

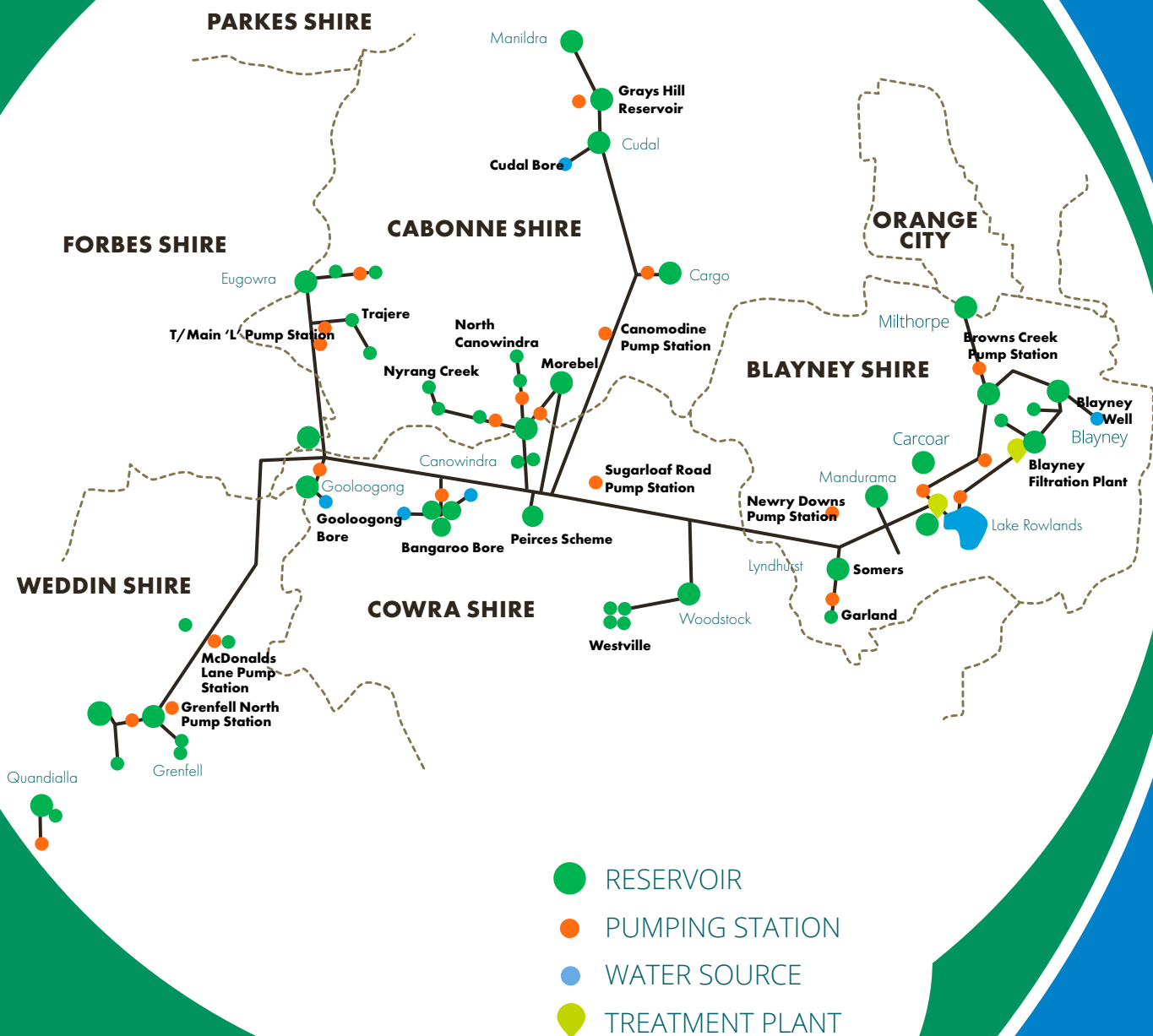


**Central  
Tablelands  
Water**



**ANNUAL REPORT  
2022-2023**

# SYSTEM LAYOUT



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# CHAIRMAN'S MESSAGE

"You may delay, but time will not,  
and lost time is never found again"

— Benjamin Franklin

## The Funding Model for Regional Water Utilities

Unfortunately, small local water utilities like ours will never be in a position to fully fund all the capital expenditure required to support cost efficient drinking water supplies to regional communities. This applies to both infrastructure replacement (like our aging trunk mains) as well as enhancements and upgrades (like the proposed expansion of the capacity of Lake Rowlands). We have the responsibility for service delivery but not access to all the capital required. Our water charges are set at levels that are affordable and cover operating costs and maintenance expenditure, but there is insufficient surplus for all our capital needs.

Other levels of government recognise this. Over the years they have provided capital funding through programs like the State government's "Safe & Secure" program (now fully expended or committed) and the Federal government's "National Water Grid" fund.

But there is a mismatch in responsibilities and accountability between funding bodies and delivery bodies. Government decisions on capital grants seem to get bogged down in process and procedures, oblivious to the imperatives of real world. On the other hand, utilities like CTW are acutely aware of the need to meet their service obligations for water quality, water security and environmental protection which, like time and tide, wait for no man.

Capital funding decisions and their timing seem to be based on the priorities, preferences and political imperatives of other levels of government. A fair more equitable approach, in my view, would be a needs-based community service obligation (CSO) model. This would overcome the absence of economies of scale faced by regional water utilities. Pleasingly, this is being investigated by DPE Water in stage 2 of the Town Water Risk Reduction Program.

## Drought Preparedness: Time Is Running Out

This leads me to the here and now. It is clear that, after 3 wet years, we are heading into a period of below average rainfall.

Our cornerstone water security project, the Belubula Water Security Project, involves various alternatives for increased storage. It has been on the drawing board since August 2015 when I first proposed to the then head of Water NSW the concept of a pipeline linking Lake Rowlands with Carcoar Dam. Water NSW took up the idea and were funded to develop a business case for this pipeline. To supplement this, in 2019, we lobbied State and Federal governments to support a modest proposal to double the holding capacity of Lake Rowlands by increasing the dam wall by 2.2 metres. The following year we received \$1m funding for a preliminary business case for this project.

This was completed by CTW and demonstrated to the State government that it was a viable project with a positive cost benefit ratio. It took 10 months for a response.

After pressure from CTW, the two projects were sensibly combined as a single project. It was initially in the hands of WaterNSW, then taken over by Water Infrastructure NSW, with whom we signed a MOU in December 2021. Despite these delays we were hopeful that the business case would pass the Treasury gateway process, the project would be funded and construction largely completed before the next drought. We are still waiting on the business case to be completed. Water Infrastructure NSW has now been dissolved and as far as we can see very little progress has been made over the last 12 months.

While we are very grateful for State and Federal government support for the project, it now seems clear that time has run out to get a project approved and developed in time for it to help alleviate the effects of the next imminent drought.

## My Thanks to The Entire CTW Team

In closing I want to acknowledge the effort put in by Gavin, his directors Noel and Peter and the whole team at CTW who continue to put exemplary customer service at the forefront of all they do.

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



**Cr. David Somervaille**  
Chairperson







# GENERAL MANAGER'S REPORT

I am pleased to present the Annual Report of Central Tablelands Water (CTW) for the year ended 30 June 2023.

2022/23 has proven to be yet another challenging year for CTW, with continuous rainfall events causing: delays in the delivery of our infrastructure projects; devastating floods in Eugowra, Manildra, Cudal and Canowindra, and reduced water sales negatively affecting our end of year financial operating result.

CTW's main water source, Lake Rowlands consistently spilled over the past year, with more than 200 gigalitres estimated to have flowed over the dam wall since July 2020. Unfortunately, not an additional drop has been saved to prepare us for the next drought, which according to various weather forecasts and climatic analysis, is just around the corner! That is why, the Belubula Water Security Project, including the enlargement of Lake Rowlands is vital in securing CTW's and regional drinking water supply needs for the future.

The staff at CTW continued working diligently in 22/23 delivering an essential service to our valued consumers. Their positive attitude and pride in ensuring quality drinking water is delivered 24/7 is to be applauded.

Water sales due to increased rainfall were lower than expected again this year, resulting in an operating deficit of \$0.526m before grants and contributions for capital purposes after providing for \$2.727m in depreciation expenses. On a positive note, the net operating result including grants and contributions resulted in a surplus of \$1.128m.

CTW's major capital works program during 2022/2023 included the following:

- Cowra to CTW Emergency Connection Project, including a new pump station at Woodstock and 12ML clear water tank at the Carcoar Water Filtration Plant – both projects are to be completed in 23/24.
- Reticulation mains renewals project in Millthorpe and Canowindra.
- Renewable energy projects at Carcoar Water Filtration Plant and Canomondine Pump Station.

From a staffing perspective, I would like to acknowledge the following CTW staff members for achieving significant service milestones during 2022/2023:

- Rebecca Stammers – Revenue Officer 35 years
- Marilyn Death – Payroll/Creditors Officer 25 years
- Lance Harvey – Meter Reader 25 years
- Margaret Hearnden – Customer Service/Corporate Support Officer 15 years

New staff members were also warmly welcomed during the year, being Barbara Turner (Customer Services Officer), Ben Campbell (Assets Officer), Louie Damerum (Water Network Operator), Jack Sadler (Water Treatment Officer) and Achal Deo (Governance & Executive Support Officer). All new members have made an immediate positive impact through sharing their experience, knowledge, and enthusiasm to assist in the progression of CTW.

On an extremely sad note, a CTW Network Operator, Brian "Barney" Davis and former Deputy Chairman, Kevin Walker both passed away recently due to illness. Barney provided exemplary service to CTW over a 9-year period and was a highly respected employee of CTW. Kevin served on the Board of CTW from 2012 to 2021 and was a passionate advocate for regional water security and his Canowindra community. May they both rest peacefully.

Finally, I would like to thank all CTW Councillors and staff for their continued support and I look forward to working with you all in delivering CTW's operational and capital works programs in 2023/24.

**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. Due to COVID-19 the next local government elections are scheduled to be held in September 2024.

## BLAYNEY SHIRE COUNCIL



Cr David Somervaille  
CHAIRPERSON



Cr Allan Ewin

## CABONNE SHIRE COUNCIL



Cr Andrew Rawson  
DEPUTY CHAIRPERSON



Cr Marlene Nash

## WEDDIN SHIRE COUNCIL



Cr Paul Best



Cr Michelle Cook

# 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 2022-2023

### COUNCIL

D. SOMERVILLE  
A. EWIN  
M. NASH  
A. RAWSON  
P. BEST  
M. COOK

### CHAIRPERSON

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.



# 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 FY22/23.

## 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            | \$17,330 |
| Councillors' Fees             | \$63,300 |
| Conference/Seminar Expenses   | \$7,550  |
| Travel Outside State          | \$nil    |
| Overseas Travel               | \$nil    |
| Spouse Expenses               | \$nil    |
| Child Care Expenses           | \$nil    |
| Travel within State           | \$5,348  |
| Other expenses                | \$1,446  |
| Superannuation                | \$7,358  |

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 \$120 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 \$220.00 per night provided that all accommodation is approved prior to travelling, where practicable.

## LEGISLATIVE REQUIREMENTS CONT.

### SENIOR STAFF

#### REGULATION 217 (1) (B & C)

The total salary package for the General Manager in 2022/2023, including salary, employer superannuation, non-cash benefits and amounts payable for fringe benefits tax, totalled \$197,215.

### 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 2022/23 year. These details are provided below.

| Supplier               | Details                          | Start     | End        | Estimated Contract Amount \$ (GST Inclusive) |
|------------------------|----------------------------------|-----------|------------|--|
| Iberdrola              | Electricity Supply - Small Sites | 1/01/2023 | 31/12/2030 | 2,750,000                                    |
| Shell Energy           | Electricity Supply - Major Sites | 1/01/2023 | 30/06/2025 | 350,000                                      |
| Mick Corby Engineering | Network Equipment and Repairs    | 1/07/2022 | 30/06/2024 | 224,241                                      |
| Statewide Mutual       | General Insurances               | 1/07/2022 | 30/06/2023 | 185,608                                      |

### PRIVATE WORKS UNDER SECTION 67(3)

#### REGULATION 217 (1) (A4)

Council did not carry out any work on private land during 2022/2023 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 2022/2023 totalled \$55,000.

Legal Expenses: Nil

### 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.

### LABOUR FORCE STATISTICS

#### CLAUSE 217 (1) (D)

Persons working at 23 November, 2022 – Relevant Reporting date set by OLG

- 21 Full Time Staff
- 0.6 Part Time Staff
- 1 Labour Hire Staff
- 21.6 Total

### 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.

| PROPOSED PROJECT  | YEAR               | REASON   | ESTIMATED COST \$ |
|---|--------------------|--|-------------------|
| Trunk Main "U" from Conomadine Pump Station to the top of the Hill - 7kms | 2023/24 to 2024/25 | Renewal and Upgrade                                    | 2,240,000         |
| Trunk Main "C" Mandurama to "U" to old river pump house - 35kms           | 2026/27 to 2028/29 | Renewal and Upgrade                                    | 11,865,000        |
| Trunk Main "U" - "C" to Cudal - 28kms                                     | 2030/31 to 2032/33 | Renewal and Upgrade                                    | 9,660,000         |
| Lake Rowlands Augmentation - 2.2mtrs wall raising                         | 2025/26 to 2027/28 | Renewal, Dam Safety and Upgrade                        | 18,000,000        |
| Replace Trunk Main A between Lake Rowlands and Carcoar WTP - 7kms         | 2029/2030          | Renew and upgrade main to improve water transfer       | 1,800,000         |
| Additional Bore at Gooloogong   | 2026/27 to 2027/28 | Provide additional redundancy for bore system          | 1,180,000         |
| Further Renewal Energy Projects   | 2023/24 to 2025/26 | New assets reduce power usage                          | 350,000           |
| Blayney Water Treatment Plant   | 2031/32 to 2032/33 | Renew and Upgrade Treatment Plant                      | 10,000,000        |
| Reticulation Main Renewals  | 2023/24 to 2031/32 | Renewal and Upgrade - Replace old AC Pipes             | 870,000           |
| Caragabal Potable Water System  | 2027/28            | Provide potable water to Caragabal and rural consumers | 6,000,000         |

## 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.

## 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 2022/2023:

| TRAINING COURSE    | NO. OF PARTICIPANTS |
|--------------------|---------------------|
| QGIS Essentials    | 1                   |
| Asset System       | 1                   |
| IntraMaps Training | 1                   |
| Chemical Dosing    | 1                   |
| Manual Handling    | 12                  |
| Dam Safety         | 2                   |
| Water Treatment    | 2                   |
| Risk Appetite      | 3                   |

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.



## LEGISLATIVE REQUIREMENTS CONT.

### SALES OF ASSETS

#### ASSET DISPOSALS

Plant and equipment was disposed in the ordinary course of business in accord with the Asset Disposal Policy.

Gross proceeds less any costs of sale are compared to the written down value at the time of sale to determine any profit or loss on disposal.

Council disposed of some redundant AC reticulation mains during the year as the reticulation main renewal program was rolled out across high risk areas of the network. These redundant reticulation mains have no residual value to Council.

### 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.

### GIPA APPLICATIONS (GOVERNMENT INFORMATION (PUBLIC ACCESS) REGULATION 2018

#### CLAUSE 8 SCHEDULE 2

Council did not receive any Government Information (Public Access) applications regulation 2018 for the financial year ended 30 June 2023.

### 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 2022/2023. No additional information was made available as a result of this review.

### PUBLIC INTEREST DISCLOSURE (PID) ACT 1994 AND REGULATION

#### ACT SEC 31

Council did not receive any public interest disclosures under the Public Interest Disclosure Act 1994 for the financial year ended 30 June 2023. 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](http://www.ctw.nsw.gov.au)

### MODERN SLAVERY ACT 2018 (STATEMENT)

#### INTRODUCTION

This Modern Slavery Statement is provided by Council in accordance with Section 428 (4) of the NSW Local Government Act 1993.

This Statement outlines Council's commitment to combatting modern slavery and the measures we have implement during this reporting period to reduce the risk of our procurement activities resulting in or contributing to human rights violations.

#### ORGANISATIONAL STRUCTURE AND SUPPLY CHAIN

Council compliance with Modern Slavery is being supported regionally through the Central NSW Joint Organisation. All suppliers have been provided to the Joint Organisation for risk assessment to be embedded into an ongoing program. CNSWJO has a dedicated resource to support procurement including compliance with Modern Slavery Legislation.

Council recognises the importance of taking steps to ensure that goods and services procured by and for our council are not the product of modern slavery.

Our supply chain includes a variety of suppliers, contractors, partners. Council's highest categories of spend include fuel, electricity, pipes, valves, chemicals, pumps, Personal Protective Equipment (PPE), computer hardware.

#### POLICY

Council is currently updating its procurement policy outlining its commitment to preventing and addressing modern slavery in all its procurement activities.

#### STEPS TAKEN

To ensure that goods and services procured by and for Council during the 22/23 year were not the product of Modern Slavery, Council:

- Sought and implemented legal wording through the Joint Organisation to insert into Goods and Services Contracts and Procurement Specification Documentation;
- assessed suppliers' responses to modern slavery provided for each procurement process and the quotations and tenders received;
- is currently undertaking a risk assessment of active Council's suppliers through the Joint Organisation in terms of modern slavery; and
- the risk assessment will be completed by 30 June 2024 with an embedded regional program monitoring existing contractors and assessing new contractors.





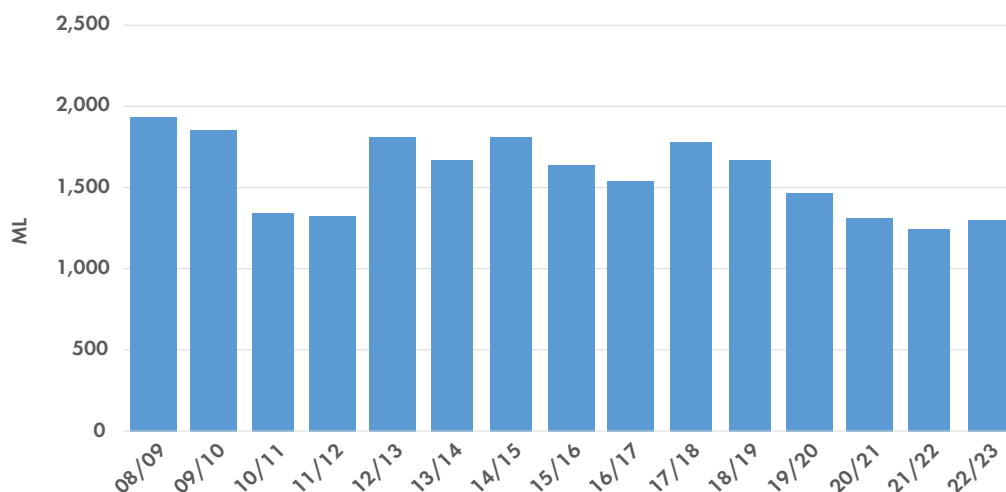


# WATER CONSUMPTION

| 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        | 21/22        | 22/23        | Consumer Type                                    |                          |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|--------------------------|
| 746          | 768          | 605          | 601          | 792          | 751          | 869          | 777          | 725          | 814          | 763          | 675          | 620          | 600          | 607          | ML   | Single Residential       |
| 22           | 22           | 20           | 20           | 22           | 23           | 23           | 21           | 24           | 25           | 21           | 19           | 18           | 19           | 19           | ML   | Multi Residential        |
| 267          | 287          | 196          | 209          | 266          | 282          | 301          | 285          | 268          | 325          | 332          | 288          | 228          | 217          | 246          | ML   | Rural                    |
| 220          | 231          | 180          | 189          | 224          | 203          | 193          | 204          | 187          | 217          | 211          | 187          | 157          | 154          | 160          | ML   | Commercial               |
| 468          | 315          | 167          | 136          | 158          | 189          | 208          | 212          | 188          | 236          | 204          | 194          | 186          | 168          | 174          | ML   | Industrial               |
| 26           | 28           | 17           | 15           | 21           | 32           | 31           | 27           | 43           | 44           | 38           | 29           | 24           | 19           | 22           | ML   | Public Parks             |
| 34           | 41           | 42           | 36           | 42           | 45           | 46           | 43           | 44           | 58           | 44           | 35           | 36           | 32           | 35           | ML   | Institutions             |
| 143          | 156          | 117          | 110          | 285          | 144          | 141          | 63           | 62           | 55           | 54           | 38           | 39           | 33           | 34           | ML   | Bulk Sales (Cowra)       |
| <b>1,926</b> | <b>1,848</b> | <b>1,344</b> | <b>1,316</b> | <b>1,810</b> | <b>1,669</b> | <b>1,812</b> | <b>1,632</b> | <b>1,541</b> | <b>1,774</b> | <b>1,667</b> | <b>1,465</b> | <b>1,308</b> | <b>1,242</b> | <b>1,297</b> | ML   | <b>Sub Total</b>         |
| 105          | 112          | 130          | 153          | 161          | 146          | 121          | 244          | 197          | 287          | 395          | 227          | 235          | 484          | 419          | ML   | Est. Leakage             |
| 127          | 50           | 27           | 28           | 42           | 50           | 50           | 40           | 68           | 75           | 55           | 80           | 95           | 220          | 22           | ML   | Flushing of mains        |
| 16           | 0            | 7            | 7            | 3            | 8            | 2            | 7            | 8            | 8            | 8            | 12           | 12           | 5            | 5            | ML   | Unaccounted              |
| <b>2,174</b> | <b>2,010</b> | <b>1,508</b> | <b>1,504</b> | <b>2,016</b> | <b>1,873</b> | <b>1,985</b> | <b>1,923</b> | <b>1,814</b> | <b>2,144</b> | <b>2,125</b> | <b>1,784</b> | <b>1,650</b> | <b>1,951</b> | <b>1,743</b> | ML   | <b>Total Consumption</b> |
| 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%       | 36.34%       | 25.59%       | 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%      | -35.51%      | -32.66%      | % 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%      | -5.05%       | 4.43%        | % increase/decrease consumption on previous year |                          |

