IT Security risks.

Use of CTW IT facilities and services must comply with CTW policies and relevant legislation. Examples of legal regulation include privacy, copyright, government information (public access), equal employment opportunity, intellectual property and workplace health and safety.

## Policy Responsibilities

### General Manager, CTW

1. The General Manager of CTW has the following responsibilities:
  - a. Taking carriage of CTW's IT Security Policy and supporting framework;
  - b. Ensuring effectiveness of IT Security measures through monitoring programs;
  - c. Ensuring effectiveness of disaster recovery plans through a program of testing;
  - d. Appointing an IT Security team;
  - e. Approving complementary operational procedures to support this policy;
  - f. Approving the isolation or disconnection of any equipment or IT facility from CTW's network which poses a severe and unacceptable risk; and
  - g. Reporting to appropriate governance bodies including the Risk, Audit and Improvement Committee on matters pertaining to IT Security.

### Information Technology Security Team

2. The IT Security Team has the following responsibilities:
  - a. Owning and operating processes required by the IT Security policies and framework;
  - b. Undertaking continuous development and improvement of cyber defences;
  - c. Undertaking continuous monitoring and review of practices and defences; and
  - d. Conducting education activities to ensure awareness of cyber security threats and defences.

### Risk, Audit and Improvement Committee

3. The Risk, Audit and Improvement Committee has the following responsibilities:
  - a. Monitoring IT security risks and controls by reviewing the outcomes of cyber risk management processes and monitoring emerging risks; and
  - b. Overseeing the adequacy of cyber security capability and controls.

### Staff with responsibility for managing any IT facility

4. Staff whom manage any IT facility have the following responsibilities:
  - a. Developing, operating and managing the IT facility according to CTW's IT Security policies;
  - b. Regularly monitoring and assessing the related IT security controls to ensure ongoing effectiveness; and
  - c. Immediately reporting all security incidents and breaches to the IT Security team.

### Users of IT facilities and services

5. Individual users have the following responsibilities:
  - a. Using IT facilities and services according to IT policies at all times;
  - b. Being aware of the security requirements of the IT facilities and services they use, and take every precaution to safeguard their access to these systems against unauthorised use; and
  - c. Immediately report any known or suspected security incidents and breaches to the General Manager or Directors.



## Password Security

Authorised users are responsible for the security of their passwords and accounts and can be held responsible for activities performed with user's credentials.

The following password security rules shall apply:

Account Policies/Password Policy	
Enforce password history	12 unique passwords remembered
Maximum password age	90 days
Minimum password age	1 day
Minimum password length	12 characters, include uppercase letters, lowercase letters, numbers, and/or special characters
Password must meet complexity requirements	Enabled
Store password using reversible encryption	Disabled
Account Policies/Account Lockout Policy	
Account lockout duration	30 minutes
Account lockout threshold	3 invalid logon attempts
Reset account lockout counter after	30 minutes

Passwords are not to be shared with other staff. Should a staff member act in your role, then appropriate access will be granted for the duration of the acting period.

## Unacceptable Use

Under no circumstances is an employee of CTW authorised to engage in any activity that is illegal under State or Federal legislation while utilising CTW owned resources. The list below is by no means exhaustive but is intended to provide a framework for activities which fall into the category of unacceptable use:

- Unauthorised copying of copyrighted material.
- Introduction of malicious programs into the network or server (e.g. viruses, worms, Trojans, malware).
- Using a CTW computing asset to actively engage in procuring or transmitting material that is in violation of sexual harassment workplace laws.
- Sending unsolicited email messages including junk mail or other advertising material.
- Any form of harassment via email, whether through language, frequency or size of messages.
- Employees may not attribute personal statement, opinions or beliefs to CTW when engaged in blogging.
- Use of CTW's IT resources for other than CTW business which impedes CTW business or incurs a cost to CTW.

## Approved Software

No software shall be installed or purchased unless it has been approved by the General Manager for use of CTW computers. Software will only be approved if CTW has a current licence to install and use the software if:

- it is fit for the intended use;
- the procurement procedure has been followed; and

- it will not endanger or compromise network security and the software can be supported either internally and have support/contract arrangements with external vendors.

## Cyber Security

CTW ensures the continued operation of its cyber security planning and governance by:

- allocating roles and responsibilities to those accountable for cyber security including risks, plans and meeting the requirements of this policy,
- having an approved cyber security plan to manage CTW's cyber security risks, integrated with business continuity arrangements, which includes consideration of threats, risks and vulnerabilities that impact the protection of information, assets and services,
- remaining accountable for cyber risks of its ICT service providers and ensure the providers comply with the applicable parts of this policy. This includes providers notifying CTW quickly of any suspected or actual security incidents.

CTW builds and supports a cyber security culture by:

- implementing regular cyber security education for all employees, contractors and outsourced ICT service providers,
- increasing awareness of cyber security risks across all staff including the need to report security risks,
- fostering a culture where security risk management is an important and valued aspect of decision-making and where security risk management processes are understood and applied,
- ensuring that access is removed for people, who had access to sensitive information or systems, when they no longer need to know that information or their employment is terminated,
- sharing information on security threats across NSW Government to enable management of government-wide cyber risk.

CTW acknowledges it must continually improve its resilience including the ability to rapidly detect cyber incidents and respond appropriately.

## Email Privacy and Content

Email should not be considered a private or secured form of communication as it may be forwarded or read by a third party. Content of emails should be carefully considered before sending.

## Accessing Information Held in Protected Directories and Mailboxes

In a situation where a staff member is unavailable and information is required from their mailbox or directories for which they have exclusive access, this information can be retrieved by an IT Officer where:

- the need for the information is urgent and cannot wait for the availability of the authorised user; and
- a manager to whom the authorised user is responsible requests the information by email.

In a situation where the staff member is on extended leave and their email account needs monitoring, the IT Officer can provide access to their inbox to a designated CTW staff member following a written request via email from the relevant manager.

## New Staff

A Fourier Technologies User Request Form is required to be completed and approved prior to creating network access.



Document No:	FT-FRM-SVC-004
Document Type:	Form
Form Name:	User Request Form
Approved By:	Management Team
Date Effective:	29/05/2019

### User Request Form

Please complete this form for new users, existing users requiring additional access or to disable a user. Three (3) days' notice is required for new user accounts to be set up. Please send the completed form to

[support@fourier.com.au](mailto:support@fourier.com.au)

Company Name:	
Location:	
Site Address:	

<b>New User Access</b>			
<i>This information will be used to create a new user login in Active Directory, Microsoft Office 365 and a local computer login. If the new user requires a new computer, please log a separate ticket, where your Account Manager can provide a quote for your purchase approval.</i>			
New User First & Last Name:			
Position:			
Direct Phone No:		Mobile:	
Date New user commencing:			
Username to be created:		Default OU if known:	
Email address to be created:			
Additional email aliases or addresses:			
Does the New User require an O365 Licence?	No	Yes	E1 E3
Does the New User require the same access as another staff member or is the user replacing a staff member?	No	Yes	
Existing staff member to model account on:			
Shared mailboxes permissions to be added: <i>Please indicate Full Access only or Send As permission</i>			
Email Distribution groups to be added to:			
Is Remote Desktop access required?	No	Yes	
Network drives required:			
Printers required:			
Applications required:			
Does the New User have a Computer to use?	No	Yes	
Name of computer:			



**08) DRAFT FRAUD CONTROL POLICY AND PLAN (FM.PL.1)**

**Author:** Governance & Executive Support Officer

**IP&R Link:** Strategy Priority 2 – An efficient, sustainable and customer focussed organisation.

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**RECOMMENDATION:**

That Council:

1. Note the report, and
2. Adopt the draft Fraud Control Policy and Plan as presented.

**REPORT**

CTW's Fraud Control Policy and Plan has been reviewed by the Senior Management Team and the Audit, Risk and Improvement Committee (ARIC), with the latter providing additional comments such as the inclusion of Council in reference to leadership, and the establishment of ARIC in reviewing the effectiveness of Council's fraud and corruption control strategies and plan.

The purpose of this policy is to outline CTW's commitment to preventing fraud at its origin, ensure a sound ethical culture exists within Council, protect the Council's assets, including public funds, protect the integrity, security and reputation of the Council and its staff, and maintain a high level of service to the community.

