

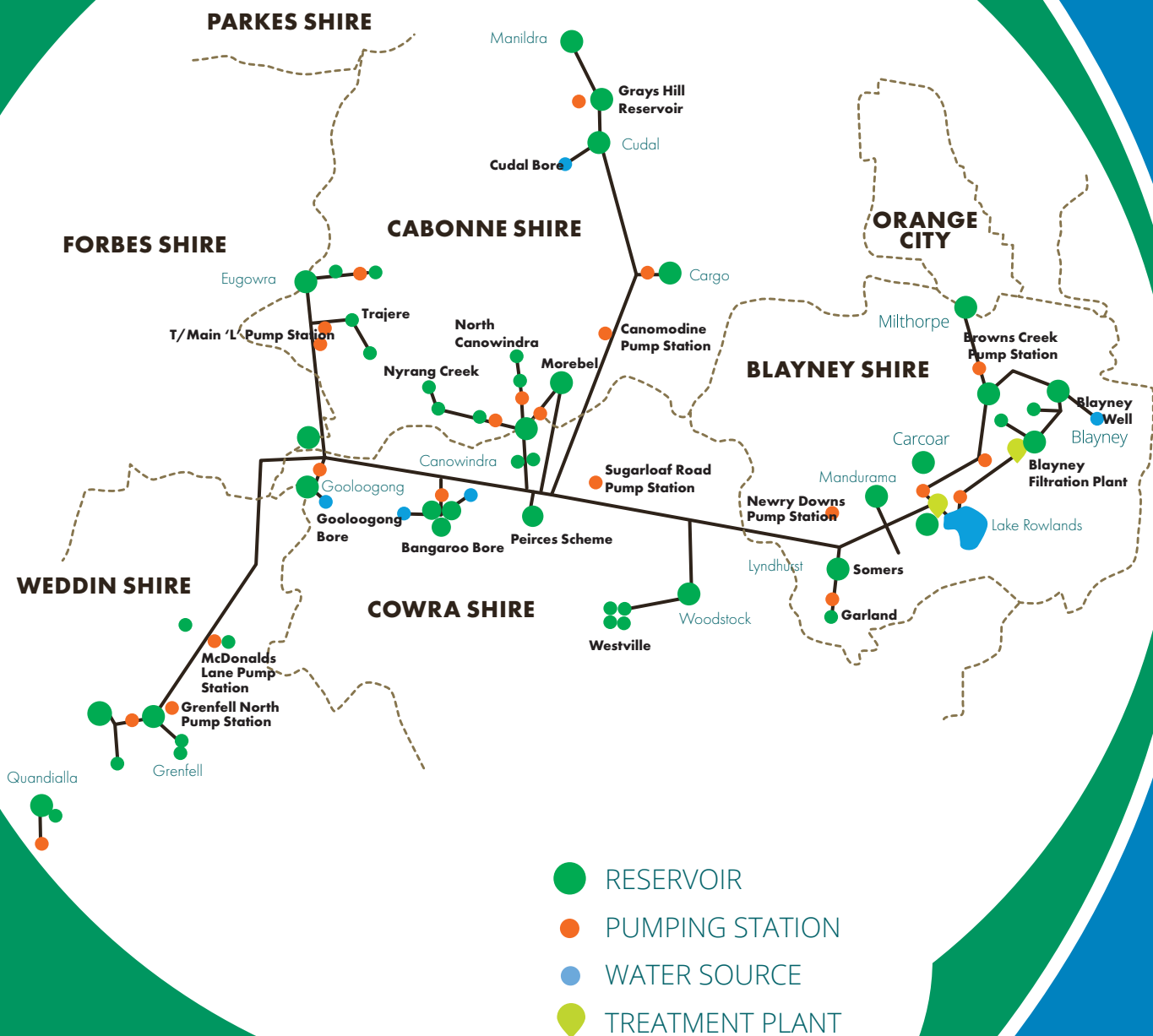


**Central
Tablelands
Water**



**ANNUAL REPORT
2020-2021**

SYSTEM LAYOUT



CONTENT

CHAIRMAN'S MESSAGE	4
GENERAL MANAGER'S REPORT	5
COUNCIL PROFILE	6
GENERAL INFORMATION	7
DARRELL SLIGAR DEDICATION	8
LEGISLATIVE REQUIREMENTS	10
LEGISLATIVE REQUIREMENTS CONTINUED	12
WATER CONSUMPTION	14
WATER ANALYSIS 2020-2021	16
STATEMENT OF REVENUE POLICY	18
FEES AND CHARGES	19
FEES AND CHARGES 2020/2021 CONTINUED	20
FINANCIAL STATEMENTS	22
DELIVERY PLAN REPORT	24
DELIVERY PLAN REPORT CONTINUED	26
DELIVERY PLAN REPORT CONTINUED	27
MAJOR CAPITAL WORKS PROJECTS	28
COREY HENRY 25 YEARS	34
CUSTOMER INFORMATION	36
APPENDIX A	38

CHAIRMAN'S MESSAGE

"Of droughts and flooding rains"
— Dorothea Mackellar, "My Country"

This is my last report as chairman of the council for the last 4 year term. It is a good time to reflect on what we have achieved together, with councillors and staff working collaboratively over that period. The period commenced with extreme drought and ended with extreme wet. Both have their challenges for CTW.

THE DROUGHT

The drought which followed the very wet year 2016 saw the storage level at Lake Rowlands fall to near 30%. The NSW government responded to the critical situation in many regional cities and towns by releasing emergency funding for various water security projects. It passed the Water Supply (Critical Needs) Act 2019 to facilitate the delivery of emergency water supplies to certain towns and localities. Both the Orange City Council and CTW water supply systems were declared to be critical town or locality water supplies. The crucial location of CTW's water supply system in the central west meant that we have been an important participant in several important long term water security projects, including:

- A feasibility study for investigations into raising the dam wall at Lake Rowlands to increase storage by over 75% to 8 gigalitres, a project for which CTW has been lobbying for many years (now combined with a pipeline linkage between Lake Rowlands and Carcoar Dam and being advanced by Water Infrastructure NSW);
- Funding under the Critical Drought Initiative Program, announced in August 2019, for two projects both involving new CTW infrastructure:
 - to improve water security for Parkes Shire through the development of a water grid linking Parkes and Forbes with CTW's network at Eugowra and Gooloogong;
 - to improve water security for Orange City through a series of projects involving the construction of new assets for CTW:
 - a new pump station at Woodstock to enable bi-directional flow between the CTW network and Cowra;
 - a new 12 megalitre clear water reservoir at the Carcoar water treatment plant, to be able to supply Orange in the event of an emergency.

CTW also secured funding for its own drought resilience projects, in particular investigations into the refurbishment of disused bores at Blayney Well and Cudal and works to access dead storage below the 20% level at Lake Rowlands.

Also, at the time of this report, we have embarked on a regional town water strategy with our constituent council Cabonne and Orange City, in response to a reassessment by Cabonne of its own water

supply system centred on Molong. This has the potential to redefine how water supplies are planned, managed, operated and shared between these water supply systems.

These projects highlight the critical importance of CTW in underpinning regional water security not only for our own customers but for the region.

THE WET

When the drought broke in mid-2020, Lake Rowlands quickly filled. Since then 57 gigalitres has poured over the spillway, equating to 12 times the dam's capacity.

This is great news for our customers: the next round of water restrictions is now a way off. But it does bring challenges of a different kind to a single purpose utility like CTW: revenue volatility. For the year ended 30 June 2021 our revenue from water sales fell from \$5.015m to \$3.968m - a 26% decline. In wet years, water consumption falls sharply. As a result, our net operating result (before capital) was negative \$1.582m. So you can see the conundrum: financially, the organisation performs better the drier the conditions! One answer for financial stability is to shift the composition of water bills more to the fixed access charge and less to the consumption or usage charge. But the Best Practice Management Guidelines require 75% of revenue to come from usage charges, to send pricing signals to customers by stressing the scarcity of water.

So both droughts and flooding rains bring challenges of a different kind to CTW. I encourage the new council, which will take office early in the new year 2022, to reassess CTW's current position, understand these twin challenges and plan strategically for its continued success in meeting its vision – to be an independent regional water authority delivering quality water reliably and sustainably.

It has been an honour to serve as chairman for the past 4 years. Particular thanks go to my deputy chairman, Cr Kevin Walker and all fellow councillors, management and staff for their dedication and ongoing commitment to ensuring that our consumers continue to receive a reliable and good quality water supply.



Cr. David Somervaille
CHAIRMAN





GENERAL MANAGER'S REPORT

I am pleased to present the Annual Report of Central Tablelands Water (CTW) for the year ended 30 June 2021.

2020/21 has proven to be another very challenging year for CTW, with the continued impacts of the COVID-19 pandemic and the breaking of the worst drought in history culminating in major spills over the Lake Rowlands dam wall. Although these significant challenges have tested CTW's mettle, I'm proud to say that we have continued to 'punch above our weight' to achieve our objective of being an independent regional water authority providing a quality water supply – reliably and sustainably.

Once again, CTW's skilled and capable staff are to be commended for their tireless efforts in delivering an essential service to our valued consumers 24 hours a day, 7 days a week, in rain, snow or shine! Their ability and willingness to go 'above and beyond' to meet the demands of supplying quality drinking water speaks volumes for the pride they take in serving their communities.

Due to the large increase in rainfall events over the past 12 months, CTW's water sales reduced substantially, resulting in an operating deficit of \$1.582m before grants and contributions for capital purposes after providing for \$2.622m in depreciation expenses. On a positive note, the net operating result including grants and contributions resulted in a surplus of \$0.174m. These latest financial results clearly demonstrate how volatile CTW's main revenue stream can be when it comes to variable weather conditions. To assist in overcoming this income volatility issue, CTW is continuing to investigate and implement operational efficiencies across the organisation as advances in technology make for sound long term investment decisions. For example the reduction of electricity costs through the utilisation of more efficient pumps and embracing renewable energy opportunities throughout the supply network.

CTW will also continue to lobby the NSW government for more financially sustainable best practice management guidelines for smaller local water utilities with a limited customer base, and in CTW's circumstance, over a vast distance.

CTW's major capital works program during 2020/2021 focussed on the following:

- Trunk Main "K" Gooloogong to Grenfell Replacement Pipeline Project – commissioned in December 2020.

- Cowra to CTW Emergency Connection Project, including a new pump station at Woodstock and 12ML clear water tank at the Carcoar Water Filtration Plant – due to COVID restrictions and inclement weather delays, both projects are expected to be completed in 21/22 and 22/23 respectively.

As the key strategic objective of CTW is to improve the security and reliability of water supply for existing CTW customers and the region, CTW continues to advocate both federal and state governments whilst working in close collaboration with Water Infrastructure NSW to progress the Lake Rowlands Augmentation and Lake Rowlands to Carcoar Dam Pipeline projects.

From a staffing perspective, I would like to acknowledge Joe Fuller, a Water Filtration Plant Operator and Craig Gosewisch, a Water Network Operator and Storeman for both achieving 10 year service milestones this year. I would also like to welcome Wayne Delaney who joined CTW this year as a Water Network Operator in the Canowindra area.

An impressive milestone achievement of 25 years was also reached this year by Corey Henry, a Water Filtration Plant Operator. I would like to congratulate Corey on such a fantastic achievement and thank him for his dedicated and exemplary service to CTW.

With the completion of another council term now upon us, I would like to thank all councillors for their contribution and support over the past 5 years and wish them all the best for the future.

Once again, I would like to thank our committed staff for their continued support and look forward to working with them and the new council in 2021/22.

A handwritten signature in dark ink, appearing to read 'G. Rhodes'.

Gavin Rhodes
General Manager

COUNCIL PROFILE

Central Tablelands Water County Council is a constituency of three local government areas, namely, Blayney Shire, Cabonne Shire and Weddin Shire. The Council comprises two delegates each elected by their constituent council for a four-year term. The Weddin Shire Council delegates were elected during the Local Government elections in September 2016. The delegates from Blayney Shire Council and Cabonne Shire Council were elected in September 2017 after State Government merger proposals were withdrawn. Due to COVID-19 the next local government elections have been postponed to December 2021.

BLAYNEY SHIRE COUNCIL



Cr David Somervaille
CHAIRMAN



Cr John Newstead

CABONNE SHIRE COUNCIL



Cr Kevin Walker
DEPUTY CHAIRMAN



Cr Anthony Durkin

WEDDIN SHIRE COUNCIL



Cr Paul Best



Cr Craig Bembrick

GENERAL INFORMATION

COUNCIL MEETINGS

Meetings of Council are held on the second Wednesday of alternate months, commencing in February each year. The meetings alternate between the towns of Grenfell, Blayney and Canowindra.

ORGANISATIONAL STRUCTURE 2020-2021

COUNCIL

D. SOMERVILLE
J. NEWSTEAD
A. DURKIN
K. WALKER
P. BEST
C. BEMBRICK

CHAIRMAN

D. SOMERVILLE

GENERAL MANAGER

G. RHODES

DIRECTOR OPERATIONS & TECHNICAL SERVICES

N. WELLHAM

DIRECTOR OF FINANCE & CORPORATE SERVICES

P. MCFARLANE

COUNCIL'S VISION

An independent regional water authority providing a quality water supply - reliably and sustainably.

COUNCIL'S VALUES

We value our:

- Customers
- Independence, sustainability, efficiency and innovation.
- Skilled and capable workforce in delivering an essential service.
- Role as a regional collaborative partner and leader.

DEDICATION TO DARRELL SLIGAR

On the 10th February 2021, Central Tablelands Water (CTW) officially dedicated the Blayney Water Treatment Plant Administration Building to the late Darrell Sligar in gratitude for his exemplary service, commitment and loyalty to CTW.

Darrell gave so much to his work over a distinguished 43 year period commencing employment with Central Tablelands Water County Council in 1973 as a Water Service Attendant and retired as the Director Operations & Technical Services in 2016. During Darrell's extensive and dedicated service, his achievements included:

- Replacement of the Carcoar Water Filtration Plant
- Replacement of reticulation mains in Grenfell and Canowindra
- Design and construction of the water supply system for the village of Quandialla
- Design and construction of the duplication trunk main from Cudal to Manildra to significantly increase water transfer capacity
- Design and construction of new pump stations to increase water transfer capacity to Canowindra, Manildra, Eugowra and Grenfell
- Implementation of fully roofing all reservoirs to maintain good water quality and compliance with Australian Drinking Water Guidelines
- Maintaining full compliance with NSW government Best Practice Management of Water Supply and Sewerage Guidelines
- Maintaining full operation of a complex and extensive water supply network providing quality drinking water to 15,000 consumers across 14 towns and villages throughout Blayney, Cabonne, Weddin and Cowra Shires
- Implementation of an emergency pipeline from Cowra to the CTW supply network
- Installation of water bottle filling stations at Blayney, Millthorpe, Manildra and Canowindra.

Cr David Somervaille, Chairman of CTW, said at the dedication ceremony, "It is an honour to be a part of today's event dedicating the Blayney Water Treatment Administration Building in Darrell's good name.



His dedication and commitment to CTW and its consumers over a 43 year period is an astonishing achievement, leaving a lasting legacy for years to come."

Gavin Rhodes, General Manager of CTW added, "Darrell was an extremely loyal colleague who was highly regarded and respected in the water industry for his extensive knowledge and expertise. Darrell had an incredible ability to problem solve any water issues that arose with innovative solutions provided. He was first and foremost a loving husband, father and grandfather, and a great mentor and confidant to his CTW family."

The building is now officially named "The Darrell Sligar Centre."

Photo: Official naming of the Darrell Sligar Centre at the Blayney Water Filtration Plant by CTW's Chairman, Cr David Somervaille and Darrell Sligar's sons, Josh and Julian.





LEGISLATIVE REQUIREMENTS



ACTIVITIES TO PROTECT ENVIRONMENTALLY SENSITIVE AREAS

REGULATION 217

Council is not involved in the management of any environmentally sensitive areas. Council's water storage at Lake Rowlands will continue to be operated according to best industry practice to ensure the long-term integrity of the storages, especially as regards to controlling nutrient levels and blue-green algae populations.

Council's water filtration plants at Carcoar and Blayney are operated according to industry best practice to ensure that all sludge is contained on-site and disposed of in an environmentally responsible manner. Supernatant water is recycled back through the filtration plants.

All construction sites will be maintained and restored in accordance with best practice guidelines for environmental control.

LEGAL PROCEEDINGS

REGULATION 217 (1) (A3)

Council was not involved in any legal proceedings during FY20/21.

COUNCILLORS' FEES, FACILITIES AND EXPENSES

REGULATION 217 (1) (A1)

The total cost during the year of the payment of the expenses of, and the provision of facilities to Councillors in relation to their civic functions were as follows:

Provision of Office Equipment	\$nil
Telephone expenses	\$nil
Chairperson's Fees	\$16,600
Councillors' Fees	\$60,840
Conference/Seminar Expenses	\$2,879
Travel Outside State	\$nil
Overseas Travel	\$nil
Spouse Expenses	\$nil
Child Care Expenses	\$nil
Travel within State	\$2,252
Other expenses	\$1,067

Council's policy for the provision of facilities and the payment of councillors' expenses is as follows:

1. Council pay councillors an annual fee based on the maximum fee as determined by the Local Government Remuneration Tribunal;
2. In addition to the annual fee, Council reimburse actual expenses incurred to any councillor who:
 - Attends a meeting of any committee of Council,
 - attends an inspection within the area in compliance with a resolution of the Council,
 - undertakes business of the Council outside of the area in compliance with a resolution of Council.

3. Council recompense councillors for travelling expenses at the rates per kilometre allowed at the time by the Australian Taxation Office, for all travelling associated with attendance at Council meetings or other business as specified above.

4. Council allow councillors any reasonable use of facilities to assist in their carrying out of business on behalf of the Council, such use being entirely at the discretion of the General Manager.

5. Council will provide the Chairman with the following facilities:

- An office in the Council's Administrative Building;
- access to telephone, facsimile, computer tablet and photocopy facilities for Council business purposes;
- secretarial services for Council business as required;
- identification badge bearing Council's crest;
- payment of conference/seminar/ workshop registration fees for attendance authorised by Council; and,
- arrangement and payment of travel in respect of Council commitments.

6. Council will provide the Councillors with the following facilities:

- Access to telephone, facsimile computer tablet and photocopy facilities for Council business purposes;
- secretarial services for Council business as required;
- identification badge bearing Council's crest;
- payment of conference/seminar/workshop registration fees for attendance authorised by Council; and,
- arrangement and payment of travel in respect of Council commitments.

7. Meals and refreshments will be provided to the Chairman and Councillors in conjunction with Council/Committee meetings and other functions/meetings as appropriate.

8. Expenses incurred whilst on approved travel outside the Council area will attract reimbursement according to the following guidelines:

- (a) Meals – where meals are not provided, the total amount for meals should not exceed \$100 per day.
- (b) Accommodation – where travel involves an overnight stay away from home the acceptable maximum expenditure on accommodation is:
 - metropolitan areas \$350.00 per night
 - country areas \$200.00 per night provided that all accommodation is approved prior to travelling, where practicable.