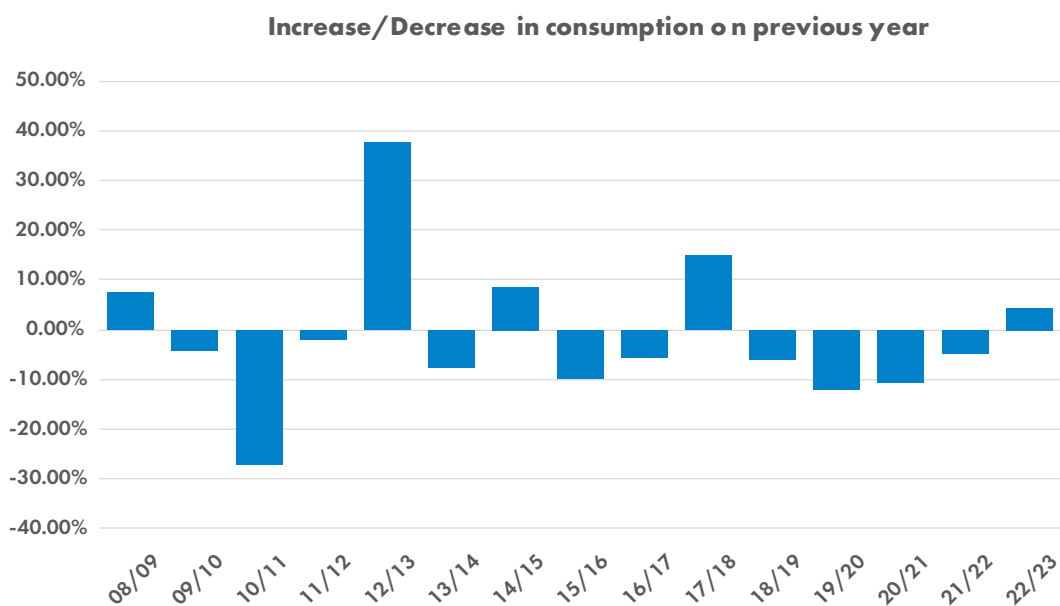
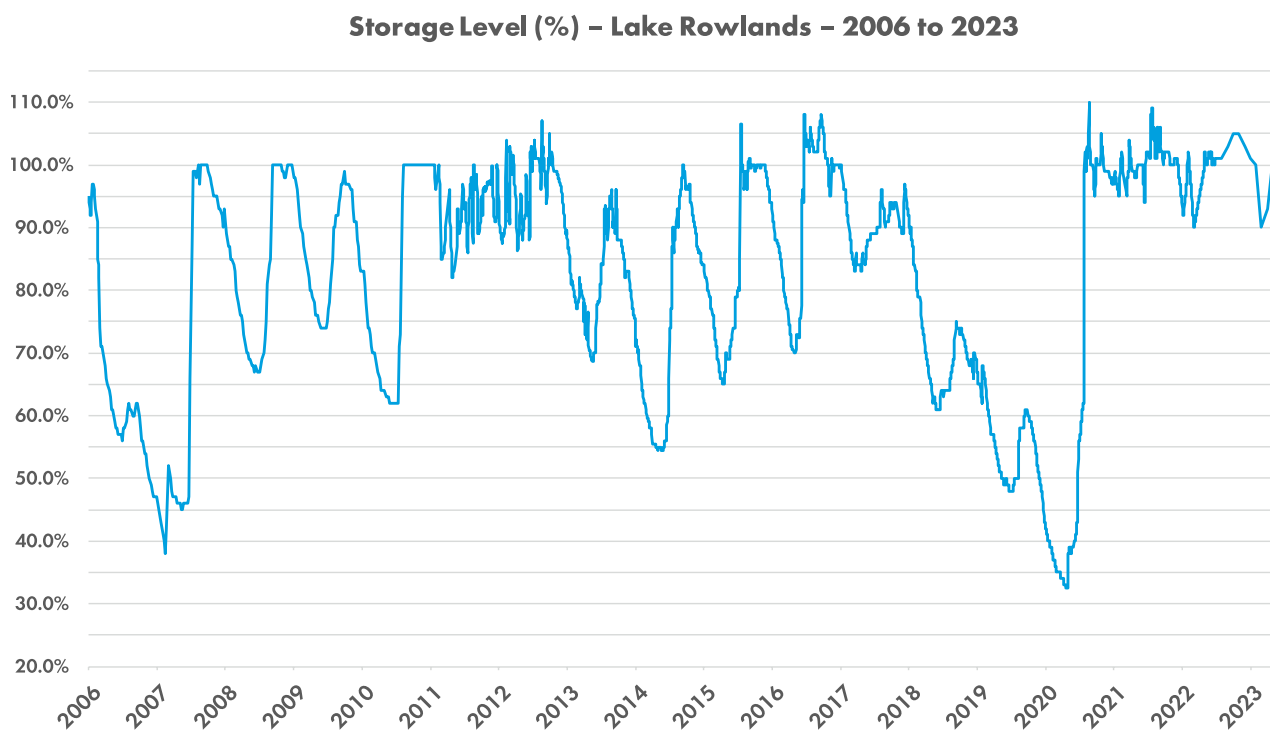
## WATER USAGE OVER TIME

Total Yearly Consumption from 2008/2009 to 2022/2023





## LAKE ROWLANDS STORAGE LEVELS 2006 - 2023



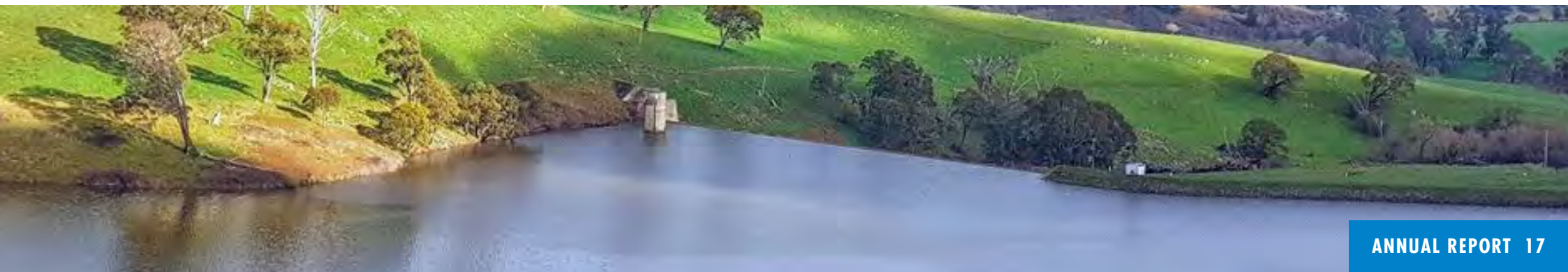
## WATER ANALYSIS 2022 - 2023

|                         |  |                              |                         |
|-------------------------|--|------------------------------|-------------------------|
| <b>Program:</b>         | Drinking Water Monitoring Program, Operational Monitoring Program, Project Program | <b>Report Type:</b>          | Results Summary Report  |
| <b>AHS:</b>             | All  | <b>Entered Date Range:</b>   | -                       |
| <b>PHU:</b>             | All  | <b>Barcode:</b>              |                         |
| <b>Water Utility:</b>   | All  | <b>Analysis Type: All</b>    |                         |
| <b>Supply System:</b>   | All  | <b>Characteristics:</b>      |                         |
| <b>Town:</b>            | All  | <b>Treatment Type: All</b>   |                         |
| <b>Treatment Plant:</b> | All  | <b>Collected Date Range:</b> | 01-07-2022 - 30-06-2023 |
| <b>Source:</b>          | All  |                              |                         |
| <b>Sample Site:</b>     | Many   |                              |                         |

**Sample Count:** 453

| 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  | 0.021  | 0.02   | 0.018              | 0.005 | 0.07  | 19           | 0               | 0.07            | 0.005          | 100                        |
|               | Antimony             | 0.0030          | mg/L  | 0.000  | 0.000  | 0                  | 0.000 | 0.000 | 19           | 0               | 0.000           | 0.000          | 100                        |
|               | Arsenic              | 0.0100          | mg/L  | 0.001  | 0.001  | 0.000              | 0.001 | 0.002 | 19           | 0               | 0.002           | 0.001          | 100                        |
|               | Barium               | 2.0000          | mg/L  | 0.025  | 0.020  | 0.012              | 0.016 | 0.053 | 19           | 0               | 0.053           | 0.016          | 100                        |
|               | Boron                | 4.0000          | mg/L  | 0.022  | 0.005  | 0.042              | 0.004 | 0.123 | 19           | 0               | 0.123           | 0.004          | 100                        |
|               | Cadmium              | 0.0020          | mg/L  | 0.000  | 0.000  | 0                  | 0.000 | 0.000 | 19           | 0               | 0.000           | 0.000          | 100                        |
|               | Calcium              | 10000.0000      | mg/L  | 17.079 | 14.2   | 8.662              | 10.2  | 40.1  | 19           | 0               | 40.1            | 10.2           | 100                        |
|               | Chloride             | 250.0000        | mg/L  | 48.474 | 22     | 65.910             | 14    | 201   | 19           | 0               | 201             | 14             | 100                        |
|               | Chromium             | 0.0500          | mg/L  | 0.001  | 0.001  | 0.000              | 0.001 | 0.001 | 19           | 0               | 0.001           | 0.001          | 100                        |
|               | Copper               | 2.0000          | mg/L  | 0.188  | 0.013  | 0.725              | 0.004 | 3.178 | 19           | 1               | 3.178           | 0.004          | 94.74                      |
|               | Fluoride             | 1.5000          | mg/L  | 0.388  | 0.11   | 0.405              | 0.05  | 1.07  | 19           | 0               | 1.07            | 0.05           | 100                        |
|               | Fluoride (WU result) | 1.5000          | mg/L  | 0.688  | 0.93   | 0.428              | 0.03  | 1.01  | 6            | 0               | 1.01            | 0.03           | 100                        |
|               | Fluoride Ratio       | 0.8 - 1.2       |       | 0.755  | 0.91   | 0.333              | 0.17  | 1.05  | 6            | 2               | 1.05            | 0.17           | 66.67                      |
|               | Iodine               | 0.5000          | mg/L  | 0.073  | 0.02   | 0.122              | 0.01  | 0.38  | 19           | 0               | 0.38            | 0.01           | 100                        |
|               | Iron                 | 0.3000          | mg/L  | 0.011  | 0.01   | 0.007              | 0.005 | 0.03  | 19           | 0               | 0.03            | 0.005          | 100                        |
|               | Lead                 | 0.0100          | mg/L  | 0.000  | 0.000  | 0.000              | 0.000 | 0.001 | 19           | 0               | 0.001           | 0.000          | 100                        |
|               | Magnesium            | 10000.0000      | mg/L  | 11.574 | 8.6    | 8.082              | 6.39  | 31.23 | 19           | 0               | 31.23           | 6.39           | 100                        |
|               | Manganese            | 0.5000          | mg/L  | 0.001  | 0.001  | 0.001              | 0.000 | 0.005 | 19           | 0               | 0.005           | 0.000          | 100                        |
|               | Mercury              | 0.0010          | mg/L  | 0.000  | 0.000  | 0                  | 0.000 | 0.000 | 19           | 0               | 0.000           | 0.000          | 100                        |
|               | Molybdenum           | 0.0500          | mg/L  | 0.000  | 0.000  | 0.000              | 0.000 | 0.001 | 19           | 0               | 0.001           | 0.000          | 100                        |
|               | Nickel               | 0.0200          | mg/L  | 0.000  | 0.000  | 0.000              | 0.000 | 0.002 | 19           | 0               | 0.002           | 0.000          | 100                        |
|               | Nitrate              | 50.0000         | mg/L  | 0.947  | 1      | 0.329              | 0.5   | 2     | 19           | 0               | 2               | 0.5            | 100                        |
|               | Nitrite              | 3.0000          | mg/L  | 0.05   | 0.05   | 0                  | 0.05  | 0.05  | 19           | 0               | 0.05            | 0.05           | 100                        |

| Analysis Type          | Characteristic               | Guideline Value | Units            | Mean    | Median | Standard Deviation | Min   | Max   | Sample Count | Exception Count | 95th Percentile | 5th Percentile | % meeting guideline values |
|------------------------|------------------------------|-----------------|------------------|---------|--------|--------------------|-------|-------|--------------|-----------------|-----------------|----------------|----------------------------|
| Chemistry              | pH                           | 6.5 - 8.5       |                  | 7.595   | 7.5    | 0.242              | 7.2   | 8.2   | 19           | 0               | 8.2             | 7.2            | 100                        |
|                        | Selenium                     | 0.0100          | mg/L             | 0.004   | 0.004  | 0                  | 0.004 | 0.004 | 19           | 0               | 0.004           | 0.004          | 100                        |
|                        | Silver                       | 0.1000          | mg/L             | 0.000   | 0.000  | 0                  | 0.000 | 0.000 | 19           | 0               | 0.000           | 0.000          | 100                        |
|                        | Sodium                       | 180.0000        | mg/L             | 33.316  | 13     | 50.481             | 8     | 147   | 19           | 0               | 147             | 8              | 100                        |
|                        | Sulfate                      | 250.0000        | mg/L             | 10.790  | 2      | 20.601             | 1     | 60    | 19           | 0               | 60              | 1              | 100                        |
|                        | Total Dissolved Solids (TDS) | 10000.0000      | mg/L             | 160.947 | 99     | 172.964            | 59    | 580   | 19           | 0               | 580             | 59             | 100                        |
|                        | Total Hardness as CaCO3      | 200.0000        | mg/L             | 90.311  | 69.1   | 54.427             | 51.8  | 228.7 | 19           | 3               | 228.7           | 51.8           | 84.21                      |
|                        | True Colour                  | 15.0000         | Hazen Units (HU) | 1.421   | 1      | 0.870              | 0.5   | 3     | 19           | 0               | 3               | 0.5            | 100                        |
|                        | Turbidity                    | 5.0000          | NTU              | 1.453   | 0.2    | 5.343              | 0.05  | 23.5  | 19           | 1               | 23.5            | 0.05           | 94.74                      |
|                        | Uranium                      | 0.0170          | mg/L             | 0.001   | 0.000  | 0.001              | 0.000 | 0.003 | 19           | 0               | 0.003           | 0.000          | 100                        |
|                        | Zinc                         | 3.0000          | mg/L             | 0.025   | 0.01   | 0.039              | 0.01  | 0.17  | 19           | 0               | 0.17            | 0.01           | 100                        |
| Fluoride Barcode       |                              |                 |                  |         |        |                    |       |       |              |                 |                 |                |                            |
|                        | Fluoride                     | 1.5000          | mg/L             | 0.98    | 0.98   | 0                  | 0.98  | 0.98  | 1            | 0               | 0.98            | 0.98           | 100                        |
|                        | Fluoride (WU result)         | 1.5000          | mg/L             | 1.01    | 1.01   | 0                  | 1.01  | 1.01  | 1            | 0               | 1.01            | 1.01           | 100                        |
|                        | Fluoride Ratio               | 0.8 - 1.2       |                  | 1.03    | 1.03   | 0                  | 1.03  | 1.03  | 1            | 0               | 1.03            | 1.03           | 100                        |
| Microbiology           |                              |                 |                  |         |        |                    |       |       |              |                 |                 |                |                            |
|                        | E. coli                      | 0.0000          | mpn/100mL        | 0       | 0      | 0                  | 0     | 0     | 210          | 0               | 0               | 0              | 100                        |
|                        | Free Chlorine                | 0.2 - 5         | mg/L             | 1.185   | 1.09   | 0.704              | 0.23  | 4.2   | 211          | 0               | 2.46            | 0.31           | 100                        |
|                        | pH                           | 6.5 - 8.5       |                  | 7.457   | 7.45   | 0.214              | 6.58  | 7.99  | 211          | 0               | 7.83            | 7.1            | 100                        |
|                        | Temperature                  | 30.0000         | C                | 13.998  | 11.7   | 4.547              | 7.6   | 26.3  | 211          | 0               | 23.9            | 9.8            | 100                        |
|                        | Total Chlorine               | 5.0000          | mg/L             | 1.584   | 1.425  | 0.803              | 0.33  | 5.43  | 210          | 2               | 3.12            | 0.63           | 99.05                      |
|                        | Total Coliforms              | 0.0000          | mpn/100mL        | 0       | 0      | 0                  | 0     | 0     | 210          | 0               | 0               | 0              | 100                        |
|                        | Turbidity                    | 5.0000          | NTU              | 0.231   | 0.21   | 0.093              | 0.07  | 0.59  | 211          | 0               | 0.42            | 0.11           | 100                        |
| Operational Monitoring |                              |                 |                  |         |        |                    |       |       |              |                 |                 |                |                            |
|                        | Fluoride (daily WU)          | 0.9 - 1.5       | mg/L             | 1.008   | 1.01   | 0.053              | 0.75  | 1.12  | 176          | 5               | 1.08            | 0.91           | 97.16                      |
|                        | Fluoride (weekly WU)         | 0.9 - 1.5       | mg/L             | 0.972   | 0.98   | 0.04               | 0.91  | 1.04  | 46           | 0               | 1.03            | 0.91           | 100                        |





# STATEMENT OF REVENUE POLICY

## STATEMENT OF REVENUE POLICY

Council is conscious of the needs of its consumers which require 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 high service levels can be maintained.

The following principles are applied in the Revenue Policy:

1. Full cost recovery inclusive of both direct and indirect costs.
2. Achieving an operating surplus before capital amounts each year.
3. Ability to fund the Capital Program to maintain service levels by renewing ageing infrastructure.
4. Statutory charges are applied in accord with legislative requirements.
5. Capacity to service borrowing requirements.
6. Price changes are communicated to consumers on a timely basis.

Council has followed the 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:

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

Council has reviewed its Revenue Policy for 2023/24 with the main features being:

1. An increase in the consumption charge of 4.07% from \$3.69 to \$3.84 per kilolitre (kl) in accordance with its need to provide funding of the large capital works program.
2. Availability charges will increase by 6.25% and applied in accordance with the Flow Capacity Factors outlined below. (meter size of service connection, determines the load that a service can put on the network)
3. Bulk Supply Water charges to other Councils have risen to \$2.31 per kl.
4. Development contributions have been set in accordance the 2021 Development Servicing Plan (DSP).
5. Legal Expenses incurred for debt recovery purposes now includes all associated costs including early stage and late stage intervention in accordance with Council's Water Charges Debt Recovery Policy.

6. Section 603 Certificate fees will be \$90.00 in line with the Office of Local Government determination. This may change when advice is received from the Office of Local Government regarding the fee for 2023/24.
7. Special Reading Fees will also be set at \$90.00 to align with the Sec 603 Certificate fee. Please note that this may change when the Office of Local Government advises of the 2023/24 Section 603 Certificate Fee
8. The fee at Council's automatic filling stations will be set at \$8.50 per kl.
9. The fee at Council's standpipes will be set at \$10.00 per kl.
10. Service connection fees and private works have been increased by 5% to reflect the cost of providing these services.
11. The processing fee for customer requested account refunds will be set at \$47.00. This only applies if more than one request is made in each financial year.
12. In accordance with the directive of the Office of Local Government (OLG) interest applied on overdue accounts will be at the rate specified under the Local Government Act. The OLG is yet to set this rate for 2023/24.
13. The fee for undertaking pressure and flow testing requested by consumers will be \$260.00

Availability charges will increase from \$256.00 to \$272.00 pa (\$64.00 to \$68.00 per quarter) for a 20mm service connection. This is an increase of approximately 6.25%. 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 water supply infrastructure network held by Council.

It is notable that unlike some local water utilities Council does not levy an availability charge for unconnected vacant properties as permitted by Section 552 of the Local Government Act. Section 552 permits an availability charge to be levied where an unconnected vacant property is located within 225 metres of a Council trunk main and the property is capable of being supplied water.

The overall impact the water access and user charges have on a consumer that uses the average residential consumption of 175kl per annum is an increase of around 82 cents per week or 4.81%.

Based on a consumption of 300kl per annum the increase overall in water charges in 23/24 is \$1.17 per week or 4.5%.

# FEES AND CHARGES 2023/2024

## 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. Based on the formula a 40mm supply can put 4 times more load on the system than a 20mm connection, therefore the availability charge is 4 times that of a 20mm 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 2023/2024 IS SET AT \$6,890 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 2,000m<sup>2</sup> in size are considered in the guidelines to exceed 1 ET.

The Developer Charges for the Lake Rowlands supply area have been increased by 7.6% being the CPI for Sydney for the past year (movement Dec 21 to Dec 22 - ABS 6401). The fee will be set at \$6,890 per equivalent tenement. The capital contribution charge (for infill developments) in the Lake Rowlands supply area has also been set at \$6,890 per equivalent tenement.