The draft Fraud Control Policy and Plan is attached for Council's consideration and adoption.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Draft Fraud Control Policy and Plan

11 pages



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## **Draft Fraud Control Policy & Plan**

**DOCUMENT CONTROL**

Document Title		Fraud Control Policy & Plan			
Policy Number		CTW-PR039			
Responsible Officer		Director Finance and Corporate Services			
Reviewed by					
Date Adopted		xxx			
Adopted by		Council			
Review Due Date		October 2020			
Revision Number		1			
Previous Versions	Date	Description of Amendments	Author	Review/ Sign Off	Minute No: (if relevant)

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## Introduction

Council is committed to preventing fraud at its origin and believes that an emphasis on prevention and detection is the best way to deal with fraud. The focus of Council's policy and plan on fraud control is to encourage the public and staff to understand that fraudulent acts against Council are unacceptable, may constitute a criminal offence and will be prosecuted.

This is required as Council is entrusted to manage its assets and resources in a responsible, ethical and efficient manner.

It is therefore important that all CTW Councillors, Council staff, delegates, volunteers, contractors, consultants, committee members and customers have clear direction and an understanding of the expected behaviours and actions that they must abide by.

## Purpose

The purpose of this Policy is to:

- To ensure a sound ethical culture exists within Council;
- Protect the Council's assets, including public funds;
- Protect the integrity, security and reputation of the Council and its staff, and
- Maintain a high level of service to the community.

## Scope

This policy applies to all Councillors, Council staff, delegates, volunteers, contractors, consultants and customers.

## Policy Statement

Council is entrusted by the community to manage its assets, people and resources in a responsible, ethical and efficient manner.

The Council has an obligation to develop and maintain appropriate systems and procedures to minimise the opportunity for fraudulent activity and to develop robust systems of detection to reduce the impact of any fraudulent activity.

## Definitions

The following definitions apply:

Act	The Local Government Act (LGA) 1993
Regulation	The Local Government (General) Regulation 2005
Council Official	Includes Councillors, Council staff, contractors, volunteers, Council committee members and delegates of Council
Code of Conduct	The Model Code of Conduct that is applicable to all Council officials and as required by S 440 of the LGA.

Fraud	Fraud is defined as “wrongful or criminal deception intended to result in financial or personal gain.” It is where a person intends to deceive others, typically by unjustifiably claiming something that they are not, or claiming something or some right of use that is not theirs.
AS8001 – 2008	The Standards Australia Fraud and Corruption Control Standards
Fraud Control Improvement Kit	The kit that has been developed by the Audit Office of NSW to help organisations deal with fraud.

### Framework

The administration of this policy is based around a holistic approach to fraud, and involves actions on the following fronts:

- Prevention – to establish and maintain a good governance framework through well established procedures that reduce the chances of fraud;
- Detection – sound auditing and checking procedures to deal with any transactions or activities that do not align with the expected procedures, and
- Response – detailed reporting and investigation procedures to deal with any potential fraud. A sound response system includes appropriate action to deal with any fraudulent activity.

The Audit Office have established a ten attribute framework to deal with fraud. The ten attributes are:

- Leadership;
- Ethical Framework;
- Responsibility structures;
- Fraud control policy;
- Prevention systems;
- Fraud awareness;
- Third party management systems;
- Notification systems;
- Detection systems; and
- Investigation systems.

The Council’s fraud framework is built around the above ten attributes, as detailed in the Fraud Control Improvement Kit.

### Leadership

A successful fraud control framework is led by a committed and accountable executive. The Council, General Manager and Directors will lead the organisation in the development of the fraud framework.



### Ethical Framework

The Council has adopted and established the following documents in delivering the sound and ethical culture and behaviour required of Council officials in the prevention of fraud and corruption throughout the organisation:-

- The Model Code of Conduct as developed by the Office of Local Government, and
- The Council has established a set of Values.

Senior staff shall set the example in regards to exercising and demonstrating high levels of integrity in the execution of their roles and functions by regularly reminding staff of the importance of complying with Council's Code of Conduct and the Internal Reporting Policy and Procedure.

### Responsibility Structure

The General Manager and Directors are authorised to receive reports of fraud. If the suspected fraud relates to the General Manager, then the matter can be reported to the Chairman, as per the reporting mechanism for the Model Code of Conduct.

Reports regarding suspicious and/or illegal activities can also be reported directly to external agencies including:

- NSW Police Force
- Office of Local Government
- The NSW Independent Commission Against Corruption (ICAC)
- The NSW Ombudsman.

All staff are expected to report known or suspected fraud to the Council, General Manager or Directors as soon as possible.

### Fraud Control Policy

This policy sets out the Council's system of fraud control and covers the responsibilities for managing fraud within Central Tablelands Water.

### Audit, Risk and Improvement Committee

The Audit, Risk and Improvement Committee (ARIC) has been established and assists in reviewing the effectiveness of Council's fraud and corruption control strategies and plan.

### Prevention Systems

The Council's prevention system consists of the following features:-

- Fraud Risk Assessments – as detailed in the Risk Framework;
- Fraud Control Plan – to be developed;
- Fraud Database – to be established to record all incidents;
- Ethical workforce – pre-employment screening to ensure staff employed are of the highest ethical behaviour;
- Separation of duties – to ensure no one staff member controls a process entirely;

- Delegations of authority – to ensure measures are in place to control activities;
- Position descriptions, Charters for Committees – limit the level of activity Council Officials can undertake;

### Third Party Management Systems

The Council establishes appropriate controls, segregation of duties and delegations of authority to deal with third parties.

The Council will establish a Statement of Business Ethics Policy to reinforce the expected standards of behaviour for Council Officials.

### Reporting

Although audits and reviews may be undertaken to detect incidence of fraud and corruption, most incidences are identified by staff members or the public. All staff are encouraged to promptly report any suspicions of fraud and corruption that they become aware of.

Consistent with its strong commitment to ensuring an ethical workplace, Council has developed an *Internal Reporting Policy, in accordance with the Protected Disclosures Act 1994*, which facilitates the reporting of suspicions of corrupt conduct, maladministration, or serious and substantial waste of public money. This guidance material helps staff and the public make protected disclosures and complements existing communication channels between supervisors and staff.

Staff and members of the public can make a Public Interest Disclosure and protect their identity, if they so desire.

Reporting directly to Council is an option for staff and the community. Reporting to an external entity as detailed under the “Responsibility Structure” is also available.

### Detection Systems

Various internal control measures have been established to help detect fraud and these include:

- segregation of duties
- approvals and authorisation
- verification
- reconciliations
- management reviews
- risk assessments
- physical security
- job rotation
- internal and external audits.



### Investigation Systems

When an allegation of fraud is made against an employee, the General Manager and / or Director(s), will discuss the matter with the person making the allegation. This person may be asked to make a written statement regarding the allegations.

The staff member alleged to have committed the fraud may be interviewed during this preliminary stage. Staff members can be accompanied during the interview by their manager or other nominated member of staff.

The applicable Director will organise a preliminary assessment of the allegation and provide details to the General Manager on the findings.

If the allegation is serious enough and / or the evidence is compelling, then the matter may warrant a full investigation.

If a full investigation is to be followed, the General Manager will need to determine whether the matter is referred to an external agency such as the NSW Police, ICAC or the Ombudsman. The General Manager may wish to refer it to the Code of Conduct Complaints Coordinator and have the matter referred to using the Code of Conduct Investigation procedures.

### Disciplinary Procedures

The determination of an investigation whether it be a preliminary or full investigation, will be referred to the General Manager if it is a staffing matter.

For Councillors the matter will follow the Code of Conduct procedures.

Any matter may still be referred to or dealt with by an outside agency, in addition to a matter considered by the above two matters. For instance a staff matter, dealt with by the General Manager may still be referred to the NSW Police for further action.

### Privacy and Access to Information

Information provided through any allegation and subsequent investigation will be handled confidentially. This is designed to help prevent any action being taken against staff for reporting suspected fraud. However, there may be situations where confidentiality may not be possible or appropriate. This will be discussed with the staff member making the report.

While anonymous reports are not encouraged, there may be situations where someone may not want to identify themselves. The Council will accept anonymous reports; however anonymity may limit the Council's ability to seek further information to assess the report adequately. When the identity of the person making the allegation is known, Council is able to obtain any further necessary information, provide the person with protection and support and give feedback about the outcome of any investigation into the allegations.

### Training and Communication

This Policy will be communicated to staff through Council's Internal Communication methods. The issue will be discussed at staff meetings including SMT, Operations, and Administration meetings.