SENIOR STAFF

REGULATION 217 (1) (B & C)

The General Manager is the only employee classified as senior staff. The total salary package for the General Manager in 2020/2021, including salary, employer superannuation, non-cash benefits and amounts payable for fringe benefits tax, totalled \$182,079.

LEGISLATIVE REQUIREMENTS CONTINUED

CONTRACTS AWARDED DURING YEAR

REGULATION 217 (1) (A2)

Under Regulation clause 217 of the Local Government Act, Council is required to report details of each contract awarded for amounts greater than \$150,000 for the 2020/21 year. These details are provided below.

CPB Excavations Pty Ltd \$650,276 (GST Exc) - Bulk Earthworks for new 12ML clear water tank at Carcoar Water Treatment Plant.

Camero Resources Pty Ltd \$150,000 (GST Exc) - Project Management for bulk earthworks for 12ML clear water tank at Carcoar Water Treatment Plant.

BUSH FIRE HAZARD REDUCTION

SECTION 428

Bush fire hazard reduction activities are undertaken by constituent Councils and are not an activity or responsibility of Central Tablelands Water.

PROGRAMS PROMOTING SERVICES AND ACCESS TO SERVICES FOR PEOPLE WITH DIVERSE CULTURAL AND LINGUISTIC BACKGROUNDS

SECTION 428

This activity is the responsibility of the constituent Councils and, being a single purpose water authority, does not involve Central Tablelands Water.

PRIVATE WORKS UNDER SECTION 67(3)

REGULATION 217 (1) (A4)

Council did not carry out any work on private land during 2020/2021 that was fully or partly subsidised by Council.

CONTRIBUTIONS UNDER SECTION 356

REGULATION 217 (1) (A5)

The amounts contributed or otherwise granted under Section 356 during 2020/2021 totalled \$13,061.00.

HUMAN RESOURCES ACTIVITIES

SECTION 428

Council has a commitment to ensuring that its entire staff is appropriately skilled and trained to carry out their responsibilities. Various in-house and external training programs will continue to be undertaken to ensure that the required skills are available.

The following training was undertaken by CTW staff during 2020/2021:

TRAINING COURSE	NO. OF PARTICIPANTS
Customer Service – Emotional Intelligence	22
First Aid	22
Intramaps Administration	1
Integrated Planning & Reporting	6
Psychological Safety	4
Maintain Chainsaw	6
Trim & Cut Felled Trees	6
Transport & Store Chemicals	13
Prepare & Supply Chemicals to control pests, weeds and diseases.	13
Enter and work in confined spaces	1
InfoCouncil – Business Paper	4
EFTsure – Accounts Payable	2
FBT & BAS	2
Human Resources & Governance	1

Council has a Consultative Committee that is inclusive and representative of the organisation. The Consultative Committee is a forum for consultation between Council and all staff that encourages a free and open exchange of views.

Management will continue to monitor Council's workplace environment and the implementation of Council's training and equal employment opportunity programs.

Management will:

- conduct annual performance reviews based on predetermined objectives and performance standards for all staff,
- provide training on the basis of identified needs and priorities,
- continue to ensure that there is no compromise in regards to workplace safety and that all recommendations resulting from risk management assessments are carried out.

EQUAL EMPLOYMENT OPPORTUNITY

REGULATION 217 (1) (A9)

Council has adopted an Equal Employment Opportunity Management Plan, a copy of which has been distributed to all Council employees.

Council's philosophy for its Equal Employment Opportunity Management Plan is to create equality of opportunity, for all employees and potential employees, by ensuring that all recruitment, advancement and promotions are made on a merit basis.

DISABILITY INCLUSION ACTION PLAN (DIAP)

CTW is not defined as a public authority under the Local Government Act 1993.

Therefore a plan is not required to comply with section 12 of the Disability Inclusion Act 2014 (DIA Act).

Regardless of this, CTW continues to ensure compliance and accessibility to ensure that people have appropriate access and opportunity to CTW services, support and inclusion.

EXTERNAL BODIES WHICH HAVE EXERCISED COUNCIL-DELEGATED FUNCTIONS

REGULATION 217 (1) (A6)

The Council has not delegated any functions to external bodies.

COMPANIES IN WHICH COUNCIL HELD A CONTROLLING INTEREST

REGULATION 217 (1) (A7)

Council does not have any interest whatsoever in any company.

PARTNERSHIPS, CO-OPERATIVES AND OTHER JOINT VENTURES TO WHICH COUNCIL WAS A PARTY

SECTION (428) (2) (Q).

Council is not party to any partnerships, co-operatives or joint ventures.

ASSET REPLACEMENT AND UPGRADE PROGRAM

The following is a brief summary of the major capital works planned for Central Tablelands Water over the next 10 years.

PROJECT	YEAR
Trunk Main B from Carcoar Water Filtration Plant to Mandurama – 7 kms	2023/25
Reticulation Mains renewal	Major Program in 20/21 and 21/22 followed by annual program.
Lake Rowlands Dam Augmentation – 50% Grant 50% Loan	2022/24
Carcoar WFP 12 Ml Reservoir – 100% Grant and 50% Loan Funding	2022/23
Renewal of Trunk Main U – from Trunk main C to Cudal (35 Km)	2029/32
Refurbishment of Gooloogong Bore	2021/24
Blayney Water Filtration Plant Renewal – 50% Grant and 50% Loan Funding	2021/22
Renewal of Trunk Main C – from Trunk Main U to Gooloogong (30km)	2024/25 to 25/26

SALES OF ASSETS

Council did not dispose of any of its existing major assets during the period covered by this Plan.

Motor vehicles and other plant items will be replaced according to Council's present replacement policy, which is outlined below. Minor assets will be disposed of as, and if, it is considered necessary.

PLANT REPLACEMENT POLICY

Council has adopted as its policy that all vehicle changeovers be made:

- At best market prices using either auction or tender and be funded from the plant reserve.

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009 AND REGULATION

The following is an extract from the above Regulation:

"The annual report of an agency (other than a Minister) required to be prepared under section 125 of the Act must include the following:

Note. An agency's report under section 125 of the Act can be included in the agency's annual report required to be prepared under the annual reporting legislation—see section 6 of the Annual Reports (Departments) Act 1985 or section 5A of the Annual Reports (Statutory Bodies) Act 1984 (as the case requires).

- details of the review carried out by the agency under section 7 (3) of the Act during the reporting year and the details of any information made publicly available by the agency as a result of the review,
- the total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications),
- the total number of access applications received by the agency during the reporting year that the agency refused, either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (Information for which there is conclusive presumption of overriding public interest against disclosure),

Note. Table D in Schedule 2 also requires information relating to access applications in respect of which there is a conclusive presumption of overriding public interest against disclosure.

- information, as set out in the form required by the tables in Schedule 2, relating to the access applications (if any) made to the agency during the reporting year.

COUNCIL REPORT

A review of Council's information that is not currently accessible by the public on Council's website was undertaken by the Principal Officer during 2020/2021. No additional information was made available as a result of this review.

Council received no applications for information under the Government Information (Public Access) Act 2009 for the financial year ended 30 June 2021.

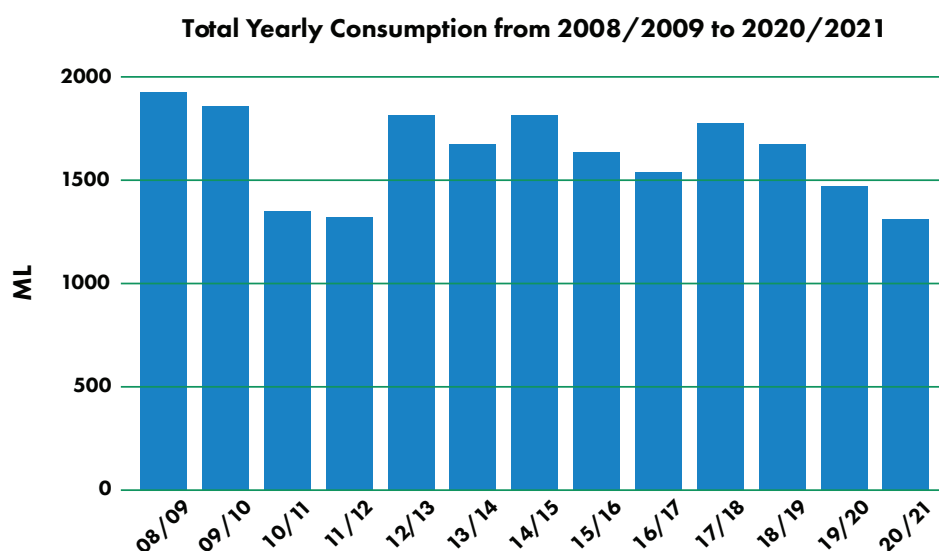
PUBLIC INTEREST DISCLOSURE (PID) ACT 1994 AND REGULATION

Council did not receive any public interest disclosures under the Public Interest Disclosure Act 1994 for the financial year ended 30 June 2021. Council has an Internal Reporting Policy in place. A copy of this policy is available on Council's website at www.ctw.nsw.gov.au

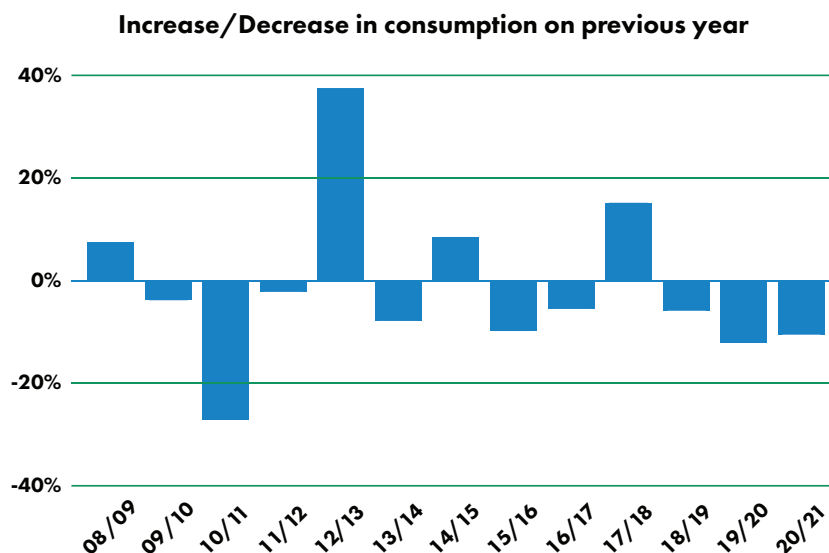
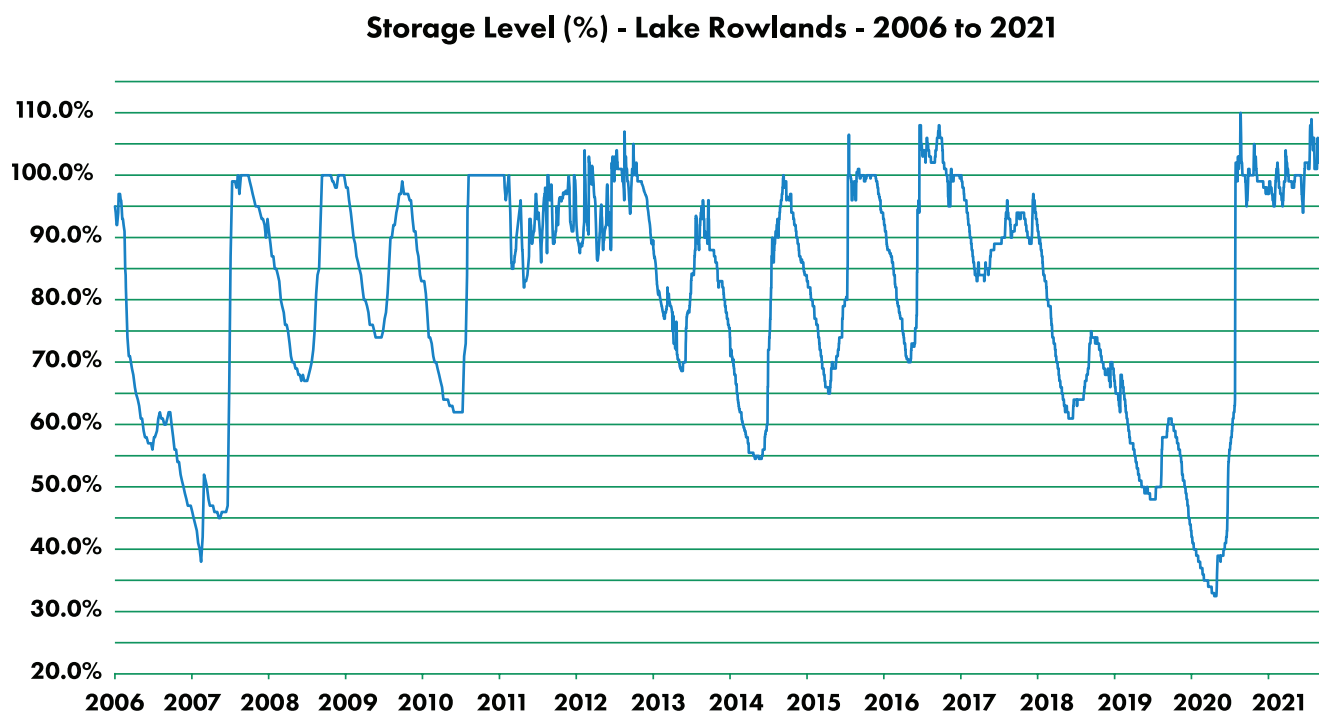
WATER CONSUMPTION

08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	CONSUMER TYPE	
746	768	605	601	792	751	869	777	725	814	763	675	620	ML	Single Residential
22	22	20	20	22	23	23	21	24	25	21	19	18	ML	Multi Residential
267	287	196	209	266	282	301	285	268	325	332	288	228	ML	Rural
220	231	180	189	224	203	193	204	187	217	211	187	157	ML	Commercial
468	315	167	136	158	189	208	212	188	236	204	194	186	ML	Industrial
26	28	17	15	21	32	31	27	43	44	38	29	24	ML	Public Parks
34	41	42	36	42	45	46	43	44	58	44	35	36	ML	Institutions
143	156	117	110	285	144	141	63	62	55	54	38	39	ML	Bulk Sales (Cowra)
1,926	1,848	1,344	1,316	1,810	1,669	1,812	1,632	1,541	1,774	1,667	1,465	1,308	ML	Sub Total
105	112	130	153	161	146	121	244	197	287	395	227	235	ML	Est. Leakage
127	50	27	28	42	50	50	40	68	75	55	80	95	ML	Flushing of mains
16	0	7	7	3	8	2	7	8	8	8	12	12	ML	Unaccounted
2,174	2,010	1,508	1,504	2,016	1,873	1,985	1,923	1,814	2,144	2,125	1,784	1,650	ML	Total Consumption
11.41%	8.06%	10.88%	12.50%	10.22%	10.89%	8.72%	15.13%	15.05%	17.26%	21.55%	17.88%	20.73%	Water losses as % of total water output	
0.00%	-4.05%	-30.22%	-31.67%	-6.02%	-13.34%	-5.92%	-15.26%	-19.99%	-7.89%	-13.45%	-23.94%	-32.09%	% increase/decrease consumption on 2008/2009	
7.42%	-4.05%	-27.27%	-2.08%	37.54%	-7.79%	8.57%	-9.93%	-5.58%	15.12%	-6.03%	-12.12%	-10.72%	% increase/decrease consumption on previous year	

WATER USAGE OVER TIME



LAKE ROWLANDS STORAGE LEVELS 2006 - 2021



Program:	Drinking Water Monitoring Program,Operational Monitoring Program,Project Program	Report Type:	Results Summary Report
AHS:	All	Entered Date Range:	-
PHU:	All	Barcode:	All
Water Utility:	All	Analysis Type:	All
Supply System:	All	Characteristics:	All
Town:	All	Treatment Type:	All
Source:	All	Collected Date Range:	01-07-2020 - 30-06-2021
Sample Site:	All		

Sample Count: 655

Analysis Type	Characteristic	Guideline Value	Units	Mean	Median	Standard Deviation	Min	Max	Sample Count	Exception Count	95th Percentile	5th Percentile	% meeting guideline values
Chemistry	Aluminium	0.2000	mg/l	0.0314	0.0100	0.0365	0.005	0.13	18	0	0.13	0.005	100.00
	Antimony	0.0030	mg/l	0.0001	0.0001	0.0000	0.00005	0.0005	18	0	0.00005	0.00005	100.00
	Arsenic	0.0100	mg/l	0.0008	0.0005	0.0005	0.0005	0.002	18	0	0.002	0.0005	100.00
	Barium	2.0000	mg/l	0.0299	0.0244	0.0138	0.0175	0.0559	18	0	0.0559	0.0175	100.00
	Boron	4.0000	mg/l	0.0291	0.0055	0.0469	0.0004	0.1206	18	0	0.1206	0.0004	100.00
	Cadmium	0.0020	mg/l	0.0001	0.0001	0.0000	0.00005	0.00005	18	0	0.00005	0.00005	100.00
	Calcium	10000.0000	mg/l	17.7833	13.2500	10.0324	10.5	37.8	18	0	37.8	10.5	100.00
	Chloride	250.0000	mg/l	55.0282	18.0000	71.5836	15	191	18	0	191	15	100.00