The capital contribution charge for all vacant unbuilt upon land within the Quandialla supply area is proposed to be \$3,445 per ET. Funds raised by this charge will be set aside for renewal and augmentation (if required) of the Quandialla Scheme network infrastructure.



| Type   | Description  | GST     | Pricing Principle | Amount \$   |
|--|--|---------|-------------------|-------------|
| WATER CHARGES<br>(PER KILOLITRE)                   | Residential/Rural  | N       | User Charge       | \$3.84      |
|  | Non-Residential  | N       | User Charge       | \$3.84      |
|  | Industrial   | N       | User Charge       | \$3.84      |
|  | Non Potable Water  | N       | User Charge       | \$2.95      |
|  | Temporary Access Standpipe   | N       | User Charge       | \$5.72      |
|  | Automatic Filling Stations   | N       | User Charge       | \$8.50      |
|  | Standpipe Sales  | N       | User Charge       | \$10.00     |
| BULK WATER CHARGES                                 | Cowra Shire  | N       | User Charge       | \$2.31      |
|  | Other Councils   | N       | User Charge       | \$2.31      |
| AVAILABILITY CHARGES<br>(PER ANNUM)                | 20mm   | N       | User Charge       | \$272.00    |
|  | 25mm   | N       | User Charge       | \$425.00    |
|  | 32mm   | N       | User Charge       | \$697.00    |
|  | 40mm   | N       | User Charge       | \$1,088.00  |
|  | 50mm   | N       | User Charge       | \$1,700.00  |
|  | 80mm   | N       | User Charge       | \$4,352.00  |
|  | 100mm  | N       | User Charge       | \$6,800.00  |
|  | Fire Service (restricted to fire use only)   | N       | User Charge       | \$272.00    |
|  | Unconnected Built Upon Properties  | N       | User Charge       | \$136.00    |
| METER TEST FEES                                    | 20mm and 25mm (other sizes on application)   | N       | At Cost           | \$105.00    |
| RECONNECTION FEES                                  | Non Payment (less than 3 months)   | N       | User Charge       | \$205.00    |
|  | Non Payment (after 3 months)   | N       | User Charge       | \$390.00    |
|  | Other Reconnection   | N       | User Charge       | \$390.00    |
| OTHER FEES   | Attend to Disconnect   | N       | User Charge       | \$115.00    |
|  | Special Reading Fee  | N       | User Charge       | \$95.00     |
| DEVELOPER CHARGES - LAKE ROWLANDS*                 | Per equivalent tenement (ET). Block sizes exceeding 2000m2 will incur an additional charge in excess of 1 ET. Seek quote on application. | N       | At Cost           | \$6,890.00  |
| CAPITAL CONTRIBUTION CHARGES - LAKE ROWLANDS*      | Per Equivalent tenement. Block sizes exceeding 2000m2 are greater than 1 ET. Seek quote on application.                                  | N       | At Cost           | \$6,890.00  |
| DEVELOPER CHARGE - QUANDIALLA *                    | Quandialla Scheme Supply Area – per ET. Block sizes exceeding 2000m2 are greater than 1 ET. Seek quote on application.                   | N       | At Cost           | \$3,445.00  |
| SERVICE CONNECTION - 20MM ONLY                     | 4 metres (footpath)  | N       | User Charge       | 1,626.00    |
|  | 10 metres (dirt/gravel)  | N       | User Charge       | 1,782.00    |
|  | 10 metres (bitumen)  | N       | User Charge       | 2,746.00    |
|  | 20 metres (dirt/gravel)  | N       | User Charge       | 2,394.00    |
|  | 20 metres (bitumen)  | N       | User Charge       | 3,886.00    |
|  | 20 metres (bitumen & concrete footpath)  | N       | User Charge       | 4,387.00    |
|  | Rural connection   | N       | User Charge       | 2,556.00    |
| 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)<br>(Overtime rates apply outside working hours)  | Y       | User Charge       | \$80.00     |
|  | Utility hire rate per kilometre  | Y       | User Charge       | 1.30        |
|  | Excavator hire rate per hour   | Y       | User Charge       | 170.00      |
|  | Pressure/Flow Testing  | N       | User Charge       | 260.00      |
|  | Contract Plant Hire  | Y       | User Charge       | At cost     |
| ADMINISTRATIVE FEES                                | Section 603 Certificate (per property)   | N       | Statutory         | \$95.00     |
|  | Dishonoured cheque   | Y       | At Cost           | \$47.00     |
|  | Dishonoured Direct Debit   | Y       | At Cost           | \$47.00     |
|  | 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.<br>(single account only no charge)  | Y       | At Cost           | \$4.00      |
|  | Search Fees - per hour   | Y       | User Charge       | \$80.00     |
|  | Processing Fee - Account refund request - per<br>refund if more than 1 annually.   | Y       | At Cost           | \$47.00     |
|  | Interest - overdue accounts  | N       | Statutory         | 9.0%        |
|  | Debt Collection Costs on overdue accounts -including early and late stage<br>interevention and<br>service fees                           | Y and N | At Cost           | Actual Cost |
| Government Information Public Access<br>(GIPA Act) | Formal Application   | N       | Statutory         | \$30.00     |
|  | Processing Charge (Per hour)   | N       | Statutory         | \$30.00     |
|  | Internal Review Processing Fee   | N       | Statutory         | \$40.00     |





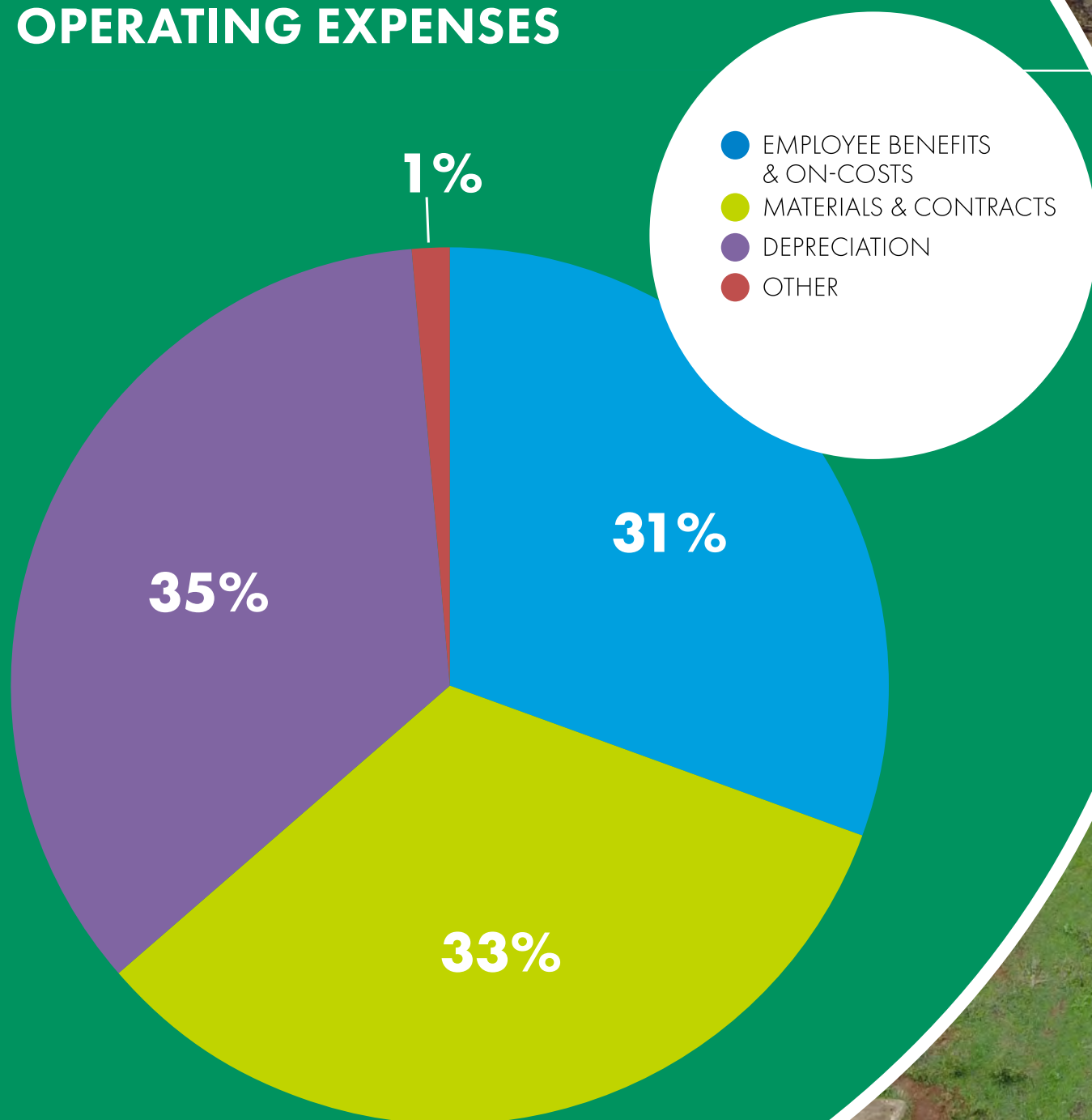


# FINANCIAL STATEMENTS

Central Tablelands County Council's audited financial reports for the year 2022/2023 are reported separately in the Financial Statements for the year ended 30th June 2023.

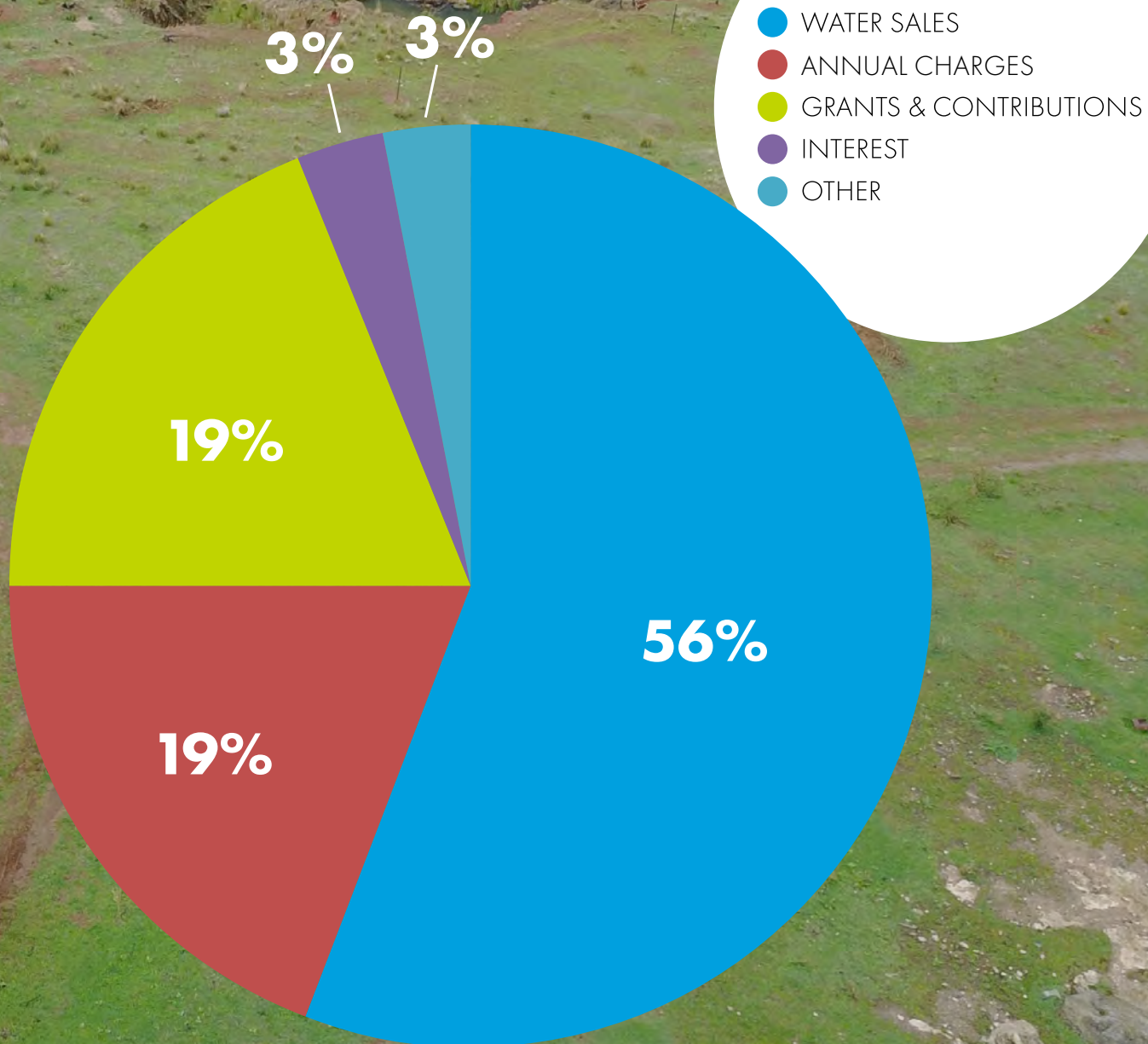
A copy of Council's audited Financial Statements for 2022/2023 is provided as **Appendix A** at the end of this document, page 35.

## OPERATING EXPENSES









## OPERATING INCOME



# DELIVERY PLAN REPORT

## CTW DELIVERY PROGRAM PROGRESS REPORT AS AT JUNE 2023

### Traffic Lights Progress Key Indicator:

-  Not due to commence
-  Progressing
-  Completed
-  Not Progressing

| STRATEGIC PRIORITY 1   |  |  |       |       |       |       |   |   |
|--|--|--|-------|-------|-------|-------|---|---|
| PROVIDING A HIGH QUALITY AND RELIABLE DRINKING WATER SUPPLY                    |  |  |       |       |       |       |   |   |
| KEY RESULT AREA – 1.1 SERVICE PROVISION THROUGH FIT FOR PURPOSE INFRASTRUCTURE |  |  |       |       |       |       |   |   |
| DP REF.  | ACTIVITY   | PERFORMANCE MEASURE  | 22/23 | 23/24 | 24/25 | 25/26 | COMMENTS  | PROGRESS INDICATOR  |
| 1.1.1  | Deliver capital works program based on asset management data.                                  | Capital works milestones delivered   | x     | x     | x     | x     | The Capital Works program is progressing. Stage 1 Reticulation mains renewals in Millthorpe and Canowindra are complete. Stage 2 Reticulation mains renewals are now progressing. Carcoar Water Treatment Plant's 12ML Clear Water Tank concrete ringbeam and base was poured in July and concrete pours for 28 wall sections to continue over the next 3 weeks. Tidyup works for Woodstock Pump Station will be completed in September/October. Canomodine Pump Station refurbishment is awaiting installation of internal pipework and external cladding to be completed. |    |
| 1.1.2  | Review, update and implement maintenance program.  | Maintenance program is delivered   | x     | x     | x     | x     | CTW develops a maintenance program based on operational needs and asset condition on an annual basis.   |  |
| 1.1.3  | Develop and implement backflow prevention program.   | Program is in place  | x     | x     | x     | x     | Program is being finalised. Backflow devices have been fitted with QR coded tags to enable and give advanced warning of 12 month testing requirement.   |  |
| 1.1.4  | Undertake regular water meter replacement program.   | Program is in place  | x     | x     | x     | x     | Meter replacement program when the meter is above 7,500 kL is ongoing. Smart meters are being rolled out into areas of safety concerns i.e. 100km zones etc.  |  |
| 1.1.5  | Consider potential use of CTW's existing underutilised groundwater sources.                    | Water quality analysis undertaken.   |       |       | x     |       | To be delivered in FY24/25.   |  |
| KEY RESULT AREA – 1.2 ENSURE COMPLIANCE WITH REGULATION                        |  |  |       |       |       |       |   |   |
| DP REF.  | ACTIVITY   | PERFORMANCE MEASURE  | 22/23 | 23/24 | 24/25 | 25/26 | COMMENTS  | PROGRESS INDICATOR  |
| 1.2.1  | Review and update CTW's Drinking Water Management System (DWMS).                               | DWMS updated in accordance with NSW Health DWMS guidelines.                                    | x     | x     | x     | x     | Drinking Water Management System is reviewed and updated on an annual basis. An independently facilitated workshop was held in November 2022 with CTW's Water Quality staff and Senior Management to review the current DWMS. A strategic Water Treatment and DWMS workshop for the CTW Board is being arranged for October/November 2023.  |  |
| 1.2.2  | Inform and involve our customers and regulators about projects, programs and other activities. | Issuing of media releases and notification via social media. Performance monitoring reporting. | x     | x     | x     | x     | Notification regarding projects and programs are provided via CTW's website, facebook page, public notices in local newspapers, newsletters, householder pamphlets, local radio and television.   |  |
| 1.2.3  | Undertake strategic reviews of water treatment facilities.                                     | Reviews completed  | x     |       |       |       | An independently facilitated workshop was held in late November 2022 with CTW's Water Quality staff, Senior Management, NSW Health and DPE Water to review the current water treatment facilities. A strategic Water Treatment and DWMS workshop for the CTW Board is being arranged for October/November 2023.   |  |
| 1.2.4  | Undertake regular water sampling programs in accordance with NSW Health DWMS guidelines.       | Program ongoing with NSW Health DWMS.  | x     | x     | x     | x     | Council has an extensive water quality sampling program in place which enables Council to meet regulatory water quality compliance requirements.  |  |



| KEY RESULT AREA – 1.3 BEST PRACTICE ASSET MANAGEMENT                     |  |  |       |       |       |       |   |   |
|--|--|--|-------|-------|-------|-------|---|---|
| DP REF.  | ACTIVITY   | PERFORMANCE MEASURE  | 22/23 | 23/24 | 24/25 | 25/26 | COMMENTS  | PROGRESS INDICATOR  |
| 1.3.1  | Assets are managed strategically, using whole of life methodology to improve delivery of services and financial management         | Asset management system in place   | x     | x     | x     | x     | Revised Asset Management Plan adopted in June 2022.   |    |
| 1.3.2  | Review and update Integrated Water Cycle Management Plan (IWCM) in accordance with applicable regulatory best practice guidelines. | IWCM reviewed, updated and implemented in accordance with guidelines           |       | x     |       |       | CTW is participating in the CNSWJO Pilot IP&R project for the potential transition from IWCM Planning to the IP&R framework for Local Water Utilities strategic planning.   |    |
| 1.3.3  | Review and update strategic business plan (SBP) in accordance with applicable regulatory best practice guidelines.                 | SBP reviewed and updated in accordance with applicable regulatory guidelines.  | x     |       |       |       | CTW is participating in the CNSWJO Pilot IP&R project for the potential transition from IWCM Planning to the IP&R framework for Local Water Utilities strategic planning.   |    |
| KEY RESULT AREA – 1.4 MITIGATE ENVIRONMENTAL IMPACTS OF SERVICE DELIVERY |  |  |       |       |       |       |   |   |
| DP REF.  | ACTIVITY   | PERFORMANCE MEASURE  | 22/23 | 23/24 | 24/25 | 25/26 | COMMENTS  | PROGRESS INDICATOR  |
| 1.4.1  | Develop and implement a catchment management plan for Lake Rowlands.   | Catchment management plan has been developed and implemented.                  | x     | x     |       |       | CTW will work in conjunction with Water Infrastructure NSW (WINSW) and the Belubula Water Security Project (BWSP) team to develop a catchment management plan for Lake Rowlands. This is to be completed over FYs 22/23 & 23/24. The BWSP is currently under review by the NSW government.  |  |
| 1.4.2  | Review and update Renewable Energy Action Plan (REAP) including solar and battery optimisation projects.                           | REAP reviewed and updated. Renewable energy projects delivered.                | x     |       | x     |       | SMT are continuing to work with industry experts and the CNSWJO with a focus on solar and storage sites. Solar works have been commissioned at Canomodine Pump Station and Carcoar Water Treatment Plant sites allowing assessment of their performance to guide CTW to provide further recommendations of future installations within CTW's network. |  |
| 1.4.3  | Continue to review operational processes with the objective of further mitigating environmental impacts.                           | Evidence of continuous improvement. Operational process efficiencies realised. | x     | x     | x     | x     | CTW's operational processes will continue to be reviewed to mitigate environmental impacts. Recommendations resulting from DPE inspections i.e. Chlorine injection system upgrades to Quandialla, Greys Hill, TM'1' Booster and Gooloogong Bore sites have been implemented.  |  |
| KEY RESULT AREA – 1.5 EFFICIENT USE OF WATER                             |  |  |       |       |       |       |   |   |
| DP REF.  | ACTIVITY   | PERFORMANCE MEASURE  | 22/23 | 23/24 | 24/25 | 25/26 | COMMENTS  | PROGRESS INDICATOR  |
| 1.5.1  | Provide customers with regular and current information regarding how to use water wisely.  | Number of water wise updates issued via social media and newsletters.          | x     | x     | x     | x     | Water saving and monitoring measures are provided via CTW's website, newsletters, television advertising and Smart Water Mark.  |  |
| 1.5.2  | Develop and promote a source to tap educational program for schools in the water supply area.                                      | Number of schools the educational program is delivered to in the supply area.  | x     | x     | x     | x     | Source to tap educational program options are to be discussed with Smart Water Mark as part of membership. CTW water bottles are being rolled-out to all Primary Schools in the CTW supply area. This roll-out is to commence in August 2023.   |  |

## DELIVERY PLAN REPORT CONTINUED

| STRATEGIC PRIORITY 2  |  |  |       |       |       |       |   |                    |
|---|--|--|-------|-------|-------|-------|---|--------------------|
| AN EFFICIENT, SUSTAINABLE AND CUSTOMER FOCUSED ORGANISATION       |  |  |       |       |       |       |   |                    |
| KEY RESULT AREA – 2.1 QUALITY CUSTOMER SERVICE                    |  |  |       |       |       |       |   |                    |
| DP REF.   | ACTIVITY   | PERFORMANCE MEASURE  | 22/23 | 23/24 | 24/25 | 25/26 | COMMENTS  | PROGRESS INDICATOR |
| 2.1.1   | Review and update community/ stakeholder engagement strategy.  | Strategy has been reviewed and updated   | x     |       | x     |       | A Community Engagement Strategy was adopted by Council in December 2020. This existing strategy will be reviewed over the next 6 months.  |                    |
| 2.1.2   | Undertake customer satisfaction survey.  | Survey is completed and feedback being used to improve performance                           | x     |       |       |       | Customer satisfaction survey completed by independent research company in March 2019. The next customer satisfaction survey will be conducted during November/ December 2023.   |                    |
| 2.1.3   | Review and update levels of service and report on performance.   | Levels of services reviewed and updated. Regular reporting of performance.                   | x     | x     | x     | x     | DPE Water LWU Annual Performance Monitoring reporting to be completed by the end of September 2023. Reporting templates for 22/23 have been provided by DPE Water for input. A capability review of CTW's Asset Software System to enable monitoring and reporting of CTW's LOS is currently underway.  |                    |
| 2.1.4   | Provide regular updates to stakeholders and customers regarding projects and works   | Number of updates issued via social media and newsletters.                                   | x     | x     | x     | x     | Updates regarding CTW projects and works will continue to be provided via CTW's website, Facebook page and newsletters.   |                    |
| KEY RESULT AREA – 2.2 SOUND FINANCIAL MANAGEMENT                  |  |  |       |       |       |       |   |                    |
| DP REF.   | ACTIVITY   | PERFORMANCE MEASURE  | 22/23 | 23/24 | 24/25 | 25/26 | COMMENTS  | PROGRESS INDICATOR |
| 2.2.1   | Review and update long term financial plan (LTFF).   | LTFF reviewed and updated annually   | x     | x     | x     | x     | LTFF adopted June 2023. Reviews are undertaken during the Quarterly Budget Review process.  |                    |
| 2.2.2   | Review schedule of fees and charges as part of the annual operational plan development for endorsement and adoption by council.                  | Annual Fees & Charges adopted by Council.  | x     | x     | x     | x     | 2023/24 Fees & Charges adopted June 2023. A review of the annual fees and charges for FY24/25 to be undertaken in March/April.  |                    |
| 2.2.3   | Collaborate with constituent councils in the review and update of the Development Servicing Plan (DSP) in accordance with applicable guidelines. | DSP review and update completed in accordance with guidelines. DSP implemented.              |       |       |       | x     | To be reviewed and updated in 25/26.  |                    |
| 2.2.4   | Explore additional revenue stream opportunities.   | New income identified  | x     | x     | x     | x     | Additional revenue stream opportunities explored on a continuous basis.   |                    |
| 2.2.5   | Secure grant funding where available to support the delivery and development of services and infrastructure.                                     | Grant funding applications successful  | x     | x     | x     | x     | Grant funding opportunities continue to be advocated for where available. CTW's Main Artery Pipeline Augmentation project proposal is currently being reviewed by the Safe & Secure Water Program with notification expected in September 2023. Disaster recovery funding is also being sought following the recent devastating floods in the region. |                    |
| KEY RESULT AREA – 2.3 CONTINUOUS IMPROVEMENT WHILST MANAGING RISK |  |  |       |       |       |       |   |                    |
| DP REF.   | ACTIVITY   | PERFORMANCE MEASURE  | 22/23 | 23/24 | 24/25 | 25/26 | COMMENTS  | PROGRESS INDICATOR |
| 2.3.1   | Manage the risk management framework including the risk register.  | Framework is in place and risk register regularly reviewed and updated.                      | x     | x     | x     | x     | Risk management framework and register are regularly reviewed and updated prior to Audit Risk and Improvement Committee (ARIC) meetings.  |                    |
| 2.3.2   | Review and update Business Continuity Plan (BCP).  | BCP reviewed and updated in consultation with insurers.                                      |       | x     |       | x     | The BCP is to be reviewed and updated in 23/24.   |                    |
| 2.3.3   | Review and update internal audit plan in consultation with the Audit Risk and Improvement Committee (ARIC).                                      | Internal Audit Plan adopted by ARIC. Internal Audits undertaken in accordance with the Plan. | x     | x     | x     | x     | Internal audit plan to be reviewed and updated in consultation with ARIC.   |                    |
| 2.3.4   | Review and update CTW's Work, Health & Safety (WHS) policy and procedures in accordance with WHS legislation.                                    | WHS policy and procedures updated and implemented.   | x     | x     | x     | x     | CTW's WHS policy and procedures are continuously reviewed and updated in consultation with CTW staff.   |                    |