### Breach of this Policy

A breach of this policy may lead to disciplinary action being taken. This will depend on the severity of the incident. A breach of this policy could also lead to criminal action.

Any report that turns out to be vexatious, frivolous or misleading will result in disciplinary action against the staff member making the allegation.

## Fraud Control Plan

### Introduction

This document sets out the strategic approach to be taken with regard to Fraud Control by Council. The Plan is based on the standards, principles and strategies set out in Australian Standard AS 8001-2008 – *Fraud and Corruption Control* and guidance from ICAC publications.

Effective implementation of this strategy will help ensure that public confidence in the integrity of Council is maintained and instils community trust and faith in Council to deliver ethical services.

### Purpose of CTW's Fraud Control Plan

The purpose of the plan is to:

- Provide clear direction and clarity to Council's approach to this important issue
- Provide an environment and organisational culture that supports the integrity, security and reputation of Council staff
- Ensure appropriate levels of oversight of Council's funds and resources to ensure they are protected
- Ensure Council continues to provide optimum service levels to the community.

### Building a Fraud and Corruption Resistant Culture

Council will at all times to promote an organisational culture that demonstrates a complete intolerance of corrupt behaviour or misconduct. The foundation of these principles is to be found in the Model Code of Conduct that each member of the organisation must adhere to. The Fraud Control Plan is framed to build upon the Code of Conduct and translate the emphasis on the individual to include the organisation and the system by which it operates.

It is vital for any public organisation to maintain public confidence to ensure the organisation has the credibility to carry out its function with the authority of its stakeholders. Council must deal with any Corruption or Fraud related issue, whether perceived or realised, in the following manner to maintain such public confidence:

- Any matter is to be dealt with expediently with no undue delay



- Any matter is to be dealt with as transparently as practicable with accountabilities and responsibilities clearly defined
- Any matter must be dealt with thoroughly to ensure all possible elements of Corruption or Misconduct have been considered and examined

All levels of the organisation must remain vigilant and committed to maintenance of a resistant culture to unethical behaviour. Ultimately the General Manager and Directors are to provide leadership and direction at all times in exemplifying the principles of Council's Code of Ethics.

#### Fairness and Due Process

Whilst it is important to be diligent in dealing with any allegation of fraudulent or corrupt conduct by staff, it is equally important to ensure that the basic civil rights and welfare of Council staff involved are not inappropriately managed. This means that all staff must be presumed innocent until sufficient proof is found to establish otherwise. Staff under investigation will continue to be given support in particular with regard to welfare if they find themselves subject to such an investigation or inquiry. Equally however, Council will take all steps to ensure a vigorous and thorough examination is carried out within the legal and ethical parameters available.

In a similar vein, Council staff who find themselves as "Whistle Blowers" to fraudulent or corrupt behaviour and/or witnesses to such incidents will also be given every support reasonably available to them as they are entitled to under present legislation. Confidentiality for all involved parties will be protected as much as is practicable in any given circumstance by Council.

Council is a mistake tolerant organisation in that staff will have the organisations support if mistakes or omissions arise whilst the officer is acting in good faith. This plan and Council's associated policy should not be construed as a departure from this approach.

#### Relationship with other Council Policies

In addition to Council's Code of Conduct, the Fraud Control Plan has direct synergies with the following Council documents (It should be noted this list is not exhaustive)

- Corporate Credit Card Policy
- Gifts and Benefits Policy
- Information Technology Security and Usage Policy
- Internal Reporting Policy
- Procurement Policy

#### Monitoring and Review

Once fully implemented, Council's Fraud Control plan will require ongoing monitoring and review with a view to continuous improvement. The plan should be seen as a guide for the further development of documents such as a Fraud and Corruption Prevention Strategy which

will contain defined strategies and treatment in accordance with identified risk assessed areas.

**Disclaimer:**

This Policy was formulated to be consistent with Council's legislative obligations and with the scope of Council's powers.

This Policy should be read in conjunction with relevant legislation, guidelines and codes of practice. In the case of any discrepancies, the most recent legislation should prevail. This Policy does not constitute legal advice. Legal advice should be sought in relation to particular circumstances and liability will not be accepted for losses incurred as a result of reliance on this Policy.

**09) 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.

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**RECOMMENDATION:**

That Council note the report.

**REPORT**

This report relates to and provides information regarding 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 June 2020 is attached for information.

The Office of Local Government (OLG) under OLG Circular 20-15 issued 1 May 2020 provided advice to councils in relation to their Integrated Planning and Reporting (IP&R) requirements until the next local government elections.

This advice included that the existing Delivery Program will apply for a further 12 months, maintaining the key themes and any activities not yet completed.

**BUDGET IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Delivery Program Progress Report

## Delivery Program - Progress Report June 2020

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	OM & 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 5 years in accordance with SPM guidelines. The IWCM is to be reviewed and updated during FY20/21.
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.

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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 20/21.
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 20/21.
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	OM	✓		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 FOCUSED 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 developing 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.

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STRATEGY PRIORITY 2 – AN EFFICIENT, SUSTAINABLE AND CUSTOMER FOCUSED 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 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 FOCUSED 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 July 2020
2.2.2		Review schedule of fees and charges as part of the annual operational plan.	Updated annually.	DFCS	✓		2020/21 Fees & Charges adopted July 2020
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	✓		The draft DSP is currently being finalised 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 Quandilla. NSW government announced \$1m on 29/11/19 for a feasibility study into raising the Lake Rowlands Dam wall. Emergency Drought grant funding was also secured for a new 12ML reservoir at the Carcoar Water Filtration Plant, a new pump station at Woodstock, bore refurbishment investigation, and access to dead water storage works at Lake Rowlands.

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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
<b>STRATEGY PRIORITY 2 – AN EFFICIENT, SUSTAINABLE AND CUSTOMER FOCUSED ORGANISATION</b>							
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 and in 2019. Recommendations from the review are being addressed via an Action Plan for 2018 & 2019.
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 professional 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.

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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 JD (through Water Alliance) for regional water security and access	Active participant of JD	GM & DOTS	✓		The Chairman and General Manager attend Central NSW JD (CNSWJD) Board Meetings. The GM attends CNSWJD GMAC Meetings. DFCs attend CNSWJD RDOCs Meetings. The GM or DOTS attend CNSWJD WUA Meetings. CTW Staff participate in joint CNSWJD Projects and training when applicable to CTW.
3.1.2		Participate in opportunities for resource, expertise and knowledge sharing with Central West JD.	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	✓		
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 DPE 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.

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**10) CENTROC WATER GRID PIPELINE 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.

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**RECOMMENDATION:**

That Council:

1. Note the report, and
2. Endorse Central Tablelands Water's involvement in partnering with Parkes and Forbes Shire Councils in strengthening regional water security through the Centroc Water Grid Pipeline Project.

**REPORT**

As reported at the August Council meeting, in 2009 the Central NSW Councils (CENTROC) commissioned the CENTROC Water Security Study. The study assessed the water security of individual local government areas and provided a list of recommendations on how to strengthen and improve water security across the entire region.

One recommendation from the study was for various pipeline connections between Forbes, Parkes, Eugowra and Gooloogong to enhance water security by transferring water between the local water utilities of Forbes Shire Council, Parkes Shire Council and Central Tablelands Water (CTW). This concept is currently known as the CENTROC Water Grid Pipeline project.

Parkes Shire Council has approached CTW senior management regarding the project and advised of their recent success in securing grant funding from the NSW Government's Critical Drought Initiative program. This funding will enable the progression of a concept design and investigations into the CENTROC Water Grid Pipeline project as well as other Parkes Shire Council water security projects.

This project also includes the initial engineering and preliminary environmental studies for:

- 39km pipeline from Parkes Eugowra Road Pump Station to CTW's Gooloogong bore site;
- A pump station at the Eugowra Road Pump Station with two sets of pumps, one for transferring water to Forbes and the other to Gooloogong, and
- A pumping station at Gooloogong Bores site to transfer water to Parkes Eugowra Road Pump Station.

CTW's involvement with this project will enable the continuation of regional collaboration with its neighbouring councils with the objective of strengthening water security in the region.

At the August meeting, Council resolved to defer consideration of Council's participation in the project pending receipt of further Centroc Water Grid Pipeline

project information. The general manager provided a copy of the Final Business Case for the Centroc Water Grid project to all Councillors in late August.

**BUDGET IMPLICATIONS**

Nil. Any future funding requirements will be sought through the Quarterly Budget Review process.