Analysis Type		Characteristic	Guideline Value	Units	Mean	Median	Standard Deviation	Min	Max	Sample Count	Exception Count	95th Percentile	5th Percentile	% meeting guideline values
Chemistry		Chromium	0.0500	mg/L	0.0005	0.0005	0.0001	0.0005	0.001	18	0	0.001	0.0005	100.00
		Copper	2.0000	mg/L	0.0120	0.0100	0.0092	0.003	0.043	18	0	0.043	0.003	100.00
		Fluoride	1.5000	mg/L	0.6831	0.7100	0.3324	0.05	1.13	18	0	1.13	0.05	100.00
		Fluoride (WU result)	1.5000	mg/L	0.9991	0.9900	0.0416	0.94	1.06	11	0	1.06	0.94	100.00
		Fluoride Ratio	0.8 - 1.2		1.1682	1.1000	0.2301	0.85	1.55	11	4	1.55	0.85	63.64
		Iodine	0.5000	mg/L	0.0928	0.0250	0.1366	0.01	0.36	18	0	0.36	0.01	100.00
		Iron	0.3000	mg/L	0.0072	0.0050	0.0039	0.005	0.02	18	0	0.02	0.005	100.00
		Lead	0.0100	mg/L	0.0004	0.0003	0.0004	0.0001	0.0016	18	0	0.0016	0.0001	100.00
		Magnesium	10000.0000	mg/L	12.6783	8.7300	89.195	6.18	30.68	18	0	30.68	6.18	100.00
		Manganese	0.5000	mg/L	0.0024	0.0010	0.0042	0.00015	0.0178	18	0	0.0178	0.00015	100.00
		Mercury	0.0010	mg/L	0.0004	0.0004	0.0000	0.0004	0.0004	18	0	0.0004	0.0004	100.00
		Molybdenum	0.0500	mg/L	0.0003	0.0002	0.0002	0.0005	0.0007	18	0	0.0007	0.00005	100.00
		Nickel	0.0200	mg/L	0.0006	0.0006	0.0003	0.0002	0.0013	18	0	0.0013	0.0002	100.00
		Nitrate	50.0000	mg/L	1.0243	1.0000	0.5844	0.438	2	18	0	2	0.438	100.00
		Nitrite	3.0000	mg/L	0.0473	0.0500	0.0115	0.001	0.05	18	0	0.05	0.001	100.00
		pH	6.5 - 8.5		7.4944	7.5000	0.2817	7.1	8.1	18	0	8.1	7.1	100.00
		Selenium	0.0100	mg/L	0.0053	0.0035	0.0045	0.0035	0.018	18	2	0.018	0.0035	88.89
		Silver	0.1000	mg/L	0.0001	0.0001	0.0000	0.0001	0.0001	18	0	0.0001	0.0001	100.00
		Sodium	180.0000	mg/L	40.0556	11.0000	58.0137	7	152	18	0	152	7	100.00
		Sulfate	500.0000	mg/L	14.0270	2.5000	21.5401	1	56	18	0	56	1	100.00
	Total Dissolved Solids (TDS)	600.0000	mg/L	188.6111	92.5000	193.7597	75	582	18	0	582	75	100.00	
	Total Hardness as CaCO3	200.0000	mg/L	96.6167	69.0500	61.7499	51.7	220.7	18	3	220.7	51.7	83.33	
	True Colour	15.0000	Hazen Units (HU)	1.6944	1.5000	0.8599	0.5	3	18	0	3	0.5	100.00	
	Turbidity	5.0000	NTU	0.5111	0.2000	0.5754	0.05	1.6	18	0	1.6	0.05	100.00	
	Uranium	0.0170	mg/L	0.0009	0.0001	0.0016	0.00005	0.0042	18	0	0.0042	0.00005	100.00	
Analysis Type	Characteristic	Guideline Value	Units	Mean	Median	Standard Deviation	Min	Max	Sample Count	Exception Count	95th Percentile	5th Percentile	% meeting guideline values	
Chemistry	Zinc	3.0000	mg/L	0.0694	0.0650	0.0215	0.004	0.13	18	0	0.13	0.04	100.00	
Microbiology	E. coli	0.0000	mpn/100 mL	0.0000	0.0000	0.0000	0	0	206	0	0	0	100.00	
	Free Chlorine	0.2 - 5	mg/L	1.0058	1.0400	0.2866	0.45	2.17	206	1	1.44	0.6	100.00	
	pH	6.5 - 8.5		7.3221	7.3100	0.0945	7.06	7.81	206	0	7.46	7.18	100.00	
	Temperature	30.0000	C	14.3058	14.4500	2.8550	8	19	206	0	18	9	100.00	
	Total Chlorine	5.0000	mg/L	1.3931	1.4200	0.3084	0.8	2.55	206	0	1.81	0.94	100.00	
	Total Coliforms	0.0000	mpn/100 mL	0.0000	0.0000	0.0000	0	0	206	0	0	0	100.00	
	Turbidity	5.0000	NTU	0.2637	0.2600	0.0555	0.13	0.4	206	0	0.35	0.18	100.00	
Operational Monitoring														
	Fluoride (daily WU)	0.9 - 1.5	mg/L	1.0171	1.0200	0.0629	0.9	1.15	337	0	1.11	0.91	100.00	
	Fluoride (weekly WU)	0.9 - 1.5	mg/L	0.9546	0.9300	0.0600	0.9	1.13	94	0	1.07	0.9	100.00	

STATEMENT OF REVENUE POLICY

Council has reviewed its Revenue Policy for 2021/22 with the main features being:

- An increase in the consumption charge of 6.7% from \$3.28 to \$3.50 per kilolitre in accordance with its adopted policy to permit funding of its large capital works program.
- Availability charges will increase by 1.6% and applied in accordance with the Flow Capacity Factors outlined below
- Bulk Supply Water charges to other Councils have been set at \$2.10 per kl.
- Development contributions have been set in accordance the 2021 Draft Development Servicing Plan (DSP). If the DSP is adopted this will result in the Development Contribution per Equivalent Tenement (ET) in the Lake Rowlands Supply area being \$6,211. The Capital Contribution charge for Infill developments will be set at \$6,211 per ET. Development Contribution Charge for the Quandialla Supply area will be set at \$3,105 per ET.
- Legal Expenses incurred for debt recovery purposes now includes all associated costs including early stage and late stage intervention in accordance with Councils Water Charges Debt Recovery Policy.
- Section 603 Certificate fees will remain at \$85.00 in line with the Office of Local Government determination.
- Special Reading Fees have remained unchanged at \$85.00.
- The fee at Council's automatic filling stations will be set at \$7.50 per kl.
- The fee at Council's stand pipes will be set at \$9.00 per kl.
- Service connection fees and private works have been increased by 3% to reflect the cost of providing these services.

- The processing fee for customer requested account refunds will be set at \$40.00. This only applies if more than one request is made in each financial year. This fee is made to recover the actual cost of processing such requests.
- In accordance with the directive of the Office of Local Government interest applied on overdue accounts will be at the rate of 6.0%.

Availability charges will increase from \$244.00 to \$248 pa (\$61.00 to \$62.00 per quarter) for a 20mm service connection. It should be noted that Council will review availability charges annually in accordance with the Best Practice Water Pricing guidelines. The Availability Charge is levied to enable customers to access the large Council water supply infrastructure network. The charge is not a fee to cover the cost of reading customers water meters.

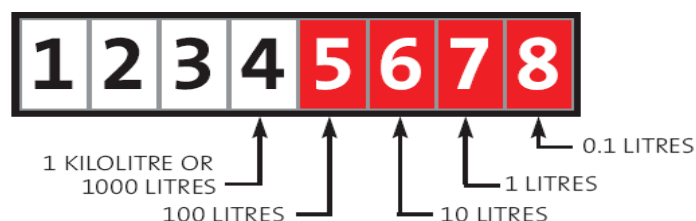
Council is conscious of the needs of its consumers and provides a reliable and high quality water supply. Council is also aware of ensuring that its pricing policies must permit the renewal and upgrading of its water network infrastructure so that service levels can be maintained.

Council has embraced Best Practice Pricing of Local Water Utility services as outlined in the Department of Industry - Water Best Practice Management of Water Supply and Sewerage Guidelines. In summary, the following pricing regime exists for Central Tablelands Water:

- A two part pricing policy of an availability (access) charge, determined on the diameter of the meter, and a straight line consumption charge,
- There are no non-residential cross subsidies.
- Water accounts are rendered quarterly.
- Development Service Charges are set in accord with methodology set down in accord with the guidelines.

HOW TO READ YOUR METER

A TYPICAL METER IS SHOW BELOW



THE FIRST 4 NUMBERS (generally black) INDICATE KILOLITRES

THE LAST NUMBERS (generally red) INDICATE HUNDRED AND TENS OF LITRES.

FEES AND CHARGES

AVAILABILITY (ACCESS) CHARGES

The availability charge is calculated by multiplying the charge for a standard 20mm connection by the flow capacity factor (FCF) listed in the Flow Capacity Table below.

FLOW CAPACITY TABLE							
DIAMETER OF WATER SERVICE	20mm	25mm	32mm	40mm	50mm	80mm	100mm
FLOW CAPACITY FACTOR	1.00	1.5625	2.56	4.00	6.25	16.00	25.00

The FCF is a factor based upon relative meter size and measures the load that can be placed on the system by that service size (i.e. large services place greater loads on the system). That is, larger services can place a much larger load on Council's supply network than a smaller service.

DEVELOPER CHARGES

The 2021 Development Servicing Plan details how the calculated developer charge per Equivalent Tenement (ET) is levied on all new developments, or additions/changes to existing developments, supplied from the Lake Rowlands Supply area.

THE SECTION 64 DEVELOPER CHARGE FOR 2021/2022 IS SET AT \$6,211.00 PER ET

An ET is calculated in accordance with the Section 64 Determination of Equivalent Tenement (ET) Guidelines, published by the NSW Water Directorate. It is important to note that blocks exceeding 2,000m² in size are considered to be defined in the guidelines to exceed 1 ET.

Council's 2021 Development Servicing Plan (DSP) covering the Lake Rowlands Supply Area has calculated the fee at \$6,211 per ET. This represents a decrease of 34% from the 2020/21 fee of \$9,434. The fee will also be indexed each 12 months in accordance with the Consumer Price Index for Sydney in the preceding 12 months.

The User Fees and Charges also contains a capital contribution charge for developments on existing vacant unconnected land, not subject to subdivision (in-fill blocks), within all towns and villages, with the exception of Quandialla. This charge would also be indexed on 1 July each year in accordance with the change in the Consumer Price Index for Sydney in the preceding 12 months to December. The capital contribution charge on existing vacant unconnected land for 2021/22 is \$6,211 per ET. This brings this charge in line with proposed the Developer Contribution Charge. In 2020/21 the Infill charge was set at \$4,403 per ET.

The capital contribution charge for all vacant unbuilt upon land within the Quandialla supply area is proposed to be \$3,105 per ET. Funds raised by this charge will be set aside for renewal and augmentation (if required) of the Quandialla Scheme network infrastructure.



Lake Rowlands spilling in late July 2020

FEES AND CHARGES 2021/2022 CONTINUED

TYPE	DESCRIPTION	GST	PRICING PRINCIPLE	AMOUNT \$
WATER CHARGES (PER KILOLITRE)	Residential/Rural	N	User Charge	\$3.50
	Non-Residential	N	User Charge	\$3.50
	Industrial	N	User Charge	\$3.50
	Non Potable Water	N	User Charge	\$2.80
	Automatic Filling Stations	N	User Charge	\$7.50
	Standpipe Sales	N	User Charge	\$9.00
BULK WATER CHARGES	Cowra Shire	N	User Charge	\$2.10
	Other Councils	N	User Charge	\$2.10
AVAILABILITY CHARGES (PER ANNUM)	20mm	N	User Charge	\$248.00
	25mm	N	User Charge	\$388.00
	32mm	N	User Charge	\$635.00
	40mm	N	User Charge	\$992.00
	50mm	N	User Charge	\$1,550.00
	80mm	N	User Charge	\$3,968.00
	100mm	N	User Charge	\$6,200.00
	Fire Service (Restricted to fire use only)	N	User Charge	\$248.00
	Unconnected Built Upon Properties	N	User Charge	\$124.00
METER TEST FEES	20mm and 25mm (other sizes on application)	N	At Cost	\$95.00
RECONNECTION FEES	Non-payment (less than 3 months)	N	User Charge	\$185.00
	Non-payment (after three months)	N	User Charge	\$350.00
	Other Reconnection	N	User Charge	\$350.00
OTHER FEES	Attend to Disconnect	N	User Charge	\$98.00
	Special Reading Fee	N	User Charge	\$85.00
DEVELOPER CHARGES – LAKE ROWLANDS*	Per equivalent tenement (ET). Block sizes exceeding 2000m ² will incur an additional charge in excess of 1 ET. Seek quote on application.	N	At Cost	\$6,211.00
CAPITAL CONTRIBUTION CHARGES – LAKE ROWLANDS*	Per Equivalent tenement. Block sizes exceeding 2000m ² are greater than 1 ET. Seek quote on application.	N	At Cost	\$6,211.00
DEVELOPER CHARGE – QUANDIALLA*	Quandialla Scheme Supply Area – per ET. Block sizes exceeding 2000m ² are greater than 1 ET.	N	At Cost	\$3,105.00

TYPE	DESCRIPTION	GST	PRICING PRINCIPLE	AMOUNT \$
SERVICE CONNECTION (20MM ONLY)	4 metres (footpath)	N	User Charge	\$1,413.00
	10 metres (dirt/gravel)	N	User Charge	\$1,549.00
	10 metres (bitumen)	N	User Charge	\$2,386.00
	20 metres (dirt/gravel)	N	User Charge	\$2,080.00
	20 metres (bitumen)	N	User Charge	\$3,376.00
	20 metres (bitumen & concrete footpath)	N	User Charge	\$3,812.00
	Rural connection	N	User Charge	\$2,222.00
MAINS EXTENSIONS	Price on Application	N	User Charge	POA
CONNECTIONS 25MM, 32MM & ABOVE	Price on Application	N	User Charge	POA
PRIVATE WORKS - OTHER	Labour rate per hour (during working hours) (Overtime rates apply outside working hours)	Y	User Charge	\$69.00
	Utility hire rate per kilometre	Y	User Charge	\$1.10
	Excavator hire rate per hour	Y	User Charge	\$156.00
	Contract Plant Hire	Y	User Charge	At cost
ADMINISTRATIVE FEES	Section 603 Certificate (per property)	N	Statutory	\$85.00
	Dishonoured cheque	N	At Cost	\$40.00
	Dishonoured Direct Debit	N	At Cost	\$40.00
	Photocopying B & W (A4) per copy	Y	At Cost	\$0.60
	Photocopying Colour (A4) per copy	Y	At Cost	\$1.20
	Photocopying B & W (A3) per copy	Y	At Cost	\$1.00
	Photocopying Colour (A3) per copy	Y	At Cost	\$2.00
	Copy of Accounts - Per account over 1 account. (single account only no charge)	Y	At Cost	\$2.50
	Search Fees - per hour	Y	User Charge	\$69.00
	Processing Fee - Account refund request - per refund if more than 1 annually.	Y	At Cost	\$40.00
	Interest - overdue accounts	N	Statutory	6.0%
	Debt Collection Costs on overdue accounts including early and late stage intervention and service fees	Y and N	At Cost	Actual Cost
GOVERNMENT INFORMATION PUBLIC ACCESS (GIPA ACT)	Formal Application	N	Statutory	\$30.00
	Processing Charge (Per hour)	N	Statutory	\$30.00
	Internal Review Processing Fee	N	Statutory	\$40.00

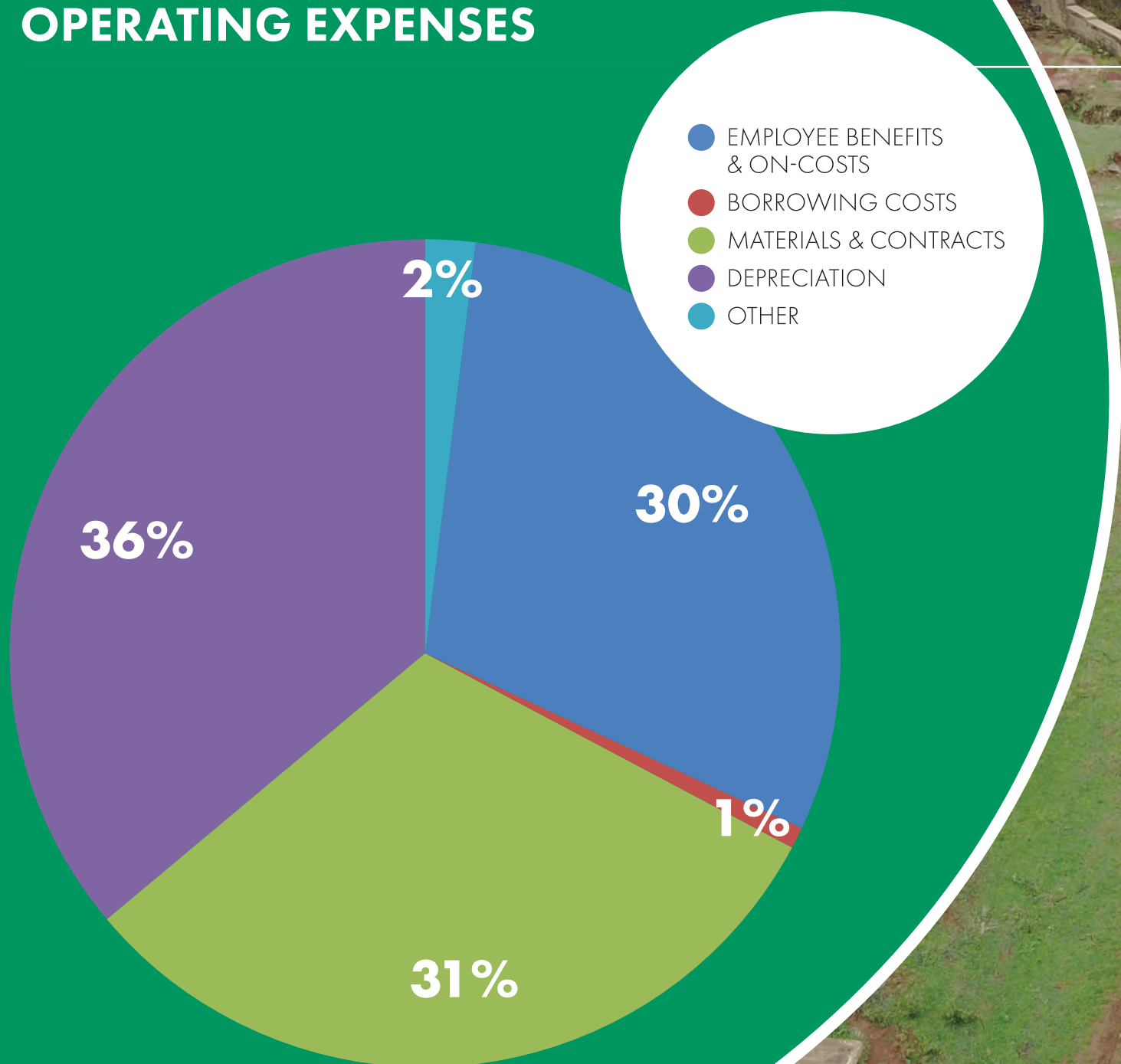
* Development Servicing Plan (DSP) currently subject to review. Charges are subject to change upon adoption of new DSP.