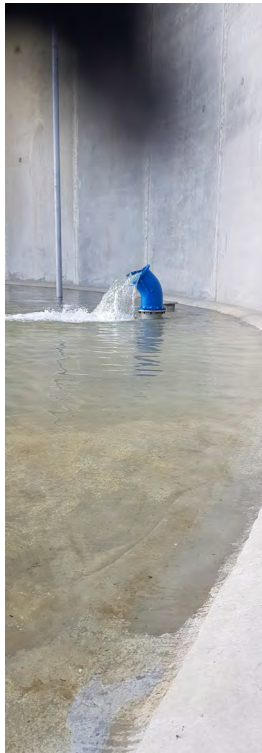
| KEY RESULT AREA – 2.4 A CAPABLE AND MOTIVATED WORKFORCE       |  |  |       |       |       |       |  |                    |
|---|--|--|-------|-------|-------|-------|--|--------------------|
| DP REF.   | ACTIVITY   | PERFORMANCE MEASURE  | 22/23 | 23/24 | 24/25 | 25/26 | COMMENTS   | PROGRESS INDICATOR |
| 2.4.1   | Review, update and implement CTW's Workforce Management Strategy.  | Strategy reviewed, updated and implemented.  |       | x     |       | x     | CTW's Workforce Management Strategy 2022-2026 was adopted by Council in June 2022. The strategy is to be reviewed in 23/24 with a key focus on succession planning due to future retirements of senior staff.  |                    |
| 2.4.2   | Provide staff with professional development opportunities to meet future needs.  | Professional development needs identified in consultation with staff.                            | x     | x     | x     | x     | Professional development opportunities to be discussed and agreed during staff performance appraisals, or as training opportunities or needs arise.  |                    |
| 2.4.3   | Develop capability and innovate with technological advances in the field.  | Technology used in the field, operational efficiencies realised.                                 | x     | x     | x     | x     | Technological advances in the field continue to be explored as they become available. This includes areas such as mapping infrastructure (GIS), meter reading, telemetry, etc.   |                    |
| STRATEGIC PRIORITY 3  |  |  |       |       |       |       |  |                    |
| REGIONAL LEADERSHIP AND COLLABORATION                         |  |  |       |       |       |       |  |                    |
| KEY RESULT AREA – 3.1 REGIONAL COLLABORATION AND PARTNERSHIPS |  |  |       |       |       |       |  |                    |
| DP REF.   | ACTIVITY   | PERFORMANCE MEASURE  | 22/23 | 23/24 | 24/25 | 25/26 | COMMENTS   | PROGRESS INDICATOR |
| 3.1.1   | Work closely with Central NSW Joint Organisation (CNSWJO) including the Water Utilities Alliance (CWUA) for the continued delivery of safe and secure quality drinking water for the region. | Active participant of the CNSWJO and CWUA.   | x     | x     | x     | x     | The Chairperson and General Manager attend Central NSWJO (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   |                    |
| 3.1.2   | Participate in CNSWJO opportunities for relevant joint procurement activities, knowledge and resource sharing, and advocacy for strategic regional priorities.                               | Opportunities identified, considered and pursued.  | x     | x     | x     | x     | Projects and training when applicable to CTW. Recent joint procurement and training activities includes: employee assistance program contract, renewable energy projects, IP&R training, and Water Loss Management training.   |                    |
| 3.1.3   | Collaborate with and support constituent councils to attract residential, commercial and industrial growth to the region.  | Growth in constituent councils is increased.   | x     | x     | x     | x     | CTW continues to work with constituent councils to encourage growth in the region. Subdivisions in constituent council areas have increased over the past 2 years with more planned for the future.  |                    |
| 3.1.4   | Consider further regional water security pipeline linkages to form a Central-West water grid.  | Grant funding approved and project(s) commenced.   | x     | x     | x     | x     | CTW in collaboration with Cabonne and Orange City Council as well as DPE Water continue to participate in the Sub-Regional Town Water Strategy (SRTWS) study. The purpose of the study is to provide additional water security and resilience to the participating councils and neighbouring local water utilities. CTW is also working in collaboration with Parkes and Forbes Shire Councils in the development of the Centroc Water Grid Project to further strengthen water security for the region. |                    |
| 3.1.5   | Reach agreement with all other relevant water utilities on the governance, management and operation of regional water assets across LGA boundaries.  | Water Supply Agreements in place.  | x     | x     | x     | x     | CTW are currently in the process of finalising water supply agreements (WSAs) with our existing interconnecting local water utilities. These WSAs are expected to be finalised in 23/24.   |                    |
| 3.1.6   | Continue to be a key delivery partner of the Belubula Water Security Project (BWSP) with Water Infrastructure NSW and WaterNSW.  | BWSP business case completed. Continued advocacy for BWSP construction.                          | x     | x     | x     | x     | CTW continues to be a key delivery partner and key stakeholder of the BWSP. The raising of the Lake Rowlands wall investigations component of the BWSP has progressed with a technical solution from 2 preferred tenders being sought in Jan/Feb 2023. The BWSP is currently under review by the NSW Government with a decision expected in September 2023.  |                    |
| KEY RESULT AREA – 3.2 REGIONAL LEADERSHIP IN THE WATER SECTOR |  |  |       |       |       |       |  |                    |
| DP REF.   | ACTIVITY   | PERFORMANCE MEASURE  | 22/23 | 23/24 | 24/25 | 25/26 | COMMENTS   | PROGRESS INDICATOR |
| 3.2.1   | Explore opportunities to influence water industry policy and direction through participation in industry groups and bodies.  | Active participation in water industry groups and policy development opportunities.              | x     | x     | x     | x     | CTW continues to have a strong working relationship with DPE Water and WaterNSW. GM represents CTW on the WaterNSW Lachlan Customer Advisory Group. GM & DOTS regularly attend DPE Water regulatory framework workshops for the Town Water Risk Reduction Program and the development of the Regional Water Strategies and Water Sharing Plans.  |                    |
| 3.2.2   | Continue to collaborate and build upon the strong relationship with the other water county councils and advocate collectively on water industry issues.                                      | Regular meetings with other water county councils. Collective advocacy on water industry issues. | x     | x     | x     | x     | The GM continues to collaborate and build strong relationships within the water industry by attending regular meetings with the other water county council's general managers, DPE Water and WaterNSW executive staff.   |                    |

# MAJOR CAPITAL WORKS PROJECTS 22 – 23

## 12 MEGALITRE RESERVOIR AT CARCOAR WATER TREATMENT PLANT.









# WORKS 22/23 CONT.

**CANOMODINE PUMP STATION  
PIPELINE REPLACEMENT**



**MAINS EXTENSION AT GRENFELL**

**OLD PIPING INSIDE  
CANOMODINE PUMP  
STATION A**



**SOUTH CANOWINDRA  
RETICULATION UPGRADES**



**CTW COUNCILLORS PLUS STAFF AT LAKE ROWLANDS**



**WOODSTOCK PUMP  
STATION INSTALLATION**



**WOODSTOCK PUMP STATION  
WIRING OF CONTROL PANEL**



# CTW STAFF





# REBECCA “BEC” STAMMERS

## 35 YEARS OF DEDICATED SERVICE

Bec Stammers CTW's Revenue Officer achieved an impressive service milestone this year of 35 years.

CTW's general manager, Gavin Rhodes sat down with Bec at CTW's Administration Building in Blayney to find out more information regarding her time at CTW and what her hobbies or interests are outside of work. The questions and responses are listed below.

### **GM: What have been your roles whilst at CTW?**

Bec: Started as an Office Clerk, duties included data entry, relief cashier/front counter clerk and telephone switch operator, end-of-day computer backups.

Payroll/Creditors/Debtors Clerk, Work Health & Safety secretary, Consultative Committee secretary.

Revenue Officer (including customer service) since 2004.

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

Bec: No, I did a twelve month secretarial course, then started at CTW in February 1988.

### **GM: What has been the most significant change or changes you have seen over the last 35 years at CTW?**

Bec: Technology - Electronic meter reading system, telemetry system to change pump pressures and check reservoir levels using a device. Online maps showing water meters, mains, reservoirs and pump stations.

Communication – Facebook, website and emails.

Payment methods – these have changed significantly from receipting cheques and money orders, to customers mostly using online payment methods. This has resulted in less people visiting the office to pay their accounts in person.

### **GM: With regards to the technological changes and innovations over the past 35 years, how has this impacted meter reading and water account processing, etc?**

Bec: When I started at CTW the network operators would enter meter readings into a book and readings had to be entered into the computer manually. Readings are now done using an app and downloaded to a portal for processing.

We used to also print, manually fold and then envelope all water accounts (i.e. thousands) for posting. We now process an electronic file and send to an external printing company for distribution via post and email.

### **GM: What about changes with compliance (i.e. auditing, reporting, etc)?**

Bec: Over the years I have experienced an increase in recordkeeping processes to provide evidence to meet auditing compliance requirements.

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

Bec: When water meters weren't read due to unknown implications of Covid and 6,000 water accounts had to be manually calculated and processed, then adjustments done for any usage that was

overestimated after the next quarterly meter reading. This was a very challenging time, however, we did learn a lot of system lessons from that experience.

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

Bec: 35 years of service. CTW Employee of the year award in 2018. Processing 6,000 water accounts every three months and meeting deadlines.

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

Bec: Being able to help customers, working as a team.

### **GM: Are you ready for the next 35 years?**

Bec: 10 years might be plenty Gav.

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

Bec: Spending time with my family and catching up with friends, and binging on Netflix and Paramount! I enjoy visiting Sydney and Melbourne for shopping, concerts, theatre shows, sporting events (i.e. netball, NRL, cricket, etc). I also enjoy travelling overseas and throughout Australia with my family.

### **GM: I've heard that you were a bit of a softball, hockey and darts star, and you now assist with local and representative junior netball teams. Can you tell us a bit about your sporting achievements and your recent involvement in the development of future junior netball stars?**

Bec: The Millthorpe women's softball team played in the Orange competition over 20 years ago. I enjoyed playing pitcher and hit quite a few home runs. I played a couple of seasons with the Blayney women's hockey team, and played both mixed and ladies A Grade darts in Orange for many years, only ever scoring one one-hundred-and-eighty!

I've been the Manager of my daughter's Blayney netball team for 10 years including her Representative team for 6 years.

### **GM: I understand that you are a passionate Parramatta Eels supporter, what are their prospects of winning the premiership next season?**

Bec: There's always next season...

It was hard to watch them lose the 2022 GF against Penrith, 40 years is a long time since the last GF win.

### **GM: Well thank you Bec for your time today, and on behalf of CTW I would like to congratulate you once again on such a tremendous achievement of 35 years of dedicated service to CTW.**

Bec: I have appreciated the support and opportunities I have been given over the past 35 years of service at CTW. I have formed many friendships with present and former colleagues. Thank you.



# LANCE HARVEY

## 25 YEARS OF DEDICATED SERVICE

Lance Harvey a Meter Reader/Network Operator at Blayney achieved a significant service milestone this year of 25 years.

CTW's general manager, Gavin Rhodes caught up with Lance to find out more information regarding his time at CTW and his interests outside of work. The questions and responses are listed below.

### **GM: What interested you to apply for a position at CTW?**

Lance: It was due to job security and I had seen what CTW was about in delivering drinking water, due to my father working for CTW over an 18 year period.

### **GM: What have been your roles whilst at CTW?**

Lance: A meter reader, replaced meters throughout the supply network, customer relations, project manager on the Trunk Main K renewal pipeline project (between Gooloogong and Grenfell), water network operator – fixing water main breaks, hydrant, reservoir and pump station maintenance, assisted in building the water supply system for Quandialla.

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

Lance: Meter reading methods and different parts for fixing mains breaks (e.g. gibalts, DNRs, pipe material, etc). Also going from copper piping to stainless steel for the installation of services. From taps to ball valves.

I was also involved in the building of new pump stations to move water more quickly without increasing the pressure (e.g. Sugarloaf and Newry Downs Pump Stations).

CTW's work vehicles have also changed over the years, from 2WD vehicles to 4WD vehicles.

### **GM: As the main meter reader for a long period of time, please outline the changes in meter reading processes and technology you have experienced over the years?**

Lance: The changes in technology with regards to how meters are read. For example, from paper-based books to handheld electronic devices to phones and tablets. So, we have gone from manually transcribing the readings to uploading the readings in the office, to uploading readings via the internet remotely. This also includes taking photos of the readings.

There has also been the rollout of smart meters of which I installed.

### **GM: As you are aware, as an organisation responsible for providing an essential service of drinking water, what are the most significant compliance changes (e.g. WHS, risk management, first aid, working conditions, etc) you have seen over the past 25 years?**

Lance: WHS has become the main focus over the years. Risk management – work method statements, take 5, toolbox meetings. Working conditions have improved significantly over the years, with regards to sun protection, PPE, and health & wellbeing checks (i.e. skin checks, flu vaccinations, lung capacity checks, EAP etc).

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

Lance: To learn the locations of all the meters throughout the entire supply network.

The project management of Trunk Main K and associated compliance requirements.

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

Lance: Project management and design of Trunk Main K. Meter reading and meter replacement and installing the Quandialla Water Supply system. Building relationships with customers (and their pets) over a long period of time (i.e. meter reading, taming dogs and safely relocating snakes).

### **GM: What gives you the most satisfaction in your role?**

Lance: To complete a job, knowing that I have done my best in serving our customers.

### **GM: What are your interests outside of work? How do you relax?**

Lance: Fishing and yabbing on the Darling River at Bourke, camping, travelling, harness racing (trots), supporting local rugby league and union, socialising at the local establishment, farming, breeding cattle, producing hay and being self-sufficient on the farm, following and attending local livestock sales, and using machinery (my toys) around the farm. I also enjoy spending time with my nephew and his young children.

### **GM: I understand that you are a loyal Manly Eagles supporter, are they any hope of climbing the ladder next season?**

Lance: Not much hope. I am extremely hopeful, but I doubt very much it will happen.

### **GM: Well thank you Lance 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 committed service to CTW.**

Lance: Yes thanks, I have enjoyed my 25 years and here's to 30 years!



# TRIBUTES

## BRIAN “BARNEY” DAVIS WATER NETWORK OPERATOR

All CTW Councillors and staff were deeply saddened by the passing of Water Network Operator, Brian “Barney” Davis in June this year. Barney provided exemplary service to CTW and was highly respected and regarded by his peers and CTW’s customers.

During Barney’s dedicated service over 9 years, his achievements included:

- Joint winner in 2019 of the Matt’s Award for CTW Employee of the Year
- Renewal of 44 kilometres of Trunk Main from Gooloogong to Grenfell (Trunk Main K Project)
- Replacement of reticulation mains in Millthorpe, Blayney & Carcoar
- Renewal of off-take pit for the Cowra to CTW bi-directional pipeline connection (Trunk Main H)
- Maintenance and systems check of the reticulation network in the Blayney area including hydrants, reservoirs, and pump stations.



## KEVIN WALKER FORMER DEPUTY CHAIRMAN

Kevin was a CTW Board Delegate from 2012 to 2021 and was Deputy Chairman from 2014 to 2021. Known for his passion for his dearly beloved Canowindra community and the region, Kevin was always a strong advocate for water security and the augmentation of Lake Rowlands.

The following major projects were achieved or commenced during Kevin’s representation on the CTW Board:

- Renewal of 44 kilometres of trunk main from Gooloogong to Grenfell (Trunk Main K Project \$6m)
- 61 kilometre bi-directional emergency pipeline between Carcoar and Orange (\$27m)
- Cowra to CTW Emergency Connection Project – 12 megalitre clear water tank and Woodstock Pump Station (\$5.5m)
- Renewable energy projects – Carcoar Water Treatment Plant and Canomodine Pump Station
- Lake Rowlands augmentation Feasibility Study (\$1m) and the Belubula Water Security Project Final Business Case (\$6m)
- Caragabal Water Supply Feasibility Study (\$0.1m)

Both Barney and Kevin made significant contributions to CTW and will be sadly missed, but always fondly remembered.

Rest In Peace Barney and Kevin.



# 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](http://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](http://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](http://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](https://www.facebook.com/CentralTablelandsWater)





# **APPENDIX A**

## **CENTRAL TABLELANDS WATER**

### **GENERAL PURPOSE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDING 30 JUNE 2023**

# Central Tablelands Water

## ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2023

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*"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 2023

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*"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 2023

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### 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](http://www.ctw.nsw.gov.au)

# Central Tablelands Water

## General Purpose Financial Statements

for the year ended 30 June 2023

## Understanding Council's Financial Statements

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### 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 2023.

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 2023

### Statement by Councillors and Management

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Statement by Councillors and Management made pursuant to Section 413 (2c) 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.

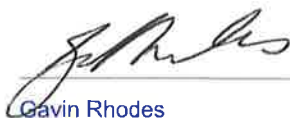
Signed in accordance with a resolution of Council made on 16 August 2023.



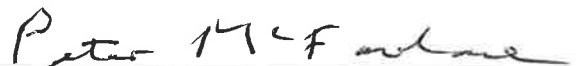
Cllr David Somervaille  
Chairperson  
16 August 2023



Cllr Andrew Rawson  
Deputy Chairperson  
16 August 2023



Gavin Rhodes  
General Manager  
16 August 2023



Peter McFarlane  
Responsible Accounting Officer  
16 August 2023



# Central Tablelands Water

## Income Statement

for the year ended 30 June 2023

| Original<br>unaudited<br>budget<br>2023 | \$ '000  | Notes | Actual<br>2023 | Actual<br>2022 |
|---|--|-------|----------------|----------------|
|   | <b>Income from continuing operations</b>   |       |                |                |
| 1,738                                   | Annual charges   | B2-1  | <b>1,720</b>   | 1,658          |
| 5,868                                   | User charges and fees  | B2-2  | <b>4,956</b>   | 4,456          |
| 46                                      | Other revenues   | B2-3  | <b>267</b>     | 74             |
| –                                       | Grants and contributions provided for operating purposes   | B2-4  | <b>17</b>      | 16             |
| 264                                     | Grants and contributions provided for capital purposes   | B2-4  | <b>1,654</b>   | 1,558          |
| 112                                     | Interest and investment income   | B2-5  | <b>289</b>     | 67             |
| 23                                      | Other income   | B2-6  | <b>25</b>      | 23             |
| 60                                      | Net gain from the disposal of assets   | B4-1  | <b>–</b>       | –              |
| <b>8,111</b>                            | <b>Total income from continuing operations</b>   |       | <b>8,928</b>   | 7,852          |
|   | <b>Expenses from continuing operations</b>   |       |                |                |
| 2,422                                   | Employee benefits and on-costs   | B3-1  | <b>2,384</b>   | 2,133          |
| 2,736                                   | Materials and services   | B3-2  | <b>2,583</b>   | 2,192          |
| –                                       | Borrowing costs  | B3-3  | <b>–</b>       | 11             |
| 2,539                                   | Depreciation, amortisation and impairment of non-financial assets                                      | B3-4  | <b>2,727</b>   | 2,340          |
| 12                                      | Other expenses   | B3-5  | <b>55</b>      | 14             |
| –                                       | Net loss from the disposal of assets   | B4-1  | <b>51</b>      | 67             |
| <b>7,709</b>                            | <b>Total expenses from continuing operations</b>   |       | <b>7,800</b>   | 6,757          |
| <b>402</b>                              | <b>Operating result from continuing operations</b>   |       | <b>1,128</b>   | 1,095          |
| <b>402</b>                              | <b>Net operating result for the year attributable to Council</b>                                       |       | <b>1,128</b>   | 1,095          |
| <b>138</b>                              | <b>Net operating result for the year before grants and contributions provided for capital purposes</b> |       | <b>(526)</b>   | (463)          |

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 2023

| \$ '000  | Notes | 2023         | 2022   |
|--|-------|--------------|--------|
| <b>Net operating result for the year – from Income Statement</b>   |       | <b>1,128</b> | 1,095  |
| <b>Other comprehensive income:</b>   |       |              |        |
| Amounts which will not be reclassified subsequently to the operating result                                    |       |              |        |
| Gain (loss) on revaluation of infrastructure, property, plant and equipment                                    | C1-7  | <b>7,557</b> | 13,634 |
| Impairment (loss) reversal / (revaluation decrement) relating to infrastructure, property, plant and equipment | C1-7  | <b>(127)</b> | –      |
| <b>Total items which will not be reclassified subsequently to the operating result</b>                         |       | <b>7,430</b> | 13,634 |
| <b>Total other comprehensive income for the year</b>   |       | <b>7,430</b> | 13,634 |
| <b>Total comprehensive income for the year attributable to Council</b>   |       | <b>8,558</b> | 14,729 |