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil



**11) PROPOSED REGIONAL WATER STRATEGY (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.

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**RECOMMENDATION:**

That Council:

1. Note the proposed regional water strategy report, and
2. Endorse Central Tablelands Water's involvement in partnering with Cabonne Council in the development of the regional water supply network concept and contribute \$6,750 towards the project.

**REPORT**

As Council is aware, CTW's key strategic focus has been on strengthening water security and providing positive growth for the region.

Over recent years there has been significant progress in the region in the area of water security. This progress has been created through a strong collaboration between CTW, Orange City Council, Cabonne Council and Cowra Council, resulting in an increased resilience in the regions water supply.

Whilst significant progress has been made, further challenges and opportunities exist in ensuring the ongoing delivery of a safe and secure water supply to the towns within this regional water supply network.

One of the outcomes from these strategies has included a pipeline linkage from Manildra to Molong to provide further resilience for CTW and Cabonne water supply networks.

The recent drought period has further highlighted the need for additional regional linkages, for example the Manildra to Molong pipeline linkage, as well as exploring other opportunities to improve the water supply networks of Cabonne Council and CTW, which focuses on integration, sustainability and drought resilience.

As a result, a joint proposal has been prepared by Premise and Devitt Consulting to develop a regional water supply network concept/report for Cabonne and CTW. The cost of the report is \$13,500 (\$6,750 per Council).

The report will include the following:

1. Identify existing key town water supply and treatment infrastructure, (including type, size/operational capacity, asset age)
2. Identify future water demand and key water security risks
3. Identify potential future water sources and the associated infrastructure required to:
  - a. Create a fully integrated and connected regional water grid

- b. Improve the water security and promote economic growth opportunities across the network
- c. Provide for potential expansion/interconnection of the network with other LWUs
- 4. Identify opportunities for potential rationalisation or targeted re-use of existing key water infrastructure
- 5. Develop high level order-of-cost estimates based generally on published information
- 6. Recommend scenarios/project for future investigation

The concept report will also be utilised to potentially secure future funding for key water infrastructure projects.

Therefore, as a follow up to Council's previous endorsement (between Council meetings) to proceed with this worthwhile regional water supply network concept proposal, formal ratification is now requested.

### **BUDGET IMPLICATIONS**

Operational Plan FY20/21

### **POLICY IMPLICATIONS**

Nil

### **ATTACHMENTS**

Nil

**12) 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:**

1. That Council note the report, and
2. The draft Drought Management Plan and Demand Management Plan be circulated to all Councillors for comment prior to seeking endorsement to proceed on public display.

**REPORT**

At the August Council meeting, Cr Newstead requested that a review be undertaken with regards to the trigger point for Level 1 restrictions. Council subsequently resolved as follows:

*“That a report be brought back to the October Council meeting in regard to the trigger point for Level 1 water restrictions.”*

As per CTW’s current Drought Management Plan (2012), developed as part of a Centroc Water Utilities Alliance project, the value of Lake Rowlands’ safe yield at 2,050 ML per annum under the conditions of the 5/10/10 rule (Review of Safe Yield for Lake Rowlands, 2010) and the licensed groundwater supply from bores at Gooloogong and Cudal, a set of triggers were derived for the drought management plan. These triggers were based on water availability versus water demand values at each Bathurst, Orange and Dubbo (BOD) restriction definition level.

The trigger levels are as follows:

<b>Supply &amp; Triggers</b>	<b>Water Restrictions</b>
100% Bore Supply & 70% Lake Rowlands	Level 1 Low
100% Bore Supply & 60% Lake Rowlands	Level 2 Moderate
100% Bore Supply & 50% Lake Rowlands	Level 3 High
100% Bore Supply & 40% Lake Rowlands	Level 4 Very High
100% Bore Supply & 35% Lake Rowlands	Level 5 Extreme

100% Bore Supply & 30% Lake Rowlands	Level 6 Critical
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Currently Level 1 water restrictions are permanently in place and have been since July 2007 to encourage consumers to be water wise in the use of such a finite resource. Level 1 restrictions are triggered when the level of Lake Rowlands is above 70% of capacity.

The limitations included in Level 1 residential water restrictions include:

- Watering systems, microsprays, drip systems, soaker hoses, non-fixed sprinklers, handheld hoses only;
- Irrigation of new turf permitted for one week after laying after which level 1 restriction on watering lawns applies;
- Washing down walls or paved surfaces is not permitted, and
- Washing cars at home is permitted with bucket and rinse with trigger hose on lawn at any time.

Although the washing down of walls or paved surfaces is not permitted under any of CTW's current water restriction definitions, exemptions are considered by Senior Management on a case by basis for reasons such as preparing property surfaces for painting, repair or to address safety concerns.

CTW's Drought Management Plan and Demand Management Plan are currently under review and will be circulated to all Councillors by the end of November for comment prior to seeking endorsement to proceed on public display.

Notwithstanding the current Drought Management Plan and Demand Management Plan review, the NSW Minister for Water, Property and Housing, Melinda Pavey MP has also flagged the need to review and standardise the water restriction definitions across the State. This will mean for example, that the Level 1 restriction definition in the CTW supply network is the same definition across all water utilities in NSW.

### **BUDGET IMPLICATIONS**

Nil

### **POLICY IMPLICATIONS**

Nil

### **ATTACHMENTS**

Nil

**13) LAKE ROWLANDS AUGMENTATION PROJECT UPDATE (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 Lake Rowlands Augmentation project report.

**REPORT**

As reported at the December, February, May and August Council meetings, the NSW Government committed \$1 million of 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.

The grant funding received by the NSW government for the Lake Rowlands augmentation is conditional on a two staged approach. These stages are as follows:

- Stage 1 – Feasibility Study investigation of 4 options
  - Option 1 – raising the existing dam wall by 2.2m (8GL);
  - Option 2 – raising the existing dam wall by approximately 5m (Ultimate Design Height 10.5GL);
  - Option 3 – construction of a new dam 2.5km downstream of existing wall (15GL), and
  - Option 4 – construction of a new dam 2.5km downstream of existing wall (26GL).
- Hold Point – DPIE Water concurrence to proceed with preferred option
- Stage 2 – Additional agreed planning works resulting from Feasibility Study
  - Undertake detailed concept design of preferred option;
  - Review of Environmental Factors (REF), and
  - Completion of a final report that includes a benefit cost analysis.

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 Strategic Business Case (SBC) for the Lake Rowlands Augmentation project was submitted to DPIE Water on 26 June 2020. The SBC completes Stage 1 of the project and now the project is at a “Hold Point” until DPIE Water provide concurrence to proceed with Stage 2 being additional agreed planning works on a preferred augmentation option. These additional planning works include a detailed concept design, environmental studies, community/stakeholder engagement, and completion of a final report.

Now that Lake Rowlands has fully recovered following its recent and continued spill events, additional secure yield work has now been completed and forwarded to DPIE

Water for consideration. Additional modelling is currently being undertaken by DPIE Water to look at how the Lake Rowlands to Carcoar Dam pipeline can be operated with an existing Lake Rowlands or an augmented Lake Rowlands. This modelling is expected to be completed by the end of October.

The General Manager and Director Operations & Technical Services had a meeting with DPIE Water via video conference on 9 September with the Safe & Secure Water Program (SSWP) Project Management Officer (PMO) advising that DPIE Water is committed to completing the Lake Rowlands Augmentation Feasibility Study with the original grant funding allocated.

The General Manager is currently seeking meetings with the NSW Minister for Water, Housing & Property, Members for Bathurst, Orange and Cootamundra, and the Federal Member for Calare to provide a project update and encourage continued advocacy for this worthwhile regional water security project.

### **BUDGET IMPLICATIONS**

\$1million grant funding FY2019/20 & FY 2020/21.

### **POLICY IMPLICATIONS**

Nil

### **ATTACHMENTS**

Nil



#### **14) 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.

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#### **RECOMMENDATION:**

That Council note the Council Resolutions Update Report to August 2020.