FINANCIAL STATEMENTS

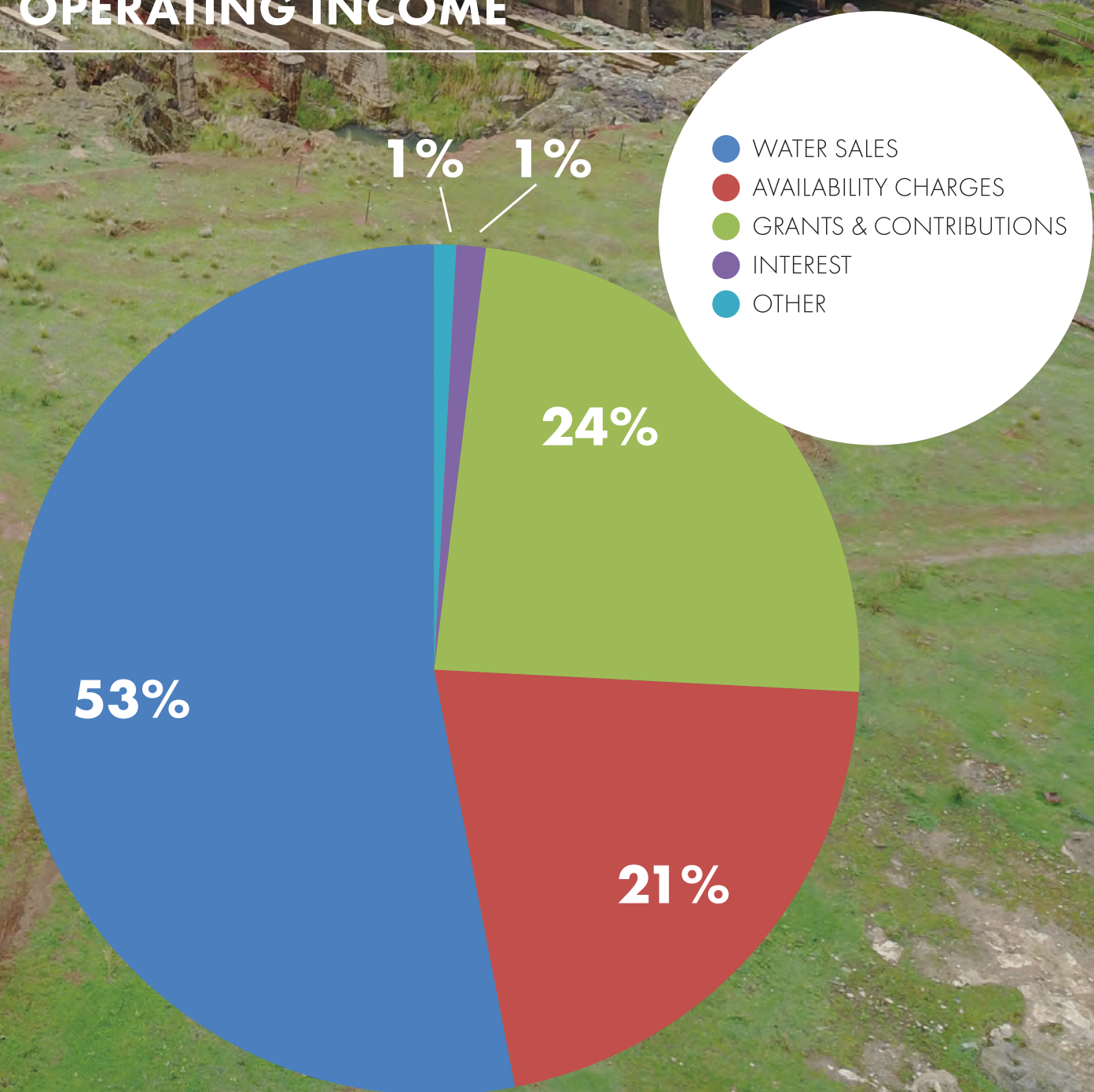
Central Tablelands County Council's audited financial reports for the year 2020/2021 are reported separately in the Financial Statements for the year ended 30th June 2021.

A copy of Council's audited Financial Statements for 2020/2021 is provided as **Appendix A** at the end of this document, page 35.

OPERATING EXPENSES



OPERATING INCOME



DELIVERY PLAN REPORT

STRATEGY PRIORITY 1 – PROVIDING A HIGH QUALITY AND RELIABLE DRINKING WATER SUPPLY							
DP REF	KEY RESULT AREA	ACTIVITY	MEASURE	RESPONSIBLE OFFICER/S	ONGOING	COMPLETED	COMMENT
1.1.1	1.1 SERVICE PROVISION THROUGH FIT FOR PURPOSE INFRASTRUCTURE	Deliver capital works program based on asset management data.	Capital works program is delivered	DOTS & AO	√		The Capital Works program is progressing. All current capital works are within budget.
1.1.2		Develop and deliver maintenance program	Maintenance Program is delivered	DOTS & WNM	√		CTW develops a maintenance program based on operational needs and asset condition on an annual basis.
1.1.3		Develop and implement a backflow prevention program.	Program is in place	DOTS & WNM	√		In progress.
1.1.4		Undertake regular water meter replacement program	Program is in place	DOTS & WNM	√		Meter replacement program when the meter is above 7,500 kL is ongoing.
1.2.1	1.2 COMPLIANCE AND REGULATION	Implement a Water Quality Management Plan.	Water quality guidelines are met or exceeded	DOTS	√		Drinking Water Management System is reviewed and updated on an annual basis.
1.2.2		Inform and involve our customers and regulators about projects, programs and other activities	Positive involvement and feedback	GM & DOTS	√		Notification regarding projects and programs are provided via CTW's website, facebook page, public notices in local newspapers, newsletters and householder pamphlets.
1.2.3		Undertake strategic reviews of water treatment facilities.	Reviews completed	DOTS & WQM	√		CTW has an extensive water monitoring program at Lake Rowlands and WTP's which determine any adjustments to WTP operation. CTW regularly consults with NSW Dept of Health and participates in reviews to ensure treatment processes meet Drinking Water Guidelines.
1.2.4		Develop and implement an Integrated Water Cycle Management Plan using established community expectations and asset management information	Plan implemented	DOTS & WQM	√		IWCM completed in 2014. IWCM to be reviewed and updated every 8 years in accordance with BPM guidelines. 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.
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	GM	√		Water saving and monitoring measures are provided via CTW's website, newsletters, television advertising and Smart Water Mark.

STRATEGY PRIORITY 2 – AN EFFICIENT, SUSTAINABLE AND CUSTOMER 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		√	A Community Engagement Strategy was adopted by Council in December 2020.
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 have reviewed the results of the survey and developed 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.
2.1.6		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 JO meetings. The GM also attends Water County Council GM's meetings on a quarterly basis.
2.1.7		Provide timely advice to developer or customer requests for service connection	Customer service standards are met.	DOTS	√		Timely responses are provided to developer and customer connection requests.
2.2.1	2.2 FINANCIAL MANAGEMENT	Develop a long-term financial management plan.	LTFP developed annually.	DFCS	√		LTFP adopted June 2021
2.2.2		Review schedule of fees and charges as part of the annual operational plan.	Updated annually.	DFCS	√		2021/22 Fees & Charges adopted June 2021
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	√		CTW's 2021 Development Servicing Plan was adopted by Council in June 2021.
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. Project update reports are presented at Council meetings.
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 successful in securing funding to purchase and install 5 water filling stations in Manildra, Eugowra, Canowindra, Grenfell and Quandialla. An additional 2 water filling stations are to be installed in Cudal and Cargo via Cabonne Council and the Federal Governments' Drought Communities Funding Program. 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.

DELIVERY PLAN REPORT CONTINUED

STRATEGY PRIORITY 2 – AN EFFICIENT, SUSTAINABLE AND CUSTOMER FOCUSED ORGANISATION							
DP REF	KEY RESULT AREA	ACTIVITY	MEASURE	RESPONSIBLE OFFICER/S	ONGOING	COMPLETED	COMMENT
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.
2.3.2		Manage the risk management framework including a risk register	Framework is in place	DOTS & DFCS	√		Continually monitored and updated. Risk register reported to every ARIC meeting.
2.3.3		Develop and implement a business wide and information technology continuity plan	BCP is in place	SMT		√	BCP finalised and implemented in May 2021.
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 have been 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		√	CTW Futures Strategic Workshops were held in September 2018 and May 2021 with constituent councils and DPIE Water executive staff invited to attend and participate. Strategies from the workshop are regularly reviewed at SMT meetings with strategies being progressed. The strategies from the latest workshop will be considered during the development of the IP&R suite of documents due for adoption by 30 June 2022.
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. E.g. EFTSure additional security for creditors system.
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.



STRATEGY PRIORITY 3 – REGIONAL LEADERSHIP AND COLLABORATION							
DP REF	KEY RESULT AREA	ACTIVITY	MEASURE	RESPONSIBLE OFFICER/S	ONGOING	COMPLETED	COMMENT
3.1.1	3.1 REGIONAL COLLABORATION AND PARTNERSHIPS	Work closely with Central West JO (through Water Alliance) for regional water security and access	Active participant of JO	GM & DOTS	√		The Chairman and General Manager attend Central NSW JO (CNSWJO) Board Meetings. The GM attends CNSWJO GMAC Meetings. DFCS attends CNSWJO HR Meetings. The GM or DOTS attend CNSWJO WUA Meetings. CTW Staff participate in joint CNSWJO Projects and training when applicable to CTW.
3.1.2		Participate in opportunities for resource, expertise and knowledge sharing with Central West JO.	Opportunities identified and considered	SMT	√		
3.1.3		Partner with and support constituent councils to attract growth and new business to the region.	"Growth in constituent councils is supported"	SMT	√		CTW continues to work with constituent councils to encourage growth in the region.
3.2.1	3.2 INDUSTRY AND REGIONAL LEADER IN THE WATER SECTOR	Explore opportunities to influence water industry policy and direction through participation in industry groups and bodies	Recognised as a sector leader	SMT	√		CTW continues to have a strong working relationship with DPIE Water and WaterNSW. GM represents CTW on the WaterNSW Lachlan Customer Advisory Group. GM & DOTS regularly attend DPIE Water regulatory framework workshops for the Town Water Risk Reduction Program and the development of the Regional Water Strategies.
3.2.2		Identify value add services to grow the capability of the Council	Role and service provision is expanded	SMT	√		Ongoing. CTW Strategic Workshops.
3.2.3		Develop a future water strategy	Strategy is developed	SMT	√		Ongoing. CTW Strategic Workshops held in 2018 and 2021 with constituent council representatives (i.e. mayors, general managers and directors) and DPIE Water executive staff.
3.2.4		Investigate additional raw water sources within the region.	Ongoing investigation	DOTS	√		Ongoing. CTW Strategic Workshops.
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 for the augmentation of Lake Rowlands. CTW continues to work in close collaboration with DPIE Water to deliver this vital water security project, as well as investigating the feasibility of pumped hydro renewable energy opportunities.



MAJOR CAPITAL WORKS PROJECTS

EARTHWORKS COMPLETED FOR NEW RESERVOIR AT CARCOAR WATER FILTRATION PLANT

People driving along Fell Timber Rd, Carcoar would have observed lots of earthwork activity this past year occurring behind our Carcoar Water Treatment Plant. These earthworks are the first stage of the construction of a new 12 megalitre (ML) or 12 million litre Clear Water Reservoir.

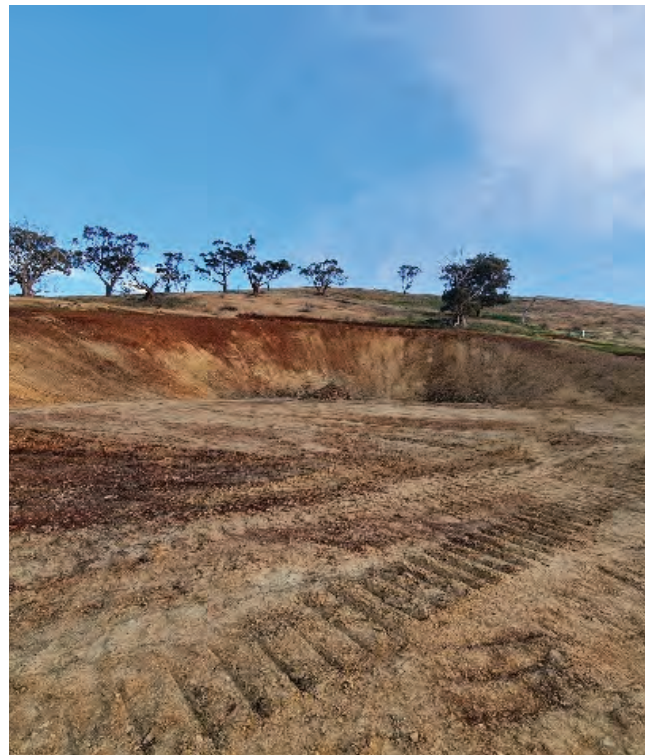
The new reservoir will supplement our existing 2.1 ML Clear Water Reservoir that was built in 1954 to service Central Tablelands County Council's original Carcoar Water Filtration Plant.

The original Carcoar Water Filtration Plant also built in 1954 was replaced with a new Water Treatment Plant in 2002.

The Carcoar Water Treatment Plant provides drinking water to the extremities of CTW's network townships, including Grenfell in Weddin Shire, Manildra and Eugowra in Cabonne Shire, bulk water to Gooloogong Reservoir in Cowra Shire, Millthorpe in Blayney Shire and townships along the way including Carcoar, Mandurama, Lyndhurst, Canowindra, Cudal and Cargo as well as branches to small rural schemes.

As with most project activities commencing within these past two years, COVID 19 and inclement weather has delayed the delivery of this project by at least 12 months.

Now that COVID restrictions are easing, CTW is planning to have this vital piece of infrastructure completed during financial year 22/23. The new 12ML reservoir will provide significant operational benefits for CTW in continuing to provide a quality water supply - reliably and sustainably.



CEO NSW WATER SECTOR VISIT TO CTW

Dr Jim Bentley, CEO NSW Water Sector, and Amanda Chadwick, Executive Director Water Sector Reform visited CTW in February 2021 and met with the Chairman and Senior Management to discuss CTW's operations and capital works program. The visit also included a site visit to Lake Rowlands.



Photo: L/R Dr Jim Bentley (CEO NSW Water Sector), Cr David Somerville (CTW Chairman), Amanda Chadwick (Executive Director Water Sector Reform – DPIE) and Gavin Rhodes (CTW General Manager).

WOODSTOCK PUMP STATION



WORKS 2020/21



Reservoir roof replacement project at the Carcoar Water Filtration Plant.



Repair work at the Canowindra Town Reservoir.



New pumps installed at the Cargo Pump Station.



Operations and Maintenance – flushing of Trunk Main “J” near Carcoar.



CTW's Water Quality Team taking delivery of a new remote mower to maintain the steep slope grassed surfaces at Lake Rowlands and at the new 12ML reservoir site at the Carcoar Water Filtration Plant.

**LAKE ROWLANDS AT 35% OF CAPACITY
BEFORE THE BREAKING OF THE DROUGHT.**



**LAKE ROWLANDS
FOLLOWING THE
BREAKING OF
THE DROUGHT.**



CTW STAFF



COREY HENRY

25 YEARS OF DEDICATED AND EXEMPLARY SERVICE

Corey Henry a CTW Water Filtration Plant Operator achieved an impressive service milestone this year of 25 years.

CTW's general manager, Gavin Rhodes caught up with Corey at CTW's Carcoar Water Treatment Plant and posed various questions to Corey regarding his time at CTW and what his hobbies or interests are outside of work. The questions and responses are listed below.

GM: What have been your roles whilst at CTW?

Corey: I started as a storeman/network operator and trainee water filtration operator, of which I did that for 10 years and then moved into the role of water filtration plant operator permanently.

GM: So that's interesting to hear that you started off as a trainee water filtration treatment operator which I assume would have been a good gateway into the water industry?

Corey: Yes, it gave me a great opportunity to learn every aspect of water treatment and water delivery rather than one side or the other. My training was completed through Open Education via TAFE.

GM: Did you commence at CTW straight out of school?

Corey: No, I grew up on a farm and did plenty of work at home, and I also worked for 6 months building corrugated iron water tanks whilst trying to find a better career.

GM: So you were always destined to be involved in the water industry?

Corey: Yes, it has definitely worked out that way.

GM: What has been the most significant change or changes you have seen over the last 25 years at CTW?

Corey: Technology, definitely technology. Whether that be (water) pipes such as fibro-cement to PVC or computer technology for water filtration processes and purposes such as monitoring and remote control access, which has made it a lot easier to operate the plant.

GM: What about any climatic changes over the past 25 years, have you noticed any patterns with regards to droughts and floods, etc?

Corey: It's always been cyclical, you have your dry times and wet times, and then your times inbetween.

GM: I recall in 2012 when we had a significant rain event that washed away 5 of our trunkmain crossings. Did that have a major impact on your role as a water filtration plant treatment operator?

Corey: It impacted more on the water operators in restoring supply, however, it was inconvenient at the time for all involved.

GM: What about changes with compliance?

Corey: Yes, the water quality standards have improved and keep on improving year on and year out, and I guess that's why technology has improved to keep up with it. It is harder to meet those standards but it is achievable through the review and update of processes and procedures.



GM: What has been the biggest challenge of your career to date?

Corey: The remote learning as an 18-19 year old was challenging in completing courses at the time. Also weekend work and being oncall has always been a challenge and always will be. The public holidays that you miss or birthdays that you miss is a challenge but there is give and take in everything.

GM: What has been the biggest achievement in your career to date, what are you most proud of?

Corey: I'm proud of my 25 years service, and to be able to run my own show at the treatment plant here at Carcoar with the faith that management show in me. There is no one big achievement, as we are in water quality and you have to achieve the drinking water quality standards each and every day.

GM: And your providing an essential service to the community.

Corey: That helps knowing that you are providing an essential service to the community, as most people take it for granted (unless you know someone in the water industry) of how their drinking water is produced and the processes involved to meet the Australian Drinking Water Standards.

GM: There's a lot more to it than just turning on the tap and drinking water appears.

Corey: Exactly, and it has got to meet the drinking water quality standards when it is delivered to the consumer.

GM: You mentioned that you run your own show at the Carcoar Water Treatment Plant, and therefore you've obviously come a long way since your water treatment traineeship days and put what you've learnt over the years into practice and that is why you have the utmost respect and trust from management and council to run and operate the plant.

Corey: Thank you.

GM: Besides going on holidays, what gives you the most enjoyment in your role?

Corey: Meeting the criteria of the water quality standards we have to meet. It is difficult but we do it consistently, and what we do, we do well. I enjoy the fact that we are good at what we do and we have always had a good team here. That gives me the enjoyment as much as anything.

GM: Are you ready for the next 25 years?

Corey: I suppose, I may not see the end of them at CTW, but I will start them! It might be harder than the first 25.

GM: Time flies when you are having fun!

Corey: It does, but I suppose if I stop having fun, it will seem to take longer. At this stage I don't plan to go anywhere.

GM: That's great to hear.

GM: What are your hobbies outside of work? How do you relax?

Corey: Definitely spending time with family, my wife and kids, going out to the family farm, hunting, riding motorbikes, playing and watching sport.

GM: I've heard that you were a bit of a soccer star as well?

Corey: Never a star, played for a while with a few teams over the years in Bathurst and the Central West League before finishing my career at Millthorpe, a good social team.

GM: And obviously you're a mad and passionate NRL supporter and run the CTW NRL Footy Tipping Comp. Which team do you support or should I say, who should have won the NRL Premiership this year?

Corey: I'm a mad Rabbitohs supporter and they may have been unlucky this year not to have won. There is always next year.