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 2023

| \$ '000  | Notes | 2023           | 2022           |
|--|-------|----------------|----------------|
| <b>ASSETS</b>  |       |                |                |
| <b>Current assets</b>                                |       |                |                |
| Cash and cash equivalents                            | C1-1  | 2,268          | 933            |
| Investments  | C1-2  | 7,700          | 7,600          |
| Receivables  | C1-4  | 1,040          | 915            |
| Inventories  | C1-5  | 210            | 239            |
| Contract assets and contract cost assets             | C1-6  | –              | 31             |
| Other  |       | 8              | 17             |
| <b>Total current assets</b>                          |       | <b>11,226</b>  | <b>9,735</b>   |
| <b>Non-current assets</b>                            |       |                |                |
| Receivables  | C1-4  | 1              | 1              |
| Infrastructure, property, plant and equipment (IPPE) | C1-7  | 103,071        | 95,832         |
| Intangible assets                                    | C1-8  | 25             | 49             |
| <b>Total non-current assets</b>                      |       | <b>103,097</b> | <b>95,882</b>  |
| <b>Total assets</b>                                  |       | <b>114,323</b> | <b>105,617</b> |
| <b>LIABILITIES</b>                                   |       |                |                |
| <b>Current liabilities</b>                           |       |                |                |
| Payables   | C3-1  | 567            | 478            |
| Income received in advance                           | C3-1  | 27             | 36             |
| Employee benefit provisions                          | C3-4  | 975            | 917            |
| <b>Total current liabilities</b>                     |       | <b>1,569</b>   | <b>1,431</b>   |
| <b>Non-current liabilities</b>                       |       |                |                |
| Employee benefit provisions                          | C3-4  | 21             | 11             |
| <b>Total non-current liabilities</b>                 |       | <b>21</b>      | <b>11</b>      |
| <b>Total liabilities</b>                             |       | <b>1,590</b>   | <b>1,442</b>   |
| <b>Net assets</b>                                    |       | <b>112,733</b> | <b>104,175</b> |
| <b>EQUITY</b>  |       |                |                |
| Accumulated surplus                                  | C4-1  | 49,127         | 47,999         |
| IPPE revaluation reserve                             | C4-1  | 63,606         | 56,176         |
| <b>Council equity interest</b>                       |       | <b>112,733</b> | <b>104,175</b> |
| <b>Total equity</b>                                  |       | <b>112,733</b> | <b>104,175</b> |

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 2023

| \$ '000   | Notes | 2023                |                          |              | 2022                |                          |              |
|---|-------|---------------------|--------------------------|--------------|---------------------|--------------------------|--------------|
|   |       | Accumulated surplus | IPPE revaluation reserve | Total equity | Accumulated surplus | IPPE revaluation reserve | Total equity |
| Opening balance at 1 July   |       | 47,999              | 56,176                   | 104,175      | 46,904              | 42,542                   | 89,446       |
| <b>Net operating result for the year</b>                                    |       | 1,128               | –                        | 1,128        | 1,095               | –                        | 1,095        |
| <b>Other comprehensive income</b>   |       |                     |                          |              |                     |                          |              |
| Gain (loss) on revaluation of infrastructure, property, plant and equipment | C1-7  | –                   | 7,557                    | 7,557        | –                   | 13,634                   | 13,634       |
| – Impairment (loss) reversal relating to IPP&E                              | C1-7  | –                   | (127)                    | (127)        | –                   | –                        | –            |
| <b>Other comprehensive income</b>   |       | –                   | 7,430                    | 7,430        | –                   | 13,634                   | 13,634       |
| <b>Total comprehensive income</b>   |       | 1,128               | 7,430                    | 8,558        | 1,095               | 13,634                   | 14,729       |
| <b>Closing balance at 30 June</b>   |       | 49,127              | 63,606                   | 112,733      | 47,999              | 56,176                   | 104,175      |

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 2023

| Original<br>unaudited<br>budget<br>2023     | \$ '000   | Notes | Actual<br>2023 | Actual<br>2022 |
|---|---|-------|----------------|----------------|
| <b>Cash flows from operating activities</b> |   |       |                |                |
| <b>Receipts:</b>                            |   |       |                |                |
| 1,738                                       | Rates and annual charges                            |       | 1,727          | 1,674          |
| 5,868                                       | User charges and fees                               |       | 4,855          | 4,483          |
| 112   | Interest received                                   |       | 142            | 51             |
| 264   | Grants and contributions                            |       | 1,813          | 1,275          |
| –   | Bonds, deposits and retentions received             |       | –              | 2              |
| 69  | Other   |       | 791            | 518            |
| <b>Payments:</b>                            |   |       |                |                |
| (2,422)                                     | Payments to employees                               |       | (2,316)        | (2,157)        |
| (2,736)                                     | Payments for materials and services                 |       | (2,804)        | (2,222)        |
| –   | Borrowing costs                                     |       | –              | (11)           |
| (12)  | Other   |       | (209)          | (465)          |
| 2,881                                       | <b>Net cash flows from operating activities</b>     | G1-1  | <b>3,999</b>   | <b>3,148</b>   |
| <b>Cash flows from investing activities</b> |   |       |                |                |
| <b>Receipts:</b>                            |   |       |                |                |
| –   | Sale of investments                                 |       | 7,600          | 6,100          |
| 282   | Proceeds from sale of IPPE                          |       | 130            | 257            |
| –   | Deferred debtors receipts                           |       | 18             | 1              |
| <b>Payments:</b>                            |   |       |                |                |
| (1,000)                                     | Acquisition of term deposits                        |       | (100)          | –              |
| –   | Deferred debtors and advances made                  |       | (19)           | –              |
| (2,376)                                     | Payments for IPPE                                   |       | (2,693)        | (1,852)        |
| –   | Purchase of investments                             |       | (7,600)        | (7,600)        |
| (3,094)                                     | <b>Net cash flows from investing activities</b>     |       | <b>(2,664)</b> | <b>(3,094)</b> |
| <b>Cash flows from financing activities</b> |   |       |                |                |
| <b>Payments:</b>                            |   |       |                |                |
| –   | Repayment of borrowings                             |       | –              | (413)          |
| –   | <b>Net cash flows from financing activities</b>     |       | <b>–</b>       | <b>(413)</b>   |
| (213)                                       | <b>Net change in cash and cash equivalents</b>      |       | <b>1,335</b>   | <b>(359)</b>   |
| 900   | Cash and cash equivalents at beginning of year      |       | 933            | 1,292          |
| 687   | <b>Cash and cash equivalents at end of year</b>     | C1-1  | <b>2,268</b>   | <b>933</b>     |
| 8,000                                       | plus: Investments on hand at end of year            | C1-2  | 7,700          | 7,600          |
| 8,687                                       | <b>Total cash, cash equivalents and investments</b> |       | <b>9,968</b>   | <b>8,533</b>   |

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

# Central Tablelands Water

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# Central Tablelands Water

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 05 October 2023. 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 2021 (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.

#### **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.

#### **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.

## A1-1 Basis of preparation (continued)

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### **New accounting standards and interpretations issued but 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 2023 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 2023.

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 |                |
|---------------------------------------|--------------|--------------|--------------|--------------|------------------|--------------|--------------------------|--------------|---------------------------|----------------|
|                                       | 2023         | 2022         | 2023         | 2022         | 2023             | 2022         | 2023                     | 2022         | 2023                      | 2022           |
| <b>Functions or activities</b>        |              |              |              |              |                  |              |                          |              |                           |                |
| Governance                            | –            | –            | 274          | 193          | (274)            | (193)        | –                        | –            | –                         | –              |
| Water supplies                        | 8,928        | 7,852        | 7,526        | 6,564        | 1,402            | 1,288        | 1,671                    | 1,574        | 114,323                   | 105,617        |
| <b>Total functions and activities</b> | <b>8,928</b> | <b>7,852</b> | <b>7,800</b> | <b>6,757</b> | <b>1,128</b>     | <b>1,095</b> | <b>1,671</b>             | <b>1,574</b> | <b>114,323</b>            | <b>105,617</b> |



## 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   | 2023         | 2022         |
|---|--------------|--------------|
| <b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b> |              |              |
| Residential   | 1,177        | 1,131        |
| Commercial  | 279          | 268          |
| Rural   | 199          | 192          |
| Industrial  | 37           | 38           |
| Other   | 69           | 71           |
| Less: pensioner rebates (mandatory)                                 | (92)         | (93)         |
| <b>Annual charges levied</b>  | <b>1,669</b> | <b>1,607</b> |
| Pensioner annual charges subsidies received:                        |              |              |
| – Water   | 51           | 51           |
| <b>Total annual charges</b>   | <b>1,720</b> | <b>1,658</b> |
| <b>TOTAL ANNUAL CHARGES</b>   | <b>1,720</b> | <b>1,658</b> |
| <b>Timing of revenue recognition for rates and annual charges</b>   |              |              |
| Rates and annual charges recognised at a point in time (2)          | 1,720        | 1,658        |
| <b>Total rates and annual charges</b>                               | <b>1,720</b> | <b>1,658</b> |

### 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 | 2023         | 2022         |
|--|--------|--------------|--------------|
| <b>Specific user charges (per s502 - specific 'actual use' charges)</b>      |        |              |              |
| Residential  | 2      | 2,292        | 2,116        |
| Commercial   | 2      | 607          | 541          |
| Rural  | 2      | 901          | 757          |
| Industrial   | 2      | 617          | 584          |
| Bulk supplies to Council   | 2      | 76           | 70           |
| Other  | 2      | 289          | 158          |
| <b>Total specific user charges</b>   |        | <b>4,782</b> | <b>4,226</b> |
| <b>Other user charges and fees</b>   |        |              |              |
| <b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>  |        |              |              |
| Private works – section 67   | 2      | 142          | 189          |
| Section 603 certificates   | 2      | 25           | 33           |
| <b>Total fees and charges – statutory/regulatory</b>                         |        | <b>167</b>   | <b>222</b>   |
| <b>(ii) Fees and charges – other (incl. general user charges (per s608))</b> |        |              |              |
| Special meter readings and reconnection fees                                 | 2      | 7            | 8            |
| <b>Total fees and charges – other</b>  |        | <b>7</b>     | <b>8</b>     |
| <b>Total other user charges and fees</b>                                     |        | <b>174</b>   | <b>230</b>   |
| <b>Total user charges and fees</b>   |        | <b>4,956</b> | <b>4,456</b> |
| <b>Timing of revenue recognition for user charges and fees</b>               |        |              |              |
| User charges and fees recognised at a point in time (2)                      |        | 4,956        | 4,456        |
| <b>Total user charges and fees</b>   |        | <b>4,956</b> | <b>4,456</b> |

### 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.

## B2-3 Other revenues

| \$ '000   | Timing | 2023       | 2022      |
|---|--------|------------|-----------|
| Legal fees recovery – rates and charges (extra charges) | 2      | 27         | 11        |
| Legal fees recovery – other                             | 2      | –          | 2         |
| Diesel rebate   | 2      | 1          | 1         |
| Employee contributions to motor vehicles                | 2      | 30         | 31        |
| Insurance incentives and rebates                        | 2      | 9          | 6         |
| Investments recovery                                    |        | 25         | –         |
| Workers compensation claim reimbursement                | 2      | 174        | 20        |
| Other   | 2      | 1          | 3         |
| <b>Total other revenue</b>                              |        | <b>267</b> | <b>74</b> |
| <b>Timing of revenue recognition for other revenue</b>  |        |            |           |
| Other revenue recognised at a point in time (2)         |        | 267        | 74        |
| <b>Total other revenue</b>                              |        | <b>267</b> | <b>74</b> |

### 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<br>2023 | Operating<br>2022 | Capital<br>2023 | Capital<br>2022 |
|--|--------|-------------------|-------------------|-----------------|-----------------|
| <b>Special purpose grants and non-developer contributions (tied)</b> |        |                   |                   |                 |                 |
| Water supplies   | 1      | 17                | 15                | 998             | 649             |
| Other councils – joint works/services                                | 2      | –                 | –                 | 37              | 15              |
| Other specific grants  | 2      | –                 | 1                 | –               | –               |
| Developer charges – mains extensions                                 | 2      | –                 | –                 | 140             | 133             |
| <b>Non-cash contributions</b>  |        |                   |                   |                 |                 |
| Dedications  | 2      | –                 | –                 | –               | 136             |
| <b>Total other contributions – non-cash</b>                          |        | <b>–</b>          | <b>–</b>          | <b>–</b>        | <b>136</b>      |
| <b>Total grants and non-developer contributions</b>                  |        | <b>17</b>         | <b>16</b>         | <b>1,175</b>    | <b>933</b>      |
| <b>Comprising:</b>   |        |                   |                   |                 |                 |
| – State funding  |        | 17                | 15                | –               | 649             |
| – Other funding  |        | –                 | 1                 | 1,175           | 284             |
|  |        | <b>17</b>         | <b>16</b>         | <b>1,175</b>    | <b>933</b>      |

## Developer contributions

| \$ '000   | Notes | Timing | Operating<br>2023 | Operating<br>2022 | Capital<br>2023 | Capital<br>2022 |
|---|-------|--------|-------------------|-------------------|-----------------|-----------------|
| Developer contributions:<br>(s7.4 & s7.11 - EP&A Act, s64 of the<br>LGA): |       |        | F4                |                   |                 |                 |
| Cash contributions  |       |        |                   |                   |                 |                 |
| S 64 – water supply contributions   |       | 2      | –                 | –                 | 479             | 625             |
| Total developer contributions – cash                                      |       |        | –                 | –                 | 479             | 625             |
| Total developer contributions   |       |        | –                 | –                 | 479             | 625             |
| Total contributions   |       |        | –                 | –                 | 479             | 625             |
| Total grants and contributions  |       |        | 17                | 16                | 1,654           | 1,558           |
| Timing of revenue recognition for grants and<br>contributions             |       |        |                   |                   |                 |                 |
| Grants and contributions recognised over time (1)                         |       |        | 17                | 15                | –               | 649             |
| Grants and contributions recognised at a point in time<br>(2)             |       |        | –                 | 1                 | 1,654           | 909             |
| Total grants and contributions  |       |        | 17                | 16                | 1,654           | 1,558           |



## 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<br>2023 | Operating<br>2022 | Capital<br>2023 | Capital<br>2022 |
|--|-------------------|-------------------|-----------------|-----------------|
| <b>Unspent grants and contributions</b>  |                   |                   |                 |                 |
| Unspent funds at 1 July  | —                 | —                 | —               | 75              |
| <b>Add:</b> Funds received and not recognised as revenue in the current year                     | —                 | —                 | —               | —               |
| <b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year | —                 | —                 | —               | (15)            |
| Less: Funds received in prior year and refunded in current year                                  | —                 | —                 | —               | (60)            |
| <b>Unspent funds at 30 June</b>  | <b>—</b>          | <b>—</b>          | <b>—</b>        | <b>—</b>        |

### 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.

#### 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.

## B2-4 Grants and contributions (continued)

### 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  | 2023       | 2022      |
|--|------------|-----------|
| <b>Interest on financial assets measured at amortised cost</b> |            |           |
| – Overdue user and annual charges                              | 19         | 18        |
| – Cash and investments   | 270        | 49        |
| <b>Total interest and investment income (losses)</b>           | <b>289</b> | <b>67</b> |
| <b>Interest and investment income is attributable to:</b>      |            |           |
| <b>Restricted investments/funds – external:</b>                |            |           |
| Water fund operations  | 289        | 67        |
| <b>Total interest and investment income</b>                    | <b>289</b> | <b>67</b> |

### Accounting policy

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

## B2-6 Other income

| \$ '000                    | Notes | 2023      | 2022      |
|----------------------------|-------|-----------|-----------|
| <b>Rental income</b>       |       |           |           |
| Land                       |       | 25        | 23        |
| <b>Total rental income</b> | C2-2  | <b>25</b> | <b>23</b> |
| <b>Total other income</b>  |       | <b>25</b> | <b>23</b> |

## B3 Costs of providing services

### B3-1 Employee benefits and on-costs

| \$ '000  | 2023         | 2022         |
|--|--------------|--------------|
| Salaries and wages   | 1,839        | 1,730        |
| Employee leave entitlements (ELE)                            | 303          | 182          |
| Superannuation – defined contribution plans                  | 190          | 174          |
| Superannuation – defined benefit plans                       | 16           | 17           |
| Workers' compensation insurance                              | 49           | 43           |
| Fringe benefit tax (FBT)                                     | 25           | 30           |
| Payroll tax  | 60           | 41           |
| Employee assistance program                                  | 10           | 1            |
| <b>Total employee costs</b>                                  | <b>2,492</b> | <b>2,218</b> |
| Less: capitalised costs                                      | (108)        | (85)         |
| <b>Total employee costs expensed</b>                         | <b>2,384</b> | <b>2,133</b> |
| Number of 'full-time equivalent' employees (FTE) at year end | 24           | 23           |

#### 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 | 2023         | 2022         |
|---|-------|--------------|--------------|
| Raw materials and consumables                             |       | 901          | 721          |
| Contractor costs  |       | 652          | 513          |
| Audit Fees  | E2-1  | 63           | 37           |
| Councillor and Chairperson's fees and associated expenses | E1-2  | 101          | 84           |
| Advertising   |       | 17           | 13           |
| Bank charges  |       | 34           | 33           |
| Electricity and heating                                   |       | 318          | 339          |
| Insurance   |       | 168          | 145          |
| Postage   |       | 29           | 27           |
| Printing and stationery                                   |       | 20           | 20           |
| Subscriptions and publications                            |       | 49           | 51           |
| Telephone and communications                              |       | 55           | 65           |
| Travel expenses   |       | 9            | 2            |
| Demand management (water wise programme) expenses         |       | 6            | 4            |
| Groundwater and unregulated access fees                   |       | 28           | 22           |
| Training costs (other than salaries and wages)            |       | 42           | 31           |
| Other expenses  |       | 60           | 64           |
| <b>Legal expenses:</b>                                    |       |              |              |
| – Legal expenses: debt recovery                           |       | 25           | 13           |
| – Legal expenses: other                                   |       | 3            | 5            |
| Expenses from leases of low value assets                  |       | 3            | 3            |
| <b>Total materials and services</b>                       |       | <b>2,583</b> | <b>2,192</b> |
| <b>Total materials and services</b>                       |       | <b>2,583</b> | <b>2,192</b> |

### Accounting policy

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

## B3-3 Borrowing costs

| \$ '000  | 2023     | 2022      |
|--|----------|-----------|
| <b>(i) Interest bearing liability costs</b>            |          |           |
| Interest on loans                                      | –        | 11        |
| <b>Total interest bearing liability costs</b>          | <b>–</b> | <b>11</b> |
| <b>Total interest bearing liability costs expensed</b> | <b>–</b> | <b>11</b> |
| <b>Total borrowing costs expensed</b>                  | <b>–</b> | <b>11</b> |

### 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 | 2023         | 2022         |
|--|-------|--------------|--------------|
| <b>Depreciation and amortisation</b>   |       |              |              |
| Plant and equipment  |       | 175          | 171          |
| Office equipment   |       | 17           | 21           |
| Furniture and fittings   |       | 1            | 1            |
| <b>Infrastructure:</b>   | C1-7  |              |              |
| – Buildings – non-specialised  |       | 66           | 62           |
| – Water supply network   |       | 2,444        | 2,062        |
| Intangible assets  | C1-8  | 24           | 23           |
| <b>Total gross depreciation and amortisation costs</b>                                 |       | <b>2,727</b> | <b>2,340</b> |
| <b>Total depreciation and amortisation costs</b>                                       |       | <b>2,727</b> | <b>2,340</b> |
| <b>Impairment / revaluation decrement of IPPE</b>                                      |       |              |              |
| <b>Infrastructure:</b>   | C1-7  |              |              |
| – Water supply network   |       | 127          | –            |
| <b>Total gross IPPE impairment / revaluation decrement costs</b>                       |       | <b>127</b>   | <b>–</b>     |
| Amounts taken through revaluation reserve  | C1-7  | (127)        | –            |
| <b>Total IPPE impairment / revaluation decrement costs charged to Income Statement</b> |       | <b>–</b>     | <b>–</b>     |
| <b>Total depreciation, amortisation and impairment for non-financial assets</b>        |       | <b>2,727</b> | <b>2,340</b> |

### 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  | 2023      | 2022      |
|--|-----------|-----------|
| <b>Other</b>   |           |           |
| Donations, contributions and assistance to other organisations (Section 356) | 55        | 14        |
| <b>Total other expenses</b>  | <b>55</b> | <b>14</b> |

### 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 | 2023         | 2022         |
|--|-------|--------------|--------------|
| <b>Gain (or loss) on disposal of plant and equipment</b>             | C1-7  |              |              |
| Proceeds from disposal – plant and equipment                         |       | 130          | 257          |
| Less: carrying amount of plant and equipment assets sold/written off |       | (78)         | (146)        |
| <b>Gain (or loss) on disposal</b>                                    |       | <b>52</b>    | <b>111</b>   |
| <b>Gain (or loss) on disposal of infrastructure</b>                  | C1-7  |              |              |
| Proceeds from disposal – infrastructure                              |       | –            | –            |
| Less: carrying amount of infrastructure assets sold/written off      |       | (103)        | (178)        |
| <b>Gain (or loss) on disposal</b>                                    |       | <b>(103)</b> | <b>(178)</b> |
| <b>Gain (or loss) on disposal of investments</b>                     | C1-2  |              |              |
| Proceeds from disposal/redemptions/maturities – investments          |       | 7,600        | 6,100        |
| Less: carrying amount of investments sold/redeemed/matured           |       | (7,600)      | (6,100)      |
| <b>Gain (or loss) on disposal</b>                                    |       | <b>–</b>     | <b>–</b>     |
| <b>Net gain (or loss) from disposal of assets</b>                    |       | <b>(51)</b>  | <b>(67)</b>  |

### 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 22 June 2022 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  | 2023<br>Budget | 2023<br>Actual | 2023<br>----- Variance ----- |                 |
|--|----------------|----------------|------------------------------|-----------------|
| <b>Revenues</b>  |                |                |                              |                 |
| <b>User charges and fees</b>   | <b>5,868</b>   | <b>4,956</b>   | <b>(912)</b>                 | <b>(16)% U</b>  |
| Revenue from user fees and charges was down due to lower water usage.  |                |                |                              |                 |
| <b>Other revenues</b>  | <b>46</b>      | <b>267</b>     | <b>221</b>                   | <b>480% F</b>   |
| \$174,000 was received in reimbursement for a long term workers compensation claim and \$25,000 from an investment recovery which relates back to impaired investments in the Global Financial Crisis. |                |                |                              |                 |
| <b>Operating grants and contributions</b>  | <b>–</b>       | <b>17</b>      | <b>17</b>                    | <b>∞ F</b>      |
| \$17,000 was received for the Caragabal water feasibility study.   |                |                |                              |                 |
| <b>Capital grants and contributions</b>  | <b>264</b>     | <b>1,654</b>   | <b>1,390</b>                 | <b>527% F</b>   |
| The original budget did not include grant funding for the new Carcoar Water Treatment Plant reservoir as the project was a carryover from the prior year.  |                |                |                              |                 |
| <b>Interest and investment revenue</b>   | <b>112</b>     | <b>289</b>     | <b>177</b>                   | <b>158% F</b>   |
| Investment revenue was significantly higher due to the rise in interest rates.   |                |                |                              |                 |
| <b>Expenses</b>  |                |                |                              |                 |
| <b>Other expenses</b>  | <b>12</b>      | <b>55</b>      | <b>(43)</b>                  | <b>(358)% U</b> |
| A water allowance was provided free of charge to Eugowra village residents to assist with recovery and clean up following the significant flood event in November 2022.                                |                |                |                              |                 |
| <b>Net losses from disposal of assets</b>  | <b>–</b>       | <b>51</b>      | <b>(51)</b>                  | <b>∞ U</b>      |
| Proceeds from sales of motor vehicles was slightly less than budget and there were a number of redundant infrastructure assets written off which resulted in a net loss on disposal.                   |                |                |                              |                 |
| <b>Statement of cash flows</b>   |                |                |                              |                 |
| <b>Cash flows from operating activities</b>  | <b>2,881</b>   | <b>3,999</b>   | <b>1,118</b>                 | <b>39% F</b>    |
| Cash flows from operating activities was higher than budget due to the increase in capital grants.   |                |                |                              |                 |
| <b>Cash flows from investing activities</b>  | <b>(3,094)</b> | <b>(2,664)</b> | <b>430</b>                   | <b>(14)% F</b>  |
| Investments were not purchased which resulted in more funds being held in cash and cash equivalents.   |                |                |                              |                 |



## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

| \$ '000                                | 2023         | 2022       |
|--|--------------|------------|
| <b>Cash assets</b>                     |              |            |
| Cash on hand and at bank               | 1,568        | 433        |
| Cash equivalent assets                 |              |            |
| – Deposits at call                     | 200          | 500        |
| – Short-term deposits                  | 500          | –          |
| <b>Total cash and cash equivalents</b> | <b>2,268</b> | <b>933</b> |

#### Reconciliation of cash and cash equivalents

|   |              |            |
|---|--------------|------------|
| Total cash and cash equivalents per Statement of Financial Position | 2,268        | 933        |
| <b>Balance as per the Statement of Cash Flows</b>                   | <b>2,268</b> | <b>933</b> |

#### 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  | 2023<br>Current | 2023<br>Non-current | 2022<br>Current | 2022<br>Non-current |
|--|-----------------|---------------------|-----------------|---------------------|
| <b>Debt securities at amortised cost</b>                   |                 |                     |                 |                     |
| Long term deposits   | 7,700           | –                   | 7,600           | –                   |
| <b>Total</b>   | <b>7,700</b>    | <b>–</b>            | <b>7,600</b>    | <b>–</b>            |
| <b>Total financial investments</b>                         | <b>7,700</b>    | <b>–</b>            | <b>7,600</b>    | <b>–</b>            |
| <b>Total cash assets, cash equivalents and investments</b> | <b>9,968</b>    | <b>–</b>            | <b>8,533</b>    | <b>–</b>            |

#### 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

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.