#### **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 August 2020.

#### **BUDGET IMPLICATIONS**

Nil

#### **POLICY IMPLICATIONS**

Nil

#### **ATTACHMENTS**

- 1 Council Resolutions Update table 6 Pages

**COUNCIL RESOLUTIONS UPDATE**

<b>Council Resolutions Update – Meeting held 14 October 2020</b>					
<b>Resolution Ref.</b>	<b>Date of Meeting</b>	<b>Subject</b>	<b>Responsible Officer</b>	<b>Decision</b>	<b>Action Taken/Status</b>
17/088	18/10/17	Proposed Boundary Readjustment	DOTS/GM	<ol style="list-style-type: none"> <li>1. That Council approve the proposed boundary readjustment in principle;</li> <li>2. That a plan of the proposed boundary readjustment be reported to Council once completed, for endorsement, and</li> <li>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.</li> </ol>	<p>13/11/17 – DOTS advised Mr Whitehead of Council's resolution.</p> <p>14/12/17 – Mr Whitehead replied to DOTS accepting Council's in principle support to the boundary adjustment.</p> <p>15/12/17 – DOTS resigned from CTW. New DOTS appointed in February 2018, commenced March 2018.</p> <p>27/4/18 – GM &amp; DOTS liaising with Mr Whitehead regarding proposed boundary adjustment.</p> <p>10/8/18 – DOTS is continuing to liaise with Mr Whitehead regarding boundary adjustment.</p> <p>7/12/18 – DOTS is following up on this matter as a priority now that a major capital works project is nearing final completion.</p> <p>12/4/19 – DOTS has been liaising with the Mr Whitehead to finalise this matter.</p> <p>10/6/19 – DOTS has engaged surveyor to survey boundary adjustment.</p> <p>2/12/19 – DOTS to liaise further with Mr Whitehead following recent funding announcement for Lake Rowlands.</p>
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	21/5/19 – SMT discussed with Chairman and will develop an action plan during upcoming SMT meetings and present to Council.

				action plan to address identified areas for improvement.	<p>23/9/19 – Action plan being developed by SMT and Governance &amp; Executive Officer.</p> <p>7/5/20 – Action plan being developed in association with a Community Engagement Strategy.</p> <p>11/6/20 – Draft Community Engagement Strategy and Customer Satisfaction Survey Action plan to be presented at July extraordinary meeting.</p> <p>7/8/20 – Due to current heavy workloads, the draft Community Engagement Strategy and Customer Satisfaction Survey Action plan was not ready for presentation at the July extraordinary meeting. The strategy and action plan will be presented at the October meeting.</p> <p>8/10/20 – The draft Community Engagement Strategy/Policy and Customer Satisfaction Survey Action plan is to be circulated to Councillors by the end of October.</p>
19/072	19/6/19	Boundary Adjustment at Carcoar Water Filtration Plant	DOTS	<p>That Council:</p> <ol style="list-style-type: none"> <li>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</li> <li>2. Upon acquisition of the land classify it as operational.</li> </ol>	<p>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.</p> <p>27/11/19 – CTW advised by solicitors to have Blayney Shire Council (BSC) stamp the plan in support of the removal of restriction to complete the process.</p> <p>16/12/19 – Email sent to BSC requesting support for the proposed land acquisition.</p>

					<p>13/1/20 – BSC advised that subject land is identified as containing vegetation of high biodiversity significance. An inspection is being arranged with BSC with any potential matters to be considered in accordance with the <i>Environmental Planning and Assessment Act 1979</i>.</p> <p>7/5/20 – CTW advised by solicitors that the removal of restriction has been completed and the contract of sale is now being arranged.</p> <p>7/8/20 – BSC have signed the Subdivision Certificate and the Deposited Plan has been executed by CTW and returned to the solicitors to finalise the contract for sale.</p>
20/015	12/2/20	Water Security – Regional approach to support neighbouring councils	GM	<ol style="list-style-type: none"> <li>1. Consider the issue of adopting a collaborative approach to the supply of water between networks connected to the CTW supply system at the upcoming drought management workshop in March 2020, and</li> <li>2. As a matter of urgency, authorize the general manager to negotiate an agreement between CTW, Orange City Council and Cabonne Council to transfer water to Molong for emergency purposes, and report back to Council on the outcome of the agreement.</li> </ol>	<p>18/2/20 – GM &amp; DOTS convened a meeting with representatives from OCC and Cabonne Council to discuss a proposed agreement to supply water under emergency circumstances via the Carcoar to Orange pipeline through to Molong. Various options were considered including transferring water between councils and bore options.</p> <p>27/2/20 – GM &amp; DOTS attendance at OCC, Cabonne &amp; CTW Town Water Steering Committee meeting chaired by James McTavish (NSW Town Water Supply Coordinator).</p> <p>20/3/20 – CTW Drought Management Workshop held at Canowindra. Topics discussed included Cowra to CTW Pipeline project, Lake Rowlands to Carcoar Dam Pipeline project, Level 5</p>

					<p>water restriction implementation, water supply agreements with neighbouring councils, and community engagement.</p> <p>24/3/20 – Solicitor engaged to review the draft OCC and CTW Water Supply Agreement.</p> <p>26/3/20 – GM &amp; DOTS attendance at OCC, Cabonne &amp; CTW Town Water Steering Committee meeting chaired by James McTavish (NSW Town Water Supply Coordinator).</p> <p>5/4/20 – Level 5 water restrictions implemented throughout the entire CTW supply network as Lake Rowlands reaches its Level 5 trigger point of 35%.</p> <p>23/4/20 – GM &amp; DOTS attendance at OCC, Cabonne &amp; CTW Town Water Steering Committee meeting chaired by James McTavish (NSW Town Water Supply Coordinator).</p> <p>8/5/20 – Solicitor engaged to review and update Bulk Water Supply Agreement between Cowra and CTW.</p> <p>20/5/20 – GM &amp; DOTS attendance at OCC, Cabonne &amp; CTW Town Water Steering Committee meeting chaired by James McTavish (NSW Town Water Supply Coordinator).</p> <p>20/5/20 – GM &amp; DOTS attendance at the initial Cowra to CTW Emergency Pipeline Connection Project steering committee meeting.</p> <p>7/8/20 – GM to finalise CTW &amp; OCC WSA summary table prior to issuing draft WSA to OCC for review and follow up discussion.</p>
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					SMT are working through draft Cowra & CTW WSA following initial review by solicitor. 18/9/20 – Draft CTW & OCC WSA issued to OCC.
20/043	13/5/20	Cowra to Central Tablelands Water Emergency Connection	GM	<p>1. Subject to paragraph 3 below, Council endorse the joint critical drought initiatives project being delivered by Central Tablelands Water, Cowra Council and Orange City Council consisting of the following components:</p> <ul style="list-style-type: none"> <li>• Component 1 – intake screens at the Cowra raw water intake structure on the Lachlan River. This will allow increased water capacity to the Cowra Water Treatment Plant – estimated cost \$350,000;</li> <li>• Component 2 – installation of pumps at the Woodstock reservoir to allow transfer of water from the Cowra reticulation network to the CTW network – estimated cost \$807,000; and</li> <li>• Component 3 – a 12ML clear water reservoir at the Carcoar Water Treatment Plant (CWTP) to ensure</li> </ul>	<p>20/5/20 – GM &amp; DOTS attendance at the initial Cowra to CTW Emergency Pipeline Connection Project steering committee meeting. The draft Project Participants Agreement is being finalised by the project steering committee.</p> <p>The draft WSA (OCC &amp; CTW) is being finalised and a revised draft WSA (CTW &amp; Cowra) has been submitted to CTW's solicitor for review.</p> <p>7/8/20 – SMT are working through the draft Cowra &amp; CTW WSA following an initial review by CTW's solicitor.</p> <p>Refer to DOTS update report in the August Business Paper regarding the progress of Components 2 &amp; 3 of the Cowra to CTW Emergency Connection project.</p> <p>Council approved on 29 July funding of up to \$360k as its contribution towards the 12ML reservoir at CWTP in the 20/21 Operational Plan.</p> <p>The Project Participants agreement is being finalised through the Project's Steering Committee and is expected to be ready for presentation at the October Council meeting.</p>



				<p>supply continuity for the CTW system – estimated cost \$4,703,000.</p> <p>2. That Council include funding of up to \$360,000 as its contribution towards the 12ML clear water tank at the CWTP in the draft 20/21 Operational Plan, funded from the Infrastructure Reserve.</p> <p>3. The Project Participants Agreement and Water Supply Agreement be referred to a subsequent meeting of Council for approval.</p>	<p>18/8/20 – Project Participants agreement issued to all Councillors for review and comment.</p>
20/081	12/8/20	Question on Notice – Trigger Point for Level 1 Water Restrictions	GM	<p>That a report be brought back to the October Council meeting in regard to the trigger point for Level 1 water restrictions and when the restriction applies.</p>	<p>8/10/20 – Report to be presented at October 2020 Council Meeting.</p> <p><b>Action completed.</b></p>

**15) FINANCIAL MATTERS (FM.BA.1)**

**Author:** Finance Officer

**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

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**RECOMMENDATION:**

That the information in relation to Council's investments as at 30 September 2020 be noted.