GM: Well thank you Corey for your time today, and on behalf of CTW I would like to congratulate you once again on such a significant achievement of 25 years of dedicated and exemplary service to CTW.

Corey: Thank you.



CUSTOMER INFORMATION

PAYMENT OF ACCOUNTS

Central Tablelands Water issues quarterly water accounts. Accounts are issued in August, November, February and May.

To assist consumers, Central Tablelands Water has the following range of payment options:

IN PERSON

Present the account intact and make your payment by cash, cheque or EFTPOS at any Post Office.

Payments can also be made at Council's Blayney office and the office of Weddin Shire Council in Grenfell.

BPAY

If your bank offers BPAY, you can use BPAY to pay your water account by phone, internet or directly from your bank account. Please refer to your water account for your BPAY Biller Code and Reference Number.

CREDIT OR CHARGE CARD

Payments can be made over the phone using your credit or charge card by calling 13 18 16 when your water account is due, or online at www.postbillpay.com.au. Please refer to your water account for your Post BillPay Code and Reference Number.

Credit Card facilities are also available when paying in person at Council's Blayney office.

DIRECT DEBIT

Direct Debit is now available as a payment option. Please contact Council's Blayney office for a Direct Debit Request Form.

MAIL

Detach your payment slip and return it together with your cheque to:

CENTRAL TABLELANDS WATER
PO BOX 61
BLAYNEY NSW 2799

CENTRELINK

Use Centrepay to arrange regular deductions from your Centrelink payment. Call Centrelink to request Centrepay deductions.

Centrepay Reference: 555 052 389K

PENSIONERS

Pensioners are entitled to a rebate of up to \$87.50 each year on their water account. (This will appear as a deduction of \$21.88 on each account.) To be eligible you must be the owner and reside on the property.

To apply for a rebate, you must complete an application form, available from Council's administration office, or online from Council's website, www.ctw.nsw.gov.au, and provide a copy of your pensioner concession card.

CENTREPAY

Central Tablelands Water offers CENTREPAY, which enables Centrelink customers to budget and plan their finances more effectively. A Centrepay application form is available from Council's administration office, or online from Council's website, www.ctw.nsw.gov.au.

TENANTS AND LANDLORDS

The person, or persons, who are listed as the owner of the property will receive all water accounts and are responsible for their payment.

A number of landlords have lease agreements that stipulate that the tenant is responsible for the usage or consumption charge.

The billing of tenants is the owner's or agent's responsibility. Central Tablelands Water will not be involved in any arrangement to collect money from tenants.

FACEBOOK

Central Tablelands Water now has a Facebook page, which can be found at www.facebook.com/CentralTablelandsWater



APPENDIX A

CENTRAL TABLELANDS WATER

GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2021

Central Tablelands Water

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021

*"An independent Regional Water Authority providing a
quality water supply - Reliably and Sustainably"*



Central Tablelands Water

General Purpose Financial Statements

for the year ended 30 June 2021

Contents	Page
Understanding Council's Financial Statements	3
Statement by Councillors and Management	4
Primary Financial Statements:	
Income Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Independent Auditor's Reports:	
On the Financial Statements (Sect 417 [2])	58
On the Financial Statements (Sect 417 [3])	61

Overview

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

30 Church Street
Blayney NSW 2799

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

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

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

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

Central Tablelands Water

General Purpose Financial Statements

for the year ended 30 June 2021

Understanding Council's Financial Statements

Introduction

Each year NSW local governments are required to present audited financial statements to their council and community.

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2021.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by the Office of Local Government.

About the Councillor/Management Statement

The financial statements must be certified by senior staff as 'presenting fairly' the Council's financial results for the year and are required to be adopted by Council – ensuring both responsibility for and ownership of the financial statements.

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income and expenses. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

2. The Statement of Comprehensive Income

Primarily records changes in the fair value of Council's Infrastructure, property, plant and equipment.

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

4. The Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the five primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by the NSW Audit Office.

In NSW the auditor provides 2 audit reports:

1. an opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

Who uses the Financial Statements?

The financial statements are publicly available documents and must be presented at a Council meeting between seven days and five weeks after the date of the audit report.

The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

Central Tablelands Water

General Purpose Financial Statements

for the year ended 30 June 2021

Statement by Councillors and Management

Statement by Councillors and Management made pursuant to Section 413(2)(c) of the *Local Government Act 1993* (NSW)

The attached general purpose financial statements have been prepared in accordance with:

- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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

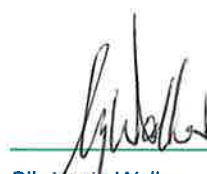
Signed in accordance with a resolution of Council made on 13 October 2021.



Cllr David Somervaille

Chairperson

13 October 2021



Cllr Kevin Walker

Deputy Chairperson

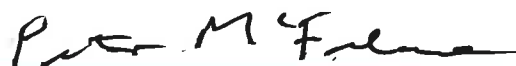
13 October 2021



Gavin Rhodes

General Manager

13 October 2021



Peter McFarlane

Responsible Accounting Officer

13 October 2021

Central Tablelands Water

Income Statement

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
	Income from continuing operations			
1,538	Annual charges	B2-1	1,602	1,573
5,191	User charges and fees	B2-2	3,968	5,015
43	Other revenue	B2-3	57	49
133	Grants and contributions provided for operating purposes	B2-4	40	45
5,183	Grants and contributions provided for capital purposes	B2-4	1,756	856
66	Interest and investment income	B2-5	59	120
21	Other income	B2-6	22	22
52	Net gains from the disposal of assets	B4-1	–	40
12,227	Total income from continuing operations		7,504	7,720
	Expenses from continuing operations			
2,291	Employee benefits and on-costs	B3-1	2,222	1,991
2,447	Materials and services	B3-2	2,236	2,232
49	Borrowing costs	B3-3	49	83
2,389	Depreciation, amortisation and impairment for non-financial assets	B3-4	2,622	2,803
15	Other expenses	B3-5	14	20
–	Net losses from the disposal of assets	B4-1	187	–
7,191	Total expenses from continuing operations		7,330	7,129
5,036	Operating result from continuing operations		174	591
5,036	Net operating result for the year attributable to Council		174	591
(147)	Net operating result for the year before grants and contributions provided for capital purposes		(1,582)	(265)

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

Central Tablelands Water

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Net operating result for the year – from Income Statement		174	591
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	631	710
Total items which will not be reclassified subsequently to the operating result		631	710
Total other comprehensive income for the year		631	710
Total comprehensive income for the year attributable to Council		805	1,301

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

Central Tablelands Water

Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	1,292	1,615
Investments	C1-2	6,100	5,200
Receivables	C1-4	743	830
Inventories	C1-5	200	176
Contract assets and contract cost assets	C1-6	160	93
Other		9	2
Total current assets		8,504	7,916
Non-current assets			
Receivables	C1-4	4	19
Infrastructure, property, plant and equipment	C1-7	82,851	83,017
Intangible Assets	C1-8	72	63
Total non-current assets		82,927	83,099
Total assets		91,431	91,015
LIABILITIES			
Current liabilities			
Payables	C3-1	512	476
Income received in advance	C3-1	26	11
Contract liabilities	C3-2	75	73
Borrowings	C3-3	413	532
Employee benefit provisions	C3-4	936	852
Total current liabilities		1,962	1,944
Non-current liabilities			
Borrowings	C3-3	–	413
Employee benefit provisions	C3-4	23	17
Total non-current liabilities		23	430
Total liabilities		1,985	2,374
Net assets		89,446	88,641
EQUITY			
Accumulated surplus	C4-1	46,904	46,730
IPPE revaluation reserve	C4-1	42,542	41,911
Council equity interest		89,446	88,641
Total equity		89,446	88,641

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

Central Tablelands Water

Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	Notes	as at 30/06/21			as at 30/06/20		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		46,730	41,911	88,641	46,139	41,201	87,340
Net operating result for the year		174	–	174	591	–	591
Restated net operating result for the period		174	–	174	591	–	591
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	631	631	–	710	710
Other comprehensive income		–	631	631	–	710	710
Total comprehensive income		174	631	805	591	710	1,301
Closing balance at 30 June		46,904	42,542	89,446	46,730	41,911	88,641

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

Central Tablelands Water

Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Cash flows from operating activities				
Receipts:				
1,538	Rates and annual charges		1,652	1,577
5,191	User charges and fees		4,172	4,790
66	Investment and interest revenue received		71	129
5,316	Grants and contributions		1,612	881
–	Bonds, deposits and retention amounts received		10	–
64	Other		477	832
Payments:				
(2,291)	Employee benefits and on-costs		(2,130)	(1,957)
(1,495)	Materials and services		(2,729)	(1,615)
(49)	Borrowing costs		(49)	(83)
(967)	Other		9	(1,330)
7,373	Net cash flows from operating activities	F1-1	3,095	3,224
Cash flows from investing activities				
Receipts:				
–	Sale of investment securities		5,200	4,100
242	Sale of infrastructure, property, plant and equipment		97	321
25	Deferred debtors receipts		35	29
Payments:				
–	Deferred debtors and advances made		–	(40)
(6,204)	Purchase of infrastructure, property, plant and equipment		(2,105)	(2,351)
–	Purchase of intangible assets		(13)	–
–	Purchase of investment securities		(6,100)	(5,200)
(5,937)	Net cash flows from investing activities		(2,886)	(3,141)
Cash flows from financing activities				
Payments:				
(531)	Repayment of borrowings		(532)	(497)
(531)	Net cash flows from financing activities		(532)	(497)
905	Net change in cash and cash equivalents		(323)	(414)
2,000	Cash and cash equivalents at beginning of year		1,615	2,029
2,905	Cash and cash equivalents at end of year	C1-1	1,292	1,615
5,000	plus: Investments on hand at end of year	C1-2	6,100	5,200
7,905	Total cash, cash equivalents and investments		7,392	6,815

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

Central Tablelands Water

Contents for the notes to the Financial Statements for the year ended 30 June 2021

A About Council and these financial statements	12
A1-1 Basis of preparation	12
B Financial Performance	14
B1 Functions or activities	14
B1-1 Functions or activities – income, expenses and assets	14
B1-2 Components of functions or activities	15
B2 Sources of income	15
B2-1 Annual charges	15
B2-2 User charges and fees	16
B2-3 Other revenue	17
B2-4 Grants and contributions	18
B2-5 Interest and investment income	20
B2-6 Other income	20
B3 Costs of providing services	21
B3-1 Employee benefits and on-costs	21
B3-2 Materials and services	22
B3-3 Borrowing costs	22
B3-4 Depreciation, amortisation and impairment of non-financial assets	23
B3-5 Other expenses	23
B4 Gains or losses	24
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	24
B5 Performance against budget	25
B5-1 Material budget variations	25
C Financial position	26
C1 Assets we manage	26
C1-1 Cash and cash equivalents	26
C1-2 Financial investments	26
C1-3 Restricted cash, cash equivalents and investments	27
C1-4 Receivables	28
C1-5 Inventories	29
C1-6 Contract assets and Contract cost assets	30
C1-7 Infrastructure, property, plant and equipment	31
C1-8 Intangible assets	33
C2 Leasing activities	34
C2-1 Council as a lessee	34
C2-2 Council as a lessor	35
C3 Liabilities of Council	36
C3-1 Payables	36
C3-2 Contract Liabilities	37
C3-3 Borrowings	38
C3-4 Employee benefit provisions	39
C4 Reserves	39

Central Tablelands Water

Contents for the notes to the Financial Statements for the year ended 30 June 2021

C4-1 Nature and purpose of reserves	39
D Risks and accounting uncertainties	40
D1-1 Risks relating to financial instruments held	40
D2 Fair value measurement	43
D3-1 Contingencies	46
E People and relationships	49
E1 Related party disclosures	49
E1 Key management personnel (KMP)	49
E1-2 Councillor and Chair fees and associated expenses	50
E2 Other relationships	50
E2-1 Audit fees	50
F Other matters	51
F1-1 Statement of Cash Flows information	51
F2-1 Commitments	51
F3-1 Events occurring after the reporting date	51
F4 Statement of developer contributions as at 30 June 2021	52
F4-1 Summary of developer contributions	52
F5 Statement of performance measures	n/a
F5-1 Statement of performance measures – consolidated results	53
G Additional Council disclosures (unaudited)	54
G1-1 Statement of performance measures – consolidated results (graphs)	54
G1-2 Financial review	56
G1-3 Council information and contact details	57

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 15 October 2021. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2005 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

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

Significant accounting estimates and judgements

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- i. estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7
- ii. employee benefit provisions – refer Note C3-4.

Covid 19 Impacts

Whilst Covid 19 has continued to cause some disruption to council's business practices and minor inconvenience it has not resulted in significant additional cost.

Water charges collections have not been significantly impacted and other receivables have not been impacted.

Overall the financial impact has not been significant and is not anticipated to be in future years.

Council is of the view that physical non-current assets will not experience substantial declines in value due to covid. Fair value for the majority of Council's non-current assets is determined by replacement cost where there is no anticipated material change in value due to covid.

For assets where fair value is determined by market value Council has no evidence of material changes to these values.

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.

A1-1 Basis of preparation (continued)

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

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

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2021 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

As at the date of authorisation of these financial statements Council does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2021.

None of these standards have had any impact on Council's reported financial position.

B Financial Performance

B1 Functions or activities

B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Functions or activities										
Governance	–	–	186	188	(186)	(188)	–	–	–	–
Water supplies	7,504	7,720	7,144	6,941	360	779	1,796	901	91,431	91,015
Total functions and activities	7,504	7,720	7,330	7,129	174	591	1,796	901	91,431	91,015

B1-2 Components of functions or activities

Details relating to the Council's functions or activities as reported in B1-1 are as follows:

Governance

Includes costs relating to Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of Council and policymaking committees, public disclosure (e.g. GIPA), and legislative compliance.

Water supplies

Comprising the water supply systems servicing towns and villages within the Blayney, Cabonne, Weddin, Bland and Cowra Local Government Areas.

B2 Sources of income

B2-1 Annual charges

\$ '000	2021	2020
Annual charges		
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Residential	1,101	1,077
Commercial	256	251
Rural	188	184
Industrial	33	34
Other	67	70
Less: pensioner rebates (mandatory)	(96)	(96)
Annual charges levied	1,549	1,520
Pensioner subsidies received:		
– Water	53	53
Total annual charges	1,602	1,573
TOTAL ANNUAL CHARGES	1,602	1,573
Timing of revenue recognition for rates and annual charges		
Rates and annual charges recognised at a point in time (2)	1,602	1,573
Total rates and annual charges	1,602	1,573

Accounting policy for annual charges

Annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts.

Pensioner rebates relate to reductions in certain annual charges for eligible pensioners' place of residence in the local government council area. These rebates are funded 55% by the NSW Government and 45% by Council.

Pensioner subsidies are received from the NSW Government to provide a contribution 55% towards the pensioner rebates.

Control over assets acquired from annual charges is obtained when a quarterly water account is issued as it is an enforceable debt linked to the serviced property.

B2-2 User charges and fees

\$ '000	Timing	2021	2020
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Residential	2	1,849	2,360
Commercial	2	458	668
Rural	2	690	972
Industrial	2	609	603
Bulk supplies to Council	2	77	70
Other	2	122	237
Total specific user charges		3,805	4,910
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Private works – section 67	2	112	77
Section 603 certificates	2	35	24
Total fees and charges – statutory/regulatory		147	101
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Water connection fees	2	1	–
Special meter readings and reconnection fees	2	15	4
Total fees and charges – other		16	4
Total user charges and fees		3,968	5,015
Timing of revenue recognition for user charges and fees			
User charges and fees recognised at a point in time (2)		3,968	5,015
Total user charges and fees		3,968	5,015

Accounting policy

User charges and fees are recognised as revenue when the service has been provided. Water user charges are recognised after the water has passed the point of supply (usually the water meter) and the actual usage has been determined by a meter reading.

However for the last reading of the 2020 financial year Central Tablelands Water estimated the charges based on an average for the 3 previous corresponding reading periods (June readings for 2017,2018,2019). This decision was taken due to safety and security concerns for the meter readers during the Covid 19 restriction period.

B2-3 Other revenue

\$ '000	Timing	2021	2020
Legal fees recovery – rates and charges (extra charges)	2	1	9
Legal fees recovery – other	2	6	–
Diesel rebate	2	1	2
Employee contributions to motor vehicles	2	29	26
Insurance incentives and rebates	2	8	9
Workers compensation claim reimbursement	2	9	–
Other	2	3	3
Total other revenue		57	49

Timing of revenue recognition for other revenue

Other revenue recognised at a point in time (2)	57	49
Total other revenue	57	49

Accounting policy for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory fees are recognised as revenue when the service has been provided, the payment is received or when the penalty has been applied, whichever occurs first.

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

B2-4 Grants and contributions

\$ '000	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Special purpose grants and non-developer contributions (tied)					
Water supplies	1	40	45	1,358	426
Previously contributions:					
Other councils – joint works/services	2	–	–	68	87
Developer charges – mains extensions	2	–	–	26	72
Total grants and non-developer contributions		40	45	1,452	585
Comprising:					
– State funding		40	45	1,358	426
– Other funding		–	–	94	159
		40	45	1,452	585

Developer contributions

\$ '000	Notes	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
F5						
Cash contributions						
S 64 – water supply contributions		2	–	–	304	271
Total developer contributions – cash			–	–	304	271
Total developer contributions			–	–	304	271
Total contributions			–	–	304	271
Total grants and contributions			40	45	1,756	856
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			40	45	1,358	426
Grants and contributions recognised at a point in time (2)			–	–	398	430
Total grants and contributions			40	45	1,756	856

B2-4 Grants and contributions (continued)

Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

\$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Unspent grants and contributions				
Unspent funds at 1 July	–	–	73	–
Add: Funds received and not recognised as revenue in the current year	–	–	8	73
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	(6)	–
Unspent funds at 30 June	–	–	75	73
Contributions				
Unspent funds at 1 July	–	1	–	–
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	–	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	(1)	–	–
Unspent contributions at 30 June	–	–	–	–

Unexpended portion of grant to investigate options for the raising of Lake Rowlands dam wall.

Accounting policy

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement but include milestones within AASB 15 grants. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Capital grants

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.

B2-4 Grants and contributions (continued)

Developer contributions

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but Council may apply contributions according to the priorities established in work schedules for the contribution plan.

Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

B2-5 Interest and investment income

\$ '000	2021	2020
Interest on financial assets measured at amortised cost		
– Overdue user and annual charges	11	17
– Cash and investments	48	103
Total interest and investment income (losses)	59	120
Interest and investment income is attributable to:		
Restricted investments/funds – external:		
Water fund operations	59	120
Total interest and investment income	59	120

Accounting policy

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

B2-6 Other income

\$ '000	Notes	2021	2020
Rental income			
Other lease income			
Land		22	22
Total Other lease income		22	22
Total rental income	C2-2	22	22
Total other income		22	22

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2021	2020
Salaries and wages	1,695	1,685
Employee leave entitlements (ELE)	292	207
Superannuation – defined contribution plans	160	156
Superannuation – defined benefit plans	26	28
Workers' compensation insurance	33	31
Fringe benefit tax (FBT)	29	36
Payroll tax	52	46
Sick leave insurance	–	9
Employee assistance program	2	1
Total employee costs	2,289	2,199
Less: capitalised costs	(67)	(208)
Total employee costs expensed	2,222	1,991
Number of 'full-time equivalent' employees (FTE) at year end	22	21

Accounting policy

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

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

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

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note D3-1 for more information.

B3-2 Materials and services

\$ '000	Notes	2021	2020
Raw materials and consumables		703	545
Contractor and consultancy costs		591	603
Audit Fees ¹	E2-1	46	45
Previously other expenses:			
Councillor and Chairperson's fees and associated expenses	E1-2	84	88
Advertising		17	29
Bank charges		31	28
Electricity and heating		306	428
Insurance		132	117
Postage		24	25
Printing and stationery		19	26
Subscriptions and publications		49	41
Telephone and communications		62	46
Travel expenses		5	6
Demand management (water wise programme) expenses		3	8
Groundwater and unregulated access fees		59	33
Training costs (other than salaries and wages)		33	30
Other expenses		56	91
Legal expenses:			
– Legal expenses: debt recovery		–	9
– Legal expenses: other		13	28
Expenses from leases of low value assets		3	6
Total materials and services		2,236	2,232
Total materials and services		2,236	2,232

Accounting policy

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

B3-3 Borrowing costs

\$ '000	2021	2020
(i) Interest bearing liability costs		
Interest on loans	49	83
Total interest bearing liability costs	49	83
Total interest bearing liability costs expensed	49	83
Total borrowing costs expensed	49	83

Accounting policy

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

B3-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2021	2020
Depreciation and amortisation			
Plant and equipment		172	175
Office equipment		23	20
Furniture and fittings		1	1
Infrastructure:	C1-7		
– Buildings – non-specialised		73	73
– Water supply network		2,335	2,516
Intangible assets	C1-8	18	18
Total gross depreciation and amortisation costs		2,622	2,803
Total depreciation and amortisation costs		2,622	2,803
Total depreciation, amortisation and impairment for non-financial assets		2,622	2,803

Accounting policy

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

B3-5 Other expenses

\$ '000	Notes	2021	2020
Impairment of receivables			
Other		–	7
Total impairment of receivables	C1-4	–	7
Other			
Donations, contributions and assistance to other organisations (Section 356)		14	13
Total other expenses		14	20

Accounting policy

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

B4 Gains or losses**B4-1 Gain or loss from the disposal, replacement and de-recognition of assets**

\$ '000	Notes	2021	2020
Gain (or loss) on disposal of plant and equipment	C1-7		
Proceeds from disposal – plant and equipment		97	321
Less: carrying amount of plant and equipment assets sold/written off		(66)	(269)
Gain (or loss) on disposal		31	52
Gain (or loss) on disposal of infrastructure	C1-7		
Less: carrying amount of infrastructure assets sold/written off		(218)	(12)
Gain (or loss) on disposal		(218)	(12)
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal/redemptions/maturities – investments		5,200	4,100
Less: carrying amount of investments sold/redeemed/matured		(5,200)	(4,100)
Gain (or loss) on disposal		–	–
Net gain (or loss) on disposal of assets		(187)	40

Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 30/06/2020 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

Material variations of more than 10% between original budget and actual results or where the variance is considered material by nature are explained below.

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

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
REVENUES				
User charges and fees	5,191	3,968	(1,223)	(24)% U
Water usage charges were down considerably from budget due a wet year.				
Other revenues	43	57	14	33% F
Council received income of \$6,000 reimbursement of legal fees and \$9,000 reimbursement of workers compensation claim.				
Operating grants and contributions	133	40	(93)	(70)% U
Council had budgeted for bore investigations and Caragabal feasibility study however the projects have not been completed at this stage.				
Capital grants and contributions	5,183	1,756	(3,427)	(66)% U
A number of grant funded capital projects were delayed in commencement therefore the grant income was less than original budget.				
Interest and investment revenue	66	59	(7)	(11)% U
Interest income was less than original budget due to the continuing fall in interest rates.				
Net gains from disposal of assets	52	–	(52)	(100)% U
The changeover of vehicles did not realise the budgeted profit on disposal and losses on disposal of infrastructure assets negated any surplus.				
EXPENSES				
Depreciation, amortisation and impairment of non-financial assets	2,389	2,622	(233)	(10)% U
Depreciation expense was higher than budget due to the writeoff of the balance of the value of trunk main K when it was replaced.				
Net losses from disposal of assets	–	187	(187)	∞ U
The loss on disposal relates to the replacement of infrastructure assets which had not been fully depreciated.				
STATEMENT OF CASH FLOWS				
Cash flows from operating activities	7,373	3,095	(4,278)	(58)% U
Capital grants were less than budget due to delay in commencement of projects.				
Cash flows from investing activities	(5,937)	(2,886)	3,051	(51)% F
Capital expenditure was less than budget due to delays in commencement of capital projects.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2021	2020
Cash and cash equivalents		
Cash on hand and at bank	1,292	1,615
Total cash and cash equivalents	1,292	1,615

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	1,292	1,615
Balance as per the Statement of Cash Flows	1,292	1,615

Accounting policy

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

C1-2 Financial investments

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Debt securities at amortised cost				
Long term deposits	6,100	–	5,200	–
Total	6,100	–	5,200	–
Total financial investments	6,100	–	5,200	–
Total cash assets, cash equivalents and investments	7,392	–	6,815	–

Accounting policy

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition. All Council's existing investments are measured at amortised cost.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

C1-2 Financial investments (continued)

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

C1-3 Restricted cash, cash equivalents and investments

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Total cash, cash equivalents and investments	7,392	–	6,815	–
attributable to:				
External restrictions	75	–	73	–
Internal restrictions	6,817	–	6,243	–
Unrestricted	500	–	499	–
	7,392	–	6,815	–

\$ '000	2021	2020
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Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended grants	66	73
Other contributions	9	–
Total external restrictions	75	73

Internal restrictions

Council has internally restricted cash, cash equivalents and investments as follows:

Plant and vehicle replacement	491	357
Infrastructure replacement	5,300	4,922
Employees leave entitlement	478	436
Development reserve	488	488
Consultancy	60	40
Total internal restrictions	6,817	6,243
Total restrictions	6,892	6,316

Internal restrictions over cash, cash equivalents and investments are those assets restricted only by a resolution of the elected Council.

C1-4 Receivables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Purpose				
User charges and fees	457	–	635	–
Contributions to works	74	–	11	–
Accrued revenues				
– Interest on investments	13	–	25	–
– Other income accruals	1	–	–	–
Amounts due from other councils	22	–	72	–
Deferred debtors	5	4	25	19
Government grants and subsidies	159	–	40	–
Net GST receivable	2	–	22	–
Other debtors	18	–	8	–
Total	751	4	838	19
Less: provision of impairment				
User charges and fees	(8)	–	(8)	–
Total provision for impairment – receivables	(8)	–	(8)	–
Total net receivables	743	4	830	19

\$ '000	2021	2020
Movement in provision for impairment of receivables		
Balance at the beginning of the year	8	8
Balance at the end of the year	8	8

Accounting policy

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When estimating ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1.

When considering the ECL for water debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Credit losses are measured at the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 2 years past due, whichever occurs first.

None of the receivables that have been written off are subject to enforcement activity.

Where Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

C1-4 Receivables (continued)

Covid 19

Council's water and user charges collections have not been significantly impacted by the Covid 19 pandemic and are comparable to prior years, therefore no adjustment has been made to the impairment provision. Cashflows and interest income have been slightly impacted in 2020/21 due to the State Government legislating that outstanding water charges will have no interest applied from 1 July, 2020 to 31 December 2020. The impact has been negligible.

C1-5 Inventories

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
(i) Inventories at cost				
Stores and materials	200	—	176	—
Total inventories at cost	200	—	176	—
Total inventories	200	—	176	—

(i) Other disclosures

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at cost. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Freight costs incurred in getting stores into their current location is expensed.

C1-6 Contract assets and Contract cost assets

\$ '000	Notes	2021	2020
Contract assets	C1-6	160	93
Total contract assets and contract cost assets		160	93

Contract assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Grants Operating	85	—	45	—
Grants Capital	75	—	48	—
Total contract assets	160	—	93	—

Significant changes in contract assets

Council has grant approvals for several new projects however no income has yet been received.

Accounting policy

Contract assets

Contract assets represent Councils right to payment in exchange for goods or services the Council has transferred to a customer when that right is conditional on something other than the passage of time.

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

Impairment of contract assets is assessed using the simplified expected credit loss model where lifetime credit losses are recognised on initial recognition.

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period							At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Other movements (transfer to Intangible assets)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	6,774	—	6,774	30	1,347	—	—	(6,242)	(14)	—	1,895	—	1,895
Plant and equipment	1,370	(712)	658	—	108	(66)	(172)	—	—	—	1,349	(821)	528
Office equipment	134	(94)	40	—	23	—	(23)	—	—	—	156	(116)	40
Furniture and fittings	39	(34)	5	—	—	—	(1)	—	—	—	39	(35)	4
Land:													
— Operational land	2,306	—	2,306	—	49	—	—	11	—	—	2,366	—	2,366
Infrastructure:													
— Buildings	2,853	(1,072)	1,781	—	—	—	(73)	—	—	—	2,853	(1,145)	1,708
— Water supply network	148,025	(76,572)	71,453	440	108	(218)	(2,335)	6,231	—	631	146,583	(70,273)	76,310
Total infrastructure, property, plant and equipment	161,501	(78,484)	83,017	470	1,635	(284)	(2,604)	—	(14)	631	155,241	(72,390)	82,851

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

By aggregated asset class	At 1 July 2019			Asset movements during the reporting period						At 30 June 2020		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress	5,382	—	5,382	966	571	—	—	(145)	—	6,774	—	6,774
Plant and equipment	1,346	(728)	618	—	484	(269)	(175)	—	—	1,370	(712)	658
Office equipment	119	(74)	45	—	15	—	(20)	—	—	134	(94)	40
Furniture and fittings	39	(33)	6	—	—	—	(1)	—	—	39	(34)	5
Land:												
— Operational land	2,306	—	2,306	—	—	—	—	—	—	2,306	—	2,306
Infrastructure:												
— Buildings — non-specialised	2,835	(998)	1,837	—	17	—	(73)	—	—	2,853	(1,072)	1,781
— Water supply network	146,355	(73,527)	72,828	130	168	(12)	(2,516)	145	710	148,025	(76,572)	71,453
Total infrastructure, property, plant and equipment	158,382	(75,360)	83,022	1,096	1,255	(281)	(2,785)	—	710	161,501	(78,484)	83,017

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

C1-7 Infrastructure, property, plant and equipment (continued)

Accounting policy

Initial recognition of infrastructure, property, plant and equipment (IPPE)

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

When infrastructure, property, plant and equipment is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

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

Useful lives of IPPE

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

Plant and equipment	Years
Office equipment	5 to 10
Office furniture	10 to 20
Computer equipment	3
Vehicles	5 to 8
Other plant and equipment	5 to 15

Water assets

Dams and reservoirs	80 to 100
Bores	20 to 40
Reticulation pipes: PVC	70 to 80
Reticulation pipes: other	25 to 75
Pumps and telemetry	15 to 20

Buildings

Buildings: masonry	50 to 100
Buildings: other	20 to 40

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every 5 years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Planning, Industry and Environment – Water.

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

C1-8 Intangible assets

Intangible assets are as follows:

\$ '000	2021	2020
Software		
Opening values at 1 July		
Gross book value	90	90
Accumulated amortisation	(27)	(9)
Net book value – opening balance	63	81
Movements for the year		
Purchases	27	–
Amortisation charges	(18)	(18)
Closing values at 30 June		
Gross book value	117	90
Accumulated amortisation	(45)	(27)
Total software – net book value	72	63
Total intangible assets – net book value	72	63

Accounting policy

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs relating to minor software purchases or modifications to existing software are expensed as incurred and are not capitalised,

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

C2 Leasing activities

C2-1 Council as a lessee

Council has a lease for a photocopier. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Office and IT equipment

The lease for office equipment is for a low value asset. The lease is for 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

(a) Income Statement

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

\$ '000	2021	2020
Expenses relating to low-value leases	3	6
	3	6

(b) Statement of Cash Flows

Total cash outflow for leases	3	6
	3	6

Accounting policy

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties for grazing purposes and communication towers. These leases been classified as operating leases for financial reporting purposes and the assets are included as IPP&E in the Statement of Financial Position.

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

\$ '000	2021	2020
---------	------	------

(ii) Assets held as property, plant and equipment

Council provides operating leases on Council land for the purpose of grazing. The table below relates to operating leases on assets disclosed in C1-7. Council also has right of access agreements with the NBN and NSW Telco Authority to allow for the installation and maintenance of communications equipment on council infrastructure such as reserviors. The agreements give no other rights over the assets and therefore the value of these assets has not been included in the IPP&E table below.

Lease income (excluding variable lease payments not dependent on an index or rate)	22	22
Total income relating to operating leases for Council assets	22	22

Amount of IPPE leased out by Council under operating leases

Land	453	453
Total amount of IPPE leased out by Council under operating leases	453	453

(iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	13	21
1–2 years	13	11
2–3 years	13	11
3–4 years	13	2
4–5 years	13	2
> 5 years	122	14
Total undiscounted lease payments to be received	187	61

Accounting policy

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components, the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term for an operating lease and as finance income using amortised cost basis for finance leases.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Payables				
Goods and services	185	–	245	–
Accrued expenses:				
– Salaries and wages	63	–	57	–
– Other expenditure accruals	123	–	93	–
Security bonds, deposits and retentions	10	–	–	–
Prepaid user charges	131	–	81	–
Total payables	512	–	476	–
Income received in advance				
Payments received in advance	26	–	11	–
Total income received in advance	26	–	11	–
Total payables	538	–	487	–

Accounting policy

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

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

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	66	—	73	—
Unexpended capital contributions (to construct Council controlled assets)	(i)	9	—	—	—
Total grants received in advance		75	—	73	—
Total contract liabilities		75	—	73	—

Notes

(i) Council has received funding to investigate options for the upgrading and expansion of Lake Rowlands.. The funds received are under an enforceable contract which require Council to complete a comprehensive study with the view to expanding the lake which will be under Council's control on completion. The revenue is recognised as Council completes the study and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

Revenue recognised that was included in the contract liability balance at the beginning of the period

\$ '000	2021	2020
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	6	—
Total revenue recognised that was included in the contract liability balance at the beginning of the period	6	—

Accounting policy

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

C3-3 Borrowings

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Loans – secured ¹	413	–	532	413
Total borrowings	413	–	532	413

(1) Loans are secured over the water charges income of Council.

Current borrowings not anticipated to be settled within the next twelve months

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

(a) Changes in liabilities arising from financing activities

\$ '000	2020		Non-cash movements				2021
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	945	(532)	–	–	–	–	413
Total liabilities from financing activities	945	(532)	–	–	–	–	413

\$ '000	2019		Non-cash movements				2020
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	1,442	(497)	–	–	–	–	945
Total liabilities from financing activities	1,442	(497)	–	–	–	–	945

(b) Financing arrangements

\$ '000	2021	2020
Total facilities		
Credit cards/purchase cards	45	45
Total financing arrangements	45	45
Undrawn facilities		
– Credit cards/purchase cards	45	45
Total undrawn financing arrangements	45	45

Accounting policy

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or borrowing costs.

C3-4 Employee benefit provisions

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Annual leave	324	–	288	–
Long service leave	612	23	564	17
Total employee benefit provisions	936	23	852	17

Current employee benefit provisions not anticipated to be settled within the next twelve months

\$ '000	2021	2020
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	726	692
	726	692

Accounting policy

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

C4 Reserves

C4-1 Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

D Risks and accounting uncertainties

D1-1 Risks relating to financial instruments held

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

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

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

Financial risk management is carried out by Council's corporate department under policies approved by the Council.

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

(a) Market risk – interest rate and price risk

\$ '000	2021	2020
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	61	52

(b) Credit risk

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

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing debt recovery procedures. Council also encourages consumers to pay their water charges by the due date to avoid late payment charges.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are approved deposit institutions regulated by the Australian Prudential Regulatory Authority.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Council makes suitable provision for doubtful receivables as required.

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

D1-1 Risks relating to financial instruments held (continued)

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2021						
Gross carrying amount	386	71	–	–	–	457
2020						
Gross carrying amount	537	98	–	–	–	635

Receivables - non-rates and annual charges and contract assets

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

The loss allowance provision is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2021						
Gross carrying amount	149	–	–	24	125	298
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	6.40%	2.68%
ECL provision	–	–	–	–	8	8
2020						
Gross carrying amount	199	11	–	–	12	222
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	66.00%	3.57%
ECL provision	–	–	–	–	8	8

D1-1 Risks relating to financial instruments held (continued)

(c) Liquidity risk

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

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

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

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2021							
Trade/other payables	0.00%	10	371	–	–	381	381
Loans and advances	6.60%	–	427	–	–	427	413
Total financial liabilities		10	798	–	–	808	794
2020							
Trade/other payables	0.00%	–	395	–	–	395	395
Loans and advances	6.60%	–	581	427	–	1,008	945
Total financial liabilities		–	976	427	–	1,403	1,340

D2 Fair value measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

		Fair value measurement hierarchy					
\$ '000	Notes	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2021	2020	2021	2020	2021	2020
Recurring fair value measurements							
Infrastructure, property, plant and equipment	C1-7						
Plant & Equipment		–	–	528	658	528	658
Office Equipment		–	–	40	40	40	40
Furniture & Fittings		–	–	4	5	4	5
Operational Land		–	–	2,366	2,306	2,366	2,306
Buildings		312	328	1,396	1,453	1,708	1,781
Water Supply Network		–	–	76,310	71,453	76,310	71,453
Capital Works in Progress		–	–	1,895	6,774	1,895	6,774
Total infrastructure, property, plant and equipment		312	328	82,539	82,689	82,851	83,017

D2 Fair value measurement (continued)

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment, Office Equipment and Furniture & Fittings

Loader, vehicles, trucks, computers, desks, chairs, cupboards, etc. - (Level 3)

Valuation Technique - Cost approach

These assets are valued at cost but are disclosed at fair value in Note C1-7. The carrying amount of these assets are assumed to approximate fair value due to the nature of the items and their short useful lives.

Operational Land - (Level 3)

Valuation Technique - Market approach

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuation is the price per square metre. The last valuation was undertaken at 30 June 2018 and was performed by Australis Asset Advisory Group by Elise Wallace Certified Practising Valuer AAPI #66461.