## C1-2 Financial investments (continued)

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 and allocated cash, cash equivalents and investments

| <b>\$ '000</b>   | <b>2023</b>  | <b>2022</b>  |
|--|--------------|--------------|
| (a) Externally restricted cash,<br>cash equivalents and<br>investments                   |              |              |
| <b>Total cash, cash equivalents and investments</b>                                      | <b>9,968</b> | <b>8,533</b> |
| Less: Externally restricted cash, cash equivalents and investments                       | (12)         | (12)         |
| <b>Cash, cash equivalents and investments not subject to external restrictions</b>       | <b>9,956</b> | <b>8,521</b> |
| <b>External restrictions</b>   |              |              |
| <b>External restrictions – included in liabilities</b>                                   |              |              |
| External restrictions included in cash, cash equivalents and investments above comprise: |              |              |
| Other contributions  | 12           | 12           |
| <b>Total external restrictions</b>   | <b>12</b>    | <b>12</b>    |

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

**C1-3 Restricted and allocated cash, cash equivalents and investments (continued)**

| <b>\$ '000</b> | <b>2023</b> | <b>2022</b> |
|----------------|-------------|-------------|
|----------------|-------------|-------------|

**(b) Internal allocations****Cash, cash equivalents and investments not subject to external restrictions**

|              |              |
|--------------|--------------|
| <b>9,956</b> | <b>8,521</b> |
|--------------|--------------|

Less: Internally restricted cash, cash equivalents and investments

|                |                |
|----------------|----------------|
| <b>(9,456)</b> | <b>(8,021)</b> |
|----------------|----------------|

**Unrestricted and unallocated cash, cash equivalents and investments**

|            |            |
|------------|------------|
| <b>500</b> | <b>500</b> |
|------------|------------|

**Internal allocations**

At 30 June, Council has internally allocated funds to the following:

|                                   |              |              |
|-----------------------------------|--------------|--------------|
| Plant and vehicle replacement     | <b>771</b>   | 671          |
| Infrastructure replacement        | <b>7,465</b> | 6,200        |
| Employees leave entitlement       | <b>598</b>   | 558          |
| Development reserve               | <b>482</b>   | 482          |
| Consultancy                       | <b>140</b>   | 110          |
| <b>Total internal allocations</b> | <b>9,456</b> | <b>8,021</b> |

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

| <b>\$ '000</b> | <b>2023</b> | <b>2022</b> |
|----------------|-------------|-------------|
|----------------|-------------|-------------|

**(c) Unrestricted and unallocated**

|  |            |            |
|--|------------|------------|
| <b>Unrestricted and unallocated cash, cash equivalents and investments</b> | <b>500</b> | <b>500</b> |
|--|------------|------------|

## C1-4 Receivables

| \$ '000   | 2023<br>Current | 2023<br>Non-current | 2022<br>Current | 2022<br>Non-current |
|---|-----------------|---------------------|-----------------|---------------------|
| User charges and fees                               | 554             | –                   | 462             | –                   |
| Accrued revenues                                    |                 |                     |                 |                     |
| – Interest on investments                           | 176             | –                   | 29              | –                   |
| Amounts due from other councils                     | 14              | –                   | 24              | –                   |
| Deferred debtors                                    | 8               | 1                   | 7               | 1                   |
| Government grants and subsidies                     | 265             | –                   | 376             | –                   |
| Net GST receivable                                  | 12              | –                   | 17              | –                   |
| Other debtors                                       | 19              | –                   | 8               | –                   |
| <b>Total</b>  | <b>1,048</b>    | <b>1</b>            | <b>923</b>      | <b>1</b>            |
| <b>Less: provision for impairment</b>               |                 |                     |                 |                     |
| User charges and fees                               | (8)             | –                   | (8)             | –                   |
| <b>Total provision for impairment – receivables</b> | <b>(8)</b>      | <b>–</b>            | <b>(8)</b>      | <b>–</b>            |
| <b>Total net receivables</b>                        | <b>1,040</b>    | <b>1</b>            | <b>915</b>      | <b>1</b>            |

| \$ '000  | 2023     | 2022     |
|--|----------|----------|
| <b>Movement in provision for impairment of receivables</b> |          |          |
| Balance at the beginning of the year                       | 8        | 8        |
| <b>Balance at the end of the year</b>                      | <b>8</b> | <b>8</b> |

### 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.



## C1-5 Inventories

| \$ '000                          | 2023<br>Current | 2023<br>Non-current | 2022<br>Current | 2022<br>Non-current |
|----------------------------------|-----------------|---------------------|-----------------|---------------------|
| <b>(i) Inventories at cost</b>   |                 |                     |                 |                     |
| Stores and materials             | 210             | –                   | 239             | –                   |
| <b>Total inventories at cost</b> | <b>210</b>      | <b>–</b>            | <b>239</b>      | <b>–</b>            |
| <b>Total inventories</b>         | <b>210</b>      | <b>–</b>            | <b>239</b>      | <b>–</b>            |

### (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   | 2023<br>Current | 2023<br>Non-current | 2022<br>Current | 2022<br>Non-current |
|---|-----------------|---------------------|-----------------|---------------------|
| Contract assets                                       | –               | –                   | 31              | –                   |
| <b>Total contract assets and contract cost assets</b> | <b>–</b>        | <b>–</b>            | <b>31</b>       | <b>–</b>            |

### Contract assets

|                              |          |          |           |          |
|------------------------------|----------|----------|-----------|----------|
| Grants Capital               | –        | –        | 31        | –        |
| <b>Total contract assets</b> | <b>–</b> | <b>–</b> | <b>31</b> | <b>–</b> |

#### 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 2022        |   |                     | Asset movements during the reporting period |                      |                             |                      |   |               |  | At 30 June 2023       |   |                     |
|--|-----------------------|---|---------------------|---|----------------------|-----------------------------|----------------------|---|---------------|--|-----------------------|---|---------------------|
|  | Gross carrying amount | Accumulated depreciation and impairment | Net carrying amount | Additions renewals <sup>1</sup>             | Additions new assets | Carrying value of disposals | Depreciation expense | Impairment loss / revaluation decrements (recognised in equity) | WIP transfers | Revaluation increments to equity (ARR) | Gross carrying amount | Accumulated depreciation and impairment | Net carrying amount |
| <b>\$ '000</b>   |                       |   |                     |   |                      |                             |                      |   |               |  |                       |   |                     |
| Capital work in progress                                   | 2,656                 | —                                       | 2,656               | 72  | 1,006                | —                           | —                    | —   | (392)         | —                                      | 3,342                 | —                                       | 3,342               |
| Plant and equipment  | 1,521                 | (849)                                   | 672                 | —   | 209                  | (78)                        | (175)                | —   | —             | —                                      | 1,587                 | (959)                                   | 628                 |
| Office equipment   | 164                   | (137)                                   | 27                  | —   | 15                   | —                           | (17)                 | —   | —             | —                                      | 180                   | (155)                                   | 25                  |
| Furniture and fittings                                     | 39                    | (36)                                    | 3                   | —   | —                    | —                           | (1)                  | —   | —             | —                                      | 39                    | (37)                                    | 2                   |
| <b>Land:</b>   |                       |   |                     |   |                      |                             |                      |   |               |  |                       |   |                     |
| — Operational land   | 2,366                 | —                                       | 2,366               | —   | —                    | —                           | —                    | —   | —             | 615                                    | 2,981                 | —                                       | 2,981               |
| <b>Infrastructure:</b>                                     |                       |   |                     |   |                      |                             |                      |   |               |  |                       |   |                     |
| — Buildings  | 2,853                 | (1,199)                                 | 1,654               | —   | 12                   | —                           | (66)                 | —   | —             | 414                                    | 3,599                 | (1,585)                                 | 2,014               |
| — Water supply network                                     | 161,436               | (72,982)                                | 88,454              | 674   | 705                  | (103)                       | (2,444)              | (127)   | 392           | 6,528                                  | 174,783               | (80,704)                                | 94,079              |
| <b>Total infrastructure, property, plant and equipment</b> | <b>171,035</b>        | <b>(75,203)</b>                         | <b>95,832</b>       | <b>746</b>                                  | <b>1,947</b>         | <b>(181)</b>                | <b>(2,703)</b>       | <b>(127)</b>  | <b>—</b>      | <b>7,557</b>                           | <b>186,511</b>        | <b>(83,440)</b>                         | <b>103,071</b>      |

(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 2021        |   |                     | Asset movements during the reporting period |                      |                             |                      |               |  |  | At 30 June 2022       |   |                     |
|--|-----------------------|---|---------------------|---|----------------------|-----------------------------|----------------------|---------------|--|--|-----------------------|---|---------------------|
|  | Gross carrying amount | Accumulated depreciation and impairment | Net carrying amount | Additions renewals <sup>1</sup>             | 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 |
| <b>\$ '000</b>   |                       |   |                     |   |                      |                             |                      |               |  |  |                       |   |                     |
| Capital work in progress                                   | 1,895                 | —                                       | 1,895               | 298   | 664                  | —                           | —                    | (201)         | —                                      |  | 2,656                 | —                                       | 2,656               |
| Plant and equipment  | 1,349                 | (821)                                   | 528                 | —   | 461                  | (146)                       | (171)                | —             | —                                      |  | 1,521                 | (849)                                   | 672                 |
| Office equipment   | 156                   | (116)                                   | 40                  | —   | 8                    | —                           | (21)                 | —             | —                                      |  | 164                   | (137)                                   | 27                  |
| Furniture and fittings                                     | 39                    | (35)                                    | 4                   | —   | —                    | —                           | (1)                  | —             | —                                      |  | 39                    | (36)                                    | 3                   |
| <b>Land:</b>   |                       |   |                     |   |                      |                             |                      |               |  |  |                       |   |                     |
| — Operational land   | 2,366                 | —                                       | 2,366               | —   | —                    | —                           | —                    | —             | —                                      |  | 2,366                 | —                                       | 2,366               |
| <b>Infrastructure:</b>                                     |                       |   |                     |   |                      |                             |                      |               |  |  |                       |   |                     |
| — Buildings – non-specialised                              | 2,853                 | (1,145)                                 | 1,708               | 8   | —                    | —                           | (62)                 | —             | —                                      |  | 2,853                 | (1,199)                                 | 1,654               |
| — Water supply network                                     | 146,583               | (70,273)                                | 76,310              | 330   | 219                  | (178)                       | (2,062)              | 201           | 13,634                                 |  | 161,436               | (72,982)                                | 88,454              |
| <b>Total infrastructure, property, plant and equipment</b> | <b>155,241</b>        | <b>(72,390)</b>                         | <b>82,851</b>       | <b>636</b>                                  | <b>1,352</b>         | <b>(324)</b>                | <b>(2,317)</b>       | <b>—</b>      | <b>13,634</b>                          |  | <b>171,035</b>        | <b>(75,203)</b>                         | <b>95,832</b>       |

(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       | 20 to 200 |
| Bores                     | 30 to 50  |
| Reticulation pipes: PVC   | 80 to 100 |
| Reticulation pipes: other | 50 to 100 |
| Pumps stations            | 15 to 100 |
| Telemetry                 | 15        |
| Treatment Plants          | 15 to 80  |
| Trunk mains               | 50 to 100 |

#### 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.

## Infrastructure, property, plant and equipment – current year impairments

| \$ '000  | 2023         | 2022     |
|--|--------------|----------|
| Impairment losses recognised direct to equity (ARR): |              |          |
| – Broad Street Eugowra pump station                  | (127)        | –        |
| <b>Total impairment losses</b>                       | <b>(127)</b> | <b>–</b> |
| Impairment of assets – direct to equity (ARR)        | <b>(127)</b> | <b>–</b> |

## C1-8 Intangible assets

Intangible assets are as follows:

| \$ '000   | 2023      | 2022      |
|---|-----------|-----------|
| <b>Software</b>                                 |           |           |
| <b>Opening values at 1 July</b>                 |           |           |
| Gross book value                                | 117       | 117       |
| Accumulated amortisation                        | (68)      | (45)      |
| <b>Net book value – opening balance</b>         | <b>49</b> | <b>72</b> |
| <b>Movements for the year</b>                   |           |           |
| Amortisation charges                            | (24)      | (23)      |
| <b>Closing values at 30 June</b>                |           |           |
| Gross book value                                | 117       | 117       |
| Accumulated amortisation                        | (92)      | (68)      |
| <b>Total software – net book value</b>          | <b>25</b> | <b>49</b> |
| <b>Total intangible assets – net book value</b> | <b>25</b> | <b>49</b> |

## 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                               | 2023     | 2022     |
|---------------------------------------|----------|----------|
| Expenses relating to low-value leases | 3        | 3        |
|                                       | <b>3</b> | <b>3</b> |

#### (b) Statement of Cash Flows

|                               |          |          |
|-------------------------------|----------|----------|
| Total cash outflow for leases | 3        | 3        |
|                               | <b>3</b> | <b>3</b> |

#### 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 | 2023 | 2022 |
|---------|------|------|
|---------|------|------|

#### (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 reservoirs. 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) | 25        | 23        |
| <b>Total income relating to operating leases for Council assets</b>                | <b>25</b> | <b>23</b> |

#### Amount of IPPE leased out by Council under operating leases

|  |            |            |
|--|------------|------------|
| Land   | 496        | 453        |
| <b>Total amount of IPPE leased out by Council under operating leases</b> | <b>496</b> | <b>453</b> |

#### (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  | 26         | 25         |
| 1–2 years   | 26         | 25         |
| 2–3 years   | 27         | 25         |
| 3–4 years   | 16         | 25         |
| 4–5 years   | 16         | 13         |
| > 5 years   | 77         | 79         |
| <b>Total undiscounted lease payments to be received</b> | <b>188</b> | <b>192</b> |

### 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                                 | 2023<br>Current | 2023<br>Non-current | 2022<br>Current | 2022<br>Non-current |
|---|-----------------|---------------------|-----------------|---------------------|
| <b>Payables</b>                         |                 |                     |                 |                     |
| Goods and services                      | 202             | –                   | 194             | –                   |
| Accrued expenses:                       |                 |                     |                 |                     |
| – Salaries and wages                    | 79              | –                   | 74              | –                   |
| – Other expenditure accruals            | 120             | –                   | 51              | –                   |
| Security bonds, deposits and retentions | 12              | –                   | 12              | –                   |
| Prepaid user charges                    | 154             | –                   | 147             | –                   |
| <b>Total payables</b>                   | <b>567</b>      | <b>–</b>            | <b>478</b>      | <b>–</b>            |
| <b>Income received in advance</b>       |                 |                     |                 |                     |
| Payments received in advance            | 27              | –                   | 36              | –                   |
| <b>Total income received in advance</b> | <b>27</b>       | <b>–</b>            | <b>36</b>       | <b>–</b>            |
| <b>Total payables</b>                   | <b>594</b>      | <b>–</b>            | <b>514</b>      | <b>–</b>            |

#### 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

There are no contract liabilities as at 30 June 2023.

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

| \$ '000  | 2023     | 2022      |
|--|----------|-----------|
| <b>Grants and contributions received in advance:</b>   |          |           |
| Capital grants (to construct Council controlled assets)  | –        | 15        |
| <b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b> | <b>–</b> | <b>15</b> |

### 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

|  | 2021            |              | Non-cash movements |                    |  |                         | 2022            |
|--|-----------------|--------------|--------------------|--------------------|--|-------------------------|-----------------|
|  | Opening Balance | Cash flows   | Acquisition        | Fair value changes | Acquisition due to change in accounting policy | Other non-cash movement | Closing balance |
| <b>\$ '000</b>                                     |                 |              |                    |                    |  |                         |                 |
| Loans – secured                                    | 413             | (413)        | –                  | –                  | –  | –                       | –               |
| <b>Total liabilities from financing activities</b> | <b>413</b>      | <b>(413)</b> | <b>–</b>           | <b>–</b>           | <b>–</b>                                       | <b>–</b>                | <b>–</b>        |

### Financing arrangements

| <b>\$ '000</b>                              | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
| <b>Total facilities</b>                     |             |             |
| Credit cards/purchase cards                 | 45          | 45          |
| <b>Total financing arrangements</b>         | <b>45</b>   | <b>45</b>   |
| <b>Undrawn facilities</b>                   |             |             |
| – Credit cards/purchase cards               | 45          | 45          |
| <b>Total undrawn financing arrangements</b> | <b>45</b>   | <b>45</b>   |

### 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                                  | 2023<br>Current | 2023<br>Non-current | 2022<br>Current | 2022<br>Non-current |
|--|-----------------|---------------------|-----------------|---------------------|
| Annual leave                             | 370             | –                   | 313             | –                   |
| Long service leave                       | 605             | 21                  | 604             | 11                  |
| <b>Total employee benefit provisions</b> | <b>975</b>      | <b>21</b>           | <b>917</b>      | <b>11</b>           |

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

| \$ '000  | 2023       | 2022       |
|--|------------|------------|
| The following provisions, even though classified as current, are not expected to be settled in the next 12 months. |            |            |
| Provisions – employees benefits  | 726        | 692        |
|  | <b>726</b> | <b>692</b> |

### 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

#### IPPE 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  | 2023 | 2022 |
|--|------|------|
| 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  | 84   | 81   |

#### (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<br>overdue | overdue rates and annual charges |           | Total |
|-----------------------|--------------------|----------------------------------|-----------|-------|
|                       |                    | < 5 years                        | ≥ 5 years |       |
| 2023                  |                    |                                  |           |       |
| Gross carrying amount | 374                | 180                              | —         | 554   |
| 2022                  |                    |                                  |           |       |
| Gross carrying amount | 373                | 89                               | —         | 462   |

#### 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<br>overdue | Overdue debts |              |              |           | Total |
|------------------------|--------------------|---------------|--------------|--------------|-----------|-------|
|                        |                    | 0 - 30 days   | 31 - 60 days | 61 - 90 days | > 91 days |       |
| 2023                   |                    |               |              |              |           |       |
| Gross carrying amount  | 491                | —             | 1            | —            | 3         | 495   |
| Expected loss rate (%) | 1.60%              | 0.00%         | 0.00%        | 0.00%        | 0.00%     | 1.59% |
| ECL provision          | 8                  | —             | —            | —            | —         | 8     |
| 2022                   |                    |               |              |              |           |       |
| Gross carrying amount  | 491                | —             | 1            | 1            | —         | 493   |
| Expected loss rate (%) | 1.60%              | 0.00%         | 0.00%        | 0.00%        | 0.00%     | 1.59% |
| 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<br>average<br>interest<br>rate | Subject<br>to no<br>maturity | ≤ 1 Year   | payable in:<br>1 - 5<br>Years | > 5 Years | Total cash<br>outflows | Actual<br>carrying<br>values |
|------------------------------------|---|------------------------------|------------|-------------------------------|-----------|------------------------|------------------------------|
| <b>2023</b>                        |   |                              |            |                               |           |                        |                              |
| Payables                           | 0.00%                                   | 12                           | 555        | –                             | –         | 567                    | 567                          |
| <b>Total financial liabilities</b> |   | <b>12</b>                    | <b>555</b> | <b>–</b>                      | <b>–</b>  | <b>567</b>             | <b>567</b>                   |
| <b>2022</b>                        |   |                              |            |                               |           |                        |                              |
| Payables                           | 0.00%                                   | 12                           | 466        | –                             | –         | 478                    | 478                          |
| <b>Total financial liabilities</b> |   | <b>12</b>                    | <b>466</b> | <b>–</b>                      | <b>–</b>  | <b>478</b>             | <b>478</b>                   |

## D2-1 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<br>observable inputs |      | Level 3 Significant<br>unobservable inputs |        | Total   |        |
|   |       | 2023                                     | 2022 | 2023                                       | 2022   | 2023    | 2022   |
| Recurring fair value measurements                         |       |  |      |  |        |         |        |
| Infrastructure,<br>property, plant and<br>equipment       | C1-7  |  |      |  |        |         |        |
| Plant & Equipment   |       | –  | –    | 628  | 672    | 628     | 672    |
| Office Equipment  |       | –  | –    | 25   | 27     | 25      | 27     |
| Furniture & Fittings                                      |       | –  | –    | 2  | 3      | 2       | 3      |
| Operational Land  |       | –  | –    | 2,981                                      | 2,366  | 2,981   | 2,366  |
| Buildings   |       | 524                                      | 314  | 1,490                                      | 1,340  | 2,014   | 1,654  |
| Water Supply Network                                      |       | –  | –    | 94,079                                     | 88,454 | 94,079  | 88,454 |
| Capital Works in Progress                                 |       | –  | –    | 3,342                                      | 2,656  | 3,342   | 2,656  |
| Total infrastructure,<br>property, plant and<br>equipment |       | 524                                      | 314  | 102,547                                    | 95,518 | 103,071 | 95,832 |

## D2-1 Fair value measurement (continued)

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### 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 2023 and was performed by AssetVal by Regan Kenealy, Certified Practising Valuer AAPI.