**REPORT****Cash and Investments**

The investment summary below represents Council's total investments as at 30 September, 2020 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.



Gavin Rhodes  
General Manager

		Credit Rating	Term (Days)	Rate	Maturity Date	% of Portfolio
<b>Short Term Deposits</b>	<b>\$ 5,200,000.00</b>					<b>88.04%</b>
Macquarie Bank - RIM Securities	600,000	A	185	1.70%	19/10/20	10.16%
Reliance Bank	500,000	Unrated	182	0.80%	5/02/21	8.47%
AMP - Curve Securities	500,000	A	183	0.80%	26/02/21	8.47%
Reliance Bank	500,000	Unrated	183	1.40%	4/11/20	8.47%
Macquarie Bank - RIM Securities	500,000	A	276	1.70%	15/01/21	8.47%
ME Bank - Curve Securities	500,000	BBB+	182	0.60%	25/03/21	8.47%
AMP - Curve Securities	500,000	A	214	1.65%	8/12/20	8.47%
Bank of QLD - Curve Securities	500,000	BBB+	182	0.75%	28/01/21	8.47%
NAB - Curve Securities	600,000	AA-	183	0.83%	6/01/21	10.16%
MyState - Curve Securities	500,000	BAA1	182	0.80%	12/03/21	8.47%

<b>At Call Deposits</b>	<b>\$ 706,274.18</b>					<b>11.96%</b>
Commonwealth Bank - General Account	\$ 301,679.58	AA-	At Call	0.10%	N/A	
Commonwealth Bank - BOS Account	\$ 404,567.78	AA-	At Call	0.25%	N/A	
Reliance Credit Union - Cheque Account	\$ 26.82	Unrated	At Call	0.00%	N/A	
<b>Total Value of Investment Funds</b>	<b>\$ 5,906,274.18</b>					<b>100%</b>

Average Rate on Term Deposits	
90 Day BBSW for April 2020	0.0900%
Average Rate on Term Deposits	1.1030%
Margin over 90 day BBSW	1.0130%
Average Term - Short Term Deposits (days)	195

<b>Portfolio by Credit Rating</b>	<b>Amount \$</b>	<b>%</b>
AA-	\$ 1,306,247.36	22.12%
A	\$ 2,100,000.00	35.55%
BBB+	\$ 1,000,000.00	16.93%
BAA1	\$ 500,000.00	8.47%
Unrated	\$ 1,000,026.82	16.93%
<b>Total</b>	<b>\$ 5,906,274.18</b>	<b>100.00%</b>

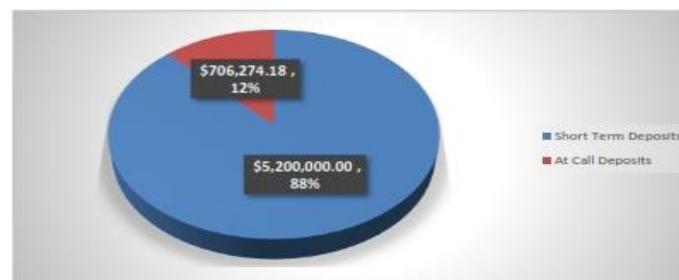
**BANK RECONCILIATION**

Balance as per Bank Statement	\$ 286,413.79
Add: Receipting 30/09/2020 banked 01/10/2020	\$ 1,587.01
Add: Visa Card refund not processed by bank	\$ 255.31
Add: Visa Card purchases processed in October 2020	\$ 13,423.47
<b>Balance as per Cash Book</b>	<b>\$ 301,679.58</b>

**GENERAL FUND**

(a) Cash Book Balance	\$ 706,274.18
(b) Bank Balance	\$ 706,274.18

<b>Short Term Deposits</b>	<b>\$ 5,200,000.00</b>
<b>At Call Deposits</b>	<b>\$ 706,274.18</b>



**Investment Commentary**

Interest rates on term deposits remain at record lows and they are expected to continue for some time.

With the economy now in recession due to the COVID 19 health restrictions, it is likely that interest rates offered on term deposits will remain low for a number of years. The planned withdrawal of Government stimulus measures in September, 2020 has created a large degree of uncertainty regarding the capacity of the economy to recover and operate at a strong level beyond that period.

Council will seek to take advantage of special offers that Approved Deposit Institutions make available from time to time that suits Council's liquidity requirements, maturity profile and risk guidelines.

**BUDGET IMPLICATIONS**

It is likely that interest rates will remain low for a number of years so that will be factored into the future budgets of Council.

**POLICY IMPLICATIONS**

Council will continue to utilise rolling investment maturities and management of its on call account facility (Business Overnight Saver) to best match its liquidity requirements.

Council is monitoring closely the impact on cash flows of the economic downturn caused by the COV19 pandemic.

It will also be important that Council is able to receive timely reimbursement of funds due under the various funding (grant) programs that Council is now a party.

**ATTACHMENTS**

Nil

**16) FINANCIAL STATEMENTS UPDATE (FM.FR.1)**

**Author:** General Manager

**IP&R Link:** Strategy Priority 2 – An efficient, sustainable and customer focussed organisation – 2.2.2 Complete and report on Quarterly Budget Reviews (Financial Result)

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**RECOMMENDATION:**

That Council:

1. Note the report, and
2. Approve the proposal to hold an extraordinary meeting in late October 2020 via video conference to consider and endorse the draft 2019/20 Annual Financial Statements for audit.

**REPORT**

Section 413 (2) (c) of the Local Government Act 1993, requires that Council to prepare Financial Reports and to refer those reports for audit within four (4) months after the end of the financial year (s416 (1)).

Due to the impacts of COVID-19, the Office of Local Government (OLG) have extended the submission date of the annual financial statements from 31 October to 30 November 2020.

Council is currently completing its draft financial statements for 2019/20 which are expected to be finalised within the next 2 weeks. The external audit is scheduled for the first week of November.

With the unforeseen extended leave of the Director Finance & Corporate Services, Council engaged an experienced financial contractor to assist in completing the financial statements. The financial contractor has been and continues to be ably assisted by CTW's Finance Officer and Asset Officer.

Given the tight deadline for lodgement of the financial statements with the OLG, interim work on the final audit is due to commence later next week with the review of the water billing process. CTW's external auditors have been extremely flexible and accommodating in rescheduling audit dates to ensure CTW is provided every opportunity to meet its statutory requirements.

Therefore as the draft financial statements are not yet available for consideration and endorsement by Council prior to audit, it is proposed to hold an extraordinary meeting in late October via video conference whereby the draft financial statements will be available.

**BUDGET IMPLICATIONS**

Nil.

**POLICY IMPLICATIONS**

Nil.

**ATTACHMENTS**

Nil.



**17) 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.

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**RECOMMENDATION:**

That the information in the report be noted.

**REPORT**

CTW continues to welcome the rainfall that has followed since those which have caused the filling and overspilling of Lake Rowlands Dam from 29<sup>th</sup> July 2020.

Approximately 11.5GL of water, equating to 256% of the current Lake Rowlands Dam storage capacity, has spilt over the spillway.