Buildings – (Level 2 and 3)

Council Office, Council Depots and Council Filtration Plant Buildings

Council's Buildings were last valued on 30 June 2018 by Australis Asset Advisory Group by Elise Wallace Certified Practising Valuer AAPI#66461. Fair value was determined using the Cost approach (using depreciated current replacement cost). This method determines the cost to market participant to acquire or construct a similar building of comparable service potential adjusted for depreciation or obsolescence.

The market approach was applied to two buildings where sufficient sales evidence existed to permit recent sales history to permit a market value to be determined.

Water Supply Network

Trunk Mains, Reticulation Mains, Filtration Plants, Reservoirs, Pump Stations, Bores, Dams, Telemetry - (Level 3)

The Water Supply Network was last valued on 30 June 2017 utilising both "in house" staff and external consultants. A former employee with extensive experience and qualifications prepared the valuations of the Bores, Trunk Mains, Reticulation Mains, Telemetry and Pump Stations. The valuation methodology used for Reservoirs, Pump Stations Bores and Trunk Mains is based on use of the reference rates sourced from the NSW Office of Water Reference Rate Manual (RRM) in June 2014 and then applying the capital cost factor for 2019.

Dams and Treatment Plants were valued by Australia Asset Advisory Group whom have extensive experience and qualifications in the valuation of assets of this type. The valuation was completed in accord with fair valuation principles. These principles lead to valuations being made on the basis of depreciated replacement costs using standard unit rates. The valuation considered the nature and condition of the assets based upon physical inspection and asset data such as asset life.

D2 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

\$ '000	Fair value (30/6/21) 2021	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Plant & Equipment	528	Refer Note D2-1 above	Increase/decrease in cost of unit or useful life
Office Equipment	40	Refer Note D2-1 above	Increase/decrease in cost of unit or useful life
Furniture & Fittings	4	Refer Note D2-1 above	Increase/decrease in cost of unit or useful life
Operational Land	2,366	Refer Note D2-1 above	Increase/decrease in land value, land area
Buildings	1,396	Refer Note D2-1 above	Market value
Water Supply Network	76,310	Refer Note D2-1 above	Increase/decrease in cost of unit or useful life, asset condition
Capital Works in Progress	1,895	Refer Note D2-1 above	Increase/decrease in cost of unit

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

\$ '000	IPP&E	
	2021	2020
Opening balance	82,689	82,687
Total gains or losses for the period		
Recognised in other comprehensive income – revaluation surplus	631	710
Other movements		
Transfers from/(to) another asset class	(14)	–
Purchases (GBV)	2,105	2,340
Disposals (WDV)	(284)	(281)
Depreciation and impairment	(2,588)	(2,767)
Closing balance	82,539	82,689

Information relating to the transfers into and out of the level 3 fair valuation hierarchy includes:

There have been no transfers between level 2 and level 3 hierarchy.

Highest and best use

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

D3-1 Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

LIABILITIES NOT RECOGNISED

(i) Defined benefit superannuation contribution plans

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

Description of the funding arrangements.

Pooled Employers are required to pay future service employer contributions and past service employer contributions to the Fund.

The future service employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current future service employer contribution rates are::

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times member contributions

* For 180 Point Members, Employers are required to contribute 7% of salaries or the year ended 30 June 2021 (increasing to 7.5% in line with the increase in Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40.0 million for 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2021 was \$ 23,721.60. The last valuation of the Scheme was performed by Fund Actuary, Richard Boyfield, FIAA, as at 30 June 2020.

D3-1 Contingencies (continued)

The amount of additional contributions included in the total employer contribution advised above is \$12,700. Council's expected contribution to the plan for the next annual reporting period is \$24,096.24.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2021 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,620.5	
Past Service Liabilities	2,445.6	107.2%
Vested Benefits	2,468.7	106.2%

* excluding member accounts and reserves in both assets and liabilities.

The share of this surplus that is broadly attributed to Council is estimated to be in the order of .03%.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

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

Investment return	5.75% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2021.

(ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30/6/21 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

2. Other liabilities

(i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

D3-1 Contingencies (continued)

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

E People and relationships

E1 Related party disclosures

E1 Key management personnel (KMP)

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

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

\$ '000	2021	2020
Compensation:		
Short-term benefits	519	495
Post-employment benefits	50	47
Other long-term benefits	14	14
Total	583	556

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. water supply services to KMP) will not be disclosed. There were no non arm's length related party transactions between KMP and Council during the year ended 30 June, 2021.

E1-2 Councillor and Chair fees and associated expenses

\$ '000	2021	2020
The aggregate amount of Councillor and Chair fees and associated expenses included in materials and services expenses in the Income Statement are:		
Member expenses – chairperson's fee	17	17
Member expenses – member fees	61	61
Member expenses (incl. chairperson) – other (excluding fees above)	6	10
Total	84	88

E2 Other relationships

E2-1 Audit fees

\$ '000	2021	2020
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	32	32
Remuneration for audit and other assurance services	32	32
Total Auditor-General remuneration	32	32
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Other audit and assurance services – Internal Audit	14	13
Remuneration for audit and other assurance services	14	13
Total remuneration of non NSW Auditor-General audit firms	14	13
Total audit fees	46	45

F Other matters

F1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2021	2020
Net operating result from Income Statement	174	591
Adjust for non-cash items:		
Depreciation and amortisation	2,622	2,803
Net losses/(gains) on disposal of assets	187	(40)
Non-cash Insurance Claim Recovery	–	–
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	67	100
Decrease/(increase) in inventories	(24)	3
Decrease/(increase) in other current assets	(7)	4
Decrease/(increase) in contract assets	(67)	(93)
Increase/(decrease) in payables	(60)	(266)
Increase/(decrease) in other accrued expenses payable	36	6
Increase/(decrease) in other liabilities	75	5
Increase/(decrease) in contract liabilities	2	73
Increase/(decrease) in provision for employee benefits	90	38
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	3,095	3,224

F2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2021	2020
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Water Infrastructure	2,620	–
Total commitments	2,620	–
These expenditures are payable as follows:		
Within the next year	2,620	–
Total payable	2,620	–
Sources for funding of capital commitments:		
Future grants and contributions	2,159	–
Internally restricted reserves	461	–
Total sources of funding	2,620	–

Details of capital commitments

Council has capital commitments for the project management and construction of a new 12 megalitre reservoir at Carcoar water filtration plant, sand filter renewal at Carcoar water filtration plant and project management of a new emergency pumping station at Woodstock.

F3-1 Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

F4 Statement of developer contributions as at 30 June 2021

F4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
S64 contributions	—	304	—	—	(304)	—	—	—
Total contributions	—	304	—	—	(304)	—	—	—

Under Section 64 of the Local Government Act 1993 , Council has obligations to provide water infrastructure in accordance with its Development Servicing Plan.

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

F5 Statement of performance measures

F5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2021	Indicator 2021	Prior periods 2020 2019		Benchmark
1. Operating performance ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	(1,395)	-24.27%	-4.47%	1.28%	> 0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	5,748				
2. Own source operating revenue ratio					
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	5,708	76.07%	88.27%	36.56%	> 60.00%
Total continuing operating revenue ⁽¹⁾	7,504				
3. Unrestricted current ratio					
Current assets less all external restrictions ⁽²⁾	8,429	7.26x	6.65x	5.25x	> 1.5x
Current liabilities less specific purpose liabilities ^(3, 4)	1,161				
4. Debt service cover ratio					
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	1,276	2.20x	4.45x	5.11x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	581				
5. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	7,392	16.32 mths	14.9 mths	15.5 mths	> 3 mths
Monthly payments from cash flow of operating and financing activities	453				
WATER AVAILABILITY & USER CHARGES RATIO					
Council has operated under a "user pays" system since January 1994 and has not raised rates since that time. Since Council does not have any rates within it's income base, the ratios shown below have more relevance:					
6. Annual water charges coverage ratio					
Annual water charges	5,407	94.07%	94.45%	90.50%	
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	5,748				
7. Annual water charges, interest and extra charges outstanding percentage					
Annual water and extra charges outstanding	457	7.57%	9.22%	5.98%	
Annual water and extra charges collectible	6,035				

Notes

⁽¹⁾ Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

⁽²⁾ Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

G Additional Council disclosures (unaudited)

G1-1 Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2020/21 result

2020/21 ratio (24.27)%

The operating performance ratio has been significantly impacted by the reduction in water usage charges due to the wet year being experienced. This is not unusual as water sales will fluctuate with seasonal conditions.

Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2020/21 result

2020/21 ratio 76.07%

Own source operating revenue ratio is down due to a reduction in water usage charges and an increase in capital grants made available for new and upgraded infrastructure as part of the water security program.

Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2020/21 result

2020/21 ratio 7.26x

This ratio indicates that Council has a strong liquidity position and is able to pay its debts as and when they fall due.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

G1-1 Statement of performance measures – consolidated results (graphs) (continued)

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2020/21 result

2020/21 ratio 2.20x

Council is in a strong position to service its existing and any future debt. This ratio has reduced in 20/21 due to a lower operating result compared to 19/20. The principal reason being reduced water sales.

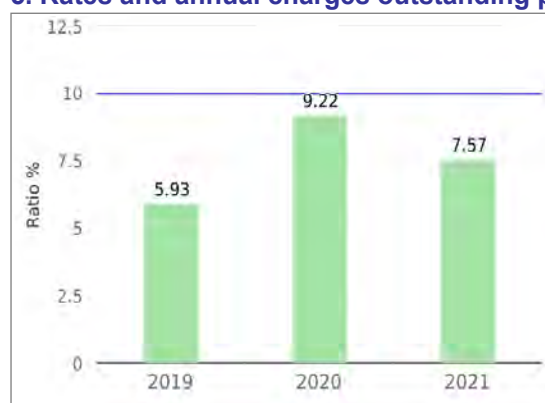
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2020/21 result

2020/21 ratio 7.57%

Annual and user charges outstanding have reduced from 19/20 and are well within the benchmark.

Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on 2020/21 result

2020/21 ratio 16.33 mths

This ratio indicates that Council Council's liquidity position is strong and can sustain its operations if short term revenue flows are disrupted.

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

G1-2 Financial review

Key financial figures of Council over the past 5 years

\$ '000	2021	2020	2019	2018	2017
Inflows:					
Rates and annual charges revenue	1,602	1,573	1,523	1,490	1,216
User charges revenue	3,968	5,015	4,929	4,861	3,941
Interest and investment revenue (losses)	59	120	195	182	206
Grants income – operating and capital	1,492	630	11,565	–	56
Total income from continuing operations	7,504	7,720	18,861	7,028	5,903
Sale proceeds from IPPE	97	321	154	243	232
Outflows:					
Employee benefits and on-cost expenses	2,222	1,991	2,026	1,933	1,766
Borrowing costs	49	83	114	144	198
Materials and contracts expenses	2,236	2,232	1,046	971	769
Total expenses from continuing operations	7,330	7,129	6,894	5,958	5,371
Total cash purchases of IPPE	2,105	2,351	3,576	3,391	826
Total loan repayments (incl. finance leases)	532	497	466	437	383
Operating surplus/(deficit) (excl. capital income)	(1,582)	(265)	82	824	245
Financial position figures					
Current assets	8,504	7,916	7,245	7,580	8,611
Current liabilities	1,962	1,944	2,053	1,452	1,565
Net current assets	6,542	5,972	5,192	6,128	7,046
Available working capital (Unrestricted net current assets)	1,844	1,858	1,785	950	956
Cash and investments – unrestricted	500	499	500	501	500
Cash and investments – internal restrictions	6,817	6,243	5,628	6,316	7,373
Cash and investments – total	7,392	6,815	6,129	6,817	7,873
Total borrowings outstanding (loans, advances and finance leases)	413	945	1,442	1,908	2,754
Total value of IPPE (excl. land and earthworks)	152,875	159,195	156,076	138,636	125,199
Total accumulated depreciation	72,390	78,484	75,360	71,398	71,251
Indicative remaining useful life (as a % of GBV)	53%	51%	52%	48%	43%

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

G1-3 Council information and contact details

Principal place of business:

30 Church Street
BLAYNEY NSW 2799

Contact details

Contact Details
Mailing Address
PO Box 61
BLAYNEY NSW 2799

Opening hours:

9.00am - 4.30pm
Monday to Friday

Telephone: 02 6391 7200

Internet: www.ctw.nsw.gov.au

Email: water@ctw.nsw.gov.au

Officers**General Manager**

Gavin Rhodes

Responsible Accounting Officer

Peter McFarlane

Public Officer

Peter McFarlane

Auditors

Audit Office of NSW
Level 19
Tower 2 Darling Park
201 Sussex Street
NSW 2000

Elected members**CHAIRPERSON**

Cllr David Somervaille

DEPUTY CHAIRPERSON

Cllr Kevin Walker

Councillors

Cllr John Newstead
Cllr Anthony Durkin
Cllr Paul Best
Cllr Craig Bembrick

Other information

ABN: 43 721 523 632



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Central Tablelands County Council

To the Councillors of the Central Tablelands County Council

Opinion

I have audited the accompanying financial statements of Central Tablelands County Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Schedules.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 Material budget variations
- on Note G Additional council disclosures
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Karen Taylor
Delegate of the Auditor-General for New South Wales

15 October 2021
SYDNEY



Councillor David Somervaille
Chairman
Central Tablelands County Council
PO Box 61
BLAYNEY NSW 2799

Contact: Karen Taylor
Phone no: 02 9275 7311
Our ref: D2120886/1817

15 October 2021

Dear Chairman

**Report on the Conduct of the Audit
for the year ended 30 June 2021
Central Tablelands County Council**

I have audited the general purpose financial statements (GPFS) of the Central Tablelands County Council (the Council) for the year ended 30 June 2021 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2020 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

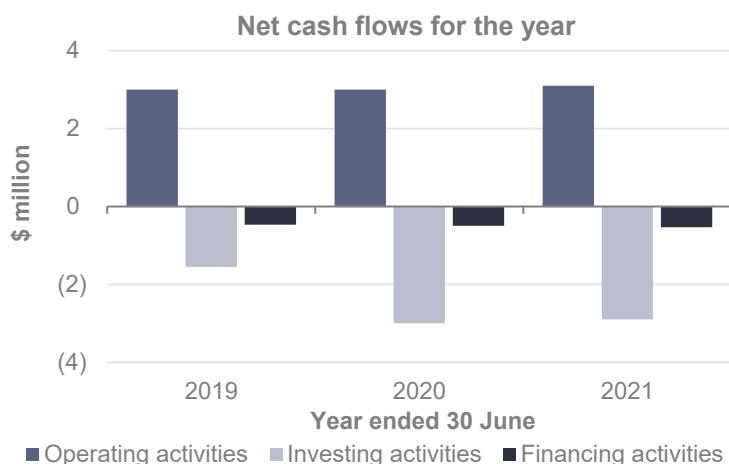
	2021 \$m	2020* \$m	Variance %
Annual charges revenue	1.60	1.57	↑ 1.91
User charges revenue	3.97	5.01	↓ 20.7
Grants and contributions revenue	1.79	0.90	↑ 98.89
Operating result from continuing operations	0.17	0.59	↓ 71.2
Net operating result before capital grants and contributions	(1.58)	(0.27)	↓ 485.2

The Council's operating result from continuing operations (\$0.17 million including depreciation and amortisation expense of \$2.62 million) was \$0.42 million lower than the 2019–20 result. This was mainly due to reduction in user charges and fees due to the prevailing wet conditions during the year impacting water sales.

The net operating result before capital grants and contributions (\$1.58 million deficit) was \$1.31 million lower than the 2019–20 result (\$0.27 million deficit).

STATEMENT OF CASH FLOWS

There has been minimal change in the overall cashflows of Council between the current and prior years.



FINANCIAL POSITION

Cash and investments

Cash and investments	2021	2020	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	7.39	6.81	Externally restricted balances included unexpended grants.
Restricted cash and investments:			Balances are internally restricted due to Council policy or decisions for forward plans including work programs
• External restrictions	0.07	0.07	
• Internal restrictions	6.82	6.24	

Debt

At 30 June 2021, Council had external borrowings of \$0.41 million (2020: \$0.95 million). The loans are secured against Council's general income.

PERFORMANCE

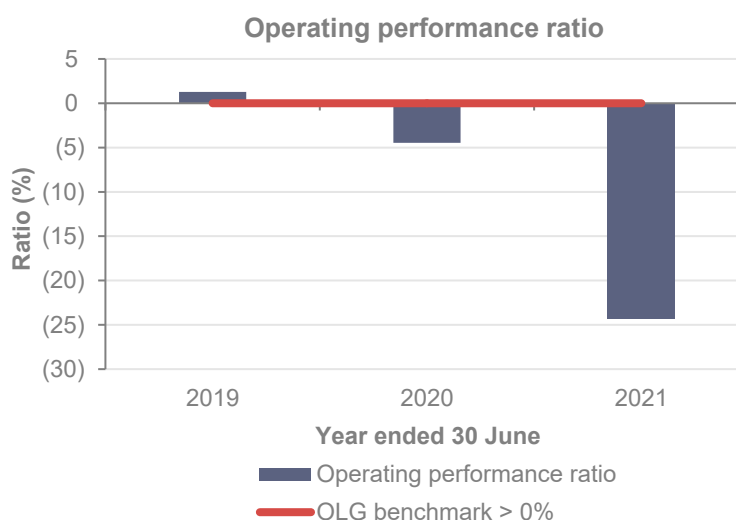
Performance measures

The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Industry and Environment.

Operating performance ratio

Council is below the benchmark for the current year. Due to Council's relatively small size from an operational perspective, small dollar movements can result in large percentage movements. The impact of the reduced water sales for the 2020–21 year has been key in the movement in this indicator.

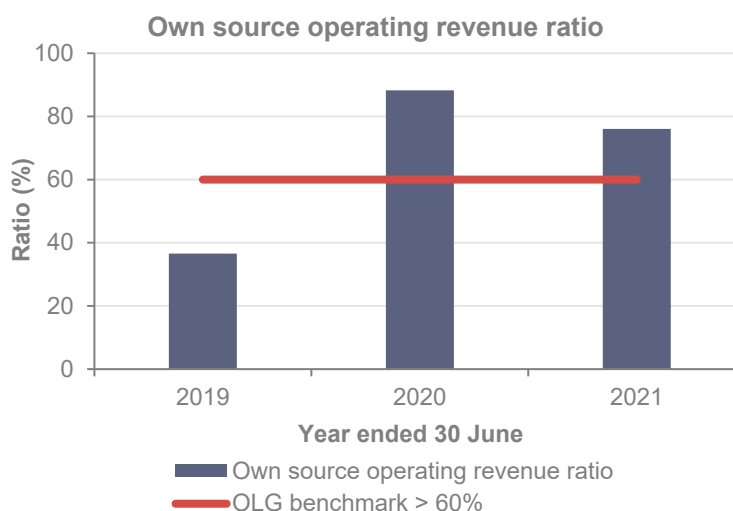
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

Council has remained above the benchmark. However, the reduction in water sales which is Council's primary own source operating has impacted this ratio.