##### Buildings – (Level 2 and 3)

Council Office, Council Depots and Council Filtration Plant Buildings

Council's Buildings were last valued on 30 June 2023 by AssetVal by Regan Kenealy, Certified Practising Valuer AAPI. 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 revalued on 30 June 2022 by Australis Asset Advisory Group who 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.

## D2-1 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<br>(30/6/23)<br>2023 | Valuation technique/s | Unobservable inputs   |
|--|---------------------------------|-----------------------|---|
| <b>Infrastructure, property, plant and equipment</b> |                                 |                       |   |
| Plant & Equipment                                    | 628                             | Refer Note D2-1 above | Increase/decrease in cost of unit or useful life                  |
| Office Equipment                                     | 25                              | Refer Note D2-1 above | Increase/decrease in cost of unit or useful life                  |
| Furniture & Fittings                                 | 2                               | Refer Note D2-1 above | Increase/decrease in cost of unit or useful life                  |
| Operational Land                                     | 2,981                           | Refer Note D2-1 above | Increase/decrease in land value, land area                        |
| Buildings  | 1,490                           | Refer Note D2-1 above | Market value  |
| Water Supply Network                                 | 94,079                          | Refer Note D2-1 above | Increase/decrease in cost of unit or useful life, asset condition |
| Capital Works in Progress                            | 3,342                           | 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          |         |
|--|----------------|---------|
|  | 2023           | 2022    |
| <b>Opening balance</b>   | <b>95,518</b>  | 82,539  |
| <b>Total gains or losses for the period</b>                    |                |         |
| Recognised in other comprehensive income – revaluation surplus | <b>7,452</b>   | 13,634  |
| <b>Other movements</b>   |                |         |
| Purchases (GBV)  | <b>2,681</b>   | 1,980   |
| Disposals (WDV)  | <b>(181)</b>   | (324)   |
| Depreciation and impairment                                    | <b>(2,923)</b> | (2,311) |
| <b>Closing balance</b>   | <b>102,547</b> | 95,518  |

#### 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;<br>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 8.0% of salaries or the year ended 30 June 2023 (increasing to 8.5% 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 \$20.0 million for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2022. 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 2023 was \$ 9,414.09. The last valuation of the Scheme was performed by Fund Actuary, Richard Boyfield, FIAA, as at 30 June 2022.

## D3-1 Contingencies (continued)

The amount of additional contributions included in the total employer contribution advised above is \$7,515.48. Council's expected contribution to the plan for the next annual reporting period is \$9,745.80

The estimated employer reserves financial position for the Pooled Employers at 30 June 2023 is:

| Employer reserves only * | \$millions | Asset Coverage |
|--------------------------|------------|----------------|
| Assets                   | 2,290.9    |                |
| Past Service Liabilities | 2,236.1    | 102.4%         |
| Vested Benefits          | 2,253.6    | 101.7%         |

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

Based on on Past Service Liabilities Methodology the share of any surplus or deficit can be attributed to Central Tablelands Water is .04%.

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  | 6.0% per annum                          |
| Salary inflation * | 3.5% per annum                          |
| Increase in CPI    | 6.0% per annum 22/23<br>2.5% thereafter |

\* 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 2023.

### (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

## D3-1 Contingencies (continued)

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### (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.

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

#### E1-1 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                  | 2023       | 2022       |
|--------------------------|------------|------------|
| <b>Compensation:</b>     |            |            |
| Short-term benefits      | 554        | 515        |
| Post-employment benefits | 82         | 81         |
| Other long-term benefits | 15         | 15         |
| <b>Total</b>             | <b>651</b> | <b>611</b> |

#### 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, 2023.



## E1-2 Councillor and Chair fees and associated expenses

| \$ '000  | 2023       | 2022      |
|--|------------|-----------|
| 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         | 14        |
| Member expenses – member fees  | 63         | 57        |
| Members Expenses - superannuation  | 7          | –         |
| Member expenses (incl. chairperson) – other (excluding fees above)   | 14         | 13        |
| <b>Total</b>   | <b>101</b> | <b>84</b> |

## E2 Other relationships

### E2-1 Audit fees

| \$ '000  | 2023      | 2022      |
|--|-----------|-----------|
| During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms |           |           |
| <b>Auditors of the Council - NSW Auditor-General:</b>  |           |           |
| (i) <b>Audit and other assurance services</b>  |           |           |
| Audit and review of financial statements   | 38        | 33        |
| <b>Remuneration for audit and other assurance services</b>   | <b>38</b> | <b>33</b> |
| <b>Total Auditor-General remuneration</b>  | <b>38</b> | <b>33</b> |
| <b>Non NSW Auditor-General audit firms</b>   |           |           |
| (i) <b>Audit and other assurance services</b>  |           |           |
| Other audit and assurance services – Internal Audit  | 25        | 4         |
| <b>Remuneration for audit and other assurance services</b>   | <b>25</b> | <b>4</b>  |
| <b>Total remuneration of non NSW Auditor-General audit firms</b>   | <b>25</b> | <b>4</b>  |
| <b>Total audit fees</b>  | <b>63</b> | <b>37</b> |

## F Other matters

### F1-1 Statement of Cash Flows information

#### Reconciliation of net operating result to cash provided from operating activities

| \$ '000  | 2023         | 2022         |
|--|--------------|--------------|
| <b>Net operating result from Income Statement</b>                          | <b>1,128</b> | 1,095        |
| <b>Add / (less) non-cash items:</b>  |              |              |
| Depreciation and amortisation  | 2,727        | 2,340        |
| (Gain) / loss on disposal of assets  | 51           | 67           |
| Non-cash capital grants and contributions                                  | –            | (136)        |
| <b>Movements in operating assets and liabilities and other cash items:</b> |              |              |
| (Increase) / decrease of receivables                                       | (124)        | (170)        |
| (Increase) / decrease of inventories                                       | 29           | (39)         |
| (Increase) / decrease of other current assets                              | 9            | (8)          |
| (Increase) / decrease of contract asset                                    | 31           | 129          |
| Increase / (decrease) in payables  | 8            | 9            |
| Increase / (decrease) in other accrued expenses payable                    | 74           | (61)         |
| Increase / (decrease) in other liabilities                                 | (2)          | 28           |
| Increase / (decrease) in contract liabilities                              | –            | (75)         |
| Increase / (decrease) in employee benefit provision                        | 68           | (31)         |
| <b>Net cash flows from operating activities</b>                            | <b>3,999</b> | <b>3,148</b> |

### F2-1 Commitments

#### Capital commitments (exclusive of GST)

| \$ '000  | 2023         | 2022         |
|--|--------------|--------------|
| Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities: |              |              |
| <b>Property, plant and equipment</b>   |              |              |
| Plant and equipment  | 71           | –            |
| Water Infrastructure   | 2,769        | 3,485        |
| <b>Total commitments</b>   | <b>2,840</b> | <b>3,485</b> |
| <b>These expenditures are payable as follows:</b>  |              |              |
| Within the next year   | 2,840        | 3,485        |
| <b>Total payable</b>   | <b>2,840</b> | <b>3,485</b> |
| <b>Sources for funding of capital commitments:</b>   |              |              |
| Future grants and contributions  | 1,959        | 2,675        |
| Internally restricted reserves   | 881          | 810          |
| <b>Total sources of funding</b>  | <b>2,840</b> | <b>3,485</b> |

#### 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.

### 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 2023

### F4-1 Summary of developer contributions

| \$ '000                    | Opening<br>balance at<br>1 July 2022 | Contributions received during the year |               |                   | Interest and<br>investment<br>income earned | Amounts<br>expended | Internal<br>borrowings | Held as<br>restricted<br>asset at 30 June 2023 | Cumulative<br>balance of internal<br>borrowings<br>(to)/from |
|----------------------------|--------------------------------------|--|---------------|-------------------|---|---------------------|------------------------|--|--|
|                            |                                      | Cash                                   | Non-cash Land | Non-cash<br>Other |   |                     |                        |  |  |
| S64 contributions          | —                                    | 479                                    | —             | —                 | —   | (479)               | —                      | —  | —  |
| <b>Total contributions</b> | <b>—</b>                             | <b>479</b>                             | <b>—</b>      | <b>—</b>          | <b>—</b>                                    | <b>(479)</b>        | <b>—</b>               | <b>—</b>                                       | <b>—</b>   |

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<br>2023 | Indicator<br>2023 | Prior periods<br>2022      2021 |           | Benchmark |
|---|-----------------|-------------------|---------------------------------|-----------|-----------|
| <b>1. Operating performance ratio</b>   |                 |                   |                                 |           |           |
| Total continuing operating revenue <sup>(1)(2)</sup> excluding capital grants and contributions less operating expenses   | <u>(475)</u>    | -6.53%            | -6.29%                          | -24.27%   | > 0.00%   |
| Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions  | <u>7,274</u>    |                   |                                 |           |           |
| <b>2. Own source operating revenue ratio</b>  |                 |                   |                                 |           |           |
| Total continuing operating revenue <sup>(1)</sup> excluding all grants and contributions  | <u>7,257</u>    | 81.28%            | 79.95%                          | 76.07%    | > 60.00%  |
| Total continuing operating revenue <sup>(1)</sup>   | <u>8,928</u>    |                   |                                 |           |           |
| <b>3. Unrestricted current ratio</b>  |                 |                   |                                 |           |           |
| Current assets less all external restrictions   | <u>11,214</u>   | 13.49x            | 13.37x                          | 7.26x     | > 1.5x    |
| Current liabilities less specific purpose liabilities   | <u>831</u>      |                   |                                 |           |           |
| <b>4. Debt service cover ratio</b>  |                 |                   |                                 |           |           |
| Operating result <sup>(1)</sup> before capital excluding interest and depreciation/impairment/amortisation  | <u>2,252</u>    | 0.00x             | 4.61x                           | 2.20x     | > 2x      |
| Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)  | <u>-</u>        |                   |                                 |           |           |
| <b>5. Cash expense cover ratio</b>  |                 |                   |                                 |           |           |
| Current year's cash and cash equivalents plus all term deposits   | <u>9,968</u>    | 22.45 mths        | 19.4 mths                       | 16.3 mths | > 3 mths  |
| Monthly payments from cash flow of operating and financing activities   | <u>444</u>      |                   |                                 |           |           |
| <b>WATER AVAILABILITY &amp; USER CHARGES RATIO</b>  |                 |                   |                                 |           |           |
| 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: |                 |                   |                                 |           |           |
| <b>6. Annual water charges coverage ratio</b>   |                 |                   |                                 |           |           |
| Annual water charges  | <u>6,502</u>    | 89.39%            | 93.49%                          | 94.07%    |           |
| Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions  | <u>7,274</u>    |                   |                                 |           |           |
| <b>7. Annual water charges, interest and extra charges outstanding percentage</b>   |                 |                   |                                 |           |           |
| Annual water and extra charges outstanding  | <u>554</u>      | 7.92%             | 7.28%                           | 7.57%     |           |
| Annual water and extra charges collectible  | <u>6,999</u>    |                   |                                 |           |           |

#### Notes

<sup>(1)</sup> 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

<sup>(2)</sup> 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



**End of the audited financial statements**

## 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 2022/23 result

2022/23 ratio (6.53)%

Council's operating result was impacted by lower than expected water sales due to wet weather. Depreciation costs on infrastructure also increased due to the full impact of the revaluation of water assets at 30 June 2022.

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 2022/23 result

2022/23 ratio 81.28%

Council has a strong level of own source revenue through water availability and water sales. Council has limited opportunities to access grants.

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 2022/23 result

2022/23 ratio 13.49x

Council continues to maintain a strong liquidity position. Council is able to meet 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 2022/23 result

2022/23 ratio ∞

Council currently has no borrowings.

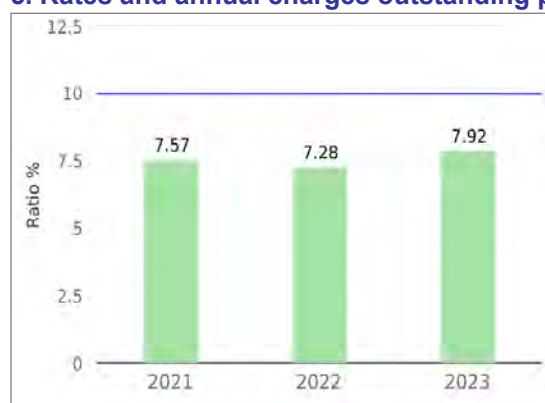
Benchmark: — > 2.00x

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 2022/23 result

2022/23 ratio 7.92%

Outstanding water charges continue at consistent levels to the previous two years. Council has undertaken a higher level of debt recovery action since the end of the COVID pandemic and this has assisted in maintaining the ratio at a satisfactory level.

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 2022/23 result

2022/23 ratio 22.45 months

Council has a strong capacity to meet its operating expenses in the event of anything happening that may adversely impact its revenue inflows.

Benchmark: — > 3.00months

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   | 2023    | 2022    | 2021    | 2020    | 2019    |
|---|---------|---------|---------|---------|---------|
| <b>Inflows:</b>   |         |         |         |         |         |
| Rates and annual charges revenue                                  | 1,720   | 1,658   | 1,602   | 1,573   | 1,523   |
| User charges revenue  | 4,956   | 4,456   | 3,968   | 5,015   | 4,929   |
| Interest and investment revenue (losses)                          | 289     | 67      | 59      | 120     | 195     |
| Grants income – operating and capital                             | 1,192   | 949     | 1,492   | 630     | 11,565  |
| Total income from continuing operations                           | 8,928   | 7,852   | 7,504   | 7,720   | 18,861  |
| Sale proceeds from IPPE   | 130     | 257     | 97      | 321     | 154     |
| <b>Outflows:</b>  |         |         |         |         |         |
| Employee benefits and on-cost expenses                            | 2,384   | 2,133   | 2,222   | 1,991   | 2,026   |
| Borrowing costs   | –       | 11      | 49      | 83      | 114     |
| Materials and contracts expenses                                  | 2,583   | 2,192   | 2,236   | 2,232   | 1,046   |
| Total expenses from continuing operations                         | 7,800   | 6,757   | 7,330   | 7,129   | 6,894   |
| Total cash purchases of IPPE                                      | 2,693   | 1,852   | 2,105   | 2,351   | 3,576   |
| Total loan repayments (incl. finance leases)                      | –       | 413     | 532     | 497     | 466     |
| Operating surplus/(deficit) (excl. capital income)                | (526)   | (463)   | (1,582) | (265)   | 82      |
| <b>Financial position figures</b>                                 |         |         |         |         |         |
| Current assets  | 11,226  | 9,735   | 8,504   | 7,916   | 7,245   |
| Current liabilities   | 1,569   | 1,431   | 1,962   | 1,944   | 2,053   |
| Net current assets  | 9,657   | 8,304   | 6,542   | 5,972   | 5,192   |
| Available working capital (Unrestricted net current assets)       | 504     | (9)     | 1,844   | 1,858   | 1,785   |
| Cash and investments – unrestricted                               | 500     | 500     | 500     | 499     | 500     |
| Cash and investments – internal restrictions                      | 9,456   | 8,021   | 6,817   | 6,243   | 5,628   |
| Cash and investments – total                                      | 9,968   | 8,533   | 7,392   | 6,815   | 6,129   |
| Total borrowings outstanding (loans, advances and finance leases) | –       | –       | 413     | 945     | 1,442   |
| Total value of IPPE (excl. land and earthworks)                   | 183,530 | 168,669 | 152,875 | 159,195 | 156,076 |
| Total accumulated depreciation                                    | 83,440  | 75,203  | 72,390  | 78,484  | 75,360  |
| Indicative remaining useful life (as a % of GBV)                  | 55%     | 55%     | 53%     | 51%     | 52%     |

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

## G1-3 Council information and contact details

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**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](http://www.ctw.nsw.gov.au)

**Email:** [water@ctw.nsw.gov.au](mailto: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 Andrew Rawson

**Councillors**

Cllr Allan Ewin  
Cllr Marlene Nash  
Cllr Paul Best  
Cllr Michelle Cook

**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 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 2023, the Statement of Financial Position as at 30 June 2023, 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 2023, 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).

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

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 2023 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 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 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](http://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 the Special Schedules
- 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.

A handwritten signature in black ink, reading 'Monique Bartley'. The signature is fluid and cursive, with the first name 'Monique' and the last name 'Bartley' clearly distinguishable.

Monique Bartley  
Delegate of the Auditor-General for New South Wales

24 October 2023  
SYDNEY



Cr David Somervaille  
Chairperson  
Central Tablelands County Council  
PO Box 61  
BLAYNEY NSW 2799

Contact: Monique Bartley  
Phone no: 02 9275 7204  
Our ref: R008-16585809-44925

24 October 2023

Dear Chairperson

**Report on the Conduct of the Audit  
for the year ended 30 June 2023  
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 2023 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 2023 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

|   | 2023 | 2022 | Variance |
|---|------|------|----------|
|   | \$m  | \$m  | %        |
| Annual charges revenue                      | 1.72 | 1.66 | ↑ 3.6    |
| User charges revenue                        | 4.96 | 4.46 | ↑ 11.2   |
| Grants and contributions revenue            | 1.67 | 1.57 | ↑ 6.4    |
| Operating result from continuing operations | 1.13 | 1.09 | ↑ 3.7    |

|  |        |        |      |
|--|--------|--------|------|
| Net operating result before capital grants and contributions | (0.53) | (0.46) | 15.2 |
|--|--------|--------|------|

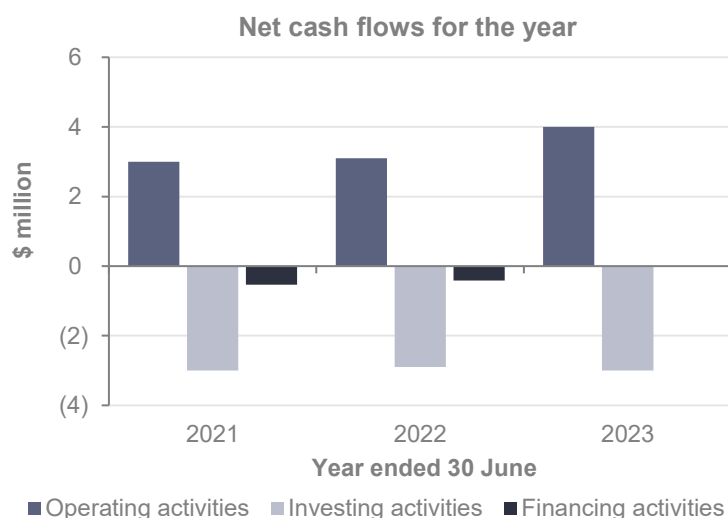
The Council's operating result from continuing operations (\$1.13 million including depreciation and amortisation expense of \$2.73 million) was \$40,000 higher than the 2021-22 result.

The net operating result before capital grants and contributions (deficit of \$0.53 million) increased by \$7,000 compared to 2021-22 (deficit of \$0.46 million).

Revenue from user charges and fees increased by \$0.5 million compared to 2021-22, due to declining wet weather conditions within the region. Drier weather conditions increased stock watering resulting in a significant increase in 'Rural' specific user charges. Additionally, 'Other' specific user charges significantly increased due to the Flyers Creek Development and additional revenue generated from standpipes within this development.

## STATEMENT OF CASH FLOWS

There has been minimal change in the overall cashflows of Council for the last three years. The loan was paid out in full in March 2022, therefore zero cash payments in financing activities in 2022-23.



## FINANCIAL POSITION

### Cash and investments

| Cash and investments   | 2023        | 2022        | Commentary  |
|--|-------------|-------------|---|
|  | \$m         | \$m         |   |
| <b>Total cash, cash equivalents and investments</b>              | <b>9.97</b> | <b>8.53</b> | Externally restricted balances funds held in respect of specific purpose liabilities.                           |
| Restricted and allocated cash, cash equivalents and investments: |             |             | Balances are internally allocated due to Council policy or decisions for forward plans including work programs. |
| • External restrictions  | 0.01        | 0.01        |   |
| • Internal allocations   | 9.46        | 8.02        |   |



## Debt

At 30 June 2023, Council had:

- no external borrowings as loans were paid out in full during the 2021-22 financial year.
- access to a \$45,000 (30 June 2022: \$45,000) credit card facility, which was unused at year-end.

## PERFORMANCE

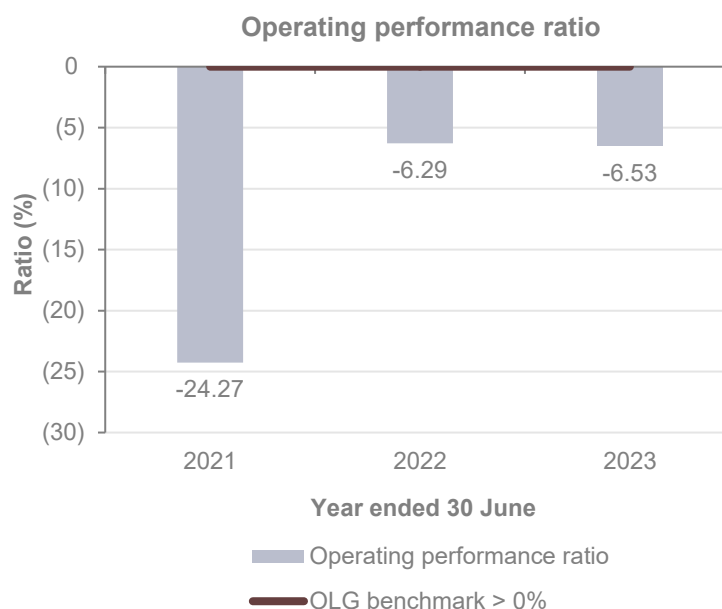
### Performance measures

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 and Environment.