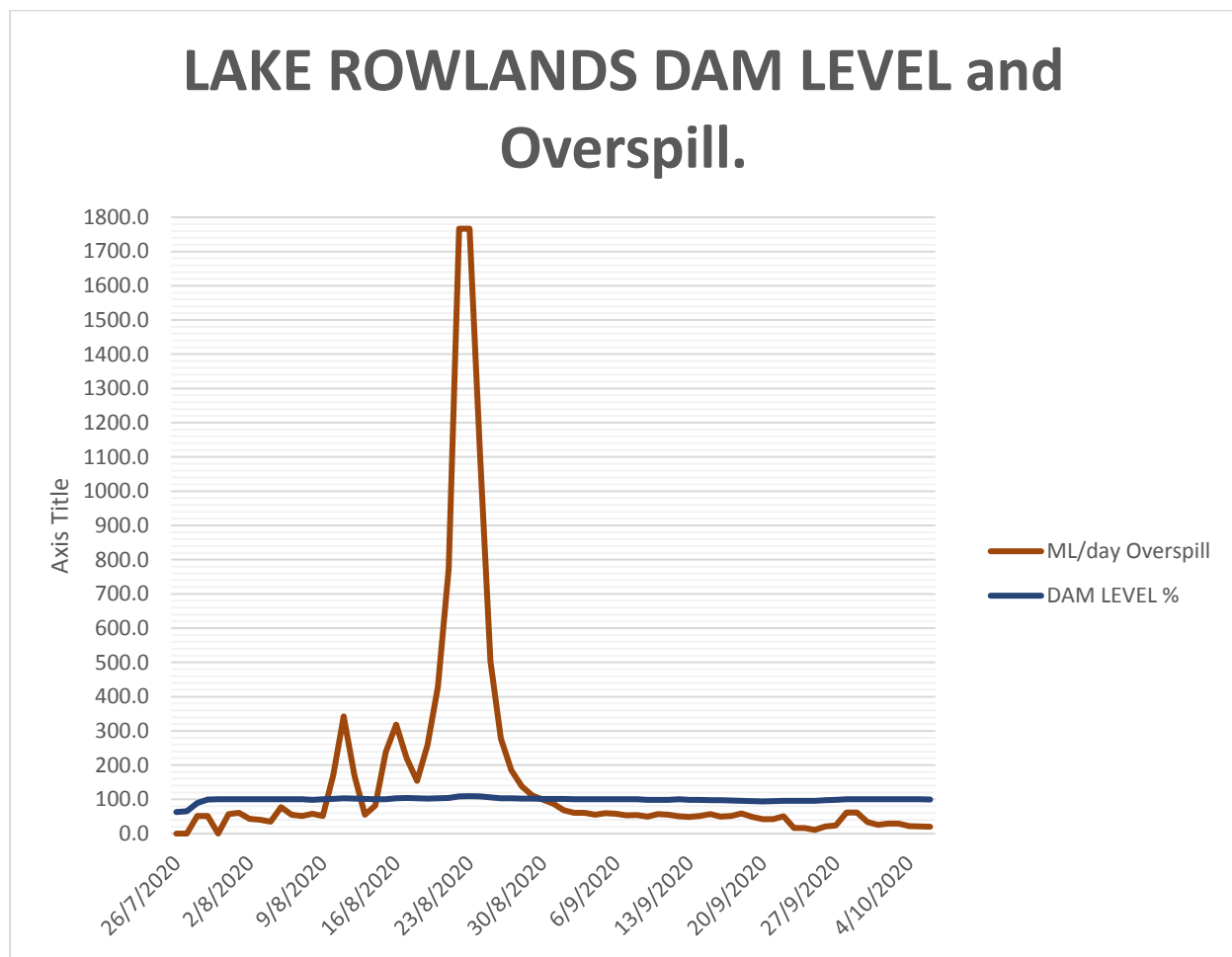
In terms of the current NSW Government funded Lake Rowlands Augmentation Project option study, these overspills equate to:

- 100% filling the Raised Wall option with 8GL of overspill, thus providing CTW with 8GL total storage,
- 100% filling of existing dam and 74% filling of new 15.5GL downstream dam option, thus providing CTW with 16GL total storage, or
- 100% filling of existing dam and 45% filling of new 26.5GL downstream dam option, thus providing CTW with 16GL total storage

In terms of the WaterNSW Lake Rowlands Dam (LRD) ⇔ Carcoar Dam (CD) pipeline project feasibility study, using 25ML/day pumping scenario modelling, these overspills equate to

- 100% filling of existing dam with 1.8GL pumped from LRD => CD with pumping to continue for a further 0.9ML (LRD =80%), totalling 2.7GL transferred of which CTW has 1.45GL (50%) entitlement, thus providing CTW with 5.05GL total storage,
- 100% filling the Raised Wall option with 1.8GL pumped from LRD => CD with pump to continue for a further 1.6ML (LRD =80%), totalling 3.4GL transferred of which CTW has 1.7GL (50%) entitlement, thus providing CTW with 8.1GL total storage.

Noting that this pumping cycle is not available when CD is spilling, for example in 2016 when both LRD and CD were both overflowing. In this situation the pipeline would offer no benefit, whereas the augmentation of LRD would complement the pipeline.



In following with NSW State Government directions, CTW continues to develop its drought resilience through continuance of the below projects.

1. CTW continues to engage with Cowra Shire Council (CSC) to install a permanent pump station at Woodstock Reservoir to enable a supply of potable water by creating a reverse flow through CSC Trunk Main 'H' in accordance with CTW ⇄ CSC current bulk water supply agreement. Building and electrical work packages have been released for quotations. Pipe laying has been completed.
2. CTW is pursuing the addition of a third bore and associated electrical and surface pump upgrades to its existing Gooloogong Bore site in lieu of undertaking further studies associated with the Bangaroo Bore site. The upgrade to Gooloogong Bore site is complemented by the Centroc Water Grid Pipeline project currently under review.
3. Water quality studies for the Cudal Bore and Blayney Well assets continue.
4. CTW is engineering a pontoon that will double as the base of a floating working platform to access Lake Rowlands Dam outlet tower as well as a floating support for a submersible pump that would enable access to its Lake Rowlands Dam (20%) dead water storage.

**BUDGET IMPLICATIONS**

Operational Plan FY2020/21.

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**18) 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.

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**RECOMMENDATION:**

That the information be noted.

**REPORT**

Trunk Main K supplies Grenfell with water from the CTW network.

CTW has completed the flushing and pressurising of the new pipeline in readiness for super chlorination of the entire pipeline. CTW is on track to transfer across all service and main connections by December 2020.

**BUDGET IMPLICATIONS**

Revote of \$3,143 from unspent funds from original capital budget.  
Operational Plan FY2020/21 \$15k.

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**19) LAKE ROWLANDS DAM SAFETY (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.

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**RECOMMENDATION:**

That the information be noted.

**REPORT**

All Dam Safety NSW (replacing Dam Safety Committee) planned works, continue to await the outcome of the feasibility study for the augmentation of Lake Rowlands Dam (LRD).

NSW Public Works Advisory completed the LRD Annual Dam Safety inspection on 30 September 2020. No safety issues were raised during this inspection.

**BUDGET IMPLICATIONS**

Operational Plan FY2020/21.

**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**20) 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.

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**RECOMMENDATION:**

That the information be noted.

**REPORT**

- a) *Meter Reading*  
The second meter read for the 2020-21 financial year commenced 6<sup>th</sup> October in-line with CTW's meter reading schedule.
- b) *Meter Change Program*  
There have been 34 meter changes undertaken since the previous reporting period.
- c) *Water Filtration Plants*  
Both Blayney and Carcoar Water Treatments Plants continue to operate unabated.
- d) *Pump Stations*  
Cleaning of Pump Stations listed under general maintenance has continued throughout our network over the past three months.
- e) *Drinking Water Quality*  
No reportable incidences of exceeding CTW's Critical Control Points for delivery of drinking water from the 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*  
Nil have been undertaken for this 2020-21 financial year.
- i) *Automated Water Filling Stations (AFS)*  
CTW continues to await the two AFS at Grenfell and Quandialla to be commissioned by the OEM.

**BUDGET IMPLICATIONS**

Nil



**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**21) 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
Carcoar	Collins St	20/09/2020	100mm AC	R&RP
Carcoar	Collins St	22/09/2020	100mm AC	R&RP
Gooloogong	Casuarina Dr	6/10/2020	150mm AC	R&RP
Millthorpe	Unwin St	14/08/2020	100mm AC	R&RP
Millthorpe	Millthorpe Rd	07/09/2020	300mm DICL	DNR

Note 1.

CTW Mains (Trunk & Retic) Break score of 5/573km == 0.87/100km.

Rolling Value across 12mths = 10.82/100km which is slightly higher than the 2017-18 NSW State Median benchmark of 9.0 breaks/100km.