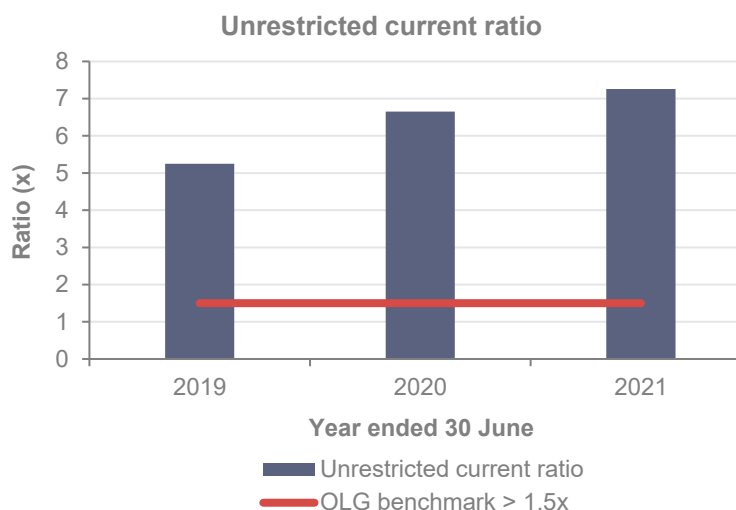
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council continues to exceed the benchmark.

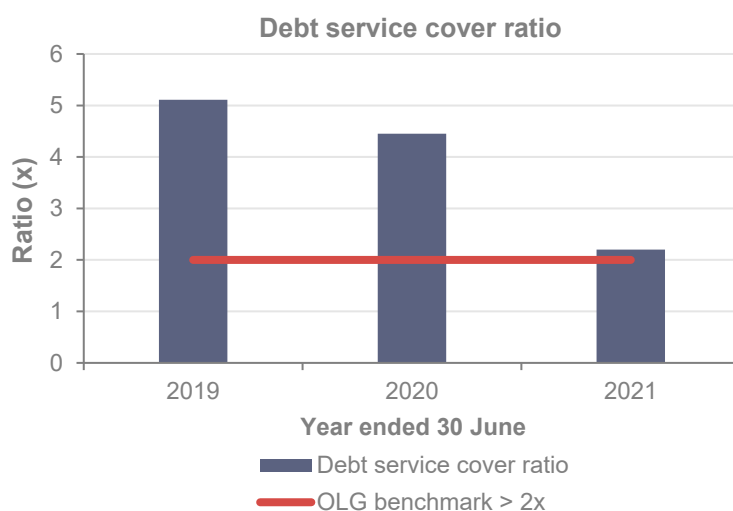
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

The Council continues to exceed the benchmark.

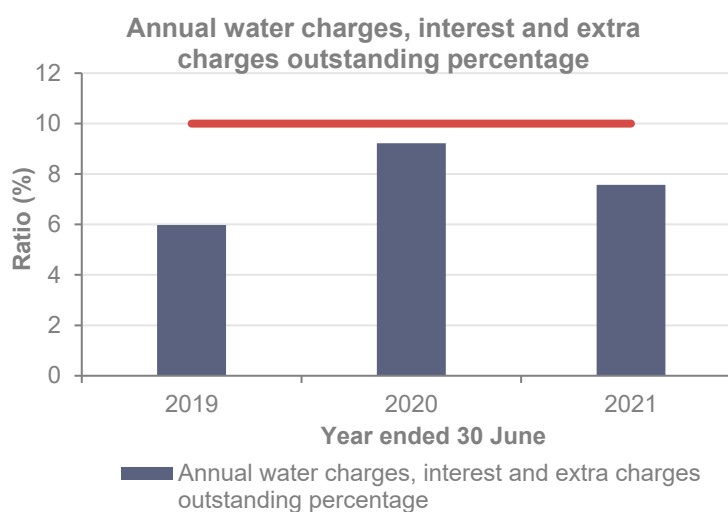
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Annual water charges, interest and extra charges outstanding percentage

Council remains within the benchmark for rural councils over the past three years.

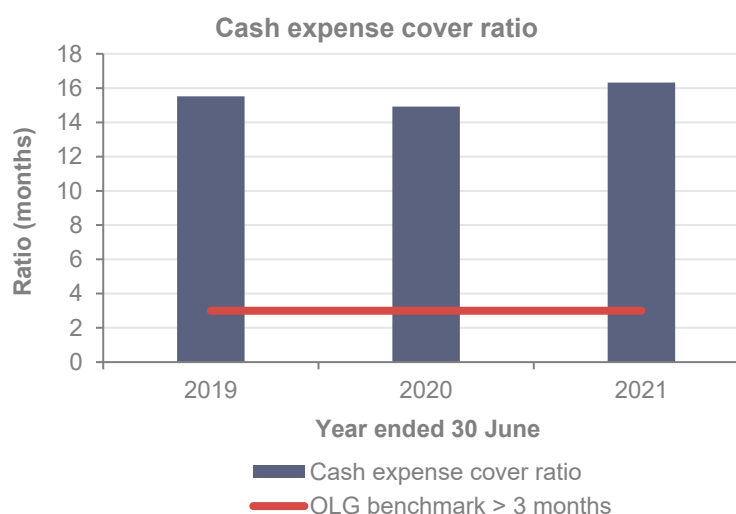
This indicator assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

Council's strong liquidity is reflected by this measure. Council has comfortably exceeded the benchmark and has done so for several years.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.



Infrastructure, property, plant and equipment renewals

Council has renewed \$0.47 million of assets in the 2020–21 year compared to \$1.10 million in the 2019–20 year.

OTHER MATTERS

Impact of new accounting standards

The Council assessed the impact of adopting AASB 1059 Service Concession Arrangements and determined that it did not have any arrangements in place that fell within the scope of the new Standard.

Legislative compliance

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

The Council's:

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



Karen Taylor
Delegate of the Auditor-General for New South Wales

Central Tablelands Water

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021

*"An independent Regional Water Authority providing a
quality water supply - Reliably and Sustainably"*



Central Tablelands Water

Special Purpose Financial Statements

for the year ended 30 June 2021

Contents	Page
Statement by Councillors and Management	3
Special Purpose Financial Statements:	
Income Statement of water supply business activity	4
Statement of Financial Position of water supply business activity	5
Note – Significant Accounting Policies	6
Auditor's Report on Special Purpose Financial Statements	9

Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Central Tablelands Water

Special Purpose Financial Statements

for the year ended 30 June 2021

Statement by Councillors and Management

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached Special Purpose Financial Statements have been prepared in accordance with:


- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

To the best of our knowledge and belief, these statements:

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

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

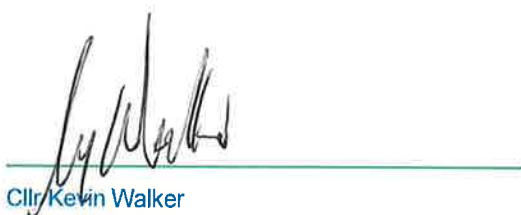
Signed in accordance with a resolution of Council made on 13 October 2021



Cllr David Somervaille

Chairperson

13 October 2021



Cllr Kevin Walker

Deputy Chairperson

13 October 2021



Gavin Rhodes

General Manager

13 October 2021



Peter McFarlane

Responsible Accounting Officer

13 October 2021

Central Tablelands Water

Income Statement of water supply business activity

for the year ended 30 June 2021

\$ '000	2021	2020
Income from continuing operations		
Access charges	1,602	1,573
User charges	3,968	5,015
Interest	59	120
Grants and contributions provided for non-capital purposes	40	45
Profit from the sale of assets	–	40
Other income	57	49
Rental income	22	22
Total income from continuing operations	5,748	6,864
Expenses from continuing operations		
Employee benefits and on-costs	2,222	1,991
Borrowing costs	49	83
Materials and services	2,236	2,232
Depreciation, amortisation and impairment	2,622	2,803
Loss on sale of assets	187	–
Other expenses	14	20
Total expenses from continuing operations	7,330	7,129
Surplus (deficit) from continuing operations before capital amounts	(1,582)	(265)
Grants and contributions provided for capital purposes	1,756	856
Surplus (deficit) from continuing operations after capital amounts	174	591
Surplus (deficit) from all operations before tax	174	591
Surplus (deficit) after tax	174	591
Plus accumulated surplus	46,730	46,139
Plus adjustments for amounts unpaid:		
Closing accumulated surplus	46,904	46,730
Return on capital %	(1.9)%	(0.2)%
Subsidy from Council	2,767	913
Calculation of dividend payable:		
Surplus (deficit) after tax	174	591
Less: capital grants and contributions (excluding developer contributions)	(1,756)	(856)
Surplus for dividend calculation purposes	–	–
Potential dividend calculated from surplus	–	–

Central Tablelands Water

Statement of Financial Position of water supply business activity

as at 30 June 2021

\$ '000	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	1,292	1,615
Investments	6,100	5,200
Receivables	743	830
Inventories	200	176
Contract assets and contract cost assets	160	93
Other	9	2
Total current assets	8,504	7,916
Non-current assets		
Receivables	4	19
Infrastructure, property, plant and equipment	82,851	83,017
Intangible assets	72	63
Total non-current assets	82,927	83,099
Total assets	91,431	91,015
LIABILITIES		
Current liabilities		
Payables	512	476
Income received in advance	26	11
Contract liabilities	75	73
Borrowings	413	532
Employee benefit provisions	936	852
Total current liabilities	1,962	1,944
Non-current liabilities		
Borrowings	–	413
Employee benefit provisions	23	17
Total non-current liabilities	23	430
Total liabilities	1,985	2,374
Net assets	89,446	88,641
EQUITY		
Accumulated surplus	46,904	46,730
Revaluation reserves	42,542	41,911
Total equity	89,446	88,641

Note – Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the special purpose financial statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these special purpose financial statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act 1993* (Act), the *Local Government (General) Regulation 2005* (Regulation) and the Local Government Code of Accounting Practice and Financial Reporting.

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

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

National Competition Policy

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

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

Declared business activities

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

Category 1

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

Central Tablelands Water Supplies

Comprising the whole of the operations and net assets of the water supply systems servicing towns and villages within the Local Government Areas of Blayney, Cabonne, Cowra, Bland and Weddin.

Category 2

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

Council has no Category 2 Business Activities.

Taxation equivalent charges

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

Notional rate applied (%)

Corporate income tax rate – **26%** (19/20 27.5%)

Land tax – the first \$755,000 of combined land values attracts **0%**. For the combined land values in excess of \$755,000 up to \$4,616,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$4,616,000 a premium marginal rate of **2.0%** applies.

Note – Significant Accounting Policies (continued)

Payroll tax – 4.85% on the value of taxable salaries and wages in excess of \$1,200,000.

In accordance with the Department of Planning, Industry & Environment – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the Best Practice Management of Water Supply and Sewer Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to the DPIE – Water guidelines is not a prerequisite for the payment of the tax equivalent charges; however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level – gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 26% (19/20 27.5%).

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional – that is, it is payable to the 'Council' as the owner of business operations – it represents an internal payment and has no effect on the operations of the Council.

Accordingly, there is no need for disclosure of internal charges in the SPFS. The rate applied of 26% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations. The overall effect of subsidies is contained within the Income Statements of business activities.

(ii) Return on investments (rate of return)

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

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council's business activities on the Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.49% at 30/6/21.

(iii) Dividends

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

Note – Significant Accounting Policies (continued)

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

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

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2019 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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

Central Tablelands Water does not pay dividends as funding is required for the large capital works program as outlined in its 30 Year Strategic Business Plan,



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Central Tablelands County Council

To the Councillors of the Central Tablelands County Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Central Tablelands County Council's (the Council) Declared Business Activity, water supply, which comprise the Statement by Councillors and Management, the Income Statement of the Declared Business Activity for the year ended 30 June 2021, the Statement of Financial Position of the Declared Business Activity as at 30 June 2021 and the Significant accounting policies note.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activity as at 30 June 2021, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant accounting policies note and the Local Government Code of Accounting Practice and Financial Reporting 2020–21 (LG Code).

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the Significant accounting policies note to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Karen Taylor

Delegate of the Auditor-General for New South Wales

15 October 2021

SYDNEY

Central Tablelands Water

SPECIAL SCHEDULES
for the year ended 30 June 2021

*"An independent Regional Water Authority providing a
quality water supply - Reliably and Sustainably"*



Central Tablelands Water

Special Schedules

for the year ended 30 June 2021

Contents	Page
Special Schedules:	
Report on infrastructure assets as at 30 June 2021	3

Central Tablelands Water

Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2020/21 Required maintenance ^a	2020/21 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000			1	2	3	4	5
Buildings	Buildings	226	150	177	157	1,708	2,853	58.0%	31.0%	0.0%	10.0%	1.0%
	Sub-total	226	150	177	157	1,708	2,853	58.0%	31.0%	0.0%	10.0%	1.0%
Water supply network	Filtration Plants	1,952	1,215	608	599	9,109	15,813	51.0%	33.0%	1.0%	7.0%	8.0%
	Reticulation Mains	3,967	906	398	489	16,872	29,455	51.0%	31.0%	12.0%	6.0%	0.0%
	Trunk Mains	7,307	—	180	250	30,097	59,211	40.0%	44.0%	16.0%	0.0%	0.0%
	Bores	41	—	35	40	112	334	43.0%	41.0%	16.0%	0.0%	0.0%
	Reservoirs	2,001	508	77	112	5,424	13,956	5.0%	76.0%	12.0%	7.0%	0.0%
	Dams	11,655	156	110	97	10,245	19,968	19.0%	4.0%	76.0%	0.0%	1.0%
	Pump Stations	321	94	304	288	4,168	7,250	59.0%	35.0%	3.0%	2.0%	1.0%
	Telemetry	141	5	67	75	186	493	17.0%	45.0%	36.0%	2.0%	0.0%
	Other	—	—	6	5	97	103	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	27,385	2,884	1,785	1,955	76,310	146,583	38.1%	37.3%	20.8%	2.7%	1.0%
Total – all assets		27,611	3,034	1,962	2,112	78,018	149,436	38.5%	37.2%	20.4%	2.9%	1.0%

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

Infrastructure asset condition assessment 'key'

1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Central Tablelands Water

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2021	Indicator 2021	Indicators 2020 2019		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	470	19.52%	42.33%	192.40%	>= 100.00%
Depreciation, amortisation and impairment	2,408				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	27,611	34.55%	28.56%	30.44%	< 2.00%
Net carrying amount of infrastructure assets	79,913				
Asset maintenance ratio					
Actual asset maintenance	2,112	107.65%	99.39%	99.40%	> 100.00%
Required asset maintenance	1,962				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	3,034	2.03%	1.46%	1.42%	
Gross replacement cost	149,436				

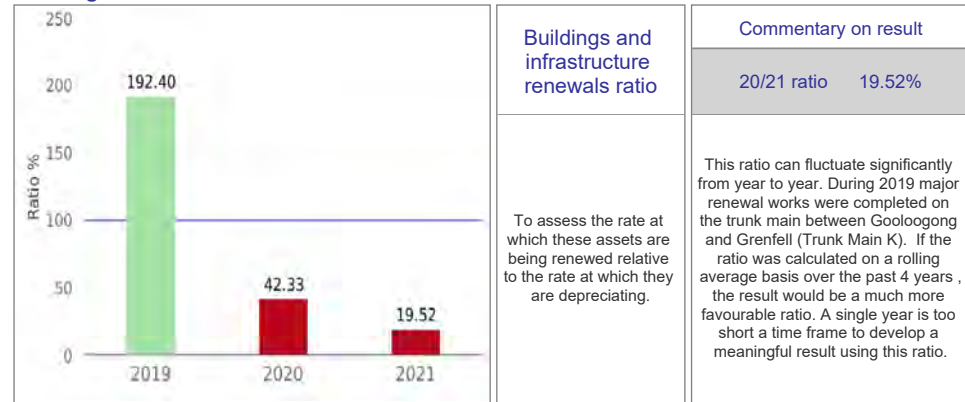
(*) All asset performance indicators are calculated using classes identified in the previous table.

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

Central Tablelands Water

Report on infrastructure assets as at 30 June 2021

Buildings and infrastructure renewals ratio



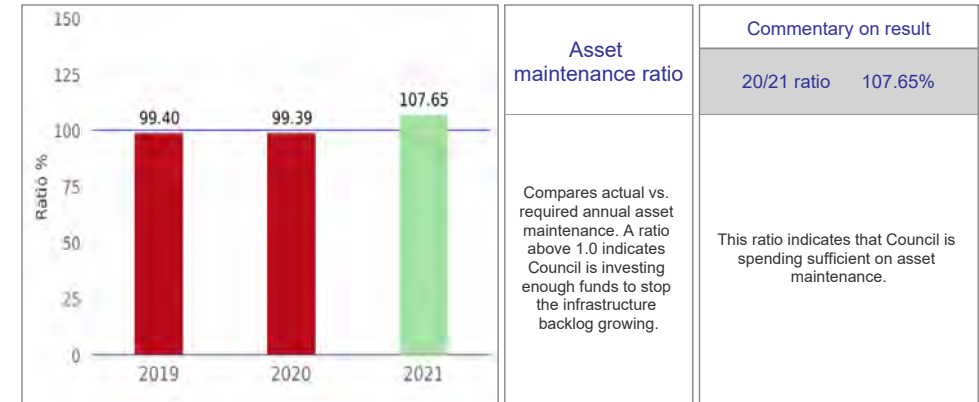
Benchmark: — $\geq 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Asset maintenance ratio



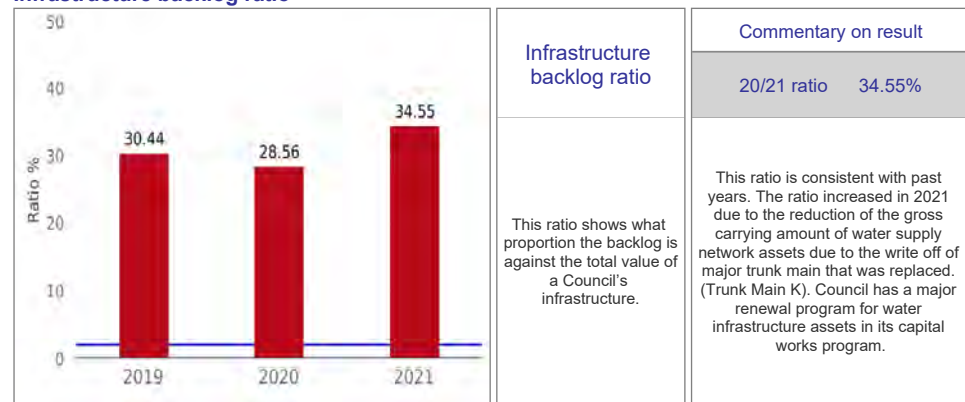
Benchmark: — $> 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Infrastructure backlog ratio



Benchmark: — $< 2.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Cost to bring assets to agreed service level