#### Operating performance ratio

Council has improved the ratio but remains below the benchmark for the current year. Due to Council's relatively small size, small dollar movements can result in large percentage movements.

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 exceeded the benchmark for the last three financial years.

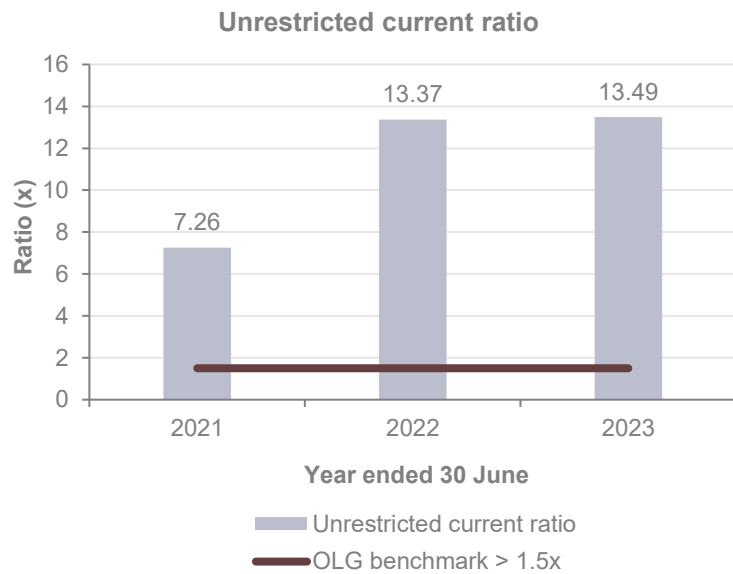
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



### Unrestricted current ratio

Council continues to meet the OLG benchmark.

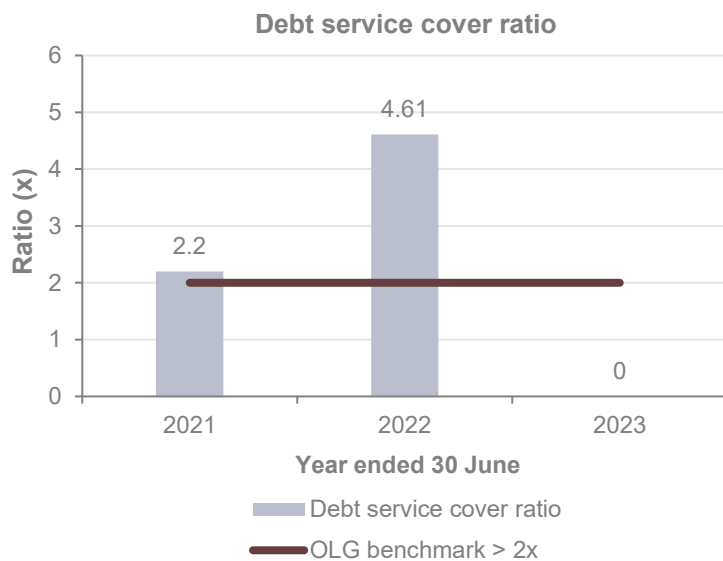
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



### Debt service cover ratio

Council exceeded the benchmark for the previous reporting periods. In the current reporting period Council did not have any debt.

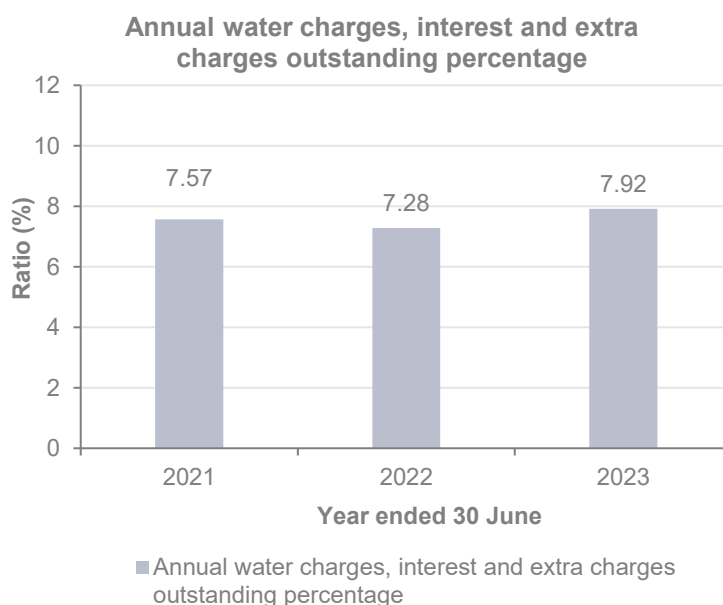
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



## Annual water charges, interest and extra charges outstanding percentage

Council's annual water charges, interest and extra charges outstanding ratio has remained consistent over the past three years.

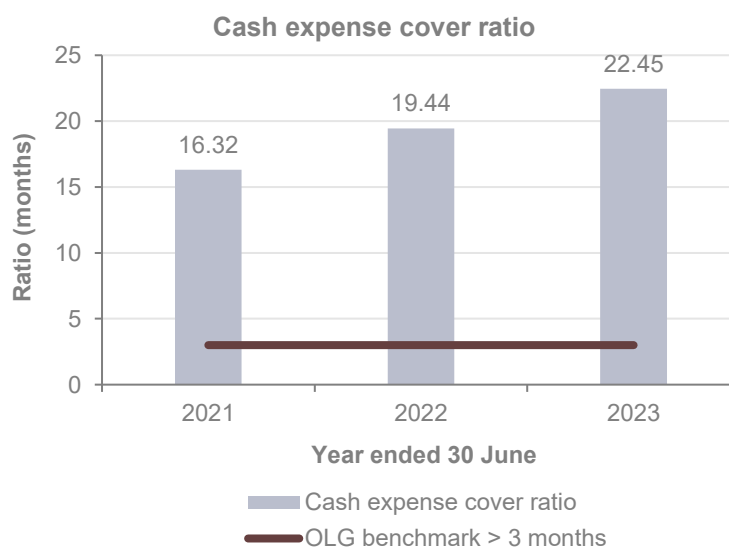
The 'annual water charges, interest and extra charges outstanding percentage' assesses the impact of uncollected charges on council's liquidity and the adequacy of debt recovery efforts. There is no benchmark set by OLG.



## 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

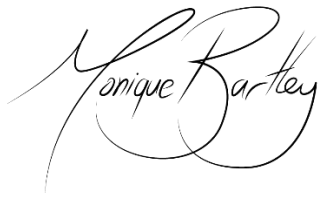
Council has renewed \$0.75 million of infrastructure assets in the 2022-23 financial year compared to \$0.64 million in the 2021-22 financial year. A further \$1.95 million was spent on new assets during the 2021-22 financial year (\$1.35 million).

## OTHER MATTERS

### 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.

A handwritten signature in black ink, reading 'Monique Bartley'. The signature is fluid and cursive, with the first name 'Monique' and last name 'Bartley' clearly legible.

Monique Bartley

Audit Leader, Financial Audit

Delegate of the Auditor-General for New South Wales

# Central Tablelands Water

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2023

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*"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 2023

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### 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 2023

### Statement by Councillors and Management

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#### 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:

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- 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
- Sections 3 and 4 of the NSW Department of Planning and Environment, *Water's Regulatory and assurance framework for local water utilities*.

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,
- accord with Council's accounting and other records; and
- 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 16 August 2023.



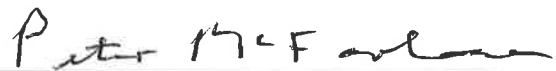
**Cllr David Somerville**  
**Chairperson**  
16 August 2023



**Cllr Andrew Rawson**  
**Deputy Chairperson**  
16 August 2023



**Gavin Rhodes**  
**General Manager**  
16 August 2023



**Peter McFarlane**  
**Responsible Accounting Officer**  
16 August 2023

## Central Tablelands Water

### Income Statement of water supply business activity

for the year ended 30 June 2023

| \$ '000  | 2023          | 2022          |
|--|---------------|---------------|
| <b>Income from continuing operations</b>                                   |               |               |
| Access charges   | 1,720         | 1,658         |
| User charges   | 4,956         | 4,456         |
| Interest and investment income   | 289           | 67            |
| Grants and contributions provided for operating purposes                   | 17            | 16            |
| Other income   | 267           | 74            |
| Rental income  | 25            | 23            |
| <b>Total income from continuing operations</b>                             | <b>7,274</b>  | <b>6,294</b>  |
| <b>Expenses from continuing operations</b>                                 |               |               |
| Employee benefits and on-costs   | 2,384         | 2,133         |
| Borrowing costs  | –             | 11            |
| Materials and services   | 2,583         | 2,192         |
| Depreciation, amortisation and impairment                                  | 2,727         | 2,340         |
| Net loss from the disposal of assets                                       | 51            | 67            |
| Other expenses   | 55            | 14            |
| <b>Total expenses from continuing operations</b>                           | <b>7,800</b>  | <b>6,757</b>  |
| <b>Surplus (deficit) from continuing operations before capital amounts</b> | <b>(526)</b>  | <b>(463)</b>  |
| Grants and contributions provided for capital purposes                     | 1,654         | 1,558         |
| <b>Surplus (deficit) from continuing operations after capital amounts</b>  | <b>1,128</b>  | <b>1,095</b>  |
| <b>Surplus (deficit) from all operations before tax</b>                    | <b>1,128</b>  | <b>1,095</b>  |
| <b>Surplus (deficit) after tax</b>   | <b>1,128</b>  | <b>1,095</b>  |
| <b>Plus accumulated surplus</b>  | <b>47,999</b> | <b>46,904</b> |
| <b>Plus adjustments for amounts unpaid:</b>                                |               |               |
| <b>Closing accumulated surplus</b>   | <b>49,127</b> | <b>47,999</b> |
| <b>Return on capital %</b>   | <b>(0.5)%</b> | <b>(0.5)%</b> |
| <b>Subsidy from Council</b>  | <b>4,669</b>  | <b>3,959</b>  |
| <b>Calculation of dividend payable:</b>                                    |               |               |
| Surplus (deficit) after tax  | 1,128         | 1,095         |
| Less: capital grants and contributions (excluding developer contributions) | (1,654)       | (1,558)       |
| <b>Surplus for dividend calculation purposes</b>                           | <b>–</b>      | <b>–</b>      |
| <b>Potential dividend calculated from surplus</b>                          | <b>–</b>      | <b>–</b>      |

## Central Tablelands Water

### Statement of Financial Position of water supply business activity

as at 30 June 2023

| <b>\$ '000</b>                                | <b>2023</b>    | <b>2022</b>    |
|---|----------------|----------------|
| <b>ASSETS</b>                                 |                |                |
| <b>Current assets</b>                         |                |                |
| Cash and cash equivalents                     | 2,268          | 933            |
| Investments                                   | 7,700          | 7,600          |
| Receivables                                   | 1,040          | 915            |
| Inventories                                   | 210            | 239            |
| Contract assets and contract cost assets      | –              | 31             |
| Other   | 8              | 17             |
| <b>Total current assets</b>                   | <b>11,226</b>  | <b>9,735</b>   |
| <b>Non-current assets</b>                     |                |                |
| Receivables                                   | 1              | 1              |
| Infrastructure, property, plant and equipment | 103,071        | 95,832         |
| Intangible assets                             | 25             | 49             |
| <b>Total non-current assets</b>               | <b>103,097</b> | <b>95,882</b>  |
| <b>Total assets</b>                           | <b>114,323</b> | <b>105,617</b> |
| <b>LIABILITIES</b>                            |                |                |
| <b>Current liabilities</b>                    |                |                |
| Payables                                      | 567            | 478            |
| Income received in advance                    | 27             | 36             |
| Employee benefit provisions                   | 975            | 917            |
| <b>Total current liabilities</b>              | <b>1,569</b>   | <b>1,431</b>   |
| <b>Non-current liabilities</b>                |                |                |
| Employee benefit provisions                   | 21             | 11             |
| <b>Total non-current liabilities</b>          | <b>21</b>      | <b>11</b>      |
| <b>Total liabilities</b>                      | <b>1,590</b>   | <b>1,442</b>   |
| <b>Net assets</b>                             | <b>112,733</b> | <b>104,175</b> |
| <b>EQUITY</b>                                 |                |                |
| Accumulated surplus                           | 49,127         | 47,999         |
| Revaluation reserves                          | 63,606         | 56,176         |
| <b>Total equity</b>                           | <b>112,733</b> | <b>104,175</b> |

## 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 2021* (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.

### 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 – **25%** (21/22 25%)

Land tax – the first \$969,000 of combined land values attracts **0%**. For the combined land values in excess of \$969,000 up to \$5,925,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$5,925,000 a premium marginal rate of **2.0%** applies.



## Note – Significant Accounting Policies (continued)

Payroll tax – **5.45%** on the value of taxable salaries and wages in excess of \$1,200,000.

In accordance with section 4 of Department of Planning and Environment (DPE) – Water's regulatory and assurance framework, 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 regulatory and assurance framework as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to sections 3 and 4 of DPE – Water's regulatory and assurance framework 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 relevant corporate income tax rate, currently 25% (20/21 26%).

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 25% 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 4.02% at 30/6/23.

#### (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)

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A local government water supply and sewerage business is permitted to pay annual dividends from their water supply or sewerage business surpluses. Each dividend must be calculated and approved in accordance with section 4 of DPE – Water's regulatory and assurance framework and must not exceed 50% of the relevant surplus in any one year, or the number of water supply or sewerage assessments at 30 June 2023 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with section 4 of DPE – Water's regulatory and assurance framework, statement of compliance and statement of dividend payment, dividend payment form and unqualified independent financial audit report are submitted to DPE – Water.



## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the special purpose financial statements**

#### **Central Tablelands County Council**

To the Councillors of 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 2023, the Statement of Financial Position of the Declared Business Activity as at 30 June 2023 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 2023, 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 2022–23 (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).

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

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 2023 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](http://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.

A handwritten signature in black ink, reading 'Monique Bartley'. The signature is fluid and cursive, with the first name 'Monique' and last name 'Bartley' clearly legible.

Monique Bartley  
Delegate of the Auditor-General for New South Wales

24 October 2023  
SYDNEY



# Central Tablelands Water

SPECIAL SCHEDULES  
for the year ended 30 June 2023

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



# Central Tablelands Water

## Special Schedules

for the year ended 30 June 2023

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| Report on infrastructure assets as at 30 June 2023 | 3    |

## Central Tablelands Water

### Report on infrastructure assets as at 30 June 2023

| 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 | 2022/23 Required maintenance <sup>a</sup> | 2022/23 Actual maintenance | Net carrying amount | Gross replacement cost (GRC) | Assets in condition as a percentage of gross replacement cost |              |              |              |             |
|-----------------------------|--------------------|---|---|---|----------------------------|---------------------|------------------------------|---|--------------|--------------|--------------|-------------|
|                             |                    | \$ '000   | \$ '000   | \$ '000                                   | \$ '000                    | \$ '000             | \$ '000                      | 1   | 2            | 3            | 4            | 5           |
| <b>Buildings</b>            | Buildings          | 400   | 200   | 84  | 87                         | 2,014               | 3,599                        | 58.0%   | 31.0%        | 0.0%         | 10.0%        | 1.0%        |
|                             | <b>Sub-total</b>   | <b>400</b>  | <b>200</b>  | <b>84</b>                                 | <b>87</b>                  | <b>2,014</b>        | <b>3,599</b>                 | <b>58.0%</b>  | <b>31.0%</b> | <b>0.0%</b>  | <b>10.0%</b> | <b>1.0%</b> |
| <b>Water supply network</b> | Filtration Plants  | 2,171   | 840   | 814                                       | 867                        | 8,952               | 16,268                       | 10.0%   | 42.0%        | 38.0%        | 10.0%        | 0.0%        |
|                             | Reticulation Mains | 1,105   | 1,060   | 475                                       | 612                        | 22,578              | 35,848                       | 55.0%   | 29.0%        | 12.0%        | 4.0%         | 0.0%        |
|                             | Trunk Mains        | 1,000   | —   | 218                                       | 131                        | 35,399              | 67,895                       | 42.0%   | 40.0%        | 18.0%        | 0.0%         | 0.0%        |
|                             | Bores              | 152   | 50  | 70  | 80                         | 367                 | 686                          | 5.0%  | 38.0%        | 41.0%        | 12.0%        | 4.0%        |
|                             | Reservoirs         | 5,646   | 2,686   | 176                                       | 96                         | 9,260               | 20,415                       | 5.0%  | 17.0%        | 54.0%        | 24.0%        | 0.0%        |
|                             | Dams               | 12,150  | 7,973   | 89  | 67                         | 9,799               | 21,948                       | 18.0%   | 2.0%         | 9.0%         | 70.0%        | 1.0%        |
|                             | Pump Stations      | 1,377   | 471   | 459                                       | 335                        | 6,724               | 10,466                       | 41.0%   | 36.0%        | 14.0%        | 7.0%         | 2.0%        |
|                             | Telemetry          | 43  | 9   | 92  | 83                         | 407                 | 636                          | 57.0%   | 8.0%         | 32.0%        | 3.0%         | 0.0%        |
|                             | Other              | —   | —   | 5   | 5                          | 593                 | 621                          | 100.0%  | 0.0%         | 0.0%         | 0.0%         | 0.0%        |
|                             | <b>Sub-total</b>   | <b>23,644</b>   | <b>13,089</b>   | <b>2,398</b>                              | <b>2,276</b>               | <b>94,079</b>       | <b>174,783</b>               | <b>34.4%</b>  | <b>30.0%</b> | <b>21.5%</b> | <b>13.8%</b> | <b>0.3%</b> |
| <b>Total – all assets</b>   |                    | <b>24,044</b>   | <b>13,289</b>   | <b>2,482</b>                              | <b>2,363</b>               | <b>96,093</b>       | <b>178,382</b>               | <b>34.9%</b>  | <b>30.0%</b> | <b>21.1%</b> | <b>13.7%</b> | <b>0.3%</b> |

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

#### Infrastructure asset condition assessment 'key'

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

# Central Tablelands Water

## Report on infrastructure assets as at 30 June 2023

### Infrastructure asset performance indicators (consolidated) \*

| \$ '000  | Amounts<br>2023 | Indicator<br>2023 | Indicators<br>2022      2021 |         | Benchmark |
|--|-----------------|-------------------|------------------------------|---------|-----------|
| Buildings and infrastructure renewals ratio                              |                 |                   |                              |         |           |
| Asset renewals <sup>1</sup>  | 746             | 28.29%            | 29.94%                       | 19.52%  | > 100.00% |
| Depreciation, amortisation and impairment                                | 2,637           |                   |                              |         |           |
| Infrastructure backlog ratio   |                 |                   |                              |         |           |
| Estimated cost to bring assets to a satisfactory standard                | 24,044          | 24.18%            | 47.86%                       | 34.55%  | < 2.00%   |
| Net carrying amount of infrastructure assets                             | 99,435          |                   |                              |         |           |
| Asset maintenance ratio  |                 |                   |                              |         |           |
| Actual asset maintenance   | 2,363           | 95.21%            | 82.81%                       | 107.65% | > 100.00% |
| Required asset maintenance   | 2,482           |                   |                              |         |           |
| Cost to bring assets to agreed service level                             |                 |                   |                              |         |           |
| Estimated cost to bring assets to an agreed service level set by Council | 13,289          | 7.45%             | 7.34%                        | 2.03%   |           |
| Gross replacement cost   | 178,382         |                   |                              |         |           |

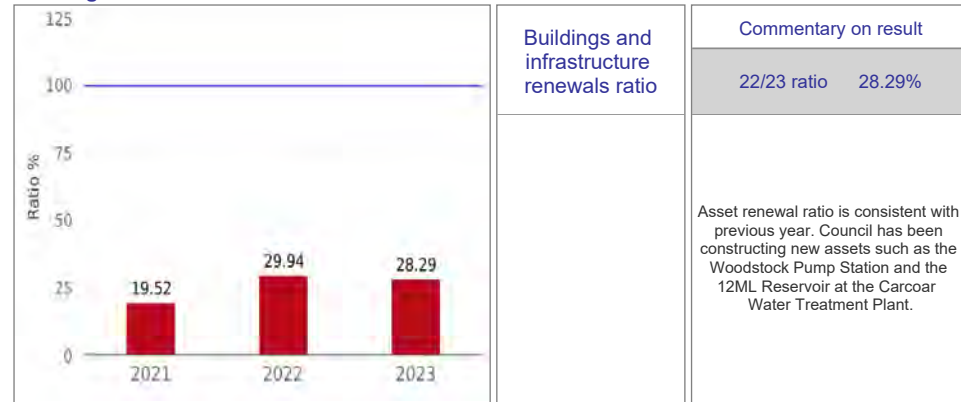
(\*) All asset performance indicators are calculated using classes identified in the previous table.

(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 2023

### Buildings and infrastructure renewals ratio



Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Asset maintenance ratio



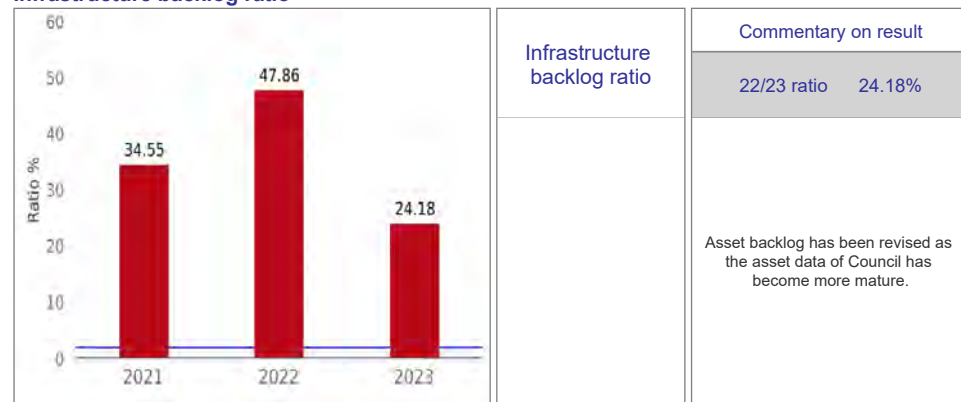
Benchmark: — > 100.00%

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