*a) Service Complaints and Requests*

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2017	2018	2019	2020	% of Total meters	
<b>BLAYNEY</b>	<b>17</b>	<b>24</b>	<b>13</b>	<b>17</b>	<b>1.17%</b>	<b>1448</b>
BURST METER	4	2	0	0	0.00%	
CHECK METER READING	2	0	2	1	0.07%	
DIRTY WATER COMPLAINT	1	0	0	2	0.14%	
LEAKING METER	3	11	5	5	0.35%	
LEAKING SERVICE	1	0	0	3	0.21%	
LOW PRESSURE COMPLAINT	1	1	1	0	0.00%	
MAIN BREAK	0	1	2	0	0.00%	
MAINTENANCE - GENERAL	0	1	0	2	0.14%	
METER NEW / REPLACEMENT	0	0	1	4	0.28%	
METER NOT SHUTTING OFF	2	6	2	0	0.00%	
PATHCOCK FAILURE	1	1	0	0	0.00%	

QUALITY COMPLAINT	2	1	0	0	0.00%	
Total Complaints = 2						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2017	2018	2019	2020	% of Total meters	
<b>CANOWINDRA</b>	<b>23</b>	<b>21</b>	<b>9</b>	<b>27</b>	<b>2.34%</b>	<b>1113</b>
BURST METER	1	1	1	0	0.00%	
CHECK METER READING	1	1	2	1	0.09%	
LEAKING HYDRANT	0	0	0	1	0.09%	
LEAKING METER	8	10	0	8	0.72%	
LEAKING SERVICE	1	2	1	3	0.27%	
LOW PRESSURE COMPLAINT	0	0	1	0	0.00%	
MAIN BREAK	3	3	1	1	0.09%	
MAINTENANCE - GENERAL	5	1	0	12	1.08%	
METER NEW / REPLACEMENT	0	0	2	0	0.00%	
METER NOT SHUTTING OFF	2	0	0	0	0.00%	
NO WATER COMPLAINT	1	3	1	0	0.00%	
PATHCOCK FAILURE	1	0	0	0	0.00%	
RESTORATION WORK	0	0	0	1	0.09%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2017	2018	2019	2020	% of Total meters	
<b>CARCOAR</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>3.01%</b>	<b>133</b>
HYDRANT LEAKING	1	0	0	0	0.00%	
LEAKING METER	0	0	1	0	0.00%	
LEAKING SERVICE	2	3	0	0	0.00%	
MAIN BREAK	0	0	0	2	1.50%	
MAINTENANCE - GENERAL	0	0	0	1	0.75%	
METER NOT SHUTTING OFF	1	0	0	0	0.00%	
METER - SPECIAL READING	0	0	0	1	0.75%	
QUALITY COMPLAINT	1	0	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2017	2018	2019	2020	% of Total meters	
<b>CARGO</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0.63%</b>	<b>160</b>
LEAKING SERVICE	0	0	0	1	0.63%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2017	2018	2019	2020	% of Total meters	
<b>CUDAL</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>0.44%</b>	<b>227</b>
LEAKING METER	1	4	1	0	0.00%	
LEAKING SERVICE	0	1	0	1	0.44%	
METER NEW / REPLACEMENT	1	0	0	0	0.00%	
PATHCOCK FAILURE	0	0	1	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2017	2018	2019	2020	% of Total meters	
<b>EUGOWRA</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>14</b>	<b>3.62%</b>	<b>387</b>
CHECK METER READING	1	0	0	0	0.00%	
DIRTY WATER COMPLAINT	0	0	0	1	0.26%	
HYDRANT LEAKING	0	0	0	0	0.00%	
LEAKING METER	3	1	0	3	0.78%	
LEAKING SERVICE	0	0	0	8	2.07%	
MAIN BREAK	0	0	1	1	0.26%	
MAINTENANCE – GENERAL	0	0	0	1	0.26%	
METER NOT SHUTTING OFF	1	0	0	0	0.00%	
METER NEW / REPLACEMENT	0	0	1	0	0.00%	
Total Complaints = 1						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2017	2018	2019	2020	% of Total meters	
<b>GRENFELL</b>	<b>17</b>	<b>10</b>	<b>9</b>	<b>15</b>	<b>1.13%</b>	<b>1327</b>
BURST METER	0	1	0	0	0.00%	
CHECK METER READING	0	1	1	4	0.30%	
DIRTY WATER COMPLAINT	0	0	1	1	0.08%	
LEAKING METER	7	1	1	3	0.23%	
LEAKING SERVICE	1	2	2	2	0.15%	
MAIN BREAK	1	2	0	0	0.00%	
MAINTENANCE – GENERAL	4	0	3	1	0.08%	
METER NEW / REPLACEMENT	0	0	0	1	0.08%	
METER NOT SHUTTING OFF	2	0	1	2	0.15%	
NO WATER COMPLAINT	2	0	0	0	0.00%	
PATHCOCK FAILURE	0	1	0	0	0.00%	
QUALITY COMPLAINT	0	2	0	1	0.08%	
Total Complaints = 2						

ACTIVITIES	PREVIOUS YEARS	THIS PERIOD	
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	2017	2018	2019	2020	% of Total meters	Total Meters
<b>LYNDHURST</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>0.65%</b>	<b>154</b>
BURST METER	1	0	0	0	0.00%	
CHECK METER READING	0	0	1	0	0.00%	
LEAKING METER	1	1	1	1	0.65%	
MAIN BREAK	0	0	1	0	0.00%	
MAINTENANCE – GENERAL	0	1	1	0	0.00%	
NO WATER COMPLAINT	1	0	0	0	0.00%	
QUALITY COMPLAINT	0	1	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2017	2018	2019	2020	% of Total meters	
<b>MANDURAMA</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>3.73%</b>	<b>134</b>
CHECK METER READING	1	1	1	3	2.24%	
HYDRANT LEAKING	0	1	0	0	0.00%	
LEAKING SERVICE	1	1	0	0	0.00%	
MAINTENANCE – GENERAL	0	1	3	1	0.75%	
PATHCOCK FAILURE	1	0	0	0	0.00%	
PRV ISSUE/MAINTENANCE	0	0	0	1	0.75%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2017	2018	2019	2020	% of Total meters	
<b>MANILDRA</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>0.36%</b>	<b>279</b>
BURST METER	1	0	0	0	0.00%	
HYDRANT LEAKING	0	0	0	1	0.36%	
LEAKING METER	1	1	1	0	0.00%	
LEAKING SERVICE	2	2	0	0	0.00%	
MAINTENANCE - GENERAL	0	1	0	0	0.00%	
Total Complaints = 0						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2017	2018	2019	2020	% of Total meters	
<b>MILLTHORPE</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>16</b>	<b>3.53%</b>	<b>453</b>
BURST METER	0	1	0	0	0.00%	
CHECK METER READING	0	1	1	1	0.22%	
DIRTY WATER COMPLAINT	0	0	0	3	0.66%	
HYDRANT LEAKING	0	0	0	1	0.22%	
LEAKING METER	0	0	0	1	0.22%	

LOW PRESSURE COMPLAINT	0	0	0	1	0.22%	
MAIN BREAK	0	0	0	2	0.44%	
MAINTENANCE - GENERAL	0	0	0	1	0.22%	
METER - SPECIAL READING	0	0	0	1	0.22%	
QUALITY COMPLAINT	0	0	0	4	0.88%	
RESTORATION WORK	0	0	0	1	0.22%	
Total Complaints = 8						

ACTIVITIES	PREVIOUS YEARS			THIS PERIOD		Total Meters
	2017	2018	2019	2020	% of Total meters	
QUANDIALLA	2	0	0	0	0.00%	99
LEAKING SERVICE	1	0	0	0	0.00%	
METER NEW / REPLACEMENT	1	0	0	0	0.00%	
Total Complaints = 0						

<b>TOTAL ACROSS CTW TOWNSHIPS</b>	<b>81</b>	<b>77</b>	<b>46</b>	<b>102</b>	<b>1.72%</b>	<b>5914</b>
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## Notes:

1. Comparison years use data from the same period ie August to October.
2. Total Meters is the number of meters where water is connected.
3. CTW complaint rolling value score across 12mths == 10.14 which is above the 2017/18 NSW State median of 5.0 complaints/1000 connections. The flushing program for town reticulation pipelines has recommenced, which should reduce these rolling averages over the next 12 months.
4. CTW Total Service Activities and Requests score == 1.72% which is below CTW benchmark of 5% across all townships.

c) *Lake Rowlands*

The current level of Lake Rowlands is 100.5% (9.10.20) with the Dam's scour valve 50% open, releasing approximately 30ML/day into Coombing Creek.

d) *New Water Services*

Since the previous August 2020 council meeting, there have been fourteen (14) new domestic water services connected to Council's mains.

e) *Water transfer through CTW ⇔ OCC pipeline*

No water has been transferred to, or from, Orange using this pipeline.

**BUDGET IMPLICATIONS**

Nil



**POLICY IMPLICATIONS**

Nil

**ATTACHMENTS**

Nil

**22) QUESTIONS ON NOTICE**

(General Manager)

No questions on notice were received.

**ATTACHMENTS**

Nil